

dependence), and subsidised flour and bread prices. Such institutional stability, resource extraction and import substitution are very different from the reform policies habitually (but without much analytical underpinning) recommended in most of the other chapters. As Spoor explains well, this model is now showing signs of strain. But it has allowed the symbiotic relationship between large farms and household plots to continue, allowing an impressive rise in household farm output that was vital to Uzbekistan's food security.

The Uzbek experience invites reflection on what the appropriate policies for Central Asian countries would be. With their difficult geography and economies dually dominated by agro-industry and subsistence strip farming, they might not be poised to take full advantage of free trade, state withdrawal, and structural changes that depend on private entrepreneurs' responses to be successful. They are also too poor and politically instable to allow much experiment. There are, then, pressing questions about what mix of policies – reforms or otherwise – would best serve these particular economic systems. But sadly, most of the comments on policy in the book take a uniform and jaded Washington-Consensus approach to reforms as the benchmark, noting the slow progress and sharing with readers the hope that such reforms will deliver better results in the future. To write, in effect, time and again 'this didn't work, let's try it again' without good argumentation made for unconvincing (and monotonous) reading to this reviewer.

But perhaps this book should not be judged as an attempt at fresh analysis. Its main contribution may well lie in the provision of much factual information on Central Asian agricultural developments over the last fifteen years, and the editors are to be applauded for bringing so much of it together in one volume. Their job, in fact, has extended to writing a good deal of it: out of 24 chapters, the editors co-authored 13, in various combinations with the other 22 authors. These chapters are generally the weakest – faulty in grammar, repetitive in style and dogmatic in content – but they provide facts, graphs and tables on a wide range of topics, as do the other chapters. The issues touched upon range from productivity trends, land reforms experiences, the changing balance between livestock and crop production, poverty, food security, irrigation and environmental degradation, and even information and communication technology in Central Asian agriculture. All this is the indispensable background information against which to rethink the region's economic systems.

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J. Kornai, *By Force of Thought, Irregular Memoirs of an Intellectual Journey*, MIT Press, Cambridge, MA, London (2006)., 461 pp., Index, US\$ 40, ISBN: 0262113023

János Kornai has been one of the few economists, and arguably the most influential, who remained behind the iron curtain and at the same time took part in international scholarly discourse, contributing major works to the literature. This had several implications: the personal decision not to emigrate, a (tacit) agreement with the authorities about freedom and loyalty, first hand knowledge about the functioning of the socialist economic system, adoption of "Western" standards of scientific research, among others. Hungary, the happiest barrack of the camp, was, quite obviously, the only socialist country where such a phenomenon was possible at all and even there it was a miracle. How a person who, as Kornai stresses, started his career as a communist party soldier and never had a formal

economics education could get job offers from Cambridge and Princeton and become a half-time Harvard professor must be a fascinating story. And so it is.

The title of Kornai's autobiography boldly purports that all this was achieved "by force of thought". Evidently it was not as easy as that: circumstances, luck, friends, strategic behaviour – more than just a lucid head was necessary to get to the fortunate end. Here is the first reason why the book is such an absorbing read: it is a personal account about what it meant to grow up as a Jew in pre-war Hungary and under Fascist rule, to start a career in a Stalinist system, to survive a revolution, to develop intellectual independence in an authoritarian system, and to become a world-known scholar. The book has been written in 2003–2006 and Kornai has not kept diaries. So it must be the view from behind. But Kornai's seems to be a very clear memory: the historical facts and views come over quite authentic. Nevertheless the subtitle calls the book "irregular memoirs". This does not refer to his reminiscences, but indicates that the author exploits the vantage point of hindsight and cannot refrain from doing what he always did – analysing and commenting events and views as he sees them at the time of writing, that is in 2003–2006.

The book is intended as an intellectual autobiography. But like most autobiographies, it is at the same time an attempt at self-analysis. A recurrent adjective is "naïve": the youngster's engagement with the communist cause was rooted in ignorance, the first steps in economic research are called "naïve empiricism", early convictions about the reforms of the system lead to the self-characterisation as "naïve reformer", naïve interventions with acquaintances in power in favour of incriminated friends, ignorance about the work of the secret service abroad. For a certain period of his life, Kornai sees himself as a sleepwalker who unwittingly takes the right steps on a dangerous road. Indeed, there is a certain resemblance with the story of Percival, who starts as a naïve ignorant, embarks with a pure mind on searching the Holy Grail, and in the end becomes its custodian and king. This naivety has perhaps protected Kornai and helped him to find his way in the authoritarian communist system and out of it.

The second reason that makes the book highly recommendable is more professional: the comparative economist and the historian of economic thought get detailed insights how the works of Kornai evolved and what they intended to achieve. The author puts his publications into their historical and biographical context, the major ones like the books on overcentralization (1957/1959), the economics of shortage (1980) and the socialist system (1992), the 1965 *Econometrica* article (together with Tamás Lipták) on two-level planning and the 1986 *Kyklos* article on the soft budget constraint, and also the less quoted, but by no means less interesting ones. After the first chapters on his youth, his family and his first steps as a journalist, the book is organised along these scientific publications. It is an advantage if the reader is acquainted with them, but certainly not indispensable. Kornai's contributions to economics evolve quite organically with the phases of disease and recovery and final passing away of the socialist system in Central and Eastern Europe, in particular Hungary. So the less informed reader gets an overview over the development and insights into the troubles of socialist planning and its possible, or rather impossible remedies and of transformation. Where necessary, however, the author can also be quite self-critical.

