

# Beyond Capitalist Planning

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# Capitalist Planning in Question

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I want to focus my contribution to the issue of capitalist planning – and beyond – in the following main ways: first, a relatively brief and personal evaluation of the problems of planning in Italy, especially since the mid-1960s; second, a consideration of what really can be meant by socialist as distinct from capitalist planning; third, the feasibility of transforming capitalist planning; fourth, the transitional planning problem in historical perspective; fifth, the kind of social indicators that would have to be taken into account in a new mode of socialist planning.

I shall begin with the experience of planning in Italy. Like other Western European countries, Italy had a reconstruction programme, which some have chosen to grace with the title of a 'plan'.<sup>1</sup> But in practice, this was more a shopping list of items for the basket of goods needed for postwar recovery. It did not establish planning at the heart of the process of resource allocation, even under the exceptional postwar political situation. Then, again, in the mid-1950s, the name and title of 'plan' was commonly associated with the ten-year project for the Italian economy introduced by the Christian Democrats, and popularly known as the 'Vanoni Plan'. But in both fact and real title, the so-called Vanoni Plan was a 'framework for reasoning' about the longer term prospects of an economy experiencing what Jacques Attali would call 'explosive' growth.<sup>2</sup> The explosion, in terms of increasing regional imbalance between North and South, balance of payments difficulties, and wage

pressure on profits, was resounding by the early 1960s. It echoed clearly in a series of debates on planning in the Italian parliament in that period, which showed that reasoning alone was no political substitute for active planning.<sup>3</sup>

The attempt at planning in a meaningful sense got off the ground in the mid-1960s, with the opening to the Centre-Left, and the pressure from the Socialist Party for planning mechanisms worthy of the name. However, this was precisely the period at which the first evidence became available on a global European scale that the postwar expansion was in crisis, and faltering. Put simply, if the crisis and its impact on Italy in part were responsible for challenging the hegemony of the Christian Democratic Party, and opening the way for the Centre-Left, it either was not the 'right moment' for planning of the kind conceived at the time, or was the wrong kind of plan, or a good deal of both. In effect, the timing and nature of events were classic, perfectly reflecting Thomas Balogh's aphorism that when you *could* plan you don't and when you *do* plan, you can't – at least under a capitalist system.<sup>4</sup>

This first five-year plan in Italy was supposed to cover the period 1965–9. After a delay in adoption, its period in fact was extended to 1966–70.<sup>5</sup> This planning exercise, known as the Pieraccini Plan, was constructed with an aggregate or macro-economic framework, and with the traditional variables of national economic accounting. In these respects it was very similar to the planning exercise of the British National Economic Development Council which had shortly preceded it. It also embodied a list of qualitative statements about the possibilities for change in the economy and administration.

### *Planning by Agreement*

Frankly, the Pieraccini Plan was very inadequate. For one thing it was too short-term. For another, it failed to develop adequate means for bridging the gap between the macro and micro sectors, or at least between macro-economic targets and the operational bodies or institutions necessary to ensure a genuinely planned coordination of resources.

Nevertheless, it did develop one such framework or approach that showed considerable initial promise. This was the process of *contrattazione programmatica*, focused on what Stuart Holland has called the meso- economic sector, and especially big-league public enterprise. It was similar to, and it partly inspired, what later emerged in British Labour Party policy as Planning Agreements, with the crucial difference that it was not originally envisaged that trade unions should play a key role in their negotiation.

An official paper of the Ministry of the Budget and Economic Planning in 1968 (*Relazione previsionale e programmatica*) admitted that the system of incentives in operation in regional policy had not been able to promote sufficient manufacturing investment in the South, nor to ensure the location of a set of interrelated initiatives in a specific area. It argued that a new kind of agreement between government and big business was necessary to achieve this result. These agreements were basically founded on an exchange of information between government (about the infrastructure it could provide) and enterprise (on the new initiatives which a firm or group of firms could establish in a particular area). In principle, by means of this exchange of information, it would be possible to provide and realize a better match between the government contribution, on the one hand, and interrelated investment projects, on the other. It was intended that medium- and small-scale enterprise would be wedded with the Planning Agreements with big business. The agreements therefore were intended to solve the problem of coordinating corporate planning needs with the overall planning objectives of the government.

