

REVIEW ESSAY

PLANNED ECONOMY AND ECONOMIC
PLANNING: WHAT *THE PEOPLE'S REPUBLIC
OF WALMART* GOT WRONG ABOUT THE
NATURE OF ECONOMIC PLANNING

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JEL CLASSIFICATION: P21

ABSTRACT: Leigh Phillips and Michal Rozworski's *The People's Republic of Walmart* entered the scene in 2019 with the remarkable idea that mammoth firms such as Walmart and Amazon, by being able to direct huge volumes of resources—sometimes with the capacity of entire countries—without an inner market to signal prices, are living evidence of the viability of a collectively planned economy. Moreover, they argue that the nondemocratic command system that often accompanies the structure of firms is due to their operation in a profit-seeking market system. Using the Austrian arguments propounded during the economic calculation debate, this essay shows that not only are firms, like other organizations, unable to substitute the market in coordinating their economic plans, but that their nondemocratic elements arise precisely from their function as “miniature planned economies,” demonstrating that the authors have misunderstood the nature of economic planning in a market economy. It is further argued that the problems that a planned economy would face

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I would like to thank everyone who aided me in writing this paper, especially Dr. Karl-Friedrich Israel of the University of Leipzig and my good friend Bálint Madlovics.



without market signals would no less obstruct the efficient and successful operation of private firms if they ever tried to eliminate the market creating them.

INTRODUCTION

The People's Republic of Walmart contains many ideas that are truly provocative to someone with Austrian views. In some everyday political circles, the book is cited as exposing how many neoclassical scholars' objections to the high ideas of socialism are in fact unsubstantiated. It would seem that this book has become one of the fundamental "weapons" of today's socialists. While reading it, the possible sources of its ideas became ever more apparent and its errors in economic theory showed themselves, which with a more careful study of Mises's works would not have occurred.

The book's argument, grossly simplified, is the following: socialist governments of the past failed to produce an efficient planned economy that could rival the market system, but this failure is almost entirely due to technological constraints that have since disappeared. Not only is a modern planned economy not impossible, but capitalism is partially operating it right before our very eyes. Megacorporations, such as Amazon and Walmart, are working at an economic capacity far greater than that of most of the former socialist countries. They are not only afloat, but can supply millions upon millions of consumers and arrange their production processes without having an inner market, which would need a price system based on private property to operate. These companies are the living evidence that the fears and objections of Austrian thinkers such as Ludwig von Mises and F. A. Hayek are wrong and that we have a system that can coordinate human efforts without a market.

This critique revives, in their accurate forms, the thoughts of Austrian school thinkers, mainly Ludwig von Mises, for he refuted the errors in the book long ago. Although this might be true for other arguments in the book as well, those elements which are not strictly connected to economic calculation will be avoided. Some of the book's other fundamental ideas often appear in socialist works: for example, the exploitation theory of capital, the robber baron myth, the denial of the tragedy of the commons, the linking together of anarchism and the command economy, the idea that overproduction

causes depressions, etc. These questions have been dealt with in countless books and essays. Instead, this essay's purpose is to show that Mises and Hayek's writings, if read correctly, already refute Phillips and Rozworski's arguments and that Austrian economics provides more insight into the workings of large corporations than the book's authors claim to.

This essay will first consider the book's main terminological confusion, followed by a short restatement of the basic problem of economic planning. The second section applies these findings of the Austrian thinkers to the cases of large corporations. The final chapter briefly discusses the relation between planning as it occurs in a market economy, and in a collectivist economy.

I. PLANNED ECONOMY AND ECONOMIC PLANNING

The central error of the book is that it uses two fundamentally different terms synonymously, *economic planning* and *planned economy*, and views both as incompatible with the market. But one of them is not only compatible with market economies, but is one of their foundational tools: economic planning. In order to make a clearer distinction between the two phrases, they need to be defined first. Simply put, economic planning is the process by which the various participants in the economy make calculations about the economic steps they must take in the future. In contrast, a planned economy is an entirely centralized system in which the allocation of everything from raw materials to capital goods, to consumer goods is implemented by a central authority, without the market mechanism.

