

DOWNLOAD PDF 2. THE SUCCESSES AND FAILURES OF CENTRAL PLANNING

Chapter 1 : Central Planning

Failures of Central Planning. Inayet Hadi Professor Gage PAD , Section December 12, 2 Table of Contents Abstract Strategic and Central Planning I. II. III. Difference between Central Planning and Strategic Planning Assumptions and Refutations of Central Planning Central Planning: Failing the Community (Case) Management's Role IV. V. VI. Drucker on Function of Management Management.

The political economy of state socialism Chapter 1: The system of state socialism Chapter 2: The successes and failures of central planning Chapter 3: From reform to breakdown Part II: From shock to recovery Chapter 4: The courses of transition Part III: Policies and alternatives Chapter 5: A strategy for transition Chapter 6: Alternatives and adaptations Part IV: The state Chapter 7: State capacity and the rule of law Chapter 8: Russia in a comparative perspective Chapter 9: Economic role of the state Chapter Welfare states and regimes Part V: New forms of business Chapter Shock and survival Chapter The growth of new business Chapter A new banking system Chapter Enterprises in the period of economic recovery Part VI: Emerging Varieties of Capitalism Chapter The Financial Crisis and a Verdict on Transition Data appendix References Presents a thorough analysis of the economic and political transformations in former communist countries of Eastern and Central Europe and countries of the former Soviet Union. Provides a comparative analysis of economic transformation and emerging political economic diversity. Identifies and explains differences between groupings of countries in Eastern Europe and the former Soviet Union, and on the various forms of capitalism emerging in these countries.

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Chapter 2 : East African Community - Wikipedia

What were the two greatest successes and two greatest failures of the Wilson government ? This period of Labour rule is often marked down as a poor performance on behalf of the labour party, critically looked upon by many historians. There were many failings under the rule of this government.

Joint Plenum of the C. Marxists Internet Archive You may freely copy, distribute, display and perform this work; as well as make derivative and commercial works. Please credit "Marxists Internet Archive" as your source. I The International Significance of the Five-Year Plan Comrades, when the five-year plan was published, people hardly anticipated that it could be of tremendous international significance. On the contrary, many thought that the five-year plan was a private affair of the Soviet Union—an important and serious affair, but nevertheless a private, national affair of the Soviet Union. History has shown, however, that the international significance of the five-year plan is immeasurable. History has shown that the five-year plan is not the private affair of the Soviet Union, but the concern of the whole international proletariat. Long before the five-year plan appeared on the scene, in the period when we were finishing our struggle against the interventionists and were going over to the work of economic construction—even in that period Lenin said that our economic construction was of profound international significance; that every step forward taken by the Soviet Government along the path of economic construction was finding a powerful response among the most varied strata in capitalist countries and dividing people into two camps—the camp of the supporters of the proletarian revolution and the camp of its opponents. Lenin said at that time: All eyes are turned on the Soviet Russian Republic, the eyes of all toilers in all countries of the world without exception and without exaggeration. This we have achieved. That is the field to which the struggle has been transferred on a world-wide scale. If we solve this problem, we shall have won on an international scale surely and finally. That is why questions of economic construction assume absolutely exceptional significance for us. This was said at the time when we were bringing to a close the war against the interventionists, when we were passing from the military struggle against capitalism to the struggle on the economic front, to the period of economic development. Indeed, it seems that no step taken along the path of economic development in our country has met with such a response among the most varied strata in the capitalist countries of Europe, America and Asia as the question of the five-year plan, its development and its fulfilment. At first the bourgeoisie and its press greeted the five-year plan with ridicule. Later on, when it began to be evident that the fulfilment of the five-year plan was producing real results, they began to sound the alarm, asserting that the five-year plan was threatening the existence of the capitalist countries, that its fulfilment would lead to the flooding of European markets with goods, to intensified dumping and the increase of unemployment. Still later, when this trick used against the Soviet regime also failed to produce the expected results, a series of voyages to the U. From that time a cleavage began in so-called public opinion, in the bourgeois press, in all kinds of bourgeois societies, etc. Some maintained that the five-year plan had utterly failed and that the Bolsheviks were on the verge of collapse. Others, on the contrary, declared that although the Bolsheviks were bad people, their five-year plan was nevertheless going well and in all probability they would achieve their object. It will not be superfluous, perhaps, to quote the opinions of various bourgeois press organs. It is a gamble. And here is the opinion of a British bourgeois newspaper, The Daily Telegraph, 4 expressed at the end of November. It has brought Russia to the verge of famine. On the contrary, a great deal has been done. Nevertheless, the catastrophe is evident—it is a fact obvious to all. Friends and enemies, Bolsheviks and anti-Bolsheviks, oppositionists on the Right and on the Left are convinced of this. It is hardly worth while to criticise those who gave utterance to these opinions. I think it is not worth while. It is not worth while because these "die-hards" belong to the species of mediaeval fossils to whom facts mean nothing, and who will persist in their opinion no matter how our five-year plan is fulfilled. Let us turn to the opinions of other press organs belonging to the same bourgeois camp. Here is the opinion of a well-known bourgeois newspaper in France, Le Temps, 9 expressed

