The economic crisis of the 1970s was deep, not only in the sense that it caused an economic downturn in most European countries and was accompanied by a global restructuring process leading to globalization; it was also understood as a period posing serious questions with regard to the future of «national» and regional economies and the fate of humankind. The political elites in socialist Hungary shared this gloomy vision, albeit with a particular twist. In Hungary, the official approach to the crisis was to emphasise a need to shift the country’s development from an extensive to an intensive pattern. Consider, for instance, the following excerpt from a speech held at the twelfth congress of the ruling Hungarian Socialist Workers Party in March 1980:

«The external economic conditions, the international price and market relations have changed during the last years in a more negative way than we expected. Most of our economic problems are rooted in this. At the same time, the internal processes – in accordance with the external conditions and the requirements of the intensive economic development – are not developing properly either. The economic management is not consistent enough in harmonizing economic policy goals, economic conditions and tools and implementation. The modernization of production and product structure is slower than what is required and possible, and neither efficiency nor quality is increasing in a satisfactory manner. Due to these factors, the national income rate of growth and, consequently, the living standard rate of improvement are lower than planned.»¹

Regardless of the global economic linkages mentioned in the party document, the crisis and the economic slowdown was understood by the wider social public and among intellectuals as the failure of the socialist system in the «East» as compared

¹ Cited S. Balogh et al., Magyarország a XX. században. (Hungary in the 20th Century, Budapest, 1986), 466.
to the «West» and to capitalism. A popular joke about the crisis in the 1970s shows this type of hierarchical understanding: «Have you heard that capitalism is at the brink of an abyss? Yes, and socialism is one step ahead.»

This article describes an East-West dichotomy, meaning a Western capitalist versus Eastern socialist comparison on a symbolical level, as an interpretative framework that came to dominate the Hungarian public discourse by the 1980s. The centrality of this East-West contrast is important but, in order to understand how social and political change happened and how the clash between financial austerity and individualisation took place in a state-socialist country, we need to place the Hungarian economy and society in a global context. It is also important to see how social changes were intertwined with the history of «local» symbolic processes. This is certainly a very complex history with a very complex set of institutional and social actors. Here we focus on a few major economic and demographic changes and their political and discursive developments while also relating them to major changes in Hungary's position within the world economy.

Methodologically it is important to note that we assume a historical interdependency between these different factors. We do not hold that discursive structures simply follow economic changes, although such structures always have economic and social preconditions and they would not be able to operate without them. Without assuming any determinant relationship, a key point of the analysis is that problems emerging from long-term unequal global social and economic relations and the economic crisis in the 1970s were, in the midst of local economic difficulties, translated into, or – according to the expression used in this article – localised (fixed and adapted) to internal hierarchies and class projects by the working out of historically crystallized and partially autonomous local discourses, which themselves were in part linked to global social and economic relations, thus forming a dynamic and historic interplay.

1. Hungary and the Hierarchical World Economy

The main historical development of East European societies in the twentieth century up to the 1970s was a transformation from agrarian to industrialized state-socialist economies, a transformation that challenged core capitalist countries in a world-scale competition of modernities. Some key elements of the so-called socialist modernisation can be explained by the major insights of dependency and world-system theory regarding the forms of unequal exchange that characterise semi-peripheral economies and societies as they manoeuvre in a hierarchical

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2 A. Melegh, On the East/West Slope. Globalization, Nationalism, Racism and Discourses on Eastern Europe (Budapest, 2006), 40–42; E. Csizmadia, Diskurzus és diktatúra. A magyar értelmiség vitái Nyugat-Európáról a késő Kádár-rendszerben (Discourse and Dictatorship. The Debates of Hungarian Intellectuals on Western Europe under the Late Kádár Regime) (Budapest 2001), 23–132.
These insights include the hierarchical structuring of the world economy, the unequal relationship between labour-intensive and capital-intensive economies, the exploitative integration of small-scale agrarian producers into the world market and the tendency to opt for overcoming some of the problems emerging from these unequal relationships by national or local industrialisation programs understood as import substitutions.

The socialist transformation included a drastic change in which a society based on an agrarian economy and suffering huge capital losses due to its unequal relationship to industrialised core countries was replaced by a rather autarchic industrial economy managed by a modernising bureaucratic party that organised the society in a centralised manner. These economies experienced a very rapid growth, based on the utilisation and exploitation of a low-cost, previously agrarian labour force and whatever industrial working classes had already been in existence. This growth slowed down somewhat during the 1970s and 1980s when the previously rather autarchic Hungarian economy opened up toward the West. This integration process is the single most important historical development in the crisis period.

