
Labour Law in Imperial Perspective (*Ivan Yanzhul and Russian Factory Inspection*)



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Summary

It deals with the role of labour law in Russia and their impact on competition rules between Empire and its borderlands. As an indicative institution of this complex relations factory inspection was chosen. Russian factory inspection (1882-1918) was a state institution, which performed three main functions: labour legislation implementation, statistical observation, and mediation in conflicts and misunderstandings between employees and employers. But geographically its control were no spread to the hole Empire, such regions as Siberia or Finland were excluded from labour laws jurisdiction. Thus, the case of Warsaw region is really interesting, because in spite of its natural distinctive features Polish lands were included in the Imperial jurisdiction as an important player of industrial (namely textile) competition.

Numerous industrial enterprise, that have been grown up for several past years on the borderlands of Empire, and that are controlled not by local inhabitants, but by aliens, harass our public opinion, because development of foreign industry is not on the agenda of any state.
Ivan Yanzhul (1887, p. 3)

The epigraph of my paper can be considered just as an example of old-fashioned protectionist opinion, but the point is that it was not just an opinion, but a reason in quite important political discussion on future development of Russian labour law and industrialization as well.

It's worth-while to mention, that labour relations played an important role in situation, when serfdom was abolished, but new economy of free labour market had not formed yet. Labour laws elaboration became serious step for understanding of difference in economic policy in different parts of huge Empire, main example is the disparity of so-called central or European Russia and borderlands (Poland, Finland, the Caucasus, Central Asia).

One would think that factory inspectorate was just an institution of secondary importance, but, in fact, factory inspection as the only body for labour legislation implementation in Russian private industry played an exceptional role. The main reason was that labour laws in Russia determined not only rules for industry and trade, but also, sometimes invisible for economic competition between centre and borderlands.

My point is that factory inspection can be considered as litmus paper for revealing the essence of inner economic antagonisms of Empire and its borderlands. Because of different approach to different territories the legislative intentions tried to take into account all these differences, but at the same time they gave birth to new differences, that make the Imperial system much more complex and also uncontrollable.

Ivan Ivanovich Yanzhul (1846-1914), prominent Russian economist, professor of Moscow University (since 1876), and member of the Academy (since 1895), was a statesman with the name of which history of Russian factory inspection is mostly associated. And at the same time he was the person, who represented Empire capital in 'competition conflict', which flared up in 1886. His words from epigraph were not only his private view, but also a type of reasoning of

Departments of Finance Ministry. Yanzhul was an expert in British factory legislation and economy as a whole, so, he was able to adopt progressive solutions in the field of labour, that were achieved in the country of so-called 'classical' model of factory inspection. It's essential to emphasis on that fact, that Yanzhul's participation in factory inspection laid the foundation for main principles of factory inspections world over: *independence, publicity, constant legislation process*. But he could not step over the diversity of Empire to present general labour laws. That was the beginning of infringement of competition rules.

The very question of that time and of my interest today as well is how exactly labour legislation could impact competition rules in Russian Empire. It's a range of articles and books that are dealt with factory inspection in some respects¹. But anyway it's possible to assert that our approach gives us a challenge to revise history of Russian factory inspection to some extent, and at the same time it opens extensive scope for international comparisons.

At first, I mark several milestones in history of factory inspection's institutional growth: 1882-1886 - formation of the institution; 1886-1894 – territorial and staff enlargement of inspection; 1894-1903 – S. Witte's factory inspection reform; 1903-1907 – pre-revolutionary and revolution period, inspection subordination reform; 1907-1913 – normal functioning period and pre-WWI impact; 1914-1918 – war mobilization period and two Revolutions. These periods depend on the mainstream of Russian internal policy and legislation, mostly governed by Finance Ministry (after 1905 - Trade and Industry Ministry) and Internal Affairs Ministry.

In 1882 the Office of 3 Inspectors for underage workers was established. It was a real break-through of Russian labour legislation, because several previous committees failed to propose any labour act. At the same time the fundamental division into districts was made. Inspectorate were planned to control European Russia (without Central Asia as well as Siberia), but if Polish private industry was decided to include under supervision, Finnish industry was excluded from general control. Almost the same division remained till 1914.

There were two reasons for such decision at least. First was that finish legislation was adequately independent, and this limited freedom was

¹ See 'References' for details.

supported even after reign of Alexander II. The second reason was that Warsaw region (mostly Lodz) grew fast in industrial aspect, so, common laws were considered as a useful regulators of situation.

In 1884 first “Instruction for factory inspectors” was discussed and approved. Inspector for entrepreneurs and workers relation control was established, at the same time extension of observation territory to 9 regions in European Russia and special provincial factory-and-work offices establishment took place. After this Instruction factory inspectors became to work at their full potential. But at the same time the competition conflict was provoked by Moscow entrepreneurs. They appeared in print with claim to the government, which according to their viewpoint did not protect their business well.

