arrived at the recognition that contemporary socialism is necessarily an economy with commodity production. Alone in the Korean People's Democratic Republic has the communistic system relying on discipline been stabilized and become a model. (Incidentally, Liska's idea exposed in the Econostat has been confirmed there that it is possible universally to satisfy the fundamental needs freely, but Liska considers this to be desirable not in kind but in the form of a monetary rent ensuring free utilization and entrepreneurship.)

In the European CMEA countries — with the exception of Hungary — the system of centralized directive planning relying on state ownership has essentially been preserved, with its prices subordinated in essence to planning in physical terms and construed in an autarkic way on the basis of inputs. Towards the end of the seventies experiments were started in several countries to “perfect” this system. The essence of these endeavours is a certain measure of “decentralization” within the framework of centralized planning (balances) and governmental (state) control of the economy; the establishment of combines (and end product-oriented monopolistic re-production complexes) accorded economic autonomy within the system of khozaschot under the sign of democratic centralism. (In the views of the present author, this system has become a particular model in the GDR, due to the particularities of that country.)

In Yugoslavia, the “organisation of associated labour” has unfolded on the basis of the concept of self-management, as a further model of socialism. This restored the commodity- and money relations and opened up the way for enterprising; and it put the means of production in fact into the group ownership of the local self-government. (Liska maintains the latter to be the main limitation to this system.) Recently it has increasingly become clear that self-management cannot cope either with certain important problems (insufficiently effective interestedness in production, inflationary consequences of the assertion of local interests, market-disturbing effect of central interference — as import restrictions —, etc.).

It has recently been proved in Poland how grave the consequences of the omission of the reform of economic control, its substitution by an arbitrary “developmental” policy were. It is characteristic that one of the principal problems — in respect of the economy — is the different interpretation of the “self-management” to be introduced, i.e. the conflict of state ownership versus group ownership. (It may be noted that self-management is being spoken of in Romania too, although as a component of an essentially directive planning system; while in Hungary self-management is not put forward, although the economic autonomy of enterprises has been achieved to certain extent and we have taken steps in the direction of shop-floor democracy.

The Hungarian reform of economic control in 1968 — under the influence of the then prevailing conditions — was inconsistent and turned out to be ambiguous.* It was of decisive importance that the system of directive planning was replaced by economic reg-

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*This was shown in detail by the studies published on the occasion of its tenth anniversary (See e.g. Acta Oeconomica, Vol. 20, Nos 1–2 (1978)
ulation and a greater economic autonomy of the enterprises; the commodity- and money relations conquered some ground; and enterprises had to face conditions of the world market more than before. However the idea was asserted that central planning was to be implemented not through instructions but through regulators. In consequence the artificial value proportions survived, and plan bureaucracy was replaced by a regulatory bureaucracy; the protected, individually preferential situation of the enterprises continued to exist partly. The regulatory, drawing off and licensing system which came about in this way was called by Liska the “reform policy of the ‘new Prussian way’ fattening the existing bureaucracies”. Also, it was this negative experience which gave rise to Liska’s fundamental aversion to the proliferation of official decrees and instructions, as well as, in his critique, to the summary rejection of state intervention which wants to determine everything, the qualification of its efforts as being rather damaging; a view which may seem to be ultra-liberal.

In recent years the recognition has gained ground among Hungarian economists that we may find a way out of our economic problems only by returning to the basic principles of the reform and by implementing them more consistently. The endeavours for strengthening the links with the world economy, making the forint convertible, for ensuring the normativity of regulation (and thereby increasing the responsibility of the enterprises), facilitating the establishment of small enterprises, all point in this direction. It is becoming more and more obvious that we can cope better with the problems caused by the epochal change in the world economy and the changes in competitive conditions on the world market only through the reform of the mechanism. In Hungary it was exactly the reform of economic control that created — even in its ambiguous form — more open economic conditions which are still confident in spite of the well-known difficulties.

Nowadays — while observing certain fundamental constraints — possibilities for seeking new ways in connection with the further development of the Hungarian economic mechanism may be considered relatively favourable. This atmosphere has given the green light also to research into socialist entrepreneurship, offering opportunities for the exposition of Liska’s most recent views.

