

Uncertainty and Planning: reasoning on French indicative planning

Incerteza e Planejamento: Reflexões sobre o Planejamento Indicativo Francês

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Abstract

Uncertainty always results into a problem of scarce knowledge. Lack of information and imperfect knowledge prevent individuals from behaving fully rationally. This is true at a micro level as well as at a macro level. At a macro level the impossibility of a perfect rational economic calculation was the ground for the debate on socialism and the critique of central planning raised by the Austrian School. Given uncertainty, planning was considered unworkable and inefficient; on the contrary, supporters of planning argued that it was precisely uncertainty that made planning necessary. This latter opinion also belongs to the French planners who, after World War II, promoted, in France, a kind of planning that could be compatible with the market economy. This work deals with the French case and focuses on Massé's attempts to make planning both "indicative" and "active".

Keywords

planning, uncertainty, market; competition, corporative capitalism.

JEL codes: B22, B29, O20

Resumo

A incerteza sempre resulta em um problema de conhecimento escasso. A falta de informação e o conhecimento imperfeito impedem que os indivíduos ajam de forma totalmente racional. Isso é válido tanto no nível micro quanto no nível macro. No nível macro, a impossibilidade de um cálculo econômico perfeitamente racional foi a base do debate sobre o socialismo e da crítica ao planejamento central levantada pela Escola Austríaca. Dada a incerteza, o planejamento era considerado inviável e ineficiente; ao contrário, os defensores do planejamento argumentavam que era precisamente a incerteza que tornava o planejamento necessário. Esta última opinião também era compartilhada pelos planejadores franceses que, após a Segunda Guerra Mundial, promoveram, na França, um tipo de planejamento que poderia ser compatível com a economia de mercado. Este trabalho aborda o caso francês e enfoca as tentativas de Massé de tornar o planejamento tanto "indicativo" quanto "ativo".

Palavras-chave

planejamento, incerteza, mercado, concorrência, capitalismo corporativo.

JEL codes: B22, B29, O20

1 Introduction

A fundamental aspect of the real world, uncertainty has been among the main challenges for the economists who tried to deal with it in their analyses. Without entering the complex and widely explored question of what may be meant by uncertainty (see for instance Weisskopf 1984; Lawson 1985 and 1988, Schmidt 1996), according to a very general definition, we can assume that uncertainty is something linked to the passing of time which involves any event in the future, far or near. Several theoretical efforts were made to account for time and uncertainty (most notably through probability studies): uncertainty is indeed “a bundle of ideas” (Perlman and McCann 1996: 12) to which various economists contributed: Cantillon (1755), von Thünen (1826-63), Cournot (1843), Knight (1921), Keynes (1921), Hicks (1931), von Neumann and Morgenstern (1944), Shackle (1972) just to name a few.

Notwithstanding the different definitions of and approaches to uncertainty, there is an aspect which is widely shared: uncertainty always leads to a problem of scarce knowledge. Limited knowledge permeates each individual action: Knight’s distinction between uncertainty and risk attempted to give account to different degrees of “unknowledge”, to loan Shackle’s term; studies on probability and expectations tried to handle and rate uncertainty especially referred to agents’ actions and decisions¹ (see Keynes 1921 and 1936; Carnap 1950; Salmon 1967; Savage 1972; Hacking 1975). Lack of information and imperfect knowledge prevent individuals from behaving according to a “whole and unimpaired” rationality (Loasby 2001: 394; see also 2002). This is true at a micro level as well as at a macro level. At a macro level the impossibility of a perfect rational economic calculation was the ground for the debate on socialism developed in the 1920s and 1930s (see for instance Mises 1920; Dobb 1935; Hayek 1935; Lange 1938) and the critique of central planning raised by the Austrian School. Given uncertainty, planning was considered unworkable and inefficient; on the contrary, supporters of planning argued that it was precisely uncertainty that made the “rational” (“planned”) state intervention necessary. This latter opinion was also shared by the French planners who, after World War II, promoted, in France, a kind of planning that could be compatible with the market economy. In this work I deal with the French case, in which an attempt was made to merge planning with the market to deal with uncertainty. I particularly focus on Pierre Massé’s attempts to make planning both “indicative” and “active”.

