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PLANNING AND DEMOCRACY IN FRANCE

April, 1965

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In the beginning of 1962, France launched its Fourth Plan to cover the period 1962-1965, and entered its sixteenth year of economic planning. Paradoxically, France which has so frequently seemed determined to demonstrate to the world an absolute incapacity for self-government has at the same time carried out a complicated experiment in economic planning, the results of which have frequently been brilliant; this is not to suggest that through planning the French have found answers to all of the many difficulties which still face them. It was immediately after World War II that France embarked upon their experiment in planning. The task ahead was considerable, and circumstances convinced the Provisional Government that long-term planning was necessary. The bitter experience of stagnation in the thirties, which had found the economy falling farther and farther behind those of other industrialized nations, and the crushing defeat of the war persuaded them that their economy was hopelessly anarchistic and ill-adapted to the challenge of providing its people with a modern standard of living. Postwar economic survival and progress depended upon a systematic overhaul of the economic structure, a task hardly possible without some form of planning.

Secondly, in 1946, France was still suffering from material destruction, financial disorganization, and a legacy of war; the urgency on one hand, and the limited means which the country possessed on the other made it requisite that actions be coordinated and priorities determined. Finally, a number of key industries had been or were about to be nationalized (electric power, gas production, coal etc.), and with the public sector in a dominant position in the economy some degree of overall planning was inescapable. Thus, in light of these circumstances the Provisional Government under DeGaulle entrusted to Jean Monnet the
task of preparing an overall plan that defined the priority goals to be reached and the means to be employed in order to attain them, and in so doing accepted the alternative with which the Commissariat for the Plan prefaced its own action: "Modernization or decadence." The relatively modest beginnings of short-term planning which survived the critical period of reconstruction have evolved into a comprehensive scheme of resource allocation, and planning has become a permanent institution. The encouraging results achieved in the postwar period have led France to consider planning as a necessity independent of periods of stagnation and expansion. The French Plan, then, was not a conscious application of an ideology, as in the case of the totalitarian countries, but rather it was born out of necessity — the application of an experimental method to economic growth.

As recently as two decades ago the term "economic planning" was usually understood to refer to centralized control of the economy as practiced in the Soviet Union. But in recent years economists have used the term to imply that the government has organized its decision making process so as to take account of all the economic effects of each of its acts, the total program of actions being a coherent one designed to achieve as rapid economic growth as is consistent with other national goals. The government plans in order to frame and execute a program which will balance all of the goals of the economy against each other and to achieve the degree of each that will yield the greatest satisfaction to the people. Economic planning is not intended necessarily to increase the degree of government control over the economy, but is intended to make the government aware of the effects of governmental actions in the economy in order to avoid inadvertent impacts. Almost any governmental activity affects the private and public sectors of the system whether or not this effect is intended: an example being a change
in government expenditures which without any other government action may greatly affect private economic activity. Every true plan is simply an expression of collective determination to steer the economic system in the direction of what is seen as progress; as distinct from the plans of individual firms, a national plan constitutes the action of a community which is subordinating the decisions of natural persons and corporations to the achievement of coordinated aims within a fixed period.

The fact that planning originated in the Soviet Union has given the public a false notion of its essential nature which is characterized neither by authoritarianism nor by collective ownership of the means of production. The "Plan" exemplified by the French system -- "flexible" or "indicative"--is only one type of planning, and in adopting this method, the French have tackled the problem of how to reconcile freedom of choice for the consumer and the business man with centralized direction. Flexible planning deals with a restricted number of targets usually established per branch rather than per firm and allows considerable freedom of action to the entrepreneurs. Fixed objectives are laid down for the basic sectors, most of which are nationalized, but the Plan only suggests targets for the majority of the manufacturing industries. In an "imperative" system of planning the future is rigorously determined; in a flexible plan it is merely indicated in its broad lines, the necessary adjustments to unforeseen developments being regarded as a matter for day-to-day action and operations of the automatic mechanisms.

