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THE SOCIAL FUNCTION OF COOPERATIVES IN THE PRESENT SYSTEM OF  
ECONOMIC RELATIONS OF THE UNION OF SOVIET SOCIALIST REPUBLICS\*

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The expansion of the cooperative sector in the USSR economy due to growth of cooperatives practically in all activities in addition to already existed (collective farms in agriculture, consumers' cooperative societies in the trade, and house-building cooperatives in house-building) is quite natural and justified from the point of view of economy.

So far as the socialist relations of production need to be improved according to the requirements of the radical economic reform, the growth of cooperative and individual activities can be considered as one of the most important ways to overcome the scarcities problem of the soviet economy by its partial privatization.

As known the scarcities problem becomes extraordinarily acute in production and consumption spheres, in the rendering of services, so that the cooperative activity just here is of the most social importance.

On the one hand the common use of the cooperative type of property for building-up various economic societies is an important factor characterizing the mobility grade of the economic system, on the other hand, it contributes to avoid

the virtual government monopoly of production, as well as the sale of consumer goods, providing with it the possibility of choice for consumers.

It is important to know, that the cooperatives, which use the principles of self-repayment and self-sufficiency, must finally provide not only the maximal accordance of collective and personal interests ( what, properly speaking, can be achieved in the best way by cooperating), but also, within reasonable limits, express the interests of the society at large.

The last predetermines the objective necessity to regulate the cooperative activities by the State, and serves also as a main criterion for elaboration of methods of this regulation.

It is important to take into account, that the interests of the society can be represented in this case directly or indirectly. The direct representation of these interests can be manifested by the general recognition of either type of activities, which became cooperative. Indirectly, the cooperatives are bearers of society interests because of their social effectivity, which is generally determined by the grade of solving the social problems.

The activities of the cooperators and "individuals" from the point of view of the social utility are basically regulated by the administrative-legal methods: by adoption of the USSR laws, decrees of the USSR Council of Ministers and instructions of control bodies.

The social effectivity of the cooperative sector can be economically achieved by regulating of cooperative activities mainly by economic methods. Among these are carrying out the best organized tax policy, which must be souple in the first

place, elaboration of the main principles of relations between the cooperative sector and the State one on the basis of their economic equality, which can be expressed in equal conditions of management, organisation of the wholesale trade of means of production, at which the State enterprises and the cooperatives can be also partners, who are equal in rights, and building-up the effective control system to verify the cooperative production quality and so on.

Now the highly wide range of problems became already revealed, which are associated with negative consequences of the insufficiently efficient organisation of the functioning of cooperatives in the integral economic complex, the element of which they are according to the Law on Cooperatives.

The most acute problems are the disproportion between the cooperator work payment and his real work input, ungrounded high prices for some cooperative goods, extremely large migration of people able to work from the State sector into cooperative one and so forth.

Besides, many facts, associated with direct breaking the socialist laws in cooperative activity sphere, root also in economic sphere.

So it's obvious, that in present conditions the economic methods to regulate the activities of cooperatives become immeasurably more important. Nevertheless one must establish a fact, that the economic methods ( more than one year later after coming into force of the Law on Cooperatives in the USSR) do not still act effectively enough. It is necessary to pay more attention to this problem, considering it as integral part of the main problem of the economic reform, that is of the improvement of the management machinery.