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REALIZATION OF PLANS OF INDUSTRY

Helmut Richter

INTERREGIONAL TRAINING COURSE
ON INDUSTRIAL PLANNING

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Organizing and securing the materialization of plans

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Organising and securing the materialization of plans

1. The unity of planning, implementing and supervising the national economic reproduction process

1.1. The continuous process of planning and achieving economic aims

For providing a basic condition for the sound, proportional and continuous development of industry, planning requires the consistent achievement of the aims it fixes.

Just as planning based on social ownership of the means of production is a condition of a steady economic growth, so is securing the materialization of plans a decisive criterion. It is for this very reason that we put special emphasis on the unity of planning, plan implementation, and control of the results achieved.

Strictly speaking, plans would be nothing but pipe dreams - including programme-oriented ones - if they are not systematically implemented in all branches of industry and at all levels, down to every individual enterprise.

Furthermore, it is important to realize that the preparation, implementation, and follow-up of plans are phases of a continuous process. It is not enough to specify and adapt economic plans from time to time in a more or less casual way. Such specification and operative adaptation of plans is work that requires constant attention on the part of the planners, including and - what is even more - presupposing the systematic control and analysis of the results achieved.

The complex approach to planning and achieving aims of economic development - involving the managers' personal responsibility for both setting and accomplishing tasks of economic development - will, from the very start, guarantee the elaboration of plans that are highly realistic as well as ambitious. Careful analyses of the results achieved in the past and of the prospects of future economic development are an important element

of this complex approach.

Systematic control at all stages of plan implementation is an important element of the planning system. Hence follows that we count the complex approach to the preparation, implementation and follow-up of plans among the principles of planning socialist economy.

The national economic plan is prepared on the principle of democratic centralism, which means that enterprises, combines and associations of nationally-owned enterprises take an active part in elaborating it on the basis of initial planning targets handed down to them by the central planning authority in the form of orientation data or indicators.

After the national economic plan has become a law, it serves as the basis on which enterprises are assigned binding tasks which incorporate their respective plan proposals. Thereupon it is mainly up to the enterprise managers to take all the measures required to fulfil and overfulfil the plans.

A decisive step towards this end is to break down the plans to specific tasks to be assigned to departments, subdepartments and work teams per month, week, working-day, and shift. In this way, every worker is informed of the performances he (or she) will have to make for the attainment of the aims fixed in the overall plans.

At the same time, the commercial contracts that are prepared parallel to the elaboration of the plan have to be concluded, new consumption requirements have to be considered and the latest scientific and technological achievements made use of. The objectives of socialist emulation have to be defined and specified in close co-operation with the enterprise trade union committees. The points in question here are to concentrate the employment of moral and material incentives on priority tasks and to exercise constant control of plan fulfilment.

Plan implementation is controlled at virtually all the levels of management in industry at which the plans are elaborated. These levels are represented by

- the enterprises, combines and associations of enterprises
- the various industrial ministries
- the State Planning Commission as the central organ of the Council of Ministers (government of the GDR) for planning the national economy, as well as
- various other central authorities of the state, such as the Ministry of Finance, the Central Price Board of the Council of Ministers, the banks of the country.

The Directorate of Statistics, the Workers' and Farmers' Supervisory Committee, and the State Auditing Office are also bodies of the Council of Ministers which are instrumental in checking the fulfilment of economic plans in the GDR.

Participation of the working people is an immanent feature of plan control, as it is of plan elaboration. The working people take an active part in the work of the control authorities of the state and the economy, making full use of their right of public control, for instance, within the organizational framework of the people's representative bodies, the Workers' and Farmers' Supervisory Committee and the trade unions.

1.2. The organs and the mechanism of supervising the materialization of plans of economic development

Plan control is a constituent part of planning. It helps to find out to what extent the plan targets are reached in the reproduction process on a national scale as well as at enterprise level.

In this connection, plan control means the systematic follow-up of the plan in the form of a statistical analysis comparing planned and actual figures. The report on the implementation of the plan is based on the same indices and indicators as is the elaboration of the plan.

The People's Chamber (Parliament), the supreme organ of state power in the GDR, supervises the execution of its economic and social policy decisions through its committees.

The Council of Ministers (the government) particularly sees to it that the key tasks fixed in the current five-year plan and the annual economic plan are being duly fulfilled.

The State Planning Commission, acting on behalf of the Council of Ministers, supervises and analyses the overall achievement of all the major plan targets, combining these activities with the fixing of objectives for national economic development within the next planning period.

