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Conclusions

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MODERN HISTORY IS characterized by the movement to freedom of labor contract, despite several major setbacks on the way: among them, slavery in the Americas, coolie labor in the Dutch East Indies, and serfdom in Russia. American and Russian forced labor, notably, ended at the same time, in the early 1860s. Some forms of “modern” slavery, especially U.S. slavery, have received considerable attention from economic historians. The more recent experiment with the large-scale use of coerced labor in the Soviet Union received broad literary coverage thanks to the detailed and passionate narratives of survivors, such as Alexander Solzhenitsyn, Evgenia Ginzburg, Varlam Shalamov, and others. There has been, however, little scholarly analysis of the Soviet Gulag as an economic, social, and political institution because of the lack of access to primary data. The decade after the end of the Soviet Union opened even the most secret and painful archives to historians. This book presents the results of years of research by Western and Russian scholars. Some chapters are broad reviews (Chapters 1, 2, and 3); others are case studies of particular “islands” of the “Gulag archipelago.”

Coercion in labor relations was fundamental for the Soviet

regime. Introduced as “compulsory labor service” in the first Soviet Constitution of 1918, it remained a legal norm until the end of the USSR. The extent of labor coercion varied over the years, peaking in the heyday of Stalinism, the late 1930s to the early 1950s. Chapter 2 of this volume shows the methods of coercion and the channels through which coerced labor was distributed during this period. These methods included restrictions on the quitting of jobs in all industrial enterprises introduced on the eve of World War II, the conscription-like recruitment of young people into the “labor reserves,” and more. The average Soviet workplace was itself a mini-Gulag, where minor infractions carried serious criminal punishments. The most striking development of this period was, however, the rise and fall of the Gulag—the Main Administration for Labor Camps—a system of coerced labor disguised as a penitentiary institution. In fact, the Gulag was a huge “corporation” with hundreds of establishments all over the country, responsible for a significant share of output in such industries as mining, lumber, and construction. The Gulag millions-strong labor force combined hardened criminals with prisoners convicted of imaginary political crimes or of minor felonies related to the infringement of sacrosanct state property—often offenses as petty as stealing a sack of grain.

The brief and brutal history of the Gulag poses several questions. Why did it emerge? Was there an economic rationale for this enterprise or was it the by-product of a selfish dictator’s struggle for unchallenged political power? If economic calculation was involved, upon what was it based? The social losses, in the form of high mortality in the Gulag population, are evident. These losses alone do not preclude the possibility that a rational dictator could institute and maintain such a “surplus-extracting” enterprise. However, the dictator’s calculation may have been flawed by the distorted economic indicators in his administrative command economy—in stark contrast to slavery in the American South, which was nested in a market economy where a slave-owner could apply

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market-based economic calculations, treating slaves as capital. In the Soviet Union, the principal miscalculation may have been the notion that Gulag labor was somehow “free,” coming at no cost to society.

Although the Gulag’s economic significance is obvious, one might see the Gulag merely as a subordinate element in the Stalinist political system. The Gulag began with labor camps, such as the infamous SLON (Solovetskii Camp), which served as an institution for “labor correction.” Narratives show that many work assignments in such penal institutions were meaningless and purely punitive. The first notable feat of the Gulag—the White Sea–Baltic Canal—was carried out largely by peasant prisoners who entered the Gulag because of collectivization. The canal opened “on time and on budget” to the drumbeat of publicity by the officious media, but as Khlevnyuk shows in Chapter 3, this project was a waste of resources. The Gulag came into its own with the beginning of the Great Terror in 1937, when the upsurge in political prisoners drastically increased the population of the archipelago. Although the Gulag built and operated such important enterprises as the Magadan gold mines and the Norilsk Nickel Combinat, it could still be argued that the Gulag was primarily an instrument of political persecution. As the morose product of the tyrant’s paranoia, its main goal was to accommodate growing numbers of repressed opponents of the regime and “socially alien elements” (like wealthy farmers and priests), while the economic use of prison labor was simply a by-product of the main political purpose.

If this political interpretation of the Gulag is accurate, then the Gulag and Nazi death camps were not essentially different. Both employed their inmates in one way or another, but their ultimate goal was to bury the debris of a never-ending war between the rulers and the population. Although the directors of actual Gulag operations, who had plans to fulfill, understood the importance of the human capital entrusted to them, the dictator did not.

