

# Planning for Uncertainty: Lessons from China

Alberto Bartoccini

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## resilience

- ▶ dynamic sustainability under high uncertainty
  - ▶ capacity to endure shocks and adjust to new conditions
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- ▶ is China more resilient than Western capitalist countries?
  - ▶ is planning a necessary tool for market economies to enhance resilience?

## obstacle: competition

«competition acts as an external coercive force, which imposes capital logic (and its contradictions) over individual will, governs the reproduction of class relations and defines the margins of subjective choices. As an invisible hand at the service of capital, competition imposes capital accumulation as the only goal of society» (Palermo; 2017, p.1581)

- ▶ focus on short-term static efficiency and cost minimization (inventories, liquidity reserves, redundancy in production capacity, salaries, working conditions)
- ▶ attitude towards redundancy (beware the language!)

# obstacle: globalization

- ▶ asymmetric impact in imperialist and peripheral countries on:
  - ▶ employment (quantitative and qualitative)
  - ▶ production capacity (learning by supplying)
- ▶ disruption risk (Smorodinskaya et al.; 2021)
  - ▶ enhanced by network complexity
  - ▶ undermines regional self-sufficiency
  - ▶ supply chain network design (Aldrighetti et al.; 2021)

- ▶ what needs to be studied:
  - ▶ planning practices
  - ▶ policy experimentation (Heilmann; 2008)
  - ▶ management of crippling crises
- ▶ how to deal with *yixi jiezhong*? (Boer; 2021)
  - ▶ information suppression?
  - ▶ dichotomic thinking?
  - ▶ dismissal as capitalist/communist?

# Western calculation debate

- ▶ Mises (1935) vs Lange (1936, 1937) assumptions:
  - ▶ plan and market as mutually exclusive
  - ▶ equates market=capitalism vs plan=socialism
  - ▶ only consider imperative plan
  - ▶ share the same goal (static efficiency)
- ▶ critiqued by Dobb (1933, 1953) from a macro-dynamic perspective
- ▶ liberal dismissal of China as variety of capitalism
  - ▶ e.g. Milanovic (2019)
  - ▶ covered by Cheng (2020)

# Marxist interpretations

Following Losurdo (2017) distinction,

- ▶ Western Marxism
  - ▶ absolute negation of capitalism (no market)
  - ▶ deductive approach in defining communism
  - ▶ disregards colonialism and imperialism
- ▶ Eastern Marxism
  - ▶ anti-colonial focus
  - ▶ *Yangqi/Aufhebung* (admits market if subordinate)
  - ▶ plan-market nexus continuously evolving

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