

Labor Strike in Communist Society: A Comparison between the Soviet Union and Poland

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- Abstract -

The present study explains the difference in labor militancy between the Soviet Union and Poland by examining causes and patterns of labor strikes in the two countries. Instead of attributing the difference in labor militancy between the two countries to the different conditions of “shop-floor politics,” this study employs a strategy of a macro-level approach to labor strikes, and examined the association of strikes with fluctuations in workers’ real consumption. On this basis, this paper attempts to capture the nature of the “social contract” between the regime and labor in the communist state. The main arguments of this paper can be summarized as follows. In both countries the primary cause of labor protests was the downfall of workers’ real consumption. The primary cause of the difference in labor militancy between the two countries lay in different degrees of fluctuations in the workers’ real consumption. Frustration of rising expectation such as sharp downfall of worker’s real wage repeatedly led directly to regime-labor confrontations in Poland. In contrast, the Soviet leadership localized labor disputes while avoiding a sharply rising expectation among workers and by maintaining a stable increase in workers’ consumption at the national level. The comparison of the two countries confirms that the legitimacy of communist rule was based mainly on the economic performance of the regime. The higher level of workers’ militancy in Poland was due to the lower level of the Polish regime’s economic performance i.e. the failure to keep the “social contract.” The labor quiescence continued in the Soviet Union thanks to the regime’s capacity to provide the workers with economic security and steady increase in the standard of living, particularly during the Brezhnev leadership.

Key words: Soviet Union, Poland, Labor Strike, Trade Union, ‘Social Contract’

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1. Introduction

This paper is concerned with a different legacy of communist regimes: the difference in levels of working class militancy between the Soviet Union and Poland. In the 1960s and 1970s, the Soviet Union could maintain a peaceful industrial order without resort to totalitarian measures; labor strikes were very few and unorganized, and lasted for only one or two days; according to an estimation, the number of strike was no more than a few dozen even during a peak period in the early 1960s.¹⁾ The Soviet workers continued to be quiescent without a significant workers' movement until coal miners struck in 1989. By contrast, we saw quite a different picture in Poland. At least four waves of massive and intense labor protest occurred and swept the country (in Poznan in June, 1956; in Szczecin-Gdynia-Gdansk in 1970-71; in Radom-Ursus in 1976; in Gdansk in 1980). Three of them led directly to changes in regime leadership (in 1956, 1970, and 1980). The Polish workers were eventually capable of building up Solidarity, the first independent trade union and later a social movement organization, through which the Polish workers finally obtained access to state power. What conditions produced such a difference? As an attempt to answer this question, the present paper compares the patterns of labor strikes between these two countries by examining the periods of the Brezhnev regime in the Soviet Union and the Gomulka-Gierek regimes in Poland.

This paper also aims to shed some light on the nature of the "social contract" in communist state. "Social Contract" perspective assumes that the government has the responsibility to provide economic prosperity and/or political democracy in return for compliance on the part of the citizens.²⁾

1) Alex Pravda (1979) "Spontaneous Workers' Activities in the Soviet Union," in Arcadius Kahan and Blair A. Ruble (eds.) *Industrial labor in the USSR*, New York: Pergamon Press, pp. 348-350.

2) For the "social contract" or "welfare authoritarianism" model, see George W. Breslauer (1984) "On the Adaptability of Soviet Welfare-State Authoritarianism," in Erik Hoffman and Robin F. Laird (eds.) *The Soviet Polity in Modern Era*,

Strikes are a collective work stoppage in which the workforce joins together to withdraw labor and to exercise pressure on employers in order to gain economic and noneconomic advantages. In capitalist society the strike is a form of industrial conflicts mainly between employees and employers, in which government is not necessarily involved.

By contrast, in communist society government is directly involved in the industrial conflict because it is the *de facto* employer. A labor strike was not explicitly illegal, but was practically not recognized by government for political and ideological as well as economic reasons. Ideologically, in communist society the workers collectively owned the means of production. Therefore, industrial conflict such as a strike meant a conflict against oneself. And, because the state acts as the *de facto* employer, an occurrence of strike could not but signal a direct confrontation between the workers and the workers' state. For these reasons, the leadership of communist state quickly responded to labor strikes with concessive as well as repressive measures. Thus, significant labor strikes occurred relatively rarely in communist society whereas they have long been an integral part of industrial conflict in capitalist society. An occurrence of labor strike meant an explicit breakdown of an implicit "social contract" between the regime and workers. In this respect, this paper reexamines the nature of regime-labor relation in communist society by identifying causes and patterns of the strikes in the

New York: Aldine, pp. 219-246; Linda J. Cook (1992) "Brezhnev's 'Social Contract' and Gorbachev's Reform," *Soviet Studies*, Vol. 44, No. 1, pp. 37-56; Janine Ludlam (1991) "Reform and the Redefinition of the Social Contract under Gorbachev," *World Politics*, Vol. 43, No. 2, pp. 284-312; David Lane and Felicity O'Dell (1978) *The Soviet Industrial Worker*, London: Martin Robertson, Chapter 3: "The 'Alienated' or the 'Incorporated' Worker?"; Blair A. Ruble (1983) "The Applicability of Corporatist Models to the Study of Soviet Politics: The Case of the Trade Unions," *The Carl Beck Papers in Russian and East European Studies*, paper no. 303, Pittsburgh: University of Pittsburgh, pp. 1-70; Valerie Bunce and John M. Echols III (1980) "Soviet Politics in Brezhnev Era: Pluralism or Corporatism?," in Donald R. Kelly (ed.) *Soviet Politics in the Brezhnev Era*, New York: Praeger, pp. 1-26.

