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INDUSTRIAL PLANNING ON THE NATIONAL LEVEL^{1/}

by

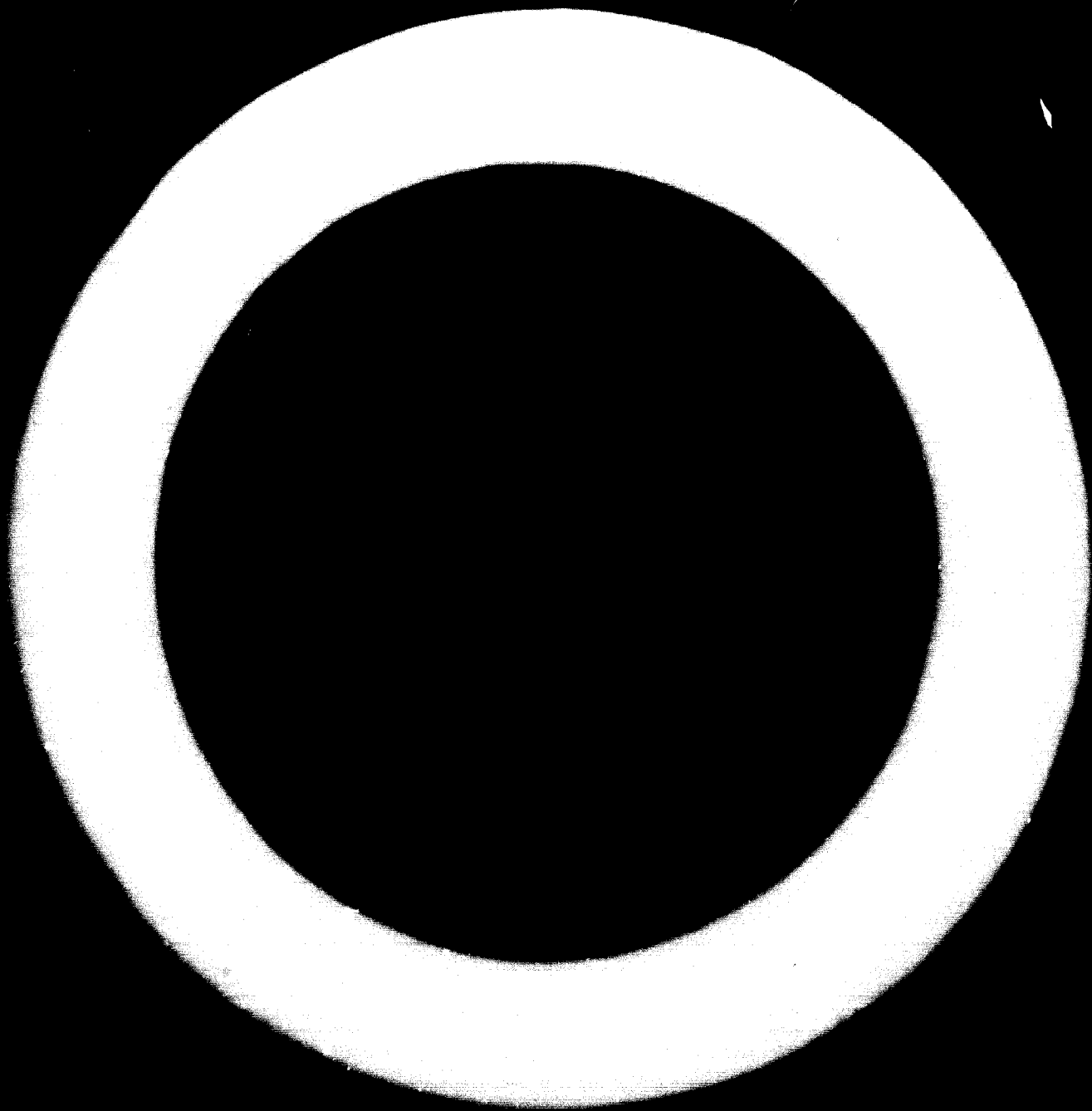
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Planning means consciously to determine in advance and to maintain the necessary rates and proportions in the development of all spheres of social life: material production, the non-productive sphere, foreign trade relations, social activities, etc. It is implemented in accordance with the requirements of the objective laws of social development and the concrete conditions prevailing in the country.

Planning in the People's Republic of Bulgaria is a basic element in the mechanism of the system of social administration. It is the main means of implementing the mapped out economic, social, cultural and technical policy, and is indissolubly linked and united with all other elements of social administration.

I. PLANNING BODIES

In the People's Republic of Bulgaria the bodies and organizations at all social administration levels perform certain functions in the field of planning. Planning bodies are: the National Assembly, the State Council, the Council of Ministers, the State Planning Committee, the other ^{functional} and branch ministries and departments, the district people's councils, the economic organizations.

The state guidance of planning is implemented by the supreme organs of power and government - the National Assembly, the State Council and the Council of Ministers.

The National Assembly, as supreme body of state power in the People's Republic of Bulgaria, examines and approves the integrated five-year plans. It also entrusts to the Council of Ministers the approval of the obligatory norms, limits and

indicators for the economic organizations on the basis of the indicators of the integrated plan. The National Assembly also approves the basic changes in the annual breaking up of the five-year plan, together with the revenues and expenditures of the state budget. In the process of the fulfilment of the plan, the National Assembly keeps regularly informed of the results achieved and when necessary takes appropriate decisions.

The State Council, as a permanently operating organ of the National Assembly, guides and controls the elaboration and fulfilment of the plans. It approves the basic principles underlying the long-term and five-year plans for the country's socio-economic development.

The Council of Ministers, as supreme executive and administrative body of state power, organizes the elaboration of national projects, forecasts and projects for the future, conceptions, comprehensive programmes and different variants of the plans, discussing and adopting them. Besides, it submits the draft plan for discussion and approval to the National Assembly, after which it approves obligatory norms and indicators for the economic organizations and bodies, which guide activities belonging to the non-productive sphere, as well as concrete undertakings for the fulfilment of the plan.

The immediate planning is performed by specialized planning bodies. A special place among them is held by the State Planning Committee.

The State Planning Committee is a basic, central, specialized planning body for the methodological and organisational guidance of national economic planning, with a view to securing the country's conscious and planned socio-economic development.

The State Planning Committee studies the basic problems of the country's economic development and, on the basis of the

established needs of society and the achievements of science and technical progress in the country and in other countries, organizes the drawing up of scientific, technical and economic forecasts, long-term, five-year and current plans, comprehensive programmes for the development of individual branches and activities in the whole country and in individual territorial units. It elaborates the basic planning documents, coordinates, supports with economic arguments and balances the plans in accordance with the trends set by the supreme bodies of state power and government. It elaborates the integrated plans for the country's socio-economic development in several variants, as well as a number of economic undertakings for securing their fulfilment.

