

telligence. During the trial of the Memorial Anti-Discrimination Center Professor Rukinov insisted that “objectively speaking” and from the legal perspective writing and publishing human rights monitoring reports is a form of “political activity”.

Two other professors from the same university, Aleksei Sachenko and Igor Kokorin (the latter, by the way, is an alumnus of the Tyumen Law Institute of the Ministry for Internal Affairs of Russia), who offered expert testimony at the same trial, proffered yet another argument: although there is no definition of “political activity” in the law, an NGO could be compared “by association” with a political party, and therefore any civil rights activity is per se a political one. In other words, NGOs are unavoidably political actors, and if they receive funds from abroad, they automatically must be considered “foreign agents”.

These examples demonstrate that there are academics who are ready to risk their academic reputation (if such a notion makes sense in the Russian humanities and social sciences fields today) to serve as experts in court in order to “protect Russian sovereignty” from alleged “enemies” in the West.

At the same time, liberal academics hesitate to defend NGOs in court, pointing to a trap in the legislation. According to the definition established in the foreign agents law, political activity is “the organization of political actions with the goal of influencing the decision-making process and shaping public opinion with the same intentions”. Russian political scientist Vladimir Gelman has confessed that this definition of “political activity” would force him to answer in the affirmative if asked about the political activity of an NGO because influencing politics is what any NGO is intended to do. The mission of any NGO is to improve state policy in a particular field, and therefore, according to the foreign agents law, it is a political actor by default.

Elena Belokurova, a political scientist from the European University at St. Petersburg who was involved in the defense of several NGOs in court (including opposing Professor Rukinov in the above-mentioned trial of Memorial in St. Petersburg), has put forward the follow argument: yes, NGOs have a mission to influence state policy, but they do not have the tools to interfere in decision making as their only instruments are public debate and information. Hence, in contrast to political parties, their activities cannot be part of the decision making process, which is to say, politics in the narrow sense. Although well thought out, this argument has never been accepted in court.

It must be mentioned that in a number of cases serious administrative pressure was exercised on experts which influenced the nature of their expert testimony. Quite commonly a university administration will order an employee to serve as an expert witness suggesting in advance how facts should be interpreted and what their conclusions should be. The result of this administrative pressure is sometimes contra-

versal: one of the experts, a faculty member at Herzen State Pedagogical University and former officer of the Open Society Foundation, gave expert testimony in favour of black-listing the “Freedom of Information Foundation” as a foreign agent, after which he moved to the US as a Fulbright Fellow.

Apart from the ideological conflict between liberals and conservatives in the courtroom, there is another tendency, common in cases where academics from the humanities and social sciences are involved as experts. The authors of the brochure “Caution, extremism! An analysis of legislation on counter-extremism activity and its implementation” (ironically published by one of the “foreign agents”, the Mass Media Defense Center in Voronezh) highlight the difficulties of implementing this legislation: its vagueness and inconsistencies make it difficult to rely on common sense and general knowledge. As a result, investigators not only rely on experts to evaluate the facts but also expect them to interpret unclear legal definitions. Trials of foreign agents, similar to counter-extremism cases, seem to demonstrate that passing judgment has been transferred into the hands of an expertocracy: experts don’t only interpret legal questions, de facto they formulate the accusation. Very often judges simply copy the experts’ conclusions into the court decision, sometimes even retaining the original grammatical mistakes.

It seems that a new wave of anti-Western paranoia has seriously affected the academic community in Russia, especially in the humanities and social sciences. The ideological battles between conservatives and liberals have entered the courtroom. Professional ethics in legal expertise have thus become a burning question. ◀

¹⁾ “Foreign Agents”: Mythical Enemies and the Real Losses of Russian Society. Analytic Report. St. Petersburg, 2015 (in Russian): www.hrrcenter.ru/awstats/HRRRC_report_onFA-NGO-2015.pdf

²⁾ After 2014 the Ministry of Justice was granted the right to identify foreign agents following its own internal procedure, without appeal to the court.

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Fabricating a Perpetual Economic Thought

BY JÁNOS MÁTYÁS KOVÁCS

In 2014, a large group of economists and historians in eight countries of Eastern Europe and China decided to write a comparative history of economic thought under communism. Strangely enough, such a work is still lacking—a quarter of a century after 1989. The research program was conceived at the IWM, and the scholars came together in April to discuss their pilot studies.



