JPRS 84132

17 August 1983

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2437

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS 84132

17 August 1983

EAST EUROPE REPORT

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2437

CONTENTS

HUNGARIAN-USSR ECONOMIC COOPERATION VIEWED

Budapest MAGYAR HIRLAP in Hungarian 13 Jul 83 p 7

[Article by Endre Szalipszki and Peter Vanicsek: "Our System of Relations; Additional Deliveries As Viewed From Budapest and From Moscow"]

> [Text] In every area of the economy, the Soviet Union is our country's most important partner. Our economic relations likewise are decisive. It is common knowledge that year after year we have been purchasing from the Soviet Union the most important raw materials, and sources of energy (petroleum, natural gas, and electricity), in substantial volumes. It is typical of our economic cooperation that from time to time we coordinate our plans for a longer period ahead, so that we may better supply each other's needs.
>
> Our reporters in Budapest and Moscow inquired about the timely questions and possibilities of cooperation. In Budapest we interviewed Viktor Ivanovich Ocheritin, the Soviet Union's trade representative in Hungary. And in Moscow we inquired at the Ministry of Foreign Trade.

"The turnover of our mutual trade showed dynamic growth in 1982 and this year to date, just as it did in years past. In 1982 the total turnover of our mutual trade increased by 11.8 percent over the preceding year, at current prices, and we expect further growth also this year. The Soviet Union remains an important supplier of raw materials and fuels, including petroleum, natural gas, coke, iron ore, sawed lumber, industrial lumber, and other basic materials. In addition, the Soviet Union supplies Hungary with a large volume of machinery and equipment: cars, trucks, tractors, combines, machine tools, power industry equipment, electronic components, etc. These commodity items play an importent role in the Hungarian economy's development. Hungary offsets these deliveries with machinery and equipment for the most diverse areas of our economy, and also with consumer goods," said V. Ocheritin.

Interview With the Soviet Trade Representative

[Question] In your opinion, in what areas has our cooperation been strengthened, and where is it necessary to expand the opportunities?

[Answer] The cooperation that has evolved in trading agricultural products can be termed significant. This year and last year Hungary has shipped large

quantities of various farm and food-industry products, apples and other fresh fruits, vegetables, and canned fruit and vegetables. But the commodity list includes also seeds, pesticides and other commodities. This not only expands Hungary's export of farm products but also helps the realization of the Soviet Union's food program.

[Question] Attention has focused on cooperation between Hungarian and Soviet enterprises. How can this process be aided? In what areas could we succeed by strengthening relations between enterprises?

[Answer] We can speak of success in agrochemicals. Hungary developed large and profitable production capacities sufficient to supply not only the domestic demand, but also a proportion of the foreign-market demand, including also the Soviet Union's demand. Within the framework of the agrochemical agreement the Soviet Union supplies large quantities of manufactured fertilizer and starting materials for the production of pesticides, and then it buys back finished agrochemicals. Cooperation is mutually advantageous under the olefin program, in exchanging ferrous metals, and in the production of motor vehicles. Good interenterprise relations have developed, for example, between our organization and the Babolna Agricultural Combine in poultry breeding. And I could go on listing a series of favorable examples.

Our task at present is to expand and intensify our cooperation, and in the final outcome to raise it to a higher level. One factor in this would be to develop cooperation in the production of subassemblies and parts. Some progress has been made in recent years also in this area of cooperation. For example, the reconstruction of many factories and plants in light industry and the service industries has been achieved with the help of Hungarian enterprises, and we are negotiating further contracts. This is a long-range and promising area of our cooperation, and it must unquestionably be developed further.

[Question] Each year the achievements of Soviet industry and the economy attract considerable attention at exhibitions in Hungary, including also the Budapest International Fair. The showroom that opened this year on Ors Vezer Square quickly became popular. One reason for this is the display of Soviet cars. What role do you intend to assign the showroom in the future, and what exhibitions will be held there?

[Answer] The showroom for displaying Soviet commodities features 450 square meters of floorspace and 600 square meters of outdoor space, a film-projection room that seats 100 persons, and a library of Soviet catalogs and prospectuses. This showroom actually supplements the Soviet exhibit at the Budapest International Fair. Of course, visitors are welcome also between fairs. There have already been specialized travelling exhibitions at which Soviet foreign-trade enterprises display their commodities, and more will be held in future. We will hold symposiums, lectures and show commercials. Since the showroom opened, visitors have been able to see the exhibits of the Avtoeksport, Energomasheksport, Tekhmasheksport and Zapchast'eksport Soviet foreign-trade enterprises. In 1983, aside from the Budapest International Fair to be held this fall, the showroom will host an exhibition of metalworking machine tools by Stankoimport, an exhibtion of Soviet books by Mezhkniga, and the specialized exhibitions of a number of other enterprises. Litsenzintorg will hold a symposium entitled "What Is New in Electronics."

Joining the Food Program

Opened in Moscow last winter, the new offices of the Hungarian embassy's foreign trade section are busy. The work of the foreign traders stationed here also contributes to the steady rise each year of the trade turnover between Hungary and the Soviet Union. They tell me that this year the value of the trade turnover between our countries will foreseeably exceed 8.0 billion rubles. Even a few random examples will illustrate how much work is involved before the Hungarian foreign-trade enterprises, knowing and surveying the local demand, place their products on the Soviet markets.

Just recently a contract has been signed under which Hungary, over and above the annual trade agreement, will supply 25 million bottles of quality wine and 7 million bottles of champaign to the Soviet Union, worth a total of 30.5 million rubles. Right now negotiations are underway on a Hungarian proposal to ship apples over and above the annual quota. Hungary can contribute significantly also toward the realization of the Soviet food program, primarily by increasing its deliveries of agricultural and food-industry machinery and equipment. Transfer of the technology and know-how relating to industry-type corn production systems, etc. also can come into consideration.

Ideas have been advanced recently on the feasibility of establishing direct relations betweeen Hungary and several soviet republics, as a new element in Hungarian-Soviet relations. There are several promising opportunities for Hungarian enterprises to participate in the reconstruction of light- and food-industry plants in the Soviet Union.

At the Soviet Ministry of Foreign Trade, the following was emphasized in the course of evaluating Hungarian-Soviet cooperation: Hungary unalterably remains fifth among the Soviet Union's trading partners, and the development of our trade relations is characterized by rapid growth. During the first three years of the current five-year plan, the average annual growth rate of the trade turnover has exceeded 10 percent. Hungary and the Soviet Union are fulfilling the obligations they assumed in the 1983 trade agreement. In spite of all this, however, the foreign-trade organs must accelerate the coordination of the technical specifications, documentation and prices, and also the testing of machinery and equipment models. The Hungarian and the Soviet foreign-trade enterprises are continuing to seek business opportunities specified in the annual trade agreements.

It was noted at the Ministry of Foreign Trade that the Soviet Union was importing from Hungary engineering products, telecommunications equipment, electronic computers, power industry equipment, buses, portal and floating cranes, etc. The large-volume and long-term Soviet orders enabled Hungarian enterprises to produce in large series. Hungarian clothing and knitwear, leather shoes, various textiles, pharmaceuticals, fresh fruit, wines, vegetables and canned foods were much sought after by Soviet consumers.

Specialization and Cooperation

Evaluating the balance for the first half of 1983, the Soviet Ministry of Foreign Trade found that our cooperation and trade turnover were being realized successfully, but there was still much to be done in a number of questions

pertaining to foreign trade. The following were cited as examples: modernization of the servicing of machinery and equipment, more systematic deliveries and better observation of delivery schedules, improvement of product quality, and renewal and expansion of the assortment.

Collaboration based on production specialization and cooperation could become an importent reserve for the expansion and intensification of our trade and economic relations. At present, over 30 bilateral agreements provide the framework for Hungarian-Soviet production specialization and cooperation. Most of these agreements concern engineering.

1014
CSO: 2500/355

REPORT ON ECONOMIC DEVELOPMENT IN FIRST QUARTER OF 1983

Sofia STATISTICHESKI IZVESTIYA in Bulgarian No 1, 1983 pp III-X; table of contents on pp VI-VII in English

[Excerpt] General Remarks

This publication appears once a quarter and contains annual, quarterly and monthly statistical data grouped by basic indicators characterizing the socio-economic development of the Bulgarian People's Republic.

The program of STATISTICHESKI IZVESTIYA covers 11 divisions:

Basic data on development of the national economy
Living standard of the population
Labor
Capital Investment
Industry
Agriculture
Transportation
Communications
Internal trade and public services
Tourism
Foreign trade

Data for all sectors are grouped according to the organizational structure and composition of enterprises during the period in question. National economic sectors and sectors of industry have been brought into conformity with the designation of the sectors of the national economy approved by Law No. 309 of 19 April 1979. Indicators expressed in terms of value are published in prices of the year in question. Annual indices of industrial and agricultural output, of capital investment, of goods turnover and prices, of foreign trade, and monthly indices of industrial output have been calculated from values in comparable prices. Annual indices are calculated with the year 1970 as base, while those for a period of less than a year are calculated with the corresponding period of the preceding year as base. Data on personal services to the public are in retail prices as of 1 January 1982.

