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The Unorthodox Life of János Kornai

János Kornai: *A gondolat erejével (By Force of Thought)* Budapest, Osiris Kiadó, 2005, 428 pp.

Two years ago, to the surprise of many who know him, Professor János Kornai set about writing his recently published memoirs. As the title suggests, his is an unorthodox autobiography. It is as if Kornai set out to write another scholarly work in which he weighs up his life as a whole, his career, his academic work and his role in public life; he does so with a distance and without omitting any essential strand, favourable to him or not. This is the sort of undertaking that demands a great deal: moral fortitude, the ability to look with detachment at oneself and take stock of the broad sweep of history and politics, a keen memory and, not least, the diligence to check, supplement and support one's claims by examining the specialist literature, the press and documents in archives. Since János Kornai possesses these attributes in abundance and writes well, his book can be instantly recognised as an indispensable record of an era and a generation.

It is a record of a century replete with tragedies and reversals of fortune, and of a generation which came of age just after Hungary's liberation from the German occupation at the end of the Second World War. The prospects were options as diverse as an academic career, or entering public life or, once again, emigration. It is a record above all of those who were born in Hungary in or around 1928 in Hungary. They included the outstanding historian Jenő Szűcs, the economist Márton Tardos and the political scientist Péter Kende, Kornai's best friend, who left Hungary in 1956. I might also include myself, if the presumption will be excused, though I passed through the Werbőczy Gymnasium in Buda two years behind János. At that time we were no more than acquaintances, but a friendship took shape in subsequent years: the broadly parallel courses taken by our careers, and a number of fateful encounters in and around 1956, brought us closer together. (Since we have never spoken much about it, I was all the more startled to learn from the book just how similar were the arguments with which we convinced ourselves of the necessity of joining the Communist Party and identifying with its ideology. In response to a well-meant comment from an official of the United States Embassy in Stockholm that no doubt Kornai had been coerced into joining the Party, he had the self-respect to answer that, no, not at all, he had joined out of conviction; that reminds me of a very similar experience I had at the American Embassy in Paris.)

Kornai is frank in his account of the period from 1947 to 1955, that he spent as a party member working for the Party's daily newspaper, *Szabad Nép*, mainly as the editor responsible for the economics section and thus in continual contact with key functionaries in the economy and the Party. He was privy to all the details yet still did not have a grasp of the whole, despite his uncommon intelligence and sharp sense of logic. 'Sleepwalking' is the epithet that he bestows on this segment of his life.

Kornai is extraordinarily good-natured by temperament, and he often projects that back onto the past, onto the circumstances that prevailed and those he encountered at the time. He somewhat glosses over reality, for instance, when he tells how, in 1943, pupils at the Werbőczy Gymnasium classified as Jews, myself included, were lined up to be told that we would have no further connection with the Leventes, the paramilitary training corps in which membership was compulsory for boys of our age, but would be given other duties instead. As Kornai recollects, the Jewish and non-Jewish boys went through the same exercises, the only difference being the colour of their armbands: yellow or white. It was not quite like that. We Jewish boys were regularly marched off to nearby Sun Hill to clear undergrowth and cart away rubbish, as recorded by my classmate, György Timár, in a cycle of poems he later wrote under the title *A Diary of Terror*. (This, of course, was but a prelude to the real horrors to come). Likewise, Kornai seems to have been oblivious to the intrigues that were going on when he was working at *Szabad Nép*: we now know, from numerous accounts and memoirs, that with their tests of vigilance and their disciplinary reprimands several hard-line Stalinists cowed most of the younger staff members. One must also no doubt see it as a symptom of his ‘sleepwalking’ state of mind that he devotes only a single short sentence to the Party school in Karolina Street in the summer of 1949. For this dreadful four-month period happened to coincide with the arrest and show trial of László Rajk, the former Minister of the Interior, and we were bound to register how, after night-time visits by the secret police, a string of lecturers kept on disappearing. Others were simply removed from their posts at the school and everyone was intimidated by the frenzied atmosphere of mistrust. Mild-mannered Kornai seems to have been happy that he could at last devote himself full-time to the study of economics. Indeed, that is his way of dealing with most of the unpleasant individuals whom he came across in the course of his career—if he mentions them at all—and in only a few cases which he considers inexcusable does he resort to harsher words.