The Directorate of Statistics has to ensure complete and standardized accounting for the five-year plan as well as for the annual plans. It is in charge of providing the organizational framework within which the enterprises, combines, associations of enterprises, and other executive organs of the national economy have to give their reports on plan implementation. For this purpose, the Directorate of Statistics is provided by the State Planning Commission with the following documents:

- the five-year plan broken down to years, sectors of the economy, and regions (responsibilities of the Regional Councils);
- the annual national economic plans broken down to sectors of the economy and regions;
- documents containing the data that have to be given in all forms of accounting for the annual plan; these data are to be specified according to the quarters and months of the year and the responsibilities of the various industrial ministries, the Ministry of Building and Construction, the Ministry of Transport, and the Ministry of Agriculture, Forestry and Food Processing.

In addition, the Directorate of Statistics is provided

- by the various ministries with five-year and annual plan documents scheduled in shorter periods of time and covering

both their total responsibilities and the individual plans of their subordinate executive organs (associations of enterprises and combines), as well as with itemized physical balance sheets covering materials, equipment and consumer goods;

- by the regional and district planning commissions with the five-year and annual plan documents for the industrial and building enterprises within their purview.

The local people's representative bodies, the elected organs of state power in the regions and districts of the country and their councils and committees play an important part in the system of plan control. They organize and co-ordinate the cooperation of their members and citizens in the process of preparing, deciding upon, and implementing the plans of economic and social development in their regions and districts as well as in following up the implementation of those plans.

The system of plan control also comprises special organs of state control. Prominent among these is the Workers' and Farmers' Supervisory Committee, the activities of which are supported by a large number of citizens who do voluntary, unpaid work for it. The Committee has got the task to exercise systematic and continuous control of how the laws, decrees, and decisions of the state organs are put into effect. It helps to improve management and planning in the country and to strengthen statutory discipline and adherence to laws. It operates through its numerous local committees, which organize complex and large-scale control actions by their members. These control activities are intended to bring about changes on the spot and to prepare the ground for decisions on fundamental issues whenever such controls prove that they are necessary.

The Workers' and Farmers' Supervisory Committee is headed by a chairman who holds the rank of a minister and is a member of the Presidium of the Council of Ministers. As the central authority, the Committee comprises the following bodies: supervisory committees for the various branches of the economy, and

their subordinate committees at the associations of enterprises and major industrial combines, as well as regional and district committees and their working teams and commissions. In the towns, boroughs, villages and residential areas there are operating control committees of the local people.

Of course, the tasks of the control organs of the state have changed as a logical result of the GDR's development. While in the beginning it was necessary to unmask saboteurs and get rid of people who deliberately acted against the state and the economy, it is now of major importance to employ the instruments of control in a constructive way for the steady improvement of management and planning in the national economy as well as for the strengthening of statutory discipline and adherence to laws in socialist society.

