

Limits of the Plan

5/13/2026 • Reading time: ~33 min.

[Download PDF \(in English\).](#)[Original \(PDF • in English\).](#)[Print](#)

ABSTRACT

This paper develops a theory of the limits of the Plan. It begins from the non-obviousness of development and argues that development requires a material capacity to process the friction of reality. The Market and the Plan are defined as two forms of goal-setting: the Market processes friction through profit and produces imperialist development, while the Plan processes friction through conscious organization and produces anticapitalist development. The paper shows that the Market has continuous plasticity inside the interval $X \rightarrow Y$, while the Plan develops through discrete historical forms: Plan I, Plan II, and Plan III. The limits of the Plan are therefore the limits of each concrete form of planned micromanagement. The final form, the network Plan, overcomes the relative limit of the Plan and opens the path toward the Whole, where Market and Plan are sublated into communism.

Keywords: Plan; limits of the Plan; planned development; anticapital; anticapitalist development; imperialist development; Market; Antimarket; anti-market; Plan I; Plan II; Plan III; network economy; friction; capacity; micromanagement; vulgar planism; scientific planism; state capitalism; China; Soviet Union; Anticenter; Revolutionary Dictatorship of the Proletariat; RDP; Polar Marxism

JEL Codes: B51; B52; P16; P21; P26; P27; P51; O10; O25; O33

Introduction

Development is usually treated as an obvious result of policy, reform, institutions, investment, or market expansion. This paper begins from the opposite premise: development requires a material capacity capable of processing the friction of reality.

The central distinction of the work is the distinction between Market and Plan. The Market is a decentralized form of goal-setting whose function is profit. The Plan is a centralized form of goal-setting whose function is development. Each form

confronts the same rising complexity of the world, but each processes this complexity differently.

The purpose of this paper is to define the limits of the Plan. The argument shows that the Plan develops through historical forms: the gross form, the anti-market form, and the network form. Each form has its own capacity, its own limit, and its own place in the movement of anticapitalist development.

Development Is Not Obvious

Development is usually treated as an obvious object. Economists speak as if development begins once the correct policy, institution, market reform, investment rate, or incentive structure is introduced. In this view, development appears as a technical result of applying the proper formula to an underdeveloped country.

This is the first illusion that must be broken. Development is not an immediate fact of policy. A reform may change laws, prices, ownership, incentives, or institutions, but development requires a deeper material power behind these changes. A society develops only when some real force is capable of turning its material conditions into sustained growth.

The vulgar view begins from appearance. It sees developed countries, high wages, advanced technologies, stable institutions, large markets, and high consumption. It then treats these visible results as if they were the direct recipe for development itself. The conclusion appears simple: to develop, a country must reproduce the visible forms of the developed world.

This is the same type of error that appears whenever appearance is confused with essence. The eye sees the sun moving across the sky, and everyday experience confirms this appearance. Scientific thought begins when this appearance is broken and the hidden structure is reconstructed. The same applies to development. The visible movement of wealth does not reveal the law that produces it.

The vulgar theory of development accepts the imperialist world as its natural horizon. Since the highest concentration of goods, wages, technology, and consumption appears in the Center, the Center becomes the image of development itself. The observer sees the result of imperialist concentration and mistakes it for a universal path.

This produces the basic trap of development theory. The wealth of the Center is taken as evidence that the institutions, markets, policies, and political forms of the Center are the cause of development in general. The fact that this wealth rests on a world structure of concentration, extraction, unequal exchange, and peripheral subordination disappears from view.

Modern theories of growth often reproduce this trap in refined form. Rostow presents development as a sequence of stages leading toward mass consumption.¹ Solow formalizes growth through capital, labour, and technical progress.² The Washington Consensus turns development into a package of liberalization, privatization, fiscal discipline, and market reform.³ Institutional theory identifies the source of development in inclusive institutions, property rights, and constraints on elites.⁴

These theories differ in language, but they share one deeper movement. They begin from the surface forms of already existing development and convert those forms into a universal explanation. Stages, capital accumulation, reform packages, institutions, incentives, and markets become recipes because they are observed around the historical zone where wealth is already concentrated.

