

## **Social Change in Post-Revolutionary Hungary, 1956-1976\***

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By November 7, 1956, the guns on the streets of Budapest were still. János Kádár, a few of his friends and colleagues were in power, backed by the USSR and its determination to maintain Hungary as a part of the Soviet bloc. Whatever Kádár's claim to legitimacy later had been, the simple fact was that in November, 1956, he was the unelected, unwanted and despised leader of a country whose people by and large regarded him as a traitor.

He inherited the leadership of a country that suffered from the worst effects of a Stalinist rule that lasted from 1949 to 1956. It was, in a sense, a classical Stalinist rule replicating the pattern of dictatorship that existed in the Soviet Union and all over Eastern Europe during the days of rapid and forcible collectivization and industrialization. But it was also a fact that Hungary was undergoing a process of modernization as well. In 1938, for example, 58 percent of the country's gross national income came from agriculture. By 1950, that figure had shrunk to 48 percent.<sup>1</sup> In 1938, the agrarian population of the country was a whopping 56 percent of the total population; by 1949, it had decreased to 30 percent.<sup>2</sup> Simultaneously, the percentage of population employed in industry had grown by approximately the same proportion.<sup>3</sup> Urbanization also advanced significantly: between 1938 and 1955 the population of urban centers grew by nearly two million people.<sup>4</sup>

But the changes which occurred in Hungary in the economic setting were small when compared to the social dislocation of the people during the same years. Between 1945 and 1952, the forced transformation of society resulted in the "disappearance of the former ruling classes" in their entirety; by conservative estimates, between 1945 and 1952, 350 to 400 thousand families lost their earlier position and were forced to

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become members of a new social stratum<sup>5</sup> as a result of the social engineering of the regime.<sup>6</sup>

The people who were forced into new social strata were the rich peasants, members of the former aristocracy and upper bourgeoisie, both the small and large shopkeepers, the managers and economic experts, and even the mid-level administrators of the former state bureaucracy. A total proletarianization best characterizes this period: only one class, the working class, was praised, glorified, and supported — at least in theory. The peasantry, due to the very anti-peasant nature of Marxist theory and to the actual policies of the regime, was belittled, viewed as a temporary social category and mercilessly exploited; urbanization and industrialization after all had to take the best and the brightest of the young peasantry.

In contrast to the broadly exploited workers and peasants, at the same time there existed a separate very thin layer of society, consisting of the administrative decision-making and cultural elite of the country. It was not a new “class” as Djilas has regarded it, for there were very few beneficiaries as far as the total number of people were concerned.<sup>7</sup> In fact, it would be safe to say that the newly emerged power elite was a thinner stratum of rulers and beneficiaries than had ever existed in Hungarian history.

It is important to recall that the splendor and luxury of this new administrative stratum, their luxurious villas and sealed-off streets, the expropriated wealth from the former ruling classes that graced their tables laden with quality goods purchased in the special stores, contrasted sharply with the actual life-style of Hungary’s working classes. The new industrial proletariat and *lumpenproletariat* forced into the new or newly rebuilt cities frequently lived in miserable workers’ hostels, ten, twenty, to fifty people crowded in a room, their coats and hats hanging from a single nail pounded into the wall, and possessing perhaps nothing more than the clothes on their backs. Often four or five workers’ families were crowded into expropriated apartments, bickering, fighting, standing in line for hours waiting for food that was inadequately produced in that socialist paradise. The peasantry with their most productive members driven off the land as a result of the collectivization, burdened with forcible quotas and expropriation of the produce, was further alienated from the political elite, from the urban centers which it had hated throughout so many centuries, and from the working class which it perceived to reap the benefit of the new social order.

The year 1956 saw a purifying storm. The revolt attempted to resolve

the contradictions created by the policies in force since 1949, but little could be accomplished during the few days of revolutionary activities. Even the most radical desiderata failed to address the question of social transformation. Of the Petöfi Circle's Ten Demands, for example, only point three attempted to assert vaguely that the Central Committee and the government adopt "every method possible to ensure the development of socialist democracy, by specifying the real functions of the Party, asserting the legitimate aspirations of the working class and by introducing factory self-administration and workers' democracy."<sup>8</sup>

The task that befell Hungary's new leaders after 1956 was to solve the problem of social transformation and change of the previous eight years. Consciously or unconsciously — and there is some debate whether the "social engineering" of the post-revolutionary period was planned or accidental — they had to create a new Hungarian social equilibrium. The confusing and sometimes clearly contradictory policies of the last twenty years had all served that end.