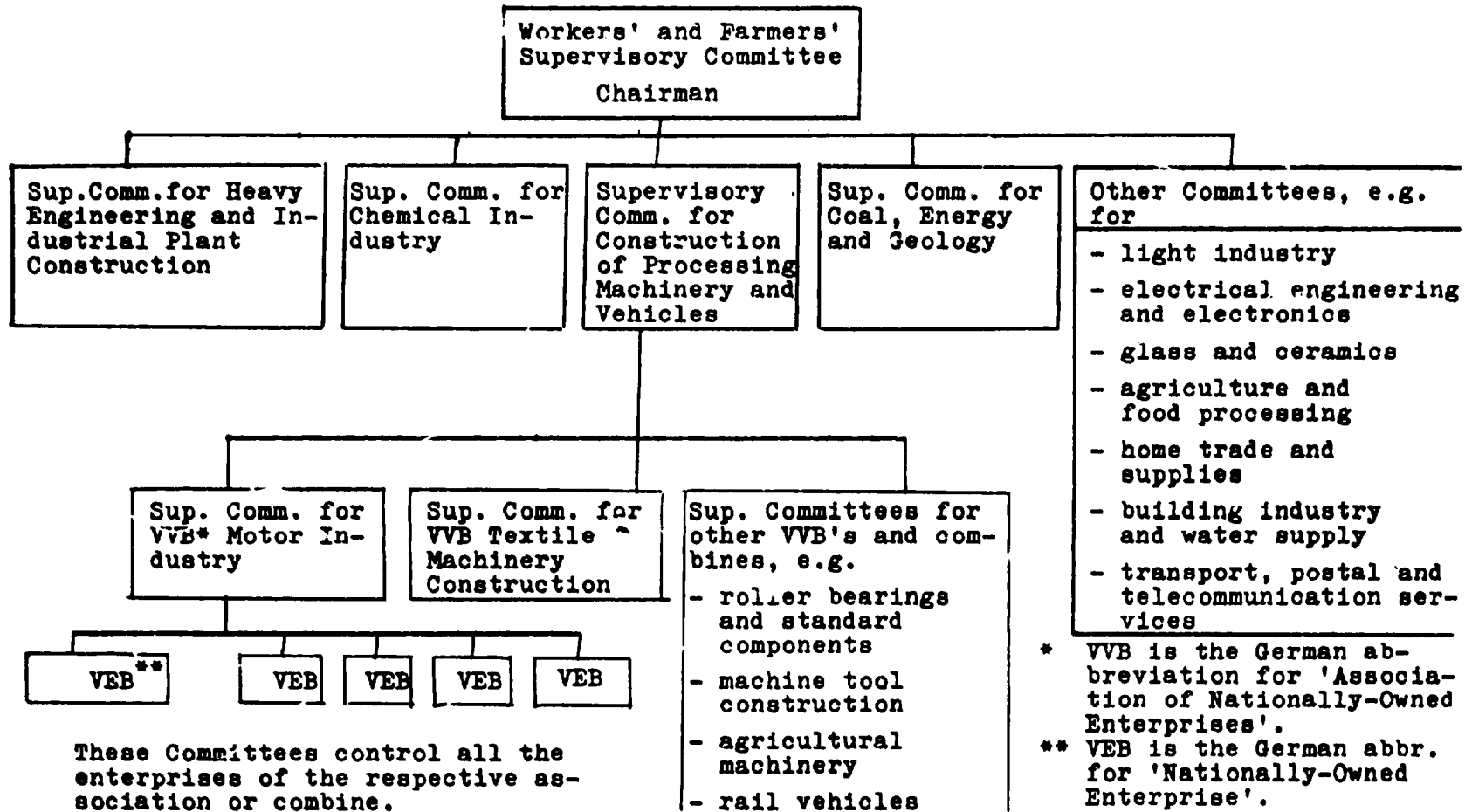
(The diagrams on pages 9 and 10 illustrate the branch and regional structure of the Workers' and Farmers' Supervisory Committee in the GDR.)

The State Auditing Office is another important organ of control. On behalf of the Council of Ministers, the Minister of Finance organizes the State Auditing Office in the form of a homogeneous auditing authority operating independently of the executive organs of the state and the national economy. The Office is part of the Ministry of Finance. It operates through the inspectorates it has in all the regions of the GDR. These inspectorates are organized in departments and auditing teams, depending on the sectors of the economy and/or the state organs and institutions whose accounts have to be examined.

The State Auditing Office conducts periodic audits in the executive bodies of the state, state-run institutions, nationally-owned enterprises, combines and in the economic management organs.

The audits are intended to help enforce the adherence to socialist laws in the fields of budgeting, public finance, and economic accounting, to strengthen order and discipline in the

