
Quo Vadis, Comrade?

by W.R.F. Cunningham

The international role of the Co-operative College has always been an important part of its function and indeed its reputation abroad is a tribute to the College's dedication to furthering international relations. To this end relations with counterpart colleges and universities in Russia have now become more urgent as the new "Commonwealth" begins to take shape - as I found on a recent visit.

The "fall-out" from *glasnost* and *peristroyka* is still being felt, not simply in external relations, but in the domestic vacuum which these have created. The effect on the state Co-operatives has been nothing short of terminal and, at least in part, the breakdown in the distribution system is attributable to the fact that the bureaucracy of which the Co-operatives were a part, no longer functions with official authority. Consequently, food and other consumer goods no longer have the outlets they relied on but, conversely, the entrepreneurial alternative is insufficiently organised to be able to take over.

The International Co-operative College at Stanford Hall has now established a working relationship with the former Centrosoyouz Moscow Co-operative College and the St. Petersburg Agricultural State University for the purpose of assisting and developing suitable courses which can be taught in Russia and/or Stanford Hall for established academics and students in those institutions.

The Dangerous Void

The media image of conditions in Russia hardly does credit to the reality. It isn't the shortage of food, the empty shelves in shops or the galloping inflation which justifies my title, but rather the economic and doctrinal void created by Mikhail Gorbachev.

Having just returned from my visit to the institutions in Moscow and St Petersburg, the one thing which keeps coming back in my mind is that posed by several professors - we are glad to see the end of the Party and the system but, as yet, there is nothing to replace them. What is the free market? Is it possible to make the transition from a "command economy" directly to a "free market economy", or is some intermediate step necessary/desirable? How do we achieve this? In discussing these conceptual matters I was asked on several occasions to explain how "price" is arrived at. Having received the text-book explanation, the response was "but at what point does government step in?" The idea that any transaction could be conducted free of government involvement is still quite alien.

What also impressed me was the the very acute sense of social justice shown by the people I met. Those whom we would describe as 'entrepreneurs' were called "criminals". When I enquired why, I was told that those people were making a profit out of other peoples' misery.

Given the current conditions, it was difficult to dispute this, but how do you create a free market economy against a background of such attitudes?

Creating a Free Market Economy

Much publicity has been given to the creation of a "McDonalds" in Moscow and on being invited to visit this establishment, I found it difficult to convey the fact that I didn't frequent fast food restaurants in the UK and so did not feel specially drawn to them in Moscow - although politeness to my hosts obliged me to partake and we all enjoyed it!

The recent visit by representatives of Sainsbury and Tesco to Moscow, seemed to suggest that opening their branches in Moscow would somehow or other solve the distribution problem at a stroke. How much more valuable would that visit have been if CWS or CRS had been represented and more pertinently why were they not represented? Is there a perception in Government that Sainsbury and Tesco have a monopoly on retailing state of the art?

The Obstacles

I am now convinced that there is a long road to travel before we can begin to see anything like a western economy operate in Russia or any of the other "Commonwealth" states. Education and training across the whole gamut of accounting, finance, economics and management must be a priority but, this by itself, will not be enough. Why?

Because much of the old bureaucratic machinery is still in place. Because public expenditure needs to be increased to pay for roads, hospitals, schools, colleges, and universities. Because it can take up to three days to obtain an international telephone call. Because calling from one Moscow telephone to another sounds like a conversation with someone on the moon. Most of all, because corruption is everywhere, from doormen at restaurants to kitchen workers in hotels who sell food because they cannot live on what they are paid.

A Moscow Professor told me he earns R900 per month, the equivalent of approximately \$19 or £9.00; the last official salary increase for academics was in 1972. This explains why there are more truck drivers with Ph.Ds in Russia than anywhere else in Europe.

A Role for Co-operatives - and the College?

There is much more, but enough! Where do they start? The short answer is anywhere; anything that lifts their lot by even a fraction must be an improvement. What of the Co-operatives? Do they have a role to play? The difficulty is that they were and remain, at least for the time being, a part of the Party machine. They were part of the government bureaucracy, not sharing the I.C.A.'s six defining principles.

They were instructed on what to produce and when. Price was unimportant, as were costs, hence the price of bread remained the same for seventy-odd years. Legislation has been passed to break up the state farms, but the old Party faithful hold on to control and the courts are not powerful enough to do anything.

Would it be possible to create a new breed of Co-operatives? Perhaps, in time, but the image and association are too tarnished at present. This is where the Co-operative College hopes to play a part. We have the expertise to assist in the design and development of courses aimed at assisting academics, students and entrepreneurs to make the transition to a market economy. This will be done with financial assistance from the EEC and the British Government's "Know How" fund. The magnitude of this problem is such that it will take many years yet before the Russians can be completely self-sufficient. Clearly exchange programmes and exposure to each other's economic conditions will assist in making that transition, but it may very well be a long and painful one.

From a purely humanitarian point of view what the West can do is to offer the type of Marshall Aid that enabled the UK to recover after World War II, without strings; but "why?" I hear you cry? Because if we do not, there will be other coups and next time they will come from the right wing of the Party and that will take us all back to the fascism of the cold war years, to suspicion and the nuclear threat, and surely there is no price too great for the avoidance of that. But, take heart; they are warm, generous, friendly people who will welcome you like a long lost friend. Go and see for yourself; the more contact we have, the sooner the work can begin.

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