The problem is therefore methodological. Development theory often begins after development has already appeared. It looks at the developed form and asks how others can reproduce it. This reverses the real question. The scientific question is what law produced the developed form in the first place.

The answer cannot be found in the mere presence of markets, institutions, policies, or reforms. These are forms through which development may appear. They are not the source of development by themselves. The source must be sought in the material power that organizes the movement of society and gives direction to growth.

In the capitalist world, this material power is the market form organized by the law of capital. The market does not produce development as a neutral gift to humanity. It produces development through profit, competition, concentration, centralization, and the formation of the Center. This is imperialist development.

The appearance of development in the Center therefore conceals its polar structure. The same process that raises the Center subordinates the periphery. The same market that creates high wages in one zone creates blocked development in another. The same world process that appears as prosperity from the standpoint of the Center appears as dependency from the standpoint of the periphery.

The ideology of obvious development hides this polarity. It tells the periphery to copy the Center, while the actual world structure prevents the periphery from becoming the Center by the same path. The place of concentration is already occupied. The rules that produced the Center now reproduce the hierarchy around it.

This is why development must be demystified before the Plan can be analyzed. The real problem is the material power that organizes growth, the class or world position for which this growth is organized, and the law of motion that stands behind it.

Development is therefore not obvious. It is not the simple result of reform, imitation, investment, or institutional design. It is the expression of a deeper material law. The next step is to show that this law appears in two opposed forms: imperialist development through the market and anticapitalist development through the Plan.

Market and Plan as Forms of Goal-Setting

Before the two forms of development can be analyzed, the two forms of economic goal-setting must be defined. Development appears only when a social form gives direction to material movement. This direction is produced either through the Market or through the Plan.

The Market is a decentralized form of goal-setting. It has no single conscious center that formulates the movement of the whole economy. Its direction emerges from exchange, competition, prices, private interest, and the movement of profit.

The Plan is a centralized form of goal-setting. It gives direction through command, calculation, feedback, hierarchy, coordination, and conscious organization. Its movement is formulated from the standpoint of the whole system.

The difference between Market and Plan is therefore the difference between two ways of organizing purpose. The Market produces purpose through dispersed private actions. The Plan produces purpose through unified social command.

Each form must confront the same material field: reality itself. Reality is complex, resistant, and constantly changing. It contains resources, labour processes, technologies, logistics, needs, skills, infrastructures, errors, shortages, delays, and informational noise.

This resistance of reality is friction. Friction is the pressure that the material world places on every attempt to organize it. The more complex the productive forces become, the more complex this friction becomes.

Every economic form must process friction. A form that processes friction successfully can move reality toward its goal. A form that loses the ability to process friction loses the ability to develop.

The ability to process friction is capacity. Capacity is the real power of an economic form to perceive, absorb, calculate, coordinate, and direct the complexity of the material world.

Capacity appears through micromanagement. Micromanagement means the depth with which a system can work with the atomic elements of economic reality: individual needs, concrete resources, local constraints, sectoral links, logistics, quality, timing, and technical change.

Micromanagement is the processor of development. Through micromanagement, an economic form transforms the friction of reality into movement toward its goal.

In the Market, this processor operates through price, profit, competition, private risk, and decentralized adaptation. The Market reads reality through profit-oriented signals and turns friction into the movement of capital.

In the Plan, this processor operates through command, information, calculation, feedback, technical systems, and conscious direction. The Plan reads reality through organized signals and turns friction into the movement of development.

This distinction gives the bridge to the two kinds of development. The Market, as a decentralized form of goal-setting, corresponds to the law of capital. Its goal-function is profit. The Plan, as a centralized form of goal-setting, corresponds to the law of anticapital. Its goal-function is development.

The two forms therefore relate to development in different ways. The Plan develops when its conscious micromanagement can process reality for development as its goal. The Market processes reality for profit, and development appears as a consequence of this movement: profit drives competition, competition produces winners, winners concentrate and centralize capital, and this concentration of capital produces the developed Center. Market development therefore exists, but it appears as the by-product of profit-driven concentration, while planned development exists as the direct goal of conscious organization.

The Market and Imperialist Development

We can now represent the capitalist world as a historical interval between two points. The first point is (X), the opening point of the capitalist-friction interval. The second point is (Y), the terminal point of capitalist friction. Between (X) and (Y), the Market operates inside a world whose complexity continually increases.