Data on household monetary income and expenditures come from the representative observation of household budgets.

All data are preliminary and subject to amendment in subsequent issues.

Explanations of abbreviations and symbols

0 Value less than half the respective unit of measure
– No instance
· Data lacking

CONTENTS

Development of National Economy during First Quarter of 1983

Good results were achieved during the first quarter of 1983 in further implementing the policy of universal intensification of the national economy and in raising the people's living standard.

Fulfillment and overfulfillment of the quarterly plan was achieved in respect of the basic indicators characterizing the scale of socioeconomic development.

The social productivity of labor rose 5.4 percent over the first quarter of 1982 and provided 80 percent of the increase in the net output of economic organizations.

Industry

The economic organizations and enterprises of industry overfulfilled the plan for the production and sale of output. State industrial enterprises produced 6.7 percent more total industrial output than in the first quarter of 1982. The greatest increase was realized in the following: enterprises of the electrical engineering and electronics industry, 17.5 percent; the production of electric and thermal energy, 13.8 percent; the machine-building and metalworking industry, 9.0 percent; the glass and china-and-faience industry,

8.9 percent; the chemical and rubber industry, 7.2 percent. The total output of state and cooperative industrial enterprises increased in all okrugs with the exception of Veliko Turnovo, Vidin and Yambol. A greater increase than the national average was achieved by the following okrugs: Ruse, 14.7 percent; Sofia, 13.9 percent; Mikhaylovgrad, 13.2 percent; Shumen, 12.2 percent; Razgrad and Stara Zagora, 10.4 percent; Burgas, 10.0 percent.

A number of industrial products of importance for the national economy and for export were produced in excess of figures targeted in the plan. In comparison with the first quarter of 1982, 7.3 percent more electric energy was produced; 6.7 percent more steel; 5.4 percent more electric motors; 9.5 percent more battery-powered trucks; 26.7 percent more motor trucks; 30.2 percent more television sets; 5.5 percent more nitrogen fertilizers; 18.1 percent more asbestos cement pipes; 1.4 percent more paper; 28.4 percent more furniture; 2.1 percent more cotton fabrics; 4.0 percent more woolen fabrics; 8.8 percent more silk fabrics; 25.2 percent more sewn goods; 4.7 percent more meat; 13.5 percent more brynza [a sheep's milk cheese]; 8.6 percent more edible vegetable oils; 6.5 percent more tobacco products.

The per-capita productivity of the labor of industrial production personnel in state industrial enterprises increased 5.0 percent over the same period of 1982. This increase was greatest in the following: enterprises of the electrical engineering and electronics industry, 14.4 percent; the production of electric and thermal energy, 7.5 percent; the chemical and rubber industry, 6.0 percent; the construction materials industry, 5.7 percent.

Capital Investment

Capital in the amount of 1,103,000,000 leva was invested in the national economy. More than 74 percent of this was channeled into physical production sectors. Of the total volume of capital investment, 35.0 percent was used for the modernization and reconstruction of existing production capacities. In comparison with the first quarter of 1982, greater capital investment was made in the following sectors: industry, agriculture, transportation, communications, housing and municipal services, personal services, science and scientific services, education, culture and art, health care, social security, physical education, sports and tourism.

Up to the end of March, capital assets worth 400.5 million leva were put into operation, 42.4 percent more than in the same 1982 period.

Agriculture

Agricultural organizations were better prepared for spring field work than last year. Spring planting began earlier and the standard of performance was better. A considerably greater acreage was planted to alfalfa, sugar beets, onions, green peas, oats and other crops. The fall plantings of wheat and barley wintered well and were manured with synthetic fertilizers. In many areas of the country arrangements were made for the irrigation of winter wheat and preparation for the mass irrigation of spring crops was expedited as well.

Measures were taken to provide additional sources of water and to employ improved irrigation techniques on large tracts.

Favorable results were achieved in animal husbandry. The number of swine in agricultural organizations sections increased 1.8 percent over the first quarter of 1982; the number of poultry, 5.1 percent. There was a 10.8 percent increase in milk production, an 18.8 percent increase in egg production. The productivity of agricultural animals improved. The average milk yield per cow on fodder increased from 706 to 782 liters, while the average egg yield per laying hen increased from 47 to 51 eggs.

More meat (live weight) was purchased--6.1 percent; more milk--11.2 percent; more eggs--24.4 percent.

Transportation and Communications

The organizations in common-carrier transportation hauled 9.0 percent more freight than in the first quarter of 1982. There was 2.7 percent more freight hauled in rail transportation, 10.6 percent more in common-carrier motor transportation, 10.1 percent more in maritime transportation, 12.9 percent more in river transportation. There was a 3.0 percent increase in the poultry carried by motor transportation and a 15.1 percent increase in the poultry carried by civil air transportation. Labor productivity grew 5.7 percent in rail transportation, 2.3 percent in motor transportation, 21.7 percent in river transportation and 4.2 percent in civil air transportation.

Revenues in the amount of 99,228,000 leva were realized from communication services during the first quarter of 1983, or 9.6 percent more than in the same 1982 period. The postal system was expanded by nine new PTT [posts, telegraphs and telephones] stations, including eight in villages. Some 36,190 new telephone stations were installed; 69 new telex stations were opened; three radio transmitters and eight television retransmitters came into operation.

Living Standard and Internal Trade

During the first quarter of 1983 measures to raise the people's living standard and to satisfy their material and spiritual needs more fully continued to be implemented successfully.

On the basis mainly of improved labor productivity and the increase of social production, the pay of manual and office workers in the national economy rose in comparison with the first quarter of 1982. The average monthly pay of manual and office workers in state and cooperative industry increased from 193 to 198 leva; there was an increase likewise in the average monthly pay of manual and office workers in construction, internal trade, and in rail, motor and maritime transportation.

In comparison with the first quarter of 1982 the total volume of services performed for the public rose 10.5 percent. There was a significant increase of per-capita services in the following: maintenance and repair of motor

vehicles, 30.6 percent; maintenance and repair of television equipment, 20.6 percent; maintenance and repair of household appliances, 12.5 percent; dry-cleaning, 8.3 percent; construction and repair services, 11.8 percent etc. There was significant improvement in transportation and communication services for the public. Passenger seating in buses, trolley-buses and streetcars per 10,000 population increased from 936.9 in the first quarter of 1982 to 982.5 in the same 1983 period. Telephone stations per 1000 population increased from 96 to 97.

In keeping with the requirements of the October (1981) National Conference, the production of consumer goods increased. Five percent more Bulgarian-made and imported goods were made available for marketable goods than in the first quarter of 1982.

The retail goods turnover that was achieved amounted to 3,053,000,000 leva and was 4.7 percent larger than the volume achieved in the first quarter of 1982.

In comparison with the first quarter of 1982, more of the following commodities, as indicated, were sold: meat, 3.3 percent; meat products, 4.2 percent; edible vegetable oils, 5.2 percent; sugar, 7.4 percent; milk, 3.3 percent; brynza and kashkaval [yellow cheese], 3.6 percent; fresh vegetables, 6.9 percent; fresh fruits, 1.2 percent. There were increases also in the sales of a number of important nonfood items such as sewn goods, knitwear, shoes, furniture, television sets, radio receivers.

Foreign Trade

During the first quarter of 1983 new progress was made in the development of foreign trade. Foreign commerce amounted to 5,400,200,000 foreign-exchange leva, or 9.4 percent more than in the same 1982 period. Our trade relations with the socialist countries developed successfully. They accounted for 79.4 percent of the country's exports and 81.8 percent of the imports. In comparison with the first quarter of 1982, more machinery and equipment for production purposes, more construction materials and parts, more food products, industrial consumer goods etc. were exported. The progressive changes in the export structure were expanded. Machinery and equipment for production purposes accounted for 50.5 percent of the country's exports as against 49.0 percent in the first quarter of 1982. In comparison with the same 1982 period there was a 5.1 percent increase in the imports of fuels, mineral stocks and metals; a 9.6 percent increase in the imports of chemicals, fertilizers and rubber; a 15.6 percent increase in the imports of raw materials and products obtained by processing them; a 25.1 percent increase in the imports of machinery and equipment for production purposes.

