



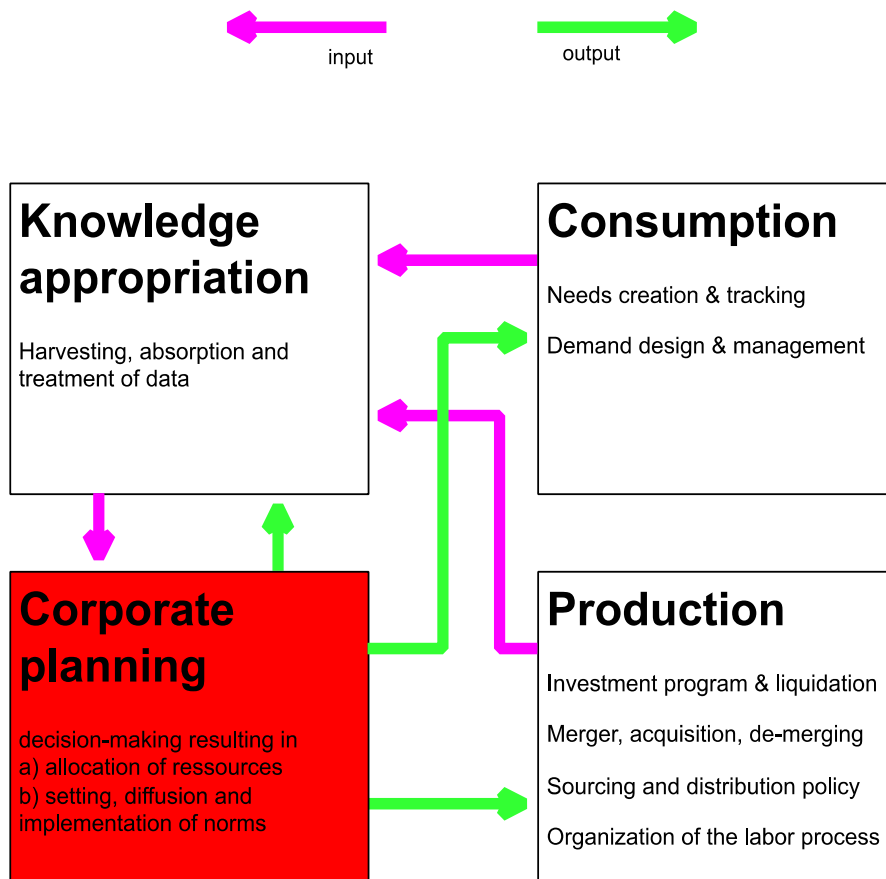
Corporate planning: from Industrial Capitalism to Intellectual Monopoly Capitalism

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Planning: Preliminary definition