Point (X) does not mean the absolute beginning of capitalism as a historical phenomenon. It means the relative beginning of the interval analyzed here: the point from which capitalist reality can be treated as entering a measurable rise of systemic friction. For the purposes of this work, (X) can be placed around the beginning of the twentieth century, when capitalism had already become a world system and the problem of global economic organization had become historically visible.

At point (X), friction is taken as relatively minimal for capital. This can be expressed as ($F_X = 0\%$), where zero means relative zero inside the chosen interval. From this point onward, friction rises together with the complexity of the world: technologies become more advanced, supply chains become longer, production becomes more differentiated, consumption becomes more complex, and the number of economic connections increases.

The movement from (X) to (Y) is therefore the movement from relative simplicity to terminal complexity. The closer the system moves toward (Y), the more reality resists economic organization. The world becomes denser, faster, more connected, and more difficult to coordinate. Friction approaches its terminal level, which can be represented as ($F_Y = 100\%$).

The Market functions inside this rising field of friction. It processes the world through exchange, competition, price, profit, and private adaptation. During most of the capitalist interval, this form continues to perform its function: it maximizes profit, supports capital accumulation, organizes competition, and produces growth through the concentration and centralization of capital.

This capacity has a historical horizon. The Market can continue to perform its function while the friction of reality remains within the range that profit-oriented coordination can absorb. As friction rises, the pressure on the Market also rises. The system must process more information, more complexity, more technological interdependence, and more global instability while still translating all of it into the language of profit.

Point (Y) names the moment at which this translation reaches its terminal limit. At (Y), capitalist friction reaches (100%). The Market reaches the point where its own form can no longer organize the complexity of reality through profit, competition, and decentralized adaptation. This is the terminal point of the capitalist-friction interval.

The development produced by the Market inside the interval (X \to Y) is **imperialist development**. It belongs to the historical interval in which the Market performs its organizing function through profit, competition, and decentralized adaptation.

As long as the Market can process the friction of reality, it continues to produce development in the Center. This development lasts until point (Y), where the Market reaches its terminal limit.

The Market preserves its form throughout this interval. Its strength lies in its liquid character. It flows into available spaces, fills pores, adapts to local conditions, absorbs new technologies, and reorganizes itself without requiring a new conscious design of the whole. Its movement is simple in principle but extremely powerful in operation.

This is why the Market can process reality so effectively for such a long historical period. It does not need a new architecture at each stage of complexity; it bends, flows, fragments, reconnects, and continues to translate the movement of reality into profit. The closer it moves toward (Y), the more pressure it faces, but until that point is reached, it remains the most plastic form of human socio-economic organization in the world, before its later sublation.

Imperialist development therefore names the historical form of market development inside the interval (X \to Y). It is the period in which the Market generates growth through the Center, processes friction through profit, and appears as a powerful mechanism of adaptation. Its termination occurs at (Y), when the friction of reality reaches the point where profit can no longer organize the world as a whole.

The Plan and Its Historical Capacity

The same historical interval can now be considered from the side of the Plan. The Plan also appears inside the interval (X \to Y), confronts the rising friction of reality, and performs its organizing function as long as it can process this friction.

In this sense, the Plan also produces development. If the Market produces imperialist development through profit and the concentration of capital in the Center, the Plan produces anticapitalist development through conscious organization, command, and the direction of growth.

Up to this point, the formal comparison appears symmetrical. The Market acts inside $(X \rightarrow Y)$, processes friction, and produces imperialist development. The Plan also acts inside $(X \rightarrow Y)$, processes friction, and produces anticapitalist development.

But this symmetry is only formal. The Market preserves its form by flowing through reality. The Plan preserves its form through conscious organization. For this reason, the Plan cannot be understood as a liquid structure that simply fills the pores of the world. Its capacity depends on a different condition.

This is where the analysis of the Plan begins. The Plan exists in the same historical interval as the Market, but it does not move through that interval in the same way. Its development depends on the specific form through which conscious organization becomes capable of processing reality.