To a naïve reader the only difference may be the scale of the planning operation, but the distinction is much more fundamental. To briefly summarize and illustrate the problem¹ that Mises originally pointed out in *Economic Calculation in the Socialist Commonwealth* ([1920] 1990) and later elaborated in *Socialism* ([1922] 1981) and *Human Action* (1949), let us take a planned economy. There are no profit-oriented firms or capitalists, and all means of production (including labor) are under central control. Let us suppose that the

¹ The illustration here used is heavily influenced by an example given in a YouTube video by the Learn Liberty channel (2015) called "What If There Were No Prices?"

board of directors is tasked with building a railroad connecting two cities between which there is a high mountain. Let us suppose further that somehow the board of directors knows that the routes going through and around the mountain would increase social welfare to the same degree, and that their goal is to use the society's resources in the most economical way (meaning that they must only use up resources that are not needed by an enterprise that promises a higher increase in social welfare). In short, we have simplified the scenario so that the directors only have to wrestle with the problem of finding the lowest cost possible. For the sake of simplicity, let us say that only two means of production are necessary to build a railroad, engineering and steel, and let us establish that the route through the mountain requires a lot of engineering work but less steel, and that the route around it takes more steel and less engineering. The problem, then, is to determine whether the society needs steel or engineering more. How can this be discovered? The other uses of the two factors must be known.

Consider engineering. It is the foundation of modern industry. There are immeasurable known uses for it (and even more that are unknown!). What if, it might be asked, more tractors are made instead of the railroad, as they might be more beneficial? How can this be known? With more tractors, there could be a larger output of goods that require the use of tractors. But these are usually not final goods, but various crops in their raw forms, so it is not known how much these would increase the utility of people. We have to go further down the chain of production: it must be known how much the increased crop yield would benefit the industries that use them (such as livestock farms, canning factories, restaurants, mills, etc.). It needs to be realized that an increase in the quantity of tractors affects a huge number of processing industries that serve the consumer in a wide variety of ways. In the end, what the consumers think about these alternative uses of more tractors, manifested as final products, would need to be known. The citizens would presumably have to be asked for their preference between the railroad route and every existing and potential food and drink item whose production at some point involves a tractor. But in this case, the same process would have to occur with every existing and potential use of engineering as a means of production, not just tractors, since engineering can also has many other applications. (Of

course, this assumes that collecting the data of people's preferences is technically feasible, despite the known fact that there are various obstacles that prevent the acquisition of some basic information. It would be wrong to assume that a person expresses the same pattern of preferences under surveying conditions as he would when acting under real circumstances. He might answer carelessly, just to get the survey over with. It may even be in his interest to falsify a survey.)

The same exercise can be done with steel. Social welfare might be increased in millions of ways using steel, not just by laying down rails. For example, frying pans might be made out of it. But how important are frying pans? In order to know this, we would have to know how much every consumer (and potential consumer) of frying pans would value more pans. If, for example, the people have various kinds of frying pans, they might want the railway between the two cities more than an additional pan. But if they have nothing to cook scrambled eggs in but would happily go from city A to city B on foot, they would probably want the pans more. And we must consider not only consumer goods, but the staggering multitude of production goods made of steel (machinery, for example), not to mention those consumer goods that can be created with production goods made of steel.

Add technology to this problem, which, although in a free market society is a blessing, in this case appears to be a great problem. In *Human Action*, Mises writes: "It is permissible to say that the present state of technological knowledge makes it possible to produce almost anything out of almost everything" (p. 695). A couple of lines later he gives the example of tap water: in modern society, we gain drinkable water by cleaning local water deposits or by using expensive aqueducts to transport spring water to the cities. But with modern technology it is equally possible to produce drinkable water synthetically. Today, of course, people smile at such a suggestion, but only because they cannot even imagine a world without sensible economic planning. Water-supplying companies (mostly government owned in Europe) can choose these efficient means of "producing" and transporting clean water, because market prices make these solutions the most economical for them. Without such guidance, they would have no idea whether to build huge cleaning facilities or synthetic water "factories," or which

option deprives society of the most precious resources relative to the “value” of output. There would be real chaos of production.

