

“Celestial” snapshots: Moral economic revisitations of János Kornai’s *the socialist system*

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Received: May 12, 2023 • Revised manuscript received: June 23, 2023 • Accepted: August 15, 2023

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ABSTRACT

Significant parts of the work of the great economist and economic visionary János Kornai function as a magnifying glass in economic theory, philosophy and history. Kornai examined economic systems and system-mixes with substantial details, for then being able to focus his audiences’ attention on the most relevant and critical aspects of them. One of Kornai’s masterpieces, *The Socialist System* – a book which recently passed its 30-year publishing anniversary – is such a political economy lens on communism. I am attempting a concise conversion of this magnifying glass, to apply a Galileian metaphor, into an economic telescope. In other words, I am adding another economic lens – that of moral economics – to the Kornaian viewpoints. In a short analysis going through various dimensions of *The Socialist System*, I am coupling Kornai’s thoughts with moral economic ideas, both from the classical and the contemporary moral economy streams. The goal with this exercise of respectfully refreshing a toolkit and style of economic analysis is to then gaze into, and partially describe a potential multitude, or spectra of economic systems, which may manifest in econodiversity.

KEYWORDS

János Kornai, communism, moral economy, econodiversity

JEL CLASSIFICATION INDICES

B59, P20, P51

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1. INTRODUCTION

To become and to remain a country's most prominent economist takes more than embracing, conveying and adding to the economic body of knowledge. All these acts have to be performed with an enthusiasm that only truly ethical motives can bestow upon the individual. János Kornai was a scholar with the talents and passions that have enabled him to not only extensively explore and describe, but also to envision, to foresee various structural elements of economic systems. His contributions, his monumental volumes provide readers with economic, philosophical and historical means of detailed interpretation and inspiration.

In this paper, I embark upon a brief journey through one of János Kornai's majestic works, *The Socialist System: The Political Economy of Communism* (1992), coupled with moral economic viewpoints. The motivations to write this paper were threefold: 1) I observe a temporal tension in social sciences, regarding the directions and methods of exploration. Whilst aiming to better understand the systems they live in, and to create more order, both in theory and through policy advice, economists have reason to feel haunted by the possibility of their theories, suggestions and findings being just an echo of what was already written earlier in the history of our science. To avoid this threat, economists ought to revisit the classics, time and again. 2) Certain authors' efforts and benevolence in furthering human progress shine through their works, whether readers align with them on economic orientations, value- and belief-systems, or not. I hold that in all times, it is the duty of academia to cherish these scientific writings, to revisit and to build on them. 3) Most importantly, as a researcher of the moral economy and moral economics, and as an avid reader of Kornaian thought, I hold that the two broad viewpoints are far from being incompatible with each other. My paper aims to serve as proof for the power of applying multiple economic lenses.

The study is structured as follows. In *Section 2*, I write about Kornai's economic perspective and the moral economic approaches to the organization of society, before joining up the two "lenses". *Section 3* is a collection of *The Socialist System's* selected dimensions with moral economic thoughts applied to them, aiming to widen the economic understanding and to be able to see beyond our current economic horizons. To paint that view in a scholarly manner, in *Section 4* ("A 'celestial' map"), I gaze into the econodiversity concept (spectra of economic systems) that the paper arrives at. In *Section 5*, I offer an outlook through further reflections on the classic, and *Section 6* concludes.

2. ECONOMIC LENSES

János Kornai had unique abilities in constructing economic terms, as well as in describing constructs and phenomena with lively metaphors. One of these is the supermarket metaphor from 1980, which can be summarized in the following way: "*Socioeconomic systems cannot be constructed from purposely selected features, similar to customers in a supermarket, who can freely put into their shopping trolley whatever they like. Systems constitute an organic whole. They contain good and bad features in fixed proportions.*" (Mihályi – Szelényi 2021: 197).

The organic "packages" are in a fundamental interaction with their own determinants. Beyond economic rules and laws, these are the ideologies and perspectives which determine the dictated directions, as well as the limitations. The overlapping, as well as the mutually



exclusive ideologies and perspectives constitute an array of (socio)economic lenses to view the world through. Applying just one of the lenses can already be beneficial, in terms of focusing on, structuring and systemizing the surrounding phenomena. This is what I describe as the “magnifying glass” function of economic schools of thought.