The problem of the Plan begins at the level of micromanagement. The Plan has a centralized goal-setting structure, but this goal-setting must still process the friction of reality. It must see the concrete world, calculate it, coordinate it, and turn it into development.

In the Market, micromanagement rests on a simple and historically stable mechanism: price, profit, competition, and decentralized adaptation. This mechanism can flow with the world. It changes together with the movement of reality and therefore preserves a continuous form of processing.

In the Plan, micromanagement has another condition. It depends on the technological development of society. The Plan requires means of calculation, communication, registration, feedback, and control. Its capacity rises with the historical level of these means.

This creates the basic contradiction of the Plan. A concrete Plan must be fixed in order to work. It must have institutions, procedures, signals, commands, indicators, and technical channels. A Plan without a determinate form has no operational body.

At the same time, reality continues to transform. Friction rises as production, technology, needs, logistics, and social links become more complex. The fixed form of the Plan then begins to face a world that has moved beyond the level for which

that form was created.

The efficiency of a concrete Plan therefore falls when the friction of reality exceeds the capacity of its historical form. The problem is the mismatch between a fixed architecture of planning and a moving field of reality.

The Market handles the rising friction of the interval ($X \rightarrow Y$) through liquidity. Since the interval itself is measured from (0%) to (100%), the Market can be treated as possessing a continuous (100%) capacity relative to this interval. This does not mean that the Market is infinite. It means that, until point (Y), its liquid form can keep absorbing the rising friction of capitalist reality.

The Plan does not have this kind of continuous capacity at the start. The reason is simple: the Plan is conscious organization, and conscious organization requires a determinate technical body. It requires means of calculation, communication, registration, feedback, and control. Therefore, the capacity of the Plan depends on the technological level available to it.

A concrete Plan must take a fixed historical form. It cannot exist as pure intention. It must become institutions, procedures, indicators, commands, channels, accounting systems, and technical infrastructures. This fixed form allows the Plan to work, but it also gives the Plan its limit.

Once a concrete form of the Plan is fixed, it begins to process the friction of reality at the level that its own architecture allows. If the friction of the world remains within that level, the Plan works. If the friction of the world rises beyond that level, the same form begins to lose efficiency.

This is the basic difference between the Market and the Plan. The Market flows continuously through the interval ($X \rightarrow Y$). The Plan moves through fixed historical forms. The Market bends with reality. The Plan must build a form, exhaust it, and then pass into a higher form when the technological level of the world allows it.

The Plan therefore develops discretely. It passes through versions. Each version corresponds to a specific historical level of possible micromanagement and a specific capacity to process friction.

The first historical version of the Plan appears as a gross form. It works through large flows, aggregate indicators, mass mobilization, industrial command, and macro-level coordination. This is the first historical form of planned micromanagement, adequate to the level of friction it faced.

When the friction of reality rises beyond this gross form, the first version of the Plan begins to lose efficiency. A form adequate to one historical level of friction becomes inadequate when the world becomes more complex.

The second historical version of the Plan appears when conscious organization needs deeper micromanagement and possesses only the technical means for indirect processing. It therefore uses market-like signals inside an anticapitalist command structure. This form expands the capacity of the Plan through an indirect mechanism.

The limit of this second form follows from its own structure. It uses signals that tend toward profit and forces them to serve development. This can work for a historical period. As reality becomes more complex, the cost of subordinating profit-oriented signals to development rises. At a certain point, this cost begins to undermine the developmental output of the form itself.

After these two historical forms are understood, the third form becomes necessary. The third version of the Plan removes the indirect character of the second form. It replaces redirected profit-oriented signals with direct network signals of development.

This third form is the network Plan. It is the synthesis of the previous movement. It preserves conscious command and raises planned micromanagement to the level where it can process the friction of reality with the same depth that the Market processes through spontaneous adaptation.

In this sense, the three forms can be expressed as three levels of planned capacity. The first form corresponds to $(\frac{1}{3})$, the gross form of planned micromanagement. The second form corresponds to $(\frac{2}{3})$, the anti-market form of planned micromanagement. The third form corresponds to $(\frac{3}{3})$, the network form of planned micromanagement.