The preconditions of Liska’s socialist entrepreneurial system

Liska’s concept does not stay within the scope of the existing reform endeavours, but sets the goal of a more radical modification of the economic system. He does not delude us by wanting to reform only planning, only the system of control, only the mechanism, or only the organizational structure. For him the reform of the mechanism creates only the conditions for a substantial change which renders the socialist ownership much more societal. The whole system is primarily built on some axiomatic preconditions, without which it cannot be imagined.

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1. Socialism is based on the elimination of the private ownership of the means of production and thereby of exploitation. The social ownership of the means of production must be ensured, so that nobody should be able to appropriate them (including the state or, respectively, a bureaucratic stratum in its name), acquiring thereby privileges (a monopoly of disposition).

2. Under socialism, due to the given stage of development of the forces of production, the social division of labour takes place necessarily in the form of an advanced commodity production; and this demands real money and market, and that on a world economic scale. It follows that Hungary must join in the international division of labour, in the world economy, to the fullest possible extent. It must have a convertible currency which links the national economy to the world market through an active exchange rate. All possible barriers must be removed from the path of market relations so that prices should be formed — under the influence of the world market — freely according to the requirements of supply and demand; consequently prices must not be "deflected". The possibility and freedom of competition must be ensured in all areas to the fullest extent.

At this point it is clear to Liska too that this is a hard nut to crack and is possible only as a tendency. He pointed out himself — "how long it took even for the 'competitive price' to be introduced, and yet how far this too still was from the price formation regulated by convertible currency and based on world market prices, and all other conditions for making the 'plan-market' competition more open than even the most modern capital markets". The ideal market competition and price formation did not exist in the 19th century either, and such a thing is even less possible nowadays. Nevertheless — even in spite of the high degree of monopolization — a certain oligopolistic competition is to be found in the world economy not least for the higher demand ensuring a higher revenue. The so-called world market prices, too, reflect some world market reality. Hence the desired condition is to have prices corresponding to the economic reality existing at any time (and not arbitrarily construed prices), which express what the commodity is worth to the national economy (for how much it may be exported or imported, for how much it is sold, or how much is offered for it). In this case the difference between the price and the input, and the resulting profitability, already orientate and stimulate.

3. The ensuring of the freedom of competition deserves special emphasis, because this is the cardinal point of Liska's concept. So far socialist evolution has done everything — through defining production profiles and through mergers — to eliminate competition, as a consequence of which a monopolistic position has arisen almost everywhere, with its pampering effect.* The organization of enterprises, wherever possible, into a single gigantic and dominating enterprise, protected even from foreign competition, ensured — especially under the conditions of universal scarcity — the dominant assertion of the inputs and of the producer's interests. Consequently it is difficult to bring about the freedom of competition. In many cases there is even no chance for it, because the skill,

*This is pointed out in Iván Schweitzer's article [7].
the knowledge of the situation, the connections, the “presence” in the given situation ensure inevitably a monopolistic privilege.

The bringing about of competition is not even desired by everybody, especially not by those who in some way already share in power. In fact, people themselves long for some monopolistic situation: lasting power, possession, security; they only wish the competition when and where other monopolists restrict them “without any foundation”, or if feeling themselves to be stronger they wish to conquer a better position. But against the stronger, they rather strive for “protection” instead of competition.

Consequently, the essence of the matter is not a quixotic struggle against the monopolies, but rather the furthering and ensuring of the chances for competition in all possible ways. It must not be forgotten that the main instrument for this is democracy, i.e. the principled political struggle against the existing and always reappearing privileges. One of the main sources of socialist equality is the right of free competition for the social positions.*

The criterion of success in competition can only be the performance offered to society. But for this, it must be possible to measure this performance reliably (unambiguously). This is served by the genuine commodity- and money relations. By this, competition and real prices reciprocally assume each other’s existence.

The freedom of competition demands the elimination of every sort of autarky, including also the fullest possible joining in the international division of labour, which furthers the development of the forces of production through comparative advantages. Organic connection with the world market mediates evaluation by international environment in the given period, checks on performance, and may orientate enterprises. For this reason, Liska is in favour of the open economy, of export orientation, of prices adjusted to the world market.