Soviet Union and Poland.

In capitalist society strike studies have been widely conducted and have identified diverse variables associated with causes of strikes. These studies can be divided into two general categories: macro-level and micro-level studies.³⁾

A micro-level strike analysis aims to examine causes of strikes on an industry-by-industry basis or a firm-by-firm basis. Thus, it focuses on the characteristics of firms, industry, union and other regional conditions. It is useful in explaining why an industry/firm is more vulnerable to strike than others. However, this strategy loses much of usefulness when we try to explain differences in labor militancy between the two countries with common micro-economic structures and behaviors. In fact, the state-socialist model of industrialization created almost the same industry/firm structures, behaviors of management and labor, and labor force composition in the Soviet Union and Poland.⁴⁾ Therefore, micro-level factors fail to explain the contrast between these two countries.

A macro-level strike analysis aims to identify the causes of strikes on the national level by examining the effect of economic, political and organizational factors on strikes. Most of strike studies employ economic variables such as the business cycle, fluctuations in workers' real wage, labor market condition, union bargaining power, etc. Variables such as labor market condition and union bargaining power are almost meaningless in explaining strikes in communist society; the labor market was stable at the level of full employment and official trade unions did not use strike measures in collective bargaining process as their counterparts in capitalist society do. However, in

3) Hoyt N. Wheeler (1985) *Industrial Conflict: An Integrative Theory*, Columbia: University of South Carolina Press, pp. 36-59.

4) One difference between the two countries was that industrialization began earlier in the Soviet Union than in Poland and therefore the Soviet workers experienced more generational changes. Another difference was that the Soviet Union had a larger defense sectors (12-14 percent of GNP in the Soviet Union as compared with 3.2 percent in Poland in 1980), where the skilled workers were concentrated.

communist society excessive emphasis on investment at the expense of consumption produced widespread discontent among the workers. Furthermore, in communist societies the level of workers' real consumption fluctuated with the cycle of compromise between growth goals and consumerist pressures, which was comparable to the business cycle in capitalist society.

It has also been argued that strikes are caused mainly not by economic conditions but by political or organizational conditions. A common conclusion of the strike studies focusing on the political factors is that the capacity of inclusion/control mechanisms of labor, for example, centralized union and left party, has a significant effect on the rates of strikes. In communist societies, workers' interest articulation was channeled and controlled by social organizations including trade union as well as by the Party. Another conventional wisdom has postulated that the "civil society" played a decisive role in the creation of the Solidarity.⁵⁾

These factors are important variables that need to be carefully examined in accounting for the working class formation. But this paper does not deal with them as it focuses only on the "cyclical pattern" of the Polish workers' massive strikes and the contrasting docility of the Soviet workers. It intends to capture the nature of "social contract" in communist societies by comparing different patterns of labor strikes at the national level.

2. Limitations of Micro-level "Shop-Floor Politics" Studies

Before analyzing the macro-level economic and socio-political factors, it is necessary to reevaluate the "shop-floor politics" studies as a popular micro-level approach to the study of workers in communist society. They attributed the different levels of workers' militancy in communist societies to the different configurations of shop-floor tensions in socialist firms. It seems

5) Certainly, the intelligentsia and the church were far more active in Poland than in any other communist country. However, this does not warrant that the high level of the Polish workers' militancy was due to the influence of these two factors.

that the approach exaggerated the effect of tensions at the shop-floor on workers' collective action although it captured the complex structure of labor-management relations in socialist firms.

The "shop-floor politics" studies inspired by "real socialism" model refuted an assumption of the totalitarianism model that in communist society workers were powerless and repressed without any outlet for grievances.⁶⁾ Key themes in these studies were (1) that under planned economy the workers had bargaining power *vis-a-vis* managers; (2) however, atomization of the workers persisted because the workers exercised the bargaining power not collectively but individually.

These arguments were based on the interpretation of the planned economy as a "system of bargaining."⁷⁾ Under state socialism the plan guided the flow of inputs and outputs of production. The planner wanted more output out of less input whereas the manager wanted the opposite. This generated the plan bargaining, through which the plan targets were determined. Because fulfillment of the targets was the most important criterion of success for the firm, the manager bargained with the planner for a loose plan that could be easily fulfilled. And, the manager concealed information, underestimated his plant's capacity and even held back production because future targets were dependent on present actual performance (the "ratchet principle").⁸⁾ Furthermore, the manager sought to increase his bargaining power *vis-a-vis* planners through expansion. Thus, investment demand escalated and became the main cause of chronic shortage of supply needed for production. Under the condition of supply shortage and "soft budget constraint," the manager hoarded resources in order to

6) For the image of the workers assumed by totalitarianism perspective, see Murray Seeger (1981) "Eye-Witness to Failure," in Leonard B. Schapiro and Joseph Godson (eds.) *The Soviet Worker*, London: Macmillan, pp. 96-105.

