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SPECIFICS OF THE DEVELOPMENT OF NEW COOPERATIVES
WITHIN THE SYSTEM OF CENTROSOYUZ*

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New production cooperatives have started to develop within the long-existing USSR cooperative structure, and namely, within the consumers' cooperatives united into the Centrosoyuz system.

By the beginning of 1989 there were about 8 thousand production cooperatives within the consumers' cooperative system. Their activities cover a rather extensive sphere: production and services among them those relating to producing, purchasing, processing, and selling of agricultural products, production of consumer goods, industrial and technical products, collection and processing of recycled resources, etc.

Cooperative's specific weight in the growth of the industrial production volume is 20%. Within different types of activities of such cooperatives their output varies from 1.5 to 3%.

Within the framework of consumers' cooperatives there are two types of cooperatives: cooperatives established on the basis of consumers cooperative enterprises that, as a rule, are unprofitable and often require restructuring and partial respecialization, and new cooperatives.

Despite of the fact that both type are referred to as cooperatives and operate as legally independent enterprises, there are significant differences in the conditions of their operation.

Cooperative enterprises operate essentially on the basis of a lease contract. Consumers' societies and unions to which such enterprises belong, supply them with raw materials and other materials at wholesale prices to ensure the fulfilment of the production orders of Centrosoyuz. Such orders constitute about 60-70% of the whole production activities of cooperative enterprises. The sales of the output produced under the orders are carried out at the State-established prices, and the rest of the output is sold at contract prices.

The taxation of the cooperative enterprises is similar to that of all the enterprises within consumers' cooperatives: about 35% of the profits.

New cooperatives established within the framework of consumers' cooperatives, carry out their activities on the same principles as cooperatives in other spheres of economy.

In the process of their establishment and operation they face the problems that are faced by other cooperatives in the country. At the same time such cooperatives have their own specifics connected with the relations with consumers' cooperative system. Having complete economic independence and the rights of a legal entity, such cooperatives nevertheless are directly influenced by the system.

First and foremost an organization of such cooperatives under the aegis of consumers' cooperative system had the features of a peculiar campaign. For example, such a campaign was launched in 1987 in the Krasnodar Territory. The

goal was to establish at least one cooperative in every village. By the beginning of 1988 130 cooperatives operated within the framework of the consumers' cooperative system. Credits were given to them, equipment leased, as well as tools, production floor, etc.

Later the newly established cooperatives were either liquidated by the decision of the Chairman of the Territorial Consumers' Union, or withdrawn from within the framework of the consumers cooperative system as a result of their alleged economic unprofitableness. Consequently, the number of cooperatives within the consumers' cooperative system was considerably reduced.

Instability of new cooperatives, which is the result of the State policy, is aggravated in this case by the unreliability of the consumers' cooperative system which acts as an economic partner and guarantor.

It is connected with the fact that new cooperatives do not fit well with the established State-administered structure of the consumers' cooperative system, and are only formally tied up to it.

The proof is the fact that their number and relations with the consumers cooperative system are determined solely by the personal qualities of the leaders of the consumers' cooperative system.

In the regions where the leaders are distinguished by progressive views, new cooperatives are developing intensively, or they are given consultative and legal help in their relations with the consumers cooperative system; thus economic links are established between new coopera-

tives and the consumers' cooperative system. To tell the truth such links are of a one-time character. All in all the relations are formal (the new cooperative output is included in the plans of the consumers' cooperatives). But there are regions (e.g. Estonia which is on the first place in the country as far as the number of cooperatives is concerned), where no cooperatives within the consumers cooperative system have been established.

Lack of economic basis and incentive in the development of economic relations results in their instability.

It appears that the relations of consumers' cooperatives with new cooperatives in such a form are hardly efficient.

What we are talking about now is radically new relations based on economic interests and equality of the partners.

Relations like that may be established only when cooperative principles and stimuli are restored in the consumers' cooperative system, and it turns into a real form of the rural population organization with the main goal of meeting the population's needs. Only under such conditions mutual interest may appear.

A special role of the consumers' cooperative system is in the establishment of cooperatives directly in rural areas. The point is that new cooperatives today are established mainly within consumers' unions that are usually situated in the regional centers with a well-developed infrastructure and considerable material and financial resources that can be operated rather easily.

New cooperatives in turn may become an additional source

of consumer goods, ensure a wider sphere of labour for the rural population, contribute to larger investments in the material and technical basis of rural areas.