4. A further fundamental premiss of Liska’s concept is that the authentic social attitude of socialism is entrepreneurship. The livelihood of the individual is provided by his ability to undertake something. Servility, military dependence and fulfilling of orders, the attitude of officials are in effect feudalistic features which stunt the growth of people, kill their critical spirit, and make their self-realization impossible. Marx laid bare the complete alienation of the wage worker under capitalism. In contemporary capitalism attempts are made to improve the efficiency of wage labour exactly through different forms of “participation”. The capitalists as private entrepreneurs are mainly restricted by private ownership. The entrepreneurial type of our period, the manager is also forced to enter the service of either capital-or of the state, and to operate within the limitations of office provided by this. According to Liska, only under socialism is it possible to fully unfold the entrepreneurial spirit.

*Yugoslav experience in this respect is summed up by J. Laca, as follows: “Since the introduction of self-management our socio-political system has evolved in the mark of an unceasing struggle fought against all varieties of all sorts of monopolies wielding power over the toilers”. [8]

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Socialism itself started as a series of huge enterprises. The proletarian revolution, the organization of production, the building up of socialist industry, the formation of large farms — were all huge “strategic” enterprises. (As an example, we may even refer to the bringing about of the Soviet atom bomb.) But these enterprises led to the bureaucratic control of the planned economy. In these circumstances, another sort of getting ahead evolved in opposition to the entrepreneurial endeavour, which — even though with a communistic colouring —, is in essence of a rather feudal nature: to get into a hierarchy of decision-makers on the basis of “reliability”, to obtain an “office”, viz. to belong to the disposing élite.

As opposed to this, Liska sees the essence of socialism in that — freed from the fetters of private ownership — it makes the possibility of entrepreneurship free for everybody in the economy. For this he wants to ensure to everybody as a starting capital his “social inheritance”, the right to utilize the social property in the framework of competition, and then through increasing his “goodwill capital” the possibility of entrepreneurship on a growing scale. As he sees it, in socialism everybody must have the right and possibility to exercise his (her) ability for work in an entrepreneurial way on the basis of social ownership, and thereby fully develop his (her) creativity.

There is and there will be, of course, a qualitative difference between the level, range, requirements and profitability of the different entrepreneurial opportunities. The situation is different if somebody undertakes to solve an automated communal network, or to operate a petrol station, a textile manufacturing enterprise differs from a handicraft workshop. According to their talents and inclinations, there will be people who will undertake smaller or larger tasks and risks. In this way there will continue to be a difference in the situation of the entrepreneur who creates something new, who is creative or of the manager type, and of his “team”, but the entrepreneur can no longer be a monopolist (he is not a private owner or a state official), but a competitor who undertakes obligations (performances). His “team” will not consist of wage workers, but of such individual entrepreneurs who feel that they can best develop their abilities within this particular collective. In such cases — as Liska points out — the main profit of enterprises may come from their being able to organize rational, more creative, and more useful “subentrepreneurial” work opportunities for the members of their team, ensuring them through this at the same time an income which is in accordance with their performances. (It should be pointed out here that this view differs from the conventional principle of “to everybody according to his work”, which is built on the hypothesis that everybody participates in the purposefully divided labour of society according to his abilities, and shares according to its measure in the total social product. The acquisition of an income according to performance is something else and more than merely a “distributory” principle. Incidentally, the principle of “to everybody according to his work” means in practice rather the payment of wages according to the type of job, age, and the qualification existing on paper.)*

*This is pointed out convincingly by A. Vacic [9].

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According to Liska's concept, turning entrepreneurship into a general principle would not only modify the alienated wage-earner situation of workers, but would to a considerable extent render superfluous also the swarm of unproductive (administrative) workers.

In relation to turning entrepreneurship into a general principle it may be asked whether this is not a petty bourgeois interpretation of socialism (as against the collectivism of the workers in large factories, the spirit of emulation). There have always been in the working class — exactly in protest against the alienating, soul-killing nature of wage-work — endeavours directed at the independent entrepreneurial, creative nature of work. These become of petty bourgeois nature, if they can only be realized on the basis of small private ownership, and thereby within the narrow limits of the latter.

