

SOCIALIST ECONOMICS AND THE ECONOMICS OF SOCIALISM

Whither the Soviet Union and Eastern Europe? Just a few years ago such a question would have been irrelevant. The answer would have come pat depending on one's political and ideological affiliations. The interpretations of the final destiny might vary, but the destiny itself was not in doubt – a certainty which shaped the lives of millions of people for over 7 decades.

Now it's no more. Eastern Europe is no longer in the Socialist camp; the Berlin Wall has fallen apart taking with it the political ideological and economic barriers that divided Europe. The Socialist camp no longer exists. And the Soviet Union itself is caught in a vortex of change that leaves not only just observers and students, but even the participants dazed and confused.

More and more, in this melee, you hear Cassandras. As crises pile on each other it is becoming increasingly difficult to find any optimistic forecasts.

The changes taking place in the Soviet Union and the erstwhile socialist bloc affect and will continue to affect all the countries in the world without exception. There's no single sphere of our life that these changes will not impact on. In that sense this second Russian revolution of Glasnost and Perestroika will have as far reaching consequences as the Russian Revolution of 1917. Therefore understanding, studying and analysing these changes is crucially important for all economists and students of economics today.

The 'Gorbachevian Revolution' embraces all fields of human knowledge and this is specially so in the case of economics. The Soviet changes have called into question many of our long cherished post-

ulates and beliefs. All economic theories thinking and policies will have to be looked at from this new perspective, this new vantage point. This applies specially to the economic policies and thinking in many Third World countries including Sri Lanka – whether it's the debate on the ownership of means of production (the recent debate on peopleisation of the CTB and the land redistribution programme), the debate on open economy vs. closed economy with all the attendant issues like foreign investment, multi nationals and free trade zones and the question of the rising cost of living and the desirability of price controls and subsidies – just to mention a few. Economists, students, policymakers and politicians can no longer consider these issues realistically without taking into account the changes in the Soviet Union and Eastern Europe.

What are the reasons for the current crisis and impasse? What are the implications on Marxist economic thinking and economic thinking in general? Does socialism necessarily lead to a dead end? Is Socialism another Utopia or are there alternative paths to achieve that goal? What are the alternatives to capitalism if there are any? These are some of the questions we'll have to ask ourselves today.

In our quest to build a better society once again we are entering unknown territories, travelling unknown paths. The known alternatives have been proved non viable. Our task today is that of path finders of trail blazers, to come think of alternative roads to a better future. Gorbachev and the Soviets have taken the first steps – but the task of creating a new economic thinking which will pave the way for building a better society is the task of all of us.

Tisaranee Gunasekera