The State Planning Committee is a chief organ of the Council of Ministers for the overall elaboration of the integrated long-term and current plans, and for guidance in the field of planning.

In fulfilling the basic planning functions, the State Planning Committee is actively helped by the functional and branch ministries and departments.

The ministries are central bodies of state government, which guide, regulate, coordinate and control certain branches and spheres of activity, being responsible for their situation and development to the National Assembly, the State Council and the Council of Ministers.

Scientific research centres, which directly serve forecasting, the elaboration and introduction of economic mathematical models in planning, are set up at the State Planning Committee and the major functional ministries.

The State Planning Committee, in conjunction with the respective functional and branch ministries and departments,

elaborates long-term, five-year and current plans for the country's socio-economic development for the agro-industrial complexes, on the branch and territorial principle, and for economic organizations in accordance with a list of indicators, norms and limits which are established by the five-year plan. In elaborating the plans on the territorial principle, corresponding suggestions and considerations are requested from the district people's councils. Moreover, with the help of the ministries and departments, the State Planning Committee organizes and coordinates the plans of the country with the member-countries of the Council for Mutual Economic Assistance on a bilateral and multilateral basis. Hand in hand with the same ministries and departments, the State Planning Committee carries out the methodical guidance of planning in the country, and puts in hand undertakings for a wide utilization of economic and mathematical methods, as well as of electronic and other modern installations in planning.

The functional ministries and departments (the Ministry of Finance, the Committee for Science, Technical Progress) and Higher Education, etc.), in accordance with their competence, elaborate drafts for the sections and activities for which they are responsible, and take part, together with the State Planning Committee, in the drawing up of the integrated plans for the country's socio-economic development.

*In accordance with the approved national conceptions, with the initial data (restrictive) on their activity and with the elaborated comprehensive programmes, the branch ministries and departments elaborate suggestions for the long-term and current development of the branches and of the individual economic organizations, as well as recommendations for the territorial disposition of the new construction projects and activities. They take part in the work of the State Planning Committee, and, to-

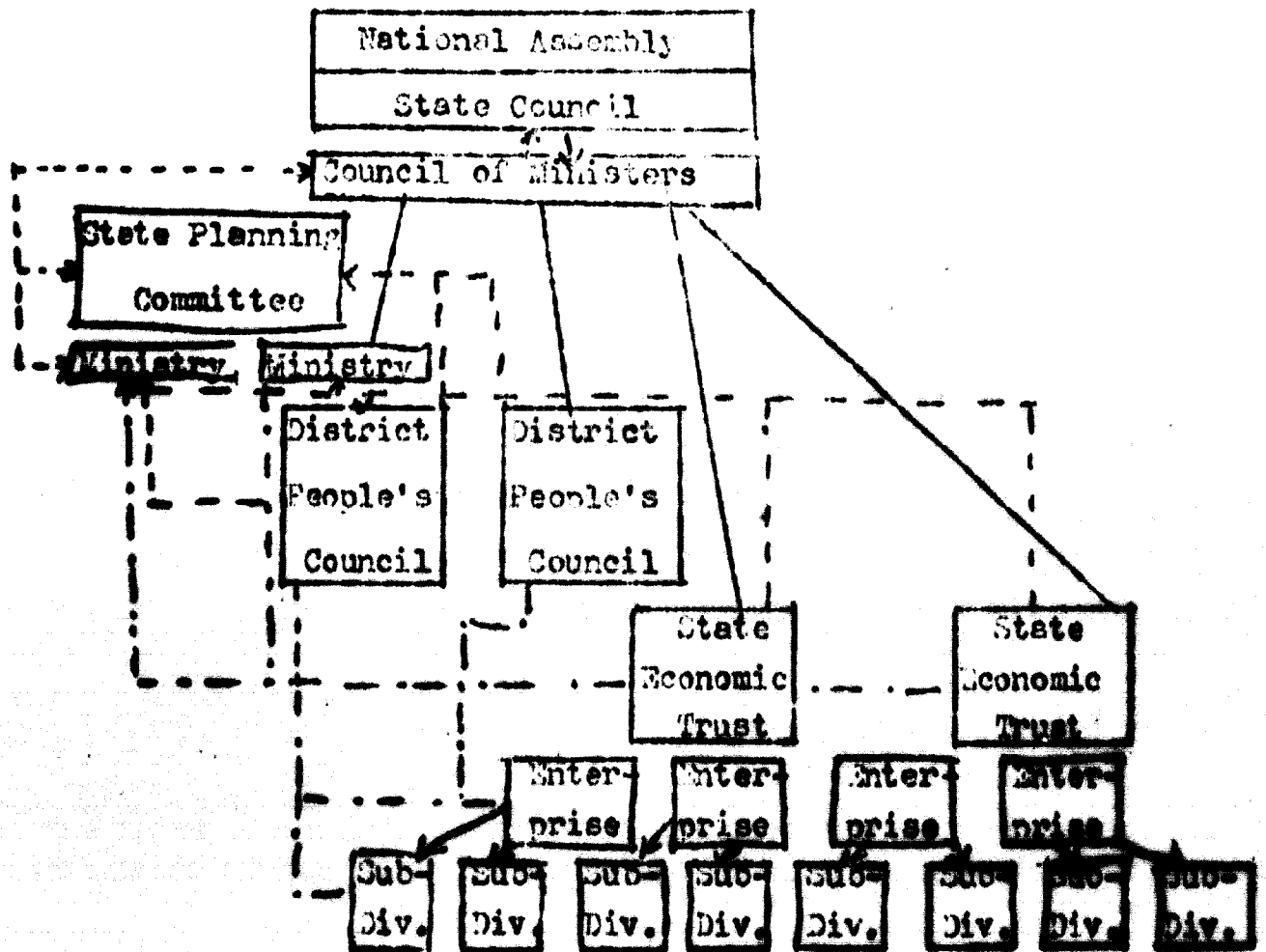
gather with it, elaborate comprehensive programmes, nation-wide and other forecasts, drafts of national and branch conceptions, long-term, five-year and current plans. Together with the State Planning Committee, the branch ministries and departments elaborate, on the basis of the tasks of the integrated plan, recommendations for obligatory norms, limits and indicators for the economic organizations and submit them jointly for approval by the Council of Ministers. Apart from this, the branch ministries and departments coordinate the production relations and technical policy in the branch, and approve a plan for cooperated deliveries between the economic organizations in the respective branch, in accordance with a nomenclature established by the State Planning Committee.

