

## Excerpts from the Preface of the book

**János Kornai: Gondolatok a kapitalizmusról (Thoughts about Capitalism).  
Budapest: Akadémiai Kiadó, 2011<sup>1</sup>**

### The incompleteness of the work

It was not easy to let this book go to print. I would have preferred, instead of the 240 page four essay volume, to publish a 670 page monograph entitled *The capitalist system*. That could have been a pair to my 670 page book on *The socialist system*, published in 1993.

I wrote the four papers in this volume in the last few years. But the ideas expressed here had matured for a long time. Their stories go back to my doctoral dissertation, *The Overcentralization in Economic Administration* (1957), the manuscript of which I finished exactly fifty years ago. In the present book, especially in the second essay, I keep returning to matters in the focus of my books *Anti-Equilibrium* (1970) and *The Economics of Shortage* (1980): a revision of the basic concepts of microeconomics, the critique of the market equilibrium model, the description of asymmetric states of the market, and so on. When writing about socialism, its counterpart – capitalism – has always hovered in front of my eyes. The latter is often mentioned in my works, but now it was time to write a work in which capitalism is not only an issue of comparison, but it is the *topic* of my work. Thus I have run a full circle, returning to the starting point.

I am convinced that the paradigm, the scientific perspective, the question formation, the conceptual framework and the methodology developed and presented in my works are not only capable to describe and analyze the socialist system and post-socialist transition, but also to describe and analyze the working of capitalism. It provides something *extra* as compared to the paradigms, conceptual systems and methodologies used by others.

What I contribute here is a torso. It is a statue only partly carved out of a block of stone. The world has been plagued by a severe economic crisis, and this volume does not provide a crisis theory. While recently the attention of the economics profession has been focusing on monetary and fiscal policy, the operation of banks and other financial institutions, I did not include a study on the financial system, either. I could go on listing what else is missing – those are the topics that would fill the difference between 240 and 670 pages.

I am not only concerned about the problems vital to understand the working of the capitalist system absent in the volume – and certainly the reader also is. I am also concerned about the content that is present: that it does not form a full structure. What the reader will read are four *separate* papers. I do not call them chapters, to clearly communicate as early as the table of contents that they are four separate papers. They are connected by their common approach, described earlier in the Introduction; their relationships are indicated by the cross-references. But even their genres are not completely homogeneous; even some overlap and repetition was impossible to completely eliminate.<sup>2</sup>

This is what my present capacity allows me right now. By the time the volume is out, I will have turned 83. It would be unrealistic to promise myself to write the “great”, 670 page work, and I would like to honestly admit it to the readers in this Introduction. That is what I tried to indicate in

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<sup>1</sup> There is a large overlapping this book published in Hungarian in 2011 and the author's book, published in English under the title *Dynamism, Rivalry, and the Surplus Economy* in 2014 by Oxford University Press. The English book is the translation of the revised text of first two chapters of the Hungarian book. Here we publish the translation of the last section of the Hungarian preface (pp. 21-22.). [Footnote written for the English translation acceptable on this website. Footnote 2 appeared in the original Hungarian text as well.]

<sup>2</sup> A reason for it may be that, if used for educational purposes, it is not the volume as a whole, but only one or more of the four papers that will be added to a topic's reading list. Therefore it was practical to formulate the explanations in a way that they are self-contained and understandable in themselves.

the very title of the book: it is not *The capitalist system*, but a much more modest title *Reflections about capitalism*.

It is my hope that maybe this fragmented work, in its incompleteness, will still generate ideas in the reader. That there will be some who will start to look for answers to the questions raised in the essays, and to work out the modeling and empirical testing here described only verbally. All I can promise is that I will try to add a few more chapters to the unwritten “great” work.

The above is included as an introduction to the volume. I would like to suggest the reader that, when reaching the end of the book, s/he should return and read this Introduction again. Probably a lot that I wrote here will make more sense when one is already familiar with the four essays.