Index

Abell, Peter 4
  critique of Prychitko 63–9
Acton, Lord 190
Albert, Michael 2, 17
  on dialogue 23, 24, 26, 32
  on ‘forcing mechanisms’ 23
  model of decentralized socialism
    21–7, 29, 69n.7, 73
  on prices 22, 24, 25, 26
Alchian, Armen
  argument questioned 83–4
  calls for ‘policing device’ 79
  case for traditional firm 78–9
  on voting rights 88n.20
alienation
  and central planning 3, 19, 20–21,
    30, 33n.3, 59–60, 61, 64, 65, 68n.2
  defined 60
  of human identity 1–91, 94
  and impossibility of socialism 62,
    69n.6
  of ‘man from his wages’ 30
  Marx’s view of 3, 17–21, 27, 33,
    34n.5, 59, 173
  ‘Marxian’ 59, 61, 62, 69n.6
  political 60
  under post-communism 185
  in Soviet system 46, 62
  and the state 32, 33, 60
see also de-alienation; praxis
philosophy
anarchism
  among East European intellectuals
    181
  classic goal of 141n.4
  contemporary relevance of 123
  expanded range of 124, 137–8
  mainline 124, 137
  need for law in 124, 139–40
  need for markets in 6, 128–30, 133–4,
    137
  rejection of law in 138
anarcho-capitalism 6, 123, 186, 187
  expanded notion of 136–8
  rejection of cooperatives in 134,
    135–6, 138, 189
  shock therapy approach to 158
  and spontaneous production of law
    139–40
  as welfare-maximizing 124–5, 126–8,
    189
anarcho-communism 6, 124
  abolishes market process 133, 137
  alleged moral basis for 132–3
  impossibility of 137
  and libertarian municipalism 133–4,
    143n.16
anarchy of production
  and the invisible hand 12
  required in modern society 128–30,
    168
  vs. comprehensive planning 12–13,
    19, 20, 33n.4, 58, 60, 152, 173
Aoki, Masahiko 83
Apel, Karl-Otto 168, 169, 179n.1
Ardalan, Cyrus 97
Armentano, Dominick 119n.2, 120n.12
  on social efficiency 122n.20
Arrow, Kenneth 156
Austrian economics
  ‘Anti’ 187
  capitalist ethics within 89
  case against central planning 1, 2, 11,
    13–15, 24–5, 27, 56, 59, 68, 73–4,
    128–30, 143n.20, 156, 164,
    169–71, 179n.3
  case against self-managed socialism
    2, 42–3, 68, 74, 95
  on collapse of socialism 15–16,
    154n.8
  criticism within 186–90
  critics of 56
  defense of self-managed firms 4–5,
    81, 82, 84–5, 98n.2
Austrian economics – continued
dogmatism within 187, 188–9, 190
epistemic argument of 89, 128, 131, 169–70
formalism within 106–22
‘fundamental tenets’ of 115
heterogeneity within 130–31
and ideology 103, 118
immanent criticism of 186
leading figures in 68n.2, 188
‘losers’ in calculation debate 1, 36–7
methodology of 103, 106, 115, 118, 119n.2, 131, 175, 186, 189
and neoclassical economics 67, 74, 80–81, 85–6, 86n.2, 104–106, 108, 115, 142n.12, 144n.22, 160, 163–5, 167n.2, 170, 179n.3
notion of radical subjectivism 103, 115–17
‘punk’ 186, 188
put to test 187
rejects perfectly competitive benchmark 82, 112, 160
on socialist experience 61–2
theory of comparative systems 2, 11, 13–16, 58–9, 70
theory of welfare economics 6, 82, 103–22, 125–8, 141n.5, 141n.7, 157, 165
on ‘Third Way’ 15
traditionally equates self-managed firms with syndicalism 87n.5, 135
traditionally equates socialism with central planning 87n.7
traditionally rejects self-managed firms 68, 70, 80–81, 136, 137
and value freedom 104, 108, 111, 120n.7, 125, 126
vs. ‘free market economics’ 70, 86n.2
view of entrepreneurship 95, 98n.3, 131
view of Marx 58–9, 64
view of planning 5
see also entrepreneurship; market process; praxeology; socialist calculation debate
‘Austro-punks’ 188–9
authoritarianism 132
distinguished from authority 177, 179n.7

authority
in Central Planning Board 159
monetary 152, 153n.2
properly understood 177, 179n.7
vs. reason 172
vs. rules 151, 153n.2
vs. tradition 174

Bakunin, Mikhail 179
Beaulier, Scott 189
Bell, Daniel 154n.7
Berger, Peter 190
Bergson, Henri 131
Bernstein, Richard 168, 172, 187
Bičanić, Ivo 55n.5
Bideleux, Robert 17, 29, 31
fails to answer Austrians 33
hermeneutical error of 28
on integration of markets with
Marxism 27–8
on market socialism 28, 32
Block, Walter 187, 190
BOAL (Basic Association of Associated Labor) see self-managed socialism; Yugoslavia
Boehm-Bawerk, Eugen 13, 188
Boettke, Peter 5, 16, 68n.1, 86n.1, 131
on ‘the’ Austrian contribution 130
equates socialism with central planning 87n.7
on Marx 58, 59, 64
on ‘pure’ socialism 68
on War Communism 59
Bookchin, Murray
criticism of sociobiology 143n.14
denies need for law 140
faces bewildering throng of possibilities 134
on libertarian municipalism 133–4, 143n.16
on ‘moral economy’ 132–3
on rational discourse 140, 143n.16
rejects ‘bourgeois calculation’ 132, 137, 138
rejects self-managed firms 136–7
vision of anarcho-communism 6, 124, 132–4, 135, 137, 138
Bornstein, Morris 37
Bradley, Keith 67
Index