7) Charles F. Sabel and David Stark (1982) "Planning, Politics and Shop-Floor Power: Hidden Forms of Bargaining in Soviet-Imposed State-Socialist Societies," *Politics and Society*, Vol. 11, No. 4, pp. 439-475.

8) Joseph Berliner (1976) *The Innovation Decision in Soviet Industry*, Cambridge: MIT Press, p. 437.

meet the uncertainty imposed by the planner, exacerbating the shortage.⁹⁾

The same logic created the labor shortage in the planned economy. Managers hoarded labor because labor reserve was an effective hedge against uncertainties such as an abrupt increase in plan targets and supply delays which were inherent in the planned economy. The attempt to meet plan targets necessitated some periods of intensive labor, i.e. "storming." Labor shortage, competition among workers for additional labor reserves and official commitment to full employment made it possible for the workers to increase their bargaining power *vis-a-vis* managers. The size of labor force was critical to the manager who had political and economic ambition. His income was also dependent on the size of the wage fund at his plant. The failure of Shchekino experiment aimed to reduce the overmanning could be explained by these managerial behaviors; they resisted surrendering their labor reserves.¹⁰⁾ To conceal information from the planner, the manager needed cooperation on the part of the workers. Moreover, the continuous reorganization of the labor process generated by supply shortages allowed a good deal of bargaining power to the workers, particularly the skilled workers.¹¹⁾

"Shop-floor politics" scholars found a variety of individualized outlet of workers' discontents in communist society, for example, labor turnover, absenteeism, alcoholism, informal bargaining over norms, and participation in the second economy. The style of industrial organization was tolerant of these individual forms of "deviance" that acted as safety-valves.¹²⁾ Thus, the lack

9) Janos Kornai (1986) "The Hungarian Reform Process: Visions, Hopes and Reality," *Journal of Economic Literature*, Vol. 24, No. 4, pp. 1715-1717.

10) Henry Norr (1986) "Shchekino: Another Look," *Soviet Studies*, Vol. 38, No. 2, p. 158.

11) Michael Burawoy (1985) *The Politics of Production: Factory Regimes under Capitalism and Socialism*, London: New Left Books, p. 163.

12) Walter D. Connor (1979) "Workers, Politics and Class Consciousness," in Arcadius Kahan and Blair A. Ruble (eds.), pp. 317-321; P. K. Edwards (1986) *Conflict at Work: A Materialist Analysis of Workplace Relation*, Oxford: Basil Blackwell, pp. 304-308; Viktor Zaslavsky (1979) "The Regime and the Working Class in the USSR," *Telos*, No. 42, pp. 5-20; George Bersten and

of collective action on the part of Soviet workers was attributed to the particularized exercise of workers' bargaining power under conditions of labor shortage or the dependence of workers on enterprise. Then, why did the Polish workers turn to labor protest even though they had such individualized outlets for discontent?

Burawoy touched on this question in a brief comparison of Soviet, Polish and Hungarian workers.¹³⁾ His explanation seems to show the impossibility of explaining different degrees of working class militancy on the basis of shop-floor politics. First, he hypothesized that greater autonomy of the Hungarian firm allowed management to effectively divide the workers at the shop-floor; in Poland the higher degree of centralized control left management less autonomy to maneuver and preempt industrial conflict and thus brought about a more cohesive opposition to the directing center. But, why did workers fail to establish such a cohesive opposition in the Soviet Union where the autonomy of the manager was similarly restricted? Burawoy suddenly changed the level of analysis from a micro- to macro-level and attributed the absence of workers' movement in the Soviet Union to the "weakness of civil society." But, the "spontaneous" nature of the Polish workers' strikes refuted Burawoy's argument that existence of an autonomous civil society was the precondition for the development of working class movement in communist states. As Laba and Goodwyn showed, there is ample evidence that alleged representatives of "civil society" – church and intelligentsia – played only a minor role in the Polish labor movement.¹⁴⁾ The reemergence of civil society in Poland was aided by the development of working class movement, not the other way round. Burawoy had better have addressed the question of why the weakness of the civil society continued in

Russell Bova (1990) "Worker Power under Communism: The Interplay of Exit and Voice," *Comparative Economic Studies*, Vol. 32, No. 1, pp. 42-72.

13) Burawoy (1985), pp. 198-200.

14) Roman Laba (1991) *The Roots of Solidarity*, Princeton: Princeton Univ. Press; Lawrence Goodwyn (1991) *Breaking the Barrier: The Rise of Solidarity in Poland*, Oxford: Oxford Univ. Press.

the Soviet Union even after the extensive industrialization and the end of Stalinist oppression. In short, the question remains unresolved: why did the Polish workers frequently turn to intense strikes whereas the Soviet workers did not? Our analysis needs to go beyond the boundary of the micro-level “shop-floor politics.”

