REFLECTIONS ON THE NATURE OF NATIONAL PLANNING

The views offered in this paper pertain almost exclusively to the nature and role of national planning under the conditions characteristic for the behaviour of the socialist socio-economic system. More specifically they are related to experiences gathered in Poland. Suggestions and conclusions formulated in the paper should be considered in a similar context.

The issues implied by the title of the paper will be discussed from the viewpoint of economic theory, of its relevance for the solutions in the sphere of system-wide conscious control over socio-economic processes or in a wider sense - for the premeditative behaviour of the system.

It is necessary to pose and discuss the problem from this point of view because in this manner we can open the possibilities to make the distinction among various interpretations of planning as well as to assess them. The most frequent interpretations of planning as well as their implications...
tion connects planning directly with managerial functions of decision-making. In this sense planning, as a managerial sub-function, is related to respective management (control) centres which make decisions concerning a given object. The delimitation of such an object, and consequently the scope of decisions, depend on the location of a given management centre in the institutional and organizational structure of the national economy. In this sense J. Gościński defines a process of planning as a set of activities preparing the decision on the future desired state of the system as well as on the manner of implementation of tasks and goals. A plan as a planistic act is considered as identical with a decision. There are certainly many merits in such an approach as far as it leads to emphasis on important features of planning as a process dealing with information, its processing and involving methods and techniques of decision-making. These aspects should not be underrated, but they are related only to a part of the nature of planning. Using this approach one cannot grasp the reasons why certain types of decision are (or should be) within the scope of functions attributed to particular management centres, to what extent planning is (or should be) different depending on the nature of these functions, in what sense these functions and the corresponding processes of planning are mutually interconnected and conditioned. One may say that in such a context planning is considered in terms of scientific disciplines called by O. Lange auxiliary to political economy rather than of political economy itself. If one looks from this viewpoint at national (system-wide) planning than it is usually identified with planning performed at the central level of management (i.e. in central government institutions) and serving centralized decisions. The substance and scope of such decisions are seen then as mutually exclusive with those concerning decisions made at the lower echelons (e.g. by the managers of enterprises or by regional authorities). This leads in turn to an oversimplified view that the strength of national (sys-
tem-wide) planning, its practical influence on the behaviour of the whole socio-economic system, depends on the degree of concentration of decisions at the central government level. If such terms of reasoning are adopted then it becomes difficult to understand and explain the true meaning of democratic centralism which is rightly considered as the most important principle for the control of behaviour of the socialist socio-economic system. Such difficulty is especially evident, if - as in the case of Poland - a diagnosis is made that the basic economic units (i.e. the socialist enterprises) have not enough freedom of choice and decisions to be able to act efficiently, but it is seen necessary, as a remedy, to strengthen both the central planning and the scope for initiative and choice, the forces of innovative dynamism in the enterprises. The remedial conclusions are correct but misunderstandings are likely to emerge if the framework for reasoning is not adequate, i.e. if it is not based on principal features specific for the behaviour (the manner of action) of the socialist societal formation.

From this viewpoint one should note that the most important characteristics which shape the nature of societal, system-wide planning and control in a socialist formation are the creation and strengthening of socialist modes of production based on societal (national and cooperative) ownership of the means of production. This is considered fundamental because it constitutes the basis for such changes in attitudes and motivations, in institutional and organizational structures, in patterns of interactions among individuals, organizations and institutions which are driven by the will to strive for consciously chosen common aims. In this way a possibility for a harmonious development of the whole system is created but the utilization of this possibility is not ensured automatically as it depends on the abilities of the society to understand the nature of societal economic laws and to act accordingly. There is a gradual process of mastering these abil-

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6 Statements to that effect were made at the VI-th Congress of the Polish United Workers Party (in 1971) and confirmed at the VIIth Congress (in 1976).
Societal laws manifest themselves always as the laws of behaviour and action of the masses in concrete specific behaviour of individuals. As a result of interactions among individuals there arises a general tendency, a common ultimate outcome of interactions which forms a law. In pre-socialist formations each individual was acting according to his own goals which were not consistent with general and ultimate outcomes with an overall tendency and law. As a consequence there were some spontaneous forces mastering the people. There was no possibility for the society, as a whole, to set a common goal and to mobilize all its members around the task of its implementation.