6474
CSO: 2200/114

NATIONAL ECONOMIC PLANNING IN BULGARIA DISCUSSED

Prague PLANOVANE HOSPODARSTVI in Czech No 4, 1983 pp 81-90

/Article by Eng Karel Cipek, ScC, Research Institute for National Economic Planning and Management: "National Economic Planning in Bulgaria"/

/Text/ The process of developing the planned management system in the BPR /Bulgarian People's Republic/ demonstrated a long-term, uninterrupted character, as confirmed by the fact that as early as in 1956 the plenum of the BCP Central Committee outlined the postulates for the further improvement of the socialist management system. The process of decentralization began in 1964. The excessive number of indicators stipulated by the administration was cut back during the 1964-1977 period; the role of qualitative economic indicators and their employment as incentives were enhanced. Planning technology was improved, however, the fulfillment of the plan of volume indicators continues serving as the basic criterion.

Since early 1978 the economic mechanism has been applied as a unified system. It has been introduced gradually in individual branches of the national economy (in industry since October 1979).

A New Approach to Planning as an Essential Factor in the Management of Bulgarian Economy

A new approach to national economic planning demands that the plan for socio-economic development include not only indicators but also concepts and programs for the development of society. The multiplying approach implemented in the BPR conforms with the demands of the Research and Development /R&D/ revolution. The multiplying effect will be achieved by means of a strong final national economic effect based on uninterrupted multiplication of the results achieved in every sector of the process of replacement. This requires that every issue be approached from the position of overall party and state strategy and policy.

In the future, the unified plan will no longer determine the operations of ecomomic organizations but outline the main directions in the development of the forces of production, participation in the international division of labor, policies for cadre training and employment and so on. The plan will be fulfilled primarily with the aid of economic stimuli and penalties. Central

organs will, therefore, dispense with such methods as decrees, prohibitions, etc., and base management on economic incentives.[1] When preparing the plan, most attention will be focused on the final result and not on ongoing activities. Determination of prices, rates, proportions and strategies remains the main content of the plan. When determining proportions, the plan will consider the demands of the market and, at the same time, the active role of the market in the fulfillment of the objectives of the plan will be emphasized.

The relations between centralized and decentralized planning has thus been adjusted according to the principles of democratic centralism and the independence of economic organizations (EO) in the selection of the most efficient variants of their production and economic operations has been expanded. The point of departure here is the premise that their independence may be relative, so that no absolute division of EO occurs. Instead of the eight former indicators, only five have been approved for economic organizations; naturally, these are overall indicators.

In the production of goods, the central plan includes only the basic assortment and amount, so as to maintain systematically all main balances of the state. Here it proceeds from the premise that EO have the right to manage certain commodity-money relations which are intrinsic and germane to socialist production. This is reflected in their right to sell freely some of their products through the retail network and even in their own so-called company stores, and in foreign markets through foreign-trade organizations on commission. The above-mentioned products are marketed in a specific territory at so-called ceiling prices according to the agreement with appropriate regional national committees. Ceiling (marginal) prices are set for goods and services whose prices must be differentiated according to the area, season and period in view of the conditions of the products and marketing as well as in cases where the upper price limit must be controlled. In the future, the authority of EO will be further expanded in this direction. Their direct contacts with foreign markets will be mediated at the currency fund which will be used for imports of machinery, equipment, industrial technology, etc.

Within their free capacity, EO themselves select the type and volume of goods they will produce according to consumer demand and available resources, including supplies imported with short-term foreign-currency credits.

Indicators, such as social labor productivity, profitability, exchange coefficient, etc. are determined only during counterplanning by economic organizations; this is not regarded as weakening but rather as reinforcement of central planning. The feasibility and efficiency of the plans will be enhanced by improved correlations of the balance between satisfaction of the needs and marketing of the products, and between material resources, labor forces and production capacities. The production in material units is stipulated by state-planned tasks and must not exceed the production capacities of a given manufacture. Optimum supplies of material, financial and currency resources and production capacities will be gradually developed.

Work teams and collective organs of EO and their units may adjust the counterplans at any time, provided that the tasks stipulated by the state plan have been fulfilled and contractual obligations met.

New adjustment of the contractual system is narrowly connected with the planning of production. Suppliers must conclude agreements, in accordance with the limits of supplies. Superior organs and the Ministry of Supply and State Reserves deal with controversial issues. Mandatory planned tasks of the units of EO cannot state the amount of production in its natural expression which is not based on guarantees of appropriate raw materials, cooperation in delivery and so on. Direct contracts are signed by suppliers and consumers for products other than mandatory natural indicators.

Investments are centrally managed only for projects of state importance, otherwise no limits on investments have been set for economic organizations since 1978; however, they are stipulated in counterplans on the basis of an agreement with the bank (concerning the need for, and the effect of the projects), construction organizations (concerning construction projects) and suppliers of equipment (on terms and conditions of deliveries).

Improvement of the Organization in the Drafting of National Economic Plans

An important base for the most significant aspect in the mechanism of planned management--the system of national economic plans--is its drafting organization. It is an idiosyncracy of the BPR that the main directions of the above-mentioned organization are approved by the BPR State Council as a permanent organ of the National Assembly which adopts decisions concerning vital problems stemming from the drafting of plans and their fulfillment.

During planning operations special importance is attributed to central managerial organs, especially the State Planning Committee as the principal specialized planning agency. Noteworthy is Bulgarian practice whereby this committee provides methodological planning guidance in the BPR on all levels of social planning, otherwise its participation in specifications of the planning documents is similar to that of our SPK [State Planning Commission].

An interesting characteristic is the fact that the role of the Bulgarian National Bank (and other banks) as a planning organization has been enhanced in recent years. As the central managerial agency, it participates in national economic management; in accordance with its competence it regulates, coordinates and controls the plan and all its operations are aimed at a highly efficient socioeconomic development of the country.[2] The ministries and other organizations must agree with the bank on the approval of their plans and proposals for basic indicators of investments and their efficiency (including proposals for modernizations and reconstruction of production assets) as well as on necessary credits for fixed assets and working capital. Their credit funds help promote the implementation of the approved general outlines for specialization and concentration of production.

If the decisionmaking process affects main proportions and balances of the plan, the banks coordinate them in advance with the State Planning Committee and appropriate managerial ministries; if necessary, they submit them to the Council of Ministers for consideration.

Following the concepts prepared by Bulgarian economists, the ministries work out and implement the strategy for the development of branches; in this respect they are responsible for the work not of individual organizations but of the entire branch. They should not intervene to decide matters concerning the operation of economic organizations. They serve as headquarters for the R&D development in their field and must render assistance to organizations in their counterplanning. The government allocates them resources for their funds of technological development and foreign currency to be used as incentives for the organizations.

Control figures and tasks planned by the state are no longer approved by the ministries as directives but instead, by the Council of Ministers. That will guarantee stability in the operation of economic organizations and prevent their disclosed assets from being siphoned off.[3] If such siphoning occurs on the basis of the counterplan, it will be regarded as illegal and prosecuted.

State tasks are always set lower than the internal potential of work teams which will include them in their demanding counterplans.

A specific feature of the BRP is a party and governmental commission organized to discuss projects and counterplans of branch ministries and other departments which draft them pursuant to directives approved by the Council of Ministers.

We may also learn from the activity of territorial planning organs (planning sectors in executive councils of district national councils, or as the case may be, district planning commissions) coordinating the operation of EO on a given territory regardless of their subordination. They cooperate to utilize more efficiently material, financial and labor resources and submit to the planning organs their own proposals concerning deployment of manpower.

The Central Council of Bulgarian Trade Unions is directly involved in the processing of the proposals for unified plans of the BPR. Trade unions assist especially vigorously in the processing of plans for the social development of work teams in terms of labor protection, upgrading the structure of worker qualification, etc.

Since 1977, new planning technology has been introduced in the BPR for the purpose of harmonizing the interests of society, work teams and individual workers so that the highest amount of hidden assets may be disclosed while drafting the plan.

According to the decision of the Council of Ministers of February 1978, the preparation of the five-year plan for the 1981-1985 period was conducted in several stages. In the first stage (1978-1979) current prognoses were

updated and new prognoses and comprehensive programs drafted (in the area of R&D and internal economic relations).

In the second stage, the managerial ministries and other departments prepared a proposal for the socioeconomic development of the BPR in 1981-1985 and up to 1990 and submitted it for approval to superior organs. Accordingly, the State Planning Committee--with the ministries--coordinated it with appropriate agencies of the CEMA member countries. Proposals for a long-term plan up to 1990 was processed in the same way.

On the basis of international coordination mentioned above, the proposal for socioeconomic development was specified in further detail during the third stage and on its basis the managerial ministries submitted for approval the directives for the period of 1981-1985.

Proceeding from the approved directives, updated prognoses, comprehensive programs and critical analyses of actual conditions for operations in production economy, enterprises, economic organizations, ministries and district national councils drafted their 5-year proposals for improving socialist labor organization, for engineering projects and for counterplans. The first variant of the counterplans must follow the approved directives. Their second variant (or variants) must apply the more relevant R&D achievements, resolve the more extensive tasks and achieve a higher standard of efficiency than the first variant.

