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The Planning System: Market and Centralization

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ABSTRACT

The article **aims** to outline approaches to the study of a harmonized model of forecasting, strategic planning and expectations of business communities. In the **Introduction**, the idea of transformation of planning to the dominance of the network approach instead of the dominance of centralization is substantiated. **Materials and methods.** The key aspects of the expediency of applying the experience of centralized planning under state ownership, providing information resources and applying modern high-tech methods for collecting, processing and analytically presenting materials to improve the effectiveness of preventive decisions, introducing a backbone component of leading indicators into network planning are considered. **Results and discussion.** The article includes innovative proposals for using the technology of leading indicators and increasing the role of horizontal links in planning with their help. **It is concluded** that it is necessary to shift the semantic emphasis in discussions on the development of planning to the harmonization of planning, forecasting and development parameters expected by business communities.

Keywords: economics; planning; network approach; leading indicators

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ОРИГИНАЛЬНАЯ СТАТЬЯ

Система планирования: рынок и централизация

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АННОТАЦИЯ

В статье излагаются концептуальные подходы к исследованию современной модели планирования, предложения по повышению роли планирования мезоуровня. Рассматриваются ключевые аспекты применения в современной России опыта централизованного планирования в условиях преобладания государственной собственности, обеспечения информационных ресурсов и применения современных высокотехнологических методов сбора, обработки и аналитического представления превентивных решений, введения в сетевое планирование системообразующего компонента опережающих индикаторов (МЕИ). Обосновывается перенос смыслового акцента в дискуссиях о развитии планирования на тематику гармонизации планирования и прогнозирования с учетом ожидаемых деловыми сообществами мезоуровня параметров экономического развития.

Ключевые слова: экономика; планирование; сетевой подход; опережающие индикаторы

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Introduction: Back to the future meanings or forward to the past?

It is not the first time that the world is facing the problem of production disparity with rapidly growing needs, but it is the first time that particular groups of goods are in shortage. Today's economic crisis is one of scarcity, starting with energy and food and ending with investment. Behavioral economics does not solve this cognitive dissonance. It attempts to bypass this problem by digitalizing management are also failing, aiming to achieve unachievable — managing people using only technical means. From this point of view, the fragmented nature of economic and social processes is becoming more obvious. Joint (collective) development planning overcomes the limitations of the technical dimension of the economy in relation to the social dimension [1–3].

Digitalization of space, if possible, is only viable within the boundaries of its own digital space, since it is the simplest form of development. The mechanistic understanding of social space leads to its reduction to a simple analogue (model). However, there is not and cannot be a digital analogue of the world because the simple is not identical to the complex, as the simple is finite, and the complex is infinite. There is another problem here: the complex cannot be controlled by the simple; on the contrary, the simple is controlled by the complex. Digitalization should be socially reversible, that is, to turn back into the social system. Such is the economy. In modern social science, the understanding of economic behavior as a personal space of the economy is fully justified. Now it is up to socio-economics to deploy the social space of the economy.

Planning together at the meso-level overcomes the limitations of the economic dimension in relation to the social dimension, which harmonizes development. Collective planning differs from centralized planning in that there is no limit to the set of expectations. A broad perspective opens up for the sociological analysis of the interconnectedness of expected semantic systems. Today, this aspect is not considered at all, being obscured by the clearly expressed predictive property of expectations. However, it is very important for the economy, as it makes it possible to assess the mobilization potential of production (labor, capital and technology) to adapt to changes in fi-

nancial and economic factors and socio-economic processes.

Until the turn of the 1990s, planning in the Union of the Soviet Socialist Republics (USSR) was carried out in accordance with the Program of the Communist Party of the Soviet Union (CPSU), the directives of the CPSU Central Committee and the decisions of the Council of Ministers of the USSR in order to build communism and for this to improve living standards and strengthen defense capability. Today, it is ignored that centralized planning was supplemented by “socialist competition” at enterprises and the constant adjustment of individual plans that support the conceived balance on the scale of the country, its territories and industries, but also due to objective changes in the conditions of economic activity. The rigidly planned conjugation of production in the national economy as a “single factory” turned out to be a false goal.

