

## Recenzió

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### János Kornai

*A gondolat erejével: Rendhagyó önéletrajz (By Force of Thought: Irregular Memoirs)*

*Budapest: Osiris, 2005, 426 pp.*

Memory has a particular place in the Confessions of Saint Augustine, the frequently quoted philosopher who lived on the boundary of ancient and Christian culture. “And I come to the fields and spacious palaces of memory, where are the treasures of innumerable images ...,” he writes. “There are all things preserved distinctly and under general heads, each having entered by its own avenue: ... *each entering in by his own gate*, and there *laid up* ... There also meet I *with myself*, and recall myself, and *when, where, and what* I have done, and under what feelings.”<sup>1</sup>

János Kornai’s recently published memoirs, which have already created quite a stir among professionals, remind the reader of the Confessions of Saint Augustine for several reasons. The author of “*Anti-Equilibrium*” and “*The Socialist System*” has lived on the boundary of two worlds just like Augustine. Similarly to the man who analysed his own self with the same curiosity and profoundness as if his subject were the matter, the time or the free will, János Kornai describes János Kornai with the same analytical consistency that he had used for analysing soft budget constraint or transformation recession. This time, his sentences formed with meticulous consideration of each and every term are not about the East-European economy, but – without any change in attitude and style – about the author himself. The author of “*Economics of Shortage*”<sup>2</sup> collected the material for his autobiographical writings as if he had done it for a scientific work. “I have never kept a diary,” he writes. “But since becoming a professional researcher, I have reserved many of my notes made while doing research and I have stored many kinds of documents. Making a catalogue, I have preserved them in a clearly arranged form in hundreds of numbered dossiers. I have saved both most of

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<sup>1</sup> The Confessions of Saint Augustine. Chapter VIII. Christian Classics Ethereal Library, Calvin College. <http://www.ccel.org/ccel/augustine/confess.xi.viii.html>.

<sup>2</sup> Kornai, J. (1970): *Economics of Shortage*. Amsterdam-New York-Oxford: North-Holland Publ. Co.

the letters I received and copies of those I sent. Research done in public archives where I and my colleagues found many interesting pieces of information completed my own documentation (p. 17, my italics).

The author transforms memoirs into a history of ideas, the subjective into objective and reflection into reality almost imperceptibly in his book. Transition from the personal episodes preceding the publication of an emblematic writing to the work itself is unnoticeable. The secret of this smooth metamorphose consists in using the same method for describing different subjects. Personal involvement does not soften the author's voice, his research-oriented curiosity does not drop off when he passes over to the subject he is supposed to know the best in principle: himself. The narration does not become anecdotic. It does not appease the curiosity of the public hungry for the details of Kornai's private life, should he recall a childhood episode or a dramatic scene from the icy political atmosphere of the 1950's. Those interested in intimate details must be satisfied with the ghost of a smile on one of the photos presented at the end of the book, which gives a clearer idea of the author's feelings than three chapters altogether. They may also somewhat quench their thirst for "personal secrets" by a facsimile of March 26, 1964 which lets us know that certain persons considered the author unsuitable for recruitment into the secret service because of his "irresolute political attitude". The writer of the memoirs is a modest man. He puts his private life and feelings under lock and key.

These memoirs remind one of a scientific work for another reason, namely that Kornai does not let himself be swept away by history-written tragicomedies. Rather than being carried away by the events mentioned in the book, the narrator manages to smoothly fit events in the structure he creates. The reader throwing a glance at the table of contents recognises the same systematising qualities of the author that can be discovered in any article or book of Kornai's. "*Each having entered by its own avenue*" in the memory of Kornai... "Each entering in by his own gate, and there *laid up*". If there is a consciously planned and continuously controlled oeuvre in Hungarian (or, if you like, in international) science, it is Kornai's oeuvre. He is the author, editor, copy editor and proof-reader of the big book of his life. And he lets others have little say in this.