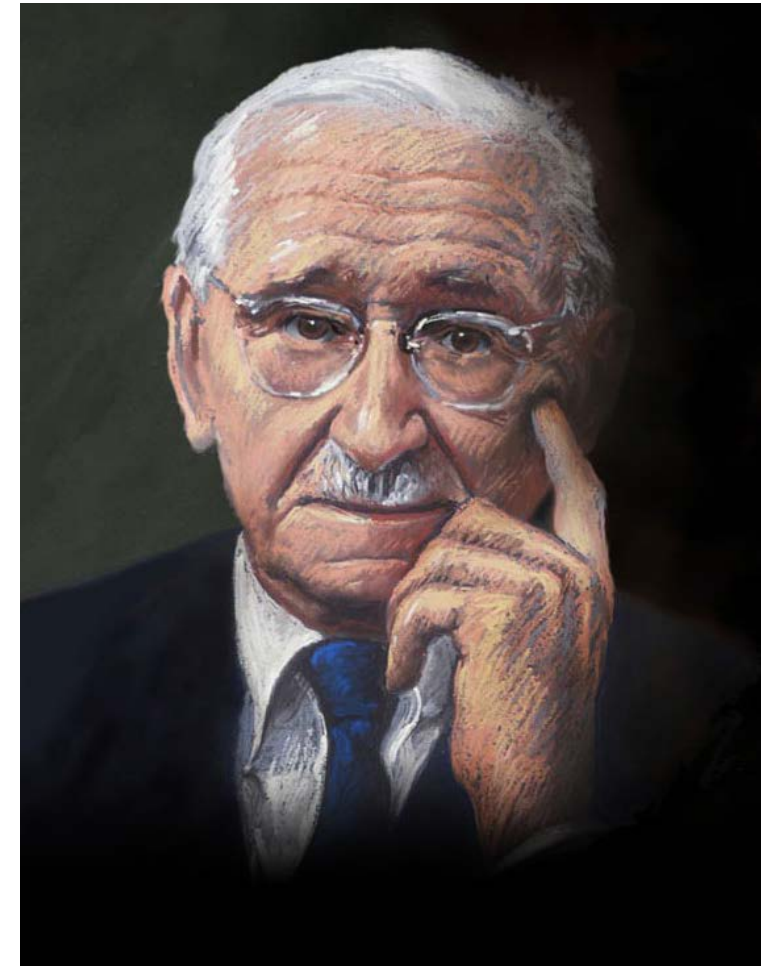


- “*Ex ante* allocation of resources” that seeks to achieve a particular outcome.
- Corporate planning: intrinsic firm behaviour. Its goals include sales growth and/or market power with the overarching aim of making profits.
- Corporate planning → companies’ constant struggle against the impersonal and abstract forces of the market (Galbraith)
- A moment of interpretative reading of the opportunities and threats in production –from sourcing to distribution- and consumption realms.
- A process of continuous adjustment – though imperfect due to path-dependency – that depends on means of knowledge and information appropriation.

Planning depends on knowledge



- Knowledge & information as real problems constraining planning possibilities
- Austrians: an-historical and consubstantial to human nature and cognitive limits
- Bettelheim: historically determined by productive forces development
