

## CO-OPERATIVES IN THE USSR

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### ABSTRACT

This paper describes the problems of development of co-operative movement in the USSR. The computerisation process in this country requires an entirely new approach to information service of the society. New opportunities in mastering the soviet market through the promotion of modern information technologies arise for foreign partners.

The development of co-operative movement in the USSR may be considered as one of the factors characterizing its recent economic changes though soviet co-operatives don't produce an essential effect on the national economy yet. According to the State Committee on Statistics the last year's total volume of co-operative output and services amounted to 6 billion roubles. At the same time Professor Korobkin in his speech at the national congress of co-operative workers implied that to noticeably influence the national economy co-operatives have to achieve the level of 50 billion roubles at least. To gain 40% of the national total output they still have to sell as many as 200 billion roubles' worth of their production.

Independence from the national planning and a free hand in using their own means give the co-operatives an opportunity to launch all sorts of initiatives and undertaking. Creation of the economy capable to compete with the national one is believed to improve the quality of production. Now Co-operatives are particularly interested in the new forms of collaboration, obtaining of commercial information, advertising and marketing which are the activities actually non-existent in the USSR.

The specific situation arising from the great difference between the official and actual rate of rouble relative to hard currencies stimulates the great interest of soviet enterprises in offering their production and services on the foreign market. Western firms are also searching the opportunity to master the soviet market which is potentially enormous. This resulted in the process of launching joint ventures that are one of the few legal forms of investing foreign capital in the USSR economy.

The development of the new forms of economic activities in the USSR and its integrating in the structure of the world economy is banned by the lack of the appropriate information service. Both soviet enterprises and foreign firms that are interested in economic relations with the Soviet Union are considerably

inconvenienced by the impossibility to obtain the information about the current situation on the soviet market and to exchange the necessary commercial information with their partners.

The recent boom in using personal computers in the Soviet Union is bound to greatly improve the information service in different fields. But to use a PC one has to make it or buy it! This means that our country needs to either produce or purchase PCs in big quantities. It is a fact that the national industry is incapable to solve the problem in full and to buy PCs from the West the country has to pay hard currency.

State funds of hard currency may partially satisfy the demands in PCs only for a minor number of the top priority enterprises. There is also a possibility to barter raw materials which is certainly limited in extent. The majority of the potential users have only roubles to pay. But actually the state owned enterprises and joint ventures have no legal right to sell computers on roubles if they have bought them from abroad. This is allowed to do only for co-operatives and it has turned out to be a highly profitable business for them. The soviet market price for the PCs is 100 to 300 times the month' salary of a qualified specialist.

On the other hand the technology of using PCs is hardly effective in comparison with their price as it mostly copies the technology of using mainframes that are common in the USSR. Therefore it is estimated that PC owners will be searching for the new ways of their use.

Consequently the development in the USSR of computer information technologies that are widespread in the West is of great interest and has a considerable market. Primarily the co-operatives are in great need of quick informational service and their number is daily increasing and the problems of marketing and coordinating their activity become more and more serious.

Moreover we believe that soviet enterprises, co-operatives and foreign firms working in the USSR would be interested in creation of the information networks in this country. Such networks should be connected to the existing international information networks and offer the following services:

- the possibility of using the electronic mail or electronic

messaging to exchange information between users inside and outside the country - this exchange is rather difficult nowadays because modern means of communication like telefax or telex are scarce in the USSR; the possibility of accessing these means through the network;

- the possibility of using the databases existing in the West containing the necessary information for advertising and marketing; downloading of one's own information in the databases in order to establish business contacts with foreign firms; creation of the analagous databases in the USSR;

- creation in the USSR of the databases for news, information on economics, sociology, ecology and the possibility of using analagous databases of other countries;

- creation of the language support which may be crucial for effective international contacts including quick translating of the user's documents by the translating service of the network;

- creation of the paging service enabling the users to reach each other inside the country and use the paging services of other countries;

- creation of the bulletin boards service which would support the edition of independent economic and other bulletins obtaining the information from the network users in the format convenient for editing.

The organization of such information service would be possible by means of creation in the USSR of a branch of the huge existing PopNet-GeoMail network which covers Europe and the USA. The corresponding hard currency expenditures could be considerably reduced by organizing an association of soviet users sharing access to the main network through several local nodes.

Having in mind the increasing need and perspectivity of such networks certain co-operatives have started designing them. In the nearest future it is supposed to create a database containing commercial information about the existing co-operatives and to sell information services to future users.

We believe that the development of information service networks in the USSR should become an important factor of improving the economic situation in the country as well as help overcome the existing administrative and bureaucratic barriers in the way of co-operation between soviet and western economies.