If we look at economic growth from a comparative perspective to show how Hungary performed in comparison to the core countries analysed in this special issue, we can see that in the period between 1960 and 1989 the GDP per capita in Hungary increased rather gradually by more than three times (331 per cent), while in Sweden and the United Kingdom only doubled it. (see figure 1)

We may see this as a local accumulation process that aimed at compensating for «backwardness» and at establishing bases for an egalitarian industrial society. It was an attempt to build Hungary’s own industrial basis, not unlike what happened in some Latin American and Asian economies, such as Argentina or Korea. At the same time, East European state-socialist countries, especially Hungary, gradually gave up the idea of firmly controlling the otherwise unequal links to core economies. Fascinatingly enough, they never considered the idea of looking at peripheral countries as potential places to exploit. The aim was less and less to build a separate «socialist world economy» but rather create a system or economy that would correspond to the requirements of the «capitalist» world economy. (see figure 2)


Fig. 1: Growth of GDP per Capita in Selected Countries, 1960–1995

Fig. 2: Change of GDP per Capita in Selected Countries, 1960–1995 Compared to 1960

Fig. 3: Absolute Difference of GDP per Capita Between Selected Countries, 1960–1995
It is important to see that the actual absolute gap (not the relative gap) between the core countries and Hungary did not decrease during the last thirty years of state socialism and that the gain in rates of economic growth was insufficient to reduce the actual absolute difference in economic wealth. Thus, regardless of the relative successes (for instance, Hungary actually reached 34 per cent of the GDP level of the United States in 1980, as compared to 21 per cent in 1960) the gap could be very well perceived as a failure to «catch-up» in the competition with modern capitalist societies regardless of the fact that, during the crisis in the 1970s, even this nominal gap stagnated somewhat, especially with regard to «ailing» Britain. (see figure 3)

From the very beginning of the 1970s, there were clear signs of problems in the integration of the Hungarian economy into the world economy. One can demonstrate a degree of emerging dependency on the West, which had been far less the case before the crisis in the 1970s. The two biggest problems causing this development had to do with the declining terms of trade after 1974 and the parallel rise of international debt from a net USD 0.8 billion in 1970 to USD 7.7 billion in 1980. Hungary’s indebtedness skyrocketed after 1985, reaching levels almost unprecedented even in those parts of the Third World that are famous for their endemic indebtedness.

The figures on the terms of trade and the resulting major losses of capital vis-à-vis Hungary’s major foreign trade partners, as well as the devaluation of the Hungarian economy, indicate a decline in the whole period. There is a consensus in contemporary and later reflections that this decline in the terms of trade was mainly due to the inefficient use of energy in the Hungarian industry and the parallel (although, due to the intervention of the socialist economic block, somewhat delayed) rises in energy prices. This fact can be very well demonstrated by figures showing a dramatic decline (25 per cent) in the terms of trade in relation to the (socialist) rouble and not to (Western) dollar of the Hungarian economy between 1975 and 1985. Energy prices increased dramatically. These facts together certainly meant the emergence of dependency or, as Böröcz put it, dual dependency: a military and political one on the Soviet Union and a financial one on the West.

This latter element became very clear when, in 1982, Hungary as the first country among East European state socialist countries and against the will of the Soviet Union joined the IMF and the World Bank in order to secure the refinancing of Hungarian international debt. The debt crisis and the declining terms of trade put considerable stress on the Hungarian fiscal system, which was a major problem due to the fact that the state continued to extend social security benefits to its

6 Böröcz, «Dual Dependency», 77–104.
8 Böröcz, «Dual Dependency», 77–104.
citizens. This led to financial austerity, the first phase of restructuring in the context of state socialism, and legitimized a new discourse of backwardness and the demand, surfacing a few years later, for replacing the outdated system.\(^9\)

2. The Language of the Crisis – Localising Global Relations

As already mentioned above, party documents and economists following the «official» line mainly saw the crisis as a problem emerging from a delay in shifting to «intensive» development after a period of extensive development of the socialist economy. They realised that there were problems in getting Hungary (re)integrated into the world economy and there were unfavourable tendencies which devalued the performance of the Hungarian economy. A major reaction to this was a campaign to legitimise higher inflation and a drop in living standards, while the more-and-more individualised consumption patterns and the need to satisfy local needs to pacify them politically was not questioned at all.

Meanwhile, two major discussions emerged to address some of the world economy’s problems in conjunction with Hungary’s woes. In public discourses, the world outside Hungary was portrayed as some kind of unchangeable reality. The dynamics of the world economy were described as «external conditions» and/or «requirements». It was claimed that, with better planning and experimenting with new forms of combining private and collective economic activities, socialism could prevail and would be able to continue challenging capitalist modernities. Thus, decisions were made to increase the number of fixed contracts with private domestic farms or members of the collective farms, to lease small-scale service companies like restaurants to private «entrepreneurs», and to allow private «economic work communities» to use collective assets of the companies which employed their members otherwise.