It is easy to see that even in this elementary example, with just two nonhuman factors of production, the examination of all their possible involvement in production would require that we know (1) who the possible consumers are and (2) whether they would prefer that a new railroad route be built or some other use of the factors and their resulting consumer goods. Here the problem is not, as the authors of *The People’s Republic of Walmart* wish to present it, to have a sufficiently accurate method of linear programming that could process the available data and solve the optimization problems before the data becomes obsolete. Rather, the problem is that in order to make just one economic decision we need to know all the preferences of all the participants in economic life. Just in the case of steel and engineering, we can say that we have to know all the latest thoughts of every consumer about every existing and potential consumer good. Due to the intertwining of production processes, almost all factors of production affect almost every other factor of production (and we have not even mentioned human labor, which is part of every production process and must be economized as well, since it is also a scarce resource). As a result, just to assess the extent of a few costs, we would have to be aware of all the thoughts of all the economic participants.

And here it is not enough, contrary to the authors’ assertion, to find partial solutions.² As will be seen later, a planning unit in a market economy can resort to such simplifications, but in our example, which is a genuine planned economy, what can be simplified? There is nothing precise to approach. In the case of a railway project, wasting a bit of steel or wasting a bit of engineering skill might not seem drastic, but if the methods and inputs are

² As the authors write: “That’s the trick: to find the best possible, even if partial, approximations. Amazon’s modelers work to bring intractably complex problems down to size, to build plans that neither stretch into infinite time, nor respond to all the possible random events that could happen at every step, but that simply work. This means coming as close as possible to the true answer of a planning question within a realistic time frame and with the use of available computing power. When it is impossible to use an ‘algorithm of algorithms’ to mechanically find the algorithm that best approximates the original problem, creativity then comes into play” (Phillips and Rozworski 2019, 34).

chosen randomly, or just without precision, in every conceivable line of production, soon society will find itself with shortages of resources that can have catastrophic consequences.

The book is noticeably quiet about the failures of socialist attempts at solving this problem. We can read about Otto Neurath's brave revolutionary deeds (Phillips and Rozworski 2019, 10), but his central "calculation in kind" idea, which has long been debunked, does not appear. Marx's and Engels's critiques of capitalism rage through the pages (*ibid.*, 27), but the "labor theory of value" that they advocated is not discussed. In fact, all these previous failures point to the central distinction between economic planning and a planned economy: money prices.

If a railway company is in the hands of a private entrepreneur, he has every incentive to choose the method of construction with the lowest monetary costs, assuming the same utility to the consumers (the total income of the project in monetary terms), in order to achieve the highest degree of profit. However, this also serves society best. What does it mean that engineering is too expensive? It means that other participants in the market (for example, farmers) are willing to pay engineers more. The reason for this is most probably that the farmers' consumers (producers of foodstuffs) are willing to pay *them* more for their goods (crops). These producers of lower-order goods, in turn, are willing to pay more, because their own customers are willing to pay more for their final goods (foodstuffs). In accordance with the marginalist theory of value elaborated by the founders of the Austrian school, such as Carl Menger ([1871] 2007, 114–65), a change in consumer demand (at whichever stage of production it may occur) creates a signal for producers at higher stages that tells them which needs are to be satisfied more and which less urgently. A rise in the price of engineering means that engineering is being used in production processes that are creating goods which the consumers urgently need, and thus only producers satisfying even more urgent needs may acquire it.

