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MODELS OF INCLUDING COOPERATIVES INTO THE SYSTEM OF NATIONAL
ECONOMIC RELATIONS: EXPERIENCE, PROBLEMS AND
SOCIAL CONSEQUENCES*

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In the theory and practice of the economic construction in the socialist countries there is no unity in understanding such managing form as the "cooperative". In identification of the cooperative form of the economy, the scientists of the socialist countries recognize that it is characterized by such principles as the voluntary feature of the organization, duality of nature (objectives, management, position in the society, etc.) and some other principles and have been continuing discussions related to a number of the basic issues for many years. There is also no unity in interpretation of the specifics of the cooperative property form, the adequate extent of including the cooperatives into the system of the national economic relations, the principles of the cooperative sector management. In our opinion, such situation is natural as different countries at present realize different concepts of cooperation or reside at the stage of transition from one concept to the other. As a result, these countries solve the above-listed issues in different ways.

The experience of the USSR, other European socialist countries indicates that development of cooperation in compliance with the logic of the first cooperative logic whose formation was greatly influenced by the theoretical works of I.V. Stalin was to solve three main tasks. One of them is the incorporation into the system of the centralized planned economy of the extremely disintegrated means of production inherited from the past, i.e. the labour force, capitals, in the field of the agriculture and industry, commodity circulation. Cooperation enabled to organize the means of production within the framework of the sufficiently large economic organizations and, thus include in such a form into the system of the planned economy, the socialist production relations.

In addition to realization of their own interests in the field of production, exchange (the advantages associated with the emerged division of labour, the use of the well-developed engineering, etc.), the thus-established cooperative organizations also served the solution of other most important national economic

task of that period, i.e. implementation of the socialist industrialization at high speed. This task was contributed to by regrouping of the labour force as a result of cooperation of the small handicraft industry and agriculture; creation of the considerable additional productive capacities without using the state resources; transfer of the means into the field of the large-scale production through the use of the existing economic management system (being discriminatory in relation to the small-scale production), i.e. within the framework of reviewed concept of cooperation the latter was to become one of the reserves and sources of the socialist industrialization.

The third task assigned to cooperation was the successive transformation of the group cooperative property that was based on the private or personal property into the national (state) property. The institution of the indivisible cooperative funds became the primary means of the transformation. It is quite evident that due to the processes of concentration and centralization of production the absolute size and share of the indivisible funds in the cooperatives rapidly grew, whereas the connection of the cooperative members with its property weakened. The new members of the cooperative became the "owners" of the considerable means in creation of which they took neither the property nor the labour part. The means were not divided between the members neither in case of withdrawal of some workers from the cooperator nor in case of the cooperative wind-up. In winding up the cooperative, the means of the indivisible funds after settling the accounts with the creditors were placed under the authority of the cooperative movement bodies. Therefore, the process of placing the cooperative property under the authority of the state proceeded objectively even in case the methods of including the cooperatives into the system of the national economic relations were not aimed at that.

Each of the above-stated tasks realized within the framework of the first cooperative concept was theoretically grounded. The need to include cooperation into the system of the national economic directive planning was explained by the advantages of the planned managing and the accompanying processes of concentration and centralization of production. The use of cooperation

as one of the sources of industrialization, the need for catching up with the state property were being proved by the "lower level" of the cooperative property, its "inconsistently socialist nature". The cooperative form of the production organization was claimed to be the result of the tactical concession to the petty-bourgeois elements united in the cooperatives, the result of the political compromise required to effect the successful allied policy. The conclusion of the short-lived nature of the cooperative as the form of managing, its rapid elimination was drawn from the need for development of the cooperative property into the national property.

The practical results of realizing this concept in the socialist countries are well-known, hence we shall not dwell thereupon in detail.

In understanding the fact that the dynamic development of the present-day economy is impossible without the commodity-money relations, in reevaluation of the market function, due to recognition of the possibility of using other methods for the public production management than the directive methods, the new concept of the cooperation development begins to form. It is based primarily on the recognition of the uniformity of two types of the socialist property, i.e. the state and cooperative property, recognizes the group nature of the cooperative property and, thus provides the members of the cooperatives with all rights for its realization (the collectives of the owners are given back the rights for solving the problems related to the status of the cooperative, profile of its activity, distribution, personnel, investment policy, selection of the economic partners, etc.). As shown by practice and common sense, however, the internal and external conditions are required to realize this idea of the cooperative property. The external conditions are inseparably linked with the economic mechanism functioning in the country, that should provide the cooperatives with the broad opportunities enabling to wage the independent economic activity. The internal conditions, on the one hand, necessitate the establishment of the effective self-government system enabling all members of the cooperative and not only management or elite groups, to take part in realization of the owner rights, and, on the other

hand, presume that the members are seriously interested in the effective functioning of the property and possess the adequate knowledge, "culture of democracy", are able to realize their rights and interest.