Buchanan, James
- critique of Hayek 174
- on ‘physical-computational’ mentality 166

Bukharin, Nikolai 4
- bureaucracy 36
- and market order 154n.4
- ‘red’ 132
- in Lange model 159
- in Schumpeter 159
- socialist reform of 44, 45
- as source of alienation 60
- as ‘steering mechanism’ 147
- Stiglitz’s hope for 160, 161–2, 164–7
- withering away of 49
- in Yugoslav experience 41, 42, 45, 48

Burczak, Ted
- as advocate of ‘Hayekian socialism’ 89
- case for ‘thin socialism’ 89–99
- faces problem of ‘thickening socialism’ 96–7

capital
- accumulation in Lange model 162
- aggregated in Schumpeter and Stiglitz 163, 164
- circulation of 57
- concentration of 37
- coordination of 2, 14, 25–6, 31–2, 33, 129, 130, 163
- capitalism 4, 13, 140, 170
- base and superstructure of 57, 176
- and commodity production 57, 58, 96
- contradictions of 57, 145, 146–8
- corporate 5
- crony 182
- and distribution 161
- free market 11, 124
- industrial 12
- and irreversibility of welfare state 150–52
- laissez-faire 118, 124
- Lange on 161
- liberal 146
- Marx’s critique of 11–12, 17–18, 20–21, 33n.1, 56, 57, 64
- monopoly 20
- ‘people’s’ 158, 164

Schumpeter on 160
- state 15, 154n.4
- vs. decentralized socialism 32
- see also anarcho-capitalism

Ceausescu, Nicolae 35, 53, 180
- central planning 1
- and alienation 3, 19, 20–21, 30, 33n.3, 59–60, 61, 64, 65, 68n.2
- anarchy of 152
- and Arrow–Debreu model 156–7
- failure of 1, 4, 15–16, 129, 130, 152–3, 154n.8, 164, 181
- as failure of Marxism 61–2
- and ‘forcing mechanisms’ 23
- ‘great pretension’ of 168
- Marx’s view of 18, 19–21, 49, 57, 58–9
- myth of 15, 152–3, 154n.8
- Soviet-style 46, 47, 49, 64, 68n.2
- vs. decentralized planning 1–2, 3–5, 20, 21, 23–4, 59–60, 64, 66, 68n.2
- vs. markets 15, 27

central planning board
de facto 23
- does not eliminate alienation 3, 19, 20–21, 30, 33n.3, 59–60, 61, 64, 68n.2

GOSPLAN as 154n.8
- knowledge assumptions of 170
- in Lange model 159, 162
- non-existent in anarcho-communism 133
- responsible for full plan coordination 128–9
- in Schumpeter model 163
- as universal capitalist 3, 33n.3, 60, 64
- vs. workers’ council 73