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in January In France, where the land is infinitely divided up among individual property owners, it is impossible to mechanise agriculture; the Soviets, however, by industrialising agriculture, have solved the problem. In the contest with us the Bolsheviks have proved the victors. She has laid the foundations for future development. It must be remembered that Russia, of course, produced machines and tools, but only of the simplest kind. True, the importation of machines and tools is actually increasing in absolute figures; but the proportion of imported machines to those of native production is steadily diminishing. Russia is producing today all the machinery essential to her metallurgical and electrical industries; has succeeded in creating her own automobile industry; has established her own tool-making industry from small precision instruments to the heaviest presses; and in the matter of agricultural machinery is independent of foreign imports. At the same time, the Soviet Government is taking measures to prevent the retardation of production in the output of such basic industries as iron and coal endangering the fulfilment of the plan in four years. The one thing certain is that the enormous plants now being established guarantee a very considerable increase in the output of the heavy industries. The five-year plan is a new huge quantity which must be taken into account in every economic calculation. Russia is forging ahead while all too many of our factories and shipyards lie idle and approximately 3, of our people despairingly seek work. Jokes have been made about the five-year plan, and its failure has been predicted. You can take it as beyond question, that under the five-year plan much more has been accomplished than was ever really anticipated. Russia today is a country with a soul and an ideal. Russia is a country of amazing activity. I believe that the Russian objective is sound. And perhaps most important of all, all these youngsters and these workers in Russia have one thing which is too sadly lacking in the capitalist countries today, and that is hope! Russia is working with wartime intensity on the positive task of building the physical and social moulds of a new life. The face of the country is being changed literally beyond recognition. This is true of Moscow, with hundreds of streets and squares paved, with new suburbs, new buildings, and a cordon of new factories on its outskirts, and it is true of smaller and less important cities. New towns have sprung out of the steppe, the wilderness, and the desert not just a few towns, but at least 50 of them with populations of from 50, to all in the last four years, each constructed round an enterprise for the development of some natural resource. For the first time Russia is mining aluminium, magnesium, apatite, iodine, potash, and many other valuable minerals. The guiding landmark on the Soviet countryside is no longer the dome of a church but the grain elevator and the silo. Collectives are building piggeries, barns, and houses. Electricity is penetrating the village, and radio and newspaper have conquered it. New factories, new picture-houses, new schools, new clubs, new big blocks of tenements, everywhere new buildings, many completed, others with scaffolding. It is difficult to convey to the mind of the British reader exactly what has been done, and what is being done. It has to be seen to be believed. Our own wartime efforts are flea-bites to what has been done in Russia. Americans admit that even in the greatest rush days in the West there could have been nothing like the feverish building activity that is going on in Russia today. One sees so many changes in the Russian scene after two years that one gives up trying to imagine what Russia will be like in another 10 years. So dismiss from your heads the fantastic scare stories of the British press that lies so persistently, so contemptibly about Russia, and all the half truths and misconceptions that are circulated by the dilettante intelligentsia that look at Russia patronisingly through middle-class spectacles without having the slightest understanding of what is going on. Russia is building up a new society on what are, generally speaking, fundamentally sound lines. To do this it is taking risks, it is working enthusiastically with an energy that has never been seen in the world before, it has tremendous difficulties inseparable from this attempt to build up socialism in a vast, undeveloped country isolated from the rest of the world. But the impression I have, after seeing it again after two years, is that of a nation making solid progress, planning, creating, constructing in a way that is striking challenge to the hostile capitalist world. The question of the attitude of the working class in capitalist countries towards the five-year plan, towards the successes of socialist construction in the U. In Moscow, as well as in Makeyevka, Gorlovka, Kharkov, an Leningrad, we could see for ourselves with what enthusiasm the work is carried on there. All the machines are the most up-to-date

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models. The factories are clean, well ventilated and well lit. We saw how medical assistance and hygienic conditions are provided for the workers in the U. We could see the difference between the old and the newly constructed factories, between the old and the new houses. All that we have seen has given us a clear idea of the tremendous strength of the working people who are building a new society under the leadership of the Communist Party. We were able to see the frightful difficulties the working people of the Soviet Union encounter on their path. We can therefore appreciate all the more the pride with which they point to their victories. We are convinced that they will overcome all obstacles. It was enough for us to carry on construction work for a matter of two or three years, it was enough for us to show the first successes of the five-year plan, for the whole world to be split into two camps – the camp of those who never tire of snarling at us, and the camp of those who are amazed at the successes of the five-year plan, apart from the fact that we have all over the world our own camp, which is growing stronger – the camp of the working class in the capitalist countries, which rejoices at the successes of the working class in the U. What does this mean? It means that there can be no doubt about the international significance of the five-year plan, about the international significance of its successes and achievements. It means that the capitalist countries are pregnant with the proletarian revolution, and that precisely because they are pregnant with the proletarian revolution, the bourgeoisie would like to find in a failure of the five-year plan a fresh argument against revolution; whereas the proletariat, on the other hand, is striving to find, and indeed does find, in the successes of the five-year plan a fresh argument in favour of revolution and against the bourgeoisie of the whole world. The successes of the five-year plan are mobilising the revolutionary forces of the working class of all countries against capitalism – such is the indisputable fact. There can be no doubt that the international revolutionary significance of the five-year plan is really immeasurable. All the more attention, therefore, must we devote to the question of the five-year plan, of the content of the five-year plan, of the fundamental tasks of the five-year plan. All the more carefully, therefore, must we analyse the results of the five-year plan, the results of the carrying out and fulfilment of the five-year plan. What is the five-year plan? What was the fundamental task of the five-year plan? The fundamental task of the five-year plan was to transfer our country, with its backward, and in part medieval, technology, on to the lines of new, modern technology. The fundamental task of the five-year plan was to convert the U. The fundamental task of the five-year plan was, in converting the U. The fundamental task of the five-year plan was to create in our country an industry that would be capable of re-equipping and reorganising, not only industry as a whole, but also transport and agriculture – on the basis of socialism. The fundamental task of the five-year plan was to transfer small and scattered agriculture on to the lines of large-scale collective farming, so as to ensure the economic basis of socialism in the countryside and thus to eliminate the possibility of the restoration of capitalism in the U. Finally, the task of the five-year plan was to create all the necessary technical and economic prerequisites for increasing to the utmost the defence capacity of the country, enabling it to organise determined resistance to any attempt at military intervention from abroad, to any attempt at military attack from abroad. What dictated this fundamental task of the five-year plan; what were the grounds for it? The necessity of putting an end to the technical and economic backwardness of the Soviet Union, which doomed it to an unenviable existence; the necessity of creating in the country the prerequisites that would enable it not only to overtake but in time to outstrip, technically and economically, the advanced capitalist countries. Consideration of the fact that the Soviet regime could not maintain itself for long on the basis of a backward industry; that only a modern large-scale industry, one not merely not inferior to but capable in time of surpassing the industries of the capitalist countries, can serve as a real and reliable foundation for the Soviet regime. Consideration of the fact that the Soviet regime could not for long rest upon two opposite foundations: Consideration of the fact that until agriculture was placed on the basis of large-scale production, until the small peasant farms were united into large collective farms, the danger of the restoration of capitalism in the U.

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Chapter 3 : The Five-Year Plans

Central Planning. Those who designed the Soviet economic system began with a belief that "the problem with capitalism is that it produces for profit instead of for people's needs," and they set out to build a system that produced directly for people's needs and not at all for profit.