These decisions regarding otherwise very problematic issues of the symbiosis between private and public economic interests preoccupied journalists and other people, shaping public discourses through the claim that, in all the various fields there was a need to accept more inequality and more private interest in an otherwise collectivist economy. In fact, discourses on «greed» (for example, the «refrigerator socialism» and the «goulash socialism» debates, which included a considerable portion of population issues) emerged even before the crisis in the 1970s, so it was easy to activate this pattern during the crisis and later in the early 1980s.\(^10\)
Crucially, in the public discourse it was not reflected upon whether there was a need for further integrating the Hungarian society and economy into the world economy, regardless of the problems this would pose. Also, it was not questioned that there was a need to get accommodated to the perceived requirements with pushing for further exports, mainly by buying new technology and finding new reservoirs of cheap and exploitable labour even at the expense of weakening the «socialist» character of the system and endangering the autonomy of the then still dominant state economy. We may regard this reaction on behalf of the «officially» expressed line as an attempt to discipline the public to the requirements of a semi-peripheral position. In other words, the public discourse urged society to compensate for the losses that the Hungarian economy suffered in a hierarchical world economy sinking into a crisis in the 1970s. As we will see when population discourses are analysed, the maintenance and even the extension of public services to the public in health care and the material support of families was offered in compensation for disciplining the Hungarian society for a better performance. This way the Hungarian party organs and their institutional background trapped Hungarian society fully in the new requirements of global capitalism in external market relations while refusing to follow through with the austere fiscal implications, so as not to counter the «caring» socialist principles so carefully followed after the revolution in 1956.

The naïveté of this strategy was underscored by several factors, with perceived hierarchies among state-socialist countries providing a prime motive. The image of «Eastern» socialist countries like Romania and the Soviet Union itself gave legitimacy to this consumer- and welfare-oriented socialism of Hungary. Tough it was due to different reasons (Romania, for instance, was paying back its international debt without refinancing it), these countries had major difficulties satisfying even some of the most elementary consumer needs of their population. Romania was a major reference point in public and semi-public discourses, with its sizeable Magyar minority «left over» after those territories had been taken away from Hungary following the First and Second World Wars. These discourses were easily maintained, as a large number of visitors from Hungary could observe the everyday hardship and the far more autarchic and self sufficient rural life in Romania. Thus, they found a way in which to praise the achievements of the Kádár regime and Hungarian «goulash communism». Even the opposition of the regime maintained this hierarchical imaginary. In 1983, the Hungarian samizdat, Beszélő, for instance, discussed a case when a member of the dissident movement was forced to leave Romania. He recalled an experience all too common among Hungarian visitors:

«Nonetheless, there was a very funny episode. He [a Romanian policeman] asked what gifts we brought for our Hungarian friends. I answered, ‘food, butter’. One angrily attacked me: ‘Why? Is there no butter in Romania?’ Of course I did not answer, but it was difficult not to laugh. A Romanian customs officer appeared in front of me, from whom I asked – entering the country – when he looked into the boot of the car, if he smoked, and then immediately a packet of Kent prepared for this occasion was offered to him. Nonetheless, he looked into the boots and silently get clearly said ‘Rama [a Hungarian brand] margarine’ instead and he immediately took it, even before we could agree.»

This negative image manipulated by the party newspapers also with regard to the petty trade of consumer goods by Polish tourists after the crushing of the Solidarity movement was a major factor in legitimising full accommodation to the requirements of the world economy on the part of Hungarian society. Another element related to these hierarchical images was the rise of a debate on Central Europe, conducted mainly by dissident writers and critical historians from the late 1970s, which gave further legitimacy to a full compliance with the West.

As it is well known, this debate did not originate in Hungary, but the message that Central Europe was basically a kidnapped offspring of the «West» and that on historical and «civilisational» grounds Hungary could be taken out of the «Eastern» bloc further enhanced a certain naïve expectation that opening up to the West would automatically and easily serve the historical interest of the Hungarian nation. According to this discussion, the major problem was not the global crisis; the trouble was actually coming from the «East», from which Hungary’s distance was to be enhanced. The irony was that, from this point of view, «Eastern» and Third World markets were no longer so important, regardless of the fact that comparative gains could have actually been achieved via these markets in a semi-peripheral country like Hungary.

