

## Gosplan\*

The Council of People's Commissars of Soviet Russia established a state planning commission, Gosplan for short, on 22 February 1921. Its functions were to institute and operate a unified state plan for the whole economy and harmonize the plans and perspectives of other economic departments. The Civil War was nearly at an end, but the tensions it had engendered were threatening to dismantle the Bolshevik regime from below. To avert this, Lenin was about to announce a sweeping curtailment of state power in the economy that soon became known as the New Economic Policy. Establishing Gosplan at this point was a signal of intentions for the distant future, not for immediate practical policy.

Some years would pass before the planned economy became a reality. In the meantime Gosplan became a battleground between adherents of alternative approaches. Some favoured planning as a means of economizing, i.e. of allocating scarce resources among competing private and public uses much as markets would, but more efficiently since, they believed, conscious planning would avoid the market system's unconscious tendency to temporary booms and slumps. Others were impatient with this limited notion and preferred to think of the plan as an ambitious political mechanism to mobilize resources and enforce state priorities, leaving the residual to be rationed out among other users and consumers. In the political context of the 1920s the mobilization school of planning eventually squeezed out the economizers; this helped to give the Soviet Union's first five-year plan, approved in April 1929, its character as a programme to "build socialism" through sweeping state-led industrialization.

Gosplan was probably not as influential in the Stalinist state as the all-powerful "visible hand" that western stereotypes sometimes supposed it to be, and its leaders were generally of the second rank. The role that Stalin gave it was nonetheless very important. Having reorganized the economy on the strict hierarchical lines of a command system, Stalin now faced the problem of whom to trust: since he judged his other ministers and executives by economic results, all had an incentive to conceal the truth from him. Stalin needed some agents who would stand above the departmental battles for resources and rewards and give him a truthful picture of the economy. To keep Gosplan obedient and loyal he purged it three times, in 1930, 1937, and 1949; but he also gave it the privilege of not being judged by the state of the economy or the degree of fulfillment of plans. He punished the planners only when they became advocates for other interests.

In keeping with this brief, Gosplan officials tended to stay out of detailed economic management as much as possible. In addition to the largely propagandistic five year plans, they issued regular annual and

---

\* Published (in Italian) as "Gosplan" in *Dizionario del comunismo nel XX secolo*. Volume primo, pp. 338-340. Edited by Silvio Pons and Robert Service. Turin: Einaudi, 2007.

quarterly plans that were binding on the economy as a whole and its ministerial sub-branches. But these plans were too aggregated and preliminary to have much influence on what happened in particular factories and offices. The work of distributing planned tasks and resources and linking individual suppliers and users went on within and between ministries. Thus, economic management remained more decentralized than appeared at first sight. It suited everyone to keep Gosplan out of this conflict-laden activity; the ministries retained a surprising degree of autonomy while Gosplan avoided having to take sides. This does not mean that the economy was left to manage itself; but the final responsibility for enforcing government priorities fell on political leaders in the Politburo, not Gosplan technocrats.

It must be assumed that the role of Gosplan changed after Stalin as the Soviet political system shifted from harsh dictatorship to a somewhat more comfortable oligarchy, but until the more recent archives are opened we shall not know how. In total there were twelve five year plans, the last one finishing in 1990. Plan fulfillment appears to have improved through time, it seems unlikely that the reason was that Soviet producers became more obedient. Rather, they learned to manipulate plan indicators to show fulfillment. They also learned to manipulate planners' expectations; as a result plans became less ambitious and were increasingly likely to be fulfilled by lowering plans to match performance rather than by improving performance.

In planning the mature Soviet economy Gosplan appears to have faced three fundamental problems: how to measure the gap between potential productivity and performance in each activity, how to identify the activities where potential returns on investment and effort were rising, and how to release the necessary resources from those with declining returns. Where market mechanisms could solve these problems, Gosplan could not. Instead, it responded to all three difficulties by planning "from the achieved level," that is by planning in the next period to achieve the same results as in the period before, plus an increment to allow for growth. This routine proved not only conservative but also vulnerable to the manipulations described above, and contributed to the economy's increasing lag relative to the United States and western Europe in the 1970s and 1980s.

Mark Harrison  
University of Warwick

## References

- Belova, Eugenia, and Paul R. Gregory. 2002. "Dictator, Loyal and Opportunistic Agents: the Soviet Archives on Creating the Soviet Economic System," *Public Choice*, 113:3-4, pp. 265-286.
- Bergson, Abram. 1964. *The Economics of Soviet Planning*. New Haven: Yale University Press.
- Birman, Igor. 1978. "From the Achieved Level," *Soviet Studies*, 30:2, pp. 153-172.
- Carr, E.H., and R.W. Davies. 1969. *A History of Soviet Russia*, 3: *Foundations of a Planned Economy, 1926-1929*, Part 1. London: MacMillan.

- Ellman, Michael. 1979. *Socialist Planning*. Cambridge: Cambridge University Press.
- Harrison, Mark. 1985. *Soviet Planning in Peace and War, 1938-1945*. Cambridge: Cambridge University Press.
- Zaleski, Eugène. 1971. *Planning for Economic Growth in the Soviet Union, 1918-1932*. Chapel Hill, NC: University of North Carolina Press.
- Zaleski, Eugène. 1980. *Stalinist Planning for Economic Growth 1933-1952*. Chapel Hill, NC: University of North Carolina Press.