The best example is the discussion of his *Anti-Equilibrium*, published in Hungarian in 1967–1968 and in English in 1971. The book was an outright attack on mainstream general equilibrium theory. There have been many similar attempts and we know that upto now they all have failed to achieve what Kornai also explicitly intended – a veritable scientific revolution. While limited criticism of general equilibrium theory at best sets the neoclassical repair shop in working adapting the paradigm, a scientific revolution will only occur when the old theory is substituted by a new one that explains the phenomena better or in a more simple way. Kornai's "honest introspection" reveals several reasons why he failed: the major one was the simple fact that the book did not offer such a new theory. Kornai was aware of it right from the beginning. For in the subtitle of *Anti-Equilibrium* he announces to deal only with "the tasks of research". But he could not expect the profession to accept his criticism when he only tells us that we must think of something better. Kornai's critical mood may be well understood from the historical context. In the foreword of *Anti-Equilibrium*, more explicitly than in the memoirs, he makes clear that he was motivated by his frustration with the GE approach in the run-up to the 1968 Hungarian reforms. "Theory has proven unsuited to practical application. It was my exasperation with its inadequate and unworkable

character that inspired this book" (Kornai, 1971, p. xvi). Nothing of the like was intended by Walras and Pareto or Arrow and Debreu.

Practical applicability was obviously an aim of Kornai's research. His book on overcentralization, his work on two-level planning and on mathematical planning of structural decisions aimed at improving the working of the socialist economic system. The latter, dealt with rather perfunctorily in the memoirs, was the only of his books the GDR authorities thought acceptable for a German readership and worth while to be translated and published in German (Kornai, 1967). Only after realising that such attempts must be vain in view of the systematic deficiencies of the planned economy did he concentrate his research on these, which resulted in *Economics of Shortage*, arguably Kornai's most important work. It was the first, and remained the only, "general theory" of the socialist system. It was pure theory without any recommendations for reforms, "unsuited to practical application". But it made clear that no such reforms short of transformation to a market economy would heal the systemic deficiencies. Of course, this was not said with so many words. For in 1980 the communists were still in control.

The pressure under which he lived and which induced Kornai not to spell out clear policy advice and his reform ideas must have been enormous. Self-censorship was imperative to get the book printed and to survive in the system. It was impossible to speak about the Soviet Union, to touch the role of the communist party and to discuss a real alternative to state ownership. This political dilemma led directly into an ethical dilemma and created feelings of bitterness. But even worse: the constraints under which intellectuals lived in Eastern Europe ultimately resulted in provincial thinking. His freedom to travel made this apparent to Kornai and at the same time immunized him. We are left in some doubt whether the distance to politics which he carefully observed was an innate predisposition or the consequence of his situation. But the reader can sense the great relief that came with the systemic turnaround in 1989/1990, after which Kornai took part in actual policy disputes and did formulate his views on transformation and policy measures. Of course, he has remained a scientist and did not engage, despite several invitations, in direct policy work as so many able East European economists have done, much to the benefit of their countries. The world of politics seems, indeed, alien to him.

The third feature capturing the reader's interest is the encounter of a scientist from Central Europe (and here it does not make much difference whether he comes from a Western or an Eastern country) with the Anglo-American academic world and its Scandinavian offspring. You will have to stand firmly in your shoes if you want to make a similar experience: Cambridge, Helsinki, Stockholm, Stanford, Princeton, Yale, and finally Harvard. From this list it becomes clear that he could discuss his ideas with the world's leading economists and watch from very close how the profession is working. No wonder he is fascinated. But there are critical remarks too. The publishing business which decides about a young scientist's career forces him or her into theoretical and methodological conformity. Since it still is a competitive business, any comparisons with totalitarian conformity in Eastern Europe would be ill taken. But what Kornai himself likes to do, as Schumpeter did before him, namely to formulate new audacious ideas and see later whether they can be argued exactly and confirmed empirically, this freedom of thinking he sees endangered by the selection practices of the leading journals. Despite the detrimental impact it should have upon the selection of faculty, Kornai describes approvingly and in detail the selection processes in which he participated at Harvard. So it remains open whether or not there is a market failure.

Kornai's intellectual journey is, in fact, the intellectual journey of European intellectuals in general and socialist intellectuals in particular in the 20th century. The book describes accurately the stages of an illusion: when planning started it was voluntaristic and policy driven, this chaos was to be improved by scientific planning methods, for instance by decomposing the problem, the next station on the reform road was the introduction of market elements or even a socialist market economy, socialism with a human face. The disillusion is perfect when one has to conclude: "The more human the face, the less capable of operating the system becomes" (p. 338). Economics as well as social policy have learned a lot from the socialist experiment. Kornai has lived through it and put the lessons on paper. The experience to which he, together with some other scholars, has testified and the analysis he has provided were dearly paid and should not simply be shelved, but remain in the academic curricula – lest we forget, lest we forget!

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