3. Economic Fluctuations in the Planned Economy

In spite of communist regime’s official denial, economic fluctuation in communist society was widely observed by many scholars.¹⁵⁾ The origin of the cyclical fluctuation of economy was attributed to investment cycle inherent in the central planning. The investment cycle resulted from planner’s overemphasis on industrial growth and technological progress, which favored overinvestment at the sacrifice of consumption in the allocation of resources, along with a disproportionate allocation of resources within the investment sector. The level of investment considered appropriate by the planners (which was already an overinvestment) tended to be exceeded to a large extent by the aggregate investment claims formulated by enterprises. The end results were the overexpansion of investment and “overstraining of the investment plan.” However, the expansion of investment could not but slow down because of limits to the investment fund. Investment expanded again and a new cycle began when new resources became available. The investment cycle necessitated other cycles such as cycles of consumption and balance of trade. Accordingly, the growth rate of workers’ real consumption fluctuated even in a period of economic growth.

The economic fluctuation as such increased the potential of political tension

15) Charles F. Sabel and David Stark (1982); T. Bauer (1978) “Investment Cycles in Planned Economies,” *Acta Oeconomica*, Vol. 21, No. 3, pp. 244-260; Roy Dahlstedt (1980) *Cyclical Fluctuation under Central Planning: An Inquiry into the Nature and Causes of Cyclical Fluctuation in the Soviet Economy*, Helsinki: Helsinki School of Economics.

between the planners and consumers (workers) because consumers' time-preferences might be different from that of planners. Moreover, communist regime's ideological propaganda about economic growth and the Stalinist strategy of industrialization raised workers' expectation that the future would bring large-scale improvements in the standard of living. The regime's stability came to increasingly depend on the width of the gap between workers' consumption expectation and regime's capacity to deliver consumer goods.

The actual degrees of the fluctuations and the width of the gap between expectation and actual level of real consumption were different across communist countries. Bauer's study seems to explain the differences.¹⁶⁾ The planner had two options under the condition of "overstraining of the investment plan." One was to complete the investment projects by raising the rate of accumulation and/or by deteriorating the balance of trade as compared with the initial plan. The other was to observe strictly the initially planned level of investment and rate of accumulation by delaying and suspending certain projects. Poland and other Eastern European countries showed the former pattern. The Soviet Union adopted the latter and avoided accelerating the rate of accumulation above the initially planned level.

In fact, Poland had accelerated the investment rate by reducing the share of consumption of national income in 1950s and 1960s or by increasing the share of foreign debt compared with the national income as well as the amount of exports in 1970s. As a result, Poland experienced sharp fluctuations of investment and consumption rates. In contrast, due to a relatively stable and modest growth rate of investment, the economic fluctuation was considerably dampened in the Soviet Union. The large size of economy also made the Soviet Union less sensitive to internal and external disturbances.¹⁷⁾ The Soviet Union maintained a relatively stable growth of workers' consumption, particularly during the Brezhnev leadership. The different strategies led to different regime-labor relations in Poland and the Soviet Union.

16) T. Bauer (1978), p. 225.

17) Roy Dahlstedt (1980), p. 24.

4. Economic Performance of the Brezhnev regime

The Brezhnev regime reduced the gap between workers' expectation and the actual level of consumption. On the one hand, the Brezhnev leadership reduced the consumer expectation generated by Khrushchev's slogans such as "imminent abundance" or "victory in overtaking US." On the other hand, it secured a modest but stable growth rate of consumption. Throughout his rule Brezhnev advocated massive investment in agriculture, which was financed at the expense of long-term growth in the heavy-industry. Share of agriculture in total investment steadily increased from 23 percent in mid-1960s to 27 percent in the late 1970s. Although Brezhnev and Kosygin differed in their relative priority of agriculture versus light industry, the Soviet policy priority was still given to the growth of consumption. Brezhnev co-opted Kosygin's policy that emphasized the delivery of other consumer goods and encouraged heavy industrial complex to produce consumer goods (so-called "industrial consumer goods").¹⁸⁾ Defense expenditures and long-term growth in heavy industry was alternately sacrificed. Brezhnev also expanded consumer-oriented foreign trade even when he reduced his commitment to light industry.

In short, "consumption was protected relative to investment"¹⁹⁾ and the workers' real consumption steadily improved until the early 1980s though the growth rate of per capita consumption slowed down over time. Due to this policy orientation, the Soviet food prices were artificially maintained at low level and changed very little. In contrast with Poland, the Brezhnev regime did not attempt to reduce food subsidies or deflate demand by increasing prices. It meant that the Soviet regime was at least fiscally capable of

18) For the trends of policy priority during the Brezhnev's era, see George W. Breslauer (1982) *Khrushchev and Brezhnev as Leaders: Building Authority in Soviet Politics*, London: George Allen & Unwin. Also for the stability during the Brezhnev era, see Seweryn Bialer (1980) *Stalin's Successors: Leadership, Stability, and Change in the Soviet Union*, Cambridge: Cambridge Univ. Press, Chapter 8.