The government intended to use more flexible incentives to persuade enterprises to coordinate their programmes and realize interrelated investment in the industrial zones. The enterprises that accepted this procedure and agreed on this kind of coordination would be privileged in the allocation and size of incentives.

But, although the instrument of *contrattazione programmatica* had its own logic, in practice it proved unable to organize relations with small and medium enterprises.<sup>6</sup> And because of the absence on the government side of a clear, precise and

consistent framework of references about targets, the government itself was not in a position to resist the entrepreneurial initiatives of big business, to control and stipulate its sectoral and locational direction, or to avoid its degeneration into the 'patronage' system.

At any rate, in the period 1969-71 there was a large increase of investment in the Mezzogiorno, both in absolute terms and in comparison with national investment. This was a considerable achievement, granted both the recession in private investment in general during the period and the fact that industrial investment in the Mezzogiorno had fallen in both absolute and relative terms in the previous period 1965-8.

Overall, the experience of *contrattazione programmatica* can be divided into four periods.

The first (1968-9) was the 'start-up' period in which important investment was undertaken in basic and derived chemicals and mechanical engineering. The latter included the Alfa-Sud motor vehicle complex at Pozzuoli near Naples, and a new initiative by Fiat.

The second (1970-1) was a period of 'investment packages' formulated regionally in response to particular social problems and pressures, as at Battipaglia and Reggio Calabria. In both these cases, basic and derived chemicals and steel predominated, absorbing 96 per cent of the investment undertaken.

The third was a 'break' phase, in which only very modest decisions were taken, almost all in basic chemicals.

The fourth (since 1974) has been a period in which a major volume of agreements has been concluded, but again almost exclusively in the chemical and steel sectors.

There are two major comments to be made on this experience. For one thing, nearly all the investment actually negotiated through a Planning Agreements type formula during this period was in public sector activity. The IRI State Holding Company was responsible for both the Alfa-Sud initiative and investment in steel, while the ENI State Holding dominated the investment in chemicals. There is little doubt that the framework was effective in this sense for the public sector, but the government failed to use it for the necessary parallel mobilization of big league private sector investment.

Further, because of the sectoral concentration of public sector activity in basic heavy industries such as steel and chemicals, most of the activity located in the Mezzogiorno during this period was highly capital intensive. This point can be exaggerated. The Alfa-Sud project was notable investment in a high job creating programme. Also, it has been estimated that some 100,000 new jobs were created overall. Nevertheless, the average capital cost per job was high for the investment programmes considered overall: some 80 million lire per worker. In addition, with the trend through technical progress to increasing capital intensity, the revision of projects over time, through a procedure known as 'conformity advice,' tended to increase capital-labour ratios.

In addition, the institutional procedures for *contrattazione programmatica* were perverted over time. It had been intended that all decisions taken through the new institution should be coordinated by the Inter-Ministerial Committee for Economic Planning (CIPE). This was part of the initial intention to relate job creation in the Mezzogiorno to national investment planning and resource use. But in practice, decisions on modification of initial projects through the 'conformity advice' procedure were taken independently by the Minister for the Mezzogiorno. Thus the procedure, which should have become an effective means of bridging the gap between micro- and macro-economic policy in fact became down graded to a supplementary instrument of regional policy.

### *Planning for the Eighties*

If such shortcomings of *contrattazione programmatica* were yet to be revealed, it nevertheless was realized in the later 1960s that there was a need to move beyond the limited time horizon of five-year plans and ensure that medium-term planning was related to longer-term perspectives and horizons. This did not mean that planning had to be utopian. But in order to gain a perspective on feasible change, and to anticipate anything approaching a fundamental change in the structure of an economy, one has to have a planning horizon of at least ten and

preferably fifteen years. Certainly one needs a fifteen-year dimension in order to try to re-shape final demand patterns and income distribution, land use, technologies, and the quality of life.