The Kádár regime's new policies were not outlined immediately; in fact, the regime itself was not certain in which direction it wanted to go. Only two years after the revolt did the government begin to recollectivize the farms, without the terror unleashed nearly a decade before. But by 1960, the first phase of the regime's social and economic policies began to be very clear. The recollectivization of agriculture was intended as a basis for the future; emphasis upon increment took place through small but deliberate steps and by 1968, Kádár could correctly point to the beginning of a trend of significantly rising agrarian incomes all over the countryside.<sup>9</sup>

The changes in industry and industrial activity in general began to be implemented in 1968 with the introduction of the New Economic Mechanism.<sup>10</sup> This is not the place to evaluate the successes of the NEM. One of the greatest accomplishments of the reform movement was to allow greater uniform earning potential for industrial laborers. Although management reaped the greatest benefits of the reform, the industrial workers also benefited significantly. In short, both the agrarian and the industrial population could say that during the last twenty years the regime's policies have benefited them to a very great extent.

Much has been made of the fact that the socialist transformation and the policies of the Kádár regime caused a social stratification into a fairly distinct and highly stratified social system.<sup>11</sup> According to official Hungarian sources, there are three distinct strata of society consisting of mental laborers, manual laborers, and the peasantry; a significant por-

tion of each stratum has been a beneficiary of the developments since 1956.<sup>12</sup> The first category includes such persons as party leaders, doctors, teachers, managers, writers, artists, in short all those who are not employed in some type of physical labor. The distinction between the peasantry and manual industrial laborers is somewhat more fuzzy. After all, a repair mechanic working in agriculture is only slightly "different" from a tractor driver if he is "different" at all. The distinctiveness of the social strata, consequently, appears to exist only on paper: the growing complexity of both urban and agrarian life rendered social differences based on occupation and outmoded class categorization rather meaningless. The increased availability of technological marvels such as radio — which increased from 660,000 in 1950 to more than two million in 1975, television — which increased from 16,000 in 1958 to more than one and one-half million in 1975, and private automobiles — which increased from 30 thousand in 1960 to five hundred thousand in 1975, has done much to minimize the differences between the traditional social strata of Hungary.<sup>13</sup> Furthermore, the large number of commuters estimated at well over one million has brought urban and rural life styles closer together. The fact that the families with dual incomes today account for well over ten percent of the total number of households additionally indicates the mixing of urban-rural industrial social strata.<sup>14</sup>

Other factors have also begun to obliterate differences between agrarian-industrial or rural-urban life styles. Among these factors one must mention the historically unparalleled riches of the Hungarian village and rural life in the 1970's. As a result of the regime's policy, the income of the peasantry has increased enormously, in fact, exceeding that of a great proportion of industrial workers. The peasant has learned to utilize collective farming to his advantage; in good collective farms his work is rewarded by higher remuneration and doubled by his ability to raise animals for a subsidized state market or produce for a generally supply and demand farmer's market. Even in the weaker collectives the peasant's attention is turned toward producing on his own household plot and engaging in productive activities on his own.

Furthermore, some collective farms have also diversified their activities to the point where agrarian production has assumed secondary importance; producing buttons or frisbees, sewing dresses for West Germany or embroidering blouses for American export hardly seems to be agrarian activities. As a result of these policies, for the last three years more industrial laborers returned to the village than agrarian manpower left for the cities, a development unique at the stage of modernization

that characterizes Hungary. Consequently, in 1976, one-third of all collective farm members were under thirty years of age, the overwhelming majority of whom were skilled workers.<sup>15</sup> The regime has been having serious problems with the older members who prefer not to maintain their own private plots but to work only a forty hour work-week, taking well-deserved vacations, and traveling leisurely from Paris to Moscow, from Oslo to Athens.<sup>16</sup>