The Tennessee Valley Authority: The TVA was successful in decentralizing power and control and increasing the standard of living for the inhabitants of the southeastern United States US. As the Great Depression spread throughout the world in the early , a stabilizing economic and social force was needed to create order, prosperity, and organized successful development. The force utilized during the depression years was increased governmental involvement with big business and public works programs. From the passage of the TVA act in May of and throughout the era of the New Deal, governmental involvement in the Tennessee Valley region was highly successful in resurrecting opportunity for the general population. In the following pages, the argument will be made that governmental regulation of big business and utilities was definitely necessary to maintain the democracy of the nation through grass-roots decentralization of public corporations and utilities of the time. Details of the development of the Tennessee Valley region through central planning and organized development will now be provided to showcase the high benefits it had on the region. Generally, historians have argued that the TVA was either a success or a failure. The supporters often have agreed that the central planning allowed more democratic grass-roots influence to flourish, allowing for a greater increase in the standard of living for most people. However, critics often argue that the TVA gave too much power to the federal government, and in turn replaced one central power of private enterprise with another central power of the federal government. By evaluating the positive impact the TVA had on the local society, it is possible to find out how the successful methods used could correlate to a greater area of influence in the world. Thus, the purpose of history is fulfilled, allowing one to learn from past accomplishments and failures in order to better prepare for the present and future. Perhaps Alan Brinkley provides the best overall explanation about the cause and effect relationship of the depression and the New Deal, in relation to the TVA. However, the capitalist system in place needed redesigning in order to prevent excessive accumulations of wealth. If the unregulated capitalist system was left unaltered, he argued that a tyrannical dictatorship would result. The decentralization of power, grass-roots administration, and increased living standards it left on the general population showcased democracy in the purest form. The methods of operation, goals, results, and legacy of the TVA will now be examined. Included in the evaluation, will be the leadership, organization skills, and true democratic administration provided by one man, who was absolutely imperative to the success of TVA. Prior to the start of the New Deal and the passage of the TVA act on May 18th, , conditions in the southern Tennessee Valley were problematic and depressing to the general population in the area. Problems of the Tennessee Valley region included massive flooding, lack of quality forestation conditions, growing unemployment, unavailable or unaffordable electrification for businesses and personal use, over centralization of industrial wealth in the hands of utility companies, and various other agricultural and developmental problems. Power companies in place, prior to the start of the TVA, charged colossal rates that prohibited the economy from effectively advancing with new technological advancements that advanced daily life. Before analyzing how the centralization should be broken up, further evidence of what was in place prior to the TVA will be examined. An excellent example of the conditions in the Tennessee Valley area, prior to the start of the TVA, came from the reports of Lorena Hickok. In the fall of , the director of the Federal Emergency Relief Administration Harry Hopkins sent sixteen reporters to various parts of the country to report on the social and economic conditions of an area. Evidence of prolonged undernourishment. No knowledge of how to live decently or farm profitably if they had decent land. The aforementioned problems stated by Hickok required not an immediate temporary fix, but instead, a long-term and well thought out plan to create prosperous conditions that would indefinitely benefit the constituents in the area. Roosevelt therefore offered a solution.

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In order to restore order, balance, and prosperity to the region, Roosevelt made a decision that would inevitably alter the chaotic region forever. It touches and gives life to all forms of human concerns. Many hard lessons have taught us the human waste that results from lack of planning. Here and there a few wise cities and counties have looked and planned ahead. This indeed marked the beginnings of a transformation of the American system. The transformation of economic initiative finally took shape on May 18th, , as the Roosevelt sponsored Tennessee Valley Authority Act passed in congress. The act set out to do a number of things. Amongst them, to improve navigability and flood control on the Tennessee River, to enforce reforestation and proper land use in the Tennessee Valley, to provide agricultural and industrial development to the region, and to provide for the National Defense a corporation of government properties near the Muscle Shoals area in the state of Alabama. In order to successfully delegate authority and administration to the project, Roosevelt decided to personally select three administrators to lead the project, with the advice and consent of the Senate. Importantly, the TVA act stated that the administrators shall not have any financial interests at all in the project. If any personal gain was selected, Roosevelt was given the approval to promptly remove the person from the administration. Profit and financial interest of the individual at the head of a business has always been the meter of success in US history. But now, the monetary motivation of the three individuals leading the project was not allowed. Instead, the wants and needs of the general population were to be the primary objective. Roosevelt then sought out three men capable of leading this mammoth undertaking. The three men selected to lead the project development were authorized fifty million dollars out of the public works fund in order to efficiently be responsible for the renovation of the Tennessee Valley. The men selected included chairman Arthur E. Morgan as well as Dr. Morgan and David E. The specific duties of the directors were widely varied. Morgan was assigned supervision of all matters relating to dam and reservoir construction. Finally, David Lilienthal was assigned to all legal work and power distribution matters. This was highly successful in creating a true democratic practice with no profit motive or personal greed to corrupt the leaders of the TVA administration. This effectively would prevent a centralization of wealth that could hamper the recovery effort. As the US entered into the great depression, distribution of public electricity was crucial for development of a region. The main objective of the EHFA was to advance the general economic welfare of the nation by developing and fostering an increased use of electric power. Instead of power being centralized into only the rich and fortunate of the region, Lilienthal and Roosevelt sought out for creation of a power utility company that would bring prosperity, a stable economy, and in increased standard of living to all residence along the Tennessee Valley region. The role of Lilienthal and his promotion of democratic grass-roots central planning impacted the region like no other New Deal program created in the Roosevelt administration. But first, a short biography of Lilienthal will be provided. With his father being a merchant, he lived in several Northern Indiana towns until age seventeen when he moved to Greencastle, Indiana to study at DePauw University. He then began work for Donald R. Richberg, a respected labor lawyer in Chicago. Richberg eventually became a chairman and assistant to President Roosevelt and the National Recovery Administration. As simple as it seemed at the time, Lilienthal witnessed a crowd gathering around a small mouse struggling for survival in a pool of water near a railroad station. Each time the mouse came close to freeing itself, the men would throw clumps of mud at it or hit it with their canes. Lilienthal, angered at the men laughing at the dying mouse, wished to attack them but instead passed on. And such creatures expect mercy for themselves from some higher authority, as they are to mice! Instead of the higher authority being men gathered around a struggling mouse, Lilienthal saw the higher authority being an uncontrolled and unfettered capitalistic system. As the unemployed and struggling masses gathered in the country during the depression years, Lilienthal sought out to save them from the exploitative hand of big centralized businesses that served the fortunate rich, and left the innocent worker as lifeless as a mouse. Lilienthal effectively came up with a plan that would alter the course of history forever. Lilienthal knew that electricity represented a dramatic transformation of American life. As a result, he sought out to allow the entire population to be able to effectively share the benefits of the new technology. In the first objective set forth by Lilienthal, he reaffirmed