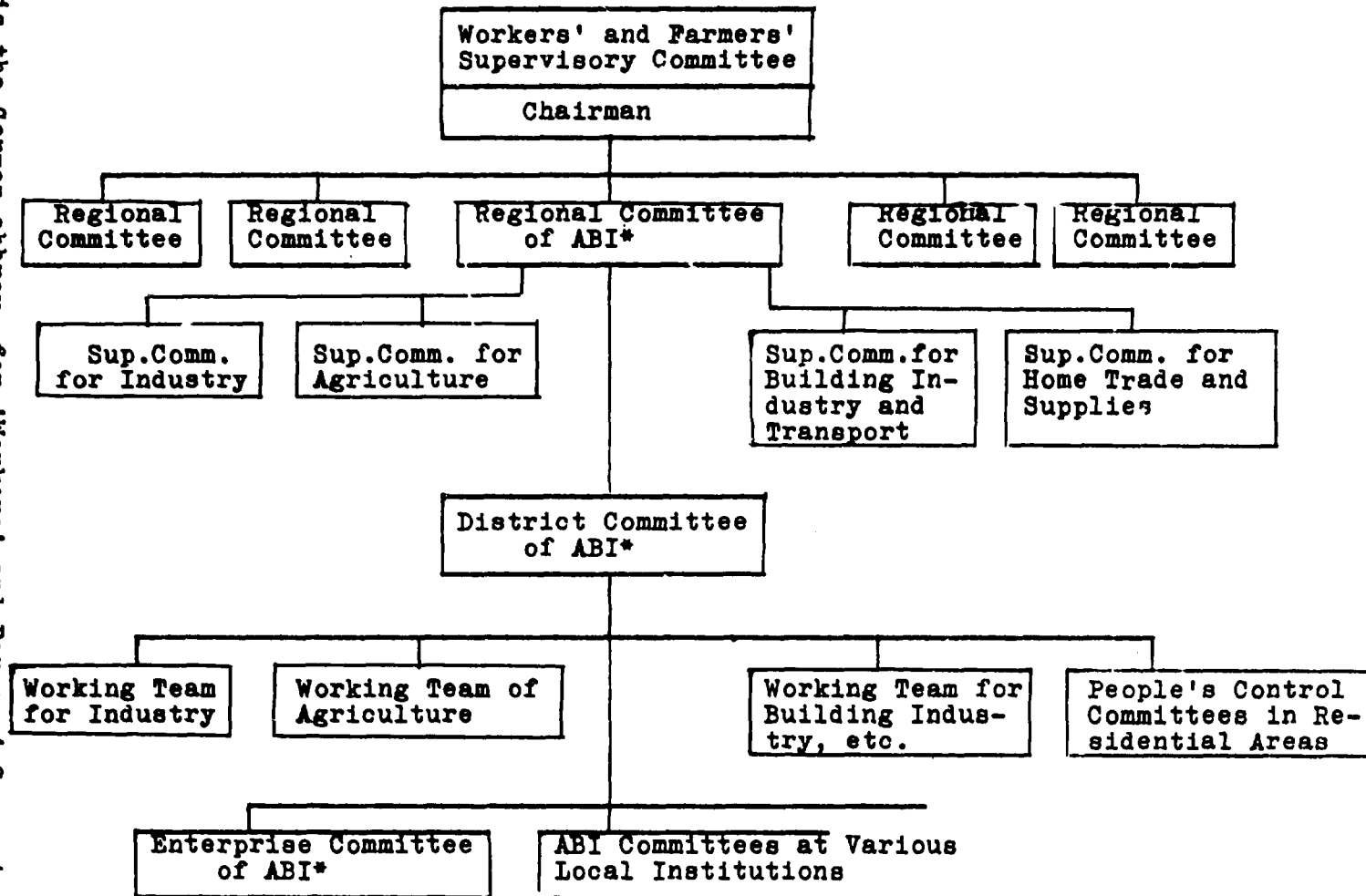
Branch Structure of Workers' and Farmers' Supervisory Committee in the GDR



Regional Structure of Workers' and Farmers' Supervisory Committee in the GDR

* ABI is the German abbrev. for 'Workers' and Farmers' Supervisory Committee'.

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handling of national property and to increase the efficiency of social labour.

In addition to the purposes of control, the audits are to assist the economic management organs of the state and the national economy as well as the managers of nationally-owned enterprises, combines and state-run institutions in their efforts to improve their management, particularly with regard to strengthening financial discipline, improving accounting and checking, consistently enforcing the principle of socialist thriftiness and discovering hidden reserves.

The State Auditing Office is authorized to give orders and impose tasks that are aimed at the quickest possible removal of violations of financial discipline and at the more effective utilization of public funds.

Moreover, managers are usually given advise on possible improvements in budgeting and finances, accounting, intra-enterprise control activities and other matters.

At the end of every year, the State Auditing Office verifies the balance sheets of all the nationally-owned enterprises and combines as well as the annual budget accounts of the towns, boroughs, villages, districts and regions in order to check the accurate accounting of the revenues and the expenditures, and the exact statement of the national property administered by them. The results of these annual audits help to form the basis on which the managers of the enterprises and combines and the heads of the executive bodies of the state and the national economy prepare their reports to the authorities they are accountable to.

The auditing teams at the regional inspectorates of the State Auditing Office are in charge of particular executive organs of the state and the national economy, within the purview of which they have to conduct periodic audits. Depending on the size and importance of the enterprise or institution concerned, its accounts are audited at intervals of two to four years.

The priorities of these official examinations are set on the basis of the relevant decisions and legal provisions of the executive organs of the state and the national economy, as well as on the basis of the information they require.

As a rule, it takes between three and six weeks to carry out such an examination of accounts. The chief bookkeepers and internal control assistants of the nationally-owned enterprises are summoned to co-operate in the auditing. Decisions, directions, and tasks resulting from the examination are recorded in the auditing report which has to be signed by the chief auditor and the works manager or head of the inspected institution.

