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SOVIET COOPERATIVES: STRATEGY AND TACTICS OF DEVELOPMENT*

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The strategy of socialism's renewal, all-round democratization of public affairs, perestroika of the system of socio-economic relations, above all of property relations, and realization of the working people's initiative and independent activity--all this presuppose the revival and development of the various forms of cooperation in different spheres of production and social activity.

In accordance with this strategy, the society will not only solve a whole set of economic and social tasks but, what is also important, the development of a renovated socialist society and its economic and social structures will be possible only on the basis of cooperation and other new forms of economy as its inalienable part. In other words, cooperation will be not only an aspect of socio-economic relations used by society at certain stages of its development but an integral part of socialist society.

The realisation of the strategy of socialism's renewal at each stage of development must be supported by corresponding tactical goals and adoption of decisions, taking into account the sum total of cooperation's interrelationships with other economic and social structures, their place and role in the whole economic system, as well as the factors determining its possible prospects. In order to take adequate tactical decisions on the development of cooperatives, it is necessary to take

into account the experience of the past years, especially those when utmost use of cooperatives, primarily of collective farms as a specific cooperative form of economy, was proclaimed as a strategic principle. The tactical economic mechanisms and the decisions adopted in line with them were aimed at the unification of state and cooperative enterprises and at their regulation with methods of control alien to cooperation. For each specific stage, the experience of cooperatives' development and its priority tasks should be taken into account and the tactical ways and forms of their implementation should be determined. Stages should be defined and decisions adopted with due account of the experience accumulated in previous years and the maximal foresight of the economic and social consequences that might emerge as a result of this process.

The development of cooperatives on genuinely cooperative principles is in the initial stage in our country, and the boundaries of this stage will be determined by the new economic mechanism now coming into being. At the same time, the pace of changes in the economic mechanism and the nature of this process as such depend to a large extent on the development of cooperation and on decisions taken in this connection. In this light the current stage of renewal and development of cooperatives is a crucial one.

More than 1,951,000 people are employed in production cooperatives (excluding collective farms). They have marketed products and services to the sum of 10,368 million roubles. The respective figure for 1988 was 6,061 million roubles, whereas for the first three months of 1989 it was 4,307 million roubles, which testifies to the fact that the cooperative movement is gaining momentum.

At present we already know the objective and subjective factors promoting cooperation as well as cooperatives' potentialities as a form of solving production and social problems; new forms of management have been offered not only applicable to cooperatives but also capable of changing the economic basis of other production structures, specifically state structures.

At the same time, the cooperative movement has brought to light obstacles barring the way to the realisation of the new strategy and the radical economic changes, acting as spokes in the wheels of the new economic mechanism by reproducing negative phenomena. The obstacles in question are attributable, to a large extent, not only to certain inertia but also to the current economic tactics produced under the impact of bureaucratic structures: the striving to adopt rapid decisions in order to solve economic issues through structural changes, without actually changing the economic substance of new structures; through introduction of new forms instead of the old ones which have not yet exhausted their potentialities; through inconsistent decisions which, more often than not, do not take into account possible economic prospects and social consequences, which only discredit its essence, and even worse, may lead to certain deformations and, in general, to accumulation of negative economic processes and to loss-making production.

Economic decisions adopted strictly along legal lines is a key trend in the development of the current tactic of socialism's renewal. Legal acts are being elaborated and enforced in order to fix and stimulate progressive forms of management and to put new phenomena in the social and production spheres on a legal basis. But outdated approaches are also observed in

this crucial process. Now and then laws are elaborated and adopted hastily, without taking time to analyse the results of the development of economic processes, and thus foresee a wide range of possible consequences. There is also a trend to work out in detail some normative standards, with no due account of the dynamics in the economic situation.

This produces a paradoxical situation when, on the one hand, reliance is on the "right" law supposedly capable of settling all economic problems, with legal decisions substituting, to some extent, for economic ones. On the other hand, this undermines trust in the effectiveness of the legal regulation of economic processes, since as soon as a new law is adopted, it transpires that the sphere of its action is too limited or, on the contrary, too broad, so that additional legal documents are required. These documents have been so far of a restrictive nature. And life has shown that such restrictions result in unused resources and act as a brake on production, with the prices on goods and services going up. All this necessitates the restoration of the previous situation in a short while and impose old ways on the people again.

In particular, an unlawful direct or indirect ban on some kind of cooperative activity, or lack of freedom in the choice of activity affect both the national economy and the cooperative movement proper--and not only at a certain time but also in the long run. This reduces the number of people joining cooperatives, which is just as bad for the national economy, or increases the number of those involved in the shadow economy (which is no less dangerous) and thus violating the law. Another knotty problem crucial for the development of the coope-

rative movement is provision of raw materials. Difficulties in obtaining raw materials and equipment, just as higher coefficients on them, make prices on cooperative goods much higher and their quality much lower, something which causes a negative response on the part of the people and also breeds tension. The development of cooperatives has coincided in time with changes in the national economy. Modernisation of enterprises and whole industries producing consumer goods, just as structural changes in the national economy, aimed to promote these industries, are taking place very slowly. And this stands in the way of expanding production and stepping up the rates of production of these goods to meet the people's requirements. Cooperatives cannot cope with this task either for lack of raw materials. Price hikes are not always justified economically. People associate this complicated period of economic disorder with cooperatives for the simple reason that cooperatives, indeed, quite often find themselves in confrontation with the present economic mechanism.

It is only natural that cooperatives adopt independent economic decisions and choose ways of marketing their products, they are free to set their own prices and maintain contacts with partners of their own choice. The current economic relations in the country have certain transitional (toward the new economic mechanism) traits, combining, just as our economic thinking does, in a peculiar way, administrative fiat and economic freedom. And the destiny of cooperatives depends on which of these two principles will win.

The problem of the prerogative of the decision-making is also important for the cooperative movement today. It often happens in the present situation that decisions, which are by right