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the stance of President Roosevelt that the people and not private businesses must maintain control of power. Lilienthal indeed recognized what the previously mentioned historian Brinkley saw as the cause of the depression. Therefore, his first objective mentioned the negative aspect of private ownership of utilities because the profit motive of the companies did not allow for the effective spread of electricity. Lilienthal stated evidence of private corporation corruption when he sighted how Illinois utility owner Samuel Insull pocketed money that was supposed to be going for state utilities. The benefits of this he reasoned would bring about humongous amounts of prosperity for all of the country, making the country return to a true democracy by, of, and for the people and not the rich. Effectively, this would eliminate the centralization of wealth in place by attempting to eliminate poverty, joblessness, and the low standard of living for the general population at the time. The benefits of a business affected with public interest are best described when Lilienthal quoted co-worker Stuart Chase in his address. It will shift populations, change the map, profoundly affect both the number and the skills of workers, revise upward the quality and variety of commodities, break down the division between country man and city man; and, if it is not wrecked by the brute claims an obsolete financial system, it promises a world replete with more freedom and happiness than mankind has ever known. Electricity can give us universally high standards of living, now and amusing kinds of jobs, leisure, freedom, an end to drudgery, noise, smoke, and filth. The two main objectives indeed required some changes in how business and public utility ownership should be perceived by the people. Lilienthal successfully outlined this to the people with the five-points of his plan. He reaffirmed that the TVA project required serious thought and planning. If a defeatist attitude and pessimistic outlook was in place, Lilienthal stated that the beginning construction of the Cove Creek and Joe Wheeler dams should be totally dropped and ended. He stressed that trust of the TVA and governmental agencies was needed in order to restore a hopeful mindset in the population. The very difficulty of the task will sharpen our wits and toughen our determination. Once the American people put themselves squarely behind this objective of an Electrified America, the greatest single difficulty in the way has been removed. The second point focused solely on a major revision of the electrical rates. By re-examining the electrical rates, Lilienthal proposed a rate schedule that would allow for as many people as possible to benefit from a new electrified South. Lilienthal agreed with the President of the Hartford Electric Light Company that a completely electrified house should be able to earn a rate of two cents or less for the entire requirements of light, cooking, refrigeration, hot water, and other electrical appliances. Most importantly however, if the population was paying low rates for electricity, the general population could afford other goods and services. By removing the monetary enrichment goal of private electrical enterprises prior to the TVA, Lilienthal and the directors of the TVA were assured that the people would definitely be supportive of the plan. He stated that electricity using appliances must be put into homes and farms on a scale never successfully attempted before. Bringing electricity alone and encouraging the use of electricity was of course an essential part of the plan, but low rates alone would not do the job. Instead, as was mentioned in the second point, economic linkages must be created to allow the average man and woman to buy electrical appliances, farming materials, and other new electricity using technologies. In the fourth point, he stated that all the forces of business, scientific, and engineering ingenuity must be concentrated upon reducing the costs of operation. Yet again, this related to his second point, that the population must be able to share new technological wealth and it must not be concentrated to only the rich. Finally, his fifth point summed up the entire objective of the TVA. Lilienthal saw the main problem of the depression, and like Roosevelt and his New Deal he had the panacea to fix the disease of centralized wealth and power that the nation was going through. His statement at the end of his address further laid out the plan. What American people want badly enough they get, whether it is the conquering of a wilderness, an education for every child, or a decent and orderly revision of our entire economic structure.

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Chapter 4 : The Results of the First Five-Year Plan

What were the two greatest successes and two greatest failures of the Wilson government ? This period of Labour rule is often marked down as a poor performance on behalf of the labour party, critically looked upon by many historians.

Economic Planning in India: Let us make an in-depth study of the major achievements and failures of economic planning in India. Major Accomplishments of Planning: In other words, it aims at a higher growth rate. The compound annual rate of growth stands at 4. At the inception of economic planning road length was 4 lakh kms, but by 97 it rose to approximately Today, the Indian railway system is the largest in Asia and the fourth largest in the world. Similarly, other modes of transport such as shipping and civil aviation have also expanded phenomenally. The electric power generated jumped from a meager However, as per the needs of the economy, it is still inadequate. Yet more is to be done for achieving rapid industrialisation. But whatever growth has been achieved in infrastructure and basic industrialise been due to planning. As a result there had emerged food crisis. But due to the impact of biochemical revolution from the late s, food crisis has become almost a thing of the past. She has attained self-sufficiency in food-grains. This is, no doubt, a notable achievement. The rise in the domestic savings rate from 8. However, this higher growth rate of capital formation failed to accelerate the rate of economic growth. In other words, it means zero foreign aid. India all along used to importing huge food-grains, fertilisers, raw materials and industrial machinery and equipment. Hence, the need for achieving economic self-reliance. No doubt India has achieved quite some progress in certain important directions. Firstly, because of the increase in output of food-grains, India has achieved near self-sufficiency in food. India is now capable of handling food crises in spite of failures due to the building up of buffer stock of food-grains. Major Failures of Planning: India remains one of the poorest nations of the world even after 50 years of economic planning. An ordinary man evaluates planning in terms of availability of essential goods and services at affordable prices. The per capita availability of cotton cloth has, in fact, increased marginally from Per capita availability of food-grains has increased from Most land reform measures have failed a achieved partial success. The concentration of economic power in a few hands has to be reduced. Barring a few public sector industries, all Central and State Government public sector units are running at a loss. Two aspects of social justice involves, on one hand, the reduction of poverty and on the other, the reduction of inequality. And the incidence of poverty is higher in rural areas than in cities and towns. The number of applicants on the live register of employment exchanges increased from Over the years, inequalities among the States have widened. This has resulted in great hardships to the vast majority of the people mainly the poor and the weak. So the quality of life of Indian people remains very low even after 50 years of planning. In view of these failures, Prof.