In the preparation of the plan the authorities cannot regard themselves as having sole responsibility, owing to the existence of a large sector of private production. The discussion of economic questions among the different agents in various committees facilitates
the drafting of a plan which private business interests are more ready to adopt, because they have helped to formulate it. Procedure consists of assembling and combining schemes put forward by individual firms and trends manifested by consumers, rather than setting up targets a priori. Generally speaking, planning is carried out by offering financial incentives with a minimum of constraints and prohibitions. In at least part of the public sector the financial authority exercised over firms by the Finance Ministry is probably as imperious as the means adopted in the Soviet Plan, but in the rest of the economic field, the means of fulfillment are used indirectly and may be properly described as incentives. Too, much is achieved by persuasion, by pointing out the advantage to be gained through participation in the system of development outlined in the Plan. Many French business leaders are now convinced of that advantage. Wage-earner's organizations would adopt the same attitude if the system of employment were reformed so that they no longer needed to regard opposition as the sole method of advancement and could have a greater voice in the decisions that affect their future.

The features of flexible planning are well suited to the structure of a democratic country like France in which there must be flexibility due to the existence of private firms, where decisions are made in relative independence; the fact that the powers of the state are limited; and the freedom of choice enjoyed by the consumers, or at least by those categories of consumers whose incomes are in excess of their basic requirements. Yet, a section of economic opinion remains hostile to the idea of planning, holding the conviction that no collective economic decision can leave enough scope for individual freedom of choice. The Soviet example is adduced to show that the whole concept of planning is
radically opposed to that of freedom and that it requires an enormous, all-powerful central administration dominating every sphere of economic life. The French experiment is, of course, to some extent reassuring; it is taking place in a political atmosphere which it cannot so far be said to have rendered anti-democratic. However, from a political angle (without falling into the errors of the Marxists and neo-liberals who believe that any plan must necessarily be imperative) one must admit that certain problems of "planning and democracy" have not yet been solved, and that the Plan in its present form does give rise to a number of queries. No way has yet been found for reconciling the coordination of decisions regarding prices, production, and income with some measure of decentralization; for imposing a necessary degree of constraint, while respecting the freedom of firms and individuals; or for ensuring the continuity of economic management, while encouraging the participation of all of the interested groups. Nor has the arrangement in France disposed of the dangers that individuals and firms may find their liberty sacrificed to collective constraint, that large firms may invoke that very liberty as a means of bringing state plans under their own influence, and that the technocrats may slowly wrest the economic control of the state out of the hands of the political authority and away from the other groups in the community. Thus, while little objection can be made to its organization, a good deal of criticism can be expressed regarding its range, methods by which it is put into effect, and the procedure for its political control.

I wish to show, then, that while a democratic system is not incompatible with economic planning, serious problems are raised by the coexistence of planning and democracy; I shall deal with both the
democratic nature of the French Plan and some of the relevant problems which have arisen since its inception. If economic planning is to be considered democratic, at least two conditions must be fulfilled. The first relates to the substance of the plan, the direction of production, which must satisfy in priority the needs of the community, pursue the aims of the general interest, and ensure that they will be fulfilled; in short, the Plan must be democratic in content. The second deals with the procedure for decision making and action. The Plan must be the expression of the general will, and there must be active participation of the citizens by their representatives in the drafting, executing, and control of the plan. This means not only that there must be broad agreement between the citizens as to the ends of each plan, but a general consensus as to the finality of economic activity. Without this agreement and participation it is difficult to see how the needed discipline for planning could be imposed, for planning must not make individual choice impossible for persons or groups. It must be compatible with the democratic system.

In the immediate post-war period the planners paid more attention to economic requirements than to social needs. This is reasonable enough in view of the urgent problems of reconstruction and development that had to be faced. They also feared that recovery might be impeded by the adoption of ill-considered social policies, and they believed that planning would in any case be of "social" benefit by increasing production to the maximum, adjusting output to the needs of the consumers, and preventing slumps and unemployment. However, by the time of the Second Plan, the planners realized that the human element did not
necessarily develop harmoniously in any and every form of economic expansion; they, therefore, gave priority to certain branches of the economy because they were important to the community. Among these were housing, health services, and schools. One of the principle features of the Fourth Plan has been the emphasis placed upon providing for social equipment, improving the living standard of the "less-favored" groups, and developing a more equitable balance between the different geographical regions. The importance accorded to social development in the present plan is reflected in the rapid advance in investments for the improvement of the physical and social environment in which the individual lives. Special priority has been given to housing improvement, urban and rural development, public education, cultural facilities, and public health.