The higher efficiency of the entrepreneurial behaviour, its broadening unfolding can also be observed in Hungary, especially in the "second economy". It is more and more frequent that the workers consider their "official" wage, which entitles them to a pension, only a safe basic income, on occasions indeed only as a "fee for presence". They are ready to make genuine efforts rather on the household plots, on private building construction work, in private shops, for tips, or against private commissions. An entrepreneurial stratum has evolved also in the state sector and even more in the co-operative sector, the "successful people" of our days, who acquire a higher income and a social prestige not only for themselves through their inventions, recognized export opportunities, ideas, and connections, but also "give an impetus" to the opportunities of the enterprise collective for getting on and obtaining income. But so far all this has been connected with monopolistic positions.

On the one hand, Liska is happy about the spreading of the idea of entrepreneurship, but on the other he is worried "that from the private capitalist small enterprise through the enterprises of the traditional state and co-operative bureaucracy to the new type of experimental socialist entrepreneurship going even beyond the partly novel small scale contractual operation, everything is bundled together under the name of 'entrepreneurship'". He therefore considers it necessary to distinguish his socialist entrepreneurial concept from the private enterprises which are being revived. As he points out: "Although in principle the flexible small enterprises are also established by 'right of citizenship', they mostly require capital which does not go with the citizen's rights. They do not acquire their opportunities to obtain credit and their orders as citizen's rights either, but through their inherited or already acquired private wealth, and what is often even worth more than that, through their connections which also have the nature of privilege, from the conventional sectors." "Consequently, it can certainly not be expected from these forms that they will assert the principle of socialist entrepreneurship which broadens the circle of entrepreneurs to the optimum, in order to open up the competitive conditions for everybody, that every suitable person should be able to become an entrepreneur as a 'personal social owner'".

On the other hand, with the spreading of the smaller private enterprises it will become more and more urgent "to widen the socialist entrepreneurial opportunities for
those who do not dispose of private capital”, otherwise the relatively few competitors are rather likely to create new monopolistic positions, and the dissatisfaction of those who are shut out of these opportunities would be further increased.

As may be seen, Liska strives beyond the unfolding of ventures for the ensuring of their socialist nature (as opposed to the spreading of private enterprise). For this it is necessary first of all to achieve conditions for free competition, so that everybody should always have the right and possibility to compete for the entrepreneurial opportunities, and that the chances for obtaining them should be set out in objective and controllable rules of the game. The socialist entrepreneurship — according to Liska — “is free if and to the extent that there is no protectionist lobby, state, co-operative, sectoral, functional or regional legalized maffia which could save the producers of losses as parasites, and put them back on the necks of the others”.

Finally — referring back to what has been said — it is indispensable for all this that the performances of the enterprises should be measurable through real market prices.

The “personal social ownership”

Liska’s socialist entrepreneurial concept is in fact a complex system of ideas which penetrates the depth of the production relations, and which sets as its goal the elaboration of the “genuine” economic model of socialism. In his heart of hearts Liska considers this also to be the world model of the future.

The basis of his ideas is the particular interpretation of social ownership. Liska ranks the today known forms of ownership as follows: private ownership, state ownership (which can be found both in state monopoly capitalism and in the socialist systems with directive planning, associated group ownership (this is characteristic of the co-operatives and of the self-managed organizations of associated labour), and finally the socialist social ownership. The fast mentioned socialist ownership is social because nobody can appropriate it (neither the offices or entrepreneurs, nor the collectives), but always that person can dispose of it and operate it who brings the highest profit to society. This property which is in essence the object of entrepreneurship is called by Liska “personal social ownership”. This dialectic concept which appears to be self-contradictory, expresses that the social property can become through free competition, democratically the “personal” property of anybody through the fact that an entrepreneur can operate it who ensures responsibly its most profitable utilization. This creates a unity between the global social nature of ownership which cannot be monopolized and the most personal incentive which guarantees efficiency.