In principle there are no inherent conflicts between the individual goals in a socialist society and the general outcome. Consequently there is no dominance of any exogenous spontaneous forces but the ultimate outcome can be shaped according to goals previously chosen and planned.

This seems to be the main feature relevant for discussing the nature of national socio-economic planning under the socialist conditions, i.e. to consider it as a major organizing and coordinating force used by the society to integrate intrasystemic actions around the tasks of implementing societal goals, the latter being perceived and articulated according to the socialist criteria and norms of evaluation. What this implies also is the importance of striving for an understanding of economic laws the objective manifestations of which have to be consciously utilized within the framework of system-wide planning instead of being spontaneous masters of system’s behaviour. Three main categories of laws are to be considered, i.e.: technological and balancing laws of production, laws of human behaviour and laws of interaction among human activities. Especially relevant for the national, system-wide planning are the latter two categories as well as their interconnections with the technological and balancing laws of production.

8 Comp. O. L a n g e, Ekonomia polityczna, Warszawa 1975, p. 291-297.
9 Idem, p. 279-278.
For many years planning of the national economy has been considered as an important subject of scientific research and theoretical formulations within the framework of political economy of socialism. However, the emphasis has been placed on the problems of internal consistency in shaping the structural development proportions (in their interbranch, interregional and also intertemporal aspects), as well as the problems of finding solutions corresponding to certain predetermined criteria of optimality. Writing on this subject in early sixties O. Lange made an observation that the political economy of socialism was concentrating attention first of all on real terms and structural balancing aspects of the socialist economy. Other aspects, related to internal dialectics in development of socialist modes of production, to inherent conflicts and driving forces of development, were less frequently forming the subject matter of a scientific analysis. In other words one may say that the approaches have been mainly; based on the premises of technological and balancing laws of production, which must have involved certain assumptions making the impact of other premises either neutral or exogenously estimated. This meant also that the progress in the theory of planning was one-sided in the sense of being concentrated on "reified" categories (of the stocks and flows of products and resources) and their interrelations. Much less attention was devoted to such issues as the manner in which societal and partial (sub-systemic) objectives are articulated, the criteria of their evaluation and choice are formed, in which attitudes and motivations of people are evolving (either contributing to consciously designed final outcomes or creating mutually controversial tendencies).

In the course of the last fifteen-twenty years we have witnessed several important new trends in scientific research and in theoretical formulations related to the issues considered in this paper. Let us draw attention to the following ones:

11 The premises related to the laws of human behaviour and their interactions.
12 Those who form plans and implement them.
1. The framework of national planning, especially in its short and medium term operational aspects, becomes gradually more explicitly connected with considerations of self-regulatory mechanisms characteristic of current planning and management in particular micro-organizations and horizontal ties among them. This involves the terms of economic and financial mechanisms utilizing various parameters and normatives which regulate the behaviour of economic organizations (prices, wages, credit and related interest, taxes, rules for repartition and utilization of profits etc.) parallel to selected sales targets and/or allocations of resources. The principal issue in that respect which demands still a more explicit analysis and theoretical treatment is related to intertemporal relations between teleological and system-wide premises of evaluation on the one hand and internal driving forces at the micro and sub-systemic level on the other.

2. Much insight has been gained in the field of dual relationships between real and value terms of analysis and design for structural proportions. This line of research may open promising prospects for better understanding the issue mentioned above, i.e. related to a "missing link" between system-wide future-oriented planning and current regulatory mechanisms based on commodity-money categories. However, there are many difficulties in this field, especially related to a different time-perspective and an informational role of accounting and current prices, as well as their consecutive changes.

3. There are several lines of essays to enrich an economic analytical framework for development and its structural proportions. One of them is related to the recognition of the fact that in order to link consumption patterns with the notions of human needs and their satisfaction it does not suffice to rely on presumably autonomous consumers'preferences. Such preferences are, of great importance but they are always conditioned by various societal and environmental factors. Important issues pertain then

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13 Which must exert an influence on the future place and role of a given organization within the whole system.