Therefore, we may speak of the cooperative society only in case the external conditions enable (provide the sufficient freedom of actions), whereas the internal conditions are sufficient so as to enable the collective of the cooperative members to independently determine the issues related to the status of the cooperative property and cooperative enterprise, functioning of the property, distribution of the labour results. Otherwise, apparently, the case in point should be the distribution of the owner rights between the state, local Soviets, bodies of the cooperative movement, managers and the rank-and-file members of the cooperatives.

Analysis of the experience of the economy functioning in the European socialist countries indicates the direct relation between the basic methods and principles of managing, which prevail in the national economy, and the methods of integrating the cooperative sector in the system of the united national economic complex. For instance, the economic mechanism characterized by centralism in making the management decisions, the excessive regulation of the activity of the managing bodies and organizations, the system of the directive-address planning, funding as the basic method of logistics predetermined the major features of the models of including the cooperatives into the system of the national economic relations. Among them are incorporation in one or other form in the system of the directive planning, the centralized distribution of the resources, the organizational structure capable of ensuring the regulation of activity of the cooperative organizations "from top to bottom", the sufficiently stringent control over the profits and funds of the enterprises. Analysis of the system for the economic management of the cooperatives under the conditions of the "old" economic mechanism indicates that the directive approach is combined therein with the higher freedom than that of the state enterprises but, however, only there and then there and when the cooperatives are in the less-ensured, less-safe position associated with a high risk. This freedom is

essentially the chance to survive in the difficult economic conditions.

Another method of including the cooperatives into the system of the national economic relations and known to the socialist countries of the Eastern Europe is the all-round expansion of the market relations within the framework of the national economy. However, the market development as the condition of realizing the cooperative property, as an efficient method of including the cooperatives into the national economic relations requires much time, the profound organizational and economic changes and is rather difficult to achieve in the nearest future both by the small socialist states characterized by the inadequate capacity of the home market, impossibility to liberalize import due to considerable indebtedness and the USSR wherein the extreme diversity of the regional managing conditions, the high unsatisfied consumer demand exist.

In our opinion, the major problems associated with development of the cooperative sector under socialism arise in case the methods of including the cooperatives into the system of the national economic relations fail to comply with the actual economic environment. Delay of the reform in the state sector and concurrent providing of the cooperatives with a large efficient independence leads, as a rule, to the growth of the social tension in the society and discrediting of the correct idea of using various forms of the production organization for the efficient solution of the national economic tasks. It should be noted that, for instance, the Hungarian leadership embarked on stimulation of the cooperative and individual labour activity only on a lapse of more than 10 years of the state sector functioning in the conditions of the economic mechanism reform, development of various forms of lease, contract, etc. on a basis of the state property. We view the causes of efficiency of the cooperative sector functioning in the GDR and Hungary in that the methods of including the cooperatives into the system of the national economic relations comply with the nature of the economic environment in spite of the great differences in the this sector state management systems.

This conclusion is also proved by the experience of the cooperation development in the USSR in the last years. The broad

provided to the USSR cooperatives on the basis of the cooperation law turned out to be unsupported by the real possibilities of their realization. In the years which followed passing of the law the economic policy in relation to the cooperative sector was aimed at solving the contradictions emerging therewith. Only acceleration of the economic mechanism reform, the change in the status of the basic production link, i.e. the state enterprise, not in word but in deed could become the real guarantee of the stable development of the cooperative sector. This, however, has not occurred so far. Slipping of the reform process has intensified the trends towards limitation of the cooperatives rights, strengthening of the cooperative sector directive management methods; on the one hand, dissatisfaction of the population with activity of the cooperatives has grown, whereas, on the other hand, resistance of the cooperative officials to the attempts to limit their rights has increased.

In creation of the organizational structures and economic mechanism of the cooperative sector in the USSR, it is expedient to study the experience of the cooperative sector in the socialist countries of the Eastern Europe, the use of the most successful economic and organizational decisions. It is particularly important nowadays in the conditions of the transient period in development of the Soviet economic mechanism, that requires the establishment of quite a number of the intermediate links of including the cooperatives into the system of the national economic relations (for instance, in the field of logistics, foreign trade, etc.). Adoption of this method, however, cannot be mechanical in any way unless the general logic of the economic development of the countries, the state of the market, the specific features of the economic mechanism, the traditions in the field of production and consumption, etc. are taken into account. Certain features may not be individually "pulled out" of the general context. Such eclecticism can do great harm to development of the cooperative sector in the USSR.