To set up targets for income distribution would carry the planners far beyond the present "social plan" which deals with collective and individual investments (hospitals, roads, etc.) and provides for various welfare services. While it does make recommendations concerning the incomes of the small wage-earners, farmers, and old people, no comprehensive picture showing the desirable distribution of income among the different social and occupational categories has so far been presented; nor is there a "national wages policy." Although a guided distribution of incomes may be desirable in the interest of social justice, it would be impossible without a fundamental change in both the institutions involved and in the mentality of the parties concerned.

A policy of this nature gives rise to a number of political and economic questions. From what angle is income distribution to be approached? Are the wage-earners to be promised the equivalent of the
increase in production, or more? The respective groups concerned could find arguments to prove the unfairness of either policy, for both of them are too rigid. Perhaps the most important question is whether a democratic government has the means of compelling all of the parties to comply with such a plan.

Moreover, the principal groups in the French community are hostile in practice, if not in theory, to a "Social Plan" which includes a wage policy. The employers are not in favor of a policy which might restrict their freedom of action; they are well aware that wages, left to themselves will tend to lag behind the rate of expansion, and they take advantage of the resultant margins of profit. They are afraid, too, that the planners might make mistakes which would be at the expense of their firms. Strange as it may seem, the trade unions are even less eager to see the strict regulation of wages. Some of them fear that government intervention would not be impartial. They urge the necessity of defending the legitimate demands of the workers, including the right to fix wages by agreement, against the danger of a "unilateral" and restrictive system of wage increases.

French planning was institutionalized with the thought of democratic participation in mind so that the Plan might be a concerted effort. It was felt that the active forces within the nation must be closely associated with the preparation of the plan through the representatives of the various social categories or local groups. Although some degree of success has been achieved in establishing a "democratic" organization, many weaknesses still exist. The Economic and Social Council which includes representatives of the different socio-economic groups constitutes a link between the Modernization Commissions and the
Parliament in the elaboration of the Plan. During the first three Plans, the Council like Parliament was not consulted until the final drafting of the Plan; this procedure, however, was changed for the Fourth Plan. Since the beginning of 1960, the government has consulted the Council's Investment and Planning Section which includes representatives from the same areas as those in the Economic Social Council; the Council is, thus, informed of the Plan's general goals before the completion of the detailed studies of the Modernization Commissions. The Council is later invited to express an opinion on the final texts prior to their examination by Parliament.

Although the Council seems to be exceptionally well qualified to represent the various economic and social interests involved, its present composition should be amended to make it fully representative of the interests which are not effectively organized, such as the low income groups and the immigrants. It should play a two-fold role: (1) advise the government on economic and social problems, (2) and advise Parliament whenever that body is brought into close association with the planning process; on such occasions the specialized section of the Council would collaborate with the Parliamentary Committees. This would, of course, entail more extensive preliminary consultation of the Council, for at present only its Investment and Planning Section is called upon, and its discussions are not made public. The whole Council should be associated with planning, and it should discuss not merely the rates of expansion, but all of the basic choices of policy to be made in such matters as family welfare, military expenditures and so forth. The Council should also have a hand in supervising the fulfillment of the Plan.
The High Planning Council which was created in 1946, but reorganized in 1961, considers the draft of the Plan prepared by the Commissariat for submission to the government and gives its opinions upon it; it also supervises the application of the Plan year by year, reporting on its execution and proposing all appropriate measures to the government. It is headed by the Premier and includes representatives of management, labor, the Regional Expansion Committees and the Economic and Social Council. Being a comparatively small body it might play a genuine and active part in the actual planning, which it does not do under the present structure. The Plan, being flexible, depends for its implementation of the participation and approval of the interests involved. Flexibility is demonstrated by a number of contacts between the public authorities and private enterprise, but such contacts ought to be extended to groups such as wage-earners, entrepreneurs and Civil Service departments who are also concerned with the requirements of economic growth and the distribution of its benefits. However, the necessary increase in group representation on the various councils would entail, at the very least, a far-reaching transformation of present attitudes.