It was for such reasons that, in the late 1960s, we began to think in and for the longer term. The result was a report known as Project for the Eighties – *Progetto Ottanta*.<sup>7</sup> This was not a plan as such. But it created a framework for reasoning in the long term that could have provided the basis for specific medium-term planning measures. In a sense the process of drawing up the Project for the Eighties was the high season of postwar Italian planning. It represented the best in the planning effort, and not least because it meant a chance to change the future rather than simply projecting it. This was illustrated, in particular, by the inclusion for the first time of land use planning into the general perspectives for the national economy as a whole.

In 1970–1 we started drawing up the second five-year plan in Italy, using the long-term perspectives of the Project for the Eighties.<sup>8</sup> There were several innovations. One was the incorporation of what we called a Project Framework – *Progetto Quadro*. This represented a method of trying to quantify and spell out for an initial five years the implications of structural and social change specified as targets by the perspective for the eighties. This Project Framework involved construction of a reference framework of highly disaggregated socio-economic accounts, including indicators of the quality of life and standard of living. I return to these, and to its method of analysis, later in this chapter.

The second five-year plan was supposed to cover the 1971–5 period. However, the political situation in Italy at the time, with increasing strains and ultimate breakdown of the Centre-Left coalition, undermined the feasibility of any long-term planning view. The change created a divergence of views within the group of planners concerned in the Project Framework. Some of them believed that the best way to respond to the political situation was to challenge both politicians and administrators with claims of feasibility for precise targets related to the overall performance of the system. Others wanted to be more realistic,

avoiding an overall planning approach and opting for practical projects at the sectoral and local levels.

In practice, both groups failed. The second Italian five-year plan was never endorsed in official form. For one thing, like the first plan, it was delayed, but this time for a longer time – from 1971–5 to 1973–7. More importantly, even this postponed form of the plan failed to secure government approval and adoption. It has been published by the Institute of Planning, the official institute dependent on the Ministry of the Budget and Economic Planning, but purely as a study. With the change in the overall political situation in the later 1970s, there clearly also are new prospects for planning. But if they are to be realized, they will need not only the force of political support, but also a clear understanding of what can be meant by socialist rather than capitalist planning.

### *Towards Socialist Planning*

Why 'socialist' planning? What, in fact, can it mean? To date, its meaningfulness is due more to the historical and political experience of planning rather than to the elaboration of a methodology for socialist planning as such. The description of planning as 'socialist' in general reflects more the wish to emphasize a political choice in contrast with capitalist planning than a different way of proceeding, or a different technique, for planning itself. In other terms, the description of planning as 'socialist' shows a greater divergence from capitalist planning in terms of objectives or ends than a divergence of methods and techniques for managing society.

For these reasons many people think of planning in terms of instruments to rationalize choices – choices which themselves have been made outside the planning process itself. Of course, one has to recognize that different objectives can indeed be taken to distinguish socialist from capitalist planning. These include, for instance, equality of opportunity, better distribution of income, an emphasis on social and collective services, and so on.

However, beyond this, socialist planning is really different



from capitalist planning in another respect: it is a new methodology for planning itself. To be socialist, planning must innovate both new criteria and new means for calculation, new means for utilizing data and, overall, the relationships between data. This paper is dedicated to this kind of innovation, in however synthetic a way.

The operating principles of the capitalist productive system – as theorized by economics as a ‘science’ – for a long time have obliged many contemporary industrial societies to adopt new methods of making economic policy. Why? To overcome the irrationality or entropy of the growth mechanism (cyclical fluctuations, unemployment, waste, inflation, imbalance – both geographical and social – congestion, poverty, and so on) with certain ‘feedback’ mechanisms.

In this way we have hypothesized, and sometimes also implemented, a kind of economic planning that, simulating the operating principles of the capitalist productive system, could optimize the relationship between goals and constraints with the help of specific policy instruments (e.g. taxation level, rate of interest, public investment, and so on).