Organizations and agencies must coordinate the processing of the counterplans and territorial comprehensive programs, resulting in coordinated agreements and contracts.

In conjunction with the plan for 1979 and 1980 the BPR switched to 2-year specifications of the 5-year plan. In the opinion of Bulgarian economists,[4] the main advantage of 2-year planning lies in the options created for speedy introduction of R&D progress into practice, for further improvement of the socialist labor organization and planned economic management. Currently the long-term and the 5-year plans are continuously updated and coordinated.

Furthermore, the counterplans and engineering projects are processed within the 2-year plan and with their aid comprehensive solutions to technical and technological questions and problems of labor organization are resolved. Engineering projects represent a long-range study of a comprehensive development of production and economic operations and social development of work teams on various level of management. Their prime objective is to improve the efficiency and quality of appropriate operations on the basis of the most thorough disclosure and untapped assets in terms of work forces, equipment and products. Individual studies and measures constituting a part of engineering projects are concluded by the stipulation of standards and work norms.

As for the counterplans, they are processed on the basis of mandatory tasks, directives, technical-economic solutions based on engineering projects, and personal and collective plans of workers and specialists, applying the

standards and work norms stipulated on the basis of engineering projects. Branch and territorial organs and organizations discuss among themselves their plans in terms of the obligation to justify the counterplans. Finally, superior organs evaluate the counterplans and issue further specifications, The unified plan for socioeconomic development of the BPR is adopted at the same time and accordingly, state tasks are approved; however, the tasks stemming from the directives may be modified in individual cases.

Certain problems occurred during the organization of the work on the 5-year plan for the 1981-1985 period; basic directions were then articulated to resolve them and to improve this area, according to which it is necessary:

--to involve work teams and individual workers as much as possible in the process of planning and thus, to stimulate them with economic incentives so that they disclose the untapped assets of the enterprise;

--to intensify the correlations and justifications of the plan; to stipulate and maintain the procedure and the schedule for the drafting and implementation of the plan (for instance, the program for the development of R&D progress used to be prepared in advance of other comprehensive programs); to set a longer term for the assessment and specification of the directives which will serve as a continuous criterion for the evaluation of the plans and of the fulfillment of the planned tasks;

--to achieve comprehensive coordination of the plans between individual organs and organizations in order to ensure the production, supply of material resources and marketing of goods, namely, by appropriate contracts;

--to utilize comprehensive interdepartmental groups when preparing the prognoses, programs and projects (including the involvement of experts, scientists, trade unionists and members of scientific and technological associations, and of other social organizations).

According to the Regulations for the Economic Mechanism in force since the beginning of 1982 (for the Eighth 5-Year Plan), the plans for socioeconomic development of the BPR are based on the following:

--comprehensive national goal-oriented programs for improving the people's living standard, development of foreign economic relations and socialist integration, implementation of R&D progress and investments, development of specialization and cooperation on the basis of the multiplying approach, environmental protection, training of cadres, etc;

--interdepartmental, departmental and territorial long-range goal-oriented programs;

--consultations on economic and R&D policies of the CEMA member countries;

--prognoses, international comparisons and analyses.

The following programs are compiled on those bases:

--the long-range plan stipulating the strategic directions for socioeconomic development and the means to achieve it; it is specified on the national level, and branch and territorial cross sections, according to 5-year plans, and implemented by 5-year plans according to individual years;

--a general outline of the branch structure (branch strategy), a general outline for the territorial deployment of production forces and unified territorial plan (territorial strategy);

--the 5-year plan for socioeconomic development, including tasks of comprehensive goal-oriented programs, general outlines and the long-range plan according to the stipulated priorities and resources of the country in the corresponding period.

Application of Experience from the Drafting of the Eighth 5-Year Plan in the BPR

On the basis of the experience gained thus far by upgrading the methodology of national economic planning, new methodological instructions and indicators ("the white book") were applied in the BPR when drafting the 5-year plans for socioeconomic development of that country. The most prominent characteristic of these instructions, according to which the plan for 1981-1982 and the Eighth 5-Year Plan were drafted, is the establishment of a system of interrelated methodological regulations which facilitate a more comprehensive and systematic approach to planned decisionmaking and satisfaction of society's final needs. A new method is used to resolve at the same time the problem of economic efficiency of production (including social efficiency) and the problem of correlating the plan for R&D advancement with other sectors and indicators ofthe plan.

Because thus far the integral efficiency indicator could not be applied, a scientifically justified system of efficiency indicators is used; however, it does not allow for the adoption of unequivocal decisions. On the contrary, it involves a risk that one or another indicator may be subjectively chosen. Although practical application of this system is possible, it cannot precisely assess the efficiency of a specific decision.[5]

The section on efficiency contains the indicator for the evaluation of the focus of the plan (lower demands for finances, materials and labor) which utilizes the USSR experience. The above-mentioned indicators are compared with top achievements in similar types of production, with standards and work norms and with the tasks of superior organizations; the effect of internal and external factors is concurrently analyzed and so is the gorwth of labor productivity which provides the basis for the determination of earnings in accordance with the new economic mechanism.

The correlation of the "R&D" sector with the investment indicator and with material costs, standards and work norms, wage funds and profits has also been intensified. Projects of R&D programs are fulfilled with the aid of control figures, by mandatory planned tasks.

When organizing the drafting of the plans, Bulgarian economists demand that the balance of the planned variant, which is the basis for the determination of the control figures, must be justified and integrated. When justifying the control figures they gained valuable experience using the optimum mathematical economic models facilitating more accurate solutions to individual problems, even though they have not been unified in a single system.

Extensive international data are at the disposal of Bulgarian national planning organs and organizations, however, in order to clarify and resolve the problems with a plan, EO must become more involved in the drafting of proposals for mandatory state tasks. For that purpose they must participate also in the preparation of national prognoses and comprehensive goal-oriented programs.

Economists of the BPR share the view that absolute harmony must be achieved between the plan for economic operations and the plan for social development of work teams. Social planning must focus also on problems related to personal self-realization of personality in working collectives.

Correlation of Natural and Market Indicators of the Plan

According to Bulgarian economists, correlation of market and natural indicators is of prime importance for the achievement of correct proportions in economic development.[6] Here the whole system of indicators of the plan for socioeconomic development is subordinated to the objectives and tasks of individual state plans.

The nomenclatura of natural planning indicators and its documentation must be applied in the planning and documentation of all branches of material production and in operations of the nonproduction sphere. They are further broken down into details according to branches, sectors and operations, and used on all levels of the management when drafting the 5-year plans with 1-year and 1-year prognoses, and annually updated. Natural indicators of the plan are correlated with the standards and work norms for the consumption of raw materials and materials and automatically computed in 2,000 categories, thus coordinating materials management.

As for the accounting system of materials management, their distribution and utilization, the State Planning Committee processes the accounts of the most essential raw materials, materials, fuels, energy, machinery, equipment and products. About 220 types of machinery and equipment are registered nationwide. Ministries and other departments which manufacture the major share of the goods prepare material accounts.

The State Planning Committee and the Commission for a Unified Social Data System approve the nomenclatura of products for which standards and work norms--of consumption of labor, raw materials, materials and the utilization of production capacities--are specified. Accordingly, together with the ministries (departments) and their subordinate units, they stipulate and update appropriate standards. Standards for the consumption of basic

material resources are elaborated by a special unit of the Institute for Scientific Planning at the State Planning Committee.

A method of justification of market indicators--including basic factors of national economic balance, balance of interdepartmental relations and the structure of materials management--was described in the program of exchange of experience.

Operations of enterprises and other organizations are assessed on the basis of efficiency indicators. Pursuant to methodological instructions approved by the State Planning Committee in 1980, the stress of the plan is determined on the basis of indicators expressing the rate of reduced cost-intensity, material-intensity and labor consumption in production. Indicators of actual production of goods and total income for distribution, according to which the wage fund is determined as the resultant residual quantity, represent the economic approach in the operation of EO.

The above-mentioned exchange of experience discussed the method of stabilizing planned tasks of organization and enterprises. Pursuant to Decree No 4 of 16 February 1981 by the Council of Ministers, mandatory state plans, work norms and limits may be adjusted semiannually in case of confirmed changes in objective conditions of the production and marketing in the following areas:

--if fixed assets have not been put in operation;

--if agreements on marketing of goods in domestic and foreign markets have not been concluded;

--if there are excessive stockpiles of materials in terms of projections for a given planning period.

New methodological directives, formularies and indicators for the drafting of 5-year plans in the BPR are based on decisions of the 11th BCP Congress (1976), the All-State Party Conference (1978) and documents pertaining to the application of a new economic approach to economic management. The section on production costs has introduced new forms of the planning of changes in production and material costs and basic technical economic factors which facilitate the correlation of natural and market costs, including their accounting.