It is almost unimaginable that his career leading from the brickyard of Nagybátony-Újlak (where 16-year-old Kornai was a "volunteer" unskilled worker in the sinister year of 1944) through the editorial work at the newspaper "Szabad Nép"<sup>3</sup> to Harvard University was the

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<sup>3</sup> Central party newspaper in Hungary in the 1950's.

result of his personal decisions, rather than a cat and mouse play of history. After having read this book, however, this seems to be the case. The key to this, at first sight rather unbelievable statement is *responsibility*. For János Kornai *choice exists* even in the most tragic situations; and this is the main message of his irregular autobiography. The author of “Economics of Shortage” has made his own decisions at all great turning points in his life, never shifting the responsibility onto *others* or onto *history*. Some characteristic lines illustrate this from the memoirs: “First, I came across a short writing from Sartre, then I also studied others works. What I read between the lines (perhaps because I *wanted* to read just that) was that... *man is free and obliged to choose*. Such desperate situations do not exist in which a person does not have *some opportunity of choice*, and, consequently, the *responsibility* of the decision-maker” (p. 143).

Some lines from the chapter entitled “Life-long decisions” enlighten the crucial resolutions of János Kornai:

“I try to sum up how far I got with my own decisions around 1959 ... I point out five decisions here.

1. I break with the Communist Party.
2. I do not emigrate.
3. Research and not politics will be my profession. I do not undertake the heroic, illegal forms of struggle against the communist regime. I wish to contribute to the renewal with the help of my scientific activity.
4. I break with Marxism.
5. I acquire the fundamentals of modern economics. I wish to belong to the community of the western economists, relying on my studies and researches.” (p. 144.)

The further path of the author of this exceptional memoir and the framework of his life (and of this review, at the same time) was determined by the above list written in almost a textbook manner. To start from the end and with the most important decision: János Kornai did succeed in becoming part of the western economic profession, an achievement matched by so very few academics in our region. Even today, only very few economists and social scientists working in Hungary (and elsewhere in the region) can be said to have integrated the western academic community. And how few could there be in the 1970’s and 1980’s! And even fewer researchers have been able to take a strong position on the world market of economic thought as a result of their very first book, unlike the author of “*Overcentralization*”<sup>4</sup>.

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<sup>4</sup> Kornai, J. (1959): *Overcentralization in Economic Administration*. Oxford: Oxford University Press. (Second edition: 1994.)

## János Kornai and western economics

Nowadays economics – similarly to most sciences – is primarily an American phenomenon. Its image has been formed by about 600 researchers born or living in America. They hallmark the economic canon taught at almost all universities of the world. Practically, only they have the chance to publish frequently in the leading journals and under the auspices of noted international publishing houses. They are responsible for spreading the latest research programs and methods in the economic profession, whatever is out of this circle – with some exaggeration – does not exist at all in economics. Although, economics at the end of the 50's was less “American” than it is today, on the maps of economics perhaps Budapest was further from Boston and Los Angeles than it is in 2005. How could a hardly 30-year-old East-European researcher decide to enter this closed market under such conditions? How did such a thing come to his mind without models, possibilities and helping hands in the Hungarian academic milieu so distressingly isolated after 1956? When the split in social sciences between the East and the West became definitive, and even long existing relations were abruptly broken, this kind of decision was more than bold – and at least at first sight – perfectly unrealistic. It reminds the reader of a resolution to conquer the Antarctic. Nevertheless, there are always people who reach the Antarctic. All depends on the *preparations*.

“As I progressed in my economic studies, it became more and more evident to me how important role mathematics plays in modern economics. I will be unable to grasp what I read if I do not understand the mathematical language ... I began to brush up on my high school mathematical knowledge and got down to studying on my own. I learned from books at home and on the other hand I attended different courses, focusing on those chapters of mathematics that were used by the economists at that time ... I was wrapped up in the literature. I had to acquire the knowledge accumulated in the fields of microeconomics, decision theory, operation research and “cost-benefit” analyses, bordering, overlapping each other and to consider how to make the most of this under the circumstances of the *centralised socialist economy*” (pp. 145-150, my italics).