But in this way, as well, the operating principles of such planning have kept the operating principles of the capitalist system. And this means a perception of social reality from the viewpoint and with the economic categories of the capitalist system – categories which, up to now, have been the indicators of welfare economics and the success of the productive system: e.g. production (GNP), productivity, employment, profits, wages, prices, capital and its accumulation, consumption, investment, and savings.

But increasingly, this question is being posed: are such indicators a good ‘proxy’ for social reality and of social welfare? Or are we still caught in the fetishism of GNP, i.e., the new macro form of what Marx called fetishism of commodities? Are we not caught in the mystification of ‘exchange value’ which, as is well known, has generalized and hegemonized production relations which are typical of the capitalist market?

It is increasingly credible and feasible to distinguish socialist planning substantially from capitalist planning. But to do so we must perceive and conceptualize social reality from a different

viewpoint and with other categories. These categories are the indicators of *real* social needs, and not those needs used by the mystification of exchange value and the fetishism of commodities. To perceive social reality in socialist terms we need 'socialist indicators,' or more simply social indicators that could express welfare in terms of changed social allocation and social relationships. Or, in other words, from the indicators by which welfare is expressed as needs *to be* satisfied. This is why the indicator of social welfare is also a 'planning indicator' or 'action indicator,' i.e. a 'decision indicator.'

So a key problem for socialist planning is to rank and trade off individual preferences and collective preferences expressed in terms of social welfare or planning indicators. In the case of individual preferences the traditional market mechanism could be an adequate tool, subject to the key condition that people could manifest preferences in a situation of income equality, of accessibility to the goods and services of the market, and equality of information. As far as such conditions can be realized in certain ways (for instance by political action or by chance) the free agency of individuals on the market can still constitute an efficient tool for determining the sum of individual preferences, and for maintaining or promoting the productive mechanism.

As far as such conditions are not realized in practice, one can hypothesize other methods to surrogate 'the market': for instance, market research not only in the sample sense but in the voting sense (i.e., 'market polls'). In this way we can ensure a response which equalizes otherwise unequal conditions (income, education, etc.). In the case of collective preferences, concerning either social welfare or individual goods and services for whatever final use on which the community expresses its judgement, the ranking and the trade-off is a responsibility of the political authorities. There is no real problem here, from the methodological viewpoint, in organizing an optimal choice in terms of techniques of decision-making (cooperation between planners and politicians) — Planning, Programming, and Budgeting systems, etc., are one such example.

To implement the trade-off between different objectives and

satisfaction of wants (and to that end, different resource and consumption aims), socialist planning must both be wide-ranging and give importance to the political role in goal formulation and determination. It must involve the largest possible participation of parliaments as well as individuals and intermediate institutions in society, including the trade unions.

In other terms, socialist planning must not only involve but also entirely condition the activity of the main political bodies in society, i.e., the representative institutions at national, regional, and other levels. More specifically, procedures and institutions must be shaped *in terms of* the planning process. In this way planning must be central and peripheral – both primary and secondary.

In capitalist planning the process concerned is viewed mainly as *technical*, performed by the executive authorities and, in many cases, by technical bodies of this executive. In socialist planning, the representative political bodies must themselves perform the planning process. It is from the process of planning itself that the political institutions should reclaim their *raison d'être*, and should be reinvested with both the role and prestige that they have lost with the degeneration and sterilization of 'parliamentarism'.

### *The Feasible Transition*

The transition from capitalism to socialism, from this overall viewpoint, means the progressive introduction of planning methods with socialist indicators into the process of society's 'self-management'. And this in turn would be related to the progressive introduction of new means for optimizing choices with reference to these socialist indicators – either directly or by successive stages.

Overall, therefore, socialist planning can be progressively introduced in the European countries which are still characterized by capitalist production only if and to the extent that they transcend the use of conventional judgements in quantitative terms. Further, socialist planning – as a process of political negotiation – should establish new targets which

express the physical and financial accounting of interrelated and comparable social objectives. A new system of accounting the costs and benefits of society could reveal the inconsistencies between the traditional indicators and the new social objectives. And thus it could reveal the manner in which the productive mechanism must be transformed in order to realize those objectives that have been established in terms of the new indicators.