The meaning of $\frac{3}{3}$ becomes clear at the end of this derivation. It is the point at which the Plan reaches full relative capacity in relation to the Market. The Market has continuous (100%) capacity inside $(X \rightarrow Y)$; the Plan reaches equivalent capacity through the discrete historical movement from $\frac{1}{3}$ to $\frac{2}{3}$ to $\frac{3}{3}$.

The limit of the Plan is the historical capacity of each concrete form of planned micromanagement. The Plan as a general form moves through the whole interval $(X \rightarrow Y)$, but it does so through discrete forms that must be replaced when their capacity is exhausted.

Vulgar and Scientific Planism

After the limit of the Plan has been derived, the main errors of thought can be stated more clearly. These errors arise when a concrete historical form of the Plan is mistaken for the Plan as such.

The central error is the absolutization of the gross form. The Soviet form of planning is treated as if it were the essence of planning in general. In reality, the gross form was the first historical form of planned micromanagement, adequate to the industrial level of the twentieth century and to the technological capacity available at that time.

This error produces vulgar planism. Vulgar planism is the mode of thought that identifies the limits of a concrete historical form of the Plan with the limits of the Plan as a form of organization.

The Austrian critique gives the classical liberal version of this error. Mises and Hayek treated the problem of calculation, dispersed knowledge, and coordination as a fundamental impossibility of planning.⁵⁶ Their arguments took the historical limitations of early planning and transformed them into an ontological verdict against the Plan.

The historical movement itself already refutes this verdict. The Soviet Union calculated and organized a gross industrial form of development. China calculates and organizes an anti-market form of development. The network economy will

calculate and organize the higher form of planned development. The question is therefore the historical capacity of each form, not the abstract impossibility of planning.

Their critique becomes even weaker when it is extended to communism. Communism is the Whole, not another administrative plan. It is the sublation of Market and Plan. A critique directed against centralized calculation inside the interval (X \to Y) cannot grasp the form that appears after this interval has been overcome.

Liberal nihilism is the first form of vulgar planism. It says that the Plan cannot process microinformation because economic knowledge is dispersed, local, and practical. It elevates the market form into the universal form of coordination.

Gross vulgar planism is the second form. It accepts the gross form as the proper form of the Plan and treats macro-command, aggregate indicators, and administrative targets as sufficient expressions of planning. It turns the first historical form into a doctrine.

Market vulgar planism is the third form. It sees the need for micromanagement and then assigns this function to market-like mechanisms. It treats the market as the permanent prosthesis of the Plan and turns Plan II into a final model.

Utopian vulgar planism is the fourth form. It replaces calculation with discussion, coordination with assembly, and micromanagement with political participation. It treats the problem of economic processing as a problem of collective conversation.

These four forms differ politically, but they share the same structure. Each of them fixes one incomplete relation between macro-command and microprocessing. The liberal gives microprocessing to the market. The directive planner gives macro-command to the bureaucracy. The market socialist divides the two. The utopian replaces their unity with deliberation.

Scientific planism begins from another premise. The Plan is a historical form whose capacity depends on the technical and organizational means available to conscious society. Its limits are real, and they are the limits of determinate forms.

Scientific planism understands Plan I, Plan II, and Plan III as successive forms of planned micromanagement. The gross form, the anti-market form, and the network form express three stages in the development of the Plan's capacity.

The Fetishism of Plan II

After vulgar planism, a second error must be isolated: the fetishism of Plan II. This error arises from the present anti-market form of the Plan. The observer sees market-like mechanisms, private firms, national bourgeois elements, prices, competition, and integration into world trade, and then treats this surface as the essence of the system.

Plan II is a temporary historical form of the Plan. It belongs to a definite stage in the development of planned micromanagement. Its use of market-like mechanisms follows from the technological and historical limits of direct planned calculation at this stage. The anti-market form is therefore a necessary moment in the development of the Plan.

The fetishism of Plan II begins when this temporary form is turned into a final category. The present surface of the Chinese formation is taken as the truth of the whole system. From this operation come theories of state capitalism, party-state capitalism, authoritarian capitalism, and similar terms.

These theories take the visible market-like layer of Plan II and transform it into the class essence of the system. They see profit-oriented signals and private production, but they read them as capitalism itself. In reality, these signals operate inside an anticapitalist command structure and are forced to serve development.

