

BEIWANG:

How should one succeed as an economist? – after reading János Kornai's *By Force of Thought*

When reading masterpieces by outstanding authors of the former socialist countries of Eastern Europe (for instance, *The Joke* by Milan Kundera, or Polanski's memoirs), there always comes a strange sense of familiarity and hidden pain, or even thrill. Although these books describe foreign countries and historical events that are far away, one can still relate to the situations, as well as to the confusion and reflection in relation to the human fate.

János Kornai, the one who summarised the socialist economic system and its reforms, did not only evoke the aforementioned feelings with his *By Force of Thought: Irregular Memoirs of an Intellectual Journey*. He also incidentally answered a particularly important question, namely: "How should one succeed as an economist?"

The answer is definitely not "as early as possible", or "99% perspiration and 1% inspiration". Such clichés most probably focus more on "how to" than "how should". Even though the book offers numerous valuable examples and experiences about how to evolve as a researcher, as well as about academic career development (e.g. how to become a self-educated economist, the three stages of developing a theory, how to focus solely on research uninterruptedly, how to start a doctoral thesis and exchange ideas with fellow economists, how professors are appointed at Harvard University, etc.), its greatest value is the review of an economist's successful career through an unconventional "intellectual journey" endowed with dimensions of value judgments.

For economists, value judgment is an old and sensitive topic. Both Gang Fan's polarising article entitled "Immoral" Economics published in Dushu magazine ten years ago, and later the so-called "economic interpretation" advocated by Wuchang Zhang with its significant influence on young academics addressed the question of "how should".

Shuguang Zhang summarised this issue very well in his *Theoretical Paradigm and Analytical Methods of Economics*: there will always be opposing opinions in the debate on the correlation of norms and empirical evidence, values and the facts. One stance is that science has to maintain its neutrality, as it has nothing to do with value judgments, but only involves objective description of the facts without subjective evaluations of individuals. Another point of view suggests that in case of social sciences, value judgment is indispensable, therefore, economics, like all the other social sciences, is full of value judgments.

Apparently, Kornai supports the latter position. In his long research career, he gradually achieved a balance between value judgment and scientific spirit. His academic career epitomises the process of moving away from, and subsequently returning to value judgments; and meanwhile gradually developing a scientific *ars poetica* on life.

In the early stage of his research, that is, from the doctoral thesis to the early 1970s, Kornai focused on the empirical verification of theoretical generalisation on the basis of investigation, interviews, and data collection. It is by abandoning unrealistic, empty, ideological value judgments and scrutinising the reality repeatedly that he managed to create new theories and maintain the originality of thought. Hence he disposed of stale dogma, and was not didactic and propagandistic, unlike his fellow Hungarian colleagues. During his research, he stayed away from the terminology of the Marxist "political economy". Instead, he learnt from experience and used neutral technical terms, eventually achieved major theoretical breakthrough by constructing notions such as excessive concentration or the phenomenon of shortage.

Kornai wrote in the book that from 1954 to 1959, he had spent five years contemplating how to continue his life, ultimately making a decision with full respect to the academic career. As Kornai contended: he cannot see into the souls or the decision-making processes of other people, he can only know his own heart. It reminds us of his academic peer Zhun Gu, who once proposed enlighteningly to find the way "from idealism to empiricism", that is, essentially the return to the essence of science. As Shi Hu formulated it: first take science as the foundation of our life philosophy, then take the scientific attitude, spirit, and method as our perspective and way of living.

As the critic of the socialist system Kornai objectively pointed out that "socialism gave birth to premature welfare states". His book, *The Socialist System* was attacked by both the left and the right, but was praised by both the Western and the Eastern academic world.

The most essential prerequisite of being a successful economist is the scientific spirit that seeks truth and beauty through rational, empirical proof.

In accordance with scientific principles, Kornai adhered to empirical analysis, and gradually regained and strengthened his value system. Moreover, in his academic career, efficiency and socialist ethics can even be regarded as a string connecting his works. In his memoir, Kornai wrote explicitly: "I particularly emphasise freedom, human rights, dignity and autonomy of the individual, even though I try to stay objective, I think that actions and behaviour violating the above-mentioned values should be condemned."

In the early 90s, *The Road to a Free Economy* was published. On the one hand, it called for the end of the simulations in connection with the different forms of ownership in the socialist economic reform process. He firmly opposed to forcibly accelerated privatisation, instead advocated for a progressive and fair transition process, as well as the organic development of the private sector. He admitted: "Behind the two strategies there is the choice of the values. Those advocating for structured development particularly emphasised the re-stratification of society, for a new middle class of owners and entrepreneurs to emerge. Those for free distribution glorified the speed of the transition." In retrospective, "shock therapy" as the embodiment of the excessive pursuit of speed while ignoring social justice gave rise to serious consequences; while Hungary, having accepted the concept of gradual transition proposed by Kornai, did not only avoid the doom of national assets being amassed in the hands of oligarchs, but withstood the test of history.

In 1998, researching the health care reform, Kornai completely disagreed with the approach of solving the problem before considering its moral implications. He developed approaches to the reform starting from the basis of a value system and ethical principles accepted by the public. Not only did he emphasise the principle of individualism, but very differently from those promoting solely a weaker role of the state, he named the principle of solidarity as an important prerequisite. Furthermore, as long as the state is capable of solving practical problems, it can fulfil the redistributive functions. *Welfare, Choice and Solidarity in Transition: Reforming the Health Sector in Eastern Europe* was eventually published based on this research, and has since become a classic in this field.

Kornai's dominance in the aforementioned fields of economics is noticeable, as well as his far-reaching influence on China's intellectual and academic world, as well as its strategy making. His scientific views have been promoted and propagated by his famous Chinese students, but unfortunately his values and ethics reflected in his academic career are far less well known than for example theories like soft budget constraint. This also suggests that at the threshold of a major breakthrough in practice and theory of the Chinese reform, the Chinese academic world's reflection and exploration regarding the "moral basis of the market economy" (in Dingding Wang's words) is not sufficient.

The knowledge of economics of the Chinese stays at the engineer thinking of information, methodology, and practical application; and does not entail scientific spirit and value judgments which might in fact have a more critical role. Hence innovative contribution that goes beyond the framework is extremely rare. To some extent, this is the trap of "latecomer's disadvantage" that Xiaokai Yang warned about worryingly.

According to Aoki Masahiko renowned Japanese economist, *By Force of Thought* "may also be read as a treatise on the ethics and psychology of scientific creation by a leading social science scholar of our time." I think this is true not only because the book answers the question: "How should one succeed as an economist?" It also makes people understand why social scientists with real successes are so scarce and invaluable.

Translated by Shenshen Hu