The unprecedented wealth of the village shows up not merely in the equalization of life-styles, the increasing use of indoor plumbing in new houses that boast garages instead of barns, and ugly, modern looking early Sears and Roebuck-type modern furniture, but also in the exhibition of traditional riches, such as the elaborate banquets and dowries given to the newly married. Once again the parents seem to be expected to *give* a house to the daughter, a car to the son of marriageable age and provide the young couple with a lavish wedding reception; thirty, forty and fifty thousand forints dropped into the hats at the bride's dance are not unusual. Weddings where a hundred chickens, two pigs, *and* a cow are slaughtered to feed the guests, where two hundred liters of wine, fifty liters of palinka and untold quantities of beer are consumed, have once again begun to appear.<sup>17</sup>

While the village thrives in unprecedented wealth, the same cannot be said of the urban-industrial sector to the same extent: the brutal truth of the matter is that the New Economic Mechanism has benefited only a minor segment of industrial laborers. The skilled laborers in some professions and the industrial managers have been the clear beneficiaries of the reform as a whole. Their incomes have risen from the egalitarianism of the 1960's by three to four fold as they are able to take advantage of second jobs and of some notable benefits that accrue from increased employment opportunities. In addition to the highly skilled laborers and the managers of the factories, the greatest benefits of the NEM were accrued by unskilled laborers, construction workers and employees in the scarcity service sector. The scarcity of labor in these fields, the possibility to charge what the tariff will bear, the absolute craze for private construction of primary or secondary dwelling units and the incredible neglect by the state of such tertiary sectors as plumbing and home repair industries have contributed to the enormous increase in the price of labor; a bricklayer or a painter, a carpenter or a plumber, working privately makes as much one weekend as he earns in his official state employment job during an entire month. The still existing scarcity of apartments and the fact that forty thousand apartments are expected to be built annually during the next decade, renders the price of the

privately engageable construction worker sky-high and sends his income zooming. Indeed, one of the most curious developments is the creation of a large number of "private" cooperatives consisting of individuals banding together for reaping maximum private profit through officially sanctioned forms. When coupled with the entrance of many cooperative farms into the construction industry, it becomes very clear that the price of these laborers will continue to remain enormously high.<sup>18</sup>

In addition to the rich peasantry and the narrow segment of the workers just discussed, the third group of clear beneficiaries of the last twenty years of the Kádár regime's policies are the urban stratum that earns its existence from sources other than industrial or agrarian work. This is the most mixed group consisting of small shopkeepers who peddle plastics, or reap the reward of a knit goods cottage industry, as well as those intellectuals and administrative decision makers who can reap higher and higher incomes from secondary and tertiary sources. The first group of people is generally referred to derogatively as "those skillful ones" and it includes such divergent examples as the man who bought the cherry pits that were discarded by a cherry canning factory and used them to create a profitable cherry tree nursery, as well as the young graduate of a technical high school who set up a plastic converter machinery in his family's apartment and made a mint by producing scarce plastic milk holders which fit into refrigerator doors.<sup>19</sup> But it also includes editors, authors, and writers who produce for every magazine, every journal, who translate or edit material from every conceivable source, professors and research workers who frequently hardly have time for their own scholarly field because of the lectures here and there and everywhere, and for the academicians who prepare summaries or lengthy textbooks for one of the many outlets not directly related to their work.

All in all, the beneficiaries of the new social system clearly are the people we have mentioned above. In a sense they belong to the "have class" along with those of the ruling administrative stratum who no longer possess the same kind of privileges their own predecessors flaunted. The Mercedes-Benz of the leading political stratum — except for its color — is hardly distinguishable from those of the private sweater maker or of the well-known actor. It is practically a financial-statistical term which one can use to define this new group of beneficiaries; they are the people whose monthly income exceeds ten or fifteen thousand forints and who can afford the available luxuries. They cannot be called a *class* because the Marxist term is meaningless in

today's Hungary; after all the relationship to the means of production of everyone appears to be the same. They are not a class in the historical sense of the term because they have not inherited the "wealth" from their parents, but attained it on their own. They are just as likely to have had grandparents or parents who were workers as having had parents and grandparents who were aristocrats or peasants. Whatever they are, they became during the life of this postwar generation and, therefore, no longer carry with them either the burden or the glory of their prewar origins.<sup>20</sup>