19) Edward A. Hewett (1988) *Reforming the Soviet Economy: Equality versus Efficiency*, Washington, D.C.: The Brookings Institution, p. 67.

increasing food imports.²⁰⁾

The Brezhnev regime's macro-economic performance created a pattern of strikes which was strikingly different from that of Poland. As in Poland, in the Soviet Union the strikes were caused by economic grievances, and the strikes caused by food shortage tended to be most intense. Strikes in the late days of Khrushchev era were comparable to those of Poland. During the Khrushchev leadership, Soviet workers' real consumption remained at low level even in absolute terms; the rate of increase in basic wage was modest and piecework rates were even reduced. A nationwide rise in food prices brought about a wave of strikes. The largest strikes occurred in Novocherkassk in 1962, which was triggered by food price increases coupled with a reduction in rates of pay. Since then did occur no strike on such a scale anywhere in the USSR although strikes became more frequent in late 1970s.²¹⁾ But, during the Brezhnev era, the labor strikes were no longer caused by nationwide price increases in consumer goods but by purely local grievances such as work conditions, safety regulation, the raising of plant-specific work-norms and inadequate food supply. Thus, labor strikes were localized and immediately settled.

20) For the trend of the Soviet's food imports, see Paul R. Gregory and Robert C. Stuart (1990) *Soviet Economic Structure and Performance*, London: Harper & Row, p. 311; Trevor Buck and John Cole (1987) *Modern Soviet Economic Performance*, Oxford: Basil Blackwell, p. 66; Marshall I. Goldman (1983) *USSR in Crisis: The Failure of an Economic System*, New York: W. W. Norton, pp. 65-66.

21) Alex Pravda (1981) "Political Attitudes and Activity," in Jan F. Triska and Charles Gati (eds.) *Blue-Collar Workers in Eastern Europe*, London: George Allen & Unwin; Elizabeth Teague (1988) *Solidarity and the Soviet Workers*, London: Croom Helm, pp. 36-48; Albert Boiter (1964) "When the Kettle Boils Over," *Problems of Communism*, Vol. 13, No. 1, pp. 33-43; Betsy Gidwitz (1982) "Labor Unrest in the Soviet Union," *Problems of Communism*, Vol. 31, No. 6, pp. 25-42.

5. A Vicious Cycle in Poland

The distinctive feature of the Polish strike experience was its pattern of cyclical repetition. First of all, it should be noted that Polish labor strikes were concentrated only in certain period (in 1956, 1970-71, 1976 and 1980); except for these periods, Poland experienced no more than the number of strikes ("a few dozen" a year) which occurred in the Soviet Union.²²⁾ Second, the immediate causes of all four intense and nationwide labor protests were announcements of sharp restrictions on workers' real consumption; three of them (in 1970, 1976, 1980) were caused by steep increases in the prices of consumer goods, mainly foods; the other (in 1956) was caused by regime's plan to raise the work norm, which also would adversely affect workers' real wage. Third, in the above four cases, all announced price increases or norm changes were subsequently cancelled by the regime within a very short time (for instance, 24 hours in 1976). Fourth, the workers were granted sizeable wage increases (for example, 20 percent in 1956-57 and 22 percent in 1971-72).²³⁾ Finally, in three of the four cases (in 1956, 1970, 1980) labor protests led to changes in the leadership and the new leaders promptly admitted mismanagement in the previous administration and recognized the legitimacy of workers' grievances.

Through these repeated experiences, Polish workers became increasingly militant and came to use strikes as an institutionalized mechanism to defend their interests. On the other hand, the regimes were constrained by labor and forced to deliver higher level of workers' consumption than previous regime had done. Valerie Bunce once analyzed the "leadership succession cycle" of policy in which consumption increases during succession periods and left to

22) Alex Pravda (1981), p. 55.

23) Jadwiga Staniszkis (1984) *Poland's Self-Limiting Revolution*, Princeton: Princeton University Press, p. 256. Because of these concessive measures (artificial maintenance of the low prices and/or increase in wage), there occurred time-lags in the actual downfall of consumption and therefore consumption cycles calculated *a posteriori* do not exactly fit the timings of the waves of labor strikes.

incremental growth, once the leadership crisis has been resolved. Her data shows far more severe fluctuations in this cycle in Poland than in any other communist states, which signified the more labor-constrained nature of the Polish regime.²⁴⁾

Why then could the Polish regimes not avoid such a vicious cycle? The answer lay in the fact that the fluctuation of macro-economic performance limited the regimes' capacity to reduce the gap between workers' expectation and actual consumption levels. The Polish postwar economic development can be divided into three periods: Stalinist postwar reconstruction, Gomulka's autarkic development and Gierek's import-led modernization.²⁵⁾ The first decade of communist rule (1944-56) transformed Poland into the world's tenth largest industrial state. The phase of three-year plan of postwar construction (1947-49) was the most successful in terms of raising popular consumption. The per capita consumption increased by 52.2 percent over that of 1946. But, during the next phase of forced industrialization (1950-53), per capita consumption decreased while real wages decreased still more. However, during the last phase of this period (1954-56), the regime, insecure as a consequence of Stalin's death, increased per capita consumption slightly by 14.5 percent over that of 1953.²⁶⁾ The year of 1956 saw the beginning of a long-term decline in economic growth.²⁷⁾ However, the labor strikes and political disturbances in 1956 forced the newly established Gomulka regime to

24) See these data in Valerie Bunce (1981) *Do New Leaders Make a Difference?: Executive Succession as Public Policy under Capitalism and Socialism*, Princeton: Princeton Univ. Press, pp. 166-167.