To balance an optimum plan and thus, to reconcile the material and market values in the process of replacement, several policies, either already in force or proposed for the planned management of the circulation of goods, may be, in my view, of special importance. The same significance may be attributed to the creation of the most extensive resources of materials, capital and foreign exchange and production capacities with the objective of preventing all resources and supplies from being exhausted in the initial stages, or for raising demands above the level of available resources. For that reason, counterplans and production above the plan also count on exploiting hidden assets. The theses of the 12th BCP Congress call for more balanced plans.

Concept of the Financial Data and Its Place in the National Economic Planning System

As in other socialist countries (for example, in the USSR and CSSR), the plans in the BPR are assessed by means of factor analysis. Methodological instructions for the plan were proposed early in 1980; the section of the instructions related to production costs presupposed that their changes would be planned above all on the basis of improved technical standards of the production application of R&D achievements, introduction of computer technology and other factors.

The data exchange focused also on the method and methodology in the planning of financial-economic import-export relations in financial plans of state economic organizations. In some instances, bonuses for exports mitigated the negative effect of international prices on profits of EO.

The BPR applies financial mechanisms as incentives for production and pressure to promote the efficiency and quality of the replacement process, using for that purpose preferential pricing in case of technically advanced and modern goods and penal price reductions in case of third-grade products. Economic organizations and their sectors are penalized for producing defective goods.

Differentiated interest on credits is used to regulate the development of supplies. Approved indicators expressing the rate of currency circulation are nonobligatory. Excess supplies of especially essential raw materials and materials in short supply, created in the interest of the national economy, are given credit at preferential or regular interest rates.

Standardization of currency follows the approved methodology and is differentiated for individual branches and operations.

The economic approach in capital investment is based on the premise that EO should finance their growth from their own internal resources or with bank credits. Only in exceptional cases is construction of individual material production projects financed from the state budget; this concerns above all facilities for power engineering, mining branches and for newly founded EO. Internal resources are derived from full capital depreciation and payments (allocations) from total income according to a norm stipulated by the EO (not below the bottom limit approved by the government). The share of internal resources will be increased in the future.

The main precondition for the grant of bank credits is the efficiency of specific projects. The share of credit in individual branches ranges from 30 percent to 60 or 70 percent, depending on the capacity of EO to create internal resources and on the outlooks for their development.

In case of slippages when starting operation in a facility, the investor covers losses stemming from the payment of interest on bank credits, from the depreciation of internal resources and from the loss of income. Similarly, the amount of internal income earned by construction organizations depends on

their prompt completion of projects and reduction of costs. All losses and lost incomes must be fully reimbursed in agreement with contracts concluded by the participants in the investment process.

In the data exchange, Bulgaria economists reported a circumstance which evidently is characteristic not only for the BPR. According to them the role of finances in the creation of a unified plan at present is not dynamic enough. The thesis, which calls for the acheivement of unity of material and market aspects in the process of replacement, has been unilaterally adopted because the role of finances is regarded mainly as the satisfaction of financial needs in agreement with the unified plan of the BPR. Financial accounts are rendered only after material aspects and labor forces have been correlated. The financial plan is a mechanism for justification, correlation and implementation of basic mandatory indicators, although its indicators are not immediately mandatory.

The last complex of problems discussed during the data exchange at the consultation of deputy directors of central planning organs of the CEMA member countries concerns the method of projecting the changes of prices and other modifications in the proposals for marketing sections of the plans on individual levels of management. This referred primarily to the application of an accounting method for integration of price changes in the plan. It is noteworthy that even in the year preceding the planning period, the State Planning Committee was using centrally organized computer technology for this operation and that the prices are comprehensively restructured. Indicators for the 5-year plan are updated according to the economic situation in the current year, the prices, methodology and organizational changes are adjusted, and 2-year plans drafted and approved, however, the indicators of the originally approved 5-year plans remain unchanged.

Proposals for Potential Utilization of Experience Gained by the BPR.

With respect to the Set of Measures valid in the CSSR, it may be useful to consider the following proposals:

--To apply the Bulgarian concept of the plan for socioeconomic development--the plan will include not only indicators but also concepts and programs for the development of society. (See the Measure I A of the Set concerning national economic planning as a continuous process of developing and setting goals and tasks for the development of the national economy.)

--To apply the multiplying approach to the comprehensive process of planning; the multiplying effect will be achieved in the BPR by superior final national economic efficiency on the basis of continuous multiplication of results achieved in every sector in the process of replacement. (See Measure I of the Set on utilizing to a significant extent goal-oriented program planning aimed at achieving the highest possible national economic performance.)

--To deal further with the Bulgarian experience gained at the consultation of deputy directors of central planning organs of the CEMA member countries entitled "Integration of Natural and Market Indicators and the Criteria for

Assessing the Operation of Economic Organizations and Enterprises (Association)," among other things, with differentiation of figures in material accounting according to branches, with indicators expressing the stimulating effect of planned tasks and their stabilization. To improve the balance of the plans. (See Measure I B 1 of the Set on ensuring a complete balance between resources and requirements by a comprehensive system of mutually interrelated proportionality expressed in terms of value and by a system of material resources.)

--To modify the method for the implementation of the objectives of social development by using comprehensive long-term programs as a basis for planned management. (See Measure I A 2 of the Set according to which the work on 5-year plans should be directly derived from the long-term prospects as a continuous activity.)

--To promote more aggressively the role of finances when planning the national economic development, particularly in enterprise financial accounts.

--To organize optimum reserves of materials, finances, currency and production capacities. To use reserves in counterplanning and in above-plan production. To invigorate the role of the central superior objective organ when rendering accounts and distributing material resources. (See Measure I B of the Set on ensuring consistent plan balance at all management levels.)

--To update the long-term plans by switching to 2-year specifications of the 5-year plan. (See Measure I A of the Set on strengthening the correlations among long-term and annual plans.)

--To apply the Bulgarian experience with its concept of counterplanning and its fulfillment aiming at higher efficiency than adopted in the directive--including coordination of those plans by agreement among organizations and organs, and on ensuring projects for improvement of socialist labor organization. (See Measure III F 1 of the Set on worker participation in preparation of the plan--persuading them to take an active role in counterplanning.)

--To study the data from the BPR on greater independence of economic organizations in selecting the most efficient variant of production, and on supporting the plan by direct contracts among organizations. To study the practice of the BPR where the expanded number of mandatory indicators (1971-1977) was repeatedly reduced (1978-1979) and finally (1980-1981), replaced by additional directional indicators--profits and sales tax. (See Measure I A 4 of the Set on emphasizing mandatory indicators of the plan.)

--To analyze the information on differentiation of the methods for planned management according to individual branches of the national economy, where above all the experience from industrial production is applied.

--To utilize the Bulgarian experience with differentiated stipulation of the indicators of the plan, work norms and taxes for individual economic

organizations. (See Measure I C of the Set on improving quality in the breakdown of state and economic plans.)

--To study the methods for the application of a limited scope of approved indicators in the BPR in units of EO--in our situation to concern enterprises, plants, etc. (See Measure I A 7 of the set on implementing the projects and objectives of the 5-year plan in the conditions of the given branch, VHJ /economic production unit/ and enterprise.

FOOTNOTES

1. G. Filipov: "A Creative Approach of the BCP to Improving National Economic Development in the BPR in the Period of Building of Developed Socialism" NOVE VREME 6, 1980, HIZ - CTK 39, 1980.

2. Decision of the Council of Ministers No 33 of 10 July 1978. Pravilnik za otnosheniiata s bankite v narodnoto stopanstvo /Regulations for dealing with banks in national economy/, DARZAVEN VESTNIK No 65, 1978 of 18 August 1978, p 755.

3. A. Veselinov: The Process of Improvement in Planning and Khozrashchet and Counterplanning as a Concern of Work Teams. IKONOMICHESKI ZHIVOT No 6, 1982.

4. Among the data exchanged at the consultation of deputy directors of central planning organs of the CEMA member countries in 1979 was a report entitled: "Improved Organization of the Drafting of the System of National Economic Plans with Respect to Long-Term Planning" (State Planning Committee of the BPR, Sofia, July 1979).

5. "Planning in Conditions of the New Economic Approach and Its Mechanism," a report presented by I. Peichev at the working session in the program for joint research, coordinated by the VVEU of the USSR Gosplan, Ashkhabad, September 1982.

6. See the document entitled "Correlation of Natural and Market Indicators and Criteria for Evaluation of Achievements in the Activity of Economic Organizations and Enterprises (Associations)" presented by the BPR in the exchange of experience by deputy directors of central planning organs of the CEMA member countries.

9004
CSO: 2400/332

SERIOUS SHORTCOMINGS IN FARMING OUTLINED

Sofia ZEMEDELSKO ZNAME in Bulgarian 24 Jun 83 p 2

[Article by Gena Sinigerska, member of the Agrarian Union, leader of a new type brigade in the village of Vildimirovo, Mikhaylovgrad okrug: "Nothing to Worry About?"]

