

Foreword

This selection seeks to inform the international public. Most of the writings it contains were published earlier in Hungarian, and this is footnoted in the titles. Versions of the first and fourth pieces were initially used as teaching materials for the university-level instruction of history teachers. The second study appeared in a volume of English language studies published by the Hungarian Institute for Educational Research and Development. The third chapter is an excerpt from a secondary school textbook still in use in Hungary today.



The inclusion of the textbook chapter has a dual function. Firstly, to inform the international public about the processes of the past decades in Hungary and their appearance in textbooks and secondly, to showcase multiperspectivity as well as competency- and activity-based preparation in teaching practice.

Its inclusion in this volume intends to help readers who are unfamiliar with the circumstances in Hungary to better understand the context in which processes related to the teaching of history have taken place in the past decades. The penultimate study is a condensed version of work written together with my colleague Ágnes F. Dárdai and was published in the anniversary volume of the online didactics journal *History Teaching* and the last one was published in the 2020 yearbook of the International Society for History Didactics.

The writings in this volume provide insight mainly into the main trends of the teaching of history in Hungary in the quarter-century after 1990, when, in addition to the shaping of the national identity, a genuine effort to commit to European values and the implementation of the elements of modernization in Hungary featured prominently. The writings seek to serve the formation and development of historical literacy undertaken in the search for responses to new challenges. The author – as is evident in the writings – places great importance on the shaping of democratic attitudes, the formation of collective identity, the passing on of a common cultural code system, the experience-based, multiperspective and varied processing of concrete histories and historical documents (sources), and the practice of adaptive historical thinking skills that may be based on the recognition of analogies and patterns for the advancement of citizenship education. This is all done in the hope that acquiring historical literacy can help the coming generations approach future local, regional, national, European and global issues with a realistic knowledge of the past and historical consciousness, and get sufficient underpinning for their socialization in society as well as the pursuit of their personal lives.

József Kaposi

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¹ The first (original) version of the study appeared in: Kaposi József (2020): Közelítések a történelemtanítás elméletéhez és gyakorlatához (Approaches to the Theory and Practice of History Teaching). Pázmány Péter Catholic University, Budapest. pp. 7-40.

² The first (original) version of the study appeared in: Anikó Fehérvár (ed.) (2016): Curriculum, Effectiveness, Equity. Hungarian Institute for Educational Research and Development, Budapest. pp. 9-22.

³ The textbook text was published with the consent of the Office of Education. The first part, covering the period until 1990, originally appeared in: Kaposi József & Száray Miklós (2006): History IV. Nemzeti Tankönyvkiadó, Budapest. pp. 72-90. The second part of the text originally appeared in: Boronkai Szabolcs & Kaposi József & Száray Miklós (2016): History 12. Hungarian Institute for Educational Research and Development, Budapest. pp. 170-207.

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⁵ The first (original) version of the study appeared in: Kaposi József & Katona András & F. Dárdai Ágnes (eds.) (2020): A Történelemtanítás a történelemtanításért (History Teaching for History Teaching). Magyar Történelmi Társulat, Budapest. pp. 15-60. Co-author: F. Dárdai Ágnes

⁶ The first (original) version of the study appeared in: International Journal of research on history didactics, history education and history culture 5: pp. 219-242.

Introduction

A few years ago, at a history teachers conference, I called the instruction of history in Hungary surrealistic, as, both in theory and practice, the characteristics of various (often contradictory) educational approaches coexist. In Hungarian history teaching today, we can find single point of view, narrative-centred teaching, based on conventional teacher presentation/dictation, but it is equally likely to come across teaching practices based on the question-method and multiperspective approach, so practices that are source-based, student activity- and experience-centred and build on project work or digital resources. Thus the general picture of the everyday practice of history teaching offers and allows for different interpretations when examined from various perspectives.

Hungary has gone through seven changes of system in the past century (GYARMATI, N.D.) and, as a result, multiple pendulum movements in social, political and economic changes have occurred. At the end of WWI, in the autumn of 1918, the Dual Monarchy of Austria-Hungary came to an end and was replaced, for a short time, by a so-called people's republic, then by a Soviet-style Republic of Councils. Then in 1920, the Kingdom of Hungary was formally reinstated for a quarter of a century, led not by a monarch but the regent Miklós Horthy (hence the description: kingdom without a king). Just before the country's defeat in WWII, helped by the Nazi regime, a Hungarist state took power. This was eventually replaced in 1946 by a new people's republic, followed by a communist dictatorship established with the support of the Soviets - under the leadership first of Mátyás Rákosi, then of János Kádár - for a period of close to 40 years. This was interrupted for just a few days by the Hungarian Revolution of 1956, the ideals of which deeply impacted the new changes in 1989 and the establishment of the republic.

Extreme changes were not unique to the 20th century either. Hungary had lost its independence in the middle of the 16th century and first became part of the Turkish Ottoman Empire then of the state formed and governed by the Habsburg dynasty until early in the 20th century. During this period of almost 500 years, the country never won a war, at most battles, and its revolutions and freedom fights were defeated, while the "rebels" were punished severely (executed, imprisoned, exiled, stripped of office). Parallel with the loss of independent statehood, the country was hemmed in by a "Central Eastern European dead end" that excluded the chance of implementing a state model that was either purely Western or purely Eastern (SZŰCS, 1991). Amid these particular historical circumstances, feudalism and the system of lords and serfs remained in place until the middle of the 19th century, thus the processes of modernization were, on the one hand, based on the will of the rulers and, on the other, emerged with a delay compared to Western countries.