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Chapter 5 : Planned economy - Wikipedia

The evidence included in the previous pages has highlighted the successes of central planning of public utilities in mainly the pre-WW2 years of the TVA. Historians have often argued that of all the New Deal programs started by Roosevelt, the TVA was the most successful and greatest accomplishment ever conceived during the time period.

Contextual Citation Cosma Shalizi: The sort of efficient planned economy dreamed of by the characters in *Red Plenty* is something we have no clue of how to bring about, even if we were willing to accept dictatorship to do so. Against From the Non-Market Calculation wiki: Thus the "one central authority has to solve the economic problem of distributing a limited amount of resources between a practically infinite number of competing purposes" with "a reasonable degree of accuracy, with a degree of success equally or approaching the results of competitive capitalism" is what "constitutes the problem of socialism as a method. As Bakunin argued, "where are the intellects powerful enough to embrace the infinite multiplicity and diversity of real interests, aspirations, wishes, and needs which sum up the collective will of the people? And to invent a social organisation that will not be a Procrustean bed upon which the violence of the State will more or less overtly force unhappy society to stretch out? The elaboration of new social forms can only be the collective work of the masses. Or, more correctly, Mises agreed with the anarchists, as we had opposed central planning first. We have long recognised that no small body of people can be expected to know what happens in society and plan accordingly "No single brain nor any bureau of brains can see to this organisation. And it is for this reason that we, the Anarchists, friends of liberty, we intend to fight them to the end. Rather than a vast multitude of alternatives which would swamp a centralised planning agency, one workplace comparing different alternatives to meet a specific need faces a much lower number of possibilities as the objective technical requirements use-values of a project are known and so local knowledge will eliminate most of the options available to a small number which can be directly compared. If, as Mises admitted, a customer can decide between consumption goods without the need for money then the user and producer of a "higher order" good can decide between consumption goods required to meet their needs. In terms of decision making, it is true that a centralised planning agency would be swamped by the multiple options available to it. However, in a decentralised socialist system individual workplaces and communes would be deciding between a much smaller number of alternatives. Moreover, unlike a centralised system, the individual firm or commune knows exactly what is required to meet its needs, and so the number of possible alternatives is reduced as well for example, certain materials are simply technically unsuitable for certain tasks. We actually have historical examples of this kind of system, though of course they were far from democratic. Centrally planned economies registered some accomplishments: But beyond that, the system ran into trouble. Here a prefatory note is in order: This is a mistake. The citizens of Communist countries experienced the paucity, shoddiness and uniformity of their goods not merely as inconveniences; they experienced them as violations of their basic rights. A historian of East Germany quotes the petitions that ordinary consumers addressed to the state: East German per capita income, which had been slightly higher than that of West German regions before World War II, never recovered in relative terms from the postwar occupation years and continually lost ground from onwards. Unlike an imaginary economy with no states or markets, the Communist economies did have an economic calculation mechanism. Is central planning really necessary to overcome the limitations of market socialism outlined above? For Ackerman, Soviet-type central planning was simply too radical; by ignoring the centrality of the market it represented a kind of bureaucratic utopianism whose only result was a shortage of toilet paper at crucial moments. Ackerman only barely acknowledges the very real accomplishments of Soviet society: But this is not enough for him. Central planning seems to be unable to go beyond the point of the achievement of mere basic provisions. It can achieve no more than a mid-table economy in GDP per capita terms, with shoddy cars and insufficient toothpaste. This will not do, for the aim of socialism cannot be universal equal poverty, but the possibility of abundance for the widest possible share of society. If central

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planning cannot achieve this, then we must reject it. But is that true? Ackerman himself already notes that the central planning system performed not much less efficiently than most actually existing capitalisms of today. The Soviet strategy was based on a classic model of high investment rates, financed by the artificial repression of living standards and the forcible distribution of the surplus population unproductive in agriculture into the cities as an industrial working class, generating an enormous increase in the productivity of labor. The idea is that such productivity gains are then reinvested into heavy industry, further generating productive capacity, and so forth. Using mainstream productivity and growth models, the liberal economic historian Robert C. Allen compared the central planning and collectivization of the Stalin period to various alternative approaches. But, the narrative goes, Soviet planning could undertake labor-intensive industry well, but not capital-intensive industry. However, I believe evidence points to a very different conclusion. Nor did investment itself falter: In short, Soviet central planning did not fail due to its inability to develop or implement labor-saving technology. Why do I mention all these technicalities? The failure of Soviet and Eastern European planning is no less real than it was before, but it must be understood as a contingent, political failure, located not in the concept of central planning itself, but in the limitations of the Soviet version. By most statistical measures, even those of outright foes of the Soviet Union, their central planning system was an overwhelming success in terms of growth, increases in productivity, and raising the potential living standards. It is not a coincidence that the USSR was the only state ever to make the American ruling class tremble – no mean achievement. Contrary to Ackerman however, I would argue its ultimate failure rested not so much in these categories. The Soviet Union failed not because it was too socialist, but because it was not socialist enough. In so doing, it achieved tremendous things, but it was still subject to the logic of accumulation characteristic of all the negative aspects of capitalism. Their working days were long and intense, and as illustrated by the propaganda of Stakhanovism, they were ever exhorted to work harder and longer for the accumulation of a socialized surplus. Since the USSR arguably lacked a capitalist class, the surplus so accumulated was socialized, but not used for the purpose of general needs. The technology developed was socialized, but applied to further generate surplus, not to reduce the necessary labor-time to a minimum. Soviet society, and the Eastern European states dependent on them, asked its working class to postpone the move to a recognizably socialist form of production as long as the country, isolated and surrounded, needed to develop. Investment, the distribution of goods, housing and healthcare: The result was that competitive production would lead to the preservation of exploitation. I would argue then, contrary to Ackerman, that the failure of actually existing central planning is not one of its potential, but historically one of its politics. The drive for accumulation for its own sake makes sense, when productivity in poor countries must be developed so that socialism can mean general abundance, not general poverty. I completely agree with Ackerman when he points to the importance of whether the supermarkets are full or empty. But there can be no market-based socialism, because capitalism ultimately does not reproduce itself in the market, but in production. However, it failed this test. The working class resisted this accumulation, as it represented the perpetual postponement of their personal development in the name of the general interest. This resistance took the form of a resistance to work, since this and this only was the remaining locus of capitalist logic in the Soviet system: The problem with Soviet-type central planning was therefore a political, not a technical one. Central planning is simply not the problem Ackerman makes it out to be. As soon as push comes to shove, and the liberal-democratic societies are threatened by total war, they approximate central planning in their production methods as closely as their political systems allow. Capitalist firms rely on high-level central planning all the time in the modern economy. Our computing techniques and capacity have improved by several factors since the Cuban Missile Crisis: But if we do not want to repeat the mistakes of market socialism and of Soviet planning both, we must put the conditions of production at the forefront of our transition to socialism. Let us learn all we can about logistics, about organizational theory, about planning models. Our unprecedented expansion of free time will see not just a flourishing of culture and the intellect, but also of many more ideas to perfect the process of production and distribution to the benefit of all. Then the