The Modernization Commissions, which constitute the really original feature of the French system, make proposals for their respective branches and submit them to the Commissariat whose task is to then coordinate the projects. Since the Commissions include representatives of the administration, business leaders, experts, and wage-earners, they are able to thresh out the different opinions on the development of each individual branch with very useful results, particularly as their organization is directly responsible to the Executive. This close
collaboration between the government and the different branches of the economy marks the inception of a revolutionary development; the active participation of the different ministries, which too often tend to work in watertight compartments, is also noteworthy. Moreover, an attempt is made though not always successful, to avoid sterile controversy by ensuring that the Commissions will be representative of the "general will," rather than of groups of interest, and to obtain the widest possible agreement about development prospects, rather than to secure majority votes. There is no hard and fast rule as to the proportion in which the different groups are represented. All this takes the system a long way from the established attitudes of parliamentary democracy and emphasizes the desire for collective, rather than majority decisions.

The role of the Commissions is essentially an advisory one. The fact that they do not make decisions leaves the individual members free to form and announce their opinions, more especially as no vote is taken at the end of their deliberations. However, to go no further that consultation involves the danger that the central authorities may feel at liberty to decide matters as it chooses. While the duty of preventing this must be left to the political institutions, not to technical bodies such as the Modernization Commissions, the Commissions might be strengthened by entrusting the most important among them with a continuous role in the supervision of the execution and revision of the Plan. Above all, they should be given a greater part in the preparing of the Plan, for up to now each Commission has simply taken up the forecasts included in the government's instructions for its particular branch of the economy and discussed their soundness.
To enlarge the role of the Commissions does not mean extending the scope of planning, for successive governments should hesitate to intervene further in economic matters, particularly at the level of the firms. But the Commissions, if they were less interested in claims on points of detail, could devote their attention to the principal decisions affecting development, such as the choice to be made between important but incompatible projects put forward by different firms in a particular branch, or between expansion in two different sectors. An enlargement of their role would mean that the statistical information presently available to the experts and the union representatives would have to be appreciably improved, and that the authorities must resolutely adopt the practice of arbitration between the expansionist ambitions of rival firms.

The present lack of information is largely responsible for the sense of isolation still felt by the workers' representatives in the Commissions. The unions have insufficient sources of information and are, thus, handicapped vis à vis the managers. To alter the composition of the Commissions in the manner advocated by some would not be a wise solution for the purpose of altering this situation. It has been suggested that representation should be strictly tripartite (one-third labor, one-third management, and one-third experts). This would be a revision to vote counting and would render these technical and advisory bodies completely sterile. It would mean abandoning the basic principle that members of the Commissions are appointed on personal merits, not as representatives of rival interests; and although wage-earners and employers often select their own representatives, that principle does make it possible to slip some really impartial members into the Commissions.
Although a rigidly tripartite system seems inadvisable, it would be a good idea to include more workers, for "democratic" consultation in the Commissions is often not much better than it is in the other planning agencies. The workers who are sometimes outnumbered on the Commissions by ten to one, are often too few to gain a hearing and to appoint their representatives as chairman of some of the Commissions; up to now the workers have been unable to appoint a chairman. The inclusion of additional labor representatives would strengthen the trade unions' influence which is at present far too small.

In considering the question of group participation, one can not underestimate the obstacles generated by the determination of the individual organizations to avoid committing themselves, in order to keep their fighting force intact. Employers organizations, as well as the three trade union federations, are reluctant to accept undertakings which might be turned to their disadvantage by their rivals. Group commitments would become even more unreliable, if the Plan were to proceed from the study of the technical conditions of expansion to an incomes policy, for that is the crucial point of the struggle. It is rash, at least at this point, to hope for any lasting agreement on such subjects as income distribution to which both sides would be loyal. Thus, group representation is bound to result in unreliable, short-lived definitions of "the general interest" which must be carefully watched over and constantly amended.

There is an unquestionable need for planning to be shared by other groups than those at the summit, and this raises the question of participation at the local and regional levels. The lack of a sense of involvement among the actual firms is the cause of indifference and
misunderstanding which have tended to hold up the progress of the Plan. The man on the street knows nothing about the Plan, and this ignorance is shared even by the staff of some public corporations. A sense of involvement is impossible without at least some contact between the different levels of a firm, and here the joint-management committees and other organs of liaison fall far short of their purpose. Opposition by the groups at the base is preventing collaboration at the summit, or is at any rate hampering it. Joint study of the aims of the Plan undertaken at the base (at least in each branch if not in every firm) would make a useful contribution to co-management, by providing a basis for discussion.

It became evident in the early stages that planning must have a regional structure in order to reduce the friction between decisions made at the top and independent interests, and to establish that flow of information between the base and the summit which is the essence of a democratic system. At the institutional level the part played by the local bodies has gradually increased since June 30, 1955, when the regional development programs were first established; these regional programs were set up to supplement national planning by applying the government's decisions within the compass of the local economies. Although a complex organization has been instituted, this plethora of organization should not deceive one, for the creation of institutions with a localized activity does not lead automatically to decentralization; though without it, there is little that local groups can do.

More often than not the Regional Development Associations are simply a screen for the "big" organization in Paris. Local authorities have less and less control over the decisions of private finances. The
last attempts at regional financing are being crushed by the centralization of the banking system, and by the destruction of the machinery for local financing to which the Stock Exchange reforms dealt a new blow. Administrative decentralization, too, is only a hope. The Civil Service is operating through the narrow channels of the ministerial departments and is still highly centralized. The regional directors have no power to undertake studies or to coordinate the surveys carried out by public and private bodies. The consultation of the local groups is slowly becoming an empty formality.

It is utterly irrational to ignore the preferences of the producers and consumers, for the purpose of a "democratic" economy is to consider and satisfy them. Local bodies ought to be created which could give expression to the preferences which elude economic calculations, but can be ascertained through local representatives. This would offer a way of escape from the deadlock created by the excessive reliance upon economic statistics. Regional bodies should also be given more responsibility. Preparation of the regional plans might be entrusted (at least in part) to representatives of the regions concerned, and the central authorities would then cease to excercise supervision and control over local decisions in matters of minor significance. Most important of all, local financing should be thoroughly overhauled and the decentralized authority left to handle the funds earmarked for various duties which would then be entrusted to them. If those duties were clearly defined, the present disorderly trend towards the nationalization of all expenditures would be brought to a stop.

While the need for planning is now almost unquestioned in France, there is considerable controversy as to how the different measures can
best be enforced. In its present form the implementation of the Plan is certainly compatible with the democratic system, for it comprises a set of general instructions with only limited powers of constraint. It comes before Parliament as a set of instructions, intentions, and guiding principles; none of these have the force of law, they merely announce and pave the way for a limited number of subsequent measures.

A chief criticism of the First Plan, before its institution, was that it could not be carried to completion because of the state's inability in a free society to exercise the amount of authority necessary to make individuals sacrifice their present desires for future benefits. In complex societies, however, the instruments of economic control at the disposal of even a democratic government are numerous and powerful: price and wage control, output rationing, resource allocation by priorities, and exchange control are but a few. That these measures are clearly within the power of a democratic state is attested by the wartime experience of the democracies and the postwar development in Great Britain under the Labor Government. The paradoxical fact about planning in postwar France was that the Commissariat had at its disposal few, if any, of these instruments of direct control to use for the implementation of the Plan. The direct controls which were instituted in France with the outbreak of war in 1939, disintegrated with extreme rapidity after liberation. In fact, the issue of direct verses indirect controls was settled prior to the drafting of the First Plan, the occasion being the resignation in April, 1945, of Mendes-France, who favored the retention and strengthening of direct controls, as Minister of the National Economy.
The only authoritarian measures still maintained are the building permit, the authorization to establish industries in the district of Paris, and the permit to open an oil refinery. Preemptory orders are avoided so far as possible out of consideration for the freedom and independence of private firms. Nevertheless, the planners are by no means powerless to put the needed pressures on individuals so that they will act according to the Plan.