Cockshott, W.P. 66
- collectivism
- under post-communism 183–5

Comisso, Ellen 51

communism
- the end of 184–5
- ‘possible’ 33n.4
- ‘pure’ 68n.2
- see also anarcho-communism;
  - socialism; post-communism; War Communism
comparative economic systems
Austrian contributions to 13–16, 70
Marxist roots of 11–13, 56
theory of 11–16
and underlying economic principles
13, 152
and Yugoslav model 36, 54
see also organization theory; Market,
Plan; tradition
competition see imperfect competition;
market process; perfect competition
comprehensive economic planning
can’t be saved 3, 62, 98n.2, 130, 170
and ‘Constructivist Anxiety’ 173
and dictatorialism 36
and Keynesian policy 148
methods distinguished 64–5, 68n.2,
72–4, 87n.7, 87n.9, 98n.2, 130,
133–4, 135
myth of 15, 152–3, 154n.8
Soviet-style 2, 14–16, 17, 46, 61–2,
64, 68n.2, 72, 73, 152
in Yugoslav experience 49–53
Yugoslav-style 2, 49
see also central planning: central
planning board; decentralized socialism; Plan; self-managed socialism; social ownership;
Yugoslavia
cooperatives
Bookchin’s case against 136–7
defined 71, 134–5
in a market process 66, 86n.3
Rothbard’s case against 136,
143n.20, 189
see also workers’ self-management
Cordato, Roy 107, 157, 165
case for anarcho-capitalism 6, 103
on ‘catallactic efficiency’ 112, 114,
115, 121n.19, 122n.20, 131
criticism of Kirzner 113, 118,
121n.19
criticism of Rothbard 112, 115–18,
121n.18
as a formalist 118, 189
goal of divorcing welfare economics
from general equilibrium 113
on ‘Ideal Institutional Setting’ 117
on knowledge 113–4
on Mises 117
on policy 122n.23
on subjective value 115
on unmeasurability of utility 117
Cottrell, Alan 66
‘crises of crisis management’ 147–8,
154n.4
see also economic crisis, legitimation crisis
Cullenberg, Steven 89
de-alienation
Marx's view of 3, 18, 20–21, 57, 59,
173
and praxis benchmark 59–60, 68n.2,
69n.6
necessary conditions for 18, 20–21,
22, 32, 57, 59, 60, 64
promised in Yugoslavia 35–6, 41, 46
as ‘return of man to himself’ 60, 173
requires decentralized planning 60,
64, 65
Selucky’s view on 30
vs. central planning 61, 64, 68n.2
see also alienation, praxis philosophy
Debreu, Gerard 156
Defourny, Jacques 67
DeLeon, David 123, 143n.15
democracy
in BOAL 50
in Bookchin model 90, 94
in Burczak model 90, 94
in civil institutions 190
in comprehensive planning 2, 21, 26,
32, 49, 50, 60, 64, 66, 72–3, 87n.7,
130
and constitutional rule of law 165–6,
183, 185
economic 86n.1
false sense of 20, 36
and market socialism 29
and modern welfare state 146, 151
‘producers’ 28
radical 3, 21, 23, 26, 60, 64, 86n.1, 133
in self-managed firm 71, 92, 135,
143n.19
threatened by new collectivism 183–4
‘true’ 60
in Yugoslav experience 39, 41–2, 49
in Yugoslav theory 36, 38, 46, 49
Demsetz, Harold
argument questioned 83–4
calls for ‘policing device’ 79
case for traditional firm 78–9
on voting rights 88n.20
Descartes, Rene 171–2, 173, 178
dialogue
under anarcho-communism 134, 143n.16
and decentralized planning 22, 23, 39, 73
essence of 27
and markets 26–7, 32–3, 34n.8, 86n.1, 131
restricted 27
vs. equilibrium modeling 24
division of labor
abolished under socialism 12, 29
as economic phenomenon 143n.14
within enterprise 12, 19, 72, 135
as ideology 20
Marx’s views on 19–21, 29
social 12, 19, 72, 124, 135, 138
in Tradition-based economy 12
Djilas, Milovan 45
Domar, Evsey 81
economic crisis
Habermas’s theory of 146–7
Offe’s theory of 147–52
see also ‘crises of crisis management’
Ellerman, David 93, 94, 97
on labor as a passive factor 92
on Labor Theory of Property 90–91
El Tataway, Nawal A. 97
Engels, Frederick 18
entrepreneurship 12
and alertness 94
and discovery 91, 95, 130, 170
and factor ownership 91
and finders-keepers ethic 91, 98
inept 111, 121n.15
as morally responsible activity 92–3, 94
and plan coordination 95
political 40
present in all human action 91, 95, 98n.3, 98n.5
in self-managed enterprise 85–94, 136
stunted by taxation 150
Estrin, Saul 152
on socialist planning 87n.9
Feher, Ferenc 152
Foster, John Bellamy 4
Fourier, Charles 56, 57, 128, 172
freedom
as de-alienation 21
and democratic socialism 29
economic 30
Left-anarchist view of 138
mine and yours 190
personal 7
political 7, 30, 168
positive 30
under post-communism 181, 183–5
vs. planning 153n.3
see also liberty
Friedman, Milton 30
Fromm, Erich 59
Furubotn, Eirik 39, 55n.5, 77, 79–80, 84, 88n.14
Gadamer, Hans-Georg
on authority and tradition 172, 176–7
debate with Habermas 177–8
on dialogical understanding 27
on solidarity 168
Gelb, Alan 67
Goldscheid, Rudolf 149
Golubović, Zagorka 64
Goodway, David 123, 124
Gorbachev, Mikhail 180
Gordon, David 187
Graham, Robert 138
Gray, John 175
Grossman, Gregory 12
Guerin, Daniel 132, 138
Habermas, Jürgen
debate with Gadamer 177–8
on dialogue 26
on legitimation crisis 147, 165
on limits to decentralized socialism 26–7
theory of the welfare state 145–7, 153
as utopian 178
Hahn, Frank
  on role of general equilibrium theory 105–6
Hahnel, Robin 2, 17
  on dialogue 23, 24, 26, 32
  on ‘forcing mechanisms’ 23
  model of decentralized socialism 21–7, 29, 69n.7, 73
  on prices 22, 24, 25, 26
Harper, David 131
Harrison, Frank 141n.4, 141n.5
Havel, Vaclav 35
Hayek, F.A. 82, 128, 138, 188
  ‘answered’ by Horvat 37–8, 42–3, 64, 67, 69n.7, 73–4
  ‘answered’ by Yugoslav experience 37, 42, 43
  argument against central planning 14, 15, 37, 87n.7, 130, 156, 164, 169–71
  on authority 177
  on Cartesian rationalism 171–3, 179n.5
  on conservativism 178
  on cultural evolution 174–5
  on dictatorship 36, 61
  on epistemic features of markets 89, 130–31, 174–5, 176
  on the ‘fatal conceit’ 170
  on immanent criticism 178
  on information vs. knowledge 169–70
  on methodological individualism 175
  on organization vs. spontaneous order 72
  on tradition 168, 169, 173–8
  on who is to plan 5
Heilbroner, Robert 181
Heller, Agnes 152
hermeneutics 28, 172, 174, 179n.4, 188
Hoppe, Hans-Hermann
  on positive theory of economics and ethics 120n.7
Horvat, Branko 2
  on alienation 60
  ‘answers’ Hayek 37–8, 42–3, 64, 67, 69n.7, 73–4
  on cooperatives 67
  on labor-managed economy and perfect competition 40
  on market and plan 41
  on Marx’s method 59
  Pejovich’s criticism of 85
  on social control 38
  on Yugoslav experience 42–3
Horwitz, Steven 131, 153n.2, 163
  human nature
  Marx’s view of 21
Hungary
  as application of Lange–Lerner model 157–8
  ‘New Economic Mechanism’ in 55n.3
Husserl, Edmund 187
imperfect competition
  Greenwald–Stiglitz adoption of 157
  as ‘realistic’ 82
  Schumpeter’s anticipation of Stiglitz on 160, 162
information see knowledge
intervention 5, 6, 11, 16, 32, 37, 45, 103, 123, 131
  effect on social utility 110–11, 115–17, 118, 121n.15, 125–6, 127–8, 141n.5, 141n.7, 142n.10, 157
  generates market instability 147, 148–9, 153n.3
  and legitimation crisis 147–8
  Stiglitz’s case for 157
  tax-based 147, 149–50
  interventionism 11
  in crisis 148
  as fundamentally market-based system 16, 32, 33, 41, 89
  and market order 154n.4
  as a ‘Third Way’ 15
  threatens market process 148, 149–50, 153n.3
  under welfare state 145–55
  as ‘the worst of both worlds’ 148
  see also ‘crises of crisis management’; welfare state
  James, Estelle 39
  Kardelj, Edvard 35, 41
  Kautsky, Karl 19, 29
  Keynes, John Maynard 148, 162