The district people's councils work out forecasts, conceptions, comprehensive programmes and long-term plans for the over-all and comprehensive development of the district. They take part in drawing up the draft of the integrated plan for the country's socio-economic development, with recommendations of their own as to the territorial distribution of the productive forces and the proper utilization of material and labour resources on the basis of the district's all-round development. Upon instructions from the State Planning Committee, the executive committees of the district people's councils elaborate individual problems connected with the development of the productive forces on their territory.

The economic organizations elaborate comprehensive programmes for the development of all their activities. With their help, they put forward their recommendations on the corresponding part of the country's integrated plan, which also contain considerations for the territorial distribution of their activities. After the approval of the integrated plan, the economic

organizations draw up complete "do better" plans, observing without fail the obligatory norms, indicators and limits for all activities included in their system. On the basis of these norms and indicators, they set tasks to their enterprises.

The structure and relations between the organs of planning, in the process of drawing up recommendations and the draft of the integrated plan and during the approval of the tasks under the integrated plan can be schematically expressed in the following way:



Designations:

- Assignment of tasks under the integrated plan, approval of obligatory norms and indicators.
- - - - -** Suggestions and considerations on the integrated plan
-** Giving information on the integrated "do better" plans of the State Economic Trusts, the branches and subdivisions of the respective district people's councils, ministries and the State Planning Committee.

II. SYSTEM OF PLANS

Three types of plans are elaborated at all levels and by all organs as a system of direct planning documents in the People's Republic of Bulgaria: long-term, five-year and annual plans.

The long-term plans contain the basic trends, rates and proportions in the development of the People's Republic of Bulgaria. They reflect the basic tendencies in the development of society and the scientific and technical revolution, and are elaborated for 15-20 years. It is through them that the main tasks and methods of effective participation of the countries in the international division of labour are established, as well as in the economic integration of the countries from the socialist community; for the development of the material and technical basis of society; for structural inter-branch economic, social and cultural changes, and for raising the people's living standards. The general scheme of the territorial distribution of the productive forces of the country constitutes an inseparable part of the long-term plans. It indicates the multi-variant, complex distribution of the productive forces by territories, with a view to mapping out the most effective development of the individual territorial units and of the country as a whole.

The long-term plans in their basic indicators are drawn up in units of five-year periods and can thus serve as basis for the elaboration of the five-year plans.

The five-year plans are a major means for planned management in the People's Republic of Bulgaria, and are drawn up for the whole country, for economic complexes, for the different branches, economic organizations and on the territorial principle. By means of the five-year plans, the solution of the political and economic tasks of the development of society and

of raising the people's living standards is specified. The five-year plans are elaborated with a detailed breaking up by years, and on this basis the concrete annual tasks are set by them.

The annual current plans, which are elaborated prior to every plan year, represent only specifications and corrections of the annual breaking up of the five-year plan. When such specifications are not necessary, the breaking up of the plan by years performs directly the role of a current plan.

Material, financial and currency reserves are envisaged in the long-term, five-year and annual plans.

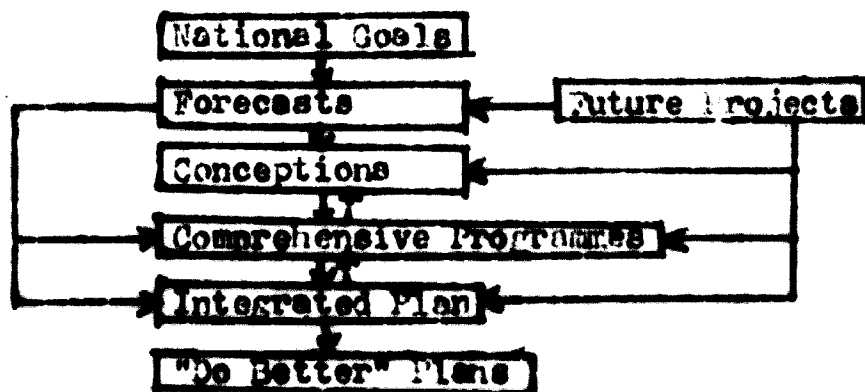
III. BASIC PLANNING DOCUMENTS

Besides the long-term, five-year and annual plans, major planning documents in the People's Republic of Bulgaria are also the forecasts, conceptions and comprehensive programmes. The last three kinds of documents are elaborations which precede the drawing up of the plans themselves and serve as basic documents for carrying out and directing the elaboration of the draft plans.

In the process of the preparation and drawing up of the plans, future projects are also elaborated. Between the latter and the forecasts there is a particularly close link, but such projects can also be elaborated and further specified and utilized at the other stages of the entire cycle of plan-making.

The elaboration of all basic planning documents is preceded by the setting and adoption of national goals, the attainment of which must be secured by the comprehensive programmes, plans and their fulfilment.

In a very-general way the consecutiveness in elaborating the plans, or the total cycle of planning in the People's Republic of Bulgaria, can be represented by the following scheme:



Designations:

———— Direct link

- - - - - Reverse link

As can be seen, after setting the national goals, the first major planning document is the forecast.

The forecasts are predictions based on facts for the development of science, the economic, technical, production, social, demographic and other processes. They may differ in scope and significance with regard to the objects treated in them, i.e. they may refer both to the trends for changes in the macrosphere and for changes in the microsphere - and to individual, concrete productions and activities. The forecasts for changes on a national scale are drawn up in an established system. Included in it are forecasting elaborations for the fundamental scientific investigations, the basic structural changes in the national economy, the chemization of the national economy, and the like.

Forecasts are elaborated for all spheres of social life. They are particularly necessary and typical of certain fields of social activity, of certain social processes and phenomena, which cannot be directly coordinated and regulated, such as: the demographic development, the mining of ores, the changes in foreign trade (international) prices, the development of international tourism, etc. In other words, forecasts are most typical in pointing out the exogenous factors ("outside" factors with respect to a given system). In these cases, it becomes quite obvious that

forecasts should not be confused with the directives for the plan, and that on this basis some of their characteristic features manifest themselves. One of these features is that the necessary balancing linkage cannot be achieved in them, such as exists in the case of plans. It is for this reason that the forecasts cannot be documents of the character of directives, as are the plans. They secure the necessary information which is used in elaborating the conceptions, programmes and plans for the development of the national economy. That is why the forecasts are not approved as planning documents.

The second type of planning documents which precede the drawing up of the plans and are at the same time a means for raising the scientific level of planning, are the conceptions of the integrated five-year and long-term plans.