In an ever more complex and everchanging society, however, the picture one sees through the economic lens may blur, or alter itself in a kaleidoscopic manner. It becomes desirable to zoom out, beyond one’s own historical horizon, and to apply a second lens in order to do that. In the current paper, the role of the second lens is played by the moral economic view, as mentioned before. The two subsections below prepare the process of joining up the lenses in one economic “telescope”.

2.1. A systems legacy, not a legacy system

Kornai has left to scholars a majestic economic legacy. Due to the still wide applicability of his books’ analytical toolkit, his masterpieces and the frameworks therein, unlike legacy systems, are bound to stand the test of a foreseeably very long time. There is a clarity, from the usage of systemic economic terms down to the very definitions of fundamental concepts in social sciences. The legacy itself consists of entire systems of thought.

In the context of the current paper, the choice of framework – from all of Kornai’s groundbreaking volumes – fell upon *The Socialist System: The Political Economy of Communism*. The main reasons were its complete, holistic nature, as well as the very high precision and care, with which the volume was written.

For my (the millennial) generation, and further down the generational line, communism is a type of system we did not live through, and fading into an ever thicker historical and ideological fog. The understanding of past generations’ aversion from it is blurring, while technological progress makes it ever more tempting to question the current economic system we live in, down to its foundations and core aims. Thus, *The Socialist System* has been taken from the shelf also to serve as a reminder, to reload some arguments against the classical socialist (communist) systems, in times of not just technological changes, but also geopolitical turbulence, and tilts towards major powers with a communist past and/or present, namely Russia and China. The book gives a detailed account of the past communist economies’ distortions, the faults, their inefficiencies, as well as the exploitative nature these systems came with. There is a contemporary, as well as a timeless relevance of Kornai’s thoughts on communism, in the forms he described it in.

Kornai has insisted on the supermarket metaphor, despite the economic shifts and changes that he has witnessed in the world (Kornai 2007). There are certainly rules within the packages, manifesting in tradeoffs for the socioeconomic “shopper”, but the rules do not necessarily have to limit the number of packages, especially not so, under shifting technological circumstances, and under scientific progress.

2.2. The moral economy in a systems context

The moral economy, as well as – more generally – moral economics, have many layers of usage and interpretation. By definition: “[Moral economy] refers to the idea that societies traditionally defined their members’ economic rights and constrained their legitimate economic actions on the grounds of a moral consensus. This concept starts not with the individual but the community, and



focuses on norms that are recognized collectively, if not necessarily adhered to in practice.” (Keane 2019: 3)

The moral economy tradition dates its early classics, Richard H. Tawney and Karl Polanyi (Rogan 2017) back to the early and mid-20th century. Their moral economy statements build on Aristotelian philosophy, Smithian thought and Marshallian economic advice, among other influences. Two later classics are the late English historian Edward P. Thompson and the American political scientist James C. Scott, whose relevant book titles already include the term “moral economy” directly (Thompson 1971; Scott 1976). Over the past few decades, the “moral economy” term’s usage has branched off into extensive conceptual revisions, case studies and political calls for action.

Through the conceptual revisions (Götz 2011; Sandberg 2015; Siméant 2015; Carrier 2017; Palomera – Vetta 2016; Adelman 2020; Moreno-Tejada 2020) it appears to crystallize that the “moral economy” term may serve higher purposes than formerly assumed, so as to mean the incorporation of elements of ethics into economic theory. The resulting changes, in turn, may lead to an environmental expansion of the economic understanding, and to the economic reinterpretation of human needs.

The moral economic features I refer to in the current paper (in most part, but not exclusively) relate to the narrower definition, and are formally accepted elements of moral economies: “(1) *shared understandings of justice*, (2) *normative economic practices that obligate people to uphold those understandings*, (3) *mechanisms of social pressure that ensure those practices persist*” (Beresford et al., 2023: 4).