While the beneficiaries of the system are easy to point out, we would be biased if we did not single out those who have not profited equally from the changes of the last two decades. First and foremost, we must point out that in the rural area the differentiation between rich and poor once again has reappeared. The poor peasant, to be sure, does not have to take the back pew in the church like in the prewar era, nor does he have to "rent" his child out to the rich peasant for labor. But the poor peasant, nonetheless, must be taken into account. He exists in many forms, colors, and shapes. He is as likely to be the hard working stubborn farmer working on poor land belonging to a poor collective and struggling from dawn to dusk, as the village drunk who beats his wife and children and attempts to work as little as possible. While reaping some of the benefits of the system, he fails to partake in others. He views with envy the new house built by his neighbor, the new car possessed by the agronomist, and abhors the social stratum in which his place is still at the bottom.

The industrial worker for whom, supposedly, the system has existed and continues to operate, but who happens to be the possessor of an occupation that is not the most highly remunerable — a man working on assembly lines, a woman sewing or ironing dresses, sales persons in stores or post offices, workers with no skills that can be privately peddled on the weekends — have not reaped what they regard to be the equitable benefits of the system. Their monthly incomes of 2,000 to 4,000 forints are rarely supplemented from other sources, and for them the hope that they, too, will be able to make it big is rapidly fading. Their last stand against the inequality of the system inherent in modern productive activities, which served to curb the NEM between 1972 and 1975, did not attempt to slow down the growing distinction between them and the richer workers.<sup>21</sup> In spite of this "last hurrah," here too we must observe a growing differentiation between the rich and the poor worker. The differentiation obviously is not based on class considerations: they are all workers. It is just that some of the workers reap the benefits of a modern industrialized system more than others.

And finally we must observe the differentiation that exists among the mental laborers, the administrators, the intellectuals, and the party leadership as well. Here, too, the lowly secretary working in the cadre office and earning 1,500 to 2,000 forints a month, the post office employee sifting and sorting mail, has very little in common with the prime minister, or party secretary riding in his Mercedes, or the well-paid editor living in his lavish new house. The clerical employees of the trade unions, the hundreds of thousands of middle-level administrators, the pensioners who still struggle to live on their measly retirements awarded to them ten, fifteen, or twenty years ago, the people who have to make contracts for their very maintenance in exchange for their apartment's future inheritance by those with whom the contract is made, have very little in common with the rich director of the factory.

In short, it is safe to say that Hungarian society seems to present a melange to the interested observer.

Today Hungary is a people's republic, its social system is socialism. Among the most well known features of socialism one can count the fact that the means of production are in the hands of the state and thus the exploitation of many by man ceased to exist. The dictatorship of the proletariat is the dictatorship of the majority, of the working classes over the minority of the former oppressors. This classic thesis in its practical functions, however, has been altered considerably as the former ruling class disappeared. The remainder of the former "exploiters" have found a place in the society and the new money makers (like the sweater-makers in the Kígyó street of Budapest) cannot be regarded as exploiters . . . Today in Hungary there are no bankers . . . , landlords . . . , starving pariahs . . . , and proletar-peasants possessing only one robe . . . At the same time, in Hungary today there are trust-directors and European-famed soccer players, engineer-deputy-ministers and small shopkeepers . . . , party-secretaries and cooperative farm directors, Catholic priests who are active in the People's Front, American businessmen . . . , and camouflaged prostitutes actively engaged around the most famous hotels, girls working at heavy construction and existing in barracks and hovels at Tiszszederkény and students from acting schools who have just returned from a study tour in France . . . , workers from the Angyalföld district who live in brand new apartments they own, and workers from Angyalföld who live in damp basement hovels. There are crowded dormitory rooms and parties in half-lit rooms, construction camps of the Young Communist League and trips abroad, second and third jobs held by the same person and schools in isolated farmsteads, world famous research institutes, bad cooperatives and many other pictures. . .<sup>22</sup>

While the regime during the last twenty years has succeeded in bringing unprecedented wealth to significant parts of the Hungarian



population and while as a result of this policy there are many people who live extremely well in Hungary, the greatest claim of all Marxist socialist regimes, the complete abolition of alienation between man and man has not been effected. It is, however, not an alienation of one class from another, of the people in general from the regime, but the alienation that has always existed between the rich and the poor. Regardless of social origin, that alienation remains, and in spite of the great accomplishments of the Kádár regime, it is this alienation that continues to haunt the regime.