210  Markets, planning and democracy
Index

Kirzner, Israel 82, 93, 97, 163, 188
on discovery 91, 131
on finders-keepers ethic 91, 97
on the ‘pure’ entrepreneur 95, 97
on right to the whole product 90
theory of efficiency 112–3, 114, 118
theory of entrepreneurship 90–92, 94
Knight, Frank 91
knowledge
in Albert–Hahnel critique 22–3
in anarcho-communism 6, 132–4
under centralized authority 153n.2
that coordinates plans 114, 121n.19, 130, 163, 170
Cordato’s view of 113–14
Descartes’s view of 171–3
division of 179n.7
Hayek’s view of 37, 74, 89, 97, 169–73
hierarchy of 60
Horvat’s view of 37, 73–4
Kirzner’s view of 113
lost under socialism 2, 14, 24, 27, 29, 31–3, 36, 52, 59, 65, 66, 73, 84, 129–30, 134, 169–71
of particular time and place 14, 133
and reason 169, 175–8
Schumpeter’s view of 163, 164
and self-monitoring in firm 84
Stiglitz’s view of 157, 163, 164
and tradition 175–8
vs. information 24–6, 129, 169–70
Kolakowski, Leszek 187
Kornai, Janos 14
Kosik, Karel 59
Kropotkin, P. 132, 138
labor-managed firms see workers’ self-management
labor theory of property 90, 95, 98
labor theory of value 13, 56, 89
Lachmann, Ludwig 163, 188
Lange, Oskar 1
‘answers’ Mises 14
on capital accumulation 162
compared to Marx 28
on consumer sovereignty 159, 164
on income distribution 160–61
model of market socialism 156, 158–64
and perfect competition 160
reliance on Keynes 162
renewed interest in 66
static elements of 162, 163
on trial and error 159, 162
and Yugoslav socialism 37
Lavoie, Don 5, 12, 14, 15, 16, 68n.1, 143n.14
critique of self-management 88n.10
on dialogue 86n.1, 131
on economic democracy 86n.1
equates socialism with central planning 87n.7
on market as discovery procedure 24, 59, 131
on Marx’s method 33n.1, 58, 64
‘Laws of History’ 57
Le Grand, Julian 152
legitimation crisis
Habermas’s theory of 146, 147, 153
Offe’s theory of 147–52, 153
Lenin, V.I. 19, 28, 29, 59, 62, 168
Lerner, Abba 1, 156
Lewin, Peter 163
liberty
Acton’s sense of 190
as means to higher end 190
negative 30
and non-aggression axiom 111, 141n.7
positive 30
and socialism 30, 132
as a system 11
vs. libertinism 190
see also freedom
Littlechild, Stephen 15
Lydall, Harold 39, 44
Market system 5, 12, 28, 57, 66, 146–7, 150, 154n.4, 168, 182
as anarchic 12, 13, 19, 20, 33n.4, 58, 60, 129–30, 147, 152, 154n.4, 168, 173
as antithesis of Tradition 12
‘bad model of’ 157
‘becoming competitive’ 166
constrains the tax state 150
emergence in post-communism 181–3
evolution of 174–5, 182
Market system – continued
free 6, 11, 31, 105, 108, 110, 118, 120n.9, 125, 126, 127, 139, 148, 157
and freedom 29, 31, 54, 168
in Hungary 55n.3
as ‘Ideal Institutional Setting’ 117
as ‘informational miracle’ 22
as inherently unstable 147
maximizes social utility 108–110, 118, 125, 126, 127, 128, 139–40, 141n.6, 142n.8
moral defense of 123, 124
moral rejection of 124, 132–3, 138
as nexus of voluntary trades 110, 120n.9, 125, 142n.8
as a process 182 ‘pure’ 151
in Yugoslav experience 32, 40, 45, 47–8, 52, 53, 144n.21
vs. Plan 12, 13, 15, 22, 32, 33, 41, 66, 148
see also market process; market socialism
market process
can’t be reconciled with socialism 4, 19, 22–3, 28–32, 53, 58, 60, 61, 66, 73
and capital goods 2, 14, 25–6, 129, 130, 163
and ‘catallactic efficiency’ 112–14, 118, 121n.19, 131
crisis of 146–8
discovery procedure 24, 131, 134, 170, 174–5
and entrepreneurship 12
as equilibrating 111, 112–14, 118, 121n.19, 122n.20, 187
as extended dialogue 131
Habermas’s view of 146–7
and institutions 6, 22, 26, 27, 32–3, 66, 74, 140, 189
and law 139–40
and moral sentiments 189
necessity of 6, 14, 24–5, 27, 30, 36, 62, 66, 73–4, 89, 98n.2, 130, 134, 137–8
and plan coordination 3, 5, 14, 24–6, 114, 118, 121n.19, 122n.20
and property rights enforcement 122n.23, 139
spontaneity of 148
unhampered 152, 187, 189, 190
vs. general equilibrium theory 160, 166
Marković, Ante 54
Marković, Mihailo 3, 18, 19, 59, 60, 97
on Marx’s method 33n.1
on ‘unity’ in Marx 64
Marschak, Thomas 37
Marshall, Peter 124
Marx, Karl
on alienation 17–18, 20–21, 27, 28, 32, 59–60, 61, 62, 64, 68n.1, 69n.6, 87n.7, 173
alleged ‘unity’ of 63–4, 65–6
on ‘anarchy of production’ 12, 19, 20, 33n.4, 58, 59, 128, 173
on base and superstructure 176
on class interests 184
on communism 33n.4