Thus, János Kornai practically “worked himself into” western economics. However, thorough erudition in itself does not explain entirely how the author of “Economics of Shortage” was able to completely achieve his fifth goal. The further explication is hidden in the very last part of the passage quoted above. If János Kornai had simply applied the acquired knowledge accumulated in the Western part of the world to some standard micro- or macroeconomic problem, he would probably not have made such a breakthrough. The author

of the memoirs found a subject appropriate to the knowledge and methodological arsenal accumulated. Making a great contribution to the development of international economics, he has inventively applied the western economic knowledge to a completely unfamiliar world, i.e. the socialist economy. Many people, if they had been in his shoes, might have thought that it made no sense to apply the techniques developed for the analysis of rational decisions to the empire of voluntarism, despotism and irrationality. The great discovery of János Kornai is that socialism is “madness, but there are regularities in it”. He made another, even more important observation: people do not follow their interest less rationally in socialism than in any market economy; merely, rational efforts prevail in another way, but not less rigorously under the deformed conditions of the system.

In order to arrive at these discoveries, however, two barriers of current economic thinking had to be resolved. Firstly, the one-dimensional approach resulting from the unconditional acceptance of the general equilibrium theory. For describing shortage economy adequately, János Kornai had to first write “*Anti-Equilibrium*”, a piece commented on by *Arrow* as “It will be a beautiful obelisk on the grave of the general equilibrium theory” (p. 189). Thus, János Kornai not only had to build up the smart, elaborated, difficultly disputable logical structures of the market economy for himself, but he also had to dismantle them. He needed to view them from above, distancing himself. It was not only his critical attitude that defended the autobiographer from the uncritical acceptance of the results of western economics but his systems approach, developed into “systems paradigm” in a later stage of his career, also helped him. He declined to follow the beaten track preferred by so many of his contemporaries who choose an insignificant segment of reality and dissect it meticulously with the help of a respectable analytical apparatus. Kornai had the courage to appear on a market divided up to the utmost by mainstream specialists with an atypical subject which Hayek had tried his hand at for the last time: the system.

Kornai made a choice again. He accepted neither the field assigned to him, nor the western rule of conduct that “a decent researcher knows more and more about less and less”. He followed his own head. However, in the oppressive atmosphere of the era Kornai needed not only theoretical courage for being successful. At those times it was most unusual to send articles regularly to big international journals from behind the Iron Curtain. In his words: “At that time – and for quite a long time afterwards – it was a binding rule that the author of a scientific paper could not send his work to the West without permission. Lipták<sup>5</sup> and I decided

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<sup>5</sup> Reference is made to Tamás Lipták, Hungarian mathematician, co-author of Kornai.

that we would not ask anybody's permission... You must not ask questions, since if you pose a question, the answer will definitely be "no" (p. 149).

### **János Kornai and Marxism**

János Kornai got acquainted with Marxism systematically and rid himself of it resolutely and radically, but in a "gentleman-like" manner. He describes his relationship to the ideology incontestable to the east of the River Elbe, from unconditional acceptance to complete denial in the following words:

"The greatest and most difficult learning achievement was becoming acquainted with The Capital of Marx ... We read it in German and made notes (with Péter Kende – K. Sz.). It was fascinating. First of all, it was impressing that – though the train of thought was very abstract and the style was convoluted in true German manner – the reasoning of Marx was clear and logical ... I decided to become an economist reading The Capital... As I progressed in getting acquainted with Marxism-Leninism, I realised more and more that I had the key to understanding the world ..." (p. 49-51)