Twenty years after he came to power, Kádár can look with pride upon his accomplishments. He is regarded as a legitimate leader who brought social peace if not independence, stability if not political freedom, and unprecedented wealth, even if it has not yet reached the level of wealth possessed by the citizens of the richer Western states. He has presided over the transformation process that depoliticized the Hungarian political arena and created Hungarian socialism with a bourgeois face.<sup>23</sup> While it is safe to say that the foremost goal of the revolution, the creation of a truly independent and democratic political system, has not been reached, the goal of providing Hungary with a satisfactory standard of living and adequate relations among the various social strata has been met with success. And perhaps it is safe to say that given Hungary's geographical-historical circumstance, the accomplishments of Kádár and his regime with all its faults and shortcomings must still be applauded.

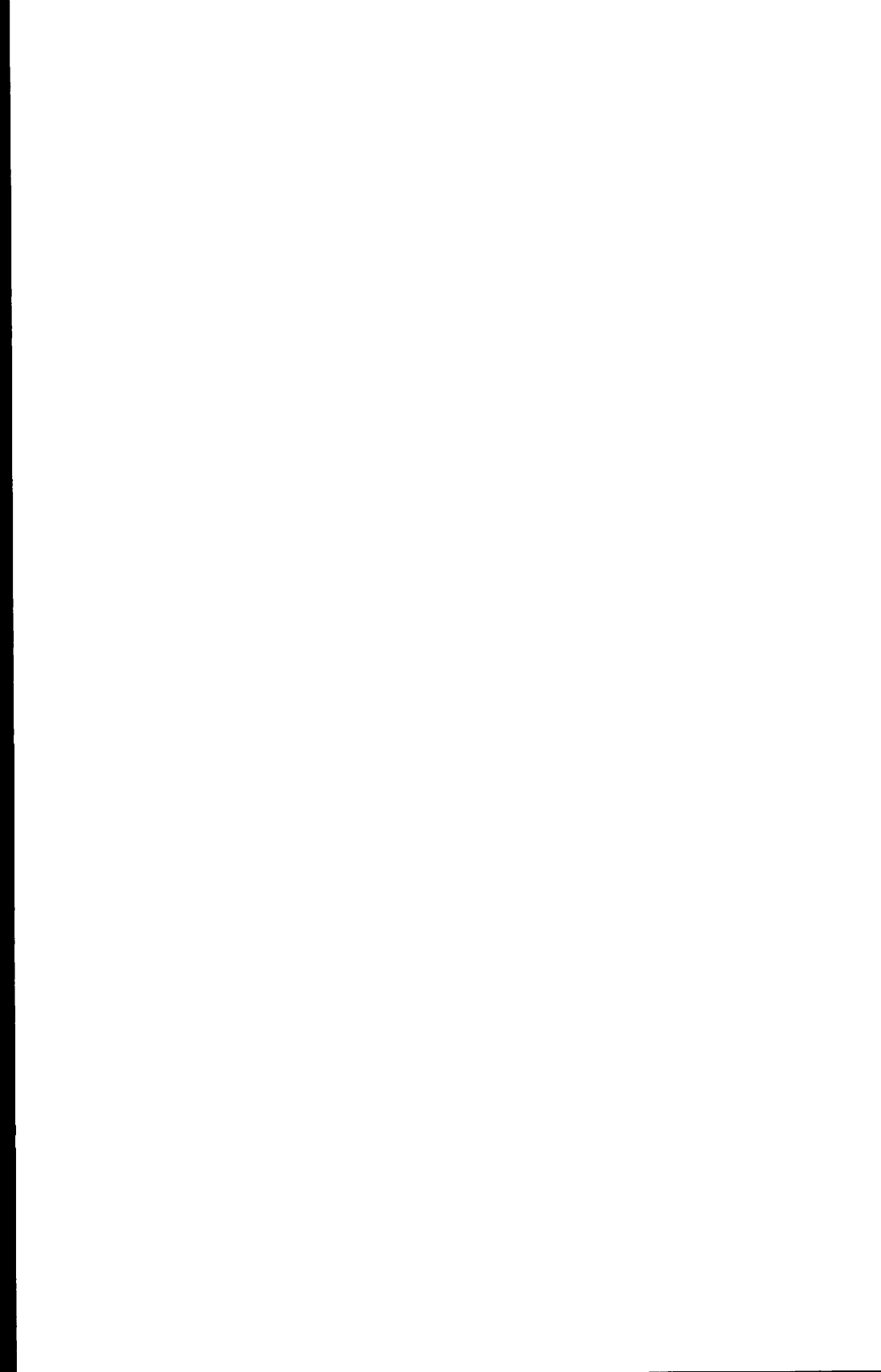
## NOTES

1. *Statistical Pocket Book of Hungary, 1975* (Budapest: Statisztikai Kiadó, 1975), p. 9.
2. Iván T. Berend and György Ránki, *Gazdaság és társadalom* [Economy and Society] (Budapest: Magvető, 1974), p. 523.
3. *Ibid.*
4. *Ibid.*, p. 525.
5. Mátyás Rákosi, "A Magyar Dolgozók Pártja Központi Vezetőségének beszámolója és a Magyar Dolgozók Pártja feladatai" [Report of the CC of the Hungarian Workers Party and the Tasks of the H.W.P.] in *A Magyar Dolgozók Pártja III. Kongresszusának Rövidített Jegyzőkönyve* [The Abbreviated Report of IIIrd Congress of the HWP] (Budapest: Szikra, 1954), p. 14. Berend and Ránki, *Gazdaság és társadalom*, p. 523.

6. Ernő Gerő, *Harcban a szocialista népgazdaságért* [Fighting for the Socialist Peoples' Economy] (Budapest: Szikra, 1950), pp. 400–417.
7. In fact, Djilas attempted to caution in some of his writings against the use of the term “class,” arguing cogently that the Marxist content of the term was far too restrictive to describe the phenomenon of the creation of a bureaucratic ruling elite. See, for example, his “League or Party” in *Anatomy of a Moral* (New York: Praeger, 1959), p. 139.
8. Quoted in Melvin J. Lasky (ed.), *The Hungarian Revolution: A White Book* (New York: Praeger, 1957), p. 47.
9. János Kádár, *A szocialista Magyarorszáért* [For Socialist Hungary] (Budapest: Kossuth, 1972), p. 107.
10. The literature of the reform is so broad that many pages could be devoted to listing the major titles. The interested reader should consult two major English language sources: William R. Robinson's *The Pattern of Reform in Hungary* (New York: Praeger, 1973) and *Reform of the Economic Mechanism in Hungary* (Budapest: Akadémiai Kiadó, 1972).