[Text] I completed my degree in agronomy fifteen years ago. First of all, I was a leader of a production unit in Lipen, after that, in Kobilyak and Madan, and for five years now I have been in Vladimirovo -- at the begining as a chief agronomist, and now as a leader of a grain fodder brigade. We cultivate a total of 40 thousand decares of land, and during the last two years the average yields of wheat have gone up five hundred eighty two kilograms, of barley -- up to five hundred twenty eight kilograms. We got an average of one thousand one hundred twenty kilograms from corn under irrigation, and we also harvested one thousand four hundred fifty kilograms per decare from separate areas.

There is no point in comparing it to the past. At one time there was not enough equipment, but there were a lot of people and the manual labor solved the problems to a great extent. Now everything is in the "hands," so to speak, of the equipment, of science. There has been a big gain, especially in the development of agricultural equipment.

However, precisely in this regard, it has turned out, so it seems, that we are unprepared. What prevents us from obtaining more from the land in order to attain even better economic results? First of all, our staff of machine operators is not highly trained. The old machine operators, who formerly dealt with the uncomplicated equipment, and who should now receive our profound gratitude because they were the ones who kept the farms going, now have a hard time adjusting to the new technology. What is more, some of them are simply afraid of the complex agricultural equipment. At the same time, the young people (and there are very few of them) who come to join us as machine operators, or from vocational technical schools, or those who come with a diploma (but who knows how they got it), take up farming without adequate training. Thus, costly equipment falls into the hands of poor managers who are not only unfamiliar with it and do not use it properly but do not display as well the required conscientiousness, not realizing that everything ultimately falls on their shoulders, as well as on ours. Is it

not indicative that the old DT-54 and MTZ tractors have been operated sometimes for even more than fifteen years, whereas the power supply equipment is taken out of operation after a much shorter period? And what is more: the agricultural equipment continues to be stored out in the open. We have been saying for years that machine storage yards should be built, but there are still not enough funds for that.

I think that the National Agroindustrial Union should establish a program for gradual and continuing retraining of machine operators. And the courses should not last only a day or two, as it is now, but should be conducted over the course of several months, in order to allow people to be better acquainted with the machines. Every machine operator should take these courses every year so that he keeps up with the development of scientific and technical progress.

If we want to be even better managers of the land and obtain higher crop yields from it, we should set aside some more resources for building irrigation systems. Our land is rich. Out of forty thousand decares, only four thousand five hundred are being irrigated, and this is extremely insufficient for this generous region. Besides, it is not justified, bearing in mind that our common land is in the Ogosta River valley. They have been building the Mikhaylovgrad reservoir for years, but water has not reached us yet. The results show that where we have managed to irrigate at least twice, the corn harvest has doubled.

My heart also aches because of the small patches of land. After establishing the new type of brigades, the positive factors have multiplied manifold, but at the same time, the question about how the small patches of land -- mostly in meadows, between roads, along railroads -- remained open. It is not possible to plow them with the present high production equipment, it is not possible to sow and cultivate them because efficiency is reduced and the small tractors have disappeared. And the highest yields could be obtained from these very patches of land. This matter should be thought over, or small size tractors should continue to be produced with the appropriate accessories, or these accessories should be distributed to the people in compliance with the Eleventh Decree of the Council of Ministers.

I purposely left the most alarming problem for the end -- squandering grain for bread and fodder that has already been produced. When we go into the fields full of ripe corn and grain with combines, we check things three hundred times to make sure that everything is well under control, and the goal is not to allow waste. However, there is always one percent that cannot be avoided. But the truly big losses, I would say the immeasurable losses, come afterwards, when the grain is already in the open storage areas. It is well known that the farms not only do not have barns available with enough capacity, but neither do they have covered and well equipped storage areas as well. At the same time, the State Economic Trust for Grains is not capable of absorbing the whole amount of grain that is transferred to the state. We produce ten thousand tons of wheat and barley each year, and we throw it directly out in the open. And we start having trouble sleeping because

different inspection commissions constantly visit us and write up reports about us. It is always our fault. If only half this grain could be accepted by the State Economic Trust for Grains, the losses would be significantly reduced, whereas they are now larger than the waste from combines.

Supplying material and equipment is still a big problem. There is an effort toward improvement, but it has not been completely developed. It so happens that either mineral fertilizers do not come on time and to throw them onto the sown fields would be a pure loss, or some of the harvesting machines show up long after the harvest. If the phosphorous fertilizers are delayed we set them aside for a year. And the damage is trebled: on the one hand, we have not given enough food to the crops, on the other -- the fertilizers are being wasted and a good deal of them also lose their active ingredient. It is time to think about stricter compliance with the contracted obligations so that the burden does not fall only on our shoulders.

When I talk about these things to leaders and colleagues, they snicker at me and tell me there is nothing to worry about. Nothing to worry about? It has to be understood that agriculture is not a bottomless pit, from which it is possible to scoop out endlessly. And whoever does not think things out in advance will not think seriously about our future.

12334
CSO: 2200/109

EFFICIENT OPERATION OF BULGARIAN TRUCKS IN FRANCE PRAISED

Sofia OTECHESTVEN FRONT in Bulgarian 15 Jul 83 p 6

[Article by special correspondents Mikhail Gorinov and Petur Moev, Paris-Sofia: "Understanding With and Without Interpreters"]

> [Text] Meetings with an extraterrestial and a family of American millionaires, an ex-Bulgarian and a charming but curious blond lady. Why do French business circles respect and seek out the MAT SO [International Automotive Transportation Economic Organization]. Clashes occur but agreement is always reached.

We were frequently asked, "Did you watch television? What kind of programs do they have? Naturally, we did not gain a full idea about the television programs of the countries we visited, nor was this our objective. But we did watch television. This, however, does not give us sufficient grounds for expressing a thorough judgement of its qualities. That is why we shall omit our impressions of the series "E.T." (the initials of an extraterrestial whose touching adventures among the cruel people on earth are watched by millions of TV viewers in the West). We shall equally avoid commenting on the series Dallas, which numbers more than 100 epizodes and tries to excite us with the adventures of millionaire families in the United States. However, we cannot ignore one French television program which was bound to touch any naive viewer. A former Bulgarian was facing the camera. He was so talkative that he was probably trying to convince himself as well. He claimed that any Bulgarian assigned abroad must sign a declaration before his departure to the effect that he will be collecting spy information. Asked whether he himself had done so, he answered, "Whenever I could!"...

We recalled the interrogation to which we were subjected by a charming blond official before we were granted our visas: "Is your newspaper political?" (!?); who will you see in France?" "What will you be discussing?" "What hotel will you be staying in?" "Why are you interested in cooperation in automotive transportation?" "Why are the numbers of your passports so low?" And so on. Obviously, these questions were not asked by Bulgarian authorities...

So, in France we held a number of meetings with members of business circles with whom our county has maintained relations for a long time, and which are continuing to develop successfully.

Introducing you to the Renault Company would be unnecessary. The company makes passenger cars, trucks, buses and motor trucks. It began to cooperate with Bulgaria in the 1960s. Our conversation with Mr Harry Nusbaum, the marketing director for the Middle East and Eastern Europe, dealt more specifically with relations between Renault and the MAT SO:

"Your international transport organization operates on a high professional level. Its objectives are clear. That is perhaps why discussions between us are sometimes difficult, for it is after the best possible results. In the final account, naturally, we always end up by reaching agreement.

"Servicing our cars is a difficult job, but the MAT SO technicians and assemblymen in Ruse can service them perfectly well and our impression is that our cars are being maintained on the highest possible level. That is why we no longer have a representative in Ruse to take care of the cars. All in all, the Bulgarians are handling our vehicles on a high professional level. The MAT SO drivers are very experienced..."

The terminal of Betz France -- the international transportation organization -- is located not far from Paris. It works with companies which ship a great variety of goods mainly to the Middle East, such as refrigeration equipment, automotive parts, electronic items and even grapevine cuttings.

Mr Ulrich Bornstein is the manager of an enterprise headquartered in Reutlingen, FRG. He showed us the terminal in which one can always notice Bulgarian trucks, either just arrived or departing according to schedule. His working capital includes 100 Bulgarian trucks.

"As far as Bulgarian drivers are concerned, no transportation safety problems exist. No single Bulgarian driver has ever been detained at a customs office because of irregularities," Borstein emphasized. "We are very pleased with them and that is precisely why we work with the MAT SO. The Bulgarian automotive fleet has everything necessary for transportation matching modern world standards..."

Mr Bornstein was kind enough to take us to the central customs office. Its chief told us that he could be interviewed only with the permission of the ministry. He nevertheless emphasized that so far no single irregularity had been recorded involving Bulgarian trucks.