"...my ideological change started not at a rational, but at a meta-rational level. My communist faith was shaken when I became aware of the lies and cruelty surrounding me. The ethical foundations of my worldview collapsed. After that disappointment, I started to revise my previous theoretical conviction mistrustfully and to apply another criterion more and more firmly: confronting theory with reality ... What is the relationship between the theory of the "pauperisation of the working class" and the real historical dynamics of the standard of living in Western countries? How does the "theory of capitalist crises" relate to real business cycles? The problem is not only that every Marxist dogma fails these tests of confrontation with reality. The greatest trouble is that Marx – and especially his later followers – did not regard the application of elementary scientific criteria their primary intellectual duty. Lots of intellectuals who have been convinced Marxists formerly prove incapable of radically breaking with their ideas. They are engaged in desperate rear-guard actions... As regards myself, I applied another strategy ... I declared, first to myself, that from now on I am not a Marxist anymore ... Sometimes, among intimate friends, I characterised this state by declaring that I "zeroed Marxism in myself" ... Starting from zero, ... overcoming my distrust, I must convince myself again that after all, this or that Marxist theorem or method can be used." (pp. 92-95).

As regards this intellectual evolution arching from the positive to the negative pole, there are three things worthy of emphasising. 1. Empirical researches that Kornai mentions as "interrogation of people" had a very important part in making the author immune against any dogma and "scientific" religion. This break could have hardly taken place without those empirical investigations the author of the memoirs had carried out in the textile industry, the

first results of which he summed up in “*Overcentralization*”. 2. It is noteworthy that in spite of the radical and sudden break, he – in contrast to many of his colleagues – did not feel biased towards the theory he left behind himself. Paradoxically, perhaps just this definitive and radical break helped Kornai to judge the ideology realistically and fairly in contrast to other “deserters”. Many of his contemporaries were still unable to get over their overheated emotional attitude to the doctrine even several decades later, their blind faith being now replaced by demonising and claiming the absolute insignificance of Marxism. In contrast, János Kornai’s approach is equally objective to Marx, the implacable critic of capitalism, and to the capitalist system itself. “The socialist system is not the empire of the evil, and the capitalist system is not the social incarnation of harmony, justice and liberty. We are speaking of the general model of two real, historic formations.” (p. 389) 3. The third statement already goes beyond the memoirs: one is often drawn to ideas, philosophies being diametrically opposed to each other during their long journey. This is even truer, if one happens to be born in an unstable period in which systemic changes and political courses succeed each other. Youth and the lack of experience may also bring about unconditional belief instead of thinking and careful consideration. Even today anybody may easily become a “believer” in case they see what they would like instead of reality. This is also a matter of choice. If one chooses unquestioning commitment and obedience instead of reflection and critical attitude, if one replaces openness and attention devoted to others’ arguments by the arrogance of the “possessors of justice”, one can easily come to a dead-end – though the consequences are not quite as grave today as they used to be in the 1950’s.

### **János Kornai and politics**

János Kornai worked for the newspaper “Szabad Nép” from 1947 to 1955. He does not try to play down this period of his life as a slip-up of youth or to depict himself as if he were a “deceived youngster”. He does not shift responsibility onto others. He describes his behaviour of that time as a state of a particular blindness and deafness, as somnambulism. “My manner, the tone I used to speak to my colleagues, acquaintances or to strangers remained modest, there was no trace of arrogance in it. However, there also exists a mental layer deeper than apparent behaviour, in which arrogance prevailed. Its source was the belief that – thanks to our Marxist-Leninist knowledge and position at “Szabad Nép” – we are infallible.” (p. 61) The outside world could not undermine this unconditional faith either. Those members of his family who might have perceived the anomalies of those times more obviously than Kornai

living under the protection of the party newspaper, refrained from speaking sincerely with him. An invisible wall separated him from the others, from the real world, since as he writes: “I was convinced that each word was true, I had perfect trust in the party” (p. 60). “Re-reading my writings of that time half a century later, I found that not only their content was ill-conceived, but - if this can be at all separated from the content – their intellectual mediocrity was also shocking ... I did not perceive any development, rather boredom and mental dullness.” He is a hard judge of himself: “I do not believe that the merits of a given period of life can compensate for the damage done in another period of life. *Sin is irreparable* (p. 70., my italics).