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 1 Mainstream neoclassical economics dropped uncertainty from analysis through very strong assumptions as perfect competition, full rationality, and perfect information.

The paper is structured as follows: it starts with a brief description of the main features of French planning (“Planning in France”); then, section 3 deals with the main difficulties faced by the French planners (“Difficulties of planning”); section 4 focuses on Pierre Massé’s attempts to update planning in response to growing challenges and the inner character of French planning (“The pencil and the ink”); some final considerations close the paper.

2 Planning in France

Planning was introduced in France immediately after World War II with the establishment of the General Planning Commissariat in January 1946 and was supported by the reconstruction project carried out within the Marshall Plan. From a transitory measure for the reconstruction of the country, planning became an instrument of economic policy for the guidance and development of the French economy (see Hackett and Hackett 1963; Bauchet 1966; Alcouffe 2017). French planners labelled their planning as a “concert”.

The term “concerted economy” was first introduced in the text of the First Plan in order to make it clear that they did not want to implement a “directed economy of a bureaucratic or corporative nature” (Première Plan: 101). The term – which Monnet “accepted without enthusiasm” (Monnet 1976: 373) – was due to Etienne Hirsch. Hirsch had the task to organize the so-called Modernization Commissions that “constituted the originality and the basis of French planning” (Hirsch 1988: 91). When Monnet called him to collaborate in the elaboration of the First Plan, Hirsch was strongly “allergic to both the words planning and modernization” (Hirsch 1988: 89). In his view, to be “acceptable” planning “should not be an enforcement tool but a means for collaboration between the public and private sectors” (ibidem). Accordingly, he suggested that French planning had to evolve into a “concerted economy”, a “formula meaning that the different actors in the economy had to know each other and discuss between them” (Hirsch in Fourquet 1980: 56). The idea of a concert evoked a harmonic result and highlighted how all the economic forces of the country, just like each musician in a chamber concert, participated into and were responsible for the result. The term “concerted economy was successful” (Monnet 1976: 373) and widely used to mean an economy “in which the representatives of the state (or its institutions) and those of the firms meet in an organized way to exchange their information, to compare their forecasts and to jointly take decisions and formulate suggestions to the government” (Bloch-Lainé 1959: 6).

French planning was also labelled as “indicative” to stress the fact that through the Plans the government aimed at giving just “indications” to industries and therefore that they were compatible with the market economy. Nonetheless, some of those indications were conceived of as “imperative”.

Due to the urgency of the measures to be taken (reconstruction and economic recovery of the country) and the resources shortage, the First Plan (1947-1953) had a rather “dirigiste” approach: it recognized that the state played the dominant role in the direction of investments in all sectors and gave it several direct and indirect instruments to influence and control national economic activity. The First Plan outlined some imperative targets (in terms of national output) for six crucial sectors (coal, electricity, steel, transport, cement, and agriculture). For the other sectors, the targets were “indicative” but implied a large use of fiscal and monetary policies to encourage certain types of activity, firms, or regions and, therefore, involved large state intervention in the economy.

The following plans continued to set some imperative targets but, from the Second Plan onwards, planning started to collide with the changing French economy, on the one hand, and the new international scenario on the other hand. Many elements made extremely complex the implementation of the Second (1954-1957) and Third (1957-1961) Plans, both under the direction of Etienne Hirsch.

Those years represent a period of decline for French planning due to both the difficulty of dealing with the ongoing external changes (the opening of markets and the process of European integration) and the high level of instability in internal politics: France experienced 26 different governments in those 13 years (Boissonnat 1965; Bauchet 1966; Rouso 1986). With the establishment of the Fifth Republic (4 October 1958), French planning seemed to take a new path.