14 Being mainly based on the premises of past and present experiences as well as on partial expectations and/or perceptions of future objectives and conditions.
to the interrelations among such phenomena as: a) social perception of human needs, b) factors contributing to such conditions which would allow the needs to be perceived and satisfied in line with societal criteria of desirability, c) factors causing differentiation in perception and satisfaction of needs among individuals, i.e. reflecting really a diversity of needs and not the differences in conditions imposed by exogenous and societal factors. These aspects are considered essential for an enriched analysis of income distribution, including centralized redistribution and supply of "benefits in kind". Simultaneously attempts have been made to identify the links between patterns of human needs satisfaction, on the one hand, and those of efficiency promoting factors, on the other. In this sense the level and pattern of needs satisfaction are considered not only as defining the aims but also as essential factors promoting development. However, this is still the field where more concrete and quantifiable analytical approaches are very difficult. Secondly - there is a line of thought related to observation that various input-output relations used in an economic analytical framework, especially the conditions and possibilities for their change, depend not only on technological characteristics of corresponding processes (which primarily reflect respective physical and/or chemical properties), but they are influenced by a range of factors depending on the manner in which such characteristics are utilized by people, especially in wider sets of interactions. Attention is drawn also to the manner new possibilities, formed by science and R and D activities, are made available for practical application and are assimilated in practice.

Third - more attention is devoted to relationships between socio-economic activities and the state and changes in the natural

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15 These aspects are discussed, inter alia, by J. Daniecki, Egalittyzma społeczny a modele konsumpcji w perspektywie do 1990 r. [in:] Społeczny rozwój Polski w pracach prognostycznych, ed. J. Daniecki, Warszawa 1974 and also by Z. Perga, Social Policy and the Types of Centralized Redistribution, "Acta Oeconomica", vol. 15/1.

environment, especially from the viewpoints of ecological conditions for human life as well as of depletion of nonrenewable resources and conservation of renewable resources. The point is to consider these relationships in a manner promoting a conscious and active environmental attitude in shaping socio-economic development patterns.

4. There is a growing tendency to consider national planning in a wider context as socio-economic, instead of formerly used notion of national economic planning. There are two aspects of this shift in emphasis. On the one hand, it reflects the will to get a deeper insight and stronger justifications for the tasks of articulating societal goals within the framework of pluristic procedures. On the other hand, it involves the problems of getting wider participation of the people in assessing and evaluating alternative patterns of goals and of policies leading to such goals.

Both of these aspects are meant to enrich the rationality principles employed in the optimizing framework of comprehensive national accounts in the sense of getting a stronger base for evaluations related to the choice of desired final outcomes. Various problems are in focus of attention in that respect, i.e.:

- the living standard of the population and its particular groups, including such issues as: a) identification and perception of manifold kinds of needs, b) the extent of their satisfaction, c) basic conditions formed by the society in order to satisfy the needs;
- specific areas of concern such as: a) social care for children and youth, b) education, c) social care for elderly people, d) social care for the disabled and war victims, e) development of health protection, f) housing, g) satisfaction of cultural

17 One may consider this as a way in which a code concerning the objective function (in a formalized "shorthand" notation) is deciphered.

18 Comp. e.g. F. Hrognsky, Metodologicheskie problemy analiza shizennogo urovnya v sotsialisticheskom obschestve [in:] Sotsializam i narodnoe biloosostoyanie ed. K. Mukhovsky, Moskva 1976.
and intellectual needs. b) development of physical culture, tourism and recreational facilities;
- the problems of employment, characteristics of the people employed from the viewpoints of their professions, skills, qualifications, types of occupation, the length of working time, working conditions etc.

One should also note a significant line of research-characteristic of contemporary scientific thought in the socialist societies, which concentrates on a comprehensive approach to important changes being effected in many aspects of socio-economic system's development in the stage when a mature socialist society is formed. Comprehensiveness means that not only the above mentioned aspects are included but also such emphasis is given to the patterns of societal and individual "way of life" at that stage.