The conceptions are assessments of the attained level in the development of social life as a whole, or of the individual branches and activities and science-based predictions of the basic trends of socio-economic development, which must be realised through the plan in the respective period. The conceptions are drawn up for the whole country, as well as for the different branches, complexes, subbranches and territorial units. National, branch and territorial conceptions are formed on this basis. This is a prerequisite for the subsequent linking up of all items of the integrated plan on the branch and territorial principle.

The conceptions are elaborated on the basis of the forecasts and projects for the future, although the forecasts and project elaboration can also be specified at any time after that. In its content, the national conception is comprehensive. The part in which the present achievements are assessed includes not only an assessment of the attained level in our country, but also data on the world level, with a view to orienting the na-

tion's production in future. The part of the conception referring to the future development contains: the main political and economic task for the respective planned period; the major national economic proportions stemming from this task; the basic trends in the development of science and technical progress; the main trends and conditions for the development of the individual branches and sub-branches, the basic qualitative indices revealing effectiveness. Indicated in it are also the means and conditions for achieving the tasks mapped out in it. In its content, the national conception gives an outline of the country's development during the period to which it refers. In practice it represents a kind of model of the plan, which is drawn up on the basis of it.

Alongside with the national conceptions, a system of criteria is also elaborated and approved, to which the integrated state plan has to conform. The main criteria are: growth rate of the national income, per capita national income, ratio between the accumulation fund and consumption fund, growth rate of social labour productivity, increase of the national income per 100 leva, increase of the production funds, consumption of staple goods per head of the population. The approval of these criteria, which must be observed by the planning bodies, lends a definitely guiding character to the conception. A prerequisite for this is the fact that the elaborations of the conception are linked together through the balances of their individual sections. Herein lies the main feature which distinguishes the conception from the forecast.

A third kind of basic planning documents which precede the drawing up of the plans are the comprehensive programmes. They constitute a system of research, technical, economic, organizational and social undertakings with corresponding indicators characterizing the development of national, inter-branch, branch and territorial complexes of individual branches, sub-branches, activities, economic organizations or territorial units. They also contain data

about the necessary material, financial, currency and labour resources, as well as norms and indicators, on which they are based.

Comprehensive programmes are drawn up at two main stages: parallel with the elaboration of the conception as a means of supporting it with data, and prior to the drawing up of the country's integrated plan as a means of supplying data in favour of the recommendations made in it. At the time when the draft conceptions are elaborated, complex programmes for the solution of individual particularly important problems begin to be elaborated. At the stage when the recommendations under the integrated plan for the nation's socio-economic development are elaborated, the comprehensive programmes are specified and further elaborated. The comprehensive programmes are an inseparable part of the integrated plan and are approved with it.

Side by side with the forecasts, conceptions and comprehensive programmes, a very important means for the substantiation of the plans and a general raising of the scientific level of planning is the system of dynamic norms, indicators and limits. These norms and indicators are at the same time both dynamic and stable (lasting). The dynamism of the norms and indicators is expressed in the fact that they are set for years or periods, with modifications, either in an increasing or in a decreasing sense, in accordance with the dynamism of the conditions under which they will be operating. The stability of the norms and indicators is expressed in the circumstance that, as a rule, their dynamism is determined in advance for years or periods, i.e. their elaboration is effected prior to the setting in of the period to which they are applied, after which modifications, especially in the regulating norms, do not take place in principle.

The norms and indicators are used as a means of substan-

listing the elaborations of the plan. At the same time, the content of the plans is expressed through them, and the tasks under the integrated nation's plan are specified. In this aspect, the norms and indicators can be examined as substantiating or directing and as regulating norms. The substantiating norms for their part are established on the basis of different kinds of draft elaborations by applying the calculative and analytical method. The regulating norms are excerpts of the tasks under the integrated plan, or plans of the hierarchically higher body at the different levels of planning. After an organic link between the substantiating norms and the tasks under the integrated plan is established, part of them may become regulating norms. The fulfilment of the regulating norms is obligatory.

The system of dynamic norms, limits and indicators is elaborated on different levels: national, branch and territorial, that of the economic organizations, enterprises and subdivisions. The norms^{1/} for planning and regulating on a national level comprise eleven groups:

- norms for economic growth;
- norms for economic integration and economic cooperation;
- norms for technical progress;
- norms for labour and scientific labour organizations;
- norms for supplies and utilization of raw and prime materials, fuels and power;
- norms for accumulation and development of the material and technical facilities;
- norms for cost price, price formation and prices;
- finance and credit norms for distribution and redistribution;
- norms for social changes and the people's living standards;

1/ For the sake of brevity we use only the term "norms" instead of norms, indicators and limits.

- norms for territorial development;
- norms for efficiency;

The norms for planning and regulating the level of a branch are divided into two great sub-systems:

- norms for the branches in the sphere of material production;
- norms for the branches in the non-productive sphere.

The sub-system of the branches in the sphere of material production contains almost the same groups which are included on the national level. The same groups are also elaborated on the level of the economic organizations, their branches and subdivisions. The norms which are elaborated on the level of territorial units have a more specific character. In the sum total of norms, indicators and limits contained in the system, most important in character and destination are the obligatory norms, mainly those which are approved by the Council of Ministers or by a hierarchically higher body at the corresponding level.

The system of obligatory norms and indicators is given in the special Decree on Planning approved by the Council of Ministers of the People's Republic of Bulgaria. This system contains six sections:

- national criteria for elaborating the integrated socio-economic development plans (established by the national conception);
- basic norms, which are determined by separate normative acts;
- norms and indicators, on the basis of which an integrated plan for the country's socio-economic development is submitted to the Council of Ministers;
- norms and indicators approved for the economic organizations;
- norms and indicators approved for enterprises of the

economic organizations;

- norms and indicators approved by enterprises for their subdivisions.

A detailed list of obligatory norms, limits and indicators is given as an appendix to the present report.

IV. ORDER OF ELABORATING AND APPROVING THE PLANS

The order of drawing up the long-term and five-year plans is almost the same. The elaboration of the current plans (specifications of the broken up five-year plan into years) is effected in a shortened procedure.

As has already been pointed out, the five-year plans are the basic planning documents. That is why, in the normative acts which are in force, the order in which they are to be drawn up is given in greatest detail.

The basic stages in the elaboration of the five-year plans are the following:

The first stage after the approval of the national goals is the elaboration of forecasts, projects for the future, comprehensive programmes for the solution of certain specially important problems, as well as branch and territorial draft conceptions.