The main cause of the shift from the Fourth to the Fifth republic was the urgency of some economic and financial problems that the weak governments of the Fourth republic were unable to address (Jeanneney 1992: 26-27). The problems requiring the most urgent attention were inflation and the balance of payments imbalances which were undermining the country’s economic condition and competitiveness. The latter was becoming increasingly urgent, in view of the future European Common Market and the increasing openness of the international market. President De Gaulle undertook a series of measures to remedy those problems: the so-called Pinay-Rueff reforms, which included the devaluation of the franc and austerity measures that resulted in a budget surplus in 1959. In the light of this success, De Gaulle decided to continue along this line and gave rise to a committee of experts, with Prime Minister

Michel Debré as president and Rueff and Louis Armand as vice-presidents. In this Commission of experts (the so called Rueff-Armand Commission), there were also Alfred Sauvy, René Courtin, Marcel Demonque, and Pierre Massé.

Pierre Massé² became General Planning Commissioner in 1959, immediately after the institution of the Fifth Republic. He directed the Fourth Plan (1962–1965) and the Fifth Plan (1966–1970), which coincided with both the period when French planning had a greater resonance even at the international level and with the beginning of its decline (Bauchet 1966; Rousso 1988; Caldari 2019). The new economic orientation of the Fifth Republic was, therefore, an integral part of the Fourth Plan: among its chief objectives, the Plan placed the “maintenance of a satisfactory equilibrium of the balance of payments” which was considered “as a necessary condition for economic expansion and therefore the achievement of the other objectives” (Quatrième Plan: 79). Accordingly, the price level was seen as a key variable, because “in the current state of international competition, the return of an inflation like that of the period 1956–1958 is unconceivable: a slight relative slide in French prices would be enough to cause the deterioration of our balance of payments” (Quatrième Plan: 82). The new international context with the increasing trade liberalization spurred by the GATT and the perspective of a large common European market magnified the role of competition based both on price levels and technological innovation. The Plan tried to take into consideration at best this new degree of competition whose consequences “were difficult to foresee” and it aimed at “helping the French economy to deal with it” (Quatrième Plan: 83). Inflation control was considered as a condition for the achievement of the Plan’s objectives (Quatrième Plan: 92). The previous Plans too highlighted the importance of keeping the price level under control: the Second Plan made explicit reference to “the concern to achieve economic expansion within monetary stability” (Deuxième Plan: 10); the Third Plan emphasized “the need to preserve the restored monetary stability³ and the balance of payments equilibrium” (Troisième Plan: 8). The need for monetary stability, however, was even stronger

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2 On Massé see Beltran and Bungener (1987); Boiteux and Bernard (1988).

3 The elaboration of the Third Plan was made in a context of high inflationary tension which affected France in the years 1956–1957 (due especially to the expenses for the Algerian war and to the economic choices of the government focused on economic growth; see on this Gruson 1968: 150–160). Nonetheless, the Plan required a strong revision in 1960 with an *Interim Plan*, under the coordination of P. Massé. Not only the restrictive measures of the Pinay-Rueff reforms but also the process towards the Common Market (Hackett and Hackett 1963: 124–125) had consequences that were not foreseen in the Third Plan, with the annual growth rate for the first two years (1958 and 1959) that fell far short below the foreseen target. It was then revised downward, along with changes in the underlined priorities, in the Interim Plan.

and pressing in the Fourth Plan, when the country was increasingly opening itself to the new international dynamics. Nonetheless the Fourth Plan ran into rising inflationary tensions, especially due to the end of the Algerian war (19 March 1962) and the consequent repatriations (Boissonnat 1966: 17; MacArthur and Scott 1969: 53). The high level of inflation forced the government to take some anti-inflationary measures and to elaborate a Stabilization Plan (12 September 1963). The Stabilization Plan introduced severe restrictive measures which forced the abandonment of many objectives of the Fourth Plan, especially the social ones.