An important matter in dealing with all these problems is the manner in which options for choice are formed, evaluated and in which criteria for making the choices are gathered and transformed into policies. One should note three interrelated channels serving the implementation of such processes, each of them having different properties and consequently using also different kinds of procedures and indicators. The first one is based on specialized scientific research; it involves relatively specific and "technical" sets of categories, analytical tools and corresponding indicators for particular areas of needs. Its basic tasks are to form a background for identification of issues and corresponding conditions for possible options. The second pertains to public planning agencies (central and regional) where the attention is focussed on comprehensive feasibility and rela-

19 Comp. e. g. Z. Czyżowska, Spoleczny rozwój Polski, Warszawa 1975.

20 As examples of publications in this field one may mention the collection of papers in a volume edited by K. Mikulsky (see footnote 17) as well as a number of contributions published in Polish monthly "Nowe Drogi".

tive effectiveness studies, but at the same time there is a difficult problem of an adequate language for presenting the conclusions and options for consideration by the Parliament, by the organizational units of the PUSP and other political organizations, by the trade unions, regional councils, collectives of workers in enterprises. Popular discussions on the issues involved, opinions expressed and suggestions made, form the third channel of the process of choice which should exert a feedback influence on ultimate formulation of respective elements of the plan.

The problems just described are a typical example of an area where there is a continuous interaction of promises: deduced from scientific research, reflecting organizational and informational efficiency as well as socio-political processes. The networks of such interactions are changing, they are in motion and have to be considered along a time axis. From this viewpoint one can hardly envisage a possibility to have a positive and normative theory, which would provide ready-made prescriptions for practical applications or a true mapping of reality in any kind of a theoretical model. Generalizing statements represent rather a prevailing tendency and they reflect also elements of normative thinking concerning the desired paths of evolution for the processes under consideration. This seems to be a legitimate approach because the concrete patterns of societal economic laws depend on manifold conditions, which influence the manner of system’s behaviour and – at the same time – can be subject to consciously devised influence. In this sense the behaviour of the system in a given time period is influenced by the conditions formed earlier, whereas present activities directed towards changes in

22 One may indicate in this context that human and socio-economic systems are of the relatively highest level of complexity whereas the most subtle, analytical and theoretical instruments available reflect the properties inherent to much lower levels in a typology of systems. It is useful to develop and use such inadequate schemes and instruments because a higher-level system incorporates all features of those below it. However, there is a caveat not to accept as final a level of theoretical analysis investigating. See: K. E. Boulding, General Systems Theory – The Skeleton of Science in Management Systems, ed. P. P. Schoedel, New York 1971.
such conditions will contribute to a different shape of system’s behaviour in the future.

5. The observations just made are in the background of this line of research and socio-economic thinking according to which intertemporal relations must be taken into consideration not only in economic planning traditionally concerned with stocks and flows (of resources, products, services) but also in respect to manifold conditions which influence the shape of economic processes. Here one has in mind institutional, informational and organizational conditions relevant for shaping the interactions among enterprises, households, public (non-profit) institutions and governmental bodies, as well as various forms of languages used for communication in such interactions (the language of economic parameters and norms and of financial instruments playing here a distinct role). In other words, the manner of system’s behaviour, the rules which govern functioning of enterprises and interlevel ties, the manners of system-wide planning are not treated as exogenously given but are considered as subject to consciously devised actions. Moreover, it is recognized that the desired pattern for shaping such processes cannot be discussed in as “historical” way, as a program to strive towards an ideal model. In this sense the notions of meta-control and meta-planning are introduced to represent systemic functions which design, prepare and organize implementation of changes in the conditions of system’s behaviour.

It is interesting to note that a similar recognition of the need for a wider, systemic approach to planning can be found in "The Bellagio Declaration on Planning" agreed upon by the participants of the OECD Working Symposium on Long-Range Forecasting and Planning in 1968 where the following statements were included:

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23 This was emphasized by J. Pajestka in the sources referred to in footnotes 1 and 15.

24 Comp.: Y. Z. M a i m n a s, Razvitie sistemnogo podkhoda v narodno-khozyaistvennom planirovani, "Ekonomika i Matematicheskie Metody", 1974, nr 5.