But besides the workings of hierarchies and hierarchical images there were some direct interest groups that pushed very hard for «getting back to reality», as exemplified by the title of a book from 1983 on the speeches of János Fekete, at that time president of the Hungarian National Bank. In the early 1980s, the Hungarian National Bank was not only a classical national bank but, together with some other state-owned banks, the main corporate creditor in the Hungarian economy,

and it had a complete monopoly over international monetary relations. János Fekete and many other economists who were well integrated into the party nomenclature and the state bureaucracy were aiming at a state-controlled economy that nonetheless worked out or imitated market relations in order to increase the efficiency of the economy. This ideological construct was utilized by a «technocratic» intelligentsia whose members, after considerable oppression in the early phase of state socialism, found a way (back) to class power after twenty to thirty years in social «parking orbits».

This normative market element and the need to become more fully integrated into world capitalism was seen (very tellingly) as a move «back to reality» which could not be questioned:

«To exclude the socialist world representing one tenth of the global population, one fifth of world production and one tenth of world commerce is not only a political but also a grave economic decision. The socialist countries, including Hungary, have an interest that the recent chaos in international finances should be replaced by a new monetary order based on international principles. We should work out an economic policy and economic practice that will be able to enhance the economic development of the whole world. This is why I am stressing: Back to realities!»

Or:

«In Hungary during the last 25 years (i.e., since 1958) we have taken realities into account and have, cautiously, gradually reached the point where our prices are getting closer and closer to the price ratios in the world market. They cover expenditures and provide proper information to the management of the company – in some major issues to the leadership of the national economy – to make appropriate decisions.»

This naïveté was then seen then as a normative approach by economists, claiming a definite move back to the market and also in some way foretelling the collapse of socialist economies. In a global context it was also a promotion of those conservative liberal discourses that gained momentum in the late 1970s. This school of thought was quick to provide recipes for transforming economies in countries like Chile and Argentina and later in Africa (Tanzania, Mozambique), and then in Eastern Europe. In this sense the Hungarian developments in the 1980s can only be seen as a story that, although carrying some local flavour, basically followed the global rhythm of a new era of crumbling economic and social experiments. In some ways Hungary had always been integrated into global capitalism with an egalitarian and modernisationist aim.

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17 J. Fekete, Vissza a realitáskhoz, 12.
18 Ibid., 13.
The same can be said of those oppositional intellectual discourses which were politically marginalised under state socialism. The movements centred around these discourses had, once again, a clear tendency to stress the need to become more fully integrated into world capitalism due to the crisis of socialism, which they portrayed as unsuitable for any kind of development. Interestingly enough, in these cases not even an attempt was made to look closely at the economic crisis evolving outside Hungary, and everything was seen as a completely «local» crisis of the «system». This approach became very clear in a reflection from 1988 by a then oppositional sociologist, András Hegedűs. This is how he saw the development of the crisis in the 1970s and early 1980s:

«Our society is unable to secure simple reproduction in the economic sphere, which sad fact in the 1970s (that is when it emerged) could be counterbalanced by the «quasi development» of industry, but this is not the case any more. The naked fact remains that our conditions are worsening in many sectors of the economy; our backwardness in relation to the developed industrial nations (and many third world countries as well) is increasing. As a conclusion, we can state that there is a very deep economic crisis in our country, in which different types of crises are intertwined, most importantly: crisis of reproduction; crisis of structural change; civilizational crisis.»

Clearly, the problems are seen as basically local problems extending to the level of culture, and the global context is completely lost. Only the inabilities of the local society and economy are stressed.

A somewhat similar line emerged in the samizdat Beszélő, cited above, giving voice to a semi-legal, partly tolerated opposition. The Beszélő’s authors also ignored the global economic context by stressing that support for the increase of individualist consumerism was the way to defeat the Communist Party and at the same time never actually discussing what economic problems that consumerism might raise in Hungary’s structural position. They saw this change as a «Trojan horse» serving the cause of the development, of «the small circles of liberty», as they put it. This is how in 1983 János Kis, a leading ideologue of the «liberal» opposition, argued concerning the crisis in a longer analysis:

«During most of the period, they [the Communist authorities] in the majority of the countries ignored, without any warning, the consumer aspirations of the people … This was one source of the revisionist movements in the middle of the 1950s. It enhanced the reform experiments of the 1960s. It quickened up the process of détente, and was a major reason why the member states of the Comecon opened up their economies to the goods and credit supply of the advanced Western countries. It was able to become active in the middle of the 1970s …»
This direct support for consumerism and pro-market reforms as a way of challenging the local communist political system was very curiously enough counterbalanced by another debate on population policy, which approached the issue of individualism in another – although also localized – way, ignoring the global economic context. It was a pro-natalist criticism of the rapidly rising individualism and consumerism and the possible «death» of the Hungarian nation. This gave further impetus to a local, symbolic debate between «urbanists» (that is, liberals) and «populists» on individualism and nationalism. That dispute demonstrates very clearly how global social change was localised in a semi-peripheral setting seen as hierarchically positioned below the «developed» countries. We may also recognise the fact that such localisation and unwillingness to reflect on the global context and its economic consequences can lead to the rise of suppressed discourses on bio-political exclusion.  