The Fourth Plan was widely criticized and debated in France and abroad. Some contradictions stood out to many observers. The critical aspects on which most of them converged concerned the incompatibility of planning with the market economy, and moreover with an open economy (especially during the ongoing European integration process), the incapacity of planning to deal with uncertainty (as proved by the revisions required by the difficulties of the Third and the Fourth Plans) and, therefore, the very reason for having a Plan was challenged.

3 Difficulties of planning

3.1 Planning and the market

For many scholars planning was incompatible not only with the expanded market of an open economy (see on this Balassa 1965, 1973 and 1979) but also with a national market. French planners' claim to combine planning and the market was, therefore, to be considered as ill-founded by many. This aspect received a deep and interesting analysis in Vera Lutz⁴'s books (1965 and 1969), focused on French indicative planning. For Lutz, market and planning could not coexist since planning always implies some form of centralization and control: in the French case, government could use several tools that contrasted with the decentralized functioning of the market. This was especially true for the first Plan, as we have seen above; but for the following plans too, the government retained the power of "persuasion and incitement" (Massé 1965: 83). This power consisted of a series of measures (taxation, incentives, prices control, credit control, and so forth) with which the government could influence

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 4 Vera Lutz (1912-1976) was an English economist. She studied at the London School of Economics and graduated with a doctoral thesis supervised by Hayek. She was member of the Mont Pèlerin Society. Her interests were mainly focused on banking system (the subject of her thesis), monetary theory, development economics and labour market. Her main contributions are on Italian economic dualism and labour market dualism, and French planning (see Graziani 1983). Her 1969 was praised by Hayek in his 1976 article.

the actions of private firms. By “using sticks” and “distributing carrots”, as Lutz put it (1969: 48), government strongly interfered with the free functioning of the market.

French planners did not see planning as a form of interference with the market mechanism: as Massé points out (1963: 50), the Plan should be understood as something complementary to the market. According to Massé, resorting to one or the other is not a question of principle but of “reaction time” (1963: 50). The market mechanism works through the price system, which provides the information (“signals”) necessary to guide the economic agents’ decisions. For this system to work effectively, the reaction to those signals must be prompt and in the right direction, otherwise the market is unable to carry out its function: briefly, the automatism of the market cannot guarantee the optimal result. This is even more true for decisions that involve long-term investments, which were the most important for Massé⁵: current market prices do not represent useful information for decisions that concern goods that will be produced and sold much later in time. This is why planning was needed. But, for Massé, there was another and more general reason: uncertainty.

3.2 Dealing with uncertainty

Massé’s reasoning runs as follows: firms must take decisions under uncertainty both in the short and long term. They develop expectations on the future trends of economic variables (prices, costs, demand) and act accordingly by developing their production projects (or plans). There is, therefore, the elaboration of a plurality of plans which not only remain uncertain in their outcome but also risk being inconsistent with each other. The Plan drawn up by the state is a means, writes Massé, to deal with these two problematic aspects (1965: 49). The Plan is defined by Massé as “uncertainty reducer” (1965: 50) and through collective forecasting it allows to provide greater transparency (1965: 167) and coherence (1965: 160). It allows for a “calculated adventure” (1965: 9) which, while not eliminating uncertainty, is able to “reduce it to probability”⁶ (1965: 43, 71).

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 5 See for instance his “remarkable study of the normative theory of investment” (Arrow 1960: 783) published in 1959. Massé always favoured a long-term perspective. In fact, development was a central theme in his reflections, the main subject of many of his writings (see for instance 1959) and – as he recalled – the main purpose he pursued as General Planning Commissioner (1973: 27). During the drafting of the text for the Fifth Plan, Massé set up a study group to define the predictable and the desirable portrayals of the French economy and society in 1985. The group met between 1963 and 1964 and eventually published a Report entitled *Reflexions pour 1985*. Parts of the Report were used for the text of the Options (Massé 1984: 209-210) and were the ground for orienting the content of the Fifth Plan.