The conversation János Kornai had with his son is an interesting episode of the memoirs. Even his adult son could not imagine how such a clever man as his father could be a “party worker” of blind faith, a propagandist of the party with no doubts whatsoever. Indeed, this would be difficult to understand were we not surrounded by people, including many intellectuals, obsessed with their own imaginary justice, refusing to consider all rational arguments. Not only in politics, but also sometimes in the halls of science the humbleness towards the subject, the respect of the facts and reasoning are replaced by arrogance-driven herd instinct and self-importance. Today, however, due to a lucky historical constellation, the complete refusal of doubting ourselves, the blindness and the deafness against contradictory arguments cannot lead to as tragic social and personal consequences as they could in the 1950’s. Nevertheless, such an attitude can still cause great social and personal damages.

If a sleepwalker wakes up, he falls. The personal consequences were grave in the case of János Kornai: intellectual emptiness, alienation, isolation and disgust. “Deep disillusion, bitterness, shuddering – that is how I could characterise my state of mind in those months. Where was my common sense and sense of criticism, when they could lead me as a sucker by the nose for years ... After the years of blind obedience, I decided that I will never be a party-soldier again” (p. 84).

### **Systems criticism in publications or in samizdat?**

János Kornai stayed true to his decision. He kept a distance from politics. Neither did he take part in the preparation of the mechanism-reform nor did he participate in the movements of the opposition in the 1960’s and 70’s. He had to choose between open opposition and cautious systems criticism several times: “... I was repeatedly expected to write articles for a samizdat, and I was often asked to sign protest letters. I consequently declined all these requests ... I not

only wanted to avoid different prohibitions of publication ... I also wanted to preserve the right – a privilege at that time – to travel to the West. I admire and esteem those who risked their job, freedom and even their life in the struggle for democracy and human rights ... *Economics of Shortage* has got to many tens of thousands of people even across the borders. It is true that samizdat could articulate more radically what I could only hint at. I considered these two means of publication not as rivals, but rather as complements under the conditions of dictatorships.” (pp. 263-264)

Several kinds of personal strategy were applied at that time for the erosion of socialism. There were people clashing regularly with the police on every 15<sup>th</sup> of March, the then officially unacknowledged memorial day of the Hungarian revolution of 1848, others visited “flying universities” instead of the university, again others, while keeping a certain loyalty-minimum, carried out their research work in their quiet study and proved that the system was intolerable. The system was gradually cracking, and then it collapsed. But a bloodless revolution needed more than just writing theoretical scenarios and unfolding banners. Masses of people were also needed who filled the streets and demonstrated that they really did not want to live the old way any longer. And perhaps the technological and military developments rooted in the market economy of the other coast of the Ocean were also important in this historical drama putting an end to the Yalta era. Without this, the totalitarian party elite would have hardly admitted its incapacity to reign the old way.

No matter how we judge the different life strategies possible in the Kadar-era, János Kornai made his decision in this respect as well: he chose the library instead of demonstrations, and legal publication instead of samizdat. Though he did not let anyone challenge his intellectual autonomy, he respected others’ opposite views. It is characteristic of that period that even this attitude could not save him from being involved in political affairs: it could not prevent his removal from the institute in 1958. “My decision to confine myself to legal activity reduced the probability of me being arrested and sentenced, but it did not exclude this possibility altogether” (p. 129).

János Kornai stayed true to his decision taken in 1959. He avoided the political battlefields and continued his research work after the change of system in a new milieu. He declined all kinds of political positions and requests even though several political groups wanted to use his well-known name as a seal of credit. He describes his behaviour and choices in the book in this way:

“Right at the start, but later also, several kinds of political groups made cautious proposals concerning my possible entry into politics. They offered different positions, including the ones of minister, party-chief-advisor and a seat in parliament ...As regards to me ... I declined the offers ... with respect ... I was not assigned to any post, so nobody could relieve me ... Nevertheless, I did not feel anymore that the country was under the totalitarian power of forces opposed to my principles. I had to admit that I am getting into a new position as researcher and teacher and from now on I will work on the boundary of science and politics” (pp. 369-370).