Great emphasis is placed upon psychological factors. Implementation of the Plan is based partly upon the belief in the virtue of human contacts. Experience has shown that those associated with the preparation of the Plan do their best to see that it is carried out; in many cases it is in their own interests to observe the growth targets prescribed for each segment, since the resultant equilibrium is favorable to the markets and resources. But because individual interests are not always identical with the general advantage, some degree of constraint remains indispensable. This constraint is exercised by financial methods in preference to compulsory measures. Thus, the twin feature of French planning is the small number of its means of enforcement, and the importance of financial measures at its disposal.

The first area of enforcement is direct financing by the budget and the treasury which takes three main forms: (1) Budgetary appropriations, (2) tax exemptions, (3) and direct loans from the F.D.E.S. (the Economic and Social Development Fund). A second major area is the employment of financial incentives in the private sector. The control of credit, the control of bond issues on the Stock Exchange, and the issuing of investment bonuses to firms which build in the depressed areas are but a few of the ways in which the government can intervene
to ensure the fulfillment of the programs laid down in the Plan. Thus, through financial measures implementation has remained democratic, and free enterprise and competition have been maintained.

The First Plan consisted of empirical devices created by the technocrats for breaking through certain bottlenecks in the capital goods industries and in getting business on the move. Since that time, the choices of action have become much more complex, and there has become an obvious need for more effective democratic control. Political control of planning has two aspects: the first, relates to the control of the administrative machinery set up to implement the Plan; the second, relates to the control of the Plan itself.

The French Civil Service does not seem to have any particular penchant for "technocratic dictatorship". But the colorless Parliaments and the unstable executives before DeGaulle were seemingly indifferent to economic matters, and this made it easy to shake off the constraints of the past; many of the Civil Servants were not sorry to see that the politicians who at one time opposed their plans are now reduced to impotence. It is possible that they could perpetuate a situation where they can uninterruptedly, and in their opinion efficiently, direct the life of the economy which they are apt to regard as a firm run by technicians. This situation has its perils, for it is carried out without democratic support. With a weak or non-existent legislature, they are relieved of external pressures, and the rifts between the government branches widens accordingly. Private interests which formerly made use of the members of Parliament now try to influence the Civil Service. In the absence of any "counter-veiling" power such
influence goes unchecked. A persistence of this state of things might give rise to a quasi-oligarchy which would be wholly anti-democratic.

The decree of January 5, 1946, did not specify the form which the political control of the Plan would take. The new institution, coexisting with the traditional parliamentary system, might have turned in a completely different direction than the one which is now being followed had later laws not placed the Commissariat in the governmental sphere. But that is not enough. The Plan must be supported by the representatives of all the principal views in the nation: this is the very basis of democracy. The gradual withdrawal of Parliamentary participation is now endangering the political control of the Plan. On the other hand, certain social groups are intensifying their intervention.

The loose system of parliamentary control began to take shape during the period covered by the First Plan; control was indirectly applied through the granting of funds required for implementing the Plan. The problem of parliamentary approval was raised in connection with the Second Plan. By that time, it had been recognized that it was not an ordinary legislative document. The bill relating to it was extremely short—only three articles—and it conveyed the approval of the appended document which set forth a list of targets, a statement of sums required to reach these, and an outline of the legislation to be introduced. Parliament was not asked to subscribe to the appended provisions which together constituted the Plan and which would be the subject of the decisions at a later stage, but to approve only a general line of action.

In the Third and Fourth Plans the form of the document remained unchanged, but it was accompanied by program laws which extended its range. However, Parliament was taking less and less hand in the matter.
Even the indirect control exercised through the annual vote of funds was diminishing. The sums earmarked for the program-laws can not be rediscussed each year, and the time-limits imposed by the Constitution of the Fifth Republic are too short to allow thorough scrutiny of the purposes to which they are to be put. Article Two of the bill approving the Fourth Plan did introduce an important innovation. Before issuing its instructions for the Fourth Plan to the Commissariat, the Government put before Parliament a bill approving a report on the major considerations guiding the preparation of the Plan in view of the need to develop the country: in particular economic expansion, the distribution of the gross domestic product between investment and consumption, the desirable pattern of final consumption and the directions to be followed by social and regional policy respectively. This innovation was retained during the early stages of preparation of the Fifth Plan.

