Lit:

Increasing Russia’s Labour market openness has been a policy goal since the establishment of the Federation (Clarke 2000). This goal has broad consensual support. On one hand the IMF, the World Bank, and the OECD all cite the importance of labour mobility and the impracticality of Soviet jobs guarantees. On the other, modern commentators in Russia including the former president cite the growing importance of labour market flexibility, not only in terms of jobs but also in terms of the regions where job searching takes place (Medvedev).

The benefits of a mobile labour market, at least in the short term, are obvious to employers and managers. Granting them freedom to hire and fire workers easily allows them to keep costs low and limit the obligations they have to their staff. On a less cynical note, employers can fill vacancies or limit their stock of labour quickly as better information and a wider labour market becomes available. The benefits of mobile labour markets to workers and their families are less obvious. On one hand, *job-search theories* claim that flexible markets for jobs allow workers to improve their wages. *Reservation wage Y,* which workers secure through on-the-job searching (for new jobs) is said to reward workers better than *Reservation wage X,* which typically occurs during unemployment. On the other, *job-matching* theories claim that mobility between positions is the best way to secure occupational attainment. Dissatisfaction with work, pay, and conditions can easily be corrected by simply quitting for a better job elsewhere, vacating the position for someone who is able to do the work.

Paradoxically, the IMF et al (1991, p143) describe the Soviet labour market as extremely mobile with high levels of turnover, on par with many European countries, and surpassing countries like France and Japan. Such levels of turnover existed in a system with little variance in wages, and less variance in working conditions. At the same time, writers describe Russia’s current labour market as immobile, despite significant variance in wages and working conditions between and within firms.