The decline of fertility, the large-scale emigration and the subsequent population loss had always been a major concern in agrarian semi-peripheral territories like Eastern and Southern Europe. Consequently, a powerful discursive pattern emerged well before the 1970s in an effort to overcome the «negative» consequences of modernity, that is the historically unfavourable integration of an agrarian economy into world capitalism. This «anti-modernist», pro-birth and pro-control approach clearly represented a type of positioning characteristic of the world hierarchy before the Second World War, when nationalists strived to increase the status of the relevant countries by increasing their population. Thus, there was an attempt to oppose traditional hierarchies of power as well as the anti-natalist Malthusianism coming from Britain and the rising dominance of the United States.

According to early, pre-Second-World-War Hungarian demographic nationalism, the most relevant symptom of the agrarian crisis was the falling fertility rate among the peasantry, especially in what was called the «cursed» «single-child» areas. Authors in this populist writers’ movement morally rejected this phenomenon as decadent, Malthusian and anti-natalist, as a collective «suicide» or «silent...
revolution» against the «aristocratic», «lordly» Hungarian agrarian system. This background did not only introduce a strong pro-natalist discourse aiming to stop the demographic decline of otherwise less powerful countries in a hierarchical global capitalism, but also paved the way localising global, unequal social relations of a globally induced agrarian crisis literally in the womb of local peasant women. The communist discourses in the 1950s clearly suppressed nationalist overtones but, referring to socialism as a way of overcoming the problems of restrictive social and economic structures, they aimed for and expected a large increase of fertility in state-socialist Hungary, among other things for the purpose of supplying enough cheap labour for the unprecedented industrial growth. Populist writers remained silent, not only because the early communist dictatorship was extremely repressive toward any dissent, but also because, discursively, the communist propaganda fit into the pre-war anti-individualist and anti-Western discourses.

The discourse changed substantially when, during the 1960s and especially the 1970s, the expectations of higher fertility were not met and, at the same time, the gradual opening up of Hungary to the capitalist world economy continued. «Pro-market» reforms were introduced from the mid 1960s in agriculture and later throughout the economy.

In the early 1960s, the Hungarian fertility rate dropped below replacement level and fluctuated around 1.9 to 2 in the remaining thirty years of state socialism. Compared to some other countries, Hungarian fertility reached rather low levels, something that other countries experienced only 10–15 years later. The change was immediately understood as being related to rising consumption aspirations, as evident in the following excerpt from a report by the Ministry of Health. Crucially, as opposed to ideas of demographic transition in the West, the expectation in Hungary was that fertility should increase with economic development in a socialist society. We may call this an anti-modernisation expectation, following the pre-war discourses:

«Strangely, the rising living standards had a negative impact on the number of births. This is proved by the fact that since the counter-revolution [the then official term for the 1956 revolution] the number of births has declined, although since the counter-revolution the standard of living, the working conditions and the quality of housing of the people has improved. According to the views of doctors and abortion..."
committees, this is due to the fact that families do not embark on having children since they are seen as an obstacle to the raising of individual living standards» (e.g. furniture, a television, a motorcycle). 27

This «contradiction» set the tone for interpreting a global decline in fertility and the related social and economic changes. The «contradiction» itself not only highlights very important mechanisms which determined the structure – that is, how the greater and greater opening up to Western economies and consumption aspirations was related to ideas of social and economic crisis – but it also clearly demonstrates that even such a universal relationship between demographic and economic processes could be assumed completely different locally. In other words, there was a constant claim that on the basis of previous pro-natalist discourses, such global change would manifest itself in various ways, and therefore principally local factors should prevail. Once again, the global context could be ignored or global relationships could be localised.