The price system, based on the maximization of profit and utility, seemingly coordinates economic participants without any planning. Looking at the big picture, this is certainly true. Yet planning as such not only does *not* disappear, but is *only* possible in a free market environment. The Austrian thinkers, such as

Hayek (1945), were right in calling the price system a system of information sharing. The price system does nothing more than divide a kind of mental labor between several miniature “planned economies,” mental labor that could not be carried out by a single, publicly owned planned economy. Its tool for this task is money. Money provides the common denominator which the socialist thinkers were unable to invent. It is the tool which enables market participants to use accounting methods to compare the incomes and costs of their activities, and to plan their future steps accordingly (Mises 1949, 230). It is at this level that the important act of economic planning happens. Accounting is how corporations, governmental organizations, nonprofit organizations, the army, the police, the nationalized schools and hospitals, every level of human organization is able to solve its planning problems: via money prices established by the market process based on the private ownership of the means of production. This holds true, of course, only if the preconditions of the formation of a market price are satisfied. In the case of the armed forces, police, and other governmental monopolies, the consumers do not get to decide the price which they would be willing to pay for these services, and as a result prices of production factors employed in these branches (such as policemen’s and soldiers’ wages or the prices of various weaponry) can’t accurately reflect their value relative to other resources, leading to waste. (Later the reason such a monopoly (be it governmental or private) on factors of productions would impede the economic actor’s ability to determine their prices will be explored.) It is fair to say, therefore, that although governmental monopolies *can* calculate with money prices, their presence in the economy in fact obstructs the economic calculus (on a long-term basis, as opposed to private monopolies, whose errors in calculation are not compensated by taxation).

The authors fell into the same trap as earlier socialists. The difference is that while the authors discuss large firms, earlier thinkers spoke about governmental bodies, since earlier in history those organizations were the largest economic units without an inner market. Mises ([1922] 1981, 136), however, showed that government institutions’ ability to calculate is only due to the market surrounding them:

State and municipal enterprises calculate with those prices of the means of production and of consumption goods which are formed on the market. Therefore it would be precipitate to conclude from the fact that municipal and state enterprises exist, that socialist economic calculation is possible.

The same principle applies to the modern case: considering that large corporations, however great the volume of their activity, plan in terms of market prices, corporate planning on a huge scale is not sufficient evidence for the feasibility of a planned economy without market prices. It would still be “just groping about in the dark,” using Mises’s (1949) words.

II. SCALE AND DEPTH

Before it can reach the consumer (especially with today’s refined technology), a consumer good must go through several long stages of production. From the extraction of raw materials from nature through the various steps of manufacturing, time-consuming and complex processes are connected so that in the end some member of society may receive the final good or service. As has been shown above, the central management of the whole process would require complete knowledge—a supernatural if not impossible condition. But the reason for this is not the size of the economy or the greatness of cash flows occurring in it, nor the number of consumers. The constraint of a planned economy is not *volume*, but the *complexity* of alternatives.

Let Amazon and Walmart be as large as possible, even the sole monopolists of their industry on the entire globe. Still they could only coordinate their activities with market prices. True, their size would be gigantic, but this is not what makes economic calculation difficult. They are wide but thin slices of the entire system. And it is depth that really matters in calculation. Here it is worth mentioning the irony that the main activity of both Amazon and Walmart is the distribution of final goods. Mises (1981 [1922], 118) himself has pointed out in his works that the prices of (already available) consumption goods may be asserted even by a planned economy. Simply, the central planner should give money to the citizens and then hand out the final goods to the highest bidders. This is the

farthest a socialist community (with available final goods) may go as far as gathering information is concerned, and only because the prices are expressed in terms of privately owned money and this process is still permitted by our definition of a collectivist society (producer goods still remain common property, but money is private property).³ It is clear from what has been said above that the real problem only starts with the possible uses of the available production goods, and with finding production methods that are yet unknown. The latter point is illustrated by Ericson (1991, 21) when he writes about the Soviet Union's tendency to only replicate the methods of production already used by capitalist firms and its inability pioneer such methods.⁴