25 Perspectives of Planning, ed. E. J a n t s c h, Paris 1969. One should also add that the socio-political context of changes in the structural design of the system differs depending on the nature of a societal formation, i.e. mainly the nature of the modes of production.
"[...] the pursuance of orthodox planning is quite insufficient, in that it seldom does more than touch a system through changes of the variables. Planning must be concerned with the structural design of the system itself and involved in the formation of policy. More modifications of policies already proved inadequate will not result in what is right. Science in planning is too often used to make situations, which are inherently bad, more efficiently bad.

The need is to plan systems as a whole, to understand the totality of factors involved and to intervene in the structural design to achieve more integrated operation. All large, complex systems are capable of some degree of self-adaptation. But in the face of immense technological, political, social and economic stresses, they will have to develop new structures. This can easily lead to grave social disturbances if the adaptation is not deliberately planned, but merely allowed to happen."

Returning to the previous arguments let us note also that the need for meta-planning should not be interpreted in a too much literal and simplified way. This type of "futurecreative" activities cannot be based on strictly predetermined programs the consistency and timing of which would be centrally coordinated and directed. Certainly there is a need for comprehensive coordination and control but this has to be considered along the time-axis in the sense that teleological, system-wide influence should be combined with adaptive, "self-learning" processes having their source in the elements and sub-systems. What is important here concerns innovative attitudes and motivations within organizational and institutional structures themselves.

This brings us to the last line of thinking to be discussed in this paper. At its background there is an inevitable question concerning the reasons for an assumption that teleological, system-wide premises and criteria for shaping the future will be correct. The point here is not whether they are desirable nor whether one should try to use them, but rather - to what extent, in what sense, under what conditions they were feasible as a correct basis for action.

In that context one may start with an observation that the quality of a cognitive process, in which a situation is assessed, a problem identified and a choice made, depends on: a) the validity of information available, b) the characteristics of evaluating criteria, c) the motivations which may influence the manner of interpreting information and of applying evaluation criteria. The
problem of feasibility is linked primarily to the availability of information and the manner in which it is interpreted and used. In this context we have witnessed a growing apprehension of the fact that the quality and validity of system-wide planning depend very much on the extent, scope and quality of various auxiliary analytical, diagnostic studies as well as future-oriented prognostic, simulation and programming studies. There is also a growing emphasis on the so-called strategic role and function of central planning in contradistinction to operational and tactical functions in management and planning. Observations are made that the capacities of units involved in system-wide planning (viewed upon from the viewpoints of personal, information processing and organizational capacities) preclude simultaneous emphasis on strategic and operational problems. It is argued then that priority must be given to strategic problems because they cannot be dealt with in a different manner (i.e. without full involvement of these capacities) whereas there are such possibilities in respect to operational problems.

However this is not only a problem of limited capacities but also of a significant difference in approaches applicable to strategic and operational planning respectively. If there is a multilevel procedure of operational planning (involving decisions at a higher level) then the emphasis is shifted necessarily to technological and organizational feasibility, issues essential for the choices of the manner to implement given objectives. Consequently a higher level planning unit concentrates attention on separate internal characteristics of particular sub-system organizations and for this purpose it relies on data flows gathered from these organizations. This may often involve two kinds of dangers. Planistic data sent upwards may be biased and at the

26 The border lines between these types of functions are not quite clear and uniformly defined. The attribute of strategy is usually defined as: a) dealing with a problem crucial to form the existence of the whole system, b) concerned primarily with the choice of objective (which involves, however, alternative ways and also the feasibility of their implementation), c) reaching relatively farther into the future.

27 Not only statistical data but especially planistic, concerned with future demands, possibilities and possible options.
same time the sub-units of a higher level institution which are responsible for particular sub-systems are likely to identify themselves with a sub-systemic viewpoint or - in some cases - to enforce difficult ("progressive") input-output relations in order to induce sub-system organizations to economize on certain resources, raw materials etc. There are, of course, various balancing accounts serving the tasks of consistency checking but these tasks are performed under twofold pressures, i.e. to find the ways to reach societal objectives desired for a given time period and parallely to reconcile such ways with sub-systemic viewpoints concerning expected effects of their activities and inputs necessary for that purpose. In short - the characteristic features of operational planning, its close links with decisions concerned with activities of particular sectoral organizations, create certain specific attitudes of people involved in planning which are weakening the capabilities to assess and judge the problems from the viewpoints of comprehensive, system-wide criteria. Then it becomes difficult to develop strategic planning on the basis of data flows, informational procedures and organizational structures which were shaped according to the features of operational planning.

