

Preface

IN FALL 1988, I ARRIVED IN BUDAPEST, Hungary as an exchange student through the University of California's Education Abroad Program. I fell into a situation that I did not understand but that would send my life in a new direction. Through the year, at the Karl Marx University of Economics, we exchange students studied with Hungarian scholars, who provided us new ways to understand the world, even in such courses as American literature. We took part in large protests, visits to Roma villages, evenings in underground punk clubs, panicked discussions with our Education Abroad Program directors, and the general social life of young college students, who happened to arrive in a place of historic change.

The language of our professors, who talked positively about markets, democracy, and freedom, surprised me. The American right wing had done so much to politicize these words and done such evil in Central America and elsewhere in their name. Our professors in the Karl Marx University of Economics sounded like Reagan robots. After returning to the United States and entering graduate school, I found myself drawn to trying to understand what I had experienced. What was socialism? What was capitalism? What had happened in 1989? This book is my current answer to these questions.

During my dissertation research, I discovered that Hungarians had been calling for both markets and socialism since the 1950s. For those familiar with Hungary, such a discovery was not a surprise. Yet, in the 1990s, scholars already assumed that socialism had been, and would likely always be, the centrally planned, state socialism exemplified by the Soviet Union. In this environment, a reminder of Hungary's market socialist past

was important. At the same time, I found that some Hungarian economists had studied in the United States and elsewhere, exposing themselves to mainstream neoclassical economics. In the 1990s, it was important to recognize that Hungarians were not entirely isolated from the rest of the world. In my dissertation, I had assumed that this exposure to American neoclassical economics, in particular, had made Hungarian economists capitalist.

Yet I felt that I still did not understand what happened in 1989. As a postdoctoral fellow at Harvard University's Davis Center for Russian Studies, I began interviewing American economists who had worked with Hungarians and other Eastern Europeans during the Cold War. The economists involved in these East–West discussions were not peripheral but rather central figures in the field. How did these Americans indoctrinate Eastern European economists into capitalism? To understand the indoctrination process, I had to understand professional economists' theories and models. What were they exporting abroad? Following their connections with other economists took me to Italy and the former Yugoslavia. It also introduced me to an economics dialogue that extended throughout the first, second, and third worlds. Through years of interviews, I realized that American economists did not export neoclassical economics as an American model but rather that neoclassical economics since its beginnings offered a language that economists around the world used to talk about markets and planning, economic freedom and efficiency, capitalism and socialism.

I would not have understood economists' ideas without sitting with many of them for hours over many years. These economists often found my interviews confusing and disorienting. What did I want to know? I wanted to understand their ideas, their training, their motivations, their politics, and their life in general. I found all of this essential to understanding their ideas. These economists gave me much of their time because, I believe, they wanted some answers too.

Economists' voices are not directly quoted in this manuscript for several reasons. From the start, I sensed that tape recording and signing Human Subjects Review forms raised suspicions among my interviewees worldwide. One economist told me that, if I recorded our discussion, he would not tell me anything. I quickly turned to taking notes by hand and no longer thought about Human Subjects Review. Instead, I decided to use these interviews as a springboard for research, to direct me to archives

and published materials. These interviews also became more like conversations. It was extremely difficult to understand what the economists were trying to tell me, both technically and politically. I slowly began to understand them and tried out my interpretations on other economists to get their feedback. Therefore, economists became more like conversation partners than interviewees.

At the same time, it is disappointing not to have a verbatim written or audio record of my interviews with these economists. Many of them have since passed away. However, I had long ago decided to interview economists as part of a process of making sense of their worlds. I felt driven to write this book because many, though by no means all, of these economists were connected in so many ways to people who had fought to change the world in liberating ways. As I wrote about Italian economics, such a potentially bland topic, my mind was full of the connections of its practitioners with Second World War antifascist partisans, with their colleagues who had lost their lives in the Soviet Union under Stalin, with Third World allies, and with official and dissident socialists worldwide. To tap into and document part of this flow of energy and experience has been exhilarating. It has also helped me to understand 1989 and socialism for myself. I thank all the economists and other individuals who spoke with me. The interpretations advanced and any errors are my responsibility alone.