comparative systems analysis of 11–13, 56–7
dialectical approach of 12
on division of labor 19–21, 29
on freedom 21, 29–30, 33n.4
on Hegel 60
hermeneutical problem in 61
on interconnectedness 96
limits to his radical humanism 63, 68
on man ‘returning to himself’ 60, 173
on merging politics and economics 49, 60
‘modern’ interpretation of 64
as organization theorist 58–9, 61, 64
orthodox interpretation of 57–8
on planning 18–21, 29, 58–9, 64, 68n.1, 87n.7, 173
‘post-modern’ interpretation of 65
as praxis philosopher 59–60, 61, 64, 65, 69n.6
rehabilitating 186
and self-managed socialism 20–21, 64, 65, 68n.1, 87n.7
and Soviet experience 61–2, 64, 68n.1
tension in 3–4, 30, 61, 64
as totalitarian 29, 62, 64
on tradition 177
as utopian 178
on utopian socialism 56–7
on village commune 28
‘young’ vs. ‘mature’ 17, 28, 34n.5, 58, 64
and Yugoslav experience 64
Marxism
and Bolshevik Revolution 59, 154n.8
and causality 22
in crisis 32–3, 56, 168
and decentralized socialism 2, 3–4,
18–21, 49, 59–62
failure of 59, 60–61, 68n.2, 69n.6
Frankfort School 153n.3
and holism 145
‘humanistic’ 2, 4, 19, 49, 63, 65–6, 68
immanent criticism of 186
and market processes 56–62
and market socialism 27–32
and modern welfare state 145, 147–8, 150
and neo-liberalism 150
and new social movements 152
‘post’ 186
and property rights 31
vs. Austrian economics 56
vs. utopian socialism 56–7
see also praxis philosophy; Praxis
Group; socialism
McCloskey, Deirdre 86
Meade, James 81
Milosévić, Slobodan 3, 184
Mises, Ludwig von 82, 128, 138
argument against central planning 1,
2, 5, 14, 15, 24, 30–32, 36, 87n.7,
128–30, 143n.20, 156
on ‘bewildering throng of possibilities’ 2, 35, 129
criticism of Boehm-Bawerk 188
critique of syndicalism 87n.5
on economic calculation 129–30
and efficiency 117
on epistemic features of markets 89
and Human Action 188
and Husserl 187
on knowledge problem 74
on language 26
on moral conscience 189
and praxeology 107, 187, 189
and Yugoslav socialism 42, 43
money
and alienation 12, 28
and central banking 153n.2, 154n.4
role of 12, 28
as ‘steering mechanism’ 146
Moss, Laurence 126, 141n.7, 142n.10
nationalism
populist 183
under post-communism 7, 54
in Yugoslavia 41, 42, 53, 54
see also collectivism
neoclassical economics
Arrow–Debreu model 156–8, 164, 165, 166
Buchanan’s criticism of 166
compared to Austrian economics 67, 74, 80–81, 85–6, 86n.2, 104–106, 108, 115, 142n.12, 144n.22, 160, 163–5, 167n.2, 170, 179n.3
formalism within 106, 108, 161, 164, 165, 166
and general equilibrium theory 104–106, 156–8, 160, 162, 164, 167n.2, 179n.3
Greenwald–Stiglitz theorems 157–8, 164, 165, 167
Hahn’s criticisms of 105–106
in market socialism model 156–8, 161–2
non-institutional nature of 164, 165
theory of welfare
Walrasian 164, 170
see also imperfect competition;
market socialism; perfect competition
Neuberger, Egon 39
Neuhaus, Richard 190
North, Douglas 183
Novak, Michael 190
Nove, Alec 27, 58, 59
Nozick, Robert 140
O’Driscoll, Gerald 82, 131
Offe, Claus 7, 165
on crises of crisis management 148, 153n.3, 154n.4
Offe, Claus – continued
reliance on Marxism 154n.5
theory of the welfare state 145, 147–9, 150–52, 153
organization theory
economistic emphasis of 61
Habermas’s use of 146–7
ignores praxis philosophy 61, 65
in Marx 58–9
Offe’s use of 147–8
Owen, Robert 56
Pejovich, Svetozar 3, 5, 69n.4, 70
calls for full ownership rights 88n.21
on investment problem 38–9, 55n.5, 79–80, 84, 88n.14
on Vanek and Horvat 85
perestroika
in Soviet Union 44, 45
in Yugoslavia 44, 46, 54
perfect competition
Arrow–Debreu model of 156–8, 162, 164
as benchmark 82, 144n.22, 160
and general equilibrium 104–105, 156–8, 160
in Lange model 159–60
Schumpeter’s criticism of 160
Stiglitz’s criticism of 156–8, 160, 162, 167n.2
vs. disequilibrium prices 129
vs. market process 160, 166
Petrović, Gajo 18, 19, 59, 64
on Marx’s praxis philosophy 60
Plan
myth of the 15, 152, 154n.8
vs. Market 12, 13, 15, 22, 32, 33, 41, 57
Polanyi, Michael
criticism of Mises and Hayek 15
criticism of Soviet planning 154n.8
post-communism 7, 158, 165, 189
collectivism under 183–5
praxeology
and apodictic certainty 6, 107, 109, 117, 120n.7, 125, 187, 189
and demonstrated preference theory 107–108, 109, 112, 115–17, 125, 126, 139
flawed 6, 110–11, 112, 116–17,

