

János Kornai: *By Force of Thought: Irregular Memoirs of an Intellectual Journey*

Cambridge, MA, 2006: MIT Press, 461 pp.

This is the story of the progress of a pilgrim valiant for the truth, like John Bunyan's 17th-century English hero, but confronted by challenges from 20th-century totalitarians following doctrines that killed people as well as truth. To battle against the forces of ideology, he turned to the force of thought. It is the *Bildungsroman* of a youth whose adolescence was hiding from the Nazis and then becoming a fugitive from Marxism and ending, home again, as a retired Harvard professor. This prince of economists deserves Sarastro's tribute, '*Er ist ein Mensch*'.

János Kornai was born into the German-speaking bourgeoisie of Pest in 1928, the son of Pál Kornhauser, a liberal lawyer proud of being a Hungarian who had served the Habsburg Kaiser in the Great War and prospered advising German companies on their Hungarian business affairs. These traits were to cost him his life. When his father received a formal order as a person of Jewish origin to report for transportation to Auschwitz, he followed the law and perished there. János Kornai, his mother and sister went into hiding and lived to be liberated by Soviet troops. At the age of 17 Kornai rapidly passed from being a Communist Party member to being a true Communist believer and then a party warrior. Reading *Das Kapital* made Kornai become an economist rather than following literary or philosophical pursuits. Within two years he became an economic journalist on the leading daily newspaper of the Party and at age 21 its economic editor. Instead of learning how a Communist economy worked by reading Soviet-inspired texts or crunching statistics supplied to fulfil the demands of a plan, Kornai learned about how a real, existing socialist system functioned, if that is the word, by daily contact

with those who were supposed to be running it. Exposure to the shortcomings of the system did not immediately undermine his commitment. His faith was then strong enough to interpret it as a failure of people rather than of the system, because, as he then thought, Marxism was 'not only closed and logical but *true* as well' (p. 79),

A chance meeting with an old Communist who had been imprisoned and tortured under Stalinism undermined the moral foundations of Kornai's Communist convictions. He rapidly progressed through stages of questioning its assumptions to insubordination and then disgust. He left his job with the conviction that he would 'never be a party warrior again'. This conviction inoculated him against conversion to alternative belief systems, whether of neo-conservatives, Catholics or neo-classical economics. Without a university degree in any subject, Kornai got a job at the Institute of Economics of the Hungarian Academy of Science where he could continue unsupervised his intellectual pilgrimage of 'examining *reality*' (p. 74). When the Hungarian Revolution of 1956 erupted he was sympathetic but remained detached because of an intellectual unwillingness to espouse causes he had not thought through from first principles. For the same reason, he refused to cooperate with the powers that be after Soviet tanks entered Budapest.

After losing his job at the Institute, Kornai continued studying on his own, beginning with reading Samuelson in German. His method was to analyse intensively what Western economists were saying about market economies and try to relate this to the non-market Hungarian economy. Through contacts in the Hungarian diaspora, his first book was published by Oxford University Press in 1959. The title, *Overcentralization in Economic Administration: A Critical Analysis Based on Experience in Hungarian Light Industry*, reflected his commitment to reality not abstract dogma. After publishing journal articles that were

both thoughtful and technically advanced, Kornai followed it with *Anti-Equilibrium* as a critique of 'mainstream *teaching practices and research programs*' (italics in the original, p. 184f). Models of the socialist economic system were published in two very different political contexts. The *Economics of Shortage* (1980) started with intuitions derived from shopping in Budapest, where supply did not meet demand. The failure to do so reflected the soft budget constraints that made the allocation of resources sub-optimal in a non-market economy. It was only after the collapse of the Communist party-state that Kornai was, in his own words, 'able to write *genuine* political economy' (p. 333). The freedom to say what he thought meant that *The Socialist System* (1992) took as its fundamental feature 'the autocracy of the Communist Party rather than central planning or state ownership' (p. 333).

Much of the book weaves together the impulses that guided his economic research, travels to the West beginning in 1963 and back, and reflections on life and friends in Budapest and in the West. He writes appreciatively of many internationally known economists who helped to get his work published, notwithstanding his obscure background and lack of professional training. The initial edition of this book in Hungarian had copious references to friends and colleagues and informal snapshots of his parents' home in the Fifth District of Pest and receiving honours worldwide. The failure to edit out sections of personal rather than professional interest makes this less a work of literature, but also testifies to the author's commitment to describing his irregular journey through life. The American academic life had its appeals to him, but Kornai never wavered from his commitment to Hungary, confirmed by staying there after the 1956 revolution. He accepted a Harvard professorship because it was only part time so he could spend half the year in Hungary.

While sometimes thinking wistfully about what he missed by not having spent his life in the American academic world, he concludes 'it is lucky that things took a different course', explaining:

Never since I set out as a researcher have I yoked myself to a dogmatic discipline imposed from outside. I have preferred to be an outsider than to become a mechanical 'pattern copier'. I may have gone off track many times for that reason, but I managed to retain my intellectual independence. (p. 271)

This statement is immediately followed with a discussion of how leading economics journals select articles for publication and the effect it has on the development of the economics profession, including a preference for being precisely wrong rather than vaguely right. On the big points – the commitment to truth and reality – Kornai has shown, by his self-education, sacrifices and achievements that what it means to be precisely right. For this, he deserves a unique citation: the Nobel Prize in Civil Courage.

Richard Rose
University of Aberdeen
richard.rose@abdn.ac.uk

Achim Goerres: *The Political Participation of Older People in Europe: The Greying of Our Democracies*

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The social consequences of increased proportions of older people in society are probably the most under-researched social phenomena in contemporary sociology. This worldwide trend of demographic ageing is particularly significant in Europe. Because European politics are based on democracy and universal suffrage, and older people vote in greater proportions than younger