Who reads Boris Brutskus, Oskar Lange or Tibor Liska today? The Russian scholar gave the first in-depth diagnosis of the impossibility of rational planning in a really-existing communist economy as early as 1921. The Polish economist refused Brutskus’ thesis of impossibility in 1936, and constructed a model of “market socialism” to replace the command economy without returning to capitalism. Finally, the Hungarian reformer invented the utopia of “entrepreneurial socialism” in 1965 combining *laissez faire* with a kind of basic income scheme and collective ownership. The three experts gave a large impetus to research on welfare economics, public choice, the economics of information, etc., but above all on rival economic systems in the East and the West. Whilst their ideas continue to influence many scholars and politicians, their names have been forgotten. Brutskus’ work has remained a mainstay of the economic critique of communism; the Langean para-

digm of market socialism, especially its ex-Yugoslav version of worker’s self-management, has always attracted social movements all over the world; and Liska’s quest for entrepreneurship contributed to property rights reforms throughout Eastern Europe and China during the past three decades.

Yet, the scientific discoveries of these scholars, as well as those of many dozens of their contemporaries in the former Soviet bloc do not feature in standard textbooks of economics and its history. The latter lack a vast chapter covering the evolution of collectivist economic ideas in the communist period and their dialogue with the neoclassical mainstream. Although important theories of such luminaries of economics as Friedrich Hayek and Kenneth Arrow cannot be understood disregarding the insights offered by Brutskus and Lange earlier, profound studies of the history of economic thought under communism are still missing. Today, I can surprise my students in Buda-

pest any moment by citing Liska or an even more influential Hungarian colleague of his, the former Harvard professor János Kornai who affected the research programs of a whole series of Nobel Prize winner economists of our time.

While, following the financial crisis, collectivist/interventionist ideas—ranging from the concept of a “sharing economy” and basic income, through that of special taxes on the rich, to the claim of “occupying Wall Street”—reemerge all over the globe, economics is still dominated by the “end of history”-mood of 1989. It seems as if the revolutions in Eastern Europe resulted in a final victory of private ownership and the free market, and thus the century-long debate on the rationality of “economic calculation in a socialist *Gemeinwesen*” (Ludwig Mises) was terminated.

Forgetting may be justified in the case of the tens of thousands of official textbook economists in the Soviet empire and their Western “fellow-travellers”, but it leads to an undeserved

tuum Mobile: under Communism Revisited

downgrading of the *oeuvre* of radical reformers and dissidents as well as that of the best among those economists in the West (such as Abram Bergson, Evsey Domar and Peter Wiles) who were interested in Soviet Studies, too. Ironically, ignoring their scholarly achievements may harm the current defenders of capitalism more than its critics. Those who want to resist “new collectivism” are unlucky enough to have to do without a great many refined theoretical arguments and empirical proofs against nationalization, decommodification, price controls, self-management and the like, which the non-existent history books of economics under communism could offer. And conversely, those who favor any kind of collectivist transformation of modern capitalism, may be happy not to be reminded of the seamy side of reformism, namely, of the recurrent failures of its representatives in designing the *perpetuum mobile* of the planned economy based on some combination of collective ownership and the market.

Oblivion is perhaps the most surprising in Eastern Europe where state interventionism, even *dirigisme*, is on the rise. In a number of ex-communist countries from Russia to Hungary, i.e., in alleged strongholds of neoliberalism, banks, public utility companies, land, welfare services, etc. are being re-nationalized, and new public firms established. Foreign investors suffer discrimination, price controls are reintroduced, and income redistribution by the state is increasing. Where business and politics seemed separated and this separation safeguarded by the rule of law, they became intertwined again in informal ways. Both state capture and its opposite, when the government conquers business life, are fundamental features of this old-new political economy. In some countries society is ruled by a quasi-monoparty. Cronyism, kleptocracy, feudal privileges and the like are all clear signs of both surviving and nascent regimes of corruption. The apologists of these mixed regimes make use of the fact that, due to a deep lacuna in intellectual history-writing, one cannot just take a number of books off the shelf, which would evidence the disadvantages of similar attempts at hybridization in the communist past. Also, the success story of the Chinese combination of retaining the party-state while privatizing the economy suggests to many that a *perpetuum mobile* may still exist.