On the one hand, the property consists of objects of wealth. Liska divides social wealth into three groups: the means of production, the environmental wealth (to this he has so far paid little attention), and the ‘human wealth’ (the work performing and entrepreneurial ability of the members of society, and their foundation in wealth). The “personal social ownership” refers primarily to the means of production; but going
beyond the total of the objects of wealth complexes (machinery, plant, motorcar, etc.) which can be separated and ensure the minimum of autonomous economic operation, he includes all delineable functions, "plants" (school, medical practice, etc.) of the social division of labour which can be solved in an independent enterprise, and are suitable for the latter. Thus the elements of social ownership are only partly objects of wealth which have a market value (price) and depreciation (becoming amortized in the course of use). The entrepreneur has to safeguard — as we shall see: in his own interest — the value of this in fact functioning capital, must pay it back or renew it. It is not only his right but his well-considered interest to modernize, reconstruct, rationalize it, possibly change it or exchange it in the interest of a better venture. He must not account for the wealth taken into use in kind but — if this arises — in terms of value. The social wealth is not a museum where the inventory must always remain the same, but the material foundation of ventures which are being continually renewed.

However, the social ownership unit taken into personal entrepreneurship is an even broader, more dynamic concept. The value of a functioning enterprise is not what figures in the balance of assets and liabilities (the amount of capital tied down in it or what its assets will fetch in the case of liquidation), but its genuine "value" is its ability to bring profit, to fetch an income. (To use a trivial example: the "wealth" of a pizza-baker, the source of his income is not only and not primarily the stall where he makes and sells his ware, that of the owner of a fashion-boutique not only the shop and the momentary inventory, that of a toy-maker not only his workshop, but all the situationary elements which make these profitable.) This value is a market reality which depends from numerous factors of personality, reputation, management, market, and business cycle. The momentary magnitude of the entrepreneurial value is expressed under capitalism — in the case of large enterprises or companies — at the stock exchange, in the current value (fictitious capital value) of the shares.

In Liska’s terminology, four different capital value concepts figure in connection with taking the existing social property into personal entrepreneurship.

1. The 'real value, existing at the transfer, of the social objects of wealth (building, equipment, machinery, etc., i.e. the fixed capital) which pass into personal disposition, exist and are taken over. Not at some fictitious "inventory" value, but what they would in fact fetch if they were sold “dismantled". The entrepreneur need not keep intact the assets which he has taken over, he can dispose of them freely; he need neither calculate nor record depreciation. But at the end of his entrepreneurship — if he leaves the business for some reason — he must either return the value which he took over or must pay for it.

2. The minimum fictitious capital value of the existing social property as a potential enterprise against which the organ representing society is prepared to give it into personal entrepreneurship. This must be fixed as the "put-up price" of the entrepreneurial auction when it is being given into entrepreneurship for the first time. This may be done by estimating the expected profit of the concrete entrepreneurial unit, assuming careful management, deducting the expected cost of the continuous investment necessary for lasting operation, and the expected net income thus calculated is being capitalized at the

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effective rate of interest. This value must be fixed with circumspection, because the interest paid on it will be income of the manager of the social property (the bank).

3. The value of the socialist enterprise accepted at the auction, as "the equilibrium price of the operation of the social wealth unit". This is the highest fictitious capital value achieved at the auction, and on which the entrepreneur who has entered into possession must pay the system (bank) an interest (dividend) in accordance with the effective rate of interest. Liska calls this fictitious capital value of the unit of social assets which is fixed at any time in the existing market situation — as we shall see — by bidding, overbidding, or reduced bidding, the "plan-market value". This terminology is surprising, and requires an explanation. What is involved here is a value which has been fixed by the entrepreneurial market, a fictitious capital accepted as a price. The use of the concept of "plan" — which apparently does not fit the situation — arises from the fact that on the one hand Liska wants to emphasise its radical difference from the stock exchange of capitalism (Liska himself does not speak of fictitious capital, we apply this concept only as an analogy for the sake of explanation with the aid of accustomed terms), and on the other, because — as we shall see — the entrepreneurial market where this value is fixed replaces or represents according to Liska the planning of the social division of labour.

As may be seen, personal social ownership is thus always present in two forms: a) as functioning capital, which is used for production and operation; the magnitude and composition of this is in fact something that concerns only the entrepreneur (this being especially obvious if, for instance, he does not take over any object of wealth, since he establishes the entrepreneurship himself out of credit); b) as fictitious capital which represents the income-fetching ability of the entrepreneurship. At the start of the system this latter also has two orders of magnitude: the officially estimated potential value (the "put-up price"), and the accepted value, which it is worth to the highest bidder for acquiring the opportunity for entrepreneurship (the "plan-market value").