The staggering experience that we shared, though in different circumstances, was the process of awakening from our blind faith in communism. For Kornai, as for many others, two factors gave a decisive nudge in this direction: first, the emergence of Imre Nagy as Prime Minister in 1953 and the proclamation of his programme, its gist being that there were alternatives to the route that had been taken up till then by the temporarily weakened Party leader, Mátyás Rákosi; second, the release from prison of the “rehabilitated” victims of earlier waves of terror, with the stories they had to tell. It was during a summer holiday that Kornai learned from the admirable Sándor Haraszti, one of the few true pre-war Communists and then fresh out of prison, what had really been happening in inside circles—and in the country at large—during those years. By then, a growing number of intellectuals were debating and agonising over this painful yet joyful and liberating process. In our minds one idol after another was being toppled: first Mátyás Rákosi, then Stalin and eventually even Lenin. I remember Miklós Vásárhelyi, later a key member of the Imre Nagy circle, imparting to me with a hoot of delight “I’ve heard that Jancsi Kornai is now working on Marx’s surplus value.” At the time, as best I recall, I took this as being meant somewhat metaphorically, but I now see that on this, as on many other things, Vásárhelyi’s information was spot on. Unlike most people, who simply moved on from Communist ideology and condemned all its works, Kornai literally set about re-examining the tenets of Marxist theory (just as he had first worked his way through *Das Kapital* in 1945) before rejecting it lock, stock and barrel.

First of all, though, he and his friends provoked their own dismissal from *Szabad Nép*. He was one of those who was present and vocal at a three-day meeting in October 1954, when the cream of the staff—Pál Lócsei, Tibor Méray, Péter Kende, Sándor Fekete, Sándor Novobáczky—openly and severely criticised the paper’s senior editors and the

Party leadership itself, demanding that they be allowed to publish the truth about the situation in Hungary. This was the point at which Kornai moved to the Institute for Economics of the Hungarian Academy of Sciences, where—a few breaks, short and long, aside—he was an active and guiding spirit for most of the five decades since.

When he left the Party paper, Kornai decided that he was not going to devote any attention to politics but live exclusively for his economics research. By 1956, he had already put together a dissertation for his doctorate (or candidate's degree as it was then called), which was published by OUP in 1959 under the title *Overcentralisation in Economic Administration*. I recall that his thesis defence, in September 1956, made quite a stir, drawing a large audience and, despite Kornai's demurrals, it caught the political undertone of the moment. Nor was Kornai able to stand completely aside from events during the days of Revolution that followed shortly after. When a group of his old friends from the Szabad Nép days—Miklós Gimes, Péter Kende, Pál Lôcsei, Sándor Fekete—decided to launch a new paper under the title *Magyar Szabadság* (Hungarian Freedom), he himself also pitched into the work for a day. That was not repeated when Gimes was looking for help in putting out an illegal news-sheet *Október huszonharmadika* (October the Twenty-third), though he did lend a hand when Fekete asked for assistance in smuggling a pamphlet by 'Hungaricus' out of the country. As a result, Kornai found himself subjected to more than a few unpleasant grillings at the hands of the police and courts; this made him feel on more than a few occasions, not without reason, that he was within a whisker of ending up in prison himself. In the end, he was lucky to avoid the fate that befell many of us; prison would certainly have been no place for him.

Kornai is a man of remarkable consistency and he draws repeated attention to this in this book. This is a matter not just of character but of intellectual rigour. I personally know of no one able to think through the likely course of events as methodically or thoroughly as he did and, on that basis, come to a decision regarding his own conduct. In 1955, he arrived at three important conclusions or resolutions. He opted tenaciously for his academic discipline and research as against politics, and—the brief 'lapse' of 1956 excepted—he has held to that view ever since, being of the firm belief that he can be of more use to society and politics as a scholar. In regard to *The Economics of Shortage*, first published in 1980 and still one of his most important books, he writes that the calm and objective tone in which he pitched the book's message demolished the naïve idea that it would be sufficient to put a "human face" on socialism for it to go on and fulfil its historical mission. Lenin claimed that socialism would triumph if it was able to secure superior productivity vis-à-vis capitalism; anyone who has read *The Economics of Shortage* will have grasped that this triumphant ascendancy will never come about. Thus Kornai never did actually abandon his interest in politics, or his ambitions in the political sphere; he merely sought—and found—the optimal terrain for his own activities and sphere of influence. Even so, for the greater part of his career he often found himself in tricky situations, facing awkward conflicts of conscience. During the latter half of the Kádár era, he more than once held back from openly endorsing statements that were put out by opposition groups, even though he was in total agreement or sympathy. The reason was that he feared—and in the book he makes no bones about it—that this would queer his chances of researching and teaching abroad. (Following 1956, he was kicked out of the Institute for Economics and, for quite a few years thereafter, was obliged to make do with whatever work was passed his way by research units in the industrial sector. Neither then nor later was he able to secure a teaching post at the Budapest University of Economics.) He also guarded his independence and credibility against the lures dangled by various parties and governments

Following Hungary's democratic transformation in 1989–90 the only post he accepted was as a member of the board of the National Bank of Hungary until a decree issued by the Orbán government made it clear that its days of delivering independent expert advice had come to an end. Kornai writes very candidly about these political and moral dilemmas, making it clear that he could not always be certain, in any given case, that he had come to a correct decision based on his tried and tested basic principle, or when he might have overestimated the risks.