Once again, it is proved by the destruction of world economic connections due to the globalized sanctions wars. Estimates of the depth of integration of the Russian economy into the global market economy differ. The scale of this integration unexpectedly became clear to many, even experts in Russia and abroad, as a result of the destructive impact of anti-Russian sanctions on the global economic system.

However, the expectation of the “invisible hand of the market” effect turned out to be clearly exaggerated, as evidenced by the increasingly threatening market price shocks that are destroying the world economy not only for objective reasons but no less because of the unfair competition of institutional investors.

As it was before, now there is an increasingly obvious lack of horizontal planning links between business entities at all levels of the economy and management. Economic contracts cannot replace them, which has clearly manifested itself in the conditions of the current destruction of national and international systems of contract law. It is easiest to attribute this to unfair competition, the desire for monopolism at any cost and hybrid wars, but they did not come from nowhere at all. They were generated by the world order globalization crisis.

It is no coincidence that in its conclusion on the project of planning centralization, the Ministry of Economic Development pointed out, first of all,

that the Intersectoral balance model did not allow for the development of the initiative of economic entities and is not applicable to the modern market economy [4]. To overcome the imperfection of centralized planning technology, it is necessary to introduce a social component to it.

For the first time, the addition of a social component to planning was carried out back in the 50s of the XX century, and today no significant project can do without it, and this component is a network approach. Along with it, the network approach began to develop in the retail organization, where it allowed forming estimates based on a customer database, which indicates the presence of a certain social resource of entrepreneurship [5]. However, the use of the network approach invariably encounters a significant limitation of commercial confidentiality, which does not allow it to become a social resource for all participants equally.

An important channel of information interaction are the flows of public opinion monitoring economic issues that are in the focus of attention of the socio-political and business communities and regulators¹ [6]. It is necessary to note the widespread practice of creating business ecosystems that structure the underwriting of production, logistics and finances of enterprises [7, 8]. In recent years, information systems for analysis and forecasting of exchange trading participants have become widespread, but with limited access to the personal data of traders.² Another similar structure is private social networks, participants of which have access to their main characteristics with the consent of the other participants, up to the disclosure of the circle of communication and even personal data. Finally, a new network information structure is the participation of organizations in monitoring leading indicators, where information about participants is closed to other participants and third parties.³

The Government of the Russian Federation has approved an action plan for the digital transformation of public administration.⁴ One of the

key aspects for the future, mentioned in the plan, is the achievement of continuous processing of economic data online using blockchain technology and further training of the system (artificial intelligence) based on a dynamic optimization model (efficiency) of the intersectoral balance. The Communist Party of the Russian Federation suggested using the experience of Soviet centralized planning to automate the economic management system based on artificial intelligence. In particular, it is proposed to automate the gathering and processing of primary data of the Federal Tax Service, the Federal Service for State Statistics (Rosstat), the Federal Customs Service and other regulators. It is claimed that the authorities of Uzbekistan, Belarus, and Kazakhstan are interested in the proposed approach.

In Russia, the economic unit of the Government has worked on the centralization of planning. A significant part of the proposed functionality is implemented within the framework of existing information systems. State Automated Information System "Upravlenie", supervised by the Ministry of Economic Development, contains a federal information system for strategic planning and a system for monitoring national development goals. The "Electronic Budget" platform, supervised by the Ministry of Finance, aggregates information about government programs and their structural elements. A number of the proposed functions are executed by the State Information System of Industry, supervised by the Ministry of Industry and Trade. A large volume of tax data is publicly available. By order of the Ministry of Economic Development, a unified digital platform "Economy" is being created for monitoring, modeling and forecasting socio-economic development, as well as tracking the effectiveness of budget subsidies and financial support for enterprises and the population.

In the discussion of proposals for the centralization of planning, first of all, a lack of information support is noted, which seems fair. But, in fact, planning, including monitoring, modeling and forecasting, is only being designed. Actually, planning consists not only and not so much of statistical work but of the use of its results. And it is necessary to solve the fundamental issue

¹ RCSPPO. URL: <https://wciom.ru/tematicheskii-katalog/economy>

² "Forum" page at Investing.com. URL: <https://ru.investing.com/currencies/usd-rub-scoreboard>

³ Rosstat data. URL: https://rosstat.gov.ru/leading_indicators

⁴ Strategic direction in the field of digital transformation of public administration. Approved by the Decree of the Government of the Russian Federation dated October 22, 2021

No. 2998-R. URL: <http://static.government.ru/media/files/d3ucIO4ZFGNKmxCPBXbL4OaMPALluGdQ.pdf>

of combining state centralization of planning and the market. The government and economic departments consider it necessary, and scientific and political circles also consider it important. What is the difference of views?