The timeline of the Gulag's history, however, does not support a purely political interpretation of the dictator's intent. Chapter 3 presents the chronology of the Gulag. The first significant step in the institutionalization of coerced labor dates back to the summer of 1929, immediately preceding the mass influx of labor into the camps from the forced collectivization of the peasantry. The first large projects, such as the White Sea–Baltic Canal, Moscow-Volga Canal, and Dalstroi, began in the years 1930–32. Beginning in 1933, the Gulag appears in state investment plans as a separate entity at the same level as an industrial ministry. Collectivization provided for the early growth of the Gulag, but the Gulag grew in importance as an economic unit throughout the 1930s in the absence of further mass political repression campaigns. The Great Terror of 1937 and 1938 increased the number of inmates by about one-half in two short years, but it disrupted Gulag economic operations as much as any other economic enterprises. In Chapter 3, Khlevnyuk suggests that the high number of executions in 1937 and 1938 was caused by the Gulag's inability to accommodate the enormous influx of new inmates. If the Gulag had been only a political penitentiary, its capacity would have been determined by punitive policy and funded accordingly, unrelated to its economic plans. It appears plausible therefore that the Gulag existed autonomously as an economic agent of the government, specializing in the use of prison labor, although political shocks influenced and sometimes overwhelmed its development. The broader picture presented by Sokolov in Chapter 2 shows that the rise of the Gulag fits the general tendency of increasing reliance on coercion in the Stalinist economy after 1937.

The opportunity for the large-scale use of prisoners in locations where free labor did not want to go might seem serendipitous. Archival traces of administrative communications from the period of the first two Five-Year Plans (1928–37) show complaints from enterprise managers in remote areas about the high turnover and

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problems of recruiting labor. According to Sokolov, attempts to centralize labor contracting through organized recruitment saw little success. In the course of the collectivization campaign that peaked in the period 1929–32, about one million peasant households were ransacked and their members exiled. Collectivization was rational for the selfish dictator since the political benefits (consolidation of power in the countryside) outweighed its economic cost (removal of the most productive farmers to locations where they could not be nearly so productive). Soon collectivization's "unintended benefits" became clear. In 1933, a State Planning Commission (Gosplan) memo on the development of the Far North discussed in a scholarly tone "the recent experience showing that it is beneficial to send sound households to develop remote areas." The analyst, concerned only with the short-run returns for the dictatorial state, naturally did not mention the high percentage of "sound households" that perished in the freezing desert.

The ample evidence presented in this volume suggests that the Stalinist planners and administrators were concerned with the costs and profits of Gulag enterprises—however perverted this notion may be when applied to the ruthless exploitation of prison labor. The evidence also shows that economic calculation (or at least some sort of crude accounting) was used in the evaluation of construction projects that were to receive prison labor input. Obviously, there was no accounting for lost freedom. There was accounting, however, for lost lives—the lost "surplus" from the dictator's point of view—except in periods when the overwhelming increases in the number of prisoners created the perception of endless pools of costless labor. In periods of relative stability, the Gulag administration was concerned with the mortality and morbidity rates of the prison population, a natural concern of a selfish ruler who has a sufficiently long time horizon, but not of a tyrant who seeks only to destroy his political enemies.

Gulag economic calculation was distorted, as in other parts of

the economy, by administrated prices. In particular, the Gulag had no notion of capital markets that would have allowed for the cynical but accurate valuation of inmate-capital in the same way as slaves. The Gulag accounting did not go beyond the short run, focusing on inmate subsistence and the personnel payroll. A large part of the fixed cost of coercion fell below the Gulag's radar screen. In fact, coercion was expensive, and its cost was not limited to the payment of camp guards. Coercion required the creation of a legal and technical infrastructure that could not be internalized by a single labor camp or even the entire Gulag. Major Gulag camps were located far from inhabited areas: in Siberia, the European North, and Kazakhstan. Narratives show that Kolyma prisoners, assigned to a new job, often hiked from one camp to another without convoy. There was no way to escape. The concentration of forced labor was particularly beneficial when the natural environment itself lowered security costs or even created increasing returns to the investment in security. Moreover, as Chapter 5 shows, nominally free workers in isolated locations like Norilsk could be treated in much the same way as prisoners. At the same time, hiring out prisoners to civil enterprises created security costs. Therefore, the geography of the Gulag may have been not only the result of the wish to launch projects in areas where free labor was prohibitively expensive but also of the constraints on coercion expenditures.

To place prisoners in locations where the cost of coercion was low, the Gulag had to bear the high cost of transporting them to remote locations. Furthermore, the benefit of the low cost of coercion in isolated locations contradicted the goals of development. Better roads that lowered transportation costs also broke the isolation and increased the probability of escapes. There were additional hidden costs of coercion. Not only the camp guards and harsh Siberian terrain coerced prisoners; in effect, the whole country was a single police network. Maintaining this network was not the Gulag's responsibility, but Gulag leaders were its beneficiaries. The

Gulag was in a sense a free-rider on the huge machinery of coercion run by Stalin's government.