6 According to Massé, “uncertainty is reducible to probability when it is possible to construct an objective function using probabilities” (1965: 207 and 216).

For technical aspects, the General Planning Commissariat heavily relied on qualified specialized research groups and on the Modernization Commissions. These commissions grouped representatives of employers, workers, experts, and civil servants. They were organized by sectors (the Vertical Commissions, as Iron and Steel Industry, Agriculture, Electricity) or fields of activity (the Horizontal Commissions, like Manpower and Social Modernization). The commissions were then divided in several sub-commissions to deal with specific problems or questions⁷. On the basis of the data collected and the forecasts developed, the General Planning Commissariat set targets for the next four-five years.

The Plan produced both general (large aggregates such as foreign trade, population, workforce) and sector specific forecasts. They were the result of studies carried out by the commissions (vertical and horizontal) which related to some fundamental research centers: SEEF⁸, INSEE⁹, CREDOC¹⁰, CEPE¹¹, CEPREL¹², CERMAP^{13,14}. The vertical commissions prepared the forecasts for their specific branches and sub-branches and, then, all the various forecasts were put together and coordinated in the general plan: if there were any inconsistencies, adjustments would be made through consultations between commissions and the general commissariat.

As we have seen, the forecasting efforts of the Fourth Plan were not so successful: the Plan faced an unexpected level of inflation and it had to be sided by the Stabilization Plan. But even the Third Plan was not successful in its forecasting activity: it met with unexpected events, such as the consequences of the restrictive measures of the Pinay-Rueff reforms and of the establishment of the Common Market (see Hackett and Hackett 1963: 124-125; Lutz 1969: 75-76), which led to a strong revision in 1960 with an Interim Plan. For the critics of planning, those failures showed that the rationale for a collective forecasting was lacking. The necessity for further interventions and new plans raised many doubts concerning

7 For a detailed analysis of the functioning of the Commissions see Hackett and Hackett 1963; Bauchet 1966; Lutz 1969.

8 Service des Études Économiques et Financières.

9 Institut National de la Statistique et des Études Économiques.

10 Centre de Recherche et de Documentation sur la Consommation.

11 Centre d'Études des Programmes Économiques.

12 the Centre d'Étude pour la Prospection Économique à Moyen et Long Termes.

13 Centre de Recherche Mathématique pour la Planification.

14 These institutions along with the General Planning Commissariat played a very important role for the emergence and development of economic expertise in France (see on this Caldari and Dal Pont 2024).

the need to have a plan. Massé tried to deal with those critical aspects introducing some novelties in the Fifth Plan.

Concerning the reason for having a Plan, Massé explicitly addresses the question. “Given the changes occurred, moreover the events that forced the Stabilization Plan, and the development of liberal ideas, is the plan still useful and even more is it still possible?” he wondered (1964: 222). For Massé, the Plan was still useful in so far as it was a crucial tool for education¹⁵, order¹⁶, and progress¹⁷ (1965: 53-54). Fourastié, speaking at the 1964 Conference of French Speaking Economists,¹⁸ underlines the important role of the General Planning Commissariat in formulating useful forecasts and disseminate valuable information (VV.AA. 1965: 62-63). However, according to Massé, given the uncertainties and unexpected events that may (and usually do) intersect its course, the Plan could only remain possible by changing its look (1964: 223): it was necessary to conceive it as a “revolving” and flexible plan. The need for the Stabilization Plan (and before that, the Interim Plan) had paved the way for greater flexibility in planning. Accordingly, he suggested to introduce some warning indicators (“clignotants”): if some crucial variables (as inflation or unemployment) reached a certain threshold level which was reputed critical, a prompt corrective measure would have followed. It was necessary to give a “new look” to the Plan because, as Massé writes: “the increase of aleatory events jeopardizes the idea of Plan if it is taken as a rigid predetermination of the economy evolution” (1963: 223).