25) This periodization is based on the regimes' growth strategies. For other periodization in actual economic performance, see Jadwiga Staniszkis (1984), pp. 248-277; Ian Shapiro (1981) "Fiscal Crisis of the Polish State: Genesis of the 1980 Strikes," *Theory & Society*, Vol. 10, No. 4, pp. 471-476.

26) Bogdan Mieczkowski (1978) "The Relationship between Changes in Consumption and Politics in Poland," *Soviet Studies*, Vol. 30, No. 2, pp. 263-264.

27) Average annual growth rates in national income already began to fall from 8.6 between 1951 and 1955 to 6.5 between 1956 and 1960 and 6.2 between 1961 and 1965. Ian Shapiro (1981), p. 474.

artificially increase consumption, along with a fall in investment growth.

As the regime was consolidated, Gomulka pursued a basically autarkic anti-consumption policy. The rate of accumulation became “even higher than those during the Stalinist industrialization drive,” which could be sustained only at the expense of consumption. Capital accumulation rate was growing steadily from 23.1 percent of national income in 1960 to 25.4 percent in 1965 and to 26.1 percent in 1970. On the other hand, the Gomulka regime limited the growth of wages in industry to around 70 percent of productivity growth. Accordingly, real wages, which had been growing at an average annual rate of 8.3 percent between 1954 and 1958 (7.7 percent for the first three years of the Gomulka regime) fell to an average annual rate of 1.5 percent between 1959 and 1965.²⁸⁾ During the period of 1960 to 1970, the average annual growth rate of real wage reached only 1.8 percent, which was the lowest growth rate among European CMEA countries during 1960s. During the whole period of 1959 to 1967, per capita consumption rose only 24.3 percent over that of 1958 and it even declined from 1968 to 1970.²⁹⁾ It is for this reason that the Gomulka regime succeeded in controlling inflationary pressure by maintaining tight income policy; the demand for consumer goods increased very little. This explains the relatively peaceful relation between labor and the regime in this period.

But, the poor economic performance as such could not be continued indefinitely and in 1968 Gomulka adopted a new strategy for 1970-75, so-called “selective industrial development.” His new program was intended to concentrate investment outlays in a few industries such as fuel, power, chemicals, and electronics, and to retain the slow growth of consumption and real wages of the 1960s. Dismissal of a large number of workers,

28) Domenico Mario Nuti (1981) “The Polish Crisis: Economic Factors and Constraints,” in R. Miliband and J. Saville (eds.) *The Socialist Register*, London: The Merlin Press, p. 116; George Blazycyca (1982) “The Degeneration of Central Planning in Poland,” in Jean Woodall (ed.) *Policy and Politics in Contemporary Poland*, New York: St. Martin’s Press, p. 115.

29) Bodgan Mieczkowski (1978), p. 264.

introduction of “new incentive system” and a downfall of workers’ real consumption were envisaged for the early 1970s.³⁰⁾ During Christmas season in 1970, immediately after the announcement of a price increase for highly subsidized basic consumer goods, massive strikes occurred and brought about the fall of Gomulka.

In contrast with Gomulka’s autarkic anti-consumption policy, Gierek adopted an “import-led” pro-consumption economic growth strategy. The strategy seemed to be a success at least in the early 1970s. In the first half of the 1970s, Poland saw a sharp improvement in the standard of living. Monetary wages and real wages increased at an average annual rate of 9.8 percent and 7.2 percent respectively. At the same time, Poland recorded its highest capital accumulation rate; in fact, annual accumulation rates recorded 30 to 35 percent during mid-1970s.³¹⁾ This was made possible by massive imports of western technology and machinery as well as grains and other consumer goods.

However, the rapid increase of real wages resulted in sharply rising consumer expectations. Excessive demand for consumer goods emerged and the demand was extended to housing and durables.³²⁾ At the same time, Gierek’s strategy exacerbated the trade deficit and hard currency debt. Gierek opted for short- and mid-term loans. Debt-service ratio expanded from 27 percent of merchandise exports in 1974 to 43 percent in 1975 and to 70 percent in 1980.³³⁾ From the beginning, in addition, the Gierek regime was forced to freeze prices for two years, which was extended until 1975.

30) Bartara Simatupang (1988) “Economic Crisis and Full Employment: The Polish Case,” *The Journal of Communist Studies*, Vol. 4, No. 3, pp. 287-288.

31) See Nuti (1981), p. 106, Table 1.

32) Where the share of expenditure for food and other basic consumer goods is too large in comparison with total personal income and the shortage of those goods is also great, the large portion of the increased income is usually spent to those goods and thereby exacerbates the existing level of shortage unless the supply of those goods increases sharply. Compare the inflation rates of 4.7 to 8.7 percent since the mid-1970s with those of -1.2, and 0.00 percent in 1971 and 1972, respectively.

33) Ian Shapiro (1981), p. 475.

Subsidies from the state budget expanded from zł 19 billion in 1971 to zł 166 billion in 1980. The maintenance of relatively stable prices in food eventually depleted the fiscal capacity.³⁴⁾ In sum, from the mid-1970s, the gap between workers' consumption expectations and regime's capacity to satisfy it became wider than ever due to the depletion of government's fiscal capacity.