Gulag special interests deserve particular mention. As an economic agency of the state, the Gulag was given a certain autonomy, was subject to budget constraints (although soft, as in other Soviet economic units), and was rewarded when successful in fulfilling its plans. As a producer, it sought to obtain the optimal mix of labor skills to execute its projects. Therefore it had to resort to hiring free, qualified labor. On the other hand, the Gulag was given the monopoly right for distributing "costless" prison labor, as Chapter 1 points out. The Gulag naturally sought to clear the balance by hiring out excess prison labor to civil enterprises. The fact that it secured the right to contract out labor is remarkable, given the generally negative attitude in the Soviet economy toward any form of lease. It was thought that resources should be allocated optimally; if an agency could not use its resources it should yield them back to the state rather than rent them out. Since the Gulag received revenue from leasing prison labor, the possibility existed that the Gulag might turn into a rent-seeker, fighting for increases in the prison population for the sole purpose of hiring out prisoners. The figures in Table 1.3 in Chapter 1 suggest that the process was under way—the share of "contract workers" increased from 11 percent in 1941 to 25 percent in 1950—and was restrained only in the last years of the Gulag's existence.

The main hidden cost of coercion is the loss of productivity. To induce workers to exert more effort, a manager can choose to increase wages, supervision, or supervision in its extreme form, coercion. Low pay alone may not be the best solution if the productivity of penal labor is sufficiently lower than that of free labor. If penal workers are paid 50 percent less but are 50 percent less productive, the cost of labor per unit of output is the same. If the wages of free workers are 50 percent above subsistence and penal workers are paid at subsistence, free labor is "cheaper" if the pro-

ductivity of free workers is more than 50 percent higher than that of penal labor. The decisive turn toward coercion in the 1930s thus signals that the Stalinist leadership, “dizzy with success” over collectivization, came to believe that penal workers, like collectivized peasants, could be forced to work efficiently without real material incentives. Chapters 2 and 5 show that by the late 1940s Gulag administrators realized the inefficiency of coercion combined with low pay. They started introducing material incentives in labor camps, thus closing the gap between free and prison labor.

And what about the “benefits” of the Gulag? The argument that forced labor created projects of high value for the national economy, such as the Norilsk Combinat, which produces today a substantial share of the world’s output of platinum and nickel, does not disprove the existence of better alternatives. Free workers avoided going to the Far North, not because of an idiosyncratic aversion to its harsh climate, but because they were never offered adequate compensation. If the enterprise promised such high returns, it would have been rational to pay wages high enough to attract highly productive free labor. Instead the government used its resources to amass overwhelming coercive power to force inmates to work at subsistence wages, thus reducing accounting cost in the short run.

It is easy to misjudge the Gulag’s contribution because its more lasting monuments—the Moscow metro, the Moscow University, and the Norilsk Nickel Combinat—are what remain. Forgotten are the “roads to nowhere,” long fallen into the decay that is not unique to Gulag projects. The countries of the former Soviet Union are cemeteries of failed construction projects, which would never have been started if project analysis had not been distorted by the absence of market pricing in the national economy and by the country’s isolation from international markets. Many such projects came into being merely because of fleeting political considerations.

The end of the Gulag can be regarded as a declaration of bankruptcy in the strict economic sense. In the early 1950s, it found itself

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unprofitable: its revenues were not sufficient to cover the cost of its active labor force and the maintenance of the nonworking part of the Gulag population. The Gulag had to plead for subsidies from the state budget. Gulag managers were aware that the labor productivity of its workers was 50 to 60 percent lower than that of free workers. Near its end, the Gulag employed one guard for every ten workers. It is noteworthy that it was Lavrenty Beria, the head of the secret police and the ultimate Gulag insider, who argued in favor of shutting down the system. Beria, probably better than others, understood the Gulag's deep economic flaws. The cynical logic of the rising dictatorship brought the Gulag into being, and the pragmatism of the post-Stalinist regime put it to an end.

Here are 10 conclusions that won't change, regardless of what comes next: 1. Players Who Get Injured Always Get Injured. Kelly took on several important roster pieces despite their history of injuries. It would be a desperate or deluded team president who risked his own future on Kelly's right now. And that's largely because . . . 10. Going Fast Doesn't Surprise Defenses Any Longer. This league adjusts very quickly. The pace advantage the Eagles had in 2013 has now turned on them. The conclusion of an essay may be the toughest section to write. Think about it; you're really tired at this point. It's probably the night before your paper is due and you just want to be done. So, the temptation is there to simply rush through it, and hope that your teacher is exhausted once she gets to your paper and doesn't bother to read it fully. But the conclusion is probably the most important part of the paper. It ties everything together up nicely in the end. Suggested Citation:"10 Conclusions and Recommendations." National Research Council and Institute of Medicine. 2002. Community Programs to Promote Youth Development. Washington, DC: The National Academies Press. doi: 10.17226/10022. —. Save. Cancel. CHAPTER 10 Conclusions and Recommendations. In recent years, a number of social forces have changed both the landscape of family and community life and the expectations for young people. 10. Conclusions and recommendations. The SCHER opinion states: 4. CONCLUSIONS. Indoor environment is a complex issue in terms of toxicology and health risk assessment. There are many different types of pollutants which may give rise to combined effects.