The “new look” characterized the Fifth Plan: its mains features are described in the Report for the main Options prepared for the Plan (1964). For the critical observers, the use of a “new look” was further proof of the impracticability of planning in a market economy. Moreover, the same text of the Options highlighted the serious

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15 As it enabled all those who participated in the elaboration of the various plans to become aware of the imperatives of economic growth (1964: 222).

16 Because it introduced into long-term projects a coherence that market mechanism, centred on short-term decisions, could not have guaranteed (1964: 223)

17 As far as it encourages economic initiatives and investments by better organizing them and avoiding wastefulness (1964: 223).

18 In 1964, the conference of French Speaking Economists (held on 25 and 26 May) focused on the theme “Marché et Plan”. There were two chief invited speakers (Daniel Villey whose speech was titled “L’option de système” and Pierre Bauchet whose address was on “La regulation du plan”) along with many leading economists and scholars (among them: Maurice Allais, Henri Bartoli, Alain Barrère, Jean Fourastié, Henri Guitton, Pierre Maillet, André Marchal, Pierre Massé, Pierre-Louis Reynaud, and Pierre Uri). Some of them were opponents (as Daniel Villey and Maurice Allais); some others were supporters or even involved in French planning (Massé, Uri, Fourastié for example). During the two days conference they discussed the usefulness and dangers of planning, the advantages, and disadvantages of the market economy (see VV.AA. 1965).

forecasting difficulties incurred and largely underestimated by the Fourth Plan (Journal Officiel de la République française 1964: 11400). The “new look” marked *de facto* the beginning of the end of planning as it was understood up to that moment and of the transformation that became evident from the Fifth Plan onwards. According to Lutz, “the effect [of the new look] was to demolish the theoretical structure which he [Massé] had built up previously” (1969: 153).

Indeed, the “new look” watered down the substance of planning and marked the beginning of that process of “deplanification souple” described by Bauchet (1966: 17; see also Roussio 1988). But it also represents Massé’s very ambitious attempt to transform the Plan from simple programming to strategy (Massé 1984: 182). While programming implies choices in advance once and for all (1965: 189), a strategy involves the possibility to complete or support the projects established in advance with new projects inspired by the circumstances. It is “man’s counter-random response to nature’s random choice” (1965: 199). Strategy is therefore something flexible that allows us to cope with unexpected events. The Plan becomes strategic if it is open to discretionary revisions depending on the circumstances (1965: 40 and 205). If the Plan is a reducer of uncertainty, Massé also adds, it must be clear that “to reduce does not mean to eliminate” (1965: 174). So far, it might seem like a simple trick to justify the Plan’s inability to formulate expectations which are then realised. But there is a further crucial aspect that we must include in the picture.

4 The pencil and the ink

The revision of the Plans is due to the fact, explains Massé, that the conjunction between the present and an uncertain future is not irrevocable: it may be necessary to change decisions. This means for Massé that the Plan is made of “a part of ink”, which constitutes the indelible part, and “a part of pencil”, which can be erased and/or completed according to the needs of the future (1965: 41). “The ink and the pencil, the fixed, the flexible, the hard and the malleable” are aspects that characterize the nature of the Plan: with its adaptability to new conditions the pencil saves the ink, the flexible protects the fixed, the malleable guarantees the hard” (1965: 205). If the pencil represents the part of the Plan’s predictions that are not verified by future events and must be changed, what does the ink represent? The ink is in fact the true essence of the concept of planning as understood by Massé, but also by the planners before him.

Although not imperative, French planning must be considered, Massé often emphasizes, as an *active* planning in the sense that “it accepts the facts but not the fatalities” (1965: 137); moreover, even if it is not an obligation, it “is nevertheless implemented within acceptable limits (foreword to Hackett and Hackett 1963: 8). According to Massé the Plan “not only announces the probable but also expresses the desirable”. It is “not only a reducer of uncertainty, but also an expression of will” (1965: 50). The ink represents exactly that will. It stands for the main goals of the Plan, the planning authorities’ and government’ priorities, their “common view”. According to the critics’ position, the ink would symbolize the contrast with the market mechanism. “A common view of the future upon the market economy – writes Lutz (1969: 150) – is a form of state intervention like other more traditional forms but capable of doing more damage to the market mechanism than many of these other forms”. The “common view” induced by the Plan raises the question of the difference (and the confusion) between “targets” and “forecasts”. To provide a “collective forecast” is (or should be) different from “setting a target”. The latter introduces a normative element which is not present in the former. In the texts of the first four French Plans, the two terms were treated as synonyms. The Fifth Plan distinguished them but confirmed the reasons for Lutz’s criticisms¹⁹.