He was equally consistent in his radical break with Marxism. Once he had grasped the fundamental errors in Marx's theory, despite some valuable and usable ideas in it, Marxism in his eyes was not just diminished, it was totally written off. Back in the 1960s, the left in Western Europe and the disciples of György Lukács in Hungary were professing to have found their real intellectual roots in the young Marx, with much talk of a rebirth of Marxism. This was the time when Kornai realised that genuine intellectual and academic independence could only be achieved by a complete break. It was partly through this, indeed, that he was able to secure a solid footing within his own profession: largely on his own initiative (at a time he was mostly cut off from contact with the wider world), he set about mastering the use of mathematical models and, with assistance from Tamás Lipták, a gifted mathematician, was able to employ these in his work. The use of mathematical models from then on was integral to his approach, distinguishing it even more sharply from the ideologically hidebound methods of the Marxists.

This, in turn, was linked with the third major decision that Kornai took in the wake of 1956, which was the need to break out of Hungary's cramped confines and find an international role in the discipline. However, he did not want to achieve this by defecting or leaving the country legally; despite tempting offers from the Universities of Cambridge in the UK and Princeton in the USA, he did not wish to turn his back permanently on Hungary. Being by now an internationally recognised expert on the socialist economic system, he felt his research would carry greater authority if he were to continue to publish the results from his homeland, rather than from the West. Equally, without ever having asked permission to do this under the regulations that pertained at the time, he published all his significant papers in English simultaneously with, and sometimes even before, the Hungarian version. Along with this he was spending more and more time in the West on both short and long stays.

While writing this autobiography, Kornai applied to the Historical Office to look at the police files that had been accumulated on him. From these he established that foreign countries had been as keen as Hungary's own Ministry of the Interior to keep tabs on the contacts he made. When in London, he had regularly met a former colleague from his journalist days who had funnelled reports to the British press. What emerged from the thick bunch of cuttings was that this person had maliciously divulged Kornai's plans in detail, including the contents of confidential conversations, such as his views on various British left-wing politicians of the day. Kornai even came across a particularly charming proposal from a Hungarian official in London to the effect that it would be worth recruiting him, Kornai, as an agent. Nevertheless, he also had the satisfaction of locating the refusal that he had given to the feelers that were later put out to him—on the grounds that he felt his political views rendered him completely unsuited for such a role. Kornai's memoirs maintain a genteel discretion by naming neither of the gentlemen in question, nor any of the informers in Hungary who were known to him. While paying no attention to the controversies about police agents that have recently arisen, the book provides a cogent refutation of the egregious lie that the III/III Sub-division was the sole outfit that had concerned itself with the surveillance of Hungarian citizens, and that all other departments had simply discharged "patriotic" functions.

Kornai finally solved the problem of how to be an “insider” on the “outside” through professional integrity and sheer willpower. In 1983, he received an invitation to teach at Harvard. The university was willing to go along with his request that he spend only one term per year there, thereby enabling him to shuttle between Massachusetts and Budapest. This was the pattern of his life for most of the next twenty years. He attracted students from around the world who were eager to learn what he had to say about the political economy of the socialist camp, and acquired many loyal and helpful friends among his colleagues. Kornai has nice things to say about these contacts, but he is honest enough to admit that they do not compare in intensity or intimacy with the friendships that he made in Hungary in his younger days. Kornai displays touching loyalty to friends, and he has attentive, affectionate relations with colleagues, none of whom are forgotten here in this autobiography, any more than they are in life itself.

Kornai devotes a chapter (“At Home in Hungary, at Home in the World”) to unravelling what it is that ties him to his native land. He describes why he did not wish to emigrate, either after the crushing of the 1956 Revolution or later; and why he nevertheless finds Harvard, and American academic life in general, so attractive and comforting:

I am averse to slushy expressions of sentiment, and I do not endorse the injunction in our national anthem that ‘Here you must live and die’. I would rather use my own words as an economist and speak about the demand I make on myself to be consistent, he writes in respect of Hungary.

