

3.4 Turkmenistan Manual Labor Costs

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The labor force comprised 1,923,000 people, of whom 1,571,000 (almost 46 percent of the population) were employed in the national economy. Over half of this number worked in state enterprises--a number that is expected to decline in general and to vary radically from sector to sector during the transitional phases of privatization.

37 percent of the workforce was in agricultural and 15 percent in industrial employment; however, one-fourth of industrial employment was in industries related to agriculture. Between 1970 and 1990, the percentage of the workforce employed in industry decreased slightly from 23.4 to 20.0 percent. The share of the agricultural sector within the workforce rose slightly in this period from 38.4 to 41.1 percent. In transportation and communications, the percentages were 7.0 and 6.3, respectively, while in the sectors of health, education, social services, arts and sciences, they rose from 16.5 to 18.6 percent. The state apparatus maintained a share ranging from 2.9 percent of the labor force in 1970 to 2.5 in 1989.

In 1989, some 62.5 percent of all workers were employed at state enterprises, 22.3 percent on collective farms, 1.1 percent in cooperatives (up from 0 in 1986), 0.1 percent in individual labor (a constant percentage since 1970), and 14.1 percent in private plots (up from 8.5 percent in 1970, largely at the expense of the collective farm percentage).

Figures from 1989 for the distribution of the populace according to source of sustenance show that of the entire population of Turkmenistan, 40.6 percent worked in the national economy, 1.9 percent held stipends, 10.9 percent were pensioners and others receiving state welfare, 46.5 percent were dependents and those employed only on individual supplemental endeavors, and 0.1 percent had other unspecified means of subsistence.

The national minimum wage is a critical component of the macro-level "price-wage feedback" in inflationary processes; this wage is established by presidential decree. The basic wage structure is set by a cross-classification of occupations and physical exertion levels, which determines relative minimum wages for various sectors. After a negotiating process, minimum wages can be set above the national minimum in profitable sectors. Wages in agriculture and industry were similar until 1991, when agricultural wages declined relative to average wage.

Plans call for the Ministry of Labor to be replaced by a State Corporation for Specialist Training, with the bulk of the ministry's nontraining functions to shift to the Ministry of Economy, Finance, and Banking. Those functions include oversight of unemployment, salary administration and minimum wage determination, and labor protection. There is no independent labor union movement in Turkmenistan. Trade union leaders are appointed by the president, meaning that no true collective bargaining can occur.