- In common: **the centrality of knowledge for planning**



Planning under industrial capitalism

Since the end of 19th century, triggered by:

- Communication and transportation technologies (telegraph and railroads)
- Institutional innovation such as incorporation and the separation between managers and shareholders (Berle & Means, 1932; Chandler, 1994; Duménil & Lévy, 2011).

The planning sphere expands as the firm concentrates more capital

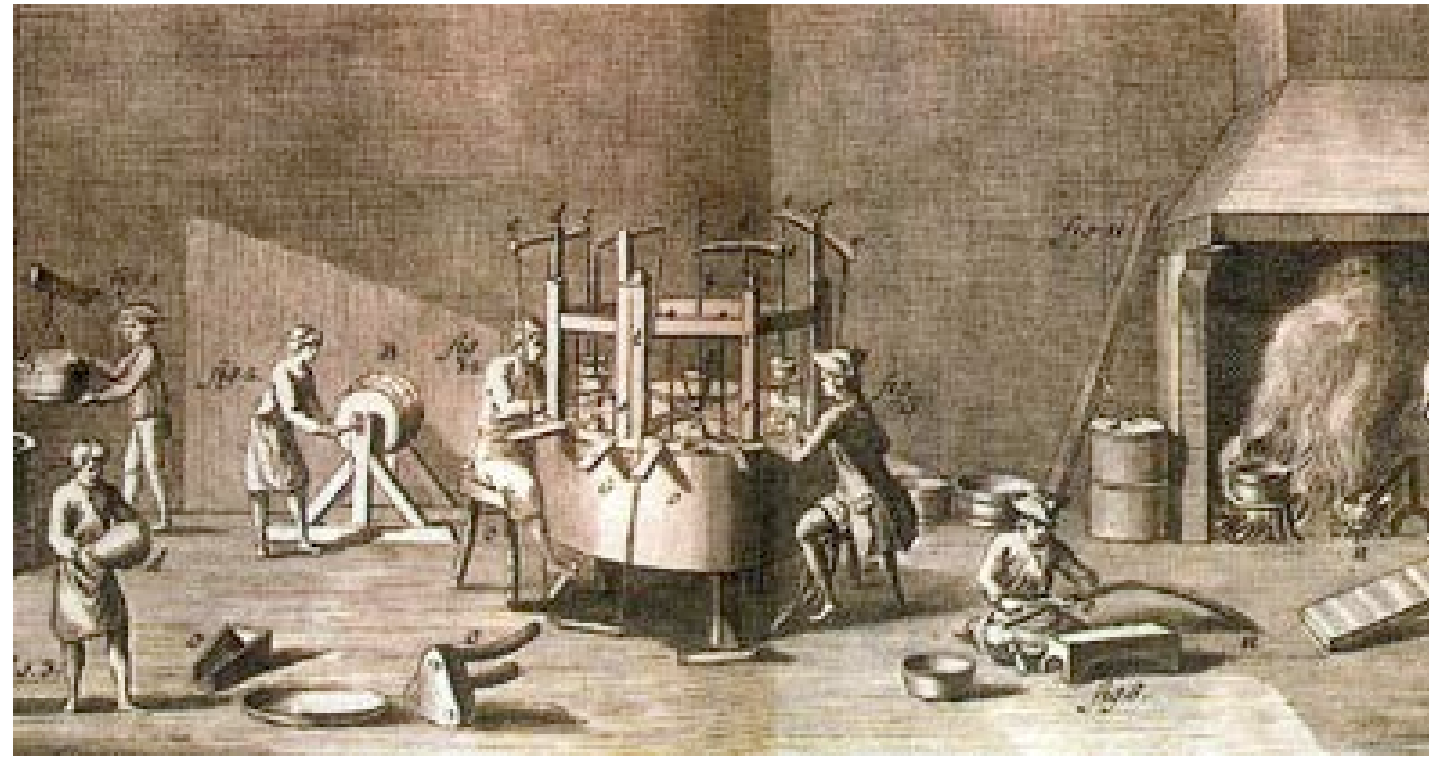
	Industrial Capitalism
Type of asset	Organised around the tangible means of production. As close as possible to the physical activities because the tangibles and the workers incorporate most of the knowledge
Planning scope	Planning has a strictly inward dimension
Planning's architecture	Silos linked by the market. Relative autonomy of the use of external knowledge
Temporarity	Linearity of technical chains. Ex-ante planning
Nature of the relationship	Top-Down. Strong strategic and entrepreneurial dimension