Public opinion considers social property the sum of objects of wealth. But in the circumstances of today's accelerated technical-economic progress this must not be viewed statically, since the technique and technology of production must be renewed all the time. (The unchanged plant which continues to function even after the value of assets has been completely written off often ruins competitiveness.) Liska's concept of the social ownership is dynamic: it does not concentrate on its maintenance but on its expansion through constant changes of the particular business. According to Liska (as he already pointed out in the Econostat), the supremacy of socialist ownership exists also in the fact that it takes on increasingly the nature of credit (through the fixed and working capital lent to the enterprise), and becomes thereby mobilized. Consequently, the personal ownership also means that the entrepreneur may count on credit from society for his flexible, dynamic ventures by undertaking the obligation of increasing the social property, the "plan-market value". The material (functioning capital) side of the property is the competency of the entrepreneur, since it is in his interest to renew it as fast as possible in order to
make his business competitive. At the same time, in this case the principle of personal incentive ensures the possible most economical use of the means.

4. The difference between the "plan-market value" (fictitious capital rate) fixed at the auction and the "put-up price", and in the case of overbidding the difference between the new and the earlier "plan-market value" is the "goodwill capital" of the entrepreneur. Liska calls it so because, for the time being, this fictitious capital value is only the obligatory offer of the entrepreneur by which he has undertaken to increase the social property above what it was worth before.

The question may be asked what sense it makes to use the described notions of fictitious capital value instead of the owner's income (return) on the tied down capital or the entrepreneurial profit. First, this "projection" onto the property (treatment as fictitious capital) expresses (similar to the market value of the capitalist shares) the "here and now" income fetching capacity, entrepreneurial value of the enterprises. Second, the capitalization at the rate of interest introduces a new dynamic, self-regulating element into the system. According to Liska, the equilibrium rate of interest may be suitable "for filtering out" the change in price level (inflation), as well as to mediate the cyclical fluctuations, which may contribute to the "self-regulation of the entrepreneurship".

The plan-market of the entrepreneurs

The basis for the functioning of the system is the social ownership, and the entrepreneurial market respectively, the "plan-market of the entrepreneurs". This is the socialist "terrain" (process) which may be compared to the turnover of shares at the stock exchange, and where every unit of social property has a market price. This price is "in the beginning", i.e. when the organ representing society auctions off the existing unit of property in order to transfer it into personal entrepreneurship, the "put-up price". At the end of the auction the bid of the highest bidder is valid (the fictitious capital value) until somebody promises more later. In the case of a later "overbidding", the operating entrepreneur – in order to be permitted to continue the entrepreneurship – must accept this value (and must pay interest on this value), or must cede the entrepreneurship to the overbidder. As may be seen, the possession cannot be monopolized, because – within sober limits – it may be attacked at any time by presenting a higher offer. Liska is right in emphasizing that the entrepreneurs have more cause to be afraid from overbidding by their competitors than from all auditors who threaten them today. In the course of his operation the entrepreneur may overbid himself too – if the profitability of his business increases – in order to avoid overbidding by others; or in the case of a fall in the profitability of the business he may "reduce the bidding" (at the expense of his own "goodwill capital") to the value of the highest external bid. This fictitious capital market ensures that every unit of social property should always be in the

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hands of the person who sees the highest perspective in it, who undertakes to exploit it best.

Liska calls this competing acquisition of the ownership of the particular business — by an expression which perhaps may appear self-contradictory — “plan-market competition”, indicating probably that this capital market auction has a socialist nature and the acquisition of entrepreneurial opportunities in this manner replaces in a way the planning of the social division of labour from above. It is his conviction that this entrepreneurial competition ensures more effective planning — exactly due to the rationality based on personal incentives — than does bureaucratic economic planning.

In characterizing the “plan-market competition” Liska points out that the “positive bids conjure up the increase of the capital value of a given venture through some sort of increased efficiency out of nothing, and the negative bids may render nought part of a capital value which was earlier believed to be existing”.