The results of the audit are analysed and evaluated in cooperation with the management of the enterprise, state or economic body or institution concerned. If necessary, certain results are also discussed at meetings held by social organisations (e.g. plenary meetings of the shop stewards of the enterprise). This is the normal way of proceeding in the case of problems the solution of which requires the initiative and active participation of the whole work force or staff (e.g. the elimination of factors causing losses, surmounting negligence in the handling of national property, etc.).

The State Auditing Office closely co-operates with the Workers' and Farmers' Supervisory Committee, the branches of the State Bank of the GDR, the Bank for Agriculture and the Food Processing Industry of the GDR and the finance departments at the regional and district councils. This co-operation covers all stages of auditing, from the preparation of audits to the evaluation of their results.

2. How plan fulfilment is ensured at enterprise level

2.1. On the personal responsibility and accountability of managers in socialist economy

In order to guarantee the implementation of plans, a sine qua non is the adherence to the principles of socialist management which have been substantiated in theory and tested in practice.

The above mentioned principle of democratic centralism (cf. 1.1.) is also very important in organizing plan implementation at enterprise level, as it combines the broad democratic activities of the workers with the consistent translation into reality of the targets set. The basic harmony of social, enterprise, and personal interests must be ensured constantly for these interests do not automatically harmonize at any rate not in all individual cases.

Winning the hearts and minds of the people to understand the rightness and necessity of the tasks to be accomplished by their enterprise, their department or their work team is an indispensable premise of any progressive economic development. We have learned that the people do their best, using all their powers and skills and ideas, if they are convinced of the usefulness of their work, if they can see that their labour is for their own benefit.

In the interest of a consistent and firm management of production, proceeding continuously and without disturbances, the principle of individual management and personal responsibility has proved successful.

The principle of individual management in the economy must be implemented just as consistently as the all-round democratic participation of the workers. The important thing is that the managers' basic attitude about the principle of individual management and towards the part of the workers is correct. The right to give instructions, on the one hand, and the duty to draw in the collective into the process of management and to

enable them to ever greater participation in management functions, on the other, are inseparable. This unity implies the manager's duty to explain the tasks thoroughly and, while doing so, to develop the participation of the collective in working out their respective tasks.

The principle of individual management and personal responsibility derives directly from the principle of democratic centralism.

Our experience in GDR economic management shows that a manager must always see to it that the unity of democratic activity and of instruction, order and discipline is ensured. Experience shows that the one is a prerequisite of the other. This dialectic is extremely important. Thus an instruction is the better founded and the more effective and convincing, the more thoroughly it has been previously discussed with those who have to carry it out.

The manager has always to rely on the experience and ideas of the collective. Collective discussion and consultation takes many forms. Not every exchange of views requires calling a meeting. Often it is enough to talk to one or two co-workers, or simply to look something up in a report or analysis, whereas in other instances even larger conferences may be necessary to thoroughly discuss a problem. Individual management and collective discussion are a cornerstone of socialist management; they are, at the same time, a foundation and an expression of a socialist style of working.

Socialist democracy and individual management, collective discussion and undivided responsibility for accomplishing the tasks set - these two sides do not exclude each other; on the contrary, they necessitate each other.

The principle of individual management and personal responsibility is expressed, inter alia, in the personal accountability of the manager. Every manager is accountable to his superior. A principle strictly to be observed is that each manager has

only one direct superior to whom he is responsible. Clear lines of authority and instruction are essential for order and precision in the process of management.

As a rule, the managers in the production departments report on the results obtained every day. Great importance is attached to correct adherence to the production plan in terms of quantity, assortment and quality. Strict adherence to the quality parameters is supervised very thoroughly. In GDR industry, the Technological Control Organization (TKO, established more than two decades ago) has proved to be very successful. This is the quality control body at enterprise level responsible for constantly ensuring and improving the quality of the products, including the conditions in production technology. TKO quality inspections have to warrant that only such products are delivered as meet the technological standards, quality specifications and terms of delivery. The Technological Control Organization carries out the check-in on all materials and parts supplied by subcontractors as well as checks during production and the final checking of all products. Testing rooms and laboratories are available for this purpose. The responsible manager of a production department, e.g., has to follow the decisions of the technological control. Thus a quantitative plan fulfilment at the expense of quality is prevented.