The emergence of Intellectual monopoly capitalism

- Cumulative causation + Absorptive capacity → firms' technological differentiation
- Higher costs of doing R&D
- Recent technological change: ICT revolution + more S&T based production enabling knowledge modularity
- Institutional / Political Transformations:
 - **IPRs regime**: within the US (From Goodwill to Workplace knowledge law incl/ Trade Secret & then Bayh-Dole Act + others) and at the global level (TRIPS) – Role of US MNCs
 - **Strategic tax planning/regulatory arbitrage**: particularly beneficial for MNEs intensive in intangible assets
 - **Anti-trust control was weakened**: Chicago Boys & the “consumer welfare” doctrine. Focus: consumer prices
 - Hidden **industrial policy**, among others connected to the military in the US



Bettelheim: inability of planned economy to make relevant economic decisions when the “juridical subject” disposing of formal “property” does not coincide with the “economic subject” that has “possession” & “economic property” of the means of production.

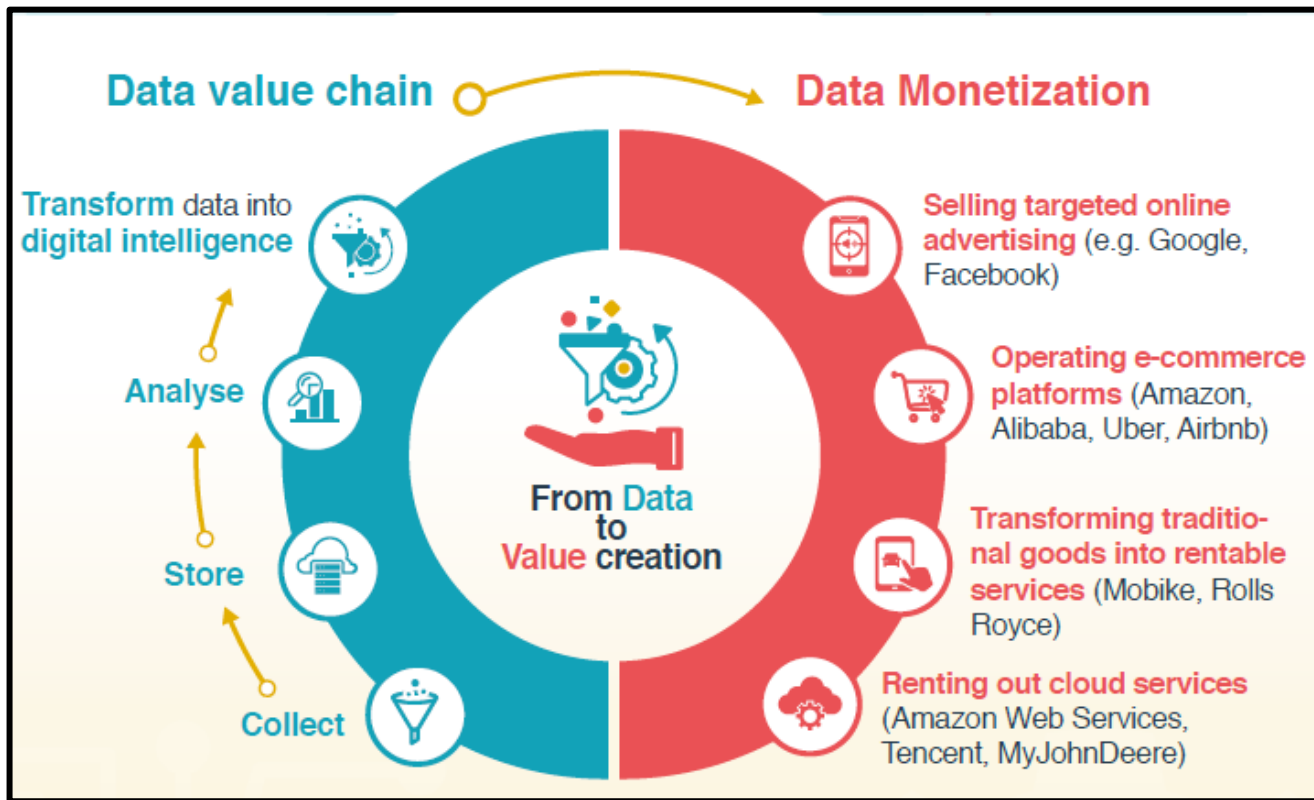


- GVCs (& GPN) are only one among the many ways in which contemporary leading corporations use their IMs to control and organize production and innovation (sub)systems
- Strategically decide which steps of their production and innovation systems belong to their core business and what should be outsourced



IM's Planned Production System

- A corporate planned system of reproduction & exchange of commodities led by the IM on the basis of its exclusive access to knowledge required to organize labour and control markets
- Integrated by other companies (Early adopters of IM required new techniques and Laggard) that have lost technical autonomy, best option to subordinate
- Subordinate companies *possess* means of production: they have the capacity to put them in action, but lack economic property which lays in the hand of the IM
- The production unit is split from the legal ownership of capital. The unit of capital accumulation is not defined by legal ownership.



Data-Driven IMs

Big Data + ML
for algorithmic
planning



“Big Data will make the market smarter and make it possible to plan and predict market forces so as to allow us to finally achieve a planned economy”



Planning
every
sphere of
human life

The evolution of corporate planning

	Industrial Capitalism	Intellectual Monopoly Capitalism
Type of asset	Organised around the tangible means of production. As close as possible to the physical activities because the tangibles and the workers incorporate most of the knowledge	Intangibles detached from tangible assets and workers. Planning is a remote centralisation of production organised around intangibles. Articulation of inarticulated knowledge
Planning scope	Planning has a strictly inward dimension	Planning has an expansionary dimension. Economic property beyond legal property
Planning's architecture	Silos linked by the market. Relative autonomy of the use of external knowledge	Hierarchically structured networks integrated by several production, distribution and innovation clusters. Based on knowledge (and data) appropriation.
Temporarity	Linearity of technical chains. Ex-ante planning	Online (systemic) planning. Feedback loop in real time and constant « trial and errors »
Nature of the relationship	Top-Down. Strong strategic and entrepreneurial dimension	Hegemony of leading corporations' general goal (top-down between firms) but through algorithmic governance (driven by automation of decisions)