From early in the 19th century, convergence with Europe's most developed regions became a defining goal of the Hungarian political elite, but one that could be achieved only in an ambivalent manner amid complicated political, social, national and economic circumstances. *The pendulum was swung into motion*, and successful and unsuccessful eras mingled alternately, the elements of discontinuity and continuity, and a stark contract was formed between the will for modernization and for national self-advocacy.

At the end of the 19th century, a sense of having fallen behind, the compulsion to fit in and its mixed results - combined with the successes of the thousand-year historical past and the myth of the Hungarian people's Eastern origin - brought to life a state of social consciousness of "victimhood, chosenness and otherness". As a hybrid product of its *peculiar pendulum movements* of successes and failures, it relied strongly on a romantic and retouched picture of the past (e.g. Hungarians alone defended Christian Europe), on blaming others (e.g. foreigners) for failures, and on betrayal and conspiracies being assumed behind defeats. This also contained an element of communal self-delusion, in which restricted independence was interpreted as freedom, greater statehood and cultural supremacy in the Carpathian Basin were seen as eternal, and, in many respects, dead-end social "development" was viewed as a peculiar Hungarian path and unique innovation. (BIBÓ, 1986.)

Especially during the past hundred years, the *pendulum-movements* of system changes, from autocracy (dictatorship) to democracy, or from democracy to dictatorship, have swept forcefully or peacefully through the country. These radical social-economic rearrangements and replacement of elites were often accompanied by scapegoating, based on race, class or nationality, and involved the deprivation of rights, the confiscation or expropriation of property, the loss or gain of prosperity, furthermore ghettoization, internment or mass extermination. There can be few countries in the world in which 15 national leaders (e.g. prime minister, king, president of the republic, regent, party leader) died unnatural deaths (assassination, execution, suicide) or during emigration in the course of a century. Nor can it be typical in other countries of the world that there are a number of heroes in Hungarian history whose careers deserve much negative criticism, but who chose the role of martyr in some intense situation - for the long-term interest of the country - and so the assessment of their lives became positive. Of course, the pendulum can often move in the opposite direction, too, considering the many statesmen whose careers were destroyed by the arrogance of power or the storms of history.

The loss of significant areas of so-called historical Hungary, making minorities of several million Hungarians; the lost world wars, revolutions and counter-revolutions; the Holocaust that brought with it the deaths of hundreds of thousands of Jews; the crimes of the communist dictatorship, unaddressed by the community and the public, live on today in the historical consciousness as a deep trauma. The

series of system and border changes interrupted integral modernisation processes (e.g. embourgeoisement, industrialization, collectivization in the farming sector, tore families apart, weakened social cohesion and solidarity, and resulted in the loss of a common system of values and public trust. The conflict that appeared early in the 20th century, and that has cyclically returned since then, between national self-reliance/independence and modernization, which is identified in the historical literature as the contradictory pairing of Hungarian thought versus free thought, and later as the rural vs. urban debate, and today presents as the confrontation between globalized and local interests. The coexistence of the traditional gentry (subjectdom) and bourgeois mentalities, intertwined with the repressed individual and communal grievances and fears produced by the *pendulum movements* also comes with the consequence that there are few families who don't have ancestors assigned an "opposite value" - hero, victim, traitor or collaborator - for every change of system. The *pendulum movements* of survival strategies have made Hungarian citizens' attitudes with regard to the state ambivalent to this day: they expect the powers that be to secure their prosperity, while at the same time demonstrating a lack of confidence in the state and preferring to retreat to the refuge of private life.

Also part of the *pendulum movements* is that selflessness is a part of the Hungarian mentality. From Saint Elizabeth of Hungary, who fed the downtrodden in the 13th century, to the "doctor of the poor" László Batthyány-Strattmann, to Sára Salkaházi, who died a martyr's death for rescuing Jews, a number of public figures and ordinary people have been examples of humanity, protecting the rights of others, standing ready to assist and demonstrating social responsibility. Let us think back to the years of 1988/89, when the majority of the population acted in empathy and solidarity with the victims of the Romanian Revolution or the East German refugees waiting for the opening of the border, and took in the victims of the Yugoslav Wars.

The picture is nuanced further - and the *pendulum* put into motion - by the fact that it was as Hungarians that János Bolyai, the "Copernicus of geometry", did his work, the composer Béla Bartók found fame for combining contemporary trends in European music with the traditions of Hungarian folk songs, or the physician and biochemist Albert Szent-Györgyi discovered vitamin C. It is not by chance that Hungary is at the forefront in terms of the number of Nobel Prize winners and Olympic champions in relation to its population. Hungarian ingenuity is also legendary, evidenced by a number of inventions such as the Rubik's Cube. It is by no chance that the characterization of Hungarians - understood either positively or negatively - as people who "enter the revolving door behind you and come out ahead of you" has spread.

Blessings and misfortune, freedom and slavery, empire-building and the death of the nation, sovereignty and assimilation, struggle or surrender, convergence and lagging behind, ascent or descent, advocating for the individual or the community, self-assertion or self-identity, gainful employment or poverty - the contradictions

of several centuries have resulted in multidimensional *movements of the pendulum*. The pendulum swings not only horizontally, between two extreme points, but also vertically, transversely and parallelly, too, and it creates patterns that are confusing indeed while remaining ceaselessly in motion .

The changes of system have in practically all cases resulted in a rewriting of the historical past, and in many respects a restructuring of the goals of history teaching (LITVÁN, 1978). *The pendulum swung*: at least seven times we have rewritten our history, and in history education the templates for organizing history that have proved lasting are the ones related to Hungarians' struggles for heroic and solitary freedom and their sacrificial role (e.g. the bastion of Christianity, we are alone in the midst of the German and Slavic "sea"). It seems the struggle for and over the past remains constant, and each new generation seeks and offers new interpretational frameworks. Regrettably, what dominate this fight are not attempts to provide new interpretations of the complex correlations of past events, but rather constant simplistic acts of negation – that is to say, what used to be construed as positive becomes negative, and vice versa.

A system of contradictions surrounds the world of education practically everywhere in the world. *The pendulum swings* between the various intellectual, religious and ideological approaches and perspectives. For example: idealist vs. materialist, individualist vs. collectivist, globalist vs. localist. The pendulum swings between deviating principles and practices in state administration. For example: democratic vs. autocratic, liberal vs. statist, centralization vs. decentralization, policy vs. politics. The pendulum swings between different approaches to the social and socialization functions of the educational system. For example: elitist vs. pro-equality, education- vs. instruction-centered, segregation vs. inclusion, incentive to compete vs. incentive to cooperate. The pendulum swings between the principles and practices of content regulations, too. For example: science-based vs. child-centered learning, centrally- vs. locally-determined requirements, knowledge-based vs. competency-based. The pendulum swings between teacher- vs. student-centered, knowledge transfer vs. skills development, classroom-level vs. individual needs, conventional vs. project-based practice, and a reliance on paper-based textbooks vs. applying the practices of infocommunications tools.

The pendulum-movements of history teaching put the following contradictions into motion: the past vs. the recorded past, the differentiation between change and development, the linear vs. spiral development model or the meta- vs. micro-historical, and the adoption of the political- vs. lifestyle-based, victor-focused or loser-centered approach. Or the complex social sciences vs. narrow historical sciences, and the monopolistic vs. multiperspective approach, education for obedience of the subordinate vs. for active citizenship, teaching historical knowledge vs. a strategy that focuses on development of historical thinking.

In the past 30 years, in the frameworks of a burgeoning democratic state governed by rule of law and a market economy, we could see that significant changes took place in Hungarian history teaching *amid the circumstances produced by the pendulum movements outlined above*. Efforts to modernize in the areas of content regulation, textbooks, teacher training and teaching practice, most of which were centrally controlled and regulated, show that processes in Hungary - even if contradictory - fell more or less in line with international trends, and offered hope that turbulent *movements of the pendulum* would be allayed.

For a long time, I held an averse view to pendulum movements that significantly influenced history education, because I saw them as obstacles to the mixed results of modernization achieved in the past decades. Today - between the coordinates of a public policy that appears to be changing and a culture of memory - I view them differently, because the tensile opposites *in the movements of the pendulum* - like continuous impulses - at once conserve and free the forces of intervention and compensation, and ensure the operation of the mechanisms of self-correction. If the pendulum does not swing, the clock stops, space also withers, and we can (hopelessly) be waiting for Godot.

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Kaposi, József PhD habil

Associate professor with habilitation, Vitéz János Teacher Training Centre, Faculty of Arts and Sciences, Pázmány Péter Catholic University;
President of the Hungarian Historical Society Teachers' Division;
Founding vice editor of the Történelemtanítás online periodical.

Fields of research:

Textbook research, History didactics, content regulators, historical literacy, historical- civic literacy, drama pedagogy.

STUDIES I.

History of Hungary between 1945 and 2004

1. THE ATTEMPT AT ESTABLISHING PARLIAMENTARY DEMOCRACY AND THE PREPARATION OF THE DICTATORSHIP IN HUNGARY

THE OCCUPATION OF HUNGARY BY THE SOVIET UNION

Although the Soviet Red Army had liberated Hungary from Nazi and Arrow Cross rule, their primary goal was not to bring freedom to the country. The Soviet Union rather aimed at ideological and “imperial” expansion. The Allied Control Commission (A.C.C.) which was dominated by the Soviets in Hungary, provided the opportunity to carry out these goals. As Hungary had lost her sovereignty, political power shifted almost entirely to the A.C.C.

Initially, the Soviet leaders, considering the weakness of the Hungarian communists and the opinion of the Western Allies, realised that the dictatorship of the proletariat could be established in a long political struggle under the pretence of democratic transition. However, from the beginning they sought to establish the predominance of the communists. The Soviet leadership ensured this through the presence of their Red Army, in addition to handing over to the Hungarian communists the control of law enforcement bodies (the army, police, Ministry of Internal Affairs), in order to provide sufficient means for the subsequent political struggle.

As a result of the war, 900,000 people from a population of 14.5 million perished. Among them were 350,000 soldiers, while close to 500,000 Jews lost their lives in the death camps or as victims of the terror of the Arrow Cross Party. Many civilians were also victims of the siege of Budapest and the atrocities of the Soviet army. With the end of the war, about 600,000 soldiers and over 100,000 civilians were forced to do “málenkij robot” - a corrupted form of the Russian for ‘a little work’ - in prisoner-of-war camps for reparation.

THE FORMATION OF THE PROVISIONAL GOVERNMENT

While the Red Army was struggling to push back the Germans in the Trans-Danubian region, the economic and political reorganisation of Hungary had already begun in the eastern regions. The Red Army first of all needed food supplies, good roads and raw materials, but alongside this they also felt obliged to show themselves

to be a new government that appeared democratic. So the Hungarian communists, returning home from Moscow (*Ernö Gerö, Mátyás Rákosi, József Révai and Imre Nagy*), were instructed that they should officially demand a parliamentary democracy instead of the dictatorship of the proletariat. They accepted that cooperation with the other democratic parties such as the Independent Smallholders (FKgP), the National Peasant Party (NPP), the Social Democratic Party (SZDP) and the Bourgeois Democratic Party would temporarily be necessary. The members of the new legislative body were elected at mass rallies. In the Provisional National Assembly that met in Debrecen (Dec. 1944) and in the Provisional Government the proportion of the communist (MKP) members was very high. This can be explained with two reasons: firstly, the members of the other parties were still in Budapest which remained under siege at this time; secondly, the Hungarian population was afraid of the military administration, therefore few of them had an active role in the process. After the formation of these institutions the key positions were also given to the communists. The “democratic” features were to be emphasised by the appointment of Béla Dálnoki Miklós as prime minister of the Provisional Government. He was the commander of the First Hungarian Army that changed sides at the time of the first attempt at withdrawing from the war (October 1944).

The members and the programme of the new government were selected in Moscow. The programme gave the impression that a democratic transformation of the country was possible. The government declared war on Germany, though Hungary could have no active role in driving out the Nazis. It banned extreme right wing parties, and accepted to pay reparations to the Soviet Union. The Government also organized the supplies of the Red Army. The old state machinery was gradually replaced by the new administrative system and new “democratic” armed forces were organised.

LAND DISTRIBUTION

The most important and definitely the most effective act of the Provisional Government was land distribution (March 1945). The demand to hand over land to the poor peasants and to the agrarian proletariat had always been on the agenda of the democratic parties since the late 19th century (Mihály Károlyi, the Smallholders Party). The demand for land by the peasantry met with the interests of the Communist Party in 1945. The communists considered that calling for radical land reform would be an ideal means to gain the sympathy of the largest social group of Hungary. At the same time the communists’ major opposition groups – the church, the landed aristocracy and the wealthy landowners – would lose their economic foundations.

The Smallholders Party which represented the small to middle-hold farming layers, wanted to create efficient middle-sized land holdings. The MKP, as their ultimate goal

was collectivisation, considered this land reform only a temporary solution. They were rather interested in giving land to as many poor families as possible, even though many of them had no chance to develop competitive farms. The communists were supported by the NPP, as they represented the agrarian proletariat.

The confiscated land of the gentry, the wealthy peasants and the war criminals were parcelled out to 600,000 claimants. The peasant proprietors could keep 200 hold, the “gentry” 100 hold, while the lands of war criminals or right wing extremist leaders were seized entirely. The land of the church was also expropriated. The average size of the new land holdings was 5 hold. Despite the grave difficulties the land reform had caused, the private smallholder layer was strong enough to become the social basis of a parliamentary democracy.

THE ELECTIONS IN 1945

As the Soviet Union wanted to demonstrate how democratic the Hungarian transition was, Marshal Voroshilov, the head of A.C.C., instructed Dálnoki to call a general election in November 1945. Under the new franchise every Hungarian citizen over twenty years of age had the right to vote, except war criminals. Votes were to be cast by secret ballot. There were no individual constituency candidates, people voted for party lists. This was a form of proportional representation. Marshal Voroshilov being afraid of Smallholder victory proposed that the mandates should be distributed among the parties in advance, regardless of the results of the election. This anti-democratic scheme was rejected due to the reservations of the other Allies.

The election brought about the victory of the Smallholders. They gained 57 per cent of the votes. With such a majority the Smallholder Party would have been able to form a government on its own. However, in that situation the Smallholders did not dare to take on the responsibility of running the country without the communists. (Voroshilov also wished to see a “grand coalition”.) The Smallholder Zoltán Tildy became the prime minister of a coalition government. Yet, despite the electoral victory of the Smallholders, they were forced to concede the key ministerial posts of Internal Affairs and Defence to the communists.

Election results and the number of ministries		
Party	%	number of ministries
Independent Smallholders' Party	57,03	7
Hungarian Communist Party	16,95	4
Hungarian Social Democratic Party	17,41	4
National Peasant Party	6,87	1

THE ECONOMIC SITUATION

The most fundamental issue in the devastated country was that of economic recovery. It was vitally important that transport be re-invigorated, and that the railways and bridges be completely restored so that industry could be supplied with raw materials.

The primary “resources” of recovery were the people’s will to pull through and their readiness to work hard. As a result of the enormous effort of the people and their hard work under horrible circumstances, the country quickly picked itself up. The cities were hit by food shortage, money could not buy basic provisions, bartering became common. The well-to-do exchanged their jewels, cloths or other commodities for food, while industrial workers bought food in the countryside from the material products of their factories rather than money; a form of huckstering called “batyuzás”. The obligation to supply the occupying forces and the reparations paid to the USSR were almost unbearable burdens. They comprised thirty per cent of the GDP of the country. The reparations were paid in kind, mainly. Dismantling factories and carrying the equipment to the Soviet Union were accepted ways in which Hungary paid its dues. The shortage of goods and the burdens of the reconstruction led to the devaluation of the Pengő. The worst inflation rate ever recorded in history resulted in the total loss of the monetary value of the Pengő. However, the great results of the economic recovery (winning the “battle for coal” or the “battle of the bridges”), the reduction in the consumption of the population and an American loan were the preconditions for the introduction of a new stable currency called the Forint (August 1946).

The MKP, realising the political importance of the economic recovery, obtained the leading posts in the economic management of the country. The party succeeded in establishing the Supreme Economic Council which became the major government organ in determining economic policy. The communist Zoltán Vas became the head of it. MKP combined its policy of nationalisation with the rebuilding of the state, thus intensifying state intervention in the economy.

One of the most debated question of the history of Hungary in the 20th century is the judgement of the happenings of 1945.

It is fact, that Hungary managed to get rid of the oppressing and life-threatening German and Arrow Cross Party rule by means of the fights of the Soviet Red Army. It is also widely accepted that the victory of the Soviets meant peace after the heavy fights and normal life could restart.

However, the Soviet soldiers were acting differently than liberator ones. The personal security or the safety of the private property were not guaranteed either during or after the fights. After 1945, Hungary belonged to the satellite states of the Soviet Union and a social system was forced on the people that was not wanted by the majority of the society.

2. THE ESTABLISHMENT OF THE DICTATORSHIP IN HUNGARY

POLITICAL DISPUTES AND THE “SALAMI TACTICS”

The most important political parties unequivocally advocated the declaration of the Republic (1 February 1946). After the proclamation of the Second Republic of Hungary the parliament elected the Smallholder Zoltán Tildy President of the Republic of Hungary. Ferenc Nagy replaced him as prime minister. The role of the president was largely confined to representational functions.

Act VII of 1946 On the Criminality of the Safeguarding of the Democratic Law and Order of the Republic

“1. § (1) Anyone who has completed any of the following acts is accused of criminal act and is punishable by a crime:

- tries to beat the public law and order of the country or of the Republic created by the Act I of 1946
- organises a movement or conspiracy in order to beat the public law and order
- manages a conspiracy of the above mentioned type
- considerably donates a conspiracy financially.

(2) Anyone who participates in an above mentioned movement or conspiracy is accused of criminal act and is punishable by a crime.

10. § (1) The punishment of the above mentioned acts listed by 1. § is death penalty or life sentence forced labour. In case of physical incapability, it is changed to life sentence penitentiary or forced labour the shortest length of which is five years. In case of physical incapability the range of penitentiary is between five and fifteen years.”

Unlike that of the question of the republic almost every other political issue generated bitter disputes between the MKP and the FKgP. The Smallholders tried to achieve “proportionality”; that is the appointment of more Smallholder officials to public administration in line with the election result and that the political changes should keep within the framework of a modern democracy. Contrary to this, the MKP wanted to gain even more posts in the administration. They also aimed to destroy the political basis of parliamentary democracy, thus making possible the seizure of power in a way that appeared democratic. In the subsequent power struggle, the MKP pursued sly policies, such as manipulating the masses, implementing social demagoguery and intimidating people. Their tactic was to assume control of the

various institutions in small steps and to whittle away at their rival political groups gradually. As they “sliced up” their opponent parties into small groups, discrediting them one by one, this communist technique is widely referred to as “salami tactics”. The other way of eliminating the opposition was to cooperate with the “communist sympathisers” who were members of the rival parties. These “left-wing groups” did not join the MKP, they rather destroyed their own parties from within, thus helping the communist breakthrough.

The MKP formed the Left-Wing Bloc (March 1946) with the NPP and SZDP. The new group aimed at isolating FKgP. The Left-Wing Bloc attacked the Smallholders on the grounds that they were ready to cooperate only with the democratic wing (the left in their interpretation) of the party. When Ferenc Nagy attempted to remedy the grievances of the wealthy and middle peasant layers and the abuses that had occurred in carrying out the land reform, the communists mobilised many smallholder peasants to protest against him in Budapest (March 1946). A demonstration under the slogan: “No land to be returned!” achieved the desired goal. Béla Kovács the Smallholder Minister resigned and soon after the FKgP leadership expelled twenty “reactionary” Assembly representatives from the party’s ranks. The expelled members founded a new party, the Hungarian Freedom Party. Another slice of “salami” was cut.

The proceedings against the Hungarian community was not a unique phenomenon. Béla Kovács was imprisoned in an Austrian base of the Soviets (Baden bei Wien) and he was transported to the Soviet Union during the summer of 1951. Although, he was handed over to the Hungarian authorities in 1955, he was not let free until the Spring of 1956. Prime Minister Ferenc Nagy was arraigned while in Switzerland, and he was blackmailed by his son who was still in Hungary. The practice of false accusation became standard protocol and was widely used by the State Security Department of the Ministry of the Interior (AVO).

Attacks on the Smallholders were further intensified in the following months. The party was further weakened by the “B-listing”. This was the process of purging the administration of the “reactionary elements” (mainly civil servants in the Horthy Era). Around 60,000 were dismissed. Next in line was the ban on civil organisations such as the Hungarian Boy Scout Organisation or (even) the Philately Association. This was a decisive blow against the resistance of civil society. The elimination of these groups was organised by László Rajk, Minister for Internal Affairs. The ban was actually triggered by the assassination of a Russian soldier.

The attempts of the FKgP at organising a union which was to represent peasants (similar to a trade unions), could not have been prevented by the MKP, therefore the A.C.C. forbade a debate on the matter in the parliament. As a result of the “salami

tactics” the Smallholders’ Party lost their majority in the Hungarian National Assembly and ceased to exist as an umbrella party. It was a decisive factor as its victory in 1945 was partly due to this latter factor.

THE TREATY OF PARIS

The Peace Treaty that ended the Second World War was signed in Paris (February 1947). The Hungarian Government looked forward to the peace conference. The politicians expected that Hungary would regain its sovereignty, Soviet troops would withdraw and democratic forces would be able to stand up to the communists. It was a grave miscalculation. The Soviets remained here. The stationing of their troops in Hungary was justified by the continuing military occupation of Austria. The government expected that the purely Hungarian inhabited territory along the Romanian border could be retained but this was not fulfilled either. The Peace Treaty of Paris restored the Trianon borders. Furthermore, 3 villages were ceded to Czechoslovakia (the Pozsony/Bratislava bridge head), as it was requested by Hungary’s northern neighbour.

The Paris Peace Treaty brought about even worse conditions for the ethnic minorities, as there were no general rules that ensured their protection. The Allies, realising how effectively Nazi Germany used these minority protection terms decided that policies concerning ethnic minorities should be classed as internal state affairs. This was a more convenient solution for the Soviet Union, as well. This was a quite dangerous approach as millions were forced to leave their homes and were deported to other countries.

THE DESTRUCTION OF THE FKGP

In 1947, as a result of Cominform pressure, the MKP decided to accelerate the process of Stalinisation in Hungary. As the communists held control over the Ministry of Internal Affairs and over the police, they were able to accuse some of the most influential Smallholder politicians of active involvement in an “anti-republican conspiracy”. The charges were based on the gatherings of some politicians which were blown-up by the communists into a conspiracy. Some Smallholder politicians were even arrested on the basis of fake charges. As the communists had not been able to intimidate Béla Kovács, General Secretary of the FKGP, the Soviet military authorities arrested him and hauled him off to the Soviet Union. Whilst on a visit to Switzerland Prime Minister Ferenc Nagy was also accused of taking part in the anti-republican conspiracy. As his son was still in Hungary, Rákosi succeeded in exacting his resignation from him.

THE GENERAL ELECTIONS IN 1947

In 1947 the Communist Party considered that the time had come to seize power. They wanted to hold new elections as soon as possible. The new prime minister, the left-wing Smallholder Lajos Dinnyés also assisted the MKP to succeed in this goal. Since the Smallholders had ceased to exist as an umbrella party there had come into being more, although less significant, parties that competed with the MKP at the elections. After a noisy electoral campaign the communists did not even restrain themselves from committing electoral fraud. Groups of MKP activists, mainly young fanatics, were transported on lorries to many constituencies to cast their blue-coloured voting slips (these blue papers made it possible for people who were on summer vacation to register their votes at any polling station). The roughly sixty thousand extra votes cast for the MKP list (there were no individual candidates) had no significant influence on the results of the elections. Nevertheless, the deteriorating political morale was well demonstrated by the fact that the communists invalidated the mandates of the Hungarian Independence Party on the ground of electoral fraud.

Election results and the number of ministries		
Party	%	number of ministries
Independent Smallholders' Party	57,03	7
Hungarian Communist Party	16,95	4
Hungarian Social Democratic Party	17,41	4
National Peasant Party	6,87	1
Democratic People's party	16,4	
Hungarian Independence Party	13,4	
Independent Hungarian Democratic Party	5,1	

Despite the above mentioned facts the MKP was able to increase its votes only by 5.4 per cent compared with the results of the 1945 general elections. It became the largest single party in parliament. However, the democratic forces together with the Smallholders were still in majority. Unfortunately, subsequent events demonstrated clearly that the elections had been nothing more than the stage props in a farce. The democratic parties were unable to gain power, therefore the MKP, the SZDP, the FKGP and the NPP formed a government in which, according to the democratic rules, even the MKP could become the leading party.

THE "YEAR OF THE TURNING POINT"

By 1947 the international political situation changed. The leaders of the USSR decided on a more radical transformation. As in the other satellite states, they

instructed the Hungarian communists to accelerate the process of “sovietisation”. First the two workers’ parties, the SZDP and the MKP united. Seemingly the unification was carried out in a democratic way. However, prominent Social Democrats who had been labelled as “right-wing” were expelled from the party (for example Anna Kéthly). The new party, the Hungarian Workers’ Party (MDP) soon eradicated the multi-party system in Hungary and introduced a totalitarian communist dictatorship. This was the reason why 1948 was named the “year of the turning point” in communist circles.

Pace and scope of nationalization	
time	scope
1946 June	coal mines
1946 December	more important heavy industrial plants
1947 December	greater banks and industrial enterprises
1948 March	industrial firms employing more than 100 employees
1948 May	bigger hotels
1948 December	industrial firms employing more than 10 employees
1948 - 1952	Urban living quarters and estates
1949 April	Pharmacies and smaller hotels
1949 December	Cinemas, theatres

3. THE RÁKOSI ERA

THE ESTABLISHMENT OF THE TOTALITARIAN DICTATORSHIP IN HUNGARY

Parallel with the rise of the single-party state, the communists accelerated the process of nationalisation. In 1947 banks, in 1948 companies which employed more than 100 people, in 1949 first the wholesale trading companies, later firms which employed more than 10 people, then shops and generally the majority of small trading firms were nationalised. In the new system the omnipotent state controlled every aspect of the lives of the defenceless people, and the Communist Party controlled the state.

In the “year of the turning point” schools were also nationalised. There were only few institutions remaining under church control. The transformation of the educational system resulted in a significant loss of intellectual capacity as most of the trained teachers of the monastic schools were dismissed. In order to break the Catholic church’s resistance the authorities arrested Cardinal József Mindszenty, the Archbishop of Esztergom. He was sentenced to life imprisonment (1949). Many other church leaders met the same fate.

The elimination of the multi-party system and civil organisations was completed in 1949. The parties were merged into the Hungarian Independent Popular Front (from 1954 the Patriotic Popular Front). At the single-party election in 1949, the MDP “gained” 96 per cent of the votes. Hungary established the “dictatorship of the proletariat”. The new constitution ensured the leading role of the Communist Party which was referred to as “the party” and the form of the state became a People’s Republic. The office of president was replaced by the Presidential Council, the old bodies of local governments were replaced by the soviets, or councils (1950), which simply carried out the orders of the central bodies.

Limiting the religious activities (1945-50)	
1945. March	Expropriation of real estate.
1946. July 4.	The banning of the Hungarian Scouting and all the Catholic Youth Organisations.
1948. July 16.	The nationalization of religious schools.
1948. December 26.	The arrest of József Mindszenty, the Archbishop of Esztergom.
1949. September 5.	The termination of compulsory religious education.
1950. September 7.	The Hungarian religious orders are dissolved (except the 4 educating orders)

THE ROLE OF INTIMIDATION

The new regime promised an easier life for the millions of underprivileged. However, the majority of the promises were only partially fulfilled, as a result the number of faithful supporters of the Rákosi regime steadily declined. The communists copied the Stalinist model of intimidating people, to maintain their dictatorial rule.

The institutionalised terror’s famous organisation had been the AVO, the State Security Department of the Ministry of Interior, which was later detached from the ministry and renamed AVH in 1948. The notoriously cruel organisation was led by Gábor Péter, who received his instructions directly from Mátyás Rákosi, the leader of MDP. In the beginning the infamous organisation targeted members of the former democratic parties, the representatives of the church, the wealthier peasant class (so-called “kulaks”) and the intellectuals. No one could feel safe, as anyone could be hauled before the AVH people. The AVH usually picked up their victims at dawn and drove them away in the infamous “black cars”. The most important purpose of terror was the creation of an atmosphere of intimidation, where anyone felt that they might become a potential suspect. The establishment of internment camps and labour camps served the same goal. As it was part of the Stalinist model in the Soviet Union, the terror reached the members of the MDP and as a result of the power struggle, even the leadership of “the party”. First the former Social Democrat leaders, for example György Marosán, later the “non-Muscovite” or “home-grown” communists, László Rajk and János Kádár were arrested. Their court sentences

demonstrated that “the party” and Rákosi ruled Hungary in a totalitarian way. László Rajk’s trial and his subsequent execution were the most shocking events of the institutionalised terror (1949).

THE “COUNTRY OF IRON AND STEEL”

As with the political transformation of Hungary, Rákosi’s economic policy became also a slavish imitation of the Soviet model. Beside Rákosi, Ernő Gerő was the other chief leader who set the goals for Hungary’s economic development.

The communist leaders, preparing also for a potential third world war, aimed at the improvement of heavy industry. Hungary was to be made “a country of iron and steel”. However, neither the natural resources, nor the preconditions made it possible to pursue such ambitious goals. The tragic aspect of the industrialisation process was, that despite the heavy sacrifices an extremely inefficient new industry came into being. The aim of expanding heavy industry was part of the primary goal of the communists to achieve self-sufficiency. They did not want to depend on other countries in any economic field. To attain these ends new mines had to be opened and new factories had to be built which required enormous investments.

Furthermore, the isolated position of the country did not allow the inflow of foreign capital, therefore they had to rely exclusively on domestic resources. Financing these new projects was only possible at the expense of agriculture, infrastructure and living standards. Parallel with the elimination of the private economy the planned economy was introduced; so instead of market forces the Central Planning Office set the mechanism of economic development (after the First Three Year Plan which was to design the rebuilding of the country, the First Five Year Plan was enacted). The difficulties of the Planned Economy were demonstrated by the fact that the party leaders further increased the targets of the First Five Year Plan which had already been shown to be unfounded. Due to irrational economic management production yields fell by 1952 and the standard of living declined despite the enormous input.

THE COLLECTIVISATION OF AGRICULTURE

The communists considered the land distribution a political manoeuvre from the beginning, therefore after the MDP seized power they proclaimed the necessity of collectivisation and soon after started to carry out their plans under force. They had implemented a variety of economic and political means to break the resistance of the peasants. They increased taxes and the quantity of requisitioned crops. There were years when even the seed grain of the farmers were taken (“sweeping the attic clean

of grain”). The communists eliminated the leading layer of villagers in the same way as Stalin had done so in the Soviet Union; they were labelled as “kulaks”. The kulaks’ taxes and their other burdens such as the quantity of the “requisitioned” crops were increased to such extent that it was impossible to fulfil. Mobilising the police against kulaks became common if they failed to provide the required food products.

The communist propaganda that emphasised the advantages of large scale production did not gain ground among the majority of the landed farmers. The peasants hung on to their old or newly acquired pieces of land. They resisted the formation of the Soviet-style of collective farms which deprived its members of their private property entirely. Despite the violent methods of collectivisation only one third of the farmers joined the collective farms. At the same time, agrarian production declined significantly.

Collectivisation, as it took place in the Soviet Union, served ideological, political and economic purposes. The leaders of the party wished to make the socialist sector the dominant sector in the countryside (as they considered state ownership superior to private property), at the same time wanting to break the resistance of the peasants who were still independent due to the private ownership of the means of production. In an economic sense collectivisation served industrialisation, as it helped the allocation of resources and provided a labour force which was the most decisive source of extensive industrialisation.

CULTURE AND THE CULT OF PERSONALITY

The party also aimed to control all manifestations of culture. They followed the model of the Soviet cultural policy. József Révai, the person charged with directing cultural affairs, was an advocate of “schematism” and a new artistic approach that focused upon class struggle. In every field of cultural life the socialist transformation was carried out by prominent scientists or artists who were placed by the party in the forefront of this “struggle”. Those that refused to cooperate had no chance to pursue a professional career.

Modelled on the Soviet version the personal cult of Stalin, that of Rákosi was also introduced in Hungary. Portraits of Stalin and Rákosi appeared everywhere, their portraits hung in classrooms and even in the public transport vehicles. Artists, from actors to sculptors, were all forced to glorify the two leaders, scientists were forced to refer to them in scientific publications. The adulation of Rákosi reached its peak on his sixtieth birthday when hundreds of celebrations all over the country admired the greatness of the “glorious leader”. Even primary school pupils wrote poems dedicated to Rákosi and his name was refrained in songs which were composed for the special occasion.

THE FALL OF RÁKOSI AND THE FIRST PREMIERSHIP OF IMRE NAGY

Stalin died in 1953. Khrushchev, emerging victorious from the subsequent power struggle made attempts at de-Stalinisation (see page 66). This was the reason for summoning the Hungarian party leaders to Moscow. They were instructed to correct the mistakes that they had committed (such as the cult of personality, listing the kulaks and the inordinate drive to industrialisation) as part of the worst of the Rákosi era. The Soviet leaders decided on changes in personnel. Rákosi retained his post as General Secretary of MDP. However, he was replaced by Imre Nagy as prime minister.

Exposé of Prime Minister Imre Nagy

“[...] The sense of justice of the Hungarian public was violated by the great number of court proceedings and transgressions, the widely used administrative methods and the extreme number of abuses, harassments and persecutions. [...] On the basis of all this and in the spirit of forgiveness, to be able to get relief and provide remedy for the justified offenses; the government proposes a bill for the Parliament suggesting the amnesty for all in prison with a minor crime and whose release will not threaten the safety of the state.”

Imre Nagy outlined the necessary changes in his parliamentary speech. He aimed to increase the authority of parliament and to revise the principles of the industrial policy. A policy which had disregarded Hungarian economic conditions and had required disproportionately high investments. He decided to put an end to forced collectivisation and to unlawful political measures. As a result, the system of internment was ended and the communist and Social Democrat victims of the show trials were released from prison. They were later rehabilitated.

As the prime minister started to implement his economic programme he stopped forced collectivisation and some of the large state investment projects. The quotas of the “requisitioning” system (the compulsory deliveries) were lowered and measures were taken to increase the standard of living (wages were increased, prices were decreased and supplies were improved).

However, the leading political force was still the party, and its policies were still determined by Moscow. As a result, Rákosi visited Moscow frequently. As the “hardliners” had gained ground temporarily in Moscow again, due to the worsening atmosphere of international relations, Rákosi succeeded in the dismissal of Imre Nagy (1955). He was again able to assume full power.

4. THE 1956 REVOLUTION AND WAR OF INDEPENDENCE

THE PRELIMINARIES

Rákosi succeeded in the political isolation of Imre Nagy, with András Hegedűs, the new prime minister, being hand-picked to replace him. The foreign political situation, and as a result of this the power struggle in the Soviet Union, brought about a less favourable situation for Rákosi. At the 20th Congress of the Soviet Communist Party (February 1956) Khrushchev strongly urged a programme of de-Stalinisation that would put right the excesses of the previous regime.

As a result of the changes in the USSR the opposition to the party in Hungary, which had evolved in 1953, could not be silenced either. The Petőfi Circle which mobilised many young intellectuals targeted the MDP with growing criticism. Due to the above mentioned facts the leaders of the Kremlin dismissed Rákosi. They appointed Ernő Gerő General Secretary. However, this did not fulfil the expectations of the discontented Hungarians. The reformers in MDP begun to gather around Imre Nagy. The pre-revolutionary upheaval was best manifested by the Literary News (*Irodalmi Újság*) as it criticised the functionaries of the party with withering sarcasm, depicting them as a new ruling class. The idea of the reburial of Rajk and three other victims of the show trials mobilised many people behind the intellectuals (6 October 1956). In the second half of October 1956 the youth organisations of university students seceded one by one from the official youth organisation of MDP (DISZ Union of Young Democrats) and established an independent movement. Within the universities, both in the countryside and in Budapest, the proliferating cells of the organisation distilled their most important demands into bullet-points. They demanded the alteration of the planned economy, the end of the disparity in wages and prices, the renewal of the political system of Hungary, the restoration of democratic rule, the replacement of the new national emblems with the old ones, putting Hungarian-Soviet relations on the basis of reciprocity and the withdrawal of Soviet troops from Hungary.

THE OUTBREAK OF THE REVOLUTION

The students called for a peaceful demonstration, which was to be held on 23 October 1956, to express their solidarity with the changes taking place in Poland. The student organisations were supported by the Petőfi Circle. The political leaders were hesitant about how to respond to the request from the student leaders concerning permission for the procession. They first banned it, but then gave their consent. The march started at three o'clock from the University of Technology and from ELTE

(Eötvös Loránd University of Science). The crowd proceeded to Bem Square where approximately 50,000 people demanded freedom, the restoration of democracy, Hungarian independence and the appointment of Imre Nagy as Prime Minister of Hungary. The workers of Budapest joined the students in late afternoon. The huge crowd marched from Bem Square to the Parliament. They wanted to see Imre Nagy and demanded that he address the crowd.

Part of the huge mass of people that gathered in front of the parliament building marched to Dózsa György Avenue to demolish the eight-metre high bronze statue of Stalin, which was standing on a ten-metre high podium. The statue was the symbol of the hated dictatorship and the oppression of Hungary. The other part of the crowd marched to the building housing Hungarian Radio. They wanted their demands to be broadcast. However, this demand was not fulfilled, moreover in place of their demands the speech of