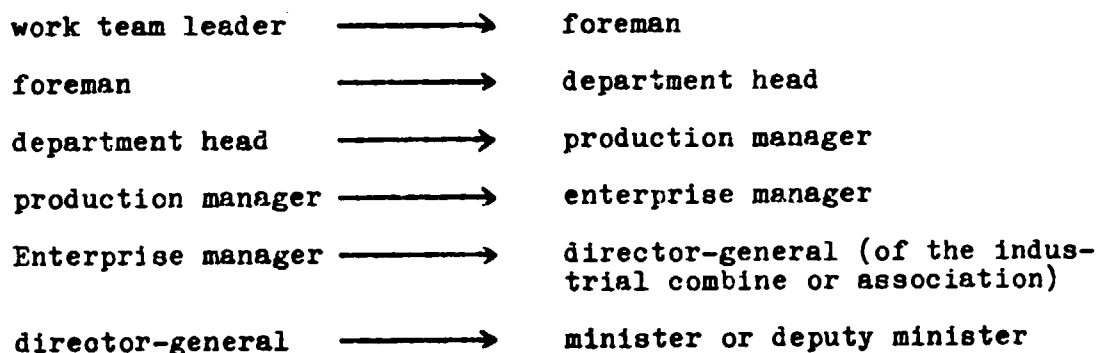
Costs, i.e., the materials and time spent and other cost factors are, as a rule, accounted for on a monthly basis.

In many ways, the workers are involved in the efforts to minimize costs. The so-called performance report books, kept by the work teams within the framework of socialist emulation, have proved useful. In this way the workers exercise direct influence on making production profitable. Admittedly, not all enterprises have reached an equally good level in production and costs. Even where all other conditions are the same, differences still exist. To help all enterprises reach the level of the best and most advanced, the methods of an organized exchange of experience and of the comparative analysis of

enterprises have proved very useful.

The personal responsibility and accountability briefly sketched here applies to all managers in all departments and at all levels. Together with handing in his written reports (c.f., e.g., the forms in the Appendix), the manager of an enterprise, e.g., usually has to report personally on the fulfilment of his tasks once a month. An extensive report is given to the director-general annually. The latter, in his turn, has to report to the responsible government minister.

Thus the line of accountability for the fulfilment of the production tasks is as follows:



2.2. Socialist emulation - a movement combining plan implementation and rank-and-file initiative

The successful implementation of plans is vitally dependent on mobilizing and guiding the initiative of the working people. Socialist emulation plays an important part here. Its purpose is to constantly develop the socialist consciousness of all working people and, on this basis, to fulfil and overfulfil the plans and commercial contracts. The obligations undertaken by the workers in the socialist emulation movement are aimed at fulfilling and overfulfilling the plans in terms of quality and the time schedule. A priority task is the rationalization of production by means of a better utilization of working time, fixed assets and material, and a rapid introduction of new scientific and technological developments into production. The innovators' movement is of great importance here. Innovators

are workers and engineers who submit proposals, beyond the immediate tasks of their jobs, for raising the efficiency of production and, in most cases, also take part in putting their proposals into practice. Their share in reducing costs, improving the quality of products, etc., is considerable.

The participation of the majority of the working people in socialist emulation helps to develop and consolidate the unity of planning and rank-and-file initiative. This unity does not emerge automatically. It is a result of the workers' conscious identification with the policy directed at the society's well-being and with the objectives set for their own sphere of work.

The experience of thirty years of organizing socialist emulation in the GDR shows that in every historical situation the objectives of the economic policy have to be in keeping with those of the emulation movement and with the expectations and interests of the working people.

Thus the 2nd Congress of the Socialist Unity Party of Germany proclaimed in 1947: "Produce more - plan better - distribute more justly." It was imperative to develop a broad rank-and-file initiative. It was aimed at developing faster the class consciousness of the workers and solving the economic problems that had grown up then.

In this way, our working-class party creatively took over the experience of the Soviet people and the CPSU, who in a similar situation at the end of World War I, had had to solve the contradiction between the low productivity of labour and the new socio-economic conditions and relations in practice.

The experience Lenin described in his pamphlet "A Great Beginning" was that the main causes for the decline in productivity were "ruin and impoverishment, embitterment and weariness caused by the imperialist war, sickness and malnutrition," the latter being of first importance. "And in order to do away with starvation, productivity of labour must be raised ...

Thus we get a sort of vicious circle: in order to raise productivity of labour we must save ourselves from starvation, and in order to save ourselves from starvation we must raise productivity of labour."

Thus, little by little, the people realized that "producing more means living better," and that this was the way out of the post-war situation, the way to improve the living conditions of the working people. One year later, in 1948, the pioneer performance of a miner brought the breakthrough to the first country-wide workers' emulation movement, the so-called activist movement. Its particular significance was that these pioneer workers were well aware of the fact, and motivated by this awareness that, by increasing production, they personally contributed to improving the life of the working people and to consolidating the democratic system. From the very beginning, the activist and emulation movement has been developed in a planned way, as an integral part of socialist management. In later years, based on the higher development of the workers' consciousness, its slogan could be made even more precise: "Our work of today determines our life of tomorrow."

