16 ‘Feasible Socialism’ Revisited*

My book did have some effect. It has been translated into Italian, French, Spanish, Swedish, and now into Chinese. So it achieved its object of stimulating discussion about what socialists should regard as feasible, as well as on the relevance (or irrelevance) of what Marx and his followers thought about socialism in general, socialist planning in particular. The book was being written during 1980–1. Reviews, some of them highly critical, have appeared. Much has changed in the world. Yugoslavia and Romania, each in different ways, are in acute crisis. Poland under Jaruzelski has still to emerge from its own crisis. The Hungarian economy has also run into trouble. Meanwhile Gorbachev has placed the USSR on the road to ‘radical reform’, with an explicit link between economic and political-cultural change. China too is in the throes of large-scale reforms, which were in their early stages in 1981. Meanwhile in the West the forces of the anti-socialist right have gained strength and, particularly in Mrs Thatcher’s Britain, are actively engaged in unmixing the mixed economy and privatizing everything they can, including social welfare. In many countries of the third world, too, one sees a reaction against socialist ideas and institutions.

For all these reasons, the book would have been somewhat different if it had been written in 1989. How different? Why different? First of all, why was it written?

* This way my contribution to a conference (March 1988) in Győr (Hungary), on the theme of the reform of socialist planning. My Economics of feasible socialism (George Allen & Unwin, 1983) had been read by many of the participants, and so this was an attempt at ‘updating’ it. Since then I have heard that it is also to be translated and published in Hungary. Indeed with the onward march of glasnost’ it could conceivably be published in the Soviet Union too. In fact some of the Soviet reformers may consider that it did not go far enough! More should be said, for example, on the need for some sort of capital market, and on the implications of liberalizing foreign trade. I would now (1990) have to take into account the fundamental changes occurring in Eastern Europe.
As a student of Soviet-type economies, I was very conscious of the inefficiencies that seemed inherent in centralized planning. These clearly were indeed 'inherent', in the sense that they could not be ascribed to stupidity, bad will or a love of inefficiency for its own sake. I wrote many years ago an article on 'planners' preferences', where I criticized those who thought that the product mix reflected the preference of the planners as against that of the consumers: surely in most instances the product mix was not consciously intended by the centre, it was a malfunction, and this in turn was due to the impossibility of determining at the centre either the detailed assortment of output or the most economical means of producing it. In 1958, that is, thirty years ago, I wrote an article on economic reform, published in *Social Research*, which argued that market-type reforms were necessary. Of course, this was premature, and I only mention this early and probably naive article to show that these questions worried me rather long ago.

The second motive arose out of contemplating the critique of the Soviet system from the left, by those who considered themselves to be true Marxists. It seemed to me that, while many of their criticisms hit the target, the implied alternatives, the criteria of judgment, were quite unreal. This unreality, it seemed to me, was deeply embedded in the Marxist tradition and stemmed from Marx himself. Their opposition to the market was combined with opposition to the inevitably bureaucratic centralized alternative. Marx, it appeared to me, was a utopian in his (admittedly fragmentary) remarks about socialism/communism. The two motives then combined: by what kind of realistic criteria could we criticize the Soviet system?

There followed another question: what other model or models of a socialist economy could there be? Would it be relevant to possible socialist programmes in West European countries? It was not enough to criticize, there had to be some sort of 'feasible socialist' alternative. I made clear that this was not so much a commitment, a statement of personal belief, but an intellectual exercise. If people preferred capitalism, or some other '-ism', that was their right. However, already then I felt the shadow of the offensive of the New Right; they all too often used the inefficiencies of Soviet-type planning as a stick with which to beat 'socialism' in general, and so a defence was needed against attackers from that quarter.

Let us look at some criticisms of these ideas which have appeared in the last few years. Several were from the left: Mandel in *New Left Review*, and also Louis Gill from Canada, among others. They