However, if socialist planning can be introduced progressively, this is not to say that it can be merely empiricist, incremental, or gradualist. In fact, it must be rationally *deductive*. In other words, it must hypothesize a future state or situation identified in terms of social indicators. And from this situation it must reconstruct the present state or situation in terms of the same indicators. It is only at this point that a comparison should be made of the present situation, perceived in terms of planning indicators, and the conventional indicators of the capitalist productive system.

In principle such a system would reveal those present mechanisms which can – or cannot – be considered sufficient for the projection of conditions for the future state. The functional differences between the two systems – capitalist and socialist – are such that it is highly probable that the present mechanisms would be found almost wholly inadequate for the new aims. But to the extent that the contrast between present and future (old and new) is not undertaken, there will be no sound basis for judgement. The models which express the relationship between the indicators of the two different situations are parametric – that is, expressed as stable and fixed coefficients. But if the comparison changes the relationship, the parameters themselves then must be changed. This is the reason why the models expressing the present reality cannot be used for socialist planning.

The rational-deductive method of defining the future state of affairs and of regressing to the present situation does not mean, as some people think, ignoring the concept of planning-as-a-process, i.e., planning as a continuous adaptation of a situation. It means only denying that this adaptation is possible by using a model which has been constructed on the base of the present

situation. To reconcile the concept of planning as a means of deducing the future state with the concept of planning as a process, we must introduce a *permanent confrontation* between the present and future indicators.

For instance, capitalist planning can be defined as assuming what the systems analysts call the 'analogism', or in other terms the process of simulating reality, as point of departure for the formulation of ends and objectives – a formulation which is itself an intermediate step in the planning process. Such simulation of reality is considered as something in which social phenomena are viewed as an open system. That is, unlike the physical sciences in which an experiment can be undertaken time and time again, the process of experiment is 'un-repeatable'.

Socialist planning, by contrast, applies normative criteria, not abstracted from the present reality, and contrasts these criteria with reality, attempting to make feasible a process of transition from the present constraints to the future norms or objectives. In this sense, socialist planning is a process of continuous experiment.

### *Transition in Perspective*

If we consider the historical experience of socialist planning in terms of the previous considerations, we can manage a better explanation of the failure of such planning in many cases.

The major failure is that of the so-called socialist countries. The fact is that these countries have considered planning as a transformation of the productive system only in an institutional sense (collective appropriation, etc.). The operating principles of capitalist planning have been maintained, albeit under state ownership of the means of production, distribution, and exchange. Thus capitalist planning has been undertaken in the form of *state* capitalist planning. Everyone knows that there has recently been a major debate – including the so-called socialist countries – aimed at improving and democratizing the decision-making process. But it is only when a process of social negotiation of new options, ends and targets is introduced into

the planning of these countries, including the future state of socialism itself, that one will have a real transition from state capitalist planning to socialist planning. This is not to say that the existence of the 'institutional' reforms, such as appropriation of the means of production, etc., will not facilitate the kind of transition which we have described.

However, our main concern is the Western countries. Despite the recuperative capacity of the capitalist system, which has been able to recover and sustain itself through the enlargement of 'new frontiers' in scientific and technological terms, it seems clear that we live in a time of irreversible crisis in which the main problems of the past have been concentrated. It cannot be said that capitalist countries have not tried some form of economic planning. But the weakness of all such experience of planning in these countries, if we take the point of view developed earlier in this chapter, lies in the fact that the capitalist planning process no longer is technically possible inasmuch as it projects into the future a past which in fact is unrepeatable. Social and political demands are expressed in terms of real needs (social factors, quality of life, environment, etc.) which do not correspond to the dominant economic categories of the present productive system on which capitalist planning assumes to build the future. Thus, unless there is a reconstruction of the system of evaluation of objectives, and a new social accounting framework, there cannot be any application of appropriate categories for an effective form of planning. In other words, the European countries either will achieve a socialist planning in these senses we have already described, or will not plan at all.