State capitalism is the fetishization of the surface-form of Plan II. It mistakes the anti-market form of Contour B for the law of the whole system. It sees the temporary instrument through which the Plan processes friction and treats this instrument as the ruling essence of the formation.

The Chinese form produces this confusion because Plan II really does use market-like mechanisms. Its surface looks close to capitalism, while its command structure remains anticapitalist. This contradiction creates a terminological poverty in

contemporary theory: the system is called capitalist because its surface speaks in market forms, while its law of motion remains tied to the Plan.

The scientific position is different. Plan II must be understood as the anti-market form of planned micromanagement. It uses profit-oriented signals, disciplines them, redirects them, and subordinates them to development. Its limit follows from this structure: the cost of subordinating profit-oriented signals rises as the friction of reality increases.

The fetishism of Plan II therefore blocks the understanding of succession. If Plan II is taken as capitalism, its exhaustion appears as a crisis of capitalism or as the failure of state capitalism. If Plan II is understood as a historical form of the Plan, its exhaustion appears as the condition for the next form: Plan III.

The Limit of Plan II

Plan II has the same general fate as Plan I: it is a historical form of the Plan, and every historical form of the Plan has its own limit. Plan I reached its limit when the gross form of planned micromanagement could no longer process the rising friction of reality. The Soviet Union collapsed as a concrete Anticenter, but anticapital did not disappear.

After the collapse of the Soviet form, the anticapitalist field reorganized itself under a second Anticenter. This second form is Plan II, whose central historical embodiment is China. The global periphery did not return to ordinary capitalism as a stable self-reproducing order. It entered a new configuration under the anti-market form of planned micromanagement.

The surface of this new configuration appears market-like. It contains prices, private firms, national bourgeois elements, competition, trade, and profit-oriented signals. From the standpoint of vulgar theory, this surface is read as capitalism. From the standpoint of polar Marxism, it is the anti-market form of the Plan.

In the West, profit commands the economy and development appears as a consequence of profit-driven concentration and centralization of capital. In Plan II, profit-oriented signals are subordinated to development. They are used, disciplined, redirected, and forced to serve the law of anticapital.

This is the source of both the power and the limit of Plan II. The anti-market form can process reality more deeply than the gross form of Plan I. It can absorb more signals, use more flexibility, mobilize private initiative, and coordinate a more complex economy. This gives Plan II a higher capacity than Plan I.

But Plan II remains limited because its micromanagement is indirect. It uses signals that naturally tend toward profit and forces them to serve development. This contradiction can produce enormous historical growth, and this is exactly what the Chinese form has done. But the contradiction also produces a rising cost of control.

As the friction of reality increases, the economy becomes more complex, more technological, more financialized, more networked, and more difficult to discipline. Profit-oriented signals become harder to redirect. The cost of keeping them subordinated to development rises.

At a certain point, the cost of subordinating profit-oriented signals begins to approach the developmental output they produce. When this happens, Plan II begins to lose its historical efficiency. The anti-market form reaches its own limit: it uses profit-oriented signals for a developmental law that stands above profit.

This gives the structural meaning of China's future crisis. China will exhaust the anti-market form because Plan II has a capacity of $(\frac{2}{3})$, while the friction of reality continues moving toward the level that requires $(\frac{3}{3})$.

The collapse of Plan II should therefore be understood as the exhaustion of a concrete Anticenter. Just as the exhaustion of Plan I required Plan II, the exhaustion of Plan II requires Plan III. The law of formational continuity demands the next form.

Plan III is the network economy. It replaces redirected profit-oriented signals with direct network signals of development. It gives the Plan the capacity to process reality at the level that Plan II approaches indirectly.

This also changes the meaning of the current historical period. China is the anti-market transition through which the East develops, accumulates capacity, and prepares the material basis for a higher form. Its disappearance as Plan II will be the completion of its historical task.

The anti-market form has therefore been progressive. It developed the East, expanded the material power of the periphery, and held the anticapitalist field after the Soviet collapse. Its future exhaustion is the condition for a stronger form.

Western theory reads this sequence through the surface of Plan II. It calls the anti-market surface capitalism and therefore expects the future to be liberalization, collapse, or normal capitalist transition. Scientific planism reads the sequence differently: Plan I, Plan II, Plan III.