The difference is in the formation of a very significant potential in the use of economic expectations, displacing the previous methods of planning based primarily on political attitudes and macroeconomic forecasts. However, so far, economic, financial and stock market expectations are mainly used to solve current microeconomic problems, which are due to the uncertainty of opinions in business communities (including households), as well as the underdevelopment of the methodology and technology of their analysis in terms of revealing predictive potential and bringing the sociological dimension of indicators in line with the statistical dimension of economic indicators.

Archival data, given out by default as actual, reverses the public consciousness into the past instead of awakening the thought about the future. Unfortunately, archival data is also used for macro forecasting. It turns out to be a navigation of the past and not of the future at all. Efforts to adjust individual independent variables (factors) in macro-forecast models do not help the case but, on the contrary, confuse it even more since each participant adjusts his indicator in his own way. This is reflected in the differences in macroeconomic forecasts of national economic and monetary authorities, international economic organizations and private research groups. The aggregation of forecasts turns out to be subjective and vulnerable due to political populism.

Macro-forecasts tend to become smaller, dramatically reducing the dimension of their object, and lose what macro-forecast models are built for — the depth of perspective. Breakthroughs into the future do not have a meaningful probabilistic assessment either by events or by timing and therefore are not perceived by the public consciousness as a guide to action. It is only many years later, that some of them are remembered as “prophecies”, which allows a wide variety of interpretations.

In contrast to the classical econometric approach based on monetarist theory, general economic expectations change the architecture of the management of the economic complex. Because

of these expectations, indicators compiled from the expected investments of own funds of organizations and made by the public, the expected execution of budgets of the budgetary system, expected lending, expected portfolio investments and expected foreign investments, can be at the forefront of current planning and control [9].

Materials and methods: a new composition of the planning

The replacement of planning with macro forecasting has not changed the essence of the centralized control, which has gradually been displaced by American globalization, carrying out of which is now recognized in Russia both politically and economically inexpedient. However, until recently, no reasonable alternative concept has been developed. Judging by the estimates of the ministries (except the financial bloc), they have already divided the centralization of planning by their areas of responsibility. But that is precisely why the Government has only to select the main entity responsible for the centralization of state planning, namely the Ministry of Economic Development of the Russian Federation and Rosstat.

Let's leave aside the difficulties of introducing the technology of predictive analysis of economic expectations into state regulation and professionally oriented media, which often respond only to changes in the economic policy of the authorities, and a lack of demand for predictive analysis of expectations in production due to not being embedded in business processes, not to mention the backwardness of organizational and technical bases. Let us focus on the fundamental approaches based on the recognition of the priority of the real sector over the service sector.

From this point of view, the advantage is the use of the State Commission for Electrification of Russia (GOERLO) principle — that is, the implementation of a strategically important state program that is scientifically based. Only now, there is not just one of them in Russia, but a certain set, among which there are four key ones for the transition to a new technological and economic way of life: energy, food, infrastructure and the market.

Their harmonization is not possible by drawing up a balance between the output in the enterprise groups of means of production (“A”) and

consumption (“B”). A new group has emerged — small enterprises, individual entrepreneurs, entrepreneurs without a legal entity, creative interest groups — related not only to final consumption but also to the actual creation of a significant part of intangible assets that are not accounted for in the total national product.

Centralization of planning in the business ecosystem is possible since each enterprise coordinates its plans with contractors. Regular preventive monitoring of the planned ecosystem is highly desirable in order to automate, if possible, the MEI correction of centralized planning (the abbreviation MEI is used to denote leading indicators — indicators of market expectations according to the methodology of the Organisation for Economic Co-operation and Development).