While in early 1890s in Grand Duchy of Finland independent factory inspection was founded, Russian one came to reform. Reform of inspectorate was initiated by minister of finance S.Witte in 1894, when factory inspection experienced staff increase, because of district inspectors posts. In 1899 Regional factory inspection organised and Chief factory-and-work offices established. After years of debates under the influence of V. von Pleve in 1903 limits of factory inspection submission to governors were determined. Resubmission of factory inspection to Ministry of Trade and Industry was considered as an appropriate step after Revolution events in 1905 and special congress of District and Senior factory inspectors. Factory inspection abolition took place in 1918, because of formation of ‘real proletarian labour inspection’.

On 1st June 1882 Council of state approved the law, that settled labour hours limitation for underage workers, prohibited to give an employment to underage workers younger than 11 years old, and established an new institution, that was called ‘factory inspection for underage workers’. At the same time 1 Chief inspector and 4 District factory inspector positions became vacant. “Labour law of 1882 meant much of principle.- V.I.Tugan-Baranovskiy wrote.- Despite opposition Moscow factory-owners, the Government stepped on the road to protection of workers interests. Factory inspector – this new figure in factory – had to bring in new principles in relation of owner to workers”².

² Tugan-Baranovskiy M.I. *Izbrannoe. Russkaya fabrika v proshlom I nastoyashem. Istoricheskoe razvitie russkoy fabрики v 19 veke* [Selected Works. Russian factory in past and present. Historical development of Russian factory in 19th cent] (Moscow 1997), p. 390-391.

It was a moment to assemble ‘*First Call*’ of factory inspection, where only best from the best should take place. The first staff of factory inspection was initiated on 27th June 1882 at 1 p.m. in the Restaurant of Industrial exhibition in Moscow. I.Yanzhul received a letter the day before, that was the invitation from E.N.Andreev to serious discussion on Yanzhul’s future assignment. Yanzul, arrived from his dacha, met Andreev excited by hope to become the Chief Factory Inspector. There was the meeting when Yanzhul considered an offer to become the District Factory Inspector of Moscow District, that included 6 provinces (Moscow, Tver, Smolensk, Tula, Pyazan, Kaluga)³. Yanzhul counted ‘pro et contra’ and accepted this offer. There were obstacles to find inspectors in every district, in particular, in Warsaw. The situation become aggravated after the initiative of Moscow manufacturers to stop unfair competition from Lodz and Sosnovitsi.

Ivan Yanzhul, son of a noble, finished gimnasia and graduated Moscow University, was already well-known at that time among economists as well as among industrialist. Economists appreciated his studies on indirect taxes and free-trade. Industrialist knew his role in governor V.A.Dolgorukov Committee ‘for inspection of works and factories’. N.H.Bunge, minister of finance, that decided about Yanzhul participation in inspectorate, said: “in each institution first staff, that create a precedent” is really important⁴. 30th August 1882 I.Yanzhul assumed office of factory inspection for underage workers⁵. Since this day till dismissal from office in 1887 Yanzhul was the main defender of independence principle of factory inspection, that extremely unpopular amongst Russian bureaucracy.

Yanzhul was appointed a chief of ‘competition problem committee’ and visited Warsaw region twice. Despite the conclusion of Yanzhul’s committee was more neutral, and stated no harm from Polish competition, it’s necessary to mention, that industrial condition of Lodz district were considered as more favourable, that in Moscow district.

It’s noteworthy, that so called Polish industrial discussion reveal some violations of competition rules in central Russia as well. Most grave conflict took place between factory-owners from St. Petersburg and Moscow. If capital manufacturers speak in support of new labour laws, manufacturers from ‘old

³ Yanzhul I.I., *Iz vospominanii...* p.24-25.

⁴ Yanzhul I.I., *Iz vospominanii...* p.28.

⁵ Yanzhul I.I., *Fabrichnyi byt Moskovskoi gubernii...*p.1.

capital' dispute these laws, assuming that they destroy harmonious system of 'patriarchal' Russian industry.

Frankly speaking it was a dispute about price difference. In mostly well-organized in industrial aspect 'western' provinces, where majority of factory-owners and management were foreigners, almost did not depend on child labor, that was the main factor of cheapness of Moscow textile production. In future this conflict continues, but after 10 years of labour legislation Moscow manufacturers would not have enough brave to suggest labour laws abolishment.

Whatever the case, it's important to stress the resume of Yanzhul visits to Warsaw and Lodz. He marked out 4 main factors favourable to Polish industry; they are the following:

- invitation of foreigners for management positions in industry,
- rational position of Polish bank on industrial capital investment,
- metropolitan position on ex-Warsaw Duchy economic development,
- abolition of custom line and duties (since 1850) that made Warsaw a gap in 'custom fence' of Russia.

Coming years would show the importance of Polish industry, which often were taken as an example by Centre of Empire. Control of labour relations in *Privislyanskij kraj* spread on almost every factory, it was a common process for European part of Empire, where Warsaw region was one of the most controlled.