In the future, the network economy will reveal the temporary character of the anti-market present. What appeared to vulgar theory as capitalism will appear as a short historical interval of Plan II. The East was market-like only at the surface. Its law remained anticapitalist.

The limit of Plan II is therefore clear: it can use profit-oriented signals for development only for a historical period. As friction rises, the cost of redirecting these signals rises. When this cost undermines the developmental function of the form, Plan II reaches its limit and gives way to Plan III.

Misreadings of the Limit of Plan II

The limit of Plan II can produce several misreadings. These misreadings arise when the existing anti-market form, together with its future exhaustion, is read through the categories of liberalization, collapse theory, state capitalism, or ordinary capitalist transition.

The first misreading expects China to liberalize into capitalism. This view reads the market-like surface of Plan II as the beginning of a transition toward the Western form. The older expectation around China's integration into world trade followed this logic: economic liberalization would create political liberalization, and market expansion would push China toward a liberal-capitalist order.⁷

I give another prediction. China will not complete itself as Western capitalism. Its market-like mechanisms are anti-market mechanisms inside Plan II. They serve the law of anticapital through the subordination of profit-oriented signals to development. The trajectory of this form leads toward exhaustion and replacement by Plan III, rather than completion as liberal capitalism.

The second misreading is close to the first, but it gives the same expectation another mechanism. The first expects China to become capitalism through gradual liberalization. The second expects China to collapse first and then fall into capitalism, ordinary market existence, or peripheral disintegration. In this view, the exhaustion of China would dissolve the anti-market structure, open the system to capitalist capture, and reduce the East to a new periphery. From the standpoint of this work, such an outcome cannot become a stable historical result, because the law of formational continuity requires anticapital to reproduce a new Anticenter after the exhaustion of Plan II.

The third misreading connects this theory to the ordinary China-collapse genre. That genre has repeatedly predicted Chinese breakdown through financial weakness, authoritarian rigidity, corruption, demographic pressure, party decay, or failed reform. Gordon Chang's well-known prediction of collapse within a short horizon is the classic popular form of this literature; Shambaugh, Pei, and Minzner represent more academic versions of the same broad anxiety about the durability of the Chinese party-state.⁸⁹¹⁰¹¹

The present theory speaks about another object. China's future exhaustion follows from the limit of Plan II: the rising cost of forcing profit-oriented signals to serve development under increasing friction. Financial stress, demographic pressure, corruption, elite conflict, or social crisis may appear as surface forms of this exhaustion. The law lies deeper.

This distinction also matters historically. A correct event can be predicted through a false law. A system may collapse, while the explanation attached to that collapse remains wrong. The collapse of the Soviet Union created this problem: many earlier anti-Soviet predictions appeared vindicated by the event, even when their theoretical explanation missed the actual law of exhaustion. Trotsky's prognosis in *The Revolution Betrayed* is the clearest example of this problem: the event of Soviet collapse may appear to confirm the prediction, while the law explaining the collapse remains different.¹²

The same danger will appear with China. If China exhausts Plan II, collapse theories will claim confirmation. Scientific planism separates the event from the law. China's exhaustion will confirm the limit of the anti-market form, not the liberal theory of authoritarian failure, demographic fatalism, or ordinary market transition.

The fourth misreading eternalizes the current world division. It imagines a stable opposition between democratic capitalism and authoritarian/state capitalism, as if the present configuration were the final structure of the world. This is the ideological form of the post-Soviet period.

This division is temporary. The current Chinese form belongs to Plan II. It is a historical anti-market configuration, not the final form of the East. Its surface creates the illusion of state capitalism because it uses private production and market-like signals under anticapitalist command.

The strength of this theory is its predictive sequence. Theories of state capitalism describe the present surface. My theory predicts the next form. If the anti-market form reaches exhaustion, the decisive question becomes the emergence of Plan III.

The network economy will expose the poverty of the state-capitalist category. What appeared as capitalism in the Western vocabulary will appear as a short anti-market interval in the development of the Plan. The surface will be reclassified by the movement of history itself.