In order to check these developments, Gierek began to reverse his industrial strategy. First of all, Gierek attempted to deflate domestic consumer demand by sharply increasing retail prices of basic consumer goods as well as by reducing imports. In 1976, it was withdrawn within 24 hours after strikes occurred. Then, the regime had to accord priority to consumption over investment between 1976 and 1979; the average growth rate of consumption was artificially maintained higher than that of investment.³⁵⁾ Between 1976 and 1980, however, the Gierek regime gradually implemented price increases with diverse measures including a "two-tier shop" system in order to reduce government subsidies. Despite these efforts, the Polish economy rapidly deteriorated in the late 1970s. The economic growth rate was -2.7 percent in 1979 and -2 percent in 1980. Falling growth and productivity rates and a debt-service/exports ratio of 70 percent forced the regime to hold down consumption further. Strikes occurred again in 1980 although the price increase in consumer goods was fully envisaged in advance. The 1980 strikes occurred after a long period of sharp increase in workers' real consumption whereas the previous ones occurred after slow increases in workers' real consumption.

34) Nuti (1981), p. 109.

35) D'Andrea Tyson (1981) "Aggregate Economic Difficulties and Workers' Welfare," in Jan F. Triska and Charles Gati (eds.), p. 123.

6. Comparison

The above findings can be summarized; (1) a sharp fall (prospected or realized) of workers' real consumption was the main cause of the labor strikes both in Poland and the Soviet Union; however, (2) the more severe fluctuations in the growth of workers' real consumption resulted in the higher level of the workers' militancy in Poland.

Despite their different levels of labor militancy, the Soviet Union and Poland share some experiences. First of all, in both countries the cause of labor strikes was not associated with the absolute levels of workers' real consumption. A low level of real wages did not lead to strikes in the Soviet Union. During the 1960s and early 1970s, the net real wages of the Soviet industrial workers lagged behind that of workers in Eastern Europe by about 20 percent. The growth rate was also relatively low in the Soviet Union.³⁶⁾ Polish workers remained relatively quiescent during the Gomulka regime although the growth in real wages was extremely low. Rather, the cause of labor strikes was associated with fluctuations of workers' real consumption manifested in price increase, deepening of food shortages, and norm changes. In such situations, strikes were used by workers as a final resort to defend (rather than improve) their existing level of consumption.

Second, the labor strike experience in the two countries highlighted the importance of sustaining relatively stable prices in basic consumer goods, foods in particular. In communist societies the share of food expenditure in worker's income (Engel index) was very large. For example, in 1970 the Polish workers spent 58.3 percent of their budget for foods. In the Soviet Union, the figure was lower than in Poland but still great: workers spent 37.9 percent (in 1965) and 31.4 (in 1981) of income for foods.³⁷⁾ Consequently, the impact of the price increases on the worker's real

36) Janet G. Chapman (1979) "Recent Trends in the Soviet Industrial Wage Structure," in Arcadius Kahan and Blair A. Ruble (eds.), p. 166.

37) Wladyslaw Majkowski (1985) *People's Poland*, Westport: Greenwood Press, p. 172.

consumption was severe. Moreover, because of a rigid and artificial price system, price increases, whenever implemented, tended to be very sharp³⁸⁾ and accordingly their psychological impact was very great. Furthermore, in communist societies price increases motivated almost everyone as a consumer to act collectively for a public good i.e. cancellation of the increase whereas food shortage usually made consumers compete against one another.³⁹⁾ Therefore, strikes caused by price increases were the most intense. In short, the fiscal capacity of government to sustain food subsidies played a decisive role in maintaining communist regime's stability.

The two countries differ greatly in this respect. With relatively sound fiscal capacity, the Soviet Union could avoid the nationwide price increases that occurred in Poland, though there were chronic food shortages and, from time to time, the shortages were exacerbated in certain regions, peripheral regions in particular.

In order to maintain a sound fiscal capacity, it was necessary for communist governments to avoid generating excessive demand while securing a relatively stable and balanced growth in investment and consumption. The Brezhnev regime achieved a "steady" growth of workers' real consumption, which allowed the regime to avoid excessive demand for consumer goods while at the same time satisfying worker's expectation. In contrast, Poland experienced severe fluctuations in investment and consumption rates, which

38) In Poland, magnitude of price hike was from 30 to 100 percent. See Wladyslaw Majkowski (1985), pp. 75-77.

39) According to J. M. Montias, impact of price increases on the semi-skilled and skilled workers was almost the same as that of a comparable deterioration of good shortage. That is, the poor people were the main victims. Thus, he argued that the impact of price increases on the leading group of workers was mainly psychological. J. M. Montias (1981) "Observation on Strikes, Riots and Other Disturbances," in Jan F. Triska and Charles Gati (eds.), p. 180. In addition, because price increases, unlike shortage of supply, deprived the low income earners of the opportunity to buy goods that they had bought in the past and some people could still buy them, it made low income earners more keenly aware of inequalities.

increasingly widened the gap between workers' expectation and the regime's capacity to deliver consumer goods⁴⁰⁾ and periodically necessitated the sharp downfall of workers' real consumption by steep increases in consumer goods. In sum, Polish workers' militancy was raised by the fluctuations in worker's consumption levels i.e. periodical announcement of sharp reductions of workers' real consumption after a relatively long period of ("steady" in 1960s or "sharp" in 1970s) rising expectations which were stimulated by the regime's propaganda and/or economic growth.