Today we have reached a level of productivity and a standard of living which permit and require that the results of good work immediately bear fruit in everyday life, in view of the fact that the satisfaction of needs is a strong incentive for high work performance.

At present and in the future, the priority task in the GDR is to intensify the process of reproduction, thus guaranteeing a continued rapid growth of production and of its efficiency.

For this reason, the efforts made in plan fulfilment and in socialist emulation concentrate on the following key tasks:

- overall speeding up of scientific-technological progress as the central problem;
- efficient use of material and power resources;

- full utilization of all fixed assets, in particular maximum utilization of the capacity of highly productive machinery and equipment through shift work;
- rational employment of the social working faculties and full use of working time.

An important progressive part in socialist emulation is played by the trade unions. The union bears responsibility and, jointly with the managers, is the organizer of emulation. It thus represents the interests of the workers which result from their double function of being producers and owners at the same time.

By initiating the workers to their new tasks connected with this, the unions translate into reality the co-determination of the workers in managing and planning socialist industry.

2.3. How the implementation of plans is ensured in the various phases of the reproduction process

The implementation of the plans in the enterprises is largely dependent on an undisturbed and efficient course of production. This requires preparing and carrying out production thoroughly, taking all potential influences into account and to sell the products successfully and profitably.

2.3.1. The phase of preparing production

The preparation phase includes all activities undertaken in the fields of science, technology and material economy to guarantee the production process. There are essentially three tasks to be fulfilled at this preparation stage.

One:

Research and development of new products and production technologies; perfection of existing products and technologies.

One of the main tasks of an efficient production is to ensure and maintain a high standard in the design and technology of the products to be made. Of course, the expenditure necessary

for research and development depends on the concrete type of product. Apart from that, it makes a considerable difference whether all scientific-technological work is done largely independently in a research department of the respective enterprise or whether products are manufactured under licence.

Due to increasing mechanization and automation of production, R & D virtually determine the efficiency of the entire production process. Omissions and mistakes made in this phase cannot be made up for in production, or, if at all, only with considerable additional costs. Therefore, the fulfilment of the science-and-technology plan, the R & D tasks in particular, are checked and accounted for on a quarterly and also on a monthly basis.

Two:

The material and economic preparation of production including investments

This means, in essence, the all-round material and financial securing of production, including mainly

- completing all necessary production capacities in time; in particular, strict adherence to the time schedule with regard to taking into operation planned investments. Faultless investment project preparation is of essential importance for implementing the investment plan. Apart from a thorough monthly check on the fulfilment of the investment plans, the progress in project preparation work has to be constantly supervised;
- allocating all necessary materials and auxiliary materials and keeping a ready stock of spare parts for machinery susceptible to trouble. Planning and ensuring by contract all supplies of material in time and carrying out the supply continuously - these are the factors which ultimately decide on a smooth progress of production, all other prerequisites granted;

- securing production financially. The financial plan of the enterprise is undoubtedly one of the most important parts of the plan. Tapping finance and credit sources in good time most favourably ensures the continuity of production. Thorough accounting is a basic principle of socialist economy (see 2.4.);
- the availability or early training of skilled workers and qualified engineers, economists and managers. This prerequisite of production is one of the most vital factors of stability in the process of reproduction. The early training of workers, but also the preparation of the engineering and managerial staff, continuous qualification and further training - these are basic premises of successful economic development.

Three:

The transfer of new results in research and development into production

The smooth transfer of new product developments or new technologies into production has proved to be one of the most difficult problems. The high speed of scientific-technological progress in all fields of industry results in ever new innovations in production at ever shorter intervals.

Only very few products can be produced without changes over several years. To be competitive on the world market, a continuous process of innovation is a must.

Mastering these processes technologically is a key task of management. Therefore, the plan for transferring completed R & D projects into production is of central importance in ensuring the implementation and control of the plans. A prospective control is very important, checking on the transfer prophylactically, as it were. Deadlines relatively long before the introduction into production have to be checked very thoroughly too.

2.3.2. The phase of production proper

Taking the prerequisites to be created in the preparatory phase into account, operative production planning fixes the detailed production range and schedule. A very important aspect is the internal cooperation of all factory departments involved as well as ensuring external cooperation, i.e., the purchase and sales relations with other enterprises.

The central demand to the management of production proper is to guarantee high continuity.

An early and thorough preparation of production and a flexible and operative course of production proper help ensure continuous production. The continuity of production and reproduction is an essential reserve in productivity.