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realm of freedom will truly begin, and with it a new, socialist, history of humanity. Easterly, William and Stanley Fischer. World Bank Economic Review vol. Econ Journal Watch 5: Around the time of the Soviet collapse, the economist Peter Murrell published an article in the Journal of Economic Perspectives reviewing empirical studies of efficiency in the socialist planned economies. These studies consistently failed to support the neoclassical analysis: Murrell pleaded with readers to suspend their prejudices: The consistency and tenor of the results will surprise many readers. I was, and am, surprised at the nature of these results. And given their inconsistency with received doctrines, there is a tendency to dismiss them on methodological grounds. However, such dismissal becomes increasingly hard when faced with a cumulation of consistent results from a variety of sources. First he reviewed eighteen studies of technical efficiency: Matching studies of centrally planned firms with studies that examined capitalist firms using the same methodologies, he compared the results. The results continued in the same way: Then Murrell examined studies of allocative efficiency: Another found that raising Soviet efficiency to U. A third produced a range of estimates as low as 1. While the goal of destroying the root of all evil is laudable, the proposal appears lacking in that it can not decide how to truncate from all possible wants described by participants in society, down to those that we would like to fulfil given the amount of labour which would be diverted towards their production. Further it would probably have a process which was iterated such that the truncated items did not include your grocery list while you were only able to acquire a plasma screen telly. Further some way of deciding how we would like to allocate our labour is missing. How do the crap jobs get filled in society.

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Chapter 6 : Central Planning - P2P Foundation

Successes- 1. Formed the framework of a government 2. Established Congress Failures Did not provide for a strong central government 2. Didn't provide for an executive or a system of national courts.

You can help by adding to it. September In the Hellenistic and post-Hellenistic world, "compulsory state planning was the most characteristic trade condition for the Egyptian countryside, for Hellenistic India , and to a lesser degree the more barbaric regions of the Seleucid , the Pergamenian , the southern Arabian , and the Parthian empires [The Soviet government founded Gosplan in , but the period of the NEP intervened before regular Five-year plans started in Advantages of economic planning[edit] The government can harness land, labours, and capital to serve the economic objectives of the state. Consumer demand can be restrained in favor of greater capital investment for economic development in a desired pattern. In international comparisons, state-socialist nations compared favorably with capitalist nations in health indicators such as infant mortality and life expectancy, although the statistics concerning infant mortality are self-reported and based on varying standards. This is what happened in the Soviet Union during the s when the government forced the share of GNP dedicated to private consumption from eighty percent to fifty percent. Disadvantages of economic planning[edit] Inefficient resource distribution: This difficulty was notably written about by economists Ludwig von Mises and Friedrich Hayek , who referred to subtly distinct aspects of the problem as the " economic calculation problem " [21] and " local knowledge problem " [22] respectively. This phenomenon is recognized as spontaneous order. Additionally, misallocation of resources would naturally ensue by redirecting capital away from individuals with direct knowledge and circumventing it into markets where a coercive monopoly influences behavior, ignoring market signals. According to Tibor R. Machan, "Without a market in which allocations can be made in obedience to the law of supply and demand, it is difficult or impossible to funnel resources with respect to actual human preferences and goals. But they could never have delivered economic self-management, they would always have been slow to innovate as apathy and frustration took their inevitable toll, and they would always have been susceptible to growing inequities and inefficiencies as the effects of differential economic power grew. Under central planning neither planners, managers, nor workers had incentives to promote the social economic interest. Nor did impeding markets for final goods to the planning system enfranchise consumers in meaningful ways. But central planning would have been incompatible with economic democracy even if it had overcome its information and incentive liabilities. And the truth is that it survived as long as it did only because it was propped up by unprecedented totalitarian political power. Socialism While socialism is not equivalent to economic planning or to the concept of a planned economy, an influential conception of socialism involves the replacement of capital markets with some form of economic planning in order to achieve ex-ante coordination of the economy. The goal of such an economic system would be to achieve conscious control over the economy by the population, specifically, so that the use of the surplus product is controlled by the producers. Computational economic planning[edit] In their book Towards a New Socialism the computer scientist Paul Cockshott from the University of Glasgow and the economist Allin Cottrell from the Wake Forest University claim to demonstrate, in detail, how a democratically planned economy built on modern computer technology is possible and drives the thesis that it would be both economically more stable than the free market economies and also morally desirable. In , when the development of computer technology was still its early stages, the socialist Allende administration of Chile launched Project Cybersyn to install a telex machine in every corporation and organisation in the economy for the communication of economic data between firms and the government. The data was also fed into a computer simulated economy for forecasting. A control room was built for realtime observation and management of the overall economy. Fictional portrayals of planned economies[edit] The novel Looking Backward by Edward Bellamy depicts a fictional planned economy in a United States around the year which has become a socialist utopia. The former is a consumer economy designed to engender productivity while the

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latter is a shortage economy designed as an agent of totalitarian social control. Airstrip One is organised by the euphemistically named Ministry of Plenty. The difference is that it was a primitivist planned economy, as opposed to the advanced technology of We or Brave New World.

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Chapter 7 : Economic Planning in India: Achievements and Failures

Under central planning, there is no profit-and-loss system of accounting to accurately measure the success or failure of various programs. Without profits, there is no way to discipline firms that fail to serve the public interest and no way to reward firms that do.