"If anything of the sort had happened at any French border customs office we would be bound to know it from the special customs bulletin in which even the slightest violations are reported. Clearly, no incidents involving MAT SO trucks have taken place along the French borders so far. Nor have any occurred here, at this terminal..."

Our meeting at the Culbertson Company was very cordial. We spoke to Rudolph Lambert, its secretary general, and Bruno de Segon. They voiced their satisfaction with their cooperation with the MAT SO:

"We realize that we are working with the most powerful automotive transport enterprise in Europe. Bulgaria is a natural geographic crossroads, which makes it an exceptionally important center, particularly in terms of automotive transportation. The MAT SO is a sought-after partner of any company. There is complete understanding between us. We believe that the future will be even more successful and we are contemplating it with confidence..."

Our talks with the Fruehauf Company, which manufactures trailers and semis were in the same spirit. Mr Bruno Schaber is the company's director for exports.

"Our entire personnel is French," he emphasized. "And so are the materials we use to manufacture the trailers. We do not use any foreign supplies, and technically we enjoy total independence. This is very important, for we would not like our production to stop for political reasons.

"We are proud to be working with Bulgaria. Few companies could boast of the type of reciprocal trust which exists between us and the MAT SO. It is true that this was not easy to achieve, but it is now a pleasing fact.

"The use of our trailers by Bulgaria is marked by exceptional professionalism.

"We would like to work together in other countries as well, and the Fruehauf Company is sincerely striving toward this goal..."

The people of Alphatransport -- one of the largest European companies for refrigerated trucking -- as well expressed their pride in the cooperation they had developed with the Bulgarian international automotive transportation system. This was emphasized above all by Jacques Cohen, the company's director general.

"The most important feature is the trust which prevails between us," he said. "Our company was the first to achieve such success with the MAT SO. Our stockholders had a different picture of Bulgaria and were disturbed and confused at first. Now, however, they give their total support to the undertaking and nothing on earth would make them agree to terminate relations with the MAT SO."

Mr Cohen has been to Bulgaria more than 40 times. He has held discussions, studied matters of interest, and proposed and accepted conditions.

"These exchanges have been quite lively and dynamic. There have been clashes as well, some of them quite violent because the situation in some areas has worsened substantially. However we have never needed middlemen. We have always found a common language (even without interpreters) and have been able to agree...

"It is only the high quality of the transports and the accurate work of the Bulgarian automotive transportation system that has secured its presence in France. The freight hauled by Bulgarian trucks always arrives exactly on time. So far, and for a long number of years, no single claim has ever been filed against the MAT SO. The drivers are very careful, and the equipment meets high world standards. Your organization is first among the Alphatransport partners. The French meat and meat product producers would like as many of their goods as possible to the hauled in Bulgarian refrigerated trucks. I conceive of the future of our company only together with the MAT SO..."

The story would be neither complete nor fair if we would fail to point out a rather important fact which is important in terms of the further development of traditional business relations between our two countries and which proves the way in which, given good will, respect and initiative, both benefit: A high percentage of French exports by truck take place with the MAT SO vehicles. This is the situation, and those who are trying to impose to France a different future should take it into consideration.

5003
CSO: 2200/116

NEEDS FOR VALUE ANALYSIS IN CSSR DISCUSSED

Prague HOSPODARSKE NOVINY in Czech 3 Jun 83 p 5

[Article by Eng Vladimir Dostal, CSc, VUSTE (Engineering Technology and Economy Research Institute), Prague, Brno branch: "Not Value Analysis?"]

[Text] Everybody knows how badly we need quality products. The enterprises managing to fulfill the planned export tasks are well aware of it, and finding out are those enterprises which have failed to maintain their export position, especially to the hard-currency areas. What we need next is excellent products for domestic usage, as well as technological innovations.

Waiting for helpful accidental ideas, for instinctive solutions or voluntary initiative may be compared to driving without a knowledge of traffic regulations. There are methods for purposeful finding of new solutions. One of them is value analysis (however, also the TRIZ/ARIZ by Eng C. S. Altsuller). Experiences from plants which systematically employ value analysis show that as a rule it is possible for the inquiry and synthesis achieved by value analysis to ensue in a suggestion equal to an improvement proposal, a technical-organizational measure, or a proposal for a rationalizing action. In addition to the mentioned consequences, value analysis often also results in being able to maintain a product in the first-quality grade, permitting a more favorable price.

New Style

It is not just that in the Agrozet-Zetor, k.p. [Municipal Engerprise], Brno, they annually achieve a Kcs several-million cost savings by implementing the proposals of the value analysis team; or that the Vitkovice-Unicov Machine Works, k.p., saved more than 2 millions in recent years, not to mention the savings of several hundred thousand crowns in the ZVS [General Engineering Plants] k.p. Adast, Adamov, in the Vitkovice k.p., Mostaren [Bridge Works] Brezno, and in the VHJ [Economic Production Unit] Chepos. What is more remarkable, such proposals are being elaborated and implemented each year. Permanent regular contributions ensuing from a systematic utilization of value analysis are the most obvious proofs of the possibility of steadily increasing effectiveness. A case to confirm this statement: for more than 10 years now, each team of the Prerovske strojirny [Prerov Machine Works] k.p., have managed to achieve annual savings of at least Kcs 100,000, usually up to Kcs 300,000.

It is the rationalization of products that is involved here; each value analyst leads one to two teams every year. This activity gradually passes into preproduction stages, which is of much greater importance in repetitive piece, or at most small series, production.

There are also cases, such as that in the Vitkovice k.p., Bridge Works Brezno, when the team of value analysis, including those who participated in the implementation of proposals, resulted in complex rationalization brigades.

Perhaps of greatest importance is the fact that those utilizing value analysis, and working beyond the scope of formal duties, create a new challenging style of technical work. If a technologist, a buyer or an economist participates in generating the conception of a new product, he contributes more to the development of an enterprise, and does so in a more concrete manner than in any other way. This is the other side of employing value analysis, the undeciperable one. It is mainly from this source that the specific action "Introducing Value Analysis into Designing and Constructing Machines and Equipment" should draw. The mentioned action has been specified in the state target program 03, namely "The rationalization of Metals Consumption."

At the moment when it is necessary to solve a certain problem, there comes the question of what kind of procedure to select for its solution. The advantage of value analysis is that its possible applications, as it is with every other system-application discipline, bring new elements into the methods of solution used hitherto. Then why not try the very value analysis instead of introducing several special methods with consequent risks?

Voluntarily or Somehow Under Duress?

Value analysis means predominantly a noninvestment rationalization. Most of the time it is of interest for those enterprises which have ensured the fulfillment of specified tasks and can afford to try something new. Other enterprises which introduce value analysis are those lagging behind. In such a situation even value analysis is good.

It would seem that average plants, those quite content to belong to the "good average," apparently do not need value analysis. The matter is, then, to find out how to make the decisive majority of enterprises, those whose economic results do not differ much from the average, utilize value analysis. In the GDR its application is enacted by a 1971 government notification and controlled by the Price Office.

On the one hand, a legislative act creates moral pressure (also by the threat of a control), on the other, it gives rise to basic conditions; at least in that it is possible to establish positions of value analysts, and a unit for value analysis.

Also, it is possible to reward such activities not just for following regulations, but for finding out what should be improved and how. However, where creative initiative is lacking, with an order or a regulation there is the danger of claiming that everything that has been done to bring savings is a

result of value analysis. Then again, once a unit for value analysis is in existence, when there is a need for saving the plan, value analysis comes in handy.

A regulation or an order of central authorities, based on a real harmonogram of introduction and on cadre background, may, under consistent control, result in a long-term conception of systematic activity which will keep on bringing economic effects and strengthening the democratic participation of workers in managing special actions. The best proof of this is the development of value analysis in the department of electrotechnical industry of the USSR. In this department, the method has been tested since 1974, and since 1977 it has been introduced in individual associations. In 1980 there were introduced proposals representing an annual saving of 4,000 tons of rolled steel, 550 tons of nonferrous metals and roughtly 11 tons of silver. This amounted to an annual saving of 35 million rubles due to the proposals implemented within the framework of the department. It is also possible to display a growth of annual savings of a similar nature in our Skoda concern.

It is self-evident that the implementation of such a legislative act means that workers in plants have to be trained. This requires a certain cost, a certain temporary "loss of capacity." However, it is not necessary to train all workers at the same time. Even in those enterprises where value analysts stimulated individual policy plans of the plant's management, as well as those of its party and trade union organizations, and where hundreds of specialists of different professions have been trained, at first only a small group of people was trained. After verifying the effectiveness of such a qualification boost, the investment put into it no longer seems so risky.