The final misreading concerns permanence. Capitalism appears eternal because the Market remains powerful inside (X $\rightarrow$ Y). China appears durable because Plan II still produces development. Both appearances belong to the present interval. The Market has point (Y). Plan II has its capacity limit. The sequence continues toward Plan III and then toward the Whole.

All these positions, despite their differences, read China through a capitalist matrix: either as capitalism, as a transition toward capitalism, as deformed capitalism, or as a system that, after crisis, must reveal its capitalist essence. Their deepest error is capital-centrism. They cannot think beyond capitalism because they treat capitalism as the final substance of history. For them, every form must either already be capitalism, be moving toward capitalism, be a distorted

capitalism, or become capitalism after the collapse of its political shell. This is why they misread both the Soviet Union and China: they mistake the exhaustion of a concrete form of the Plan for the victory of capital.

The conclusion of these misreadings is simple. China will not become the West. China will not open a stable path to ordinary peripheral capitalism. China will exhaust Plan II through the internal limit of the anti-market form. That exhaustion will demand Plan III. This is the prediction that follows from the limits of the Plan.

Conclusion

The limit of the Plan is the limit of a concrete historical form of planned micromanagement. Plan I exhausted the gross form. Plan II will exhaust the anti-market form. Plan III appears as the network form capable of reaching full relative capacity in relation to the Market.

This sequence also clarifies the errors of vulgar planism and the fetishism of Plan II. The Soviet form was one historical version of the Plan. The Chinese form is another. State capitalism is the fetishization of the surface-form of Plan II.

The final result is the Whole. The Market reaches its terminal point at (Y). The Plan reaches its final form in the network economy and later the same terminal point at (Y). Their opposition is then sublated into communism, understood as zero-friction coordination and the unity of managing and managed life.

Footnotes

1. W. W. Rostow, "The Stages of Economic Growth," *The Economic History Review* 12, no. 1, 1959, 1–16. DOI: 10.1111/j.1468-0289.1959.tb01829.x. ↩
2. Robert M. Solow, "A Contribution to the Theory of Economic Growth," *The Quarterly Journal of Economics* 70, no. 1, February 1956, 65–94. DOI: 10.2307/1884513. ↩
3. John Williamson, "The Strange History of the Washington Consensus," *Journal of Post Keynesian Economics* 27, no. 2, 2004, 195–206. DOI: 10.1080/01603477.2004.11051438. ↩
4. Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, New York: Crown Business, 2012. ↩
5. Ludwig von Mises, "Economic Calculation in the Socialist Commonwealth," *Archiv für Sozialwissenschaften und Sozialpolitik* 47, 1920, 86–121. Originally published in German as "Die Wirtschaftsrechnung im sozialistischen Gemeinwesen." ↩
6. F. A. Hayek, "The Use of Knowledge in Society," *The American Economic Review* 35, no. 4, September 1945, 519–530. ↩
7. William J. Clinton, "Full Text of Clinton's Speech on China Trade Bill," Institute for Agriculture and Trade Policy, March 8, 2000. URL: https://www.iatp.org/sites/default/files/Full_Text_of_Clinton's_Speech_on_China_Trade_Bi.htm. ↩
8. Gordon G. Chang, *The Coming Collapse of China*, New York: Random House, 2001. ↩
9. David Shambaugh, "The Coming Chinese Crack-Up," *The Wall Street Journal*, March 6, 2015. URL: <https://www.wsj.com/articles/the-coming-chinese-crack-up-1425659198>. ↩
10. Minxin Pei, *China's Trapped Transition: The Limits of Developmental Autocracy*, Cambridge, MA: Harvard University Press, 2006. ↩
11. Carl Minzner, *End of an Era: How China's Authoritarian Revival Is Undermining Its Rise*, New York: Oxford University Press, 2018. ↩

2. Leon Trotsky, *The Revolution Betrayed: What Is the Soviet Union and Where Is It Going?*, translated by Max Eastman, Garden City, NY: Doubleday, Doran and Company, 1936. URL: <https://www.marxists.org/archive/trotsky/1936/revbet/>.
↩

HOW TO CITE THIS ARTICLE

Vilen Isteni (2026). "Limits of the Plan." Polar Marxism.
<https://polarmarxism.com/en/research/limits-of-the-plan>



READ ONLINE