Nevertheless coming into effect of the law of 1882 postponed, but factory inspection had to work whatever the case. Some conditions complicated the issue. Factory inspectors didn't have a good cause for controlling execution of law 1882 (because it took effect only in May 1884), but they had spare time to observe and to describe the actual state of affairs in Russian (namely, Moscow and Vladimir districts) industry. Brilliant example of such description was Yanzhul's first report "*Fabrichnyi byt Moskovskoi gubernii...*" [Factory life in Moscow province]. This published report provoked curiosity in Russian society to the workers life and labour relations. Many Russian periodicals published reviews on this Report. Soon Yanzhul won the first prize of Russian Imperial Geographical Society – Gold medal.

Yanzhul's 'Report' realized the principle of publicity, that simultaneously gave much of public support and pointed out the responsibility of society as a whole

for labour conflicts and unsatisfactory life standards of workers. Just in 3 years after designation of Vishnigradskiy, new minister of finance, the principle of publicity was abolished. And in about 20 years factory inspection virtually had no possibility to communicate the broad readers.

New era of factory inspection began on 3rd June 1886, when law “On hiring workers in factories and manufactories and on mutual relations factory-owner and workers” was promulgated. This law became “a corner-stone of labour legislation” right up to 1917⁶, and at the heart of mutual relations contract law principles were installed.

Yanzhul participated in different commissions on law of 1886. The main point, that he developed step by step, that there’s no panacea, and to be up-to-date legislation ought to be constant process, but not ‘the solution for all times’. In fact, labour laws developed more like jerks than process (in 1894, 1899, 1903, 1912). And he became the advocate of idea of general all-Russia laws, but still practice of experimental acts, i.e. of limited jurisdiction (usually for several provinces or regions), remained intact.

The Economic role of borderlands grew up. The Caucasus region was included into industrial control at the beginning of 20th century, number of inspectors in *Tzarstvo Polskoe* increased, but Finnish factories were still out of central control.

It’s interesting for us, that the situation inside of inspectorate consisted of dichotomies that determined the internal policy and receptivity of innovations by bureaucratic apparatus. These dichotomies are the following:

- *Publicity (‘glasnost’) vs. secrecy (restricted report),*
- *Institutional independence vs. bureaucracy dependence,*
- *Legislation process vs. legislation jerks.*

On example of factory inspection we can vividly trace the consequences of these dichotomies work, and it’s ought to underline that these oppositions impacted very much not only inspectorate as an institution, but conditions of workers life, and also social stability in Empire and borderlands.

⁶ Mikulin A.A., *Fabrichnaia inspektsiia v Rossii. 1882-1906* [Factory inspection in Russia] (Kiev, 1906), p. 11.

Appendix 1.

| Table 1. Number of staff of Russian factory inspection with furnishing | | | | | | | |
|--|-------------------------------|--------|-----------------|-------------------------|-------------------|--|--|
| Main labour laws | Ranks of factory inspectors | Number | Year furnishing | Class by Table of ranks | Individual office | Sum total of provision for furnishing inspectors per annum | Average expenses on each inspector per annum |
| 12.VI.1884 (20*) | Chief inspector | 1 | 5000** | V | + | 78500 | 3925 |
| | District ('Okrug') inspectors | 9 | 3000 | VI | + | | |
| | Inspector assistants | 10 | 2000 | VII | - | | |
| 11.VI.1891 (36) | Chief inspector | 1 | 5000 | V | + | 126810 | 3522 |
| | District inspectors | 10 | 3000 | VI | + | | |
| | Inspector assistants | 25 | 2000 | VII | - | | |
| 14.III.1894 (143) | Senior inspectors | 5 | 3000 | V | For 10 inspectors | 489800 | 3495 |
| | | 13 | 3000 | VI | | | |
| | Factory inspectors | 125 | 2000 | VI | - | | |
| 2.VI.1897 (165) | Senior inspectors | 6 | 4000 | V | For 26 inspectors | 702400 | 4108 |
| | | 10 | 3600 | VI | | | |
| | | 10 | 3000 | | | | |
| | Factory inspectors | 54 | 2500 | VI | - | | |
| | | 40 | 2250 | | | | |
| | | 51 | 2000 | | | | |
| 7.VI.1899 (257) | District inspectors | 6 | 5000 | V | + | 1040360 | 4048 |
| | Senior inspectors | 6 | 4000 | V | + | | |
| | | 10 | 3600 | | | | |
| | | 10 | 3000 | | | | |
| | | 35 | 2500 | VI | | | |
| | Factory inspectors | 40 | 2500 | VI | - | | |
| | | 60 | 2250 | | | | |
| | | 90 | 2000 | | | | |

Source: Litvinov-Falinskii V., *Fabrichnoe zakonodatel'stvo i fabrichnaia inspeksiia v Rossii* [Labour legislation and factory inspection in Russia] (St.-Petersburg 1900; St.-Petersburg 1904), p. 301-302.

* Total number of inspectors.

** Including salary and funds for travel expenses and stationery.

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