Contra

One of our findings shows that not even the enterprises permanently utilizing value analysis have yet organized their selected prime innovators to be trained for it. The reason for this is not disbelief in its success, but foreknowledge that the flood of improvement suggestions which would probably follow could not possibly be assessed and refused by special units, let alone finished and implemented. Why refuse? It is the overcautious attitude making people worry that there be left something for future years in the index increasing of qualitative indicators. It is the technocratic attitude of this kind: Why should amateurs have anything to say about the problems in our special field: Should people of other professions propose changes in construction, technology, equipment, tools, etc.? Why complicate things with problems in introducing modifications, in verifying and evaluating results? Is it a "justified" apprehension about the extent of changes evolving, e.g., from suggestions before they came to represent a broad unification from value analysis of single-trace vehicles in the Povazske strojarne [Vah Valley Machine Works] n.p. [National Enterprise], or that of chain conveyors in Skoda, k.p.? Might it be a premonition of worries with a full-scale operation testing, which, e.g., in trouble shooting hauling chains in ZTS Dubnica, k.p., amounted to 8 years? These plants were not afraid. They knew that value analysis also guaranteed contributions for increments "threatening" in the coming years, and that it was bringing the certainty of competitive ability for the future.

At the same time, there are many people who do not know what value analysis actually is.

Since the methods in current use do not have such efficiency, and value analysis is spread only very little, the superior authorities cannot specify in their plans far more challenging tasks for increasing effectivity in such a way as would correspond to present needs. Consequently, those plants which do not have established value analysis (or some other highly effective method) would not be able to fulfill three- or four-fold tasks. Such a plan would be unrealistic and nonacceptable. Ergo, just such tasks to decrease costs, material and energy consumption are assigned which, in average, it would be possible to fulfill without utilizing the mentioned possibilities. Besides, it is always easier to improve from a below-the-average level to a higher one than to stay permanently on the highest level, although it would lead to better economic results. A decline, even to a level markedly better than the average, is always evaluated as a negative feature.

It is difficult, then, to seek reasons for selecting experienced specialists and making them decide to undergo training, and change both the style and substance of their jobs. Of equal difficulty is to find a reason for the formation of a new unit in a technical or other field, and for establishing a new function. Limits to the number of employees, the ratio of the number of THP [technical-economic staff] to that of workers, and other indicators and limitations result in the circumstance when establishing a department of value analysis means, most of the time, a decrease in the employee capacity of other technical units, namely those where it is insufficient.

Pro

However, also those reasons which justify such an effort from the point of view of an enterprise ought to be summarized too. Above all, the effects are a great deal higher than those of currently performed rationalization. Savings amounting up to 15-25 percent of costs are by no means unusual. Annual savings amounting to Kcs 10 to every 1 expended for the execution of value analysis and the implementation of proposals represent rather the lower efficiency limit of this activity.

Still of more importance is the fact that solutions by a complex approach are optimized with regard to the extent in which functions are being fulfilled, expressing in a modified way the use value properties and costs needed for their safeguarding. There is a concrete expression of the conjunction of use value with economic categories. From the political-educational aspect this is of great significance in the ideological struggle against technocratic approaches to solving problems in economics, based on neglecting the economic substance of use value. This gives rise to basic conditions for profound changes in the technicians' way of thinking as far as economy is concerned.

Another contribution is the fact that complex solving of complicated problems by teams creates new cooperative relations among specialists of adjoining professions, hitherto nonexisting.

Of course, one or two teams do not ensure the fulfillment of an entire plant's task. However, if value analysis were systematically introduced, within 3 to 5 years an enterprise could manage to train even 120 or 160 employees, so that in 1 year even 20 to 30 teams could be at work. To be sure, this could be done under the condition of getting rid of the remains of the old way of thinking, displaying abilities, and evaluating these results, too.

Some Czechoslovak enterprises have accomplished it. There have been realized even more challenging actions when several teams worked simultaneously, namely teams consisting of employees of a production enterprise and of a research institute. Such was the case of teamwork of the Zbrojovka [Armory] Vsetin, k.p., and VVU [Military Research Institute] ZVS Brno, or of Smeral, n.p., Trnava and VUTS [Research Institute of the Heavy Machine Industry] Brno. It is necessary to popularize the results of their work, and give them social recognition.

Those on the lower level, having concrete experience with the teamwork of value analysis on existing products, are, for the most part, prepared to manage its application in preproduction stages of new products. This opens new possibilities for increasing effectivity, and, above all, raising the technical level, quality and reliability. In this application of value analysis, cost savings are far from being the main goal. A preliminary evaluation reveals that in 5 cases out of 10 the output of a machine increased by 10 to 100 percent, input was lowered in 2 cases, size was reduced in 2 cases, and service life was prolonged in 2 cases. Mass was reduced in all cases in the following way: in 3 cases from 10 up to 8 percent, in 2 cases by 10 percent, in 2 cases by 16 percent, in 1 case by 20 percent, in another by 25 percent, and in 1 case out of 10 even more. Wage costs increased in 1 case out of 10, and decreased as follows: in 1 case by 7 percent, in 2 cases by more than 10 percent, in 3 cases by approximately 17 percent, and in 3 cases by 30 percent and more.

Ergo to Want = to Have To

A consequence of the mentioned results, and not solely of them, is the necessity of conceptual, perspective and consistent management by higher authorities. The duty of managing, and therefore also of applying various rationalization methods, ensues from the Law No 84/1972 of the Collection [Laws of the Czechoslovak Socialist Republic]--people somehow keep forgetting about it. Innovation is considered--more or less--to be a matter belonging to trade unions and to the CSVTS [Czechoslovak Scientific and Technological Society], perhaps under the impression that there is a duty of social screening imposed. However, this act of checking up also covers the way in which constituents of the profession fulfill their legal duty. Thus it is not possible to talk about voluntarism and hobbyism, or an admissible democratic participation of workers in management. Both--managing and checking up--are legal duties applicable to all levels of management.

The reason for having pointed out this fact is the circumstance that the greatest contributions from the application of value analysis have been achieved in those plants (Skoda Plzen, Zetor Brno, Bridge Works Brezno, Unicov Machine Works, Prerov Machine Works, ZTS Dubnica) where value analysis is a regular

activity, or even has been decreed by an order or instruction. If there is an order to do something, there is also hope that this activity will be controlled. In 1975, the general director of the SKODA concern ordered an obligatory application of value analysis. In the Prerov Machine Works, there is an organizational enterprise directive on performing value analysis when modernizing products, too. The Prerov Machine Works is the first plant in the CSSR which, while implementing our state task "Increasing the Technical Level of Machine Works Products," established the organizational enterprise directive "Value Engineering." According to it, the method of value engineering is used for elaborating every study for the task resulting in a new product.

A similar experience also prompted the comrades in the GDR to issue a government notification imposing the duty of applying value analysis.

Thus, it may be stated that the utilization of value analysis depends on three conditions: to want to apply value analysis, to be able to execute it, and to accomplish organizing and managing such activity. All that remains, then, is "only" to safeguard the implementation of worked out proposals. However, I consider "to want" and "to manage" of principal importance, implying, of course, to manage toward positive social results.

9910
CSO: 2400/334

PLANNED MANAGEMENT SYSTEM DEFINITIONS, INDICATORS DISCUSSED

Prague SVET HOSPODARSTVI in Czech 13 May 83 pp 1, 2 and 1 Jun 83 pp 1, 2

[Text] The demands for better quality and greater efficiency at the current stage of development of the socialist society are constantly increasing. The rapid world-wide progress in research and development on one hand, and a relatively small raw materials base and limited labor resources on the other, are constantly forcing us to search for better ways of development. One of the basic means is the improvement of the planned management system. It means that we have to develop a better information system, improve our analysis of economic developments and the methodology of national economic planning (decision making) as well as our control systems to ensure that selected goals and established objectives are being met.

Establishment of a system of indicators which can more accurately reflect the goals and objectives of the society, branch, sector, enterprise, and the individual worker, a system of indicators which can better measure the worth of socialist organizations (particularly VHJ and enterprises) and their contribution to development is an [important] element of the entire process of improving the system of planned management. The purpose is to express and balance in practice the societal interests with the local, enterprise, and individual interests.

Therefore, an inseparable element of the Set of Measures for Improving the Planned Management System of the National Economy After the Year 1980 is the formulation and selection of such indicators which will aid in meeting this objective. The Set of Measures as a whole is oriented toward ensuring a faster growth in efficiency and quality as an unconditional imperative of our times. The purpose of these measures is to take advantage of this change in the structure of indicators which express the objectives, limitations, and economic conditions established by the plan.

The most significant measure in this sense is the introduction of two determinant indicators for evaluation of the VHJ and enterprise operations; they are the indicator of the net production type, specifically selected in the form of adjusted value added, and an indicator of return on production assets. While the first indicator attempts to best express the outcome of the operations and the actual contribution of each production unit and enterprise to our country, the second indicator is expected to reflect primarily the level