Knowing this, the book's lengthy discussion about how complex and high-level technology is used by these corporations to find out the demand for different goods, seems only to be the knocking on an already open door. Moreover, the authors' description precisely backfires: trading with final goods is just the ending move of the process of production, and this already requires a huge and costly computing system based on complex mathematics from these mammoth firms. Yet all this is only one function. We must not be deceived by the multitude of products these firms are selling, because Walmart and Amazon fundamentally produce only one good: they link the producers with the final consumers. Huge scale, little depth. And in order to carry out this function they must align their activity with market prices, much like every other corporation. Every step toward the complete ownership of the market would make their tasks exponentially more complex,

³ Mises's example goes as follows: "True, a socialistic society could see that 1000 litres of wine were better than 800 litres. It could decide whether or not 1000 litres of wine were to be preferred to 500 litres of oil. Such a decision would involve no calculation. The will of some man would decide. But the real business of economic administration, the adaptation of means to ends only begins when such a decision is taken. And only economic calculation makes this adaptation possible. Without such assistance, in the bewildering chaos of alternative materials and processes the human mind would be at a complete loss. Whenever we had to decide between different processes or different centres of production, we would be entirely at sea."

⁴ As he wrote: "The [Soviet] system has been particularly effective when the central priorities involve catching up, for...the problems of what to do, when and how to do it, and whether it was properly done, are solved by reference to a working model, by exploiting what Gershenkorn...called the 'advantage of backwardness.'"

since, as the example above showed, at every stage the number of different real and potential alternative uses of the factors multiplies until the point at which they would need complete knowledge. The need for calculation arises from the variety of alternative uses of the means of production. As long as this is solved by the market, Walmart can calculate how much income it has received from the suppliers who want to sell their goods at its stores (how high a need the members of society have expressed for the service rendered by Walmart), how much it had to spend on wages, capital goods, public utilities (how important the resources used up by its activity are to society), and how much profit these two leave (the difference between the valuation of its services and the resources used up). If all these were the property of Walmart, its efforts toward an efficient economic plan would also be in vain, since it would be unable to decide the most economical way of employing its production goods.

This problem is greatly elaborated in many relevant sections of Rothbard's *Man, Economy, and State* ([1962] 1970, 547–48), especially those highlighted by Klein (1996) concerning the constraints economic calculation imposes upon the possible size of business units. Here Rothbard shows that firms require markets in order to efficiently calculate and plan their methods of production and operation. If a firm integrates stages of productions, it is required to conduct transfers within its divisional units without the market. If the managers want to know how profitable the operations of and transfers between the various units were, they have to use some kind of reference price in the accounts of the units. When a market of the transferred factor exists outside the firm, they can use its price as a "substitute price," which helps them determine costs and thereby the most efficient methods of production. But if such a market does not exist, if, for example, the firm in question is the sole owner of the factors of production, then the managers have a very small chance of accurately determining the opportunity cost of the factors. This would result in gross misallocation of factors of productions, meaning not only losses on the firm's accounts but also a wasteful, inefficient management of society's resources. Rothbard argues that this problem forms an upper boundary on the size of the firm. The greater its share in the ownership of a factor of production, the less accurately it will be able to determine

the factor's opportunity cost, and the greater its losses will be on existing markets.⁵

There is no doubt that this is true in the case of Amazon and Walmart. It may well be, as the authors have noted, that Walmart is able to utilize the huge volume of its capital equipment without an inner market. As they write, "[t]he different departments, stores, trucks and suppliers [of Walmart] do not compete against each other in a market; everything is coordinated" (Phillips and Rozworski 2019, 12). But if Walmart were the only owner of trucks in the world (or if it were somehow isolated in a such way as to be oblivious of the costs of transportation determined on the market), the only way of vaguely deciding the costs of trucking in order to plan the feasible amount of capital used for this purpose would be to approximate based on some other mode of transportation that does have a market price—and this would still lead to great inaccuracies. The fewer the reference points for this approximation are, the more inaccurate the calculation will be and the greater the amount of wasted resources will be.