121n.15, 126, 128, 136, 141n.7, 141n.11, 187, 189
‘hard-core’ 187
and history 109, 127, 142n.10
‘pure’ 189
as ‘radically empirical’ 6, 107
tested 187
Praxis Group 2, 3, 4, 19, 32, 59, 64, 65, 68n.2, 68n.4
see also praxis philosophy; self-managed socialism; Yugoslavia
praxis philosophy
as benchmark 60–61, 66
as gedankenexperiment 61
ignores organization theory 61, 65
invalidated 66–7, 69n.6
in Marx 3, 4, 59–60, 64
‘philosophistic’ emphasis of 61
see also alienation; de-alienation
Preobrazhensky, E.O. 4
prices
abolished under anarcho-communism 133
abolished under socialism 12, 14, 22–7, 36, 73, 74, 129, 130
as ‘aids to the mind’ 25, 129
Albert–Hahnel critique of 22–3
as analogous to pheromones 131
as analogous to words 131
disequilibrium 130
equilibrium 22, 88n.18, 104, 129
fixed in Yugoslavia 41, 46, 48
Habermas’s view of 146
as indicators of relative scarcity 2–3, 5, 14, 24–5, 28, 31, 36, 73–4, 129
in Lange model 159, 161, 164
required for rational economic calculation 14, 25, 27, 31–2, 36, 74, 90, 124, 129, 130, 133, 142n.12
property rights
abolished under anarchism 138
abolished under socialism 14, 129, 159
and alienation 18
communal 28
and defense of self-managed socialism 88n.21, 135, 136
and emergence of tax state 149–50
enforcement of 139
and externalities 117, 139
in libertarian society 190
moral case against 6
in post-communist transition 181–2
retained in socialist experience 16, 138, 152
and right of use 31, 32, 39–40
role of private 1, 2, 4, 12, 146
usus fructus 31, 32, 34n.10, 79, 138
to the whole product of labor 17, 90–94, 95–7
in Yugoslavia 52
see also social ownership
Proudhon, P.J. 20, 138
Prout, Stephen 48
Prybyla, Jan 40
Puterman, Louis 83
Rakić, Vojislav 97
Ratzinger, Cardinal 188
Reder, Melvin 109, 110, 111
Ricardo, David 56
Ritter, Alan 141n.4
Rizzo, Mario 131
Roberts, Paul Craig 16, 58, 59, 61, 64, 68n.1, 68n.2
Robinson, Joan 81
Rothbard, Murray
as ‘apologist of capitalism’ 124
on backward-bending supply curve 81, 88n.16
as behaviorist 109
on cooperatives 67, 136, 144n.20
criticism of Mises 188
criticism of Reder 109
criticism of self-managed firms 134, 135–6, 138, 189
criticized by Cordato 112, 115–8
on demonstrated preference 107–8, 115, 120n.8, 125–7, 139
dogmatic features of 110
on economic calculation 131, 140
on envy 109, 142n.8
flawed praxeology of 6, 126–8, 136, 137–8, 189
on free markets and social utility 108–109, 125, 139, 142n.10, 157
on ‘hegemonic principle’ 128, 141n.6
ideology in 118, 123, 141n.2
ignored by anarchist Left 123
on intervention and social utility 110–111, 115–16, 121n.15, 125–6, 142n.10, 157
leaps from agnosticism to certainty 110, 125–6
legacy of 138, 139
on ‘Libertarian Code’ 139
on libertarian non-aggression axiom 111, 141n.7
on ‘on the market all is harmony’ 120n.9, 126, 139
on ‘market principle’ 141n.6
on monopoly 82, 88n.18
on need for law 139–40
on optimal size of firms 88n.17
on order vs. disorder 103
on praxeology 107, 120n.7, 126–7, 141n.8, 142n.10, 187
reconstructed utility theory of 106–111, 124–8, 165
search for ‘ironclad proof’ 109, 117, 118
and tendency toward equilibrium 111
on unemployment 82
view of science 109, 111, 187
vision of anarcho-capitalism 6, 123–4, 126, 137–8, 187
on Yugoslav experience 144n.21
Rus, Veljko 31, 55n.6
Rutland, Peter 152
Sacks, Jeffrey 40, 48
Saint-Simon, Comte de 56, 172
Salerno, Joseph 131, 188
Samuelson, Paul 103, 108, 165
Scherer, F.M. 119n.2
Schrenk, Martin 97
Schumpeter, Joseph 1, 7, 14
anticipates Stiglitz 158, 160, 163, 164
on ‘beefsteak socialism’ 159
on capital accumulation 162
on crisis of the tax state 149–50, 165
on imperfect competition 160, 162
on income distribution 161
model of market socialism 156, 158–64
on new investment 162–3
on perfect competition 160
on saving 163
on trial and error 159
Schutz, Alfred 131
Sciabarra, Chris 141n.6
Selucky, Radoslav 17, 20
agrees with Austrians 27
critique of Marx's notion of freedom 29–30, 32
on democracy 29
fails to answer Austrians 33
on planning tensions 30
on social ownership 31–2
Sen, Amartya 103
Smith, Adam 11, 12
on moral sentiments 189
social ownership 2, 3, 12, 14, 29, 73, 128, 129, 135, 136
Horvat's defense of 37, 74
utter vagueness of 31–2, 50, 53
in Yugoslav context 31, 35–6, 38, 45, 46, 50, 53, 79, 84
see also comprehensive economic planning; socialism; Yugoslavia
socialism
‘beefsteak’ 159, 167
can't be saved 3, 64, 89, 130, 168
as Cartesian legacy 171–3
collapse of 15–16, 70, 152, 180–81
and commutative justice 93–4, 95
crony 182
democratic 72, 130, 164
‘dialogical’ 26
divergent views of 56, 168
and division of labor 19–21
as end to alienation 60
exposed by ‘Laws of History’ 57
‘fatal conceit’ of 170
as final system 12, 64
‘Hayekian’ 4, 89, 98n.1
as information-enhancing 23
‘is only conceptually possible’ 14, 15
and knowledge problem 1, 2, 13–14, 24, 27, 29, 31–3, 36, 59, 65, 66, 73, 84, 89, 129–30, 137, 143n.20,
197–71
‘libertarian’ 124, 137
and liberty 30, 132
Marx's 'silence' over 57–8
and morality 171
on the run 168
and ownership 12, 14
‘pure’ 68
and radical critique of capitalism 56, 64
‘really existing’ 1, 66, 145, 152, 168
scientific 56–57, 58, 60
Soviet 14–16, 17, 46, 72, 130, 135, 152, 154n.8
state 41, 132, 140
as synthesis of Tradition and Market 12
‘thickening’ 96–7, 98
‘thin’ 89, 93, 95, 96
totalitarian 29
traditional 72
transition from 152–53, 158, 165, 167, 181–83
‘true’ 21
utopian 56–57, 168, 172
and wage-labor contract 89, 90, 94, 96
see also central planning; central planning board; comprehensive planning; Marx; Marxism; Plan;
social ownership; Soviet Union; Yugoslavia
socialism, decentralized 19, 27, 31–2, 34n.10, 72, 186
necessary for de-alienation 60, 64, 66, 68n.2
see also self-managed socialism;
Yugoslavia
socialism, market 1, 2, 7, 14, 27
‘adapted’ in Hungary
‘automatic solution’ of 163
‘bad model of’ 157
Bideleux's defense of 27–8, 32–3
and capital accumulation 162
and commodity production 28
and consumer sovereignty 160–62
failure of 156, 157
and general equilibrium theory 156–8, 160, 162, 164
Horvat's defense of 73–4
and income distribution 160–62
lack of prices under 161
Lange-style 37, 41, 74, 144n.21, 156
Lange–Lerner ‘solution’ 157
Lange and Schumpeter compared 158–64
Index