The second stage is the drawing up of a draft national conception for the country's development during a given five-year period. The draft is elaborated on the basis of the long-term plan, the prepared forecasts and comprehensive programmes and by making use of the branch/ministries and the district ^{and territorial draft conceptions drawn up by the} people's councils. The third stage consists in the adoption of the national conception by the topmost bodies in the country and the approval of initial data at the proposal of the State Planning Committee and the other branch ministries and departments.

The initial data are approved by the Council of Ministers, and serve as limits in the elaboration of comprehensive programmes and recommendations under the plan on behalf of the economic organizations, ministries, departments and district people's councils.

The fourth stage consists in the elaboration of comprehensive programmes and recommendations under the integrated plan on behalf of the economic organizations, branch ministries and departments, and the district people's councils. In preparing their recommendations, these bodies come into contact with one another, with a view to securing a linkage of their recommendations to a maximum degree.

The recommendations and comprehensive programmes are submitted to the State Planning Committee and the functional ministries and departments. At the same stage the functional ministries and departments elaborate drafts and recommendations for the sections and activities for which they are responsible, and submit them to the State Planning Committee.

During the fifth stage, the State Planning Committee together with the branch ministries and departments elaborates variants of drafts of the integrated five-year plan for the country's socio-economic development, for complexes and economic organizations.

The most effective variant is submitted for examination to the Council of Ministers together with the necessary concrete argumentation and estimates. The other variants of the draft of the integrated plan are submitted in abridged form.

Both at the transitional stage and at this stage, coordination is effected with the draft plans of the other CMEA member-countries, and the results of this are reflected in the draft of

the integrated five-year plan.

During the sixth stage, the Council of Ministers adopts the draft of the integrated plan, and submits it for approval to the National Assembly, which approves a Law on the Five-Year Plan.

The seventh stage consists in the approval of obligatory norms, limits and indicators. These norms and indicators are approved by the Council of Ministers on the basis of the integrated five-year plan approved by the National Assembly on the joint proposal of the ministries, departments and State Planning Committee.

For the basic branches in the sphere of material production, including industry, the obligatory norms and indicators are approved directly for the economic organization (trusts). For certain branches and activities, mainly in the non-productive sphere, the obligatory norms and indicators are approved for ministries and departments, which distribute them among the corresponding economic organizations or districts.

During the eighth stage, the economic organizations determine norms and indicators for their enterprises, whereby they guarantee the fulfilment of the tasks set by the integrated state plan. At this stage the enterprises in their turn set internal obligatory norms and indicators for their subdivisions.

During the ninth and last stage, the enterprises and their subdivisions draw up "do better" plans, in which they disclose all their inner production reserves. On the basis of the "do better" plans of the enterprises, the trusts draw up overall "do better" plans for their activity, and submit them to the respective branch ministries and departments, as well as to the State Planning Committee, and certain sections of them - to the functional ministries and departments.

The enterprises, for their part, submit their "do better" plans not only to the trusts, but also to the district people's council and the bank branches, which serve them.

At this stage the district people's councils, on the basis of the plans of the enterprises on the territory of the district (both those immediately subordinated to them and those under central subordination) take joint measures for securing the overall activity of all economic and other units situated in the respective territory.

In fact, with the drawing up of the "do better" plans, the cycle of planning is closed at the respective levels of social administration.

The specifications of the annual parts in the five-year plans are effected in general at five stages.

During the first stage, the Council of Ministers, at the proposal of the State Planning Committee, the functional and branch ministries and departments, by the end of the first three-month period of the current year adopts preliminary specifications in the annual plan of the following year, and sends them to the economic organizations, as well as to the ministries and departments guiding the respective activity.

The second stage consists in the elaboration of the recommendation of the specifications on behalf of the economic organizations, ministries and departments. The economic organizations submit their recommendations to the State Planning Committee, the branch and functional ministries and departments.

For their part, the branch ministries also submit their recommendations to the State Planning Committee and the respective functional ministries and departments. This stage comes to an end in the last days of July and the first half of August of the current year.

During the third stage, the State Planning Committee in conjunction with the functional branch ministries and departments by the end of September makes the final specifications in the annual part of the five-year plan, and submits them for approval to the Council of Ministers.

During the fourth stage, the Council of Ministers discusses and approves the specifications by branches and economic organizations, and notifies the economic organizations and the bodies which guide the respective activities, of the modifications in the norms and indicators approved in advance with the five-year plan. All basic modifications in the breaking up of the five-year plan by years are approved by the National Assembly together with the budget.

The fifth stage consists in specifying the "do better" plans of the economic organizations and their enterprises, as well as the elaborations of the plans of the district people's councils.

V. MAIN PARTS AND SECTIONS OF THE PLAN

The long-range and five-year plans in the People's Republic of Bulgaria have almost the same general structure by parts and sections. It is natural, of course, that the long-term plans are drawn up on the basis of a smaller number of indicators. The integrated five-year plan consists of three most general parts:

I. Basic trends in the socio-economic development of the country.

II. Comprehensive development of the individual branches and economic organizations.

III. Basic trends in the territorial distribution of the productive forces.

In the long-term plan the third part is replaced by the

general scheme for the territorial distribution of the productive forces in the country.

The first part of the five-year plan contains the following sections:

- A. Political and economic tasks.
- B. Basic rates and proportions.
- C. Science and technical progress.
- D. Foreign trade relations and development of socialist economic integration.
- E. People's living standards and social changes in society.
- F. Volume indicators for the development of the material production branches:
 - Industry;
 - Agriculture;
 - Forestry;
 - Construction;
 - Transport;
 - Communications;
 - Trade; (home and foreign trade, international and domestic tourism, material and technical supplies, and purchase of agricultural produce);
 - Other branches of material production.
- G. Volume indicators for the development of the branches of the non-productive sphere:
 - Communal economy;
 - Personal and communal services
 - Health services
 - Rest and recreation
 - Education, culture and the arts
- H. Capital investments

- I. Labour and wages
- J. Cost price (operational and turnover costs)
- K. Prices (modification of prices in price lists)
- L. Summary financial and credit plans
- M. National economic efficiency.

The second part of the plan as a rule contains almost the same sections as the first part, but in the plans of the individual branches and economic organizations the sections are represented in accordance with their specific activities. For instance, in a number of branches, especially in those of the non-productive sphere, the section entitled Currency Plan is missing. Apart from this, in the plans of the economic organizations, the sections on political and economic tasks and on basic rates and proportions are also missing as a rule.

In the third part, treating of the territorial distribution of the productive forces, there are no sections, but undertakings for perfecting the territorial structure of the economy of the individual territorial units for the formation of territorial production complexes and the like. These undertakings are elaborated only with the five-year plans.