The fundamental requirements of planning seem to be incompatible with a parliamentary system in which power is divided between an elected legislative body and an executive which it controls. The flexibility of planning is hardly consistent with the rigidity of a law. Unforeseeable changes in the economic situation, political upheaval, or new developments in international trade arrangements call for rapid adjustments which can not be set forth in a legislative document. Approval of a general line of policy, rather than of a detailed text, is a solution which leaves the executive free to modify its aims.

Furthermore, planning is useful only insofar as it puts forward a group of consistent decisions. If any part of the Plan is changed, the planned economic balance and growth may be endangered. Continuity is another indispensable condition for effectiveness which is not
compatible with parliamentary control. It is useless to draw up a four
year plan, if its targets are to be called in question whenever the
legislature chooses to discuss prices, subsidies and other economic
matters, as it is likely to do, especially during the budget debates.
The present solution to the problem of cohesion and continuity versus
political control is a compromise. Parliament is able to approve the
general trend of the Plan, but most of the means of fulfillment lie
beyond its control, since they depend either upon the Executive or
the management of the firms. This compromise is not entirely
satisfactory, for while it is inevitable that the Parliament must
give up some of its prerogatives out of necessity. Its control is
growing weaker and weaker.

The control which parliament exerts at the earliest stages of
preparation, when the main hypotheses upon which the Plan is based are
determined, relates to a limited number of basic options. It is
impossible to pursue every aim simultaneously; therefore, choices must
be made. But if the political authorities are to make a rational choice,
they must know to what it will lead; alternative models of development,
indicating all of the possibilities in full detail, are difficult to
prepare and present in simple terms. So far, preliminary forecasts
have only offered broad alternatives in matters of growth. Once this
technical difficulty has been overcome, it will still remain for the
bodies which are to use the decisions to show confidence in the prospects
described. For they might challenge these prospects, and this would
drive the technical experts and the administrative agents to take upon
themselves the decisions that Parliament is unable to make, because they
tend to make unrealistic proposals.
Therefore, the question remains as to which of the authoritative bodies ought to choose between the alternatives, to fix the objectives, before the Plan is put on paper. Up to now, parliamentary democracy has proved incapable of effective control or economic decision-making. Could it be replaced by an economic democracy based upon group representation acting by direct participation, rather than solely upon the electoral process and majority decisions? Group representation has played an important part at the level of the Modernization Commissions, the Economic and Social Council, and the regionals committees. There is, however, a great temptation to push this development as far as possible by authorizing these bodies to make the fundamental decisions. Their familiarity with economic problems would surely prevent them from making unrealistic proposals like Parliament.

However, there is a danger in relying upon organized groups. National and regional contacts between the various interests and the Administration might lead to something resembling a corporate system, which may create a kind of mutual agreement to the sole benefit of the leaders of the different camps. Organized interests would obtain privileges at the expense of those who are not organized and sometimes against the general interest. If problems are settled without reference to Parliament, they are removed from all political control. In this situation the Civil Servants and the economic leaders go unsupervised and exceed the limits of their political responsibility. Political control ought to be left to Parliament, so that is has the last word in the general direction of planning. Not only is Parliament able to protect the non-organized groups, but the nation's political representatives are aware
of its immediate general interest, for they are in closer touch with the population and its needs.

In the final analysis, one must say that the French system does serve as an example to the West, demonstrating that economic planning can operate in a democratic society. A really flexible and democratic plan calls for unobtrusive, but well coordinated organization, a rational and effective means of enforcement that will allow the working of certain automatic factors, and genuine political supervision. The organization has won general agreement; its flexibility and the participation of the various groups in the planning agencies have kept official intervention from becoming too obtrusive. Implementation of the Plan is carried out indirectly through financial measures, rather than by direct constraint. Firms are offered incentives, but they retain the right to select their methods of action. However, the political control of the Plan has not been well established. Four successive plans have been prepared with the principle of parliamentary control being questioned, but in practice this control has been growing weaker each year.
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