Emotional attachments predominate among the motives for my decisions. I should nevertheless add that professional considerations, too, spoke against emigrating. I had specialised in studying the socialist system and, later on, the post-socialist transition.

There are many in the West who also deal with that subject. What bestowed a particular trustworthiness to my papers was the fact that they were written by a person who was actually living there himself, had seen the things with his own eyes and experienced what was happening on his own skin.

Some interesting contrasts are drawn between everyday life in Cambridge, Mass. and Budapest, and between the lifestyles and thinking of the two countries. Kornai has never accepted the anti-Americanism that is fashionable nowadays. He has a high opinion of America’s democratic traditions, of what he feels is the everyday fairness of its academic and scholarly life, as compared with Hungary, and of its general objectivity and optimism (as compared with Hungarian gloominess). The provincialism of this continent-sized country and the superficiality of its human relationships are not so commendable, but as he notes: “I feel there is a great loss of proportion when snobbish Hungarian intellectuals speak with haughty disdain about how primitive or uncultured Americans are.”

Naturally, he has also travelled extensively on the conference and lecture circuits throughout the world, including the Soviet Union and China. It is symptomatic of the climate of the 1980s that when, at an international round-table conference in Moscow in the wake of the great international success achieved by *The Economics of Shortage*, he delivered a talk on the book’s key tenet—which is that shortages were a system-specific defect of socialist-planned economies—he was subjected to a crude onslaught by Professor Khatchaturov, then president of the Economics Society of the USSR. At a time when widespread shortages of goods were still an everyday occurrence even in Moscow shops, Khatchaturov asserted that these were purely sporadic incidents caused by planning errors. Leonid Kantorovich, a distinguished Soviet mathematical economist, kept his mouth very pointedly shut, and Sir John Hicks, the Briton who was in the chair, wound up the session without looking for an overall conclusion. These days we tend to forget that dictatorship and the ‘Yalta spirit’ were still very much alive during the Eighties.

It was fairly widely known, even to outsiders, that the views held by János Kornai on the reform of Hungary's planned economy, and indeed on the possibility of reforming socialist economies in general, diverged from those of most of his colleagues in Hungary. In short, he considered the socialist economy a fundamentally poor system. Though he was well aware that the prevailing political régimes within the Soviet bloc rendered radical change impossible for the time being, he did perceive that it was possible, and worthwhile, to push for partial improvements and reform in the economy. He remained cautious of "naïve reformers." In one article that he published in an American journal, he labelled many highly respected economists of the countries within this region—specifically his countryman György Péter, whom he had long esteemed, the Pole W. Brust, Czech Ota Sik, and even Gorbachev—"as just that". He writes that he personally had ceased to be a "naïve reformer" from the moment that the 1956 Revolution was suppressed, which was why he had no truck with committees that were set up under central party control even as far back as the 1960s. In connection with this new pressure to choose (which was not so new, of course, being bound up with his maintaining a distance from politics).

I rigorously (at times over-rigorously) distinguished the two kinds of possible functions, that of the 'activist' taking political decisions, or seeking to influence those decisions, and that of the scholar engaged in economic research,

He points out that his chief interlocutors in these debates were László Antal, who sought to influence the direction that reforms took, and Tibor Liska, with his highly idiosyncratic approach. Kornai never thought that the market mechanism would automatically gain ground in a set-up where soft budgetary constraints continued unchanged, but it is evident that he was particularly irritated by any talk of "simulating" market conditions. "In the final analysis, then, having got through the 'naïve reformer' stage of my life, I turned into a critical analyst of reform of the socialist economy," summing up the role he played in the reform process.

Did he foresee the collapse of the system? he asks himself. His answer, in short and then at some length, is that he did and he didn't (and here he is not referring solely, or even primarily, to Hungary). As the researcher into the socialist system with the most thorough knowledge of the subject, he saw it as his job to anticipate where the process was leading. He knows very well that in the 1980s everyone was just guessing, but he reckons he was one of those who at least suspected that Hungary was heading, indeed racing, toward crisis. I can assure readers, however, that János was not content with mere suspicions. While walking in the Buda hills around the skiing slopes of Normafa one day during the mid-1980s, as a small group of us regularly did, he suddenly came to a halt and asked us where we predicted Hungary would be in one year and five years thence. Of course, none of us was able to stutter out anything meaningful, and the question may well have been posed a year or two before it became truly pertinent. That only served to distinguish the difference in thinking between János and ourselves.

I would be curious to know where he thinks Hungary will be one year and five years from now.

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