The above anxiety about the negative impact of rising consumption levels led to a panic not only among those who were afraid that the labour force would be insufficient for the very high economic growth in the 1960s and early 1970s. There was also a beating of drums among those who wanted to smuggle back pre-war anxieties about the «death of the nation» and even the ideas concerning the geopolitical losses of Hungary to neighbouring nations in the Carpathian Basin. And this took

Fig. 4: Total Fertility in Selected Countries, 1960–1995.

place as early as in 1963 when, only a few years after the 1956 revolution, control over public discourses was still very strong. This is how the writer Ambrus Bor explicated the above «contradiction»:

«Where the material conditions of life improve, the society is optimistic, and this society is characterized by a fertility index that we call optimal. The optimal fertility index approves life. The desire for this is not racist superiority, not superfluous nationalism, but humanity in internationalism. Our fertility index is almost absurdly low.» ²⁸

The negative reference groups of this discursive strategy are even more telling, as they very clearly reveal the anti-individualism that was reformulated for the controlled socialist media. These writers, and among them most prominently Gyula Fekete (unrelated to the President of the National Bank), made enormous efforts to draw attention to the «deviant» individualist groups interested in consumption. They wrote about the «adventurers of socialism», people with a «petit bourgeois» mentality, who organise «fashion shows» at schools. ²⁹ Only a few people opposed them by raising their voice in support of «youngsters diligently organising their private lives». ³⁰ Thus, there was very little open support for individualist strategies, although such voices, and even feminist arguments, were to be heard in favour of free control concerning reproduction, including abortion, which was actually liberalised in 1955. It is also to be noted that the «official line» rejected both «extremes», and those in power were looking for some kind of a controlled collectivism in the name of socialist progress.

By the early 1970s, with the continuation of the process of opening up and due to the reforms about incorporating market elements, the new wave of the population debate involved some remarkable shifts in spite of the fact that it maintained the basic split between collectivist populists claiming a hegemonic position and those approving the greater importance of individual aspirations and control.

This was a period when, with a bio-political shift toward internalising some social relations, the issue of «quality reproduction» entered the discursive arena. Thus a new negative group was shaped in the intellectual and public discourse on population, consisting of people who «for subjective reasons» were not good mothers and produced their offspring under unsatisfactory conditions. As Domokos Varga, another writer, put it when promoting the idea of «paid» motherhood: «Only those mothers can get the increased public support well above the level of family allowances whose environment, family and personality guarantees a successful upbringing (of children).» ³¹

²⁹ Ibid., 34–35.
³⁰ Ibid., 39–40.
³¹ Ibid., 52.
This idea was not only supported by the eugenic arguments popularised by Endre Czeizel, a Hungarian geneticist with a significant media presence, it also appeared in the everyday practice of Hungarian social welfare interventions in the lives of «problematic» families.\textsuperscript{32} This round of the debate on population in public organs was followed by a huge number of letters written by «ordinary» readers. A book publishing these letters, entitled \textit{Living to Ourselves}, contains very clear references to eugenic and racist arguments. Under the hegemony of a pro-natalist approach, some of the letters deals with a break from the universalist, egalitarian consensus and specify who should and who should not be supported. According to one argument rhyming with Malthusian views, some «lazy» mothers are so lazy that they cannot stop having more children:

«True, why should we glorify mothers with a lot of children? It is an old saying: only lazy women have a lot of children . . . It is very true, it is irresponsible and careless to have many children, I think the country is provided with enough children. Especially with children in orphanages.»\textsuperscript{33}

Only 20 per cent of the population is supposed to be worth support on the basis of quality:

«We should globally resolve that only they should have children. We want peace and well-being and, for this, we need only the offspring of the 20 per cent.»\textsuperscript{34}

Some readers made it blatantly clear who the «bad mothers for subjective reasons» were, which «fact» was hidden in the public discourse. According to them, gypsies were caused for grave concern.

«I am a mother with three children ... Here we have to talk about something, a very serious issue; not everything is statistics. When my elder son went to school, there were two gypsy children out of 42. Today in the class of my younger son 26 out of 36 children are gypsy. This is not a racial issue, but a social one. Gypsy children – due to their circumstances – leave school in great numbers, and there are a lot of children under the age of ten who can complete three or four grades. I do not understand these anti-mothers. While they are living a good life, these children pick usable things from the garbage. When they grow up, it will be their last concern to take care of anti-mothers. We should grant support only there, where conditions are appropriate for bringing up the children.»\textsuperscript{35}

Several historical factors can be seen behind this shift. The first and most important one is naturally that the Hungarian state-socialist system, following the first debate and relying on the advice of demographers, introduced a rather advanced