The linkage between the sections of the plan is complex and diverse. In the main, the arrangement indicated in the preceding pages corresponds to the consecutiveness in the elaboration of the sections of the integrated plan, although many of their indicators are set up in a parallel fashion. The drawing up of the plan is a complicated process of many stages in which possibilities (resources) are specified at many stages until their complete balancing is achieved.

The setting up of the sections in the plans of the industrial branches, after establishing the needs according to

the forecasts, begins with a determination of the production capacities and the necessary capital investments, the production programmes, etc. and ends with the financial and credit plan, and the indicators for the last sections, established at a given stage, may give ground to a reverse impact and correction of the first sections so as to arrive at the drawing up of a fully balanced and effective plan.

VI. FORMS AND INDICATORS FOR THE ELABORATION OF THE PLAN

The forms and indicators, which are used in elaborating the plans, are in general of two kinds: for the macrosphere and for the microsphere. These two kinds differ chiefly in the detailed estimates and the scope of the indicators contained in them. Moreover, the forms of planning in the macrosphere do not provide data on the distribution of the indicators during the periods of the year, whereas the forms of the microsphere contain such data.

The forms and indicators for drawing up the integrated plans in the microsphere (in the economic and other units) are not typified, because the peculiarities of the individual branches and activities have to be taken into consideration in them. A collection entitled "Methodical Instructions, Forms and Indicators for Drawing Up the Integrated Plan for the Country's Socio-Economic Development" has been elaborated and approved by the State Planning Committee for planning in the macrosphere. The forms and indicators in this collection are one of the main means of achieving a unified methodology in working out the five-year plans in the People's Republic of Bulgaria. It is on the basis of them that the economic organizations, ministries and departments elaborate their comprehensive programmes and submit their recommendations on the country's integrated plan. Again accord-

ing to them are elaborated the details of the integrated state plan in the State Planning Committee. A uniform elucidation of the content and substance of the individual indicators is given in the Collection, and a uniform method is indicated for calculating them in the different branches and at different planning levels. Basic procedures are also thereby created for methodological unity in planning in the macro sphere, as well as in the microsphere.

The collection "Methodical Instructions, Forms and Indicators for Drawing up the Integrated Plan" consists of 13 booklets. They refer to the different branches of the productive and non-productive sphere and to the different "functional" sections of the plan: capital investments, material and technical supplies, etc. as well as to planning on the territorial principle. The collection also contains a uniform nomenclature of natural indicators for production, purchases and sales, home and foreign trade. The nomenclature contains some 2,000 items, of which only 200 are approved. This is an example showing that the collection contains not only obligatory (approved), but also a great number of corrected (not approved) indicators.

The total volume of all booklets comprises more than 1,000 pages. Of these, in comparatively greatest detail have been elaborated the methodical instructions, forms and indicators for industry, which constitutes the leading economic branch. The total number of forms for industry is more than 30. Hundreds of indicators are included in them.

The section (booklet) on industry in the first place includes forms for planning the volume of production - expressed for production in kind and in value separately. The production expressed in value is obtained by evaluating the quantities of

the individual articles contained in the uniform nomenclature, and adding to them the total value of the other production (not included in the nomenclature).

The estimates of the articles, in connection with which international cooperation and elaboration is envisaged, can also be added to the forms of the volume of production.

Very important forms determining the volume of production are those for utilizing the production capacities. These forms consist of two main parts:

- for utilizing capacities put into operation prior to the five-year plan period;

- for utilizing capacities which will be put into operation during the five-year period, whereby the increased use of capacities introduced every year is separately observed. These planning elaborations are required for all industrial branches. Moreover, forms have also been envisaged for the basic technical and economic indicators in certain industrial branches. The indicators themselves and the branches are determined in a special list.

The forms for planning labour and wages constitute an important part of the sum total of industrial forms. Included herein are four basic groups of indicators: for labour productivity, for the average wage, for the number of personnel and for the wage fund. The increase in labour productivity is based on computations in accordance with separate factors influencing its level. For the calculations according to factors, special forms have been provided.

Of great significance are both the forms and indicators for determining the level of cutting down the cost price of production. In the industrial system of the People's Republic of Bulgaria, cost price is a basic indicator for regulating the

activity and organization of incentives in the local economic units. At present the planning of economies from cutting down cost price according to factors is envisaged in the new forms and indicators. The basic groups of factors are:

- raising the technical level of production;
- improving the organization of production and labour;
- changing the structure and volume of output;
- changing the conditions and methods of mining ores (in ore mining);
- national economic and branch factors.

In the last place, the booklet on industry includes the forms and indicators for the intensification and effectiveness of production and for improving the working and living conditions of the industrial work forces. The indicators for intensification and effectiveness in a certain sense represent excerpts from the elaborations in the other sections of the industrial plan, and the indicators for improving working and living conditions map out the social aspects of the plan. In drawing up the section on industry in the collection, the principle of the comprehensiveness of the plan has been applied.

VII. INFORMATION FOR THE DRAWING UP AND FULFILLMENT OF THE PLAN

One of the basic tendencies in the process of perfecting planning in the People's Republic of Bulgaria is the widening of the sphere and enriching the content of the information used. The ampler the information, the better the plans reflect the requirements of the objective social laws.

The following kinds of information are mainly used in drawing up the plans:

- from designs;
- from forecasts;

- from accountancy (primary, bookkeeping and statistical).

The information from designs consists of future construction projects (with general solutions of the problems in principle) and technical and construction designs (with fully detailed and specified solutions).

The information from forecasts is more generalized, and of a probability character. As has been pointed out, it is particularly necessary for the outlining of processes and phenomena, which have to be covered by and reflected in the plan, but which, on account of their nature, cannot be under the immediate and direct impact of society.

The tasks which are set by the central planning bodies or by the immediate hierarchically higher organs, constitute a peculiar, "elaborated" information for drawing up the plans at different levels of social administration. These tasks, according to the stages of planning, are: the criteria approved with the national conceptions; the initial data approved as limits in the elaboration of the comprehensive programmes, and the recommendation of the economic organizations, district people's councils, ministries and departments; the norms, limits and indicators approved on the basis of the tasks under the integrated plan.

The comprehensive programmes themselves and the suggestions of the lower units represent elaborated planning information for drawing up the plans at the higher levels of social administration.

The fulfilment of the tasks under the plan is accounted for mainly with the statistical accounting forms.

A streamlined system of statistical accountancy has been established in the People's Republic of Bulgaria. It includes hund-

reds of forms, monthly, quarterly and annual, as well as statistical bulletins. The system of accountancy is organized on the principle "to account for in the same way as one plans".