Of the two concepts of moral economy and moral economics, the former is the older, more traditional term. Its emergence is historically not distinct, meaning that it relates rather to very long-term processes and transformations. The phenomenon can be traced back, at least to the 18th century England, as the Thompson article’s title suggests: *The Moral Economy of the English Crowd in the Eighteenth Century* (1971). The social phenomenon it is most often, and closest linked to are food riots. The exploration of the motivation of peasant communities in these riots started with Thompson, continued with James C. Scott – the author of the book *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (1976). Related research continues today in academia, with conferences organised around the industrial implications of the topic, or referring to “The Moral Economy of the Global Crowd”.¹ In a time of lingering food and energy crises in various regions, and other economic threats looming, especially over populations less well off, the exploration of the moral economy is a timely endeavour.

The narrow, community-based definition of the moral economy contrasts with Kornai’s economic credo at this point already, whilst the broader definition of moral economics contradicts his strict and consistent distinctions (Kornai 2007) between positive and normative statements, his conceptual clarity. And yet, the two lenses combined for this analysis have a synergic potential.

¹It was the title of a memorial lecture in 2022 at the University of York: <https://www.york.ac.uk/news-and-events/events/public-lectures/autumn-2022/moral-economy/>.



3. 'CELESTIAL' SNAPSHOTS

3.1. Central themes

Kornai writes in a style which is humble but straightforward, concise but comprehensive and punctual – yet also universal, all at the same time. The genius maneuvers of the content are pulled off in a way which showcases Kornai's multidimensional, multifaceted economic (and general) thinking. (For a direct example of this plurality, see the chapter *Horizontal and Vertical Shortage*, Kornai 1992: 240). If the sheer volume of the book was not a testament to his in-depth knowledge, the methods and structures used therein are. It is somewhat challenging to get a single grip on the central theme and object of *The Socialist System*, for the vastness of the topic. The structure Kornai offers, however, is so logically built and consistent that the content becomes comprehensible, embraceable after all. The inner structure of the book, for this logical build (and for being an example to follow in comprehensive economic works), is as valuable as the content itself.

Within this structure, we find three parts. The most extensive and substantial, constituting roughly two-thirds of the volume, is *Part Two: The Anatomy of the Classical System*. This very core of the book is supported by the preceding, relatively short and introductory *Part One: Points of Departure*, and followed consequentially by *Part Three: Shifting From the Classical System*. The latter describes the phases and nature of the “metamorphosis” into the state of post-socialism. Very generally stated, Parts One and Three are touching more intensely on the political aspects, and contain more generalizations, whereas Part Two has a stronger analytical focus.

The political economy of communism is presented as one universal construct, through a number of internal dimensions. The 13 chapters in Part Two can be grouped under five interconnected, economic umbrella themes. Roughly, they span from the political (chapters *Power and Ideology*), through the procedural (chapters *Coordination Mechanisms and Planning and Direct Bureaucratic Control*), the microeconomic (chapters *Property and Money and Price*), the macroeconomic (chapters *Investment and Growth; Employment and Wages; Shortage and Inflation: The Phenomena; Shortage and Inflation: The Causes; and Consumption and Distribution*), to the international economic and the general (chapters *External Economic Relations and The Coherence of the Classical System*). At certain points, in certain chapters, the umbrella themes mix internally. One example, where the reader can witness it, is in chapter 12 – *Shortage and Inflation: The Causes*. Around the questions in this chapter, Kornai examines not only the behaviour of the firm (both short- and long-term decisions – Kornai 1992: 262–270), but also that of the bureaucracy's production management segment (Kornai 1992: 270–272), thus handling micro- and macroeconomic aspects in one place.

In the literature of the moral economy, no single volume of a similar extent to *The Socialist System* has been written directly, to date. This is partially because the empirically observed moral economies have not reached the country level in their form of organising. They have been found in the form of smaller, dispersed agricultural communities, as the late classics, Thompson (1971) and Scott (1976) described them. Alternatively, moral economies can centre around a single theme, phenomenon, a good or a service. The number of case studies around such phenomena has been multiplying recently (See e.g., Karandinos et al. 2014; Kofti 2016; Kear 2022).



As mentioned, the moral economy is still missing a *magnum opus* in the field. Parallel features and pieces of structure, however, do exist. The anatomy of the “classical” moral economy is best understood by looking into Karl Polanyi’s criticism, and James C. Scott’s descriptive analysis combined.

In his book *The Great Transformation* Polanyi wrote about “*the failure of the market utopia*” (Polanyi 1963: 218). His ideas on value creation and motives are in alignment with that of the moral economy: “*The outstanding discovery of recent historical and anthropological research is that man’s economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, his social assets.*” (Polanyi, 1963: 46) Towards the end of the book, Polanyi made it clear that: “*The true criticism of market society is not that it was based on economics—in a sense, every and any society must be based on it — but that its economy was based on self-interest.*” (Polanyi 1963: 249) Polanyi’s critiques remained in alignments with those followers of his who used the term moral economy later explicitly, for Polanyi was among the early scholars who formulated criticism against mainstream (in his time, classical) economics.

As for Scott, the book *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (1976) contains relatively few generalised statements, but – from the moral economic perspective – those are highly relevant. Scott wrote of a “*subsistence ethic*” (p. 3), seeming to suggest that morality within the economy is most important to be applied in the “lowest” of social strata of material classification. Morality in this broad understanding is an economic insurance, especially on the given “margin” of living standards and income. “*The family begins with a more or less irreducible subsistence consumer demand, based on its size, which it must meet in order to continue as a unit. Meeting those minimal human needs in a reliable and stable way is the central criterion which knits together choices of seed, technique, timing, rotation, and so forth.*” (p. 13) Writing of subsistence and the living-standard margin leads Scott to formulating the expression “*survival of the weakest*” (p. 43).

Even further, morality and needs become intertwined through his term “*the need for reciprocity*”, (p. 168) after having stated that “*Reciprocity serves as a central moral formula for interpersonal conduct. The right to subsistence, in effect, defines the minimal needs that must be met for members of the community within the context of reciprocity. Both principles correspond to vital human needs.*” (p. 167) In Scott’s book, moral economy is also applied as a subjective term, relatable to the individual’s system of values: “*the actor has his own durable moral economy which continues to define the situation for him*” (p. 32). And: “*the actor may have his own moral economy*” (p. 160). Neither is the book short on aesthetically pleasing formulations of the complementary notion, “*the structure of a shared moral universe*” (p. 167).

Shifting back to Kornai’s *The Socialist System*, it can be stated that dualities and carefully divided pluralities (as structures of logic and economics) – generally said – are occurring in the book very frequently. This is well illustrated in relation to *Relative Prices*, (Kornai 1992: 273) where the economy is divided into two big spheres: the interfirm sphere and the consumer sphere. Some separations and divisions of economic logic may appear self-evident or unnecessary, yet it is this clarity and consistency which allows for the enormous complexity of the socialist system to be conveyed. In this comparison, the moral economic literature is scattered, and divided over basic concepts, as well as over future directions of meaning and application.



One of the unique features in Kornai's writing was the invention or popularization of new economic compounds, new concepts and novel analogies. Over time, these have become characteristic for communism in its literature. In the lines that follow, I will look into six such concepts (roughly in the order as they appear in the book), together with one analogy.

One of the – if not *the* – most famous and characteristic of all is the *soft budget constraint* (Kornai 1992: 140, 142–143, 144–145, 466). It describes the external assistance received by firms in the socialist system, from the state, upon their overspending – something that would not be granted under “standard” conditions, in capitalism. The very illustrative analogy to bring up is closely related to this phenomenon. On page 144, Kornai draws a parallel between the socialist firms' bargains with the authorities, and the stages of parenting – the relations of responsibility and care between parents and the child. In Kornai's classic analogy, the parents represent the authorities, the child the typical socialist firm, and the “*grades of paternalism*” the degrees of budget constraint softness. In moral economies – according to their previously mentioned fundamental features of normative economic practices that obligate people to uphold the shared understandings of justice, as well as the mechanisms of social pressure that ensure those practices persist – the entire phenomenon is upside-down. Economic softness is a virtue, if not a prerequisite of the moral economic existence. A certain degree of caring is expected even, albeit this appears rather difficult to be associated with paternalism, which has a slightly negative connotation, especially in the Kornaiian context.

The second concept to look at is *forced growth*, or *haste*, for which Kornai has used the term *rush* as well, in one of his earlier works (Kornai 1992: 160). These words describe the nature and rate of real and latent economic advancement in the socialist system. As one of the motives behind them, Kornai writes of *investment hunger* (Kornai 1992: 160–163, 346, 536), which results from the mechanisms of the communist ideology, and the bureaucracy's decisions. In the relatively idealistic world of moral economies, by contrast, growth is definitely not an economic target, and even as a dimension, it fades into the background. The moral economic model may be the other extreme, the other end of the growth intents scale. The lack of the economic growth mindset is alienable from contemporary economic moods and needs, however, it does not contradict social progress altogether, and has significant environmental advantages, from the perspective of our present.

Moving on to the more macroeconomic compounds in Kornai's book, we encounter *hidden inflation* (Kornai 1992: 196, 257). In the socialist system, this is the inflation which the responsables do not let appear in the official statistics, so that the picture of performance has greater chances at remaining bright. In tandem with hidden inflation, *latent unemployment* (Kornai 1992: 204) can be mentioned. This appears mostly in the industrially backward and stagnant countries, where there is a significant group of people undertaking some kind of payed labour, without holding a permanent job. It gains a role in forced growth, for which the system aims to mobilize the *labour surplus*. The lack of transparency to such a degree would be foreign to a moral economic society. From the features of the shared understandings of justice and the social pressure that maintains them, the element of trust becomes top-down and bottom-up unavoidable. It should be added, however, that the size of moral economic societies, or rather, communities, is significantly smaller than the country scale, and it is questionable whether and to what extent they could expand.

Last but not least, in the context of international economics, *export aversion* (Kornai 1992: 348) should be referred to. This is the reluctance of a state-owned firm under classical socialism to



export to a capitalist market, due to its own, probable inability to compete with other firms on that market. When it comes to the agricultural type, moral economies are inward looking too, but when general phenomena are placed into the moral economy structure, they become just one single moral economic facet of the economy overall. This raises the question what the independent moral economies of goods, services, and further objects of exchange would constitute.

3.2. Actors

As for the question of actors from within the book's content, the reader may point to the ideological initiators, as well as the leaders of communist regimes, adding the members of the bureaucracy, who help maintain it. The main ideological, historical reference in Kornai's framework is Karl Marx, with several works cited. One can witness two ways, two threads that this theoretical, ideological stream is being made use of.

One is a "straight", historical-evolutional path of Marx's theories, the leaders (many of them are generally referred to as dictators) they have "inspired", and how these leaders transformed the theories, putting their own versions into practice. The other way is the contrasting of Marxist and communist ideology and mechanisms with the neoclassical school of economics, and – correspondingly – the capitalist system. At certain points, this is completed with references to the institutional authors, the institutional branch of economics. The connection with the moral economy here is the person of Edward P. Thompson. One of the late classics of the moral economy, Thompson was influenced by the Marxist theories, and has "*contributed to Marxism, the New Left, and history*" (Fine 1994: 194). This does not mean that the moral economy should be associated with Marxism. Not only would that hinder its current understanding, it would also mean a filter in interpretation, and be an obstacle to the notion's future possibilities.

As for the leaders Kornai writes about, there are specific, frequent mentions and quotes – despite the plurality of the socialist countries in most of the quantitative analyses, figures and tables. The country leaders quoted and referred to most often are those with the heaviest historical relevance, either due to the duration of their rule, the country size, or the extent of the negative impact their decisions had on the population – typically Lenin, Stalin and Mao, but later the Soviet leaders and the Hungarian figures of communist rule receive frequent mentions too. The moral economy, on the other hand, has no notable figures, no historical persons to cite. It is a kind of an historical and economic "orphan" in this regard.

In analysing the socialist systems, communist economies, Kornai remains reluctant to "blame" individuals at lower levels of the bureaucracy. The fact that masses of people with smaller historical significance helped maintain the communist systems is explained by internal motivations, directly from within the socialist economic "clockwork". Chapter 4, titled *Ideology*, (Kornai 1992: 49) expresses this, and explains the underlying reasons. Chapter 6, *Coordination Mechanisms* (Kornai 1992: 91) also contains crucial elements of behavioural explanation. Kornai does not write about the "prototype" communist people, only about system prototypes of the kind (Kornai 1992: 19, 368). In moral economies, by contrast, it is the "masses", the people who constitute and steer the system, and who bear responsibility for sustaining it.

3.3. Spatial and temporal dimensions

It is timely to introduce the "spacetime coordinates", to properly allocate the texts in geographical and temporal terms. Strictly speaking, *The Socialist System* describes and analyses the



mechanisms and features of systems in the time interval between the year 1917 (as stated in Kornai 1992: xix) and the year of the book's publishing: 1992, thus embracing a period of 75 years. Speaking less strictly, however, the focus tends to be on the later stages of this period, and the relevance and importance are stretching – in many aspects – into the present, and (as indicated in the introduction to this paper) apparently even beyond, into the future.

Temporally, the moral economy literature has a twofold orientation. The late classics and the subsequent, often anthropological moral economy case studies tended and tend to focus on community ethics and practices in the past. Thompson's article (1971) for instance, in the object of its examination, stretches back to the eighteenth century. Meanwhile, it is the conceptual reviewers and historians who explore the notion's opportunities and limitations for the future (without a concrete timeline or dates though).

The broadest geographical understanding, the largest spatial extent of the Kornai book's interpretation is projectable based on the table (Kornai 1992: 6–7) including 26 socialist countries, as of the year 1987. The table is followed by a map (Kornai 1992: 8 – Kornai does not refrain from the extensive use of maps to illustrate his points, as is also applicable to his 2016 article *The System Paradigm Revisited*). The map displays the distribution of socialist regimes in the same year of assessment, 1987, with Asia, Central- and Eastern-Europe, Central America and Africa being most "affected" (in continental terms, and in this approximate chronological order). Most of the data in the book stems from fewer countries though, which are frequently highlighted and used as illustrations. Beyond the former Soviet Union, the central historical and ideological role of which remains undisputed, the main data source countries and examples are China, Hungary, Poland and East Germany (this latter often being contrasted with its Western then-counterpart). These emphases, presumably, were also determined by the general data accessibilities at the time, as well as the author's scientific network.

The moral economy, in all of its interpretations, has no distinct geographical origin, and no characteristic regions of its kind. Based on the premises, the ethical and social aspects, moral economies are geographically unbound in their development. Moreover, since the digital ages, they could theoretically encompass networks existing through cyberspace only.

3.4. Lines of reasoning

When attempting to explore arguments in the context of *The Socialist System*, one may go into three directions.

First, one may consider the motivations of Kornai himself on writing this book, to which we find helpful clues in the first section of the *Preface*, (Kornai 1992: xix-xxiv) and in the very last paragraph (Kornai 1992: 580) of the volume. Kornai opens the book by emphasising the hostile nature of the environment for such works, still prevalent at the time of the book's publishing. Yet, helped by the personal virtues of his enormous courage and feel of responsibility, the author was urged to compile, write, finish and publish the book as soon as it was feasible, before some of the crucial generational memories were to fade. In the finishing paragraph, Kornai expresses uncertainty about the pace of change and clarification in the system of values, after ultimately denouncing "bureaucratic rule, etatism, paternalism and egalitarianism". As for motivations, they keep evolving for moral economists. Thompson and Scott had the chance to take an outsider's perspective, similar to Kornai (Chikán 2021), who had intended and achieved the same in his works. But the late classics had to make less of an effort. For Thompson, the



temporal distance was given, for Scott, the geographical was. Kornai, by contrast, was residing in the region, and performing his explorations, providing detailed descriptions at the very cusp of socioeconomic and political change.

Second, *The Socialist System* contains internal “macro- and micro-reasonings”, shorter and more extensive threads of argumentation. One example is chapter 4, *Ideology*, which – in itself – provides many of the reasons, the causes and the basis – which the subsequent chapters are building on. It gives an insight into the hierarchical structure and motivations under the socialist system, (Kornai 1992: 50–54) as well as the underlying, moving forces: discipline, willing sacrifice and vigilance (Kornai 1992: 57–59). Another example is what Kornai titles *The Main Line of Causality*, which is a concluding section (Kornai 1992: 361) of Part 2, and a reemerging topic in the overall conclusion to the book (Kornai 1992: 565). In this interconnected sequence of phenomena, Kornai illustrates how the political changes in the direction of the communist ideology, ultimately – through five “blocks”, five logical phases – result in the fully fledged socialist system, with a socialist economy. When this theme is revisited, in the end, the line of causality is coupled with the strength (or depth) of changes, reforms in the shift, in the post-socialist transition. In the literature of the moral economy, by contrast, an opposite change in society is not welcomed. As Thompson asserts: “*It is not easy for us to conceive that there may have been a time, within a smaller and more integrated community, when it appeared to be ‘unnatural’ that any man should profit from the necessities of others [...]*” (Thompson 1971: 131). He even mourns the moral economy: “*The breakthrough of the new political economy of the free market was also the breakdown of the old moral economy of provision.*” (Thompson 1971: 136).

Third, in a way, *The Socialist System* as a whole is a major argument in itself. Through the knowledge conveyed, it warns against the pitfalls of a mammoth-ideology, and directs its readers away from the faulty policies and practices of the socialist system. The group of moral economists is yet too fragmented, mainly in terms of their approaches, to provide an unvaried, unified argumentation.

4. A ‘CELESTIAL’ MAP

Following the structured analysis, my paper offers a partial synthesis. The “snapshots” taken above, through four different dimensions of *The Socialist System*, are puzzle pieces of a greater picture. János Kornai’s thought and that of the moral economists often contradict, but at times, also complement each other. The extent of contradiction may suggest that these worlds of thought tend towards two opposite ends of a scale, or towards two distant (and distinct) points on a map, each with its own values.

My paper does not include the enormous (and presumably impossible) undertaking of charting the entire economic systems’ map, however, by gazing into the “telescope” constructed from the Kornaian and the moral economic “lenses”, there are two major clues that can be taken on the multitude of economic system possibilities.

For one, economic systems, the organic packages as referred to earlier, may contradict, and in certain aspects mutually exclude each other, yet in others, they complement one another. Their comparison and parallel considerations lead not to confusion, but to more broad-minded economic thinking. Capturing and embracing wider spectra of economic systems results in more fluidity in the systems’ interpretation, potentially leading to greater econodiversity. The term



“econodiversity” is not in common usage in academia yet, but one article describes it as “the emergence of different corporate forms, with different governance structures facilitating community participation via various mechanisms.” (Baily et al. 2007: 393) When projected onto economic systems’ analysis, the emphasis should be placed on the plurality of coordination mechanisms: From the recognition of different economic systems and their main features, through recognizing their advantages and drawbacks, and ranking them by certain values in their outcomes, or for a given region and time period, to recognizing the dynamics of economic systems (their interactions with human needs and technology levels), and modelling their desirability and implementability, with the costs of transition inclusive. Different systems thriving within each other (as did moral economies under early capitalist structures already) are not out of the question either. To sustain these systems, and to suit them to different groups’ needs is a political achievement. The philosophical justification of econodiversity is that coordination as an act or process itself does not have an *intrinsic* value (only values that are useful for effective coordination, and which result from coordination). Economic systems are the manifestations of different economic coordination mechanisms, and – at least on a philosophical level – it is the described lack of intrinsic value that explains the lack of consensus over them.

The second clue concerns alignments between economic interests and morality. Kornai’s thoughts may well have been in tension with the classical moral economy concept, but his motives and the broader moral economic interpretation overlap. As expressed in the introduction of this paper, I have assumed certain moral motives from Kornai’s side in writing *The Socialist System*, which is partly supported by his own statements and courage reflected in the preface of the book. The intentions from the contemporary moral economic side are similar, in that the incorporation of ethical elements into economic theory may result in the knowledge of overall more beneficial economic systems.