The confusion between targets and forecasts leads us to another critical aspect. We have seen that the (vertical and horizontal) modernization commissions contributed to the creation of collective forecasts. Within the commissions, there were representatives of employers, workers, unions, experts, and civil servants. Making a forecast that is consistent with the firms’ activities is not easy and if the number of firms is very high, it is even more difficult (“no bridge problem”). The problem becomes far more complex if the forecast is actually a target. As Lutz writes: “under conditions of uncertainty, the forecasts made by the various operators in a decentralized system do not, in the natural order of things, fit into a single consistent system of either inter-branch relationships or final aggregates” (1969: 118). Indeed, a collective and coherent result (forecast; target) is possible only if the number of firms is limited. But this aspect contrasts with the presence of a competitive market

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 19 The Fifth Plan stresses for example that: “Le V Plan repose sur une projection obtenue en combinant dans le cadre trace par la décision politique constituée par les options, les études économiques des experts et la consultation des partenaires économiques et sociaux. Cette projection constitue l’étude de marche à l’échelle nationale que le Plan offre comme système de référence concerté et cohérent à tous ceux qui ont à prendre des décisions économiques fondées sur l’anticipation. Elle ne constitue pas cependant le Plan lui-même puisqu’elle comprend à la fois des prévisions qui ont un caractère simplement indicatif et des objectifs qui ont un caractère normatif. ... Les objectifs constituent au contraire l’armature sans laquelle le plan perdrait sa signification”. (Cinquième Plan : 21-22).

mechanism: as it is noted, “under conditions of uncertainty and in a competitive system it will be impossible to reach a genuine common view of the future or to draw up a valid representation of the expectations of a plurality of decision makers considered as an aggregate” (Lutz 1969: 117).

The only way to deal with uncertainty and a common view is to organize “the economy in such a way that each branch does act as a single agent; as indeed it would under generalized cartelization or corporative planning” (Lutz 1969: 117-118). This is the problem that Allais denounces at the 1964 conference. Addressing the topic of indicative planning, Allais maintains that “there is a very great danger in the development of French planning, that of creating a structure of a monopolistic and corporatist character” (VV.AA. 1965: 44). Certainly, one of the main goals pursued through the Plans was to increase firms’ competitiveness: since the model to follow was the American industry, competitiveness was considered inevitably linked to firms’ large size. However, firms’ large size does not automatically imply a monopolistic nature and even less a corporatist trend. Allais’ words might, therefore, seem just an exaggeration due to his neoliberal perspective. Indeed, they are less far-fetched than they seem.

In the same speech, Allais warns: “Indicative planning like the “programming” proposed to our partners in Brussels is too often only a mask under which they strive to promote authoritarian planning and a rejection of market adjustments” (VV.AA. 1965: 44). Allais’ words are very significant and are grounded both on the inner nature of French planning and on the kind of European integration that France fostered in those years (Kuisel 1977 and 1984; Margairaz 1991). To understand the French idea of planning, it is necessary to cross the borders of France, since French planning was conceived of as a step towards the construction of the European Community. Monnet’s main goal was to make the French concert a European concert, to expand planning at a European level (Boissonnat 1962; Hirsch 1962; Bénard 1964; Warloutzet 2010). In his efforts to promote the creation of the “United States of Europe” (1976: 588), Monnet pursued his idea of European integration according to his functionalist approach: the European economic integration should proceed by economic sectors and gradually reach the political unity into a federation (Monnet 1976: 392-93). Coherent with this project, he promoted the creation of the European Coal and Steel Community in 1950-51 and Euratom in 1957, and attempted to establish the European Defence Community in 1954. The structure of those institutions was multilevel: not only national governments and parliaments were represented in them, but also producers, workers, dealers of the sector in hand had their representatives.