There are the following main conditions essential for the validity of teleological, system-wide premises of analysis and strategic planning: a) there is a need for comparatively most objective assessment of data reflecting various factors influencing past, present and probable future behaviour and performance of the system, i.e. the data unbiased by sectoral and operational interests, b) it is essential to recognize that the ability to gain information is something different from having an access to data; it involves the skill of drawing information from data through its processing, which in turn must be consciously designed according to the questions of interest for those who need information, c) in this context the processes of gaining information for strategic, system-wide planning must have a specific design which allows to look upon particular sub-systems and sectoral problems against the background of their interactions within a comprehensive whole, d) one has to recognize that some of
the problems dealt with are instrustructured or highly stochastic; consequently of particular importance is the continuity of information gaining processes which may allow to verify hypotheses and develop learning processes; e) of particular importance for strategic planning in the ability to gain information useful for estimating desirable level and structure (in terms of their types and time distribution) of reserves, including those of "a decision potential" allowing for flexible adaptations.

In view of all these conditions one may draw a conclusion that strategic planning should have its own informational base, consisting of a consciously organized network of diagnostic and future-oriented exploratory procedures, with an emphasis on problems of system-wide relevance and significance. One may say that there is a need for "a stock of knowledge" (continuously revised and supplemented) representing this which one might call "systemic wisdom" forming the basis for societal evaluating norms and criteria and being a counterweight for operational and partial (sub-systemic) criteria and pressures. There are some reasons to believe that the tasks of operating "information producing" procedures of this kind may be performed better if they are not located in organizational units directly charged with management and administrative functions.

One may pose also a question whether the tasks of strategic planning and those of producing information for that purpose can be identified with long-term (perspective) planning. It is true that a number of strategic problems must be considered in a relatively long time perspective. It is equally true, however, that the premises of strategic thinking (its criteria and approaches) should be continuously present and should exert and influence on shorter term operational and tactical control functions.

If one looks at all the issues discussed above in a comprehensive way one comes to a conclusion that each of them, alt-

though different in its nature, is equally important for the theory and practice of national socio-economic planning. If the significance of some of them is underestimated then difficulties are likely to arise in the field of others, both from a cognitive, theoretical viewpoint and that of practical applications. One is then inclined to conclude that there are no reasons to question the relevance of theory in social sciences, especially the political economy and its auxiliary disciplines for dealing with the issues involved in system-wide planning and control. There is only one important condition that the approach should be comprehensive enough in a sense that it should recognize specific features and their interrelations for such aspects as: principal socio-economic laws for system’s behaviour and development of praxiological aspects of rationality, specific features of commodity-money relations and their role in regulatory mechanism, the manner in which human needs and social participation manifest themselves in system’s behaviour and its conscious control, various aspects of data flows and information producing activities, institutional and organizational conditions mutually connected with former aspects.

Krzysztof Porwit

REFLEKSY O NATURZE PLANOWANIA GOSPODARKI NARODOWEJ

Praca jest poświęcena roli i naturze planowania społeczno-gospodarczego w warunkach charakterystycznych dla zachowania się socjalistycznego społeczno-ekonomicznego systemu, na podstawie doświadczeń uzyskanych w Polsce. Problem jest dyskusyjny z punktu widzenia teorii ekonomicznej i jej znaczenia dla rozwiązań w szerokim systemowym sterowaniu procesami społeczno-ekonomicznymi. Takie ujęcie stwarza pole dla przedstawienia różnych interpretacji planowania i ich oceny. W konkluzji autor stwierdza na podstawie przedstawionych rozważań, że nie ma powodu do kwestionowania przydatności teorii, a zwłaszcza ekonomii politycznej i dyscyplin pomocniczych, w rozważaniu zagadnień szerokosystemowego planowania i sterowania.