That phase passed rather quickly. To see how this system worked, consider how the operator of a shoe factory in the United States would make decisions. His major concern would be whether he could sell at a profit the shoes he made. In the Soviet Union, however, profit was of no concern to the manager of the state-owned shoe factory. Neither did he worry about selling the shoes. His only concern was to produce what he was told to produce, and if he could do that, both he and the workers of the plant received sizable bonuses. The problem the Soviet Union had was that it is very difficult to specify in physical terms what a manager should do. If you do not believe this, try to write down a set of instructions specifying what sort of shoes should be produced. Remember, instructions to produce "good shoes" or "attractive shoes" involve instructions that are not measurable. The Soviet Union produced huge numbers of shoes that no one would buy because they were of such low quality. Or consider a nail factory. If it were told to produce as many nails as possible, it would produce only small nails. If told to produce as large a weight as possible, it would produce only very large nails. The Soviet Union wasted billions of rubles searching for energy because it rewarded drilling crews on the basis of the number of feet drilled. Because it is easier to drill many shallow wells than a few deep wells, drillers drilled lots of shallow wells, regardless of what was advisable geologically. Unwanted incentives can be given whenever there are attempts to measure performance. Thus, it seems reasonable to ask hospitals for their death statistics, and these could be used to evaluate them. If they are evaluated on the basis of this statistic, they have the incentive to provide quality care. But they also have the incentive to avoid patients who are likely to die. However, one need not go to the Soviet Union for examples of incentives with unintended results. An incentive problem that occurred in the Job Corps program in the United States in the late s was much like the hospital example of the previous paragraph. Job Corps was designed to provide job training for those who had very low levels of skills. In evaluating various centers that implemented the program, an attempt was made to see how many of those who went through the training got jobs. This statistic was used to determine how funding would be distributed in the future. On the surface, this seems a very reasonable way to evaluate each training center. Those that are good should have had a higher placement rate for their graduates than those that are poor. However, this evaluation method had an undesirable consequence. Training centers began to try to attract people who were only moderately deficient in skills because they would be more likely to get a job, and they began to discourage those who were severely deficient from the program. A reason that designing effective incentives is so difficult is that information and knowledge are scarce. People have a limited capacity to know. In small groups, people know a great deal about others simply from day-to-day interaction. But in large groups, knowledge about others requires expenditure of time and effort. For a modern, complex economy to function well, people must coordinate their actions with the actions of many people, but all of these people have very limited knowledge of how their actions fit into the big picture. A good set of incentives gives people the essential information they need to know so that their decisions will mesh with others, and then encourages them to make those decisions. Not all sets of incentives do this task equally well and none is without problems. The Failure of an Economic System.

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Chapter 8 : America's First Failure at Government - US History Scene

Journal of eScience Librarianship Volume 4/Issue 2 Article 6 ORCID @ CMU: Successes and Failures Denise Troll Covey Carnegie Mellon University.

It takes careful planning, attention to detail and effective communication to make a project succeed. With vigilant management and a strong project closing, a company can consistently reach project success. Smart People Without the right team in place, any strategy and plan has the potential of completely falling apart. Because of this, the core project staff, expert resources, suppliers and all stakeholders should be part of the team dynamic. All of those involved must have commitment to the group, share similar visions for the projects and strive for overall success. Project managers can face serious trouble if inadequacy is present within the team. Inept leadership or an out-of-sync team can send a project towards failure. It is important to assign the right people to each aspect of the project and make sure that they are working well together. Additionally, the entire team should be completely informed and involved in order to have the most successful outcome, which means that communication has to be on par. Use a software tool to get everyone online and using a central repository of information. Smart Planning Comprehensive planning sets up a project for success from the start. All stakeholders should be on board during the planning process and always know in which direction the project is going to go. Planning can help the team to meet deadlines and stay organized. Good planning not only keeps the project team focused and on track, but also keeps stakeholders aware of project progress. There are many benefits to smart planning. This first step in the project process allows for a reliable and realistic time-scale to be created. Assuring accurate time for cost estimates to be produced and for clear documentation of milestones and deliverables will make things much easier as the project progresses. A proficient plan details all resource requirements and doubles as a warning system. If task slippage is at risk, then a warning system will provide clear visibility of what to expect. Use a tool that offers a full drag and drop timeline so that you can quickly and effectively build a project plan and establish an accurate end date. Use previously completed projects as templates for your future projects. Open Communication Looking closely at details and listening to outside sources of information is vital to the success of a project. Keeping open communication within the team is absolutely essential. When working under a specific timetable, it is important that the team remains well-informed. If a problem arises on one part of a project, it can negatively impact other parts as well. Communication is the best way to prevent problems from occurring. Communication should also be focused internally within the organization. Keeping an organizational history of major projects will give convenient access to improved policies and business processes. Listening to stakeholders and paying attention is a very important ingredient for success. Good communication also includes knowing when to say no. Saying no in the beginning could save an overabundance of unnecessary problems later. Always be honest about what your team can do and when it can be done by. Aside from using a tool that allows draggable timelines, also find one that allows you to use previous projects as templates for establishing your new timeline. Not only will you improve your processes over time becoming more accurate with your estimates and setting client expectations accordingly, but you also improve communications between all your project participants. Careful Risk Management Project managers know that things rarely go off exactly as planned. During the planning process, it is vital to produce a risk log with an action plan for the risks that the project could face. Make sure all key stakeholders are aware of your risk log and know where they can find it. If something happens, then the team can quickly resolve the issue with the management plan that has already been set in place. Strong Project Closure If a project does not have strong closure, then it has the potential to continue to consume resources. The project team must be firm and agree with the customer that all critical success factors have been met. Confirmation of the project delivery, testing, and release must be agreed upon and signed off. Satisfaction surveys are good forms of documentation to log and file for future reference and valuable information for use in the future. The entire team paying attention to key factors is what will help lead the project to true success.

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This success will then lead to proactive, organized project plans and an increase in quality of all future projects. How about looking for a tool that lead to successful projects? The points made above all demonstrate different aspects that lead to successful projects. Here are a few below that might set your projects on a successful path.

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Chapter 9 : Centrally Planned Economy

The factors that led to the implementation of the NEP The New Economic Policy commonly known as the NEP was a form of stabilization of the economy from its economic downfall. Two economic "experiments" were conducted in the decade following the revolution of ; War Communism () and the New Economic Policy ().