The ideology and technology of turning semantic leading indicators into digital economic indicators remain unclaimed. This topic is extremely important for economic planning in all its aspects and at all levels, and most importantly — for the formation of a digital image of the future for which planning is being implemented. It is still believed that the targets of the plans are determined using macro forecasting, which is based on dynamic econometric models operating with archival data. In fact, all these models are inertial, and all the difference between them lies in the different rates of attenuation of certain economic processes reflected by independent variables. There are only two signals from the future: actuarial calculations, which have a certain probability, and plans for technical re-equipment of production based on scientific discoveries and inventions made, too often without a certain probability of entering commercial operation, and for the most part having the fate of closed technologies.

The task is to harmonize the expectations of business communities, which is a component of the planning system based on forecasts. But the composition of planning changes when using the expectations component of business communities — the latter becomes the first. Namely, planning begins with the aggregation of expectations of economic entities (which, in fact, was actually done in the planned economy), and forecasting is adjusted by them to achieve the level of relevance and the greatest probability of economic assessments of development.

The adaptability of the model is achieved by using leading indicators in real-time. In the former planned economy, social competition and correction of plans were used for this at the request of local authorities, ministries and large enterprises. The natural disadvantages of such a system were formal attachment to the annual cycle and excessive politicization. Monitoring of leading indicators makes it possible to avoid both, adjusting economic forecasts not only, and not so much, in connection with changes in the political situation but in accordance with signals about the development of production, which play the role of predictive controlling of economic systems.

Even in a market economy, the politicization of economic decisions, as the practice of recent decades has shown, plays a destructive role since politics is a continuation of the economy by other means, and not vice versa. For example, The United States, which until now had the most powerful resources to obtain profits from, as they believed, the chaos, they controlled in the world economy, is now experiencing a shortage of the most fundamental resources — energy and food — not only for development but simply for maintaining the existence of a half-a-billion American population.

Results and discussion: renovation of the strategic planning core

The core of modern economic planning can be the parameters of socially useful labor expected by society, in contrast to the monetarist approach, which focuses on cost indicators of growth. “Trust” is a social resource reflected in the category of business reputation (goodwill). The valuation of this resource includes, as a basic component, an assessment by the market of an organization’s demand for the use of monetary resources. The quotation of an organization’s securities answers three questions: does it have a social resource, how big it is and how it changes?

Expected investments, including intra-cluster lending and direct investment, bank lending, budget expenditures, portfolio investments, and exchange rate policy of regulators are leading indicators for the expected economy, and the parameters of which should be considered when developing strategic planning. MEI-navigation of investments is a system-forming component of the implementation of strategic planning.

Changes in the technological structure of production, output, production prices and employment have their own cyclical nature and should be combined into dynamic systems. Economic crises, apparently, are nothing more than a resonance effect when these processes pass through their minimals. The frequency of economic crises points out the actuality of this assumption. Economic, fiscal and monetary policies have to be guided by state projects and purposefully developed solutions.

The timeliness and rhythmicity of budget funds entering the economy ensure their cyclical nature, which is required to maintain the rhythm of production and eliminates the need for spending money on unnecessary inventory logistics. In a relatively small economic system, this is possible with the help of manual operation, but in a globalizing economy, this is no longer possible. This is evidenced by the current economic downturn caused by a severe violation of the system of logistics relationships in the world economy.

Planning in the new economy uses the effect of “cycle multiplication” when a larger cycle includes several smaller ones. Overproduction crises do not always correspond to this periodicity, occurring once every 10–11 years. Changes in technological order do not correspond to them either, occurring more often than once every three hundred years. It turns out that they have a more complex cyclicity, a multiple of a different dimension. It’s all about the original unit of measurement, which is different in each of the segments.

The modern economy is characterized by a multiplicity of seven, but there are only five working days in a week, not seven, as it was only two centuries ago when, according to religious dogmas, there were six working days in a seven-day week, and even less, taking into account non-working holidays. And all this was unevenly distributed relative to the tempered calendar scale, tied to the natural cycle of plant growth and reproduction of domestic animals, as well as the change of seasons.

Maybe the reduction in the weekly working period is perceived as an acceleration of socio-economic processes. In the transition to a new technological order with its expanding intellectual activity and robotization faster than before, we, on the contrary, return to natural cyclicity. But then

it will take approximately the same 322 years that correspond to historical epochs.