and Marxism 28
and new investment 162–3
and production rules 160
Schumpeter-style 156
Selucky’s defense of 28–33
Stiglitz’s defense of 156, 158, 160, 163, 164–7
Stiglitz, Hayek and 164
time and dynamics in 162–3
‘trial and error’ planning in 159, 162
and the welfare state 156
in Yugoslavia 36, 27, 41, 47–9, 54, 144n.21
see also central planning board
socialism, self-managed 2, 3, 4, 19, 21–7, 186
anarchist variant of 132
Austrian case against 68, 84, 135
the end of 54
failure of 2–3, 32, 41–3, 53–4, 66, 90
general principle of 47, 90, 96, 135
impossibility of 74, 130
‘integrated’ 49
investment problems of 39–40, 45, 48, 52, 79–80, 84–5
‘post-modernist’ 63, 68
role of BOAL in 50–51
strikes under 40, 53
tensions in 3, 23–4, 30–32, 41–2, 47, 51–2, 61, 64, 65
worker apathy in 39
vs. central planning 72–4, 87n.7
in Yugoslavia 35–43, 44–55, 66, 130
see also Yugoslavia
socialist calculation debate 1, 14, 24, 32, 36–7, 66, 142n.12, 156, 165
solidarity 22
under anarchism 124, 143n.16, 144n.23
through civil society 190
vs. tyranny 168
Soviet Union
alienation in 46
collapse of 1, 7, 11, 14–16, 152, 180
perestroika in 44, 54
Stalin, Josef 4, 35, 62
split with Tito 45–6
Stephenson, Matthew 58, 61, 64, 68n.1, 68n.2
Stiglitz, Joseph 7
calls for ‘people’s capitalism’ 158, 164
critique of Arrow–Debreu 156–7, 162
critique of Lange–Lerner 156, 157, 162
interpretation of Hayek 164, 167n.2
on role of the state 164–7
view of market socialism 156–8, 160, 161
Stojanović, Svetozar 19
Supek, Rudi 64
Suvar, Stipe
address to League of Communists 41–2, 43
syndicalism
juxtaposed against workers’ self-management 71, 87n.5, 135, 143n.19
‘Third Way’ 15
Thomsen, Esteban 131
Tismaneanu, Vladimir
on collectivism under post-communism 184–5
Tito, Josip Broz 35, 38
split with Stalin 45–6
totalitarianism 21, 32, 33, 36
tied to Marx 29
and nationalism 179n.5
tradition
in Austrian School 186, 188–9
Descartes’s rejection of 172–3, 178
Gadamer’s view of 176–8
Habermas’s view of 177–8
Hayek’s view of 7, 168, 173–8
immanent criticism of 178
socialism’s rejection of 171
with a capital T (as a system) 12, 13, 15, 57
transition from socialism 152–53, 158, 165, 167, 181–83
Trifunović, Bogdan 97
Tyson, Laura 55n.9
Vačić, Alexandar 97
Vanberg, Viktor 175

