Editors' Preface to Macmillan Studies in Economics

The rapid growth of academic literature in the field of economics has posed serious problems for both students and teachers of the subject. The latter find it difficult to keep pace with more than a few areas of the subject so that an inevitable trend towards specialism emerges. The student quickly loses perspective as the maze of theories and models grows, particularly at a time when so much reappraisal of the established paradigms is taking place.

The aim of the 'Macmillan Studies in Economics' is to offer students, and perhaps some teachers as well, short, reasonably critical overviews of developments in selected areas of economics, particularly those in which current controversies are to be found. As far as possible the titles have been selected to form an integrated whole, although inevitably entire areas have been neglected as being unsuited to the style, format and length of the titles in the series.

In some cases the volumes are rather more like essays than surveys. In most cases, however, the aim is to survey the salient literature in a critical fashion. The level of understanding required to read the volumes varies with the complexity of the subject, but they have been generally written to suit the second- and third-year undergraduate seeking to place his reading of the detailed literature in an over-all context. They are *not* textbooks. Instead they seek to give the kind of perspective that might well be lost by reading longer textbooks on their own, or by reading articles in journals. In particular, they should be most suited to pre-examination revision periods. They are not intended to substitute for the essential reading and assimilation of the original works that they seek to survey and assess.

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The Economics of Planning

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Introduction

This book is a survey of the main forms of economic planning in both Western market economies and the socialist economies of the Soviet Union and Eastern Europe. The planning models discussed include both empirical and theoretical variants of the basic indicative and imperative planning systems.

After the abortive planning exercise of the 1960s the present (1977) Labour government is currently investigating the idea of 'planning agreements' with industry. In the light of this it is interesting to look at the reasons for the failure of the U.K. *National Plan* and by contrast the comparative success of the French planning system. Economic planning is of course synonymous with the Soviet Union and post-war Eastern Europe. However, since the 1960s 'new' theories and forms of planning have begun to emerge. The central feature of many of the 'new' socialist planning theories has been the emphasis placed on the simultaneous operation of a constrained market mechanism and central planning.

Chapter 1 summarises the main arguments that have taken place in the literature on the relationship between planning and the market mechanism. It concludes with a suggested taxonomy of planning systems which provides an over-all framework for the analysis of individual systems.

Chapters 2 and 3 analyse both the theoretical basis and the actual operation of the socialist planning systems. Chapters 4 and 5 are devoted to a similar exercise for the indicative planning systems that currently still operates in France and used to function in the United Kingdom in the 1960s.