III. ISLANDS OF TYRANNY

As it is evident from the first sentences of their introduction, the authors more or less had to explain themselves in front of their fellow socialists. After all, writing a revering book about two corporate giants is quite a foreign thought in the circles to which the book is mainly addressed. To avoid confusion, after every admiration of planning comes an establishment of the fact that both Amazon and Walmart use planning for profit-induced reasons characteristic of capitalist corporations. We can read at length about how the firms, after buying the time and energy of the working class (Phillips and Rozworski 2019, 26–27), use them as they please, and that the workers are forced into this dictatorial system because they would starve to death without a salary. The working conditions,

⁵ In Rothbard's words: "The force of this law multiplies as the area of the economy increases and as islands of noncalculable chaos swell to the proportions of masses and continents. As the area of incalculability increases, the degrees of irrationality, misallocation, loss, impoverishment, etc., become greater. Under one owner or one cartel for the whole productive system, there would be no possible areas of calculation at all, and therefore complete economic chaos would prevail."

the authoritarian methods of force, the strict inner bureaucracy, the tools for the surveillance of workers are well detailed (Phillips and Rozworski 2019, 38). All this, of course, is attributed to the fact that despite being the living evidence of the possibility of planning, in a capitalistic environment all this efficiency benefits the capitalist class and oppresses the working class, which is forced into an autocratic system. They use the words of Noam Chomsky, who claims that firms, contrary to the “black box” concept of standard micro-economics and the cooperation models of business economics, are indeed “Islands of Tyranny.”

These are perhaps the most ironic parts of the book. The book’s main idea is that large corporations prove the viability of a planned economy, but its authors are forced to accuse these very examples of “planned economy” of using autocratic methods. And this, most ironically, they blame on the market economy surrounding these corporations. For those familiar with the ideas of Austrian economics it might be obvious that the case is just the other way around. It is easy to derive from what has been said above that the whole point of a market economy is to minimize the amount of planning necessary for an efficient economy. This is the “mental division of labor” of the market. It coordinates personal and organizational plans the central and complete coordination of which would take supernatural powers. However, the top-down organized hierarchal structure is an indispensable element of every planned economic process.

It seems expedient to mention here one of the most crucial chapters in *The Road to Serfdom*, “Planning and Democracy” (Hayek [1944] 2001, 59–74). In this chapter, Hayek clearly explains that in every planning process only one plan may exist and that it has to be one concrete aim. In such a process we are looking for a democratic element in vain. Every participant who opposes the plan constructed by the experts is sabotaging its realization. And if we want to plan the entire economy, there is no room for coexisting inner plans, either. There cannot be a separate steel industry plan, which contradicts the agricultural plan or the infrastructural plan. This leads to the centralizing nature of planning: in the end, only one plan can prevail. Under such conditions, it is impossible to create a consensus between people’s different motives, aims, and moral judgments. At most we can create an outcome which would not satisfy anyone. As Hayek explains:

That planning creates a situation in which it is necessary for us to agree on a much larger number of topics than we have been used to, and that in a planned system we cannot confine collective action to the tasks on which we can agree, but are forced to produce agreement on everything in order that any action can be taken at all, is one of the features which contribute more than most to determining the character of a planned system. (Hayek [1944] 2001, 65)

Speaking of “islands of tyranny,” the authors only listed those attributes of planning that are required for the realization of a certain goal. We know from business economics that the nonmarket inner world of a firm necessitates a high degree of harmony among its workers. If the experts at the top of the company have set a goal of opening a new plant, lessening administrative costs, installing a new technical system, changing some aspect of production, or anything else, every employee has to adjust his activity according to the company’s plan. Otherwise, they would sabotage the plan. In such a case, the leadership may choose to penalize lack of cooperation through the withdrawal of certain grants or privileges, by firing the employees or even starting lawsuits against them. But none of this originates from the profit motive of capitalism: it is inherent in planning as such. Profit only tells the managers how they can serve best the consumers as far as profit in a competitive industry represents the difference between the high valuation of the produced good and the low valuation of the factors of production used up. This profit system is not, however, what requires the centralized command structure, but firms have to employ undemocratic means precisely because they are the only effective way of carrying out a plan.