It was a hierarchical structure which strongly echoed corporatist organizations: it was headed by a High Authority which was conceived as a super-national organism with supra-national powers. Among them, we find the important task of organizing and regulating the sector among the members, that is, to develop a form of planning to coordinate (*to concert*) production and consumption.

The proposal of the European Defence Community turned out into a failure²⁰ (see Gillingham 2003: 29-32; Boussat 2012: 97-107). But even Euratom was only half a success: its organization resembled only formally that of European Coal and Steel Community, in so far as the apparently super-national institution had no real supra-national power. Euratom was indeed the result of a compromise between Monnet's original idea and the increasing scepticism towards a possible European political union. The struggle against this scepticism was then carried on by Robert Marjolin who was Deputy Commissioner of the French Plan from 1946 to 1948, Secretary-General of the Organization for the European Cooperation (OEEC) from 1948 to 1955, and Vice-President of the European Economic Community (EEC) Commission from 1958 to 1967. In the very years in which Massé was trying to revive the fortunes of planning in France, Marjolin was at the European Commission. He strongly strived to get planning (under the guise of "programming") accepted at a European level through what he called "Action programme". Its efforts fell on deaf ears largely due to opposition from Germany. Europe took another path of integration (see on this Caldari 2021).

From the foregoing it seems clear that Allais' fears were not entirely out of place and were - at least from his point of view - justified by the features given to planning in France and in the European project that was promoted. The creation of large productive groups was inherent in the ideas of planning and European community that French planners were fostering in that period. A neo-corporatist structure was implicit in the deep meaning of "concert" and in the idea of planning as "a collective endeavour" (Massé 1965: 153). In his analysis of French planning and inquiry into the pros and cons of the Fourth Plan, the economist François Perroux highlights (1962: 116) this implicit fundamental inconsistency in the idea of French planning as indicative planning. Just as a chamber concert, he writes, is not possible without a conductor, so it is unthinkable to have planning without an important role for the state. This is the great ambiguity that has characterized French planning from its first steps and that Massé tried – rather unsuccessfully – to camouflage.

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 20 It caused a long debate which culminated with the failure to obtain ratification in the French Parliament on the 30 August 1954.

5 Some concluding remarks

From the beginning, French indicative planning was conceived of as a kind of planning that could coexist with the market. It resulted in a “concerted economy” where all the different parts involved had a role to play. French planners described it as a means to better coordinate and spread information and therefore to reduce uncertainty. Nonetheless, as we have seen, experience shows that French planning was not so successful in dealing with uncertainty especially with the increasing complexity of economic relations and the greater constraints arising from being an open economy and in a process of economic integration with other countries. These new challenges that characterized French planning from the 1950s onwards culminated in the 1960s, when the General Commissioner was Pierre Massé.

Massé’s efforts to update planning in response to those growing challenges reveal the ambiguity and weakness of French planning as well as its inner meaning. French Plans proved often rather unsuccessful in terms of forecasts and had to be heavily revised. Massé himself – while defining the Plan as a reducer of uncertainty – admits that uncertainty cannot be eliminated but only reduced stressing that “to reduce does not mean to eliminate” (1965: 174). The need to make the Plan flexible testifies to this limit. However, the very meaning of the Plan (for Massé as well as other planners of that time) seems to lie not so much in its capacity to face uncertainty *per se* but in reducing uncertainty in the targets and goals (through long term projects) that are more random when left to the market. *Indicative* planning was in fact an *active* planning which relied upon the “common view” and the settled long-term projects: the tempo marked by the conductor of the orchestra which performs the chosen piece.

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