David L. Prychitko - 9781843767381
Downloaded from Elgar Online at 05/04/2019 09:43:33AM
via free access
Vanek, Jaroslav 5, 67, 81–2, 84, 85, 88n.14
on appropriation 98n.6
Vaughn, Karen 131
Vojnić, Dragomir 97
Vranicki, Pedrag
on central planning as state capitalism 33n.3
Wainwright, Hilary 68n.3
Walesa, Lech 180
Walicki, Andrzej 28
Ward, Benjamin
critique of self-managed firm 71
implications of 78, 81, 82
major defect in model of 81–2
welfare economics see Austrian economics; neoclassical economics
welfare state
constitutional constraints on 165–6
creates chronic fiscal problems 149–50
entitlements under 151
irreversibility of 7, 145, 150–52, 154n.7
Left’s turn toward 145, 153n.1, 156
‘objective need for’ 151
Offe’s theory of 147–53, 165
origin of 146
as necessary corrective to capitalism 145, 146–8
potential collapse of 150
‘precarious double function’ of 147, 153n.3
purpose of 148, 149
renewed support for 145, 152
Schumpeter’s theory of 149–50, 165
not self-financing 149
as self-destructive 149, 151
Stiglitz’s defense of 156, 164–7
‘triumphant’ 153
vs. civil society 151, 190
see also ‘crises of crisis management’; economic crisis; interventionism; legitimation crisis
Wellmer, Albrecht 168
Wieser, Friedrich von 13, 91
Winter, David
on socialist planning 87n.9
workers’ control
juxtaposed against workers’ self-management 71, 87n.5, 135, 143n.19
workers’ self-management
Austrian case against 6, 70, 80–81, 135–6, 189
Austrian case for 4–5, 6, 82, 84, 98n.2, 187, 190
defined 71–2, 134–5
and employment restriction 77–8, 82
and market instability 77, 81
in market process 5, 31, 67–8, 134
neoclassical view of 5, 66, 70, 74, 75–80, 81, 82, 83, 84, 85, 86n.2
objective function of 75–6, 81, 86n.2, 92
and ownership 71, 85, 135, 136
and shirking problem 78–9, 83–4
socialist variant of 4, 19, 20, 23, 30, 32, 38–40, 46–54, 65–6, 72–4, 135
and suboptimal investment 79–80, 84–5
in Yugoslavia 35–43, 44–5, 144n.21
see also cooperatives; self-managed socialism; Yugoslavia
Yugoslavia
aktiv in 39, 41, 52–3, 55n.6, 55n.9
as answer to Austrians 36–8, 43
as answer to Stalinism 35–6
as application of Lange model 37, 41
BOALs in 50–52, 53, 97
break with Soviet Union 35, 45–6
bureaucracy in 41, 42, 45, 48, 49
civil war in 41, 54
collapse of Communist Party in 53, 54
competition committees in 40, 48
experience with self-managed socialism 1–2, 35–43, 44–55, 64, 66, 68, 97, 130, 134, 144n.21
foreign debt 41, 44
growth rates 44
inflation 41, 44, 48, 53, 54
investment 45, 47, 48, 55n.5
Kosovo crisis 181, 185
labor productivity 44
markets in 32, 40, 45, 47–8
<table>
<thead>
<tr>
<th>Term</th>
<th>Page Numbers</th>
<th>Term</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>nationalism</td>
<td>41, 42, 53, 54</td>
<td>worker exploitation</td>
<td>97</td>
</tr>
<tr>
<td>price fixing</td>
<td>41, 46, 48</td>
<td>workers’ councils</td>
<td>47</td>
</tr>
<tr>
<td>role of Communist Party</td>
<td>39, 41, 44, 46, 49–50</td>
<td>1974 Constitution</td>
<td>31, 49–51, 53</td>
</tr>
<tr>
<td>strikes</td>
<td>40, 53</td>
<td>1976 Act of Associated Labor</td>
<td>49, 50</td>
</tr>
<tr>
<td>technocracy</td>
<td>39, 42, 45, 49, 55n.6</td>
<td>Zedung, Mao</td>
<td>168</td>
</tr>
<tr>
<td>vs. Burczak model</td>
<td>90, 97</td>
<td>Zupanov, Josip</td>
<td>55n.6</td>
</tr>
</tbody>
</table>