7. Conclusion

The present study explained the difference in labor militancy between the Soviet Union and Poland by examining causes and patterns of labor strikes in the two countries. Instead of attributing the difference in labor militancy between the two countries to the different conditions of "shop-floor politics," this study employed a strategy of a macro-level approach to labor strikes, and examined the association of strikes with fluctuations in workers' real consumption. On this basis, this paper attempted to capture the nature of the "social contract" between the regime and labor in the communist state.

The main arguments of this paper can be summarized as follows. The primary cause of the difference in labor militancy between the two countries lies in different degrees of fluctuations in the workers' real consumption. Frustration of rising expectation such as sharp downfall of worker's real wage repeatedly led directly to regime-labor confrontations in Poland. In contrast, the Soviet leadership localized labor disputes while avoiding a sharply rising

40) For example, during 1960s and 1970s, personal savings increased by 23.6 times (the highest rate among CMEA countries) in Poland and 10.9 times in USSR. The higher rate in Poland meant existence of excessive demand and shortage which reinforced inflationary pressures. J. Wilczynski (1983) *Industrial Relation in Planned Economies, Market Economies and the Third World*, New York: St. Martin's Press, p. 153.

expectation among workers and by maintaining a stable increase in workers' consumption at the national level.

We see the two sets of identities in communist society i.e. the identity of state-employer-income redistributor on the one hand and the identity of citizen-employee-consumer on the other hand. Because of this dichotomous structure, an occurrence of labor strike immediately signified the breakdown of social contract between the regime and labor, and therefore it was inherently very "political." That is, the responsibilities and failure of the state to deliver economic welfare became simply "transparent" to the workers and therefore economic issues were quickly transformed into political ones.

In both countries the primary cause of labor protests was the downfall of workers' real consumption. The factors of the capacity of trade union and the existence of active civil society were relatively constant variables in identifying causes of strikes in both countries; although there were always widespread workers' discontents with the trade unions or frustrated participation in management, even in Poland labor strikes were concentrated only in the periods of degeneration in the regime's economic performance.

The common experience as such in the two countries confirms that the legitimacy of communist rule was based mainly on the economic performance of the regime. As far as provision of economic welfare was acceptable, the workers accepted the rule of communist regime, at least implicitly. But, the downfall of workers' real consumption used to politicize the economic issues, making issues of economic inequality and nationalist sentiments more salient and thus leading to the breakdown of regime's legitimacy. In a nutshell, the higher level of workers' militancy in Poland was due to the lower level of the Polish regime's economic performance i.e. the failure to keep the "social contract." As a corollary, the labor quiescence continued in the Soviet Union thanks to the regime's capacity to provide the workers with economic security and steady increase in the standard of living, particularly during the Brezhnev leadership.

The above discussions support the "social contract" perspective. But, the "social contract" perspective, as a variant of relative deprivation theory, has the problem that reduces the complex process of workers' collective action

simply to the actual or expected downfall of living standards. Nevertheless, it seems to be particularly useful in highlighting the “cyclical pattern” of the Polish workers’ spontaneous strikes that the conventional “civil society” argument fails to explain. Further analysis on the subsequent development of Solidarity, which is beyond the aim of this paper, requires comprehensive research on the political opportunities, resource mobilization and framing process, as social movement literature suggests.



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개요

공산주의 사회에서의 노동자 파업:
소련과 폴란드의 경우 비교

임 경 훈*

이 논문은 소련과 폴란드에서의 노동자 파업의 원인과 양상을 비교한다. 이를 통해 이 논문은 공산주의 사회에서 정권과 노동계급 사이에 암묵적인 ‘사회계약’이 작동했다는 관점을 평가한다. 필자는 공산사회에서의 노동계급 집단행동에 관한 미시적 설명이 지닌 한계를 지적하고, 거시적인 경제변수가 노동계급의 집단행동과 전투성에 결정적 변수였다고 주장한다. 즉, 브레즈네프 집권기 소련은 노동자들의 소비 수준을 안정적이고 꾸준히 향상시킴으로써 노동계급의 순응성을 확보한데 반해, 폴란드에서는 정부의 경제적 실패와 그에 따른 노동자 소비 수준의 급격한 변동으로 인해 노동자들의 파업이 반복되고 정권 지도부가 교체되는 악순환이 발생하였다. 소련과 폴란드 노동자들의 대조적 행태와 함께 공통점들도 추출해 냄으로써 이 논문은 국가가 고용주였던 공산주의 체제의 특성 상 공산주의 정부의 정치적 정당성이 소비와 복지를 안정적으로 제공할 경제적 능력에 의존할 수밖에 없었다는 점을 강조한다.

주 제 어: 소련, 폴란드, 파업, 노조, ‘사회계약’

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