After the outbreak of the Revolutionary War, the thirteen American colonies needed a government to replace the British system they were attempting to overthrow. They were fully ratified and put into effect in The reign of the Articles of Confederation was brief. Why did the articles of confederation fail? What were the flaws of the Articles of Confederation and how did it distribute power? Read more to discover why by the former colonies were under the law of a new governing documentâ€”the Constitution of the United States of America. This is most explicitly stated in Article II, which reads: Having dealt with the British Crown for so many years, the American colonies did not want to create yet another out-of-touch, national government. Moreover, Americans identified most strongly with their individual colony, so it seemed natural to construct an American government based on powerful state governments. That said, during its short lifespan, the Articles of Confederation became increasingly ineffective at governing the continually growing American states. The main cause of this ineffectiveness stemmed from a lack of a strong, central government. From the absence of a powerful, national government emerged a series of limitations that rendered the Articles of Confederation futile. Specifically, the lack of a strong national government in the Articles of Confederation led to three broad limitations. Economic disorganization Legislative inefficiencies Economic Disorganization The first flaw of the Articles of Confederation was its economic disorganization which led to financial hardship for the emerging nation. These problems were made worse by a series of economic limitations present in the Articles of Confederation. Congress could not regulate trade KmccoyUnited States Capitol in daylight In , James Madison wrote a letter to Thomas Jefferson detailing the economic problems caused by disorganization and competition between the states: When Massachusetts set on foot a retaliation of the policy of Great Britain, Connecticut declared her ports free. New Jersey served New York in the same way. And Delaware I am told has lately followed the example in opposition to the commercial plans of Pennsylvania. A miscarriage of this attempt to unite the states in some effectual plan will have another effect of a serious natureâ€”. I almost despair of success. Under the Articles of Confederation, Congress had limited power to regulate trade. Congress had no ability to negotiate trade agreements with foreign countries. The central government could enact foreign treaties, but such treaties were specifically barred from policing imports and exports. The only power they lacked was the ability to make foreign treaties. Since the central government had so little trade power, there was very little economic coordination amongst the states. Each state had its own agenda and import and export policies differed greatly from state to state 2. This meant that the national government could print money, but each state could as well. Consequently, America had no uniform system of currency which made trade between the states, and with foreign entities, much more difficult and less efficient. Only the states, not Congress, had the authority to impose taxes and raise revenue. Accordingly, Congress had to request for funds from the states. Unfortunately, this money was oftentimes not raised by the states or given to the national government long after it was due. Not knowing how much and when states were going to pay their share severely handicapped an already-limited national government. Congress had few effective means to enforce its laws, raise revenue, or regulate the economy. The result was a disorganized economy that lacked the ability to pay for itself.. Lack of Central Leadership The second series of limitations that the Articles of Confederation had to contend with deal with was the lack of central leadership it provided. As detailed earlier, the Articles placed sovereign power in the hands of the state. Most critically, this led to economic troubles, but it also led to leadership deficit. Lack of national leadership took various forms. No independent judiciary The Articles of Confederation offered no system of courts in the jurisdiction of the national government. This meant that the entire judiciary branch was dependent on the states. Since Congress had no means to enforce its

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laws, the states could simply ignore national laws without fear of retribution. Also, since there was no national courts system, individual persons or states could not file complaints against the national government. The states could always ignore anything they disagreed with, but if a citizen had a grievance with the national government there was no system in place to hear the lawsuit. No foreign affairs head One of the glaring differences between the Articles of Confederation and its successor—the Constitution of the United States—was its lack of a chief executive. Most notably, the lack of a presidential figure or body left America without a representative to conduct foreign affairs. Britain actually complained of such difficulties, protesting that they did not know who to contact in order to initiate diplomacy. Without a single executive to act as the head of foreign affairs, America was at a serious diplomatic disadvantage. Inability to deal with internal and external threats It seems counterintuitive that a body of government would be tasked with declaring war, but not be allowed to commission an armed force. According to the Articles of Confederation, Congress had the sole power to make peace and war, but did not have the authority to raise an army of its own: Since it was dependent on state troops, Congress was severely limited in its capabilities to quickly and effectively responding to internal and external threats. Abroad, Congress failed to defend American from the continuing threat of Britain following the Revolutionary War. Shortly after signing of the Treaty of Paris in 1763, Britain began to break the agreement. By 1775, the British were infringing upon American fishing rights and the British Royal Navy was impressing American sailors into forced conscription. Rebels initially protested peacefully, resisting the collection of taxes and debts from struggling Americans. The national government failed to come up with the funds to raise an army capable of putting down the rebellion. It took a group of rich merchants from Massachusetts pooling their resources to pay for a militia. Considering the large discrepancy in state populations, states with larger populations were quite unhappy with this set-up. For example, in 1776, Virginia had over ten times the number of citizens as Delaware. In fact, Virginia had twice as many people as every state except for Pennsylvania, yet each state received only one vote in Congress. Regrettably, the opposite rang true since it took the consent of nine of the thirteen states to approve legislation. This meant that blocking a bill took only five of the thirteen states. Virginia, on the other hand, had a population of over 700,000. A very small percentage of the American populace could preclude bills from passing that could benefit the majority of Americans. Requiring a unanimous vote made it extremely difficult to pass changes. Ironically, the fact that the Articles of Confederation was so poorly structured that it did not have mechanisms in place to fix itself. Ultimately, the Articles were scrapped altogether in favor of an entirely new governing document. Constitution The main difference between the Articles of Confederation and the Constitution is that the Articles called for a confederate style of government, whereas the Constitution outlined a federal form of governance. The divergence between confederate and federal models occurs when sovereign power is granted. The central government only has as much power as regional governments are willing to give to it. The only noteworthy examples are the Articles of Confederation and the Confederacy during the Civil War. Neither of these regimes lasted more than a decade. In a federal government, sovereign power is given to both regional and central governments. A strong and clear constitution is needed in order that power is clearly divided. This notion of a separated government was popularized by the Constitution of the United States and can be found in modern politics in countries such as Canada, Germany, and Spain. The third form of government, that neither the Articles nor the Constitution proposed, is a unitary government. Unitary governments place all power in the central government. Acting like the opposite of a confederacy, regional governments only have the power that is given to them by the national government. Modern unitarian governments include Britain, France, and Italy. Before the Constitution video: The Articles of Confederation video: