

Solving employment problems in a labour-surplus region of the USSR: The case of Azerbaijan

F. A. FARADZHEV *

The demographic background

An unfavourable demographic situation has developed in the Soviet Union as a result of the long-term consequences of the Second World War and the related cyclical drop in the natural growth rate of the country's population. This has been accompanied, since 1980, by a sharp rise in the absolute and relative numbers of workers reaching pensionable age. These are people who were born during the demographic explosion of the 1920s and are now retiring. At present the number of pensioners is over 55 million¹ and is growing with the increase in average life expectancy. These processes will exert a restraining influence on the growth of the country's labour resources for the foreseeable future.

At the same time, the specific regional characteristics of our enormous country have also affected the demographic processes in a number of Republics, especially in Central Asia and Trans-Caucasia, where both the population and the labour force are growing rapidly. Azerbaijan in particular is one of the Republics where the population of working age is growing at a far higher rate than in the USSR as a whole. Although its population constitutes only 2.4 per cent (6.8 million people) of that of the entire country, in the 1980s Azerbaijan has been accounting for no less than 11 per cent of the growth in the population of working age, which gives added importance to the question of the optimal utilisation of labour resources nation-wide.

Changing the general structure of employment

The challenge in a labour-surplus region is to focus planning and investment on the establishment of labour-intensive industries there. For objective reasons these regions are being earmarked, so to speak, for the priority development of relatively labour-intensive modern manufactures for which the economy feels a constant need: national interests dictate the

* Deputy Chairman of the State Planning Committee of the Azerbaijan Soviet Socialist Republic.

necessity of speeding up the development in particular of labour-intensive branches of engineering, light, local and other industries in areas where there is no scarcity of manpower. Moreover, as experience has shown, their development has a powerful social impact, above all because it increases employment in sectors that play a key role in scientific and technological progress such as instrument making, the radio industry and electrical engineering, and hence gives rise to a large influx of highly skilled workers, scientific and technical personnel, a corresponding increase in remuneration, improved work organisation, etc.; in a word, socio-economic progress is made more dynamic.

The economic significance of such changes in the structure of employment is also evident from the fact that the move towards modern factories using skilled labour automatically leads to an increase in public labour productivity. In Azerbaijan it has been estimated that in the 1970s structural changes in employment in material production alone made it possible, thanks to the transfer of highly skilled labour to more efficient branches, for the Republic to achieve a 15 per cent increase in labour productivity.

The choice of the mainspring for the development of industry in Azerbaijan – engineering, which has grown 5.3-fold over the past 15 years² – was dictated also by the relatively large number of jobs per unit of output produced that characterises its various branches. This is of great social significance, as is clear from the fact that, if we take the average number of workers needed to produce 1 million items of industrial output in Azerbaijan, production of the same number of items in the engineering industry requires three to four times more workers.

As a result, the orientation of regional investment policy towards the establishment of factories in labour-intensive branches helps to enhance the cost-effectiveness of capital expenditures on measures to increase employment. Hence, despite the high cost of advanced modern engineering plant, a single workplace in these branches costs two to three times less than the average for a workplace in Azerbaijan, while in chemicals and petrochemicals the cost is ten times higher, not to mention the fact that the petroleum industry is capital-intensive. A similar investment effect can be observed in light industry.

Improvement of the employment structure has entailed carrying out an exceptionally large-scale construction programme. To assist the Republic's efforts in this area the Soviet Government adopted a number of special resolutions in the 1970s concerning the development of Azerbaijan's economy and its most important industries, and earmarked large capital outlays which helped to speed up significantly the economic growth rate and the creation of new jobs. The scale of growth in capital investment is seen in the fact that, whereas between 1966 and 1975 the outlay amounted to 13,100 million roubles, in the following ten years it rose to 24,300 million roubles, i.e. an increase of almost 90 per cent.²

The high rate of growth achieved by industry in Azerbaijan in the 1970s and the first half of the 1980s produced an increase of 190 per cent in the

volume of industrial production. One of the main reasons for this dynamic development was the availability of sufficient labour resources for this leading branch of the economy.

Agriculture in Azerbaijan is turning more and more to the cultivation of southern crops such as cotton, grapes, tea and tobacco, and it is worth noting that agricultural output over the same period increased by more than 130 per cent. The dynamism of the agricultural sector is largely attributable to the shift towards these labour-intensive crops. Partly because of this, over the past 15 years the Republic's national income increased by 160 per cent. These rates were higher than the corresponding rates for the country as a whole.¹

From 1971 to 1985 there was also an increase in the proportion of people employed in the sphere of non-material production – from 25 to 27.2 per cent. The shift towards “non-production” sectors is justified not simply by the availability of labour resources in the Republic. This process, which reflects measures to raise the standard of living of the population, is also a natural consequence of the simultaneous improvement of labour efficiency in public production: from 1971 to 1985 labour productivity as a whole increased by 80 per cent (110 per cent in industry and 70 per cent in agriculture).²

The combination of a rapid increase in the physical volume of production and the employment of additional manpower in labour-surplus regions is rare. It was precisely this interaction of greater labour efficiency and increased employment that enabled the Republic to enhance the impact of accelerated economic growth.

The results achieved over the past 15 years in output were accompanied by a marked increase in employment in public production. Between 1971 and 1985 employment in the Azerbaijan SSR rose by 80 per cent, a rate considerably higher than the all-Union average.¹

At the same time the sharp increase in the number of young people reaching working age presented the planning authorities with new problems. These had to do with the fact that the socialist system of management long ago solved the employment problem in the Soviet Union. In Azerbaijan unemployment had been completely eliminated as early as 1930.

At present the main problem is to ensure that, however great the increase in the population of working age, the optimal level of employment is maintained in order to give everybody wishing to work in public production the chance to earn enough to satisfy their material and spiritual needs.

It must be noted, however, that the concept of “optimal employment” depends primarily on the demographic situation existing in this or that region. Other things being equal, the more favourable the demographic development in a Republic is, the lower will be the optimal level of employment of the population in public production, outside household work and personal subsidiary farming. Here it is also important to bear in mind the existence of a large or small proportion of women who cannot be regarded as

mobile – mothers of large families (four or more children), those with children under 18 months of age on leave with reduced pay, women nearing retirement age, etc.

Sociological studies carried out with a view to determining the possibilities of attracting labour resources from domestic and subsidiary farming work to public production confirmed that approximately 90 per cent of the potential reserve were women, whose mobility was markedly limited by the circumstances noted above.

It was found that there was a considerable degree of underemployment in the rural population, where families tend to be large (5.8 members on average according to the 1979 population survey).³ A study of this question in the Republic revealed that in each family there are always workers who provide for the material needs of its members. But it should be borne in mind that the comparatively few people not in permanent employment – who are found mainly in the rural areas – as a rule participate actively during the peak season in collective agricultural production and receive good pay for this work in addition to the income they earn from their personal plots. As a result of the successful fulfilment of targets for the procurement of agricultural products, a sizeable proportion of families in the countryside are well paid. Suffice it to say that at present the average monthly remuneration of an agricultural co-operative member in the Azerbaijan SSR exceeds 200 roubles.

An analysis of the mobility of the working-age population of the Republic has shown that roughly a quarter of those engaged in non-productive household work or in personal subsidiary farming currently constitute a potential reserve for possible employment in public production. An increase in the number of workplaces and the creation of certain conditions – differing according to the place of residence and other factors – will enable them to be enlisted for active employment in public production. Besides, in a rural district some of those seeking work apply for jobs in collective farms where there are virtually no limits on hiring. In the event of a temporary shortage of jobs in the state sector of the economy, there is a shift in employment towards agricultural work, including subsidiary farming. Such a shift in fact occurred in Azerbaijan with the sharp increase in the natural growth of the population of working age. One of the contributing factors was the considerable expansion of irrigated land under labour-intensive cultivation. However, with the growing intensification of production in agriculture as well as in industry, we can expect a growing number of redundancies which will necessitate advance planning to provide workplaces in other branches of public production.

Part of the increasing working-age population is turning to personal subsidiary farming, which produces high returns. Some recent government decisions, particularly in connection with the reorganisation of the economic machinery, have opened up new possibilities and material incentives for the development of this form of activity for increasing food resources. Here it is

important to step up the existing co-operation between personal farming and collective farms, state farms, consumers' co-operatives and procurement bodies.

New possibilities for the population to participate in public production have also been opened up by the implementation of measures concerning the use of the family contract system in agriculture and co-operative principles in commerce, public catering, day-to-day services, the collection and processing of secondary raw materials, etc. The new Act respecting individual work activity⁴ is aimed primarily at making fuller use of labour resources. This will help to solve two problems at one and the same time – providing a new source of additional income for those engaged in individual work activity, on the one hand, and improving the supply of goods and services to the population, on the other.

It should be stressed that these measures in no way indicate a return to private entrepreneurial activity. The use of hired labour is totally ruled out in this connection.

Special attention is being paid to young persons reaching working age. It is precisely during this period that boys and girls arrive at definite conclusions about their future careers. After undergoing appropriate training in schools, vocational-technical schools, and secondary technical and higher educational institutions, they are guaranteed a job in their chosen occupation. Hence it is extremely important to start preparing them in good time for their future jobs in the light of manpower forecasts in order to ensure that all the additional young people joining the labour force can find places in public production.

The concern of Soviet society for the full utilisation of the country's labour potential has been given concrete expression in the efforts made by the labour-surplus Republics of Central Asia, Trans-Caucasia and the Northern Caucasus to enlist the population in public production through every available means,⁵ including assistance in creating new workplaces, accelerated development of the social infrastructure and other ways of providing employment.

In striving to achieve this objective the complex nature of labour resources – i.e. the human factor with all its diverse relationships and peculiarities – must of course be constantly borne in mind. To take account of all the conditions required for the efficient management of labour resources for society's benefit, a systemic approach is needed that will ensure their rational utilisation through a planned regulation of the optimal structure of employment.

During the current 12th Five-Year Plan (1986-90) major capital investments have been earmarked for tackling the many-sided questions involved in developing the productive forces of the Republic. The volume of investment in Azerbaijan for these purposes has been increased by 40 per cent⁶ over the 1981-85 period, as against 23.6 per cent for the country as a whole.⁷ It has become imperative to optimise regional investment policy in

view of the urgency of tackling the employment question. Under the direction of the Republic's State Planning Committee and with the participation of the ministries, associations and local bodies, a special integrated programme⁸ for the rational utilisation of Azerbaijan's labour resources to the year 1990 has been worked out to serve as the basis of ongoing and long-term economic and social development plans. The various measures adopted, which are discussed below, resemble in many respects those being used in other labour-surplus Republics of the Soviet Union.

Improving the sectoral structure of employment

The economy of Azerbaijan, as mentioned earlier, has shifted towards the development of labour-intensive sectors and industries, which has noticeably increased the absorption of labour resources. It is planned to pursue this course in combination with the intensification of production.⁹ For these purposes the structure of the economy will need to be improved, first and foremost, by developing those branches which promote scientific and technological progress and in which the labour input per unit of manufactured output is relatively high. Particular emphasis will continue to be given to the development of engineering, whose share in industrial production will be significantly increased so that it will come to occupy first place in the industrial league table. At the same time it is planned to make far-reaching changes in the internal structure of the engineering industry by giving priority to the development of radio engineering, electrical engineering, instrument making and other branches, while simultaneously developing labour-intensive branches of light industry by increasing the processing of local agricultural products. There is great potential for increasing employment also through the expansion of non-production branches, the services sector, etc.

It is important to note that such structural changes have a major social impact and are conducive to an expansion of women's employment. Their significance is all the greater since expansion of the more advanced branches requires an increase in the proportion of engineers and an upgrading of workers' occupational and technical skills and will augment industry's share in the Republic's employment structure, which will produce further positive social effects.

The emphasis on the development of the labour-intensive branches of industry also provides Azerbaijan with an important means of speeding up growth rates, raising the level of labour productivity and intensifying production on the basis of scientific and technological progress. It is no secret that there are significant differences in the level of labour productivity between industry and agriculture, with industry coming out on top. The employment structure in material production in the Republic, for a number of reasons already noted, differs markedly from that of the country as a whole. In industry and construction employment is 12 percentage points lower and in agriculture 13.4 points higher.^{1, 2} The natural trend towards

evening out these differences – bearing in mind, of course, regional peculiarities – will lead, thanks to structural shifts in employment, to a significant increase in the rate of growth of labour productivity.

The share of employment in the non-production sphere is growing noticeably and will continue to do so in the future. Major openings for employment will emerge through the development of health resorts and tourism, since the Republic has much to offer visitors from other parts of the country both on the sunny Caspian coast and in the mountainous regions with their unique mineral water and medicinal oil springs.

Improving the distribution of the Republic's productive forces

The process of mobilising labour resources in Azerbaijan is to a large extent bound up with the need to rationalise the territorial structure of employment. Despite the generally high level of industrial development, the Republic still has to improve the distribution of its productive forces. According to the major indicators of economic and social development there are still marked differences between regions of the Republic, with some of them suffering from an inadequate level of industrial development. The imperfect territorial organisation of production is largely due to the historical and continuing high concentration of industry in the Baku region. Since the industrial base and social infrastructure are still unevenly distributed and hence need to be developed in certain other regions, the high rate of migration to the Baku region from other parts of the Republic is no longer justified. There has been an increasing concentration of the population, particularly men, in the limited area of the Baku agglomeration, where the level of employment is already sufficiently high. An effective way of fully involving the mobile portion of labour resources in public production and of overcoming excessive urbanisation is to improve the distribution of productive forces throughout the territory of the Republic and above all of the leading branch of its economy, namely industry, in areas where there are concentrations of unoccupied rural labour resources, while at the same time setting up local production complexes.

Ensuring the optimal concentration of industrial production for the fuller utilisation of potential labour resources

The development of local production complexes raises the urgent question of the size of industrial and other enterprises it is planned to install. In endeavouring to ensure a balance in the growth of labour resources, the territorial particularities of the inhabitants must be kept constantly in mind. The successful staffing of a new enterprise will depend on both the locality and the degree of concentration.

Experience has shown that the passion for "gigantism" does not nowadays produce the expected results, even in regions where there is a favourable balance of labour resources, if the enterprise is distant from areas with a concentration of unoccupied manpower and it is big enough to need a large number of people from those areas. In such cases the enterprises (if their extreme concentration is dictated by technological necessity) can be established in cities or their environs which have been or are being urbanised. For example, in recent years there has been a considerable expansion of industry in Kirovabad, the second biggest city in the Republic. A large automobile works is currently being built there to help absorb the labour resources in the western part of Azerbaijan.

Together with the setting up of a limited number of new major industrial enterprises in labour-surplus regions and the building of new towns and workers' settlements, special attention needs to be paid to the distribution of small enterprises, workshops and subsidiaries in areas where there are concentrations of people of working age, bearing in mind that a significant proportion of the potential resources are women who have little inclination to migrate even within the borders of Azerbaijan.

The construction of small enterprises employing only a few workers does not violate the natural pattern of settlements and demographic development. On the contrary, the consolidation of labour resources in industrial production in the countryside makes for a flexible, more efficient movement of labour resources when there is a sharp increase in agricultural manpower requirements during the peak season. From the standpoint of increasing agricultural output the creation of workplaces near agricultural enterprises has obvious advantages, and specialised small industrial enterprises equipped with new technology have proved to be more suitable for rapidly reorganising output in the light of the changing patterns of demand both for production goods and, particularly, for consumer goods.

Experience acquired in this field¹⁰ has made it possible to increase employment in industry directly in the countryside and small towns. Subsidiaries of large engineering enterprises and other branches of industry are already operating in Nakhichevan, Ali-Bairamly, Siazan, Khachmas, Lenkoran, Stepanakert, Shusha, Ilichevsk, etc. A textile combine has set up plants in Geokchay (a spinning mill) and Udzhary (a weaving mill), while spinning and other factories have been set up in Akhsu. A programme has been planned and work has begun on creating new subsidiaries and workshops of enterprises in various branches of large-scale industry, which will provide employment during the present five-year period to some tens of thousands of people. Furthermore, the cost of each new workplace in the subsidiaries is many times lower than in large enterprises.

The availability of labour resources opens up great possibilities for successfully carrying out the national Food Programme. A number of new processing plants and livestock rearing complexes are being organised and

will provide new jobs. Many automobile servicing enterprises have also been set up in rural areas.

Measures are being planned and implemented for the future economic development of the regions in the Republic with potential reserves of working-age people employed in domestic and personal farming activities. These are mostly mountainous regions and a programme for their economic and social development up to the year 2000 has now been launched. In the current five-year period (1986-90) alone it is planned to create 20 subsidiaries of industrial enterprises in these regions; priority will be given to the development of social infrastructure in order to attract people of working age, and particularly women, to these areas.

Major means of ensuring more effective utilisation of labour resources will be the intensified development of small local industries, the revival of former and now forgotten or insufficiently developed national cottage industries producing original artistic and other articles, and the expansion of consumer goods production through the placing of long-term orders by trading and marketing organisations; all these approaches will take full account of locally available natural resources, waste products from large-scale industry and the country's natural resources potential.¹¹ The labour resources programme further provides for greater use of home-based work for local industry in small rural population centres where there is little surplus labour, which will make it possible not only to reduce the capital cost of creating jobs but also, to a certain extent, to ease the seasonal unevenness of agricultural work. Every possible incentive is being given to collective farms to create their own industrial enterprises, construction subdivisions, inter-farm enterprises, etc.

Increasing the mobility of the working-age population

As was noted earlier, the population of Azerbaijan is characterised by a low propensity to migrate due primarily, in our opinion, to the traditionally solid family relationships embracing two or three generations who live together as a single family (where the conditions permit, i.e. mainly in the countryside). This also encourages parents to have large numbers of children and affords broad opportunities for a family division of labour. The main advantage of such large families in rural areas is the possibility of developing the family contract system and ensuring fuller utilisation of personal farming land, which constitutes not only a sufficiently durable and versatile source of food for the family but also a more substantial source of increasing commodity resources for the cities and higher incomes for the rural population.

These characteristics do to a certain extent limit the mobility of Azerbaijanians; however, the general trend towards increased mobility throughout the country is bound to spread to the rural population of Azerbaijan as well, not to mention its urban population. Whereas in the

1950s and 1960s the demographic pattern was marked by an influx of working-age population to the Republic, mainly to work in industry, since the early 1970s there has been steady out-migration. Labour migration within the Republic's borders has also increased.

Thanks to the determined efforts of the state organs of the Republic, large groups of young people and specialists are moving of their own free will to take up jobs in parts of the country that are suffering from labour shortages. Improvements have been made in the manpower recruitment scheme for two-year engagements in construction projects and various enterprises in other parts of the USSR. In 1982, for the first time, a hundred families were transferred voluntarily from Azerbaijan to work in the agricultural sector of the RSFSR. A study on how the new settlers adapted to unfamiliar conditions showed that the experiment had been a success. The number of persons wishing to move elsewhere is growing. Those sent to work in other regions are assured of higher pay and considerable privileges in setting up their own homes and personal farming plots.

Skilled oil workers from Azerbaijan are beginning to participate in exploiting the rich west Siberian petroleum deposits. Here the rota system is used with groups of oilmen being sent from Baku by special flights (four hours of flying time) to the oil industry centres of Siberia and, after working a 15-day stint, returning home on leave before setting off again.

When discussing the question of population mobility it needs to be stressed that the term "mobility" is relative, depending on the overall influence of complex conditions and stimuli that cause people to move. In the context of each region, and particularly each Republic, careful thought has to be given to the optimal proportion between the potentially mobile population and "fixed" labour resources that can be employed only at their place of permanent residence. Errors in this field can prove costly for the establishment of large enterprises and also create demographic problems.

As observation shows, the role of high pay as an incentive for inhabitants of the southern Republics to move to distant parts of the country is becoming less and less decisive. Nowadays new settlers give pride of place to housing, social facilities and other working and living conditions. Accordingly, new and better arrangements have been developed to encourage the population of the Republic to participate in the joint development of uninhabited regions of the country through the setting up of construction and other organisations (after the model of the mobile mechanised team of Azerbaijanian land reclamation specialists working in the Archangel region and the construction controllers on the Baikal-Amur railway and in the non-black-earth zone). Skilled workers are being trained for work on new gas and oil drillings in other parts of the country. New methods are also being worked out to enable the youth of Azerbaijan to assist in the development of regions that are experiencing labour shortages.

Improving vocational training

A proportion of the labour resources, of course, is made up of the student population aged 16 and over who are preparing themselves for future careers. These include not only senior pupils in the general education schools but also large numbers learning trades in vocational-technical schools, middle-grade specialists in technical colleges and highly skilled specialists in higher educational institutions. In addition, it is becoming increasingly necessary to provide persons already in employment with further training or retraining every five or six years in order to enable them to keep up with increasingly rapid technological progress.