5. OUTLOOK

With some reserved doubt, the reader might ask how long Kornai’s work will stand the test of time. As Kornai writes, “All social-political-economic systems can be judged by the extent to which they further a variety of ethical desiderata and how far they assist in implementing specific values.” (Kornai 1992: 16) May there come a day, when the world will have to experience yet another tectonic shift in its economic systems, to uphold ethical desiderata, and to implement values more effectively? The question of whether the moral economy, or moral economics would play a role in that, remains open too.

On page 127 of *The Socialist System*, it reads: “Even a powerful computer is only able to solve iteratively large systems of equations (and nothing, in fact, as large as those involved in the problem of planning).” After the dawn of quantum computing, and well into large-scale implementations of artificial intelligence, the modern reader may have second thoughts at this point. Touching back on the parallel between economies and organisms: “The economy works as a system, more like a living organism than as an engine as postulated by Walras and others.” (Csaba 2016: 4) This organism, however, comes with sets of rules by which – on the very long term – societies can shift their economic culture, according also to the level of technology, and to the resources available.



Kornai shows awareness of the level of technology having an impact on macroeconomic arrangements: “Consumer prices lowered artificially by subsidies [...] produce an inordinate growth in demand. That causes chronic shortage, since supply cannot keep pace. Among the promises of the official ideology of the classical system is a goal of satisfying people’s basic needs. That is what consumer pricing policy [...] should do. Instead, its effect is to highlight how the promise has not and cannot be kept at so low an economic development level.” One possibly futuristic question becomes what we consider as not “so low” anymore, in terms of economic (and technological) development.

The last question to ask is whether there is a greater chance for values, value systems to unentangle, as in the hopes of Kornai, expressed on the very last page: “There is no telling how rapidly or consistently the change and clarification of the system of values will take place.” (Kornai 1992: 580) The progress of value unentanglement can be accelerated through historical change, and through advancements in our scientific understanding, however, in the broad interpretation the evolution of values is a continuous, open-ended process.

6. CONCLUSION

The Socialist System still forms a critical bridge from the current perspective to the opportunity of an in-depth understanding of communism’s economic dimensions and implications. This book may be the best tool still to support students and scholars in grasping the vastness, and the elaborate, yet clumsy nature of the (former) socialist systems. It is also beneficial, however, to couple and compare economic viewpoints, to arrive at ever broader perspectives.

I embarked upon the journey of revisiting János Kornai’s *The Socialist System* with a mission: to look at certain aspects and dimensions through a moral economic lens, and to gain a wider perspective thereby. After providing more detail on the Kornaian legacy, and introducing the moral economic viewpoints, I took on the central themes in *The Socialist System*, and of the moral economy literature. It has been revealed how phenomena in Kornai’s thought and in moral economic literature can be exact opposites of each other, with their own advantages and shortcomings. The two “lenses” have been related through the dimension of actors as well. Not only were connections revealed, but the differing emphases of responsibility as well. As for the temporal and geographical dimension, the moral economy has exceeded *The Socialist System*, due to its twofold orientation, and its potentially universal applicability. When examining the lines of reasoning, it became clear that the moral economy authors take an outsider’s perspective, just like Kornai did. It has also shown, how Kornai’s advice and the moral economist judgement would move economic coordination in completely opposite directions. In general, critiques of different economic coordination mechanisms, of different economic systems appear to be even more distant from each other than the systems themselves.

The structured analysis has led to two major (‘celestial’) clues. One was the compatibility and complementary nature of certain elements from different economic packages. It has been proposed how different systems could even thrive within each other, in econodiversity. The similarity in moral motives has been recognized and highlighted, to support greater mutual understanding between seemingly opposing branches of the field of economics. Finally, abstract, yet tough questions have been raised both for the moral economists and for the Kornaian legacy, in the form of an outlook. These open questions mean a similar suggestion to that of my mission



in the paper: that economic coordination challenges lying ahead may require new, ever more holistic approaches.

ACKNOWLEDGEMENTS

I would like to express my gratitude to Prof. László Csaba, in the frame of whose 2022/23/1 *Comparative Economics* PhD subject part of this paper was born and has been cultivated, and to Prof. Balázs Hámori, my PhD supervisor, for his continuous support and encouragement.

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