Experience shows that, in most cases, disturbances in production are caused by

- shortcomings in production technology
- discontinuities in the supply of materials
- lack of spare parts or replacement units
- faults and errors in controlling or operating machines due to insufficient qualification of the workers for their jobs.

Ensuring stable continuity in production means an optimum utilization of all funds, and thus often helps to save investments too.

Accounting, analyzing and controlling the production plan imply regular follow-up of the plan, monitoring and analyzing the results achieved in each department of the enterprise, comparing planned and actual figures and drawing the necessary conclusions.

This analysis of plan fulfilment is focused on

- the actual commodity production in terms of quantity, value, and assortment, with particular regard to contractual obligations;

- export production;
- production of finished products for the population.

Within the enterprise, the production is accounted for daily or every ten days, and towards the superior economic and government authorities as well as to the bank keeping the enterprise's account, on a monthly basis.

A monthly check is also run on

- the utilization of capacities, in particular highly productive machinery and equipment;
- the rational use of materials;
- adherence to the manpower plan;
- adherence to the quality parameters of the products;
- adherence to the plan of costs, thus ensuring production at lowest costs (cf. 2.4.).

2.3.3. The phase of realization

In this phase, the production process is finally completed through selling the products. This means by successfully marketing the line of production, it has proved its worth to society. Therefore, market analyses and forecasts provide basic premises for preparing production as, ultimately, the demand on the market is the decisive starting point for all activities of managing and planning the process or reproduction. Thus, systematic market research is an important prerequisite for realistic plans. In these terms, demand, or the market, is the final point and the starting point of working out plans.

2.4. Economic accounting and statistics as instruments of control

An important instrument of government and enterprise control is the homogeneous system of accounting and statistics, which has to control and analyze the implementation of the plans in terms of finance and plays an important part in carrying out economic accounting in particular at enterprise level.

The system of accounting includes

- fixed assets accounting, in particular the analysis of depreciation, the age structure, and the utilization of machinery, equipment and buildings;
- investment calculation, in particular the correct accounting of costs and planned utilization;
- calculation of material, accounting of the material and power demand and consumption, the development of stocks and, in particular, analyzing stocks above or below the planned level;
- manpower accounting, listing and analyzing number, structural and occupational characteristics, working time, wages and bonuses, etc.;
- output analysis, accounting of the output in terms of its quantity, assortment, quality, and adherence to the time schedule, the introduction of newly or further developed products and the use of the products for the domestic market, for export, or for use within the enterprise. Output analysis also includes registering as stocks above or below plan, all stocks of non-finished and finished products that do not tally with the planned figures for working funds and accounting of the actual capacity utilization;
- cost accounting. This includes
 - . calculation of costs according to types, i.e., grouping costs according to the type of their source in the process of value formation, e.g., material costs, wage costs, etc.;
 - . costs centre accounting, i.e., recording costs according to the place where they are caused. Costs centres are parts of the enterprise that can be clearly defined locally or functionally, e.g., production departments, the procurement, sales or research department, etc.;
 - . cost unit calculation, i.e., apportioning costs to the most important products or lines for which a specific calculation of costs and returns is made.

The chief accountants in the enterprises exercise special control duties. The chief accountant is an official of state control. He is appointed and dismissed by the head of the superior executive organ of the national economy, but is subordinated to the manager of the respective enterprise. The chief accountant has to check, in particular, whether the principle of thriftiness is strictly observed and whether the material and financial resources are used to achieve optimum results. The chief accountant is responsible for an all-round application of economic accounting and statistics. He is responsible for working out the balance sheet, the profit and loss account and thus the annual statement and stock-taking.

Concluding Remarks

The authority of the plans depends on ensuring their implementation uncompromisingly. Thus the authority of the plan depends on

- the consistent attitude of all government and economic managerial bodies in their efforts to implement it;
- what legal force and what kind of economic incentives and consequences are operative to guarantee that the plan targets are fulfilled;
- how realistic and stable the targets are;
- the success in winning and arousing enthusiasm among the workers and all other strata of the people for fulfilling the plans.

If the targets set are not reached, or essentially modified, or even negated, this is liable to bring discredit to plans and planned economy in general.

The continuous development of GDR national economy is, above all, due to the consistent struggle to ensure plan implementation at all levels and in all enterprises. Breaking down the plans down to the smallest production units is an important prerequisite.

In this way, every worker knows his personal share in fulfilling the plan and socialist emulation helps to achieve a broad rank-and-file initiative to fulfil and overfulfil the plan.

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