11. András Hegedűs, “A szocialista társadalom strukturális modellje és a társadalmi rétegződés” [The Structural Model of Socialist Society and Social Stratification], *Valóság*, 5 (1964), 1–15 and “Társadalmi struktúra és a munkamegosztás” [Social Structure and the Division of Labor], *Valóság*, 8 (1966) and his *A szocialista társadalom struktúrájáról* [Concerning the Structure of Socialist Society] (Budapest: Akadémiai Kiadó, 1971). Cf. János Blaskovits, *A munkásosztály fogalmáról* [Concerning the Concept of the Working Class] (Budapest: Kossuth, 1968); Antal Böhm, *A középrétegek helye a társadalomban* [The Place of the Middle-Strata in Society] (Budapest: Kossuth, 1974); Zsuzsa Ferge, *Társadalmunk rétegződése* [The Stratification of Our Society] (Budapest: Közgazdasági és Jogi Könyvkiadó, 1969) and Ádám Wirth, *Mi a társadalmi struktúra* [What is the Social Structure] (Budapest: Kossuth, 1972).
12. Mrs. Sándor Ferge, “Társadalmi rétegződés Magyarországon” [Social Stratification in Hungary], *Valóság*, 10 (1966), 26–27 and Mrs. Aladár Mód, “Társadalmi rétegződés Magyarországon” [Social Stratification in Hungary], *Társadalmi Szemle*, 5 (1967), 15–33.
13. The number of privately owned automobiles is, of course, much smaller than the number of privately *used* automobiles, as approximately 50,000 officials and managerial personnel have “automobile use” privilege.
14. *Statistical Pocket Book, 1975*, p. 163.
15. *Népszabadság*, April 6, 1976.
16. *Ibid.*
17. For a fascinating collection of articles that detail the beginning of the slow embourgeoisement of the village see Erzsébet Galgóczi, *Nádtetős szocializmus* [Socialism under Thatched Roofs] (Budapest: Szépirodalmi, 1970) and János Gyenis and János Söptei, *Új falu, új emberek* [New Village, New Men] (Budapest: Kossuth, 1970).
18. In fact, the problem of co-operatives entering into the construction business has become so serious that in 1976 the regime was forced to issue a number of executive orders prohibiting some of the most flagrant abuses of the laws regulating the construction industry.
19. The Hungarian term “ügyeskedők” can carry both negative and positive connotations. In the officially sanctioned use of the term, it is regarded as a negative term, while in public use it carries at best a value-neutral, or value-positive connotation.
20. Even among the administrative structure of the ruling elite this “changing of

the guard," from old-timers who carried with them the conviction of their past and the burdens of a previously dominant society, is vividly noticeable since 1974. The appointments of Lázár, Huszár, Szekér, Romány and others into leading positions of the state apparatus and the rejuvenation of the Politburo by such individuals as Lázár, Huszár, Óvári, Maróti, are the official recognition of the role the younger generation is expected to play. Unlike many of his contemporaries, Kádár does not wish to cling to power at any cost, but (in the opinion of this writer) would like to see an orderly transition of power to the representatives of this new generation.

21. In spite of official claims to the contrary, and in spite of the official attempt to slow down the tempo of the NEM, the average worker did not succeed in stopping the growing wage differentiation during the XIth Party Congress. In fact, while paying lip service to and attributing the slow-down of the NEM to the egalitarianism demanded by the trade-union-conservative opposition, it is clear that the deterioration of Western trade relationships that resulted from the economic recession in Western Europe played a greater role in the economic retrenchment than any perceived egalitarianism on the part of the political leadership.
22. Mihály Sükösd, "Értelmiség a küszöbön" [Intelligentsia at the Doorstep], *Valóság*, 3 (1965), 36.
23. Ivan Volgyes, "Limited Liberalization in Hungary," *Current History*, March, 1976, 107.



REVIEW ARTICLES

## The World of Hungarian Populism

S. B. Vardy

*Der ungarische Populismus* [Hungarian Populism]. By Gyula Borbándi. (Studia Historica. Schriften des Ungarischen Instituts München, No. 7). Munich: Aurora Bücher, 1976. 358 pp. *The Rise and Development in Hungary of the So-Called "Popular Movement" (1920-1956)*. By Emmerich András. (UKI Reports 1973/1-3). Vienna: Hungarian Institute for Sociology of Religion, 1974. 251 pp.

In the course of the past century or so, populism had swept through many lands, from Russia to France, from the United States to Hungary, from Roumania to Cambodia. As such, populism became almost a universal movement. Yet, it appeared in many different forms. In some instances it manifested itself simply as a literary or intellectual movement among a select group of the intelligentsia (e.g., Roumania and Czechoslovakia). At other times it appeared as a violence-prone revolutionary movement with the goal of overthrowing the existing political system, or even of remaking the whole of society at whatever human cost (e.g., Russia and Cambodia). At still other times it emerged in the form of a broad reform movement, which hoped to effect meaningful social transformation through literary propaganda and through legitimate political activity, with the primary aim of improving the lot of the economically and socially exploited masses, and of effecting also a qualitative change in society — as was the case in Hungary.

The roots of populism — like the roots of all reform and revolutionary movements — stemmed from basic dissatisfaction with the existing order of things. But in the populist movement, which generally styled itself as a third alternative between capitalism and communism, we also find elements of anti-urbanism, as well as a degree of "Volk