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**SOCIO-GEOGRAPHICAL PECULIARITIES OF THE DEVELOPMENT OF THE  
CO-OPERATIVE MOVEMENT IN THE SOUTHERN REPUBLICS OF THE UNION OF THE  
SOVIET SOCIALIST REPUBLICS\*  
(THE CASE OF THE GEORGIAN SSR)**

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The co-operative movement in the Soviet Union that started in the second half of 1987 found a fertile soil in some southern regions of the country, namely in the republics of Transcaucasia.

By January 1988, these republics had quite a good starting point: the Georgian SSR was the 5th among 15 Soviet republics by the number of active co-operatives, the Azerbaijanian SSR was the 8th and the Armenian SSR the 10th. Together they accounted for 8.4 per cent of all co-operatives of the USSR, and 9.2 per cent of their members and 12.2 of total sales were concentrated in the area (the total population of Transcaucasia is only 5.5 per cent of that of the country).

In mid-1989 these republics changed their ranks: Armenia moved to the 5th place by the number of active co-operatives and by total sales, Georgia to the 7th and 8th place respectively and Azerbaijan to the 10th and 12th. The total number of active co-operatives increased 9.7 times, reaching 11,470 and total sales amounted to 794 million roubles, i.e. 6.2 per cent of the all-Union index.

It must be added that the most rapidly growing (increase more than 38.5 times) co-operatives in Transcaucasia were that regarded by the State Committee of Statistics as the category of "other types of activities" (that comprise agricultural, trading, artistic, medical, recreational, scientific etc. activities). The same trend is typical of the USSR as a whole.

But further analysis of intra-regional and intra-republican structure of co-operative movement revealed essential differences that are typical of these republics: the average of the co-operatives producing consumers goods in the region is 45 per cent (in Georgia 51 per cent, in Armenia 49 per cent and in Azerbaijan 24 per cent). These figures are much higher than in the USSR as a whole (19 per cent) and in the Baltic republics (24 per cent). By the number of co-operatives producing consumers goods Armenia is on the 3rd place among Soviet republics and Georgia on the 4th, their share in the USSR being 11 and 7 per cent respectively.

It might be supposed that the development of co-operatives was steady in the direction where state sector failed to be successful. Although in the beginning of the co-operative movement there were some problems of marketing of the consumers goods (as it was revealed by a public opinion poll in Tbilisi) that did not stop the development.

The first stage of co-operative activities started in the second half of 1987, when people in Georgia started to mistrust the ability of the state-owned enterprises to solve the problems of quality and deficiency of consumers goods. The above-mentioned poll, conducted by the Public Opinion Research Center of the Central Committee of the Communist Party of Georgia has shown that only 41 per cent of respondents believed that the state-owned industry is able to satisfy the demand for consumers goods; 55 per cent could not say when this may happen while 22 per cent believed that this level may be achieved only by the mid-1990s.

Another poll conducted by the same Center in December 1987 in Tbilisi (the capital of Georgia) has shown that the population was mostly convinced of the positive role that co-operatives could play in the supply of the republican market with consumers goods. At that time 58 per cent were in favour of stimulating co-operatives and mere 14 per cent against it. More than a quarter of respondents (28 per cent) were sure that they would have liked to start or enter a co-operative; they were also asked to indicate the kind of specialization, and predominantly public catering, consumers goods production and every-day services were named. But the respondents were also aware of a number of serious obstacles on the way of achieving their goal, the most important being difficulties produced by the bureaucratic apparatus (29 per cent) and a great deal of risk and the uncertain perspective of the co-operative movement in the country (24 per cent). At the time when the public opinion poll was conducted, in spite of the positive attitude towards the co-operative movement itself, the phenomenon of a socially negative reaction towards the people involved in co-operative activities was noted. While there was great discontent with the prices of goods and services expressed, 43 per cent positively assessed the effectiveness of services and 35 per cent the quality of goods and services.

The attitude of the population towards the co-operative movement was not uniform and it changes in time. From the start there was a certain guarded look and apprehension of the drastic changes in "welfare equality" of each member of the society that was persistently propagandized (but actually transformed into a fiction). Along with the expansion of the co-operative network, the reaction of the majority of the population turned into an openly expressed hostility, as their excited apprehension had been confirmed and because under the condition of a rapidly deteriorating economic situation of the people, inequality of incomes became too apparent.

In spite of the universal character of the above-mentioned tendencies, regional differences in this aspect exist, caused by socio-geographical specificity. According to the results of the sociological research conducted in summer 1989 at Tbilisi by the Institute of Sociology of the Academy of Sciences of the USSR, jointly with the University of South Florida, United States of America (in Georgia with the collaboration of the Public Opinion Research Center of the Central Committee of the Communist Party of Georgia), in contrast to the majority of other big cities of the Soviet Union, a considerable part of the population of Tbilisi (30 per cent) was neutrally oriented to the co-operatives, while only 14 per cent approved them (the average in other Soviet cities under investigation was 19 and 15 per cent respectively). Among the Georgian co-operators optimism is very high: 49 per cent of them consider that the attitude of the local population towards them is positive and 25 per cent perceive a neutral attitude (in the other cities of the USSR it was 22 and 30 per cent respectively). Only 9 per cent of co-operators in Tbilisi felt counteraction, hostility, threat from the population; 29 per cent - envy, mockery; and 30 per cent hostility (in other cities - 21, 44 and 34 per cent respectively). The public opinion in Georgia does not note cases of racket aimed at co-operators (though many people consider that extortion exists on different levels of the official infrastructure and that "the mafia receives its share"), so far as rackets on the level of street hooliganism and robbery in many other regions spoil co-operators life.

There is evidently a liberal attitude prevailing among the population of Georgia (and probably that of Armenia) towards co-operative movement.

While not aiming to give an exhaustive explanation of the phenomenon, it is possible to highlight some socio-geographical factors, namely:

(a) The existence of a highly developed "shadow economy" in Georgia, producing consumers goods to some extent legalized due to the co-operative movement;

(b) The availability of big sums of free money - according to a rough calculation up to 12 milliards of roubles from which 6.5 milliards are placed in the departments of the Savings Bank of the USSR, - they can be invested in co-operatives;

(c) A high demand by consumers for quality goods (according to the results of the above-mentioned poll among the respondents of Tbilisi, a considerably large part - up to 20 per cent - mentioned high quality of co-operative products and services, while in other cities corresponding figures were lower);

(d) A sufficient level of the functional urbanization and accessibility of the city's trading areas by the rural population whose demand is coming close to the city-dwellers' level;

(e) The deterioration of the economic situation in Georgia was so far less obvious than in other regions of the USSR.

Finally it should be borne in mind that during the era of the Russian Empire a relatively high level of capitalism was reached in the big cities of Transcaucasia, particularly in Tbilisi and Baku, and that among the urban population of Transcaucasia there were many highly skilled artisans (predominantly of Armenian origin) whose traditions have to some extent been maintained.

Thus, despite practically the same trends in co-operative movement development in the USSR, there exist definite socio-geographical differences that are characteristic for some southern regions of the country.