The case of Italy is symptomatic. Italy is half capitalist and half pre-capitalist, half private and half state-owned, with a high concentration of capital both productive and financial – an ideal country for transition to socialism and planning. The fact that planning has effectively failed in Italy is partly due to the fact that it was an attempt at capitalist planning in a country in which capitalist relations were already in large part transcended. One has to make the leap, courageously, beyond mature capitalism, rather than reproduce the mechanisms of the past.

Thus the feasibility of socialist planning depends on both new values and criteria for social welfare, as well as institutional

reform of the productive system. Any reform of this productive system which was not first characterized by clarification of the final purposes of society, i.e., final consumption, aims, and behaviour, would be crucially limited.

The institutional reform crucial to the problem is not just in the productive system itself, but at large – in the political system – reforming the constitutional function in our countries to allow the politically representative bodies to act as institutions for social planning.

We must expect to encounter tremendous difficulties in such reforms, country by country. Most probably these difficulties will be multiplied if we dream of transfer of such reforms to a European Community level. But it would be equally probable that such difficulties could be, in a certain sense, reduced by action at this level. Because we are constructing a European framework, maybe shaping a new order is easier than reform of an old order.

It depends mainly on the clarity of the ideas, methods, and action of the socialist movement and the wider Left in Europe, including the Communist parties. Whether we can transform the difficulties and the hopes for change into action and change itself depends on this wider Left.

### *Social and Qualitative Factors*

Such clarity in ideas and action depends significantly on the extent to which socialist planning achieves a comprehensive framework for the allocation of resources on social rather than private criteria. This involves the integration of planning for new objectives with the specification of social and qualitative targets – in short, planning for welfare.

Much work has already been done in this field. There is, however, a dearth of clear methodological premises for the formulation of new social indicators; indeed, many of the difficulties encountered in this field of activity can be attributed to this deficiency.

Systematic efforts are now needed to construct a classification of those requirements that influence the quality of life. Only then will it be possible to suggest indicators appropriate for

measuring those factors. Certainly an integrated approach encompassing the complete set of the factors is a major task.

Given its multidisciplinary character, such a task could hardly be handled by individual researchers working separately. Moreover, classification of the factors that influence quality of life requires choices that involve value-judgements. Even research groups with no official status have been hesitant to make or merely recommend such choices. This reticence and abdication of scholars, combined with indifference on the part of public agencies, has prevented adoption of any truly 'global' initiative in this field.

International public organizations, which are less involved in administrative routine than national governments, should be pressed to assume the burden of filling this vacuum. Trade unions should be encouraged to take part in the process. They should proceed, with expert backing, to the formulation of schema for classifying 'quality of life' factors in accordance with the social concepts and social goals of particular groups in society. In such a context, research on social indicators would be both more specific and more socially useful than isolated academic research.

As part of preparatory research for the drafting of medium term plans, the Italian government sponsored a first attempt at classifying those factors that determine the quality of life. The basis for such a classification was a specification of social objectives for all programmes involving use of national economic resources.

What was attempted was the construction of an overall 'system' attempting to specify those needs and goals deemed to be of collective interest. This 'system' – already described as Programme Structure (*Progetto Quadro*) – was represented by an interrelated sequence of four-digit items, in which each digit represented an 'end' for each succeeding number and a 'means' for each preceding number. These items were selected for their capacity to relate needs and the use of economic resources as already itemized in a system of national accounting.<sup>9</sup>

Italian experience suggests that such a structure can be used as a technique for integrating social accounts with a traditional economic accounting system.



Social accounts have often been founded on a system of 'social indicators' which are intended to measure – generally in physical terms – the costs and benefits of given levels of welfare. By remaining isolated from traditional economic accounts, this type of social accounting system has served a purely indicative function. It has been oriented towards an examination of current conditions and to the compilation of so-called 'social budgets' and 'social reports'. But it has not served an 'operational' function, nor been integrated with mainstream planning.

The Italian project integrated the two sets of accounts – both social and economic. The denominator common to both – or the bridge which links them – is final resource use. That is, 'social' goals need not be differentiated from 'economic' goals if we specify, as the common denominator, the resources which are necessary to achieve them.

The social accounting structure serves as a common classificatory schema both for determining the factors involved in the 'quality of life' and the sectors of final resource use arising out of the choices linked to goals, which are specified in the social accounts. Whatever may be the current availability of goods and services in each of the sectors of final use specified in the social accounts, modification of the current situation will imply a use of resources. That is to say that a certain absorption of resources is required for each step taken towards attainment of the 'standard' specified by a social indicator. Thus, in planning for future needs, a programmed accounting of resources may be obtained by integrating the items of traditional economic accounts with those of the social accounting structure.

In Italy this integration has been secured by constructing a two-part 'accounting framework' of resource use consisting of a current section and a programme-timed section. Each section has three dimensions: *sectoral*, in which resource use is disaggregated by sectors corresponding to the items of the programme-structure; *institutional*, in which the use is disaggregated by user institution (central and regional government, public agency, private and public enterprise, and family); and *geographical*, in which use is disaggregated by

relevant territorial area (region and 'metropolitan system'). On the basis of this accounting framework by type of use, another has been constructed for formation or production of resources. The second framework has the same characteristics: two sections (current and programme-timed), and three dimensions (production by sector, by institution, and by geographical area).

The following tables indicate the kinds of criteria specified in the Italian exercise. Their effectiveness, as elsewhere in economic policy, depends on the political will behind their formulation, the range of views taken into consideration, and the pressure for their implementation in practice. Nevertheless, they illustrate that the priority given to social criteria in socialist planning can be incorporated in the planning framework itself.

### *Social accounting framework*

AIM CATEGORY	DEFINITION OF THE LEVELS OF THE PROGRAMME STRUCTURE
<p>1. PERSONAL SECURITY</p> <p>Activity directed to promote:</p> <p>1.1 Safeguards for the citizen and crime protection</p> <p>1.2 Civil aid</p> <p>1.3 Military defence</p>	<p>through an efficient system of:</p> <p>1.1.1 Civil and penal legal activities</p> <p>1.1.2 Public security</p> <p>1.1.3 Special social work</p> <p>1.2.1 Disaster aid</p> <p>1.2.2 Social emergency aid</p>
<p>2. PHYSICAL AND MENTAL WELL-BEING</p> <p>Activity directed to promote:</p> <p>2.1 Satisfactory life conditions</p> <p>2.2 Health care provision</p>	<p>through an efficient system of:</p> <p>2.1.1 Food</p> <p>2.1.2 Other primary consumption</p> <p>2.2.1 Overall health care</p> <p>2.2.2 Special health care</p> <p>2.2.3 In-patient hospital assistance</p> <p>2.2.4 Out-patient hospital assistance</p> <p>2.2.5 Drug and therapy prescription</p>

**3. WORK SATISFACTION**

Activity directed to promote:

**3.1 Employment**

through an efficient system of:

3.1.1 Employment planning

3.1.2 Employment promotion

3.1.3 Employment security

**3.2 Satisfactory work conditions**

3.2.1 Trade-union associations

3.2.2 Worker conditions protection

3.2.3 Professional advancement

3.2.4 Protection against job accidents and on-the-job illness

**3.3 Employment income**

3.3.1 Income distribution

3.3.2 Protection against income reduction

3.3.3 Retirement

**4. EDUCATION AND CULTURE**

Activity directed to promote:

**4.1 Education**

through an efficient system of:

4.1.1. Elementary education

4.1.2 Secondary education

4.1.3 Advanced education

4.1.4 Permanent education

**4.2 Culture and information**

4.2.1 Cultural promotion

4.2.2 Enhancement of the cultural patrimony

4.2.3 Diffusion of culture and information

4.2.4 Cultural operations

4.2.5 Religious activities

**5. RESEARCH AND INNOVATION**

Activity directed to promote:

**5.1 Research**

through an efficient system of:

5.1.1 Basic research

5.1.2 Socially oriented research

**5.2 Innovation**

5.2.1 Technological innovation

5.2.2 Innovation in productive structures

**6. LEISURE TIME AND RECREATION**

Activity directed to promote:

**6.1 Sports activities**

through an efficient system of:

6.1.1 Individual and mass sports

6.1.2 Outdoor recreational activity

**6.2 Touristic activities**

6.2.1 Tourist facilities

6.2.2 Organization of tourism

**6.3 Other recreational activities**

6.3.1 Production of films, drama etc. and

## 7. NATURAL ENVIRONMENT

Activity directed to promote:

## 7.1 Enhancement of the natural environment

through an efficient system of:

7.1.1 Parks and natural reserves

7.1.2 Defence of the land and the prevention of natural catastrophes

7.1.3 Control of pollution and environmental problems

## 7.2 Water production and use

7.2.1 Water production

7.2.2 Water distribution

## 8. HOUSING AND URBAN ENVIRONMENT

Activity directed to promote:

## 8.1 Satisfactory housing conditions

through an efficient system of:

8.1.1 Construction of new residential units

8.1.2 Re-adaptation, rehabilitation, and reorganization of the housing stock

8.1.3 Enhancement of historical centres

8.1.4 Acquisition of areas for urbanization

## 8.2 Access to housing

8.2.1 Rent policies

8.2.2 Favourable conditions for financing and credit

8.2.3 Public housing

## 9 TRANSPORTATION AND COMMUNICATION

Activity directed to promote:

## 9.1 Urban transportation

through an efficient system of:

9.1.1 Metropolitan railroad communications

9.1.2 Metropolitan street communications

## 9.2 National and international transportation

9.2.1 National railroad communications

9.2.2 National highway communications

9.2.3 Maritime communications

9.2.4 Airway communications

## 9.3 Special infrastructures for transportation of commercial goods

9.3.1 Merchandise centres

9.3.2 Energy pipelines

## 9.4 Telecommunications

9.4.1 Postal and telegraphic service

9.4.2 Telephone, telex, and tele-information services

9.4.3 Radio-television

## 10. POLITICAL PARTICIPATION

Activity directed to promote:

- 10.1 Democratic participation
  - through an efficient system of:
  - 10.1.1 Political organization
  - 10.1.2 Constitutional structure
  - 10.1.3 Governmental organization
  - 10.1.4 National and territorial economic and social planning
  - 10.1.5 Regional government administration
  - 10.1.6 Local government administration
  
- 10.2 Participation, integration and international solidarity
  - 10.2.1 Participation in international organizations and communities
  - 10.2.2 Bilateral international relations

Chapter 3 *Capitalist Planning in Question*

1. See, *inter alia*, Pasquale Saraceno, *Ricostruzione e Pianificazione 1943-1948*, Laterza, 1969.
2. Ministero del Bilancio e della Programmazione Economica, *Schema di Sviluppo dell'occupazione e del Reddito in Italia nel Decennio 1955-64*, December 1955.
3. *Dibattito alla Camera dei Deputati sulla politica Meridionalistica*, in *Informazioni Svimez*, No. 6, 1961.
4. See Chapter 7 (Ed.).
5. Ministero del Bilancio e della Programmazione Economica, *Progetto di Programma di Sviluppo Economico per il Quinquennio 1966-70*, January 1965.
6. On the experience of *contrattazione programmatica*, see further Giorgio Ruffolo, *Rapporto sulla Programmazione*, Ministero del Bilancio e della Programmazione Economica, 1973, and S. Petriccione, *Politica Industriale e Mezzogiorno*, Laterza, 1976.
7. Ministero del Bilancio e della Programmazione Economica, *Progetto '80 - Rapporto Preliminare al Programma Economico Nazionale 1971-75*, 2 vols. April 1969.

8. Ministero del Bilancio e della Programmazione Economica. *Programma Economico Nazionale 1971-75, 1972.*
9. For an elaboration of this argument see further Franco Archibugi, *A Progress Report: The Quality of Life in a Method of Integrated Planning*, in *Socio-Economic Planning Sciences*, Vol. 8, 1975.