\textsuperscript{32} L. A. Haney, \textit{Inventing the Needy: Gender and the Politics of Welfare in Hungary} (Berkeley, 2002).
\textsuperscript{33} G. Fekete, \textit{Éljünk magunknak?}, 227–228.
\textsuperscript{34} Ibid., 228
\textsuperscript{35} Ibid., 232.
set of social and population policy measures to counterbalance the rising costs of children’s upbringing. Thus, among other things, family allowances were increased and made universal during the 1960s; a paid one-year and later (from 1973) three-year leave for mothers was introduced, providing a fixed monthly allowance. In addition, families having or planning to have children were also given extra privileges in public housing in a rather unbalanced housing market. These measures and the labour market was characterised by a continuous over-demand for labour force together endured that Hungarian fertility was actually just slightly declining in the period when Hungary opened up to the West in the crisis period, and was caught between a rise of consumerism and the increasing difficulties of the Hungarian economy. This could have been seen as a success, but due to the weight of local perceptions and symbolic interplays it remained to be received as a crisis arising from local factors, including the mentality of the people. Nonetheless, the key point is that, based on previously discussed discursive patterns, this «extra payment» to families with more children in itself managed to raise the concern of those who thought the money went into wrong hands.

At the same time, the limited pro-market reforms and the gradual opening up toward the West increased or at least created a possibility for social inequality. There were thus ways more and more to «localise» failure into those groups themselves for various reasons became marginalised during these processes, or who could at least be seen as a burden on the efforts to reach better conditions in relation to the West. (see figure 5)

![Fig. 5: Standardized mortality rates according to years of schooling (European standard age composition), Hungarian males, Source: Klinger 2001](https://doi.org/10.17104/1611-8944_2011_2_263)
This latter element of an increase in inequality and its consequences can be demonstrated by the fact that the crisis in the second half of the 1970s actually added to these inequalities and that this discursive shift toward exclusion was so strong that the exclusion pattern seeped into national level social and population policy decisions.

As the above graph shows, during the global economic crisis in the late 1970s and early 1980s, the gap between the mortality rate of those with lower and those with higher education levels began to widen. Thus, the groups with a lower level of education experienced conditions that could make their relative position much worse as compared to some other groups. This inequality could, then, be explained by the behaviour of certain groups, and this was the basis for asking for their exclusion even within an otherwise discursively egalitarian socialist society. Thus, even in a pro-natalist consensus, which was only partially broken by the early 1970s, there was a rather dramatic shift toward the exclusion of «lumpens», «gypsies» and even the «mentally retarded» as it was publicly put in the early 1980s.36

This exclusion of the lower classes was so strong that when in the early 1980s the economic and the «population» crisis had to be faced simultaneously, policy makers plainly opted for giving less to the lower classes and favouring those in a better position, clearly contradicting socialist egalitarian principles.37 This is how, in 1984, the government argued that the fixed monthly allowance should not be increased but a new form of payment (percentage of salary paid as an extension of an immediate income related support for women right after giving birth) should be given to those who volunteered to raise children:

«There are great differences between the two versions in their substance. The version based on average individual salaries is principally aiming at substituting the lost income of the mother, while the other would cover some of the costs of bringing up children with the help of the state assets. The individual and stratum-specific allocation impact of the two versions are different in a lot of ways. The first brings advantages to women with higher income: skilled workers, administrators, production managers and manager above the age of twenty-five. The other would prefer the younger, less educated, unskilled or semi-skilled workers and administrative personnel. On the basis of its population effects in the period between 1986 and 1990, it seems better to extend the [salary-based support], because this would motivate the older cohorts to give birth to a second or third child.»38

36 Heller et al., Népesedési viták Magyarországon, 67–68.
37 The superfluousness of this is revealed when to compared to similar debates in the Soviet Union, which had the outcome that the Politburo rejected differential payments based on the cultural-geographical location of women. Thus families around Leningrad were not preferred to Muslim families living in Central Asia, regardless of arguments to doing so. M. Teitelbaum and J. Winter, eds., «Population and Resources in Western Intellectual Traditions», Population and Development Review, Supplement 14 (1988).
38 Monigl, Népesedési viták Magyarországon, 72.
With this move toward the idea of supporting only «quality» population, the egalitarian principles of the state socialist regime were undeniably broken. Hungary did not only adopt some economic requirements but, maintaining the ideals of social care as a mere last resort of socialist principles, it even opted for institutionalising the exclusion of certain lower-class groups. Thus, unable to reflect on global relations and their impact on the Hungarian economy and society, the country voluntarily surrendered to the hierarchies. Without solving the problems related to the specific position and circumstances of the Hungarian economy and society in the world, «goulash» communism gave way to a system that rather aggressively divided up the Hungarian society according to the ability to cope with a globalised economy.