Each of these training links plays a very important role in improving both the occupational and the general intellectual capabilities of the population. Since we do not have the space to dwell at length on these questions, let us examine a few that are of particular importance for labour-surplus Republics.

An analysis of data from the last population census shows that a significant proportion of the unoccupied population, although having a sufficiently high level of general education, have not received training in a specific trade or occupation. Each year tens of thousands of young people complete general secondary school, but only around half go on to further education in higher and secondary specialised educational institutions or vocational-technical schools; the rest receive vocational training directly at the workplace, which is slower to produce results. Despite the fact that the training of skilled workers in the Republic through the system of vocational-technical education is being systematically expanded, the needs of the economy for skilled workers have still not been fully satisfied.

An important and timely measure for providing the economy with highly skilled manpower has been the implementation of the reform of the general and vocational educational system in the Soviet Union, which will ensure compulsory training in a trade or occupation for all young people completing not only vocational-technical schooling but also general educational schooling.¹² The reform provides for a considerable increase in investment in the educational and production equipment of general and vocational-technical schools. During the current five-year period in Azerbaijan alone the number of places in schools will increase by 50 per cent over the preceding period. Schools conforming to the requirements of the reform will be built to accommodate 212,000 pupils. Another priority measure is the planned increase in the number of vocational-technical schools providing pupils at the same time with secondary education, which will have undoubted advantages over the existing practice of learning a trade on the job. This will help to match the number and qualifications of skilled workers being trained with the needs of the economy for a better-trained workforce.

Scientific and technological progress in production and the increasing need to develop the non-production sphere create a growing demand for

highly skilled specialists. At present 25.6 per cent of all specialists in Azerbaijan have higher and secondary specialised education.² At 158, the number of students in higher educational institutions per 10,000 population is higher in Azerbaijan than in the developed European countries.¹ In 1985 there were more than 600,000 specialists with higher and secondary specialised education employed in the Republic.

The need for specialists also has a sharp impact on the dynamics of change in the employment structure. It is the job of planners to ensure that, in conditions of universal secondary education, there is no reduction in the scale of specialist training and to determine well in advance the long-term needs of the economy in the light of changing demand.

The rapid development of the technologically advanced branches of the Republic's industry, the growing requirements of the agro-industrial complex and the increased needs of individuals have necessitated substantial changes in the pattern of skilled worker and specialist training, with the primary focus now being placed on training in new skills and disciplines for which there is a high demand.

One way of providing specialist training for Azerbaijan has been to send school-leavers to leading higher educational institutions elsewhere in the country, which provide education and training not available as a rule in the Republic. Each year up to 800 persons are sent to institutions in Moscow, Leningrad, Kiev and other cities. At present more than 3,500 young men and women from Azerbaijan are attending such institutions and account for the highest number of students from any one Republic studying outside its borders. They are being trained in 244 different skills for more than 80 branches of the economy.

The Republic has also launched a scheme for sending young people to be trained as skilled workers in vocational-technical schools in other regions which have the necessary facilities and engineering and teaching staff. There has been a significant expansion (more than 900 persons a year) of non-competitive selection to enable young people from the remote mountainous regions, which are still experiencing a shortage of specialists, to enter the Republic's institutions; after receiving a diploma of higher education they return home to work in the occupation they have learned.

It seems to us that, with the existing demographic situation in the USSR, Azerbaijan could make a greater contribution to the training of highly skilled specialists in a number of occupations for other regions of the country. In the last five-year period, several thousand specialists in petroleum and other technical trades were sent to work in other regions. In addition, over 3,000 students from Europe, Asia, Africa and Latin America came to Azerbaijan for higher education. This creates propitious conditions for a better use of the Republic's available vocational-instructional potential as well as the possibility of expanding training for specialists in Republics with a less favourable balance of labour resources.

The development of these forms of vocational training for young people is also an important means of increasing the mobility of labour resources.

Ensuring a balance in the use of men and women workers

A harmonious combination of male and female labour is an important condition for ensuring a rational employment structure. Although the proportion of women employed in the Republic's economy is fairly high, the possibilities for their fuller utilisation are still far from exhausted. Thus, the proportion of women in the manual and non-manual workforce in the production sector of Azerbaijan is 43 per cent as against 51 per cent in the country as a whole and is even lower in the services sector.¹

The low proportion of women in commerce and public catering and also in day-to-day services is partly the result of the uneven distribution between the Republic's economic regions of branches of industry using predominantly male labour. In the towns and regional centres, where these branches have been developed the most, women make up the majority of workers in the services sector; conversely, men take the lion's share in areas where such branches have been developed the least.