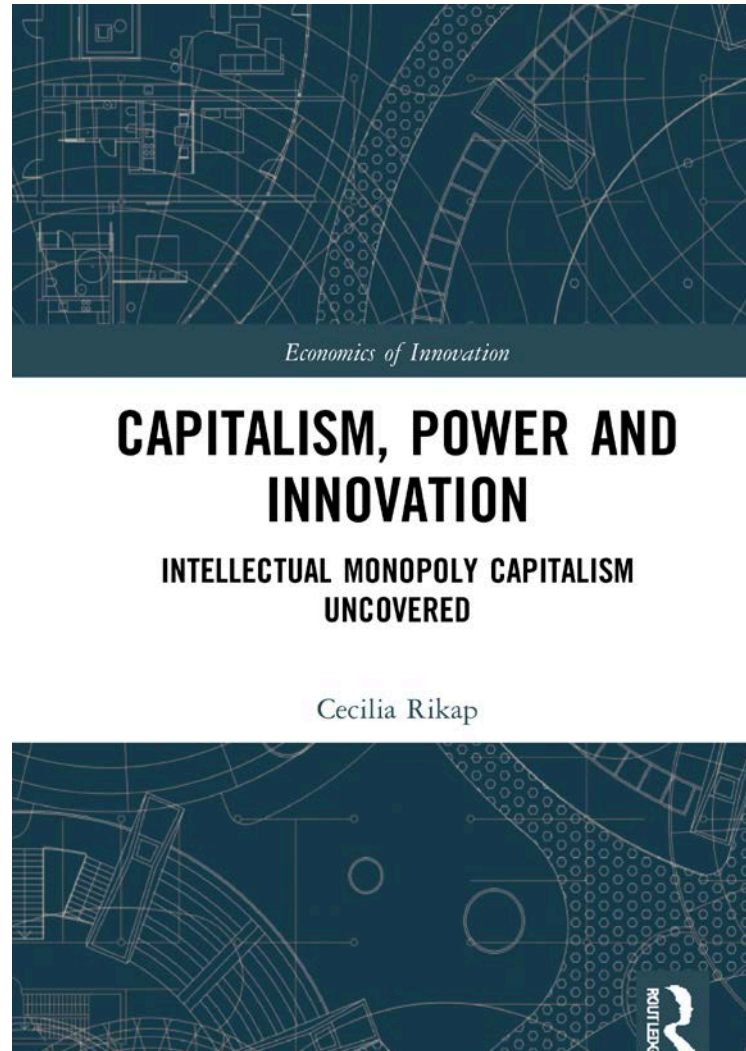
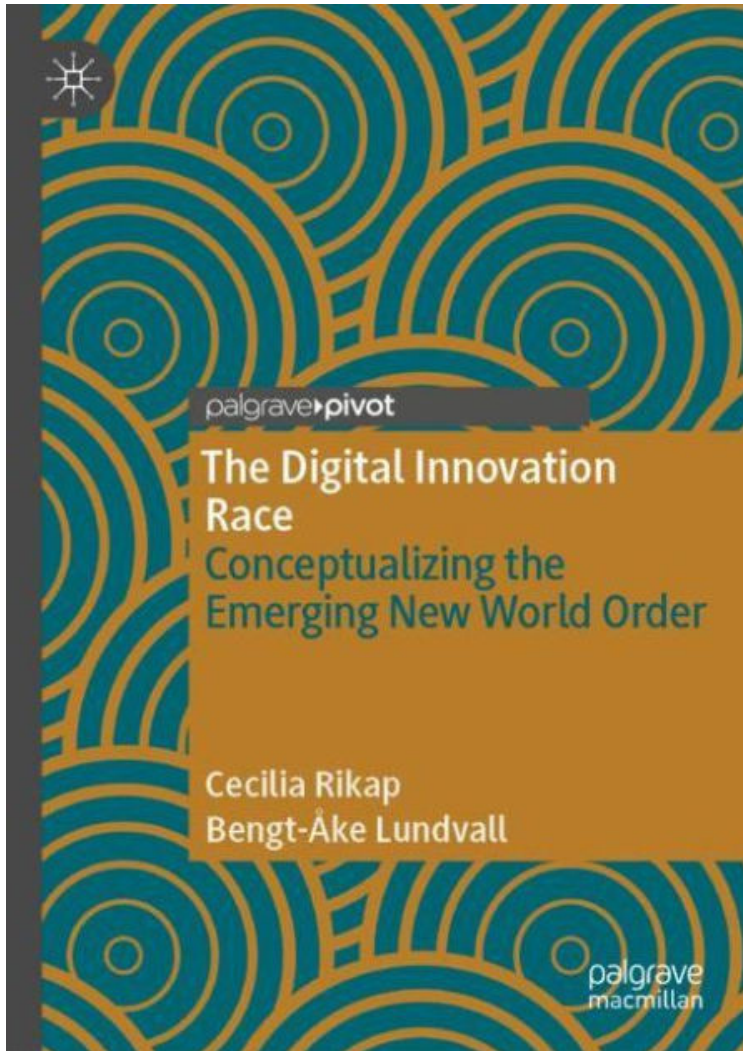
Summing up...

IMC: corporate planning found new venues and took an unprecedented role in the process of capital circulation and accumulation.

Leading corporations plan portions of every realm of life relying on their (data-driven) intellectual monopolies

Potential for a renewal of socialist planning and/or the scope for ecological planning.

Caveat: *translate* monopolized knowledge & data requires political mediations



Thanks
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