4. Conclusion

The Hungarian story of the breakdown of a «welfare» system due to dramatic changes in the global economy from the late 1970s provides some valuable lessons in understanding global social change. The key lesson is that regardless of its (rather formal) ideological resistance, state socialism gradually gave in to the need to become integrated into a capitalist world economy and the hierarchical imaginaries related to it. The principal problem was that, due to internal social and discursive developments, the Hungarian public sphere was unable to reconfigure, or even reflect on, the global content in which Hungary found itself, marked by the co-occurrence of international debt, deteriorating terms of trade and sharply rising energy prices. This scenario was not unprecedented, and in most such experiments (with some notable but different exceptions like Cuba, China and Vietnam) a somewhat similar story of a socialist collapse can be told, in which the «interiorisation» of liberal-conservative discourses and solutions was a primary factor. Throughout much of the state-socialist bloc, and especially in Eastern Europe, the socialist experiment only partially managed to overwrite the pre-war global positioning and the related discourses, and it gave way, rather quickly, to an accommodation of the global hierarchies of world capitalism from the 1960s.

In the Hungarian story of the collapse of a socialist welfarism (based on a planned and nationalised economy) the key discursive factor was that the technocratic elite very efficiently utilised the increasing number of connections to the «West» – seen as normatively superior – and it was able to lay claim to special forms of knowledge. Thus, it was able to secure a superior position for itself within the newly emerging post-state-socialist order. On the basis of this status, from the mid-1980s onward, it rather consciously set out to realise a market society as a class project in which it could secure for itself key managerial, and later investor, positions. Interestingly enough, much of the Hungarian public supported the techno-

39 Sklair, *Globalization*.
crats in the fulfilment of this project, as rather large portions of society at large entered into ambiguous, symbiotic relations with state property via the growing second economy (different forms of private initiatives utilising state assets). The illusions of the Hungarian public were shattered in the 1990s, when it turned out that the new economic elite was closing the gates before other groups trying to hold on this symbiosis. The new domestic elites rejected the idea of mass shareholding by the public at large; reduced employment radically in conjunction with the privatisation and subsequent sales or closings of companies (thus there was no secure job the earnings of which could be supplemented through the second economy). Most crucially, the new economic elites claimed, very arrogantly, that there was no money for an outdated socialist «welfarism» and that a huge proportion of the Hungarian society had been a «free rider» in these systems anyway.

The opposition of the late state socialist regime was divided into collectivist populists and liberal individualists, and, as evident from the population debates, these groups had occupied most of the symbolic fields from the 1970s. During the 1980s the so-called urbanist-liberal opposition was more and more vocal in demanding freedom to the Hungarian public in terms of human rights and other terrains of social and political life. Meanwhile, capitalising on the inability of the socialist state to solve some of the contradictions between consumer aspirations and the problems of the Hungarian economy, they professed to be the ones who can fully accommodate the Hungarian society and economy to «normal» «Western» standards. This way they appeared as radical modernisers, while linked in political alliance with the technocratic elite described above.

As we have seen, populists tried to combine socialist collectivism with their «traditionalist» ideals, and by the early 1980s they failed in this experiment. But the collapse of these ideals did not mean that they disappeared from public spheres, and as we have just shown, they opted for exclusion based on ethnicity and class position as a solution for maintaining some of their «collectivist and traditionalist» ideals. They therefore moved toward a conservative and even partly Nazi-type mixed nationalism, one that tries to combine frustration with global hierarchies, the anxiety of the population about losing its ability to find secure ways to maintain consumption levels and nationalist collectivism. It seems that it is these localisations of global relations that, in the end, trap local societies into catastrophic arrangements.
Living to Ourselves. Localising Global Hierarchies in State-Socialist Hungary in the 1970s and 1980s

This paper analyses how globally framed social changes were intertwined with the history of «local» symbolic and discursive practices during the 1970s and early 1980s, when the economic crisis of the 1970s transformed state socialism and its perspectives in Hungary. This is certainly a very complex history with a very complex set of institutional and social actors. On the basis of statistics, policy documents and public debates in the media I focus on some major economic and demographic changes and related political and discursive developments mainly concerning population policy and related welfare measures. Without assuming any determinant relationship, a key point of the analysis is that problems emerging from long term unequal global social and economic relations and the economic crisis in the 1970s are reflected uniquely: In the midst of the local economic difficulties, they were translated into, or as we call it here, localised (fixed and adapted) to internal hierarchies and class projects. These originated from historically crystallised and partially autonomous local discourses, which themselves were partially linked to global social and economic relations, thus forming a dynamic and historic interplay.

Für uns selbst leben. Lokalisierte globale Hierarchien im staatssozialistischen Ungarn während der 1970er und 1980er Jahre

Localising Global Hierarchies in State-Socialist Hungary in the 1970s and 1980s


Attila Melegh
Demographic Research Institute
Buday Laszlo 1–3
H-Budapest, 1024
e-mail: melegh@demografia.hu

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