These proportions of male and female workers in public employment are characteristic of labour-surplus regions and have objective causes. The development of the services sector, together with the creation of new enterprises, particularly in rural areas, is one of the most effective means of drawing women into the public economy.

Another way of doing this is to promote home-based work. In local industry this type of work organisation is found, for instance, among a considerable number of carpet makers, since hand weaving of carpets is a very old tradition in Azerbaijan. It is planned during the current five-year period to expand women's home working by 150 per cent by involving them in other spheres of activities, such as baking, commerce and day-to-day services.

In order to ensure greater participation of women in public employment it is also planned to allow them to work part time (a shorter day or week) where they so desire. A wide use of such flexible forms of work organisation should help to draw significantly more women from household work into the public economy.

Of no small significance in ensuring a rational pattern of employment was the programme adopted for the 12th Five-Year Plan to expand considerably the network of pre-school establishments and schools with extended opening hours. With its high proportion of children, the Republic has experienced a growing need for such establishments so as to allow more women to participate in public production. The social orientation of the current Five-Year Plan has been given concrete expression in the unprecedentedly rapid development of social and cultural facilities, for which 70 per cent more capital investment has been allocated than in the 11th Five-Year Plan. The

accelerated expansion of the whole social infrastructure is all the more important considering the possibilities it will open up for the direct employment of large numbers of workers.

A highly effective means of ensuring a fuller utilisation of labour resources, in addition to improving the performance of existing production capacity and making major savings in capital costs, is the implementation of a range of organisational measures designed to increase the utilisation of new equipment through a general switch over to two- and three-shift systems. On a Republic-wide scale, this should make it possible to employ an additional 50,000 people.

The launching of a special integrated programme in Azerbaijan will make it possible during the current five-year period to carry out a number of positive changes in the economic and social development of the Republic. One of the chief repercussions of the growth of employment in public production will be a further improvement in the standard of living as a result of increased labour productivity. It has been estimated that per capita income will grow by more than 10 per cent as employment tends to absorb more unoccupied family dependants. This means that average family income should rise by 480 roubles a year, which will help to provide the people of the Republic with a higher level of well-being.

Notes

¹ *Narodnoe khozyaistvo SSSR v 1985 g.* (Moscow, Finansy i statistika, 1986).

² *Azerbaidzhan v tsifrakh v 1985 godu* (Baku, Gosizdat, 1986).

³ *Chislennost i sostav naselenia SSSR* (po dannym perepisi naselenia 1979 g.), Sbornik TSU SSSR (Moscow, Finansy i statistika, 1984).

⁴ "Zakon soyuza sovetских sotsialisticheskikh Respublik ob individualnoy trudovoy deyatelnosti", in *Izvestia* (Moscow), 21 Nov. 1986.

⁵ *Materialy XXVII sezda KPSS* (Moscow, Politizdat, 1986).

⁶ *Materialy XXVI sezda Kommunisticheskoy partii Azerbaidzhana* (Baku, Gosizdat, 1986).

⁷ N. I. Ryzhkov: *O gosudarstvennom plane ekonomicheskogo i sotsialnogo razvitiia SSSR na 1986-90 gody* (Moscow, Politizdat, 1986).

⁸ Cf. M. I. Dolishny: "Regional programmes for improving labour productivity: An example from the western Ukraine", in *International Labour Review*, May-June 1985.

⁹ M. S. Gorbachev: *Izbrannye rechi i statii* (Moscow, Politizdat, 1985).

¹⁰ B. S. Khorev: "Dokole gorodam rasti?", in *Ekonomicheskaya Gazeta* (Moscow), 1986, No. 45.

¹¹ *Kompleksnaya programma razvitiia proizvodstva tovarov narodnogo potrebleniia i sfery uslug na 1986-2000 gody* (Moscow, Politizdat, 1985).

¹² *O reforme obshcheobrazovatelnoy i professionalnoy shkoly*, Sbornik dokumentov i materialov (Moscow, Politizdat, 1984).