Cycles of overproduction in the modern economy arise not only and not so much due to natural causes but as a result of the accumulation of negative results of actions that do not correspond to the changing conditions of production management. Attempts to regulate this process with the help of monetary policy were not successful, but it turned out to be more effective with the help of a planned economy. Nevertheless, it should be borne in mind that the existing planning failures were associated with a violation of natural cyclicity. So, instead of a seven-year cycle, they tried to implement five-year planning and all the time faced three or four-year periods of cyclical ups and downs, perceived as failures in planning policy. Planning, as a living system, has an annual and seven-year temperament, bringing it closer to the ancient cyclical nature of subsistence farming. But both in the past and now, these are interrelated periodicities representing the totality of the economic cycles of the living system of society.

To harmonize planning in market conditions, a breakthrough is needed in understanding the mechanism of turning leading indicators into the parameters of economic development expected by business communities of enterprises and households [10]. Today, up to 80 countries use reviews of leading indicators, including bank lending conditions.⁵ For the first time, it was possible to come close to solving the problem of turning the leading indicators into the expected parameters of economic development. However, along with the clear progress towards the coverage of the leading indicators of the national economy, significant gaps were found not only in the real sector but also in the service sector. So, if in the energy sector MEI monitoring covers the extraction of energy raw materials, production and distribution of electricity, then in the agro-industrial complex, despite the continuous cycle prevailing in it today, leading indicators are observed only in the food industry, but not in agricultural production. The observation of leading indicators of infrastructure does not cover the fields of computer science and transport.

⁵ Bank Lending Conditions. URL: https://www.cbr.ru/statistics/dkp/bank_lending_terms/#highlight=%7Сусловий

Nevertheless, a new segment of observations has appeared — exchange MEI monitoring has been organized [10, 11]. In addition, the technology of leading indicators is beginning to make its way to the stock market, as evidenced, in particular, by an interview with Solovyov V. I. about the system for recognizing the state of financial markets, developed together with the Alfa-Capital Management Company to predict the moments of reversal of market trends⁶.

Conclusions

Based on the above, it can be concluded that it is necessary to shift the semantic emphasis in discussions about the development of planning to the harmonization of planning, forecasting and expected business community parameters of development, along with issues of organizational and informational support. Future planning is based on a combination of forecasting and reversal of expectations, which reflect real processes in the economy and management, and not only their econometric modeling.

This conclusion is based on the need to take into account the acceleration of socio-economic processes, the destruction of the former economic world order, increasing the relevance of increasing flexibility in the development of inter-economic relations and the network exchange of production plans. The opinion of the economic bloc of the Government of the Russian Federation, the scientific community and political circles is supported regarding the need to complement the new planning with a high-tech platform for collecting scientifically based strategic decisions.

Being social in its composition, information about leading indicators combines in sociologi-

cal aggregates the opinions and assessments of structurally forming economic entities, equally relevant for themselves, regulatory authorities, and foreign economic activity. In MEI databases, leading indicators are flexibly aggregated into indicators for territories, areas of economic activity, certain aspects of financial and economic activity, and groups of goods. The expected economic parameters calculated using MEI technology, as well as statistical indicators, are end-to-end for various planning horizons. Their aggregates do not belong to a trade secret, and their distribution among participants of economic activity is not limited. The MEI technology of leading indicators compensates to a certain extent for the absence of a “counter-planning” component in modern planning, steadily and up-to-date supporting information about real changes in production and management.

The most important property of MEI technology is the fundamental possibility of building an arbitrarily large number of independent monitoring systems in business ecosystems, which allows each organizer to receive full information without violating the trade secrets of participants, insofar as each organizer can create his own MEI ecosystem.

In the modern planning process, investments that have a predictive property along with energy consumption, transportation volumes, communications and exchange trading come to the front. In planning, this is reflected in the assignment of limits of consumption in production depending on the use, in addition to its own attracted funds, primarily funds from the budgets of the budgetary system, bank loans and collective investment funds, which are methodologically and technologically developed in the system of national accounting.

⁶ URL: <http://www.fa.ru/org/dep/findata/Documents/News/2018/09/Soloviev-ML-2018.pdf>

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