It would be mistaken to think that a completely planned economy would have not less but more democratic elements. The intertwining of production processes demands the cooperation of every part with every other:

A complex whole where all the parts must be most carefully adjusted to each other, cannot be achieved through a compromise between conflicting views. To draw up an economic plan in this fashion is even less possible than, for example, successfully to plan a military campaign by democratic procedure. As in strategy it would become inevitable to delegate the task to the experts....But the ends of an economic plan, or of any part of it, cannot be defined apart from the particular plan. It is the

essence of the economic problem that the making of an economic plan involves the choice between conflicting or competing ends—different needs of different people. But which ends do so conflict, which will have to be sacrificed if we want to achieve certain others, in short, which are the alternatives between which we must choose, can only be known to those who know all the facts; and only they, the experts, are in a position to decide which of the different ends are to be given preference. It is inevitable that they should impose their scale of preferences on the community for which they plan. (Hayek 2001 [1944], 68)

It must not be denied that in the final sentences of the book, the authors themselves gave voice to the concern that the idea of a planned economy arouses in people:

It is not enough to say, "Nationalize it!" We have to think hard about how to ensure that the already enormous amounts of information controlled by large, unaccountable corporate bureaucracies do not become the basis for new unaccountable bureaucracies (state-run or otherwise). As the two twins of undemocratic planning, Soviet Union and Walmart, show, planning on its own is no synonym for socialism. (Phillips and Rozworski 2019, 103)

However, all these concerns are naively set aside as the matter for some other book. After this paragraph, a remarkably humorous quotation (at least for an Austrian scholar) follows by Friedrich Engels, who expresses his deep contempt against all those who call every planned system "socialistic." He says that if this were so, then "Metternich and Napoleon would be counted as the founding fathers of socialism," and "the Royal Maritime Society and the nationalized Royal Porcelain Manufactures could all be called chief socialist institutions." To the advocates of a free market economy, the elaboration of the irony surrounding these sentences is not necessary.

CONCLUSION

The economic calculation debate was perhaps the most important debate of the entire history of economic science. It has moved such brilliant minds that it is safe to say that the problem has been processed to such an extent that practically everything has already been said about it. Neurath, Böhm-Bawerk, Lange, Hayek, Lerner, Mises, and Dickinson have examined this area in such detail that

the following generations only have to pull one of their works from the shelves in order to come across an answer for almost any question about it. In order to counter every collectivist supposition, it is enough to find out where in the twentieth-century debate we have to “look closer.”

To *The People's Republic of Walmart* we can assign several such dates, but certainly to its early sections, since in them even the necessity of money prices is missing, which neosocialists (such as Oskar Lange and Abba P. Lerner) have already discovered. The ideas in Hayek's *The Road to Serfdom* about economic planning, well-trodden ground, are also absent. But implicitly we can find the tendency characteristic to the economic calculation debate, namely that in every one of its stages the debate has approached step by step the triumph of the market economy. It is a history of constant concessions: first the collectivist idea of the common ownership of consumer goods had to be discarded, then the untenable ideas of the labor theory of value and the elimination of the market, and finally the entire idea of the public ownership of the means of production. It is a slow awakening from a deep slumber, in which during every doze we have to shake the dreamers awake. In the words of Ludwig von Mises:

The socialists cannot help admitting their crushing final defeat. They no longer claim that socialism is matchlessly superior to capitalism because it brushes away markets, market prices, and competition. On the contrary. They are now eager to justify socialism by pointing out that it is possible to preserve these institutions even under socialism. They are drafting outlines for a socialism in which there are prices and competition. (Mises 1949, 702)

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