This value market ensures at the same time the self-selection of the entrepreneurs. In this system anybody has the right and the possibility for entrepreneurship, to the extent of the guarantee-background that he has acquired himself. There is no need for a manager to be appointed or elected, because that person will be the entrepreneur who, accepting the risk, has responsibly promised the most, viz. “competition decides the right and obligation of the autonomous management of the social property”. Of course, only that person can promise who, beyond his skill, is in every respect capable of carrying out the enterprise successfully, viz. who possesses a certain competence and can also count with suitable helpers.

Liska points out that the socialist entrepreneur is an entrepreneur not because he is a private owner or the manager servant of the latter, but he turns into a social owner because he is an entrepreneur, because he undertakes something in the socialist competition (on the “plant-market”). In this system an entrepreneur is always a responsible person, who has become an owner in the course of the auction, and who continues to be in permanent competition for this property. This does not permit a blurring of responsibility. At the same time, it is exactly the interest of the entrepreneur that necessitates good co-operation with other entrepreneurs, sub-entrepreneurs, the “team” of the entrepreneurs.

The financial sources and guarantees of the enterprise

In order for anybody to become an entrepreneur, it must be clarified on what financial basis he can enter into a business, and where the credit guarantee necessary for this may come from. What is the warranty against fraud and adventurism? It is an old rule that only that person can obtain credit who has own assets and risks them. Under capitalism the private property is the guarantee. In socialism with the so-called “planned
economy" there is in fact no individual enterprise, but everything is done at the risk of the state; the responsibility is mostly blurred in the course of the official planning and authorization; the leaders risk their prestige at most.

According to Liska's concept, for the socialist entrepreneur the primary entrepreneurial fund is represented by his own "human assets", and this is made up of two sources: of the personal assets which he obtains at birth, i.e. "the social inheritance", and of the "goodwill capital" acquired in the course of his life.

The "social inheritance" is a peculiar element of the concept. Every citizen, in addition to the family inheritance which he may have, would dispose — as a shareholder in the social property — also of a social inheritance: this is the per capita share of the sum total of the existing means of production and infrastructure (the national wealth), of which until now the various offices and enterprises disposed centrally, but which, in principle, may also be deviated to the account of the population in the form of tied down credits. In addition to this, socialist society spends on every citizen a substantial sum in the course of his life, a considerable part of the national income in addition to their wages, in the form of free or cheap social allowances. These include the kindergarten, the school, vocational training and adult education, the allocated dwelling or the housing loan, the cheap rent, the low property-tax, the free medical care, the sick-pay, the recreation, the cultural services, the pension, etc. According to Liska, these allowances are not the forerunners of communism but signs of state tutelage. He emphasizes that these "are not worth the money", because they are of a poor quality, on account of the lack of incentives they are often of a wasteful nature, their management is inefficient, they are a hotbed of picking among persons and of abuse. He proposes that everybody (as a future entrepreneur) should receive at birth as a potential starting capital, "as his social inheritance" the average sum of allowances that a person would receive during his whole life. (To use Liska's analogy: daddy state should deliver the child's patrimony.) Against this the entrepreneur would renounce all social support that has existed so far. After this, he would buy in the course of his life the services he needs, as he needs them, and pay for them their market price, opening up thereby new areas for efficient entrepreneurship. (Liska also proposes the transformation of the scientific, cultural, social, communal, etc. budgetary institutions, which are only consumers today, into business activities drawing them into the "plan-market competition"). In his lifetime everybody would be permitted to use up only the interests of this social inheritance, paying himself for — as he needs them —, for instance, educational, family- or recreational "aid", sick-pay, basic pension, possibly unemployment benefit. He could also rely on this to "become able to pay on the free rented housing market, without having to be grateful for any bad flat". On the other hand, one part of the social inheritance would serve as a risk fund to start enterprising. This is on the one hand a severe guarantee, because irresponsible hazarding would have grave consequences for the later standard of living; and on the other, the permitted extent of hazarding would be insufficient to put the entrepreneur into a fatal situation.

The other part of the human assets — which serve as a pledge — accumulates in the course of successful ventures, to a growing extent, as goodwill capital. The goodwill

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