For the economists well aware of his oeuvre it is not necessary to list the debates he contributed to in his own way by the “The Road to a Free Economy: Shifting from “The Socialist System”<sup>6</sup>, or by his book written on health with Karen Eggleston.<sup>7</sup> There is no need to detail the terms he introduced into the economical-political debates either – from “premature welfare state” to “half-turn”. His impact on the developments following the change of system is obvious, despite the fact that he himself puts the emphasis on the interrogation mode in an ironic subheading of his memoirs: “Do they ask you? Are you listened to?” (p.377) In spite of his doubts, he continues to deal with the affairs of the country, since as he writes: “Really, “from the inside”, I show great concern about what is happening in Hungary” (p. 317). The reservation of the professor of Harvard University concerns politics and not the country.

### **János Kornai and Hungary**

The reader of these irregular memoirs does not need an intellectual crutch for understanding the second decision of János Kornai. Namely, the decision that he remained in Hungary – as opposed to many of his contemporaries – not even the idea of emigration occurred to him. Few people could resist positions offered in such intellectual centres of the world as Harvard, Cambridge or Princeton. However, the strong attachment of János Kornai to the country excluded even a longer hesitation concerning these offers. The reader may find the explication in the following lines: “I have friends both in Hungary and abroad. But those friends of mine with whom we understand each other almost without saying a word, with whom we share our entire past, can only be found in Hungary.” (p. 317). He would rather put up with uncomfortable travels, packing and unpacking, that, understandably, distress him so much that

<sup>6</sup> Kornai, J. (1992): The Socialist System, the Political Economy of Communism. Oxford: Oxford University Press.

<sup>7</sup> XXXXEz itt mi lenne? Van ilyen könyve, de nem „on health”, hanem „on healthcare policies”. Pontos hivatkozás kell!

Kornai János, Karen Eggleston: Egyéni választás és szolidaritás.(INDIVIDUAL CHOICE AND SOLIDARITY ) Nemzeti Tankönyvkiadó, Budapest, 2004.

he even includes some photos illustrating such scenes in his private photo album appearing at the end of the book. János Kornai has spent half of his life travelling in order to avoid the detachment from Hungary: “I do not like solemn writings; I do not refer to the commandment of “you must live and die here”<sup>8</sup>. I prefer to speak about the requirement of consistency in my more prosaic language of economics ... I undertook to remain in Hungary at the time of repression and liberty-restrictions ... and should I go away when the whole system is slackening and about to break up? Emotional attachments prevailed among the factors contributing to my decision. In addition, however, professional considerations also supported the decision of rejecting emigration. Lots of people study this issue [East-European economies] in the West as well. My works were given particular professional authenticity by the fact that their author is living there himself, he saw what happened there with his own eyes and lived through it (p. 318). Taking into consideration the time of staying there, I have spent about the half of my life in America since 1983, my trip to Princeton. Nevertheless, I did not become half-American ... (p. 327). “My American friends used to say for characterising our particular way of living ... *Enjoying the best of both worlds* ... Boston is not America, but it is the best America can give to an intellectual being thirsty for science and culture ... And in another world Hungary was the “most cheerful barrack in the lager” In addition to this, being an academic researcher in Hungary made life more interesting and more beautiful than the one that most citizens of the communist countries could enjoy” (p. 335). The author of the memoirs concludes this chapter with a surprising sentence, the first apparent “odd one out” in the volume: “I am grateful to destiny for making this possible for me.” Let us faintly add the remark that János Kornai has been a rather helpful associate of destiny’s in all this.

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<sup>8</sup> A line of the national anthem.