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The research program “*Between Bukharin and Balcerowicz. A Comparative History of Economic Thought un-*

der Communism” (*Triple B*) launched by the IWM in 2014 seeks to fill this lacuna. Its title indicates the time-frame of research. Prior to the October Revolution, the Bolshevik thinker Nikolai Bukharin turned his back on his professor, Eugen Böhm-Bawerk in Vienna, which marked the beginning of what proved to be a long detour from the history of Western economic thought. The end of the digression can be represented by the name of the Polish economist Leszek Balcerowicz who converted to neoclassical economics at the end of the 1980s. The program revisits economic thought in eight countries of ex-communist Eastern Europe (Bulgaria, Czechoslovakia, GDR, Hungary, Poland, Romania, Soviet Union, Yugoslavia) and in China. In each country prominent economists and their research teams prepare sizeable national monographs and take part in producing a comparative analysis. They concentrate on the evolution of economic ideas but do not tear them out of their contexts in economic, political and social/cultural history; and examine how the East-West dialogue affected economic thinking under communism while not overlooking the East-East exchange of ideas.

Besides the “high culture” of economic thought, including eminent scholars and their findings, the “mass culture” of economic knowledge (e.g., university textbooks, articles in economic newspapers, etc.) are also examined. The *Triple B* national monographs will not only include a thorough analysis of the major themes of communist political economy (ranging from state ownership, through planning to full employment) but also devote chapters to key issues in the sociology of knowledge such as the history of leading research centers, the advisory role of economists and the rules of censorship. The research methods are not confined to a “close reading” of scientific texts. They also include archival research, in-depth interviews, case studies and the like. Once the monographs are completed, the comparative volume will provide a detailed typology of the evolution of economic thought in the selected countries as well as tackle some fundamental methodological issues (e.g., periodization, origins and diffusion patterns of economic knowledge, local traditions and original discoveries, etc.). The comparison will be complemented with an anthology of “hidden treasures” of economic scholarship under communism. The research results will be published in the *Lexington Books* series of the renowned publishing house Rowman and Littlefield. (For

more information on the program, see triple-b-project.net)

Triple B has just passed its first, experimental phase. The national teams have completed large pilot studies covering five crucial fields of economic thought: change in concepts of ownership, scenarios of market reform, the breakthrough of mathematical economics, comparison of political economy textbooks, and the relationship between sociology and economics. The participants of the April workshop of the program (see box) discussed the results of the first research phase, and—based on the high quality of the pilot studies—decided to pub-

lish two comparative volumes on ownership and mathematization respectively. The former will trace the twists and turns of the road leading from the idealization of public ownership to a reluctant rediscovery of private property rights while the latter will show how the monopoly of verbal analysis in communist political economy was broken by the influx of mathematical models from the West without resulting in a radical turn to neoclassical economics.

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While preparing these two volumes, the national teams continue library research and interviewing

since they know that—experiencing the rapid erosion of archival materials and the passing away of key eye-witnesses—this is perhaps the last occasion on which the task of the conceptual reconstruction of economic ideas under communism can be accomplished with both empirical precision and intellectual empathy. ◀

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Methodological Workshop Between Bukharin and Balcerowicz: A Comparative History of Economic Thought Under Communism April 24–26, 2015, IWM, Vienna

Program

April 24, 2015

Welcome and Introduction:
János Máttyás Kovács

Session I: Research Proposals of Junior Researchers

Ivan Boldyrev
Matthias Duller
Jonas Flury
Chris Miller
András Pinkasz
Dariusz Standerski

Keynote Speech:
Chenggang Xu
*The Political Economy of Making an
Authoritarian Constitution. The Case
of China*

April 25, 2015

Session II: Discussion of Position Papers

Bulgaria: Comment by
Bogdan Murgescu

China: Comments by
Phil Hanson and Chenggang Xu

Czechoslovakia: Comment by
Oleg Ananyin

GDR: Comment by
János Máttyás Kovács

Session III: Discussion of Position Papers II

Hungary: Comment by
Julius Horváth

Poland: Comment by
Jože Mencinger

Romania: Comment by
Jerzy Osiatyński

Yugoslavia: Comment by
Hans-Jürgen Wagener

Soviet Union: Comment by
Roumen Avramov

April 26, 2015

Session IV: General Discussion and Future Plans

Introduction:
Piotr Koryś
György Péteri
Maciej Tyimiński

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www.triple-b-project.net

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