

## ERIC MASKIN'S INTERVIEW RESPONSES FOR JÁNOS KORNAI'S 90TH BIRTHDAY

*Eric Maskin 2007-ben Leonid Hurwicz és Roger Myerson mellett a mechanizmus-tervezés elméleti alapjainak lefektetéséért közgazdasági Nobel-díjat kapott. Jelenleg Adams University Professzor a Harvard Egyetemen. A doktori fokozatát is itt szerezte alkalmazott matematikából. Oktatóként az MIT-n 1977-1984 között, míg a Harvard Egyetemen 1985-2000-ig tag, ahova 2012-ben tért vissza. Több területen is kiemelkedő a hozzájárulása, így a játékelmélet, szerződéselmélet, társadalmi választások, politikai gazdaságtan és a közgazdaságtan egyéb területein. 2003-ban az Econometric Society elnöke. Kornai János több cikkének társszerzője.*

**Köz-gazdaság:** Let us start with your personal memories related to János. Could you recall a memory related to him when you were colleagues (or when he was your professor) at Harvard?

When we were colleagues at Harvard, János would sometimes use me as a “sounding board” and try out various ideas to see how I – as a mainstream economic theorist – would react. These interactions intensified when he decided to speak on “Market Socialism Revisited” in his Tanner Lecture at Stanford and I was asked to be his discussant. We went over his manuscript almost line by line, arguing all the way. It was an intense and rewarding intellectual experience.

**Köz-gazdaság:** Kornai's work is also about the scientific description of society and economy tightly interlocking. This approach seems to have revived in the past decade. What are the topics and relationships in his work that are to be continued worldwide in the 21st century?

One powerful message of Kornai's work is that a free economy and a free society go hand-in-hand. One apparent counterexample to this principle in recent years has been China, which since Deng Xiaoping's reforms in the late 1970s, has moved closer to becoming a market economy, while still retaining an authoritarian political system. China has had much recent economic success, but Kornai's logic suggests – and I very much agree with this – that it will not achieve the prosperity of western democratic nations without significant political reform. Watching to see what happens – politically and economically – in China in the coming years should be very interesting indeed.

**Köz-gazdaság: Do you think that Prof. Kornai's scholarly achievements have made any direct impact on your own research and your own way of thinking about economic issues?**

Kornai's work on the soft budget constraint has had a deep effect on my research. Indeed, my paper (with Mathias Dewatripont) "Credit and Efficiency in Centralized and Decentralized Economies" from two decades ago was inspired directly by this work. The Dewatripont-Maskin article explores the sense in which decentralizing the supply of credit may serve to make financial bailouts less likely and therefore to make the credit market more efficient. More recently, I had the privilege of collaborating with János himself (together with Gérard Roland) on a re-examination of the soft-budget constraint.

**Köz-gazdaság: It is widely accepted that from Prof. Kornai's oeuvre the Anti-equilibrium (1971) and the concept of the shortage economy are the most important two pillars. Do you agree with this assessment? If your answer is „yes” which one is more significant from the two?**

Kornai's analyses of anti-equilibrium and the shortage economy are extremely important, but I'd like to suggest that the concept of the soft-budget constraint should be regarded as a third "pillar." In fact, I believe that soft-budget constraints are one of the most important reasons why centralized economies have historically worked so poorly.