Information from the accountancy system for the fulfilment of the plan is also contained in the periodical and extraordinary reports - analyses, which the respective organs and organizations submit to the hierarchically higher bodies, including the National Assembly.

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The development of the People's Republic of Bulgaria after the victory of the socialist revolution is characterized by profound transformations in all spheres of social, political, economic and cultural life.

The socialization of the basic means of production in industry, banking, trade (1947) and the setting up of cooperative farms by 1955 in agriculture were important prerequisites for widening the scope of planning in the nation's economy. Parallel with the increasing economic potential of the country, the system of economic management and planning was also perfected, as well as the other spheres of public life.

The evolution in the system of planning in general outline has thus far passed through two main stages.

The first stage, embracing the period 1945 to 1964, is characterized by a high degree of centralization in planning, with universality of the centrally approved plan indicators. During this period, with the increase in production, the links between the branches of the national economy and, inside the branches, between the individual production units, also marked a very rapid increase. The participation of our country in the international division of labour, and especially with the social-

ist countries, was widened.

The number of economic and technical cadres employed in the management and planning of the national economy was increased and their qualifications raised.

In this way, the great number of indicators which were centrally approved for the enterprises became an obstacle for the accelerated development of the nation's economy.

Under these new economic conditions, the system of excessive centralism in planning the nation's economy has exhausted its positive sides and possibilities to a great degree.

The second stage in the development and perfection of the system of planning set in from the beginning of 1964. This stage is characterized by a substantial reduction of the system of centrally approved indicators and with a greater use made of economic levers. The decreased number of centrally approved indicators creates possibilities for expanding the constructive initiatives of the work forces, for enhancing material incentive in connection with the disclosure of reserves, with a view to stepping up economic development. On this basis, the planned and proportionate socio-economic development of the country has been greatly improved.

L I S T

OF NORMS, LIMITS AND INDICATORS

I. National Criteria for Elaborating the Integrated Plans for Socio-Economic Development (Determined by the National Conceptions).

1. Growth Rate of the National Income.
2. Per Capita National Income.
3. Ratio between the Accumulation and Consumption Funds.
4. Growth Rate of Social Labour Productivity.
5. Growth of the National Income per 100 Leva Growth of Production Funds.
6. Growth of Net Income per 100 Leva Growth of Production Funds for the National Economy as a Whole.
7. Value of the Ruble and the Dollar (on the Basis of Factory Prices).
8. Per Capita Consumption of Staple Goods.

II. Basic Norms Determined by Separate Normative Acts

1. Duration of Construction.
2. Time Limits for Recovery of Capital Investments (Including Circulating Capital).
3. Time Limits for Putting into Operation of Production Capacities and for Attainment of the Design, Technical and Economic Indicators.
4. Time Limits for the Performance of Scientific Investigations and Development Work for Introducing the Obtained Results and of Licences.
5. Interest.
6. Coefficient of the Lev in Rubles and Dollars.
7. Prices.
8. Taxes and Customs Duties.

III. Norms and Indicators on the Basis of which the Integrated Plan for the Country's Socio-economic Development is Submitted to the Council of Ministers.

1. Overall Social Product by National Economic Branches.
 2. National Income (Produced by National Economic Branches)
 3. Growth Rate of the National Income.
 4. Growth of the National Income resulting from Increased Social Labour Productivity (by National Economic Branches).
 5. Growth of the National Income per 100 Tons Growth of Production Funds (by National Economic Branches).
 6. Basic Scientific and Technical Problems,
including the Programme for Using Licences.
 7. Relative Share in the National Income of the Funds for Financing Scientific and Technical Investigations and for Extending the Material and Technical Facilities of Scientific Organizations.
 8. Indicators for the Participation of the People's Republic of Bulgaria in the Integration with the USSR and the other Socialist Countries.
 9. Formation of the Primary Incomes of the Population (Employed) and the Enterprises in the Sphere of Material Production (by National Economic Branches).
 10. People's Living Standards and Social Changes in Society.
- Per Capita Consumption
- Per Capita Real Incomes - Total,
Including: Those of Industrial and Office Workers,
Those of Peasants;
- Public Consumption Funds per Head of the Population;
- Average Length of Working Week;

Per Capita Consumption of Staple Goods and Services
and Housing Area.

11. Utilized National Income (Accumulation Fund and Consumption Fund)

12. Reserves (Material, Financial and Currency).

13. Volume Indicators for the Development of the Branches of Material Production.

Industry - Realized Stock Production;

Agriculture - Production and Sales;

Forestry - Timber and Afforestation;

Construction - Volume of Construction;

Transport - Income and Transport Activity;

Communications - Volume of Returns;

Home Trade - Turnover;

Foreign Trade - Export and Import with Socialist
and Non-Socialist Countries;

Purchases of Agricultural Produce - Volume of
Purchases and Gross Profit;

Material and Technical Supplies - Turnover and
Gross Profit;

Other Branches of Material Production.

14. Indicators in Mind for Production, Purchases and
Sales, Material and Technical Supplies, Home and
Foreign Trade according to State Nomenclature App-
roved with the Five-Year Plan.

15. Total Volume of Capital Investments (Planned and Un-
planned) with List Containing Names of Main Cons-
truction Projects,

Including: Machinery and Equipment;

Of which: Imported - from Socialist and Ca-
pitalist Countries

16. Relative Share of the Funds for Modernization and

Reconstruction in the Volume of Capital Investments.

17. Volume of Basic Funds Put into Operation.
18. Basic Production Funds - Average Operation.
19. Circulating Funds (Average Operation) Total for Country.
20. Volume of Unfinished Construction Projects.
21. Labour and Wages

Number of Personnel;

Labour Productivity;

Average Wage;

22. Cost Price (Operational Expenses, Expenses of Turnover, etc.) per 100 leva Stock Production (Turnover, Volume of Returns, etc.).

23. Price Changes.

24. Effectiveness of the National Economy;

Net Income per 100 Leva Production Funds;

Profit per 100 Leva Production Funds;

Value of Ruble and Dollar.

25. Indicator for the Technical Level of Production and Goods (Automated Control Systems; Relative Share of Articles with Assessment "K" and "I"; in the Volume of Assessed Output; Relative Share of New Articles in the Total Volume of Production).

26. Indicators for the Territorial Distribution of Productive Forces, etc.

IV. Norms and Indicators Approved for Economic Organizations.

1. Basic Tasks of Technical Progress, Technical Level and Quality of Production.

2. Indicators in Time for Production, Purchases and Sales, Home and Foreign Trade (according to State Nomenclature Approved with the Five-Year Plan).

3. Main Cooperated Deliveries (between Economic Organizations).

4. Limits for Basic Raw and Prime Materials, Machinery and Equipment.
5. General Limit for Capital Investments (Planned and Unplanned) with Lists of Names of the Main Construction Projects, including: Construction and Assembly Work
Machinery and Equipment Imported from Socialist and Non-Socialist Countries.
6. Relative Share of the Funds for Modernization and Renovation in the Volume of Capital Investments.
7. Volume of Basic Funds Put into Operation.
8. Norms or Limits for the Wage Fund.
9. Volume of Currency from Imports - Total and from Socialist and Capitalist Countries.
10. Limit of Currency for Imports - Total and from Socialist and Capitalist Countries.
11. Dotations:
 - For Production;
 - For Exports.
12. Norms and Limits for Distribution of Profit (Income) and Formation of Funds.
13. Tasks of Giving Bonuses to the Personnel:
 - a) Limit for the Number of Personnel - Total, Including Personnel Paid according to State Norms;
 - b) Labour Productivity, Calculated as the General Income per Person from the Average Number of Listed Personnel, Whose Labour is Remunerated from the Wage Fund according to State Norms (Limits);
 - c) Recovery of Exports to Socialist and Capitalist Countries, Determined on the Basis of the Value of the Lev Equivalent to the Obtained Currency from Exports; Established through the Approved Currency Coefficient for the Cost Price of Exported Output;

d) Quality and Technical Level of Production.

e) Efficiency of Economic Activity Assessed by Profit per 100 Leva Production Funds.

V. Norms and Indicators, Approved for the Branches by the Economic Organizations^{1/}

1. Volume (in Value or in Kind), Structure and Quality of Production and of the Economic Activity;

2. Tasks connected with the Technical Level and the Quality of Production.

3. Limits for the Expenditure of Raw and Prime Materials.

4. Norm for Circulating Capital.

5. Normative Cost Price of Articles or Groups of Articles, including^{2/}

Expenditures for Raw and Prime Materials;

Expenditures for Wages.

6. Norms for Allotments of Sums for the Funds.

7. Norms for Use of Equipment.

8. Norms for Expenditure of Raw and Prime Materials.

9. Norms for the Expenditure of Labour.

VI. Norms and Indicators Approved by the Branches for Their Subdivisions^{3/}

1. Volume, Structure and Quality of Production;

2. Normative Cost Price by Articles, including:
Expenditures for Wages

3. Norms for Utilization of Capacities.

4. Quality Requirements.

When necessary, the economic organisation may approve additional norms and indicators.

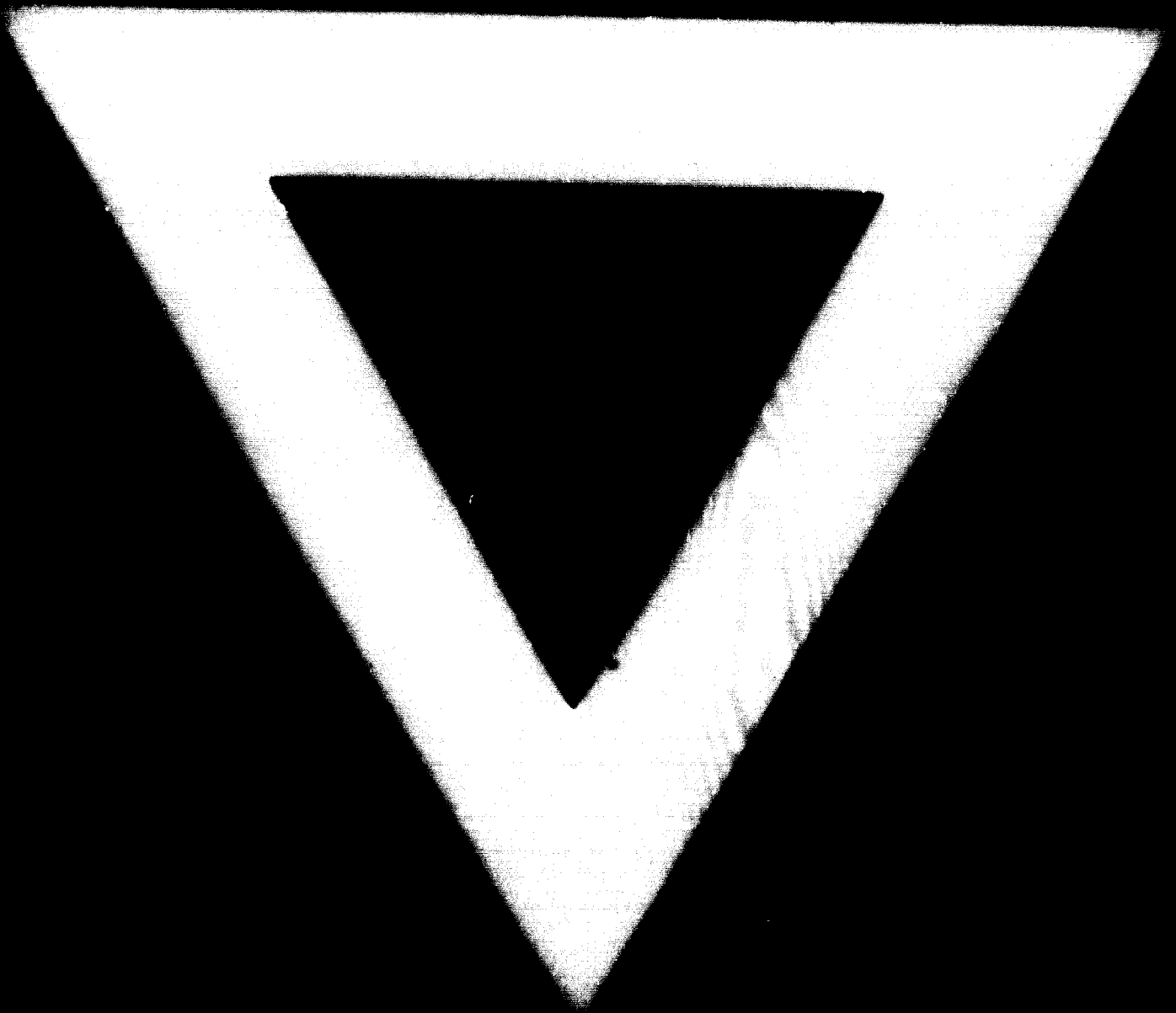
^{2/} Specific indicators for expenditures in production and turnover may be approved for the individual national economic branches.

^{3/} When necessary, the branches may approve additional norms and indicators.

5. Norms for Distribution of Bonuses.

6. Norms for Expenditure of Raw and Prime Materials and
for Utilization of Capacities.





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