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Description

Soviet economist Rair Simonyan discusses Mikhail Gorbachev's "perestroika" reforms and the developing relationship between socialism and capitalism.

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**APA**

**CHICAGO MANUAL OF STYLE**

**Transcript**
Soviet Economist Discusses Socialism and Capitalism
BRYANT GUMBEL, anchor:
On CLOSE UP this morning, Soviet consumers. Their demands played a big role in bringing about this summit and contrary to what many may think in the West, Soviet citizens do have money to spend, the problem is, there’s a severe shortage of quality goods to spend it on. The government is trying to rectify that situation and at the same time stimulate the domestic economy by injecting a bit of capitalism. Cooperatives, privately-owned businesses run on the profit motivate are springing up all over the Soviet Union. They are more expensive to patronize than state-run enterprises but they’re thriving because they’re doing a better job of giving Soviet customers what they want. Cooperates are a start but to make the kind of economic strides necessary for a Perestroika, closer relations with the West are necessary. And that’s where Dr. Rair Simonyan comes in. He’s head of the Department of Industrial Economics of the USSR, Academy of Sciences and good morning, Doctor.

Dr. RAIR SIMONYAN (Industrial Economist): Good morning.
GUMBEL: Your job is to study western industrial practices…
SIMONYAN: That’s right.
GUMBEL: …to see which ones could be applicable here. On what kind of criteria are those judgments made?
SIMONYAN: Usually there are different criteria. First of all, we should analysis both positive and negative trends in western economy, in management, and so on and so forth. And we are trying to use the best positive result you have in your economy to make our economy going better.
GUMBEL: When you--when you get hold of something. Let’s say you--you study the pattern of--of a company you study NBC. And you get hold of something that we’re doing right and you want to inject it into your marketplace, what’s the procedure, how do you go about it?
SIMONYAN: You see, I--I’m writing a report of special recommendations and these recommendations,
when they are approved by our directory board at the institute, I’ll send to the central comm-- or to the
council of ministers and so on and sometimes these proposals are adopted by our top authorities.
GUMBLE: What do you see as-- what do you see as the downside risk of--of doing that? Of injecting ever
increasing amounts of capitalism into a communist system?
SIMONYAN: You see, that’s a problem for our economy. You see, to combine both plan and market
mechanisms together, and you see, we’ll use more market mechanism in our economy.
GUMBLE: What we call incentives you’d call market mechanisms?
SIMONYAN: We call the same.
GUMBLE: Oh, OK.
SIMONYAN: Incentives, yes. Because of our experience, negative experience, were that without
incentives, you cannot increase the productivity, the efficiency, you cannot speed up technological
progress.
GUMBLE: Is that a flaw in communism?
SIMONYAN: Yes it is. One of the principles of socialism is from everybody according to his abilities and
to everybody according to his work, it’s not a capitalist principle but it’s socialist.
GUMBLE: But it is an admission the communist system is flawed?
SIMONYAN: You see, our system should be flexible and efficient. That’s the main thing.
GUMBLE: And it’s not right now?
SIMONYAN: It is not right now, yes. That’s why the Perestroika is needed now.
GUMBLE: Do you see a role for this? I mean, I’m mindful of the fact that I’ve been in Beijing and seen a
Kentucky Fried Chicken. Others with our crew have been in Budapest and seen a McDonald’s. Do you
see a place in the Soviet economy for U.S. businesses, U.S. partners, U.S. consultants? Are we welcome
here?
SIMONYAN: Sure, sure. I think that in the process of Perestroika, our preparation, our ties with our
foreign partners should develop and one of the first steps is the formation of joint ventures. It’s a new
phenomenon in our foreign economic relations.
GUMBEL: Well joint ventures what something your office came up with and it sat on the shelf for a
while. Are you satisfied with the pace of how they’re going?
SIMONYAN: You see, I made the proposal just after my last trip to Austria to organize a consulting firm
on the basis of our institute together with some of the western partners. Consulting firm for foreign
businessman and for our enterprises on the world mind.
GUMBEL: Might the day ever come, when if I came to Moscow to visit, I could walk over to Red Square
and get a McDonald’s.
SIMONYAN: I think so. Maybe sometime you can buy not only McDonald’s but something else of
western origin.
GUMBEL: Will I be a little old man when it happens?
SIMONYAN: You see, a lot of things depends on the process of Perestroika.
GUMBEL: (laughs) I understand. Dr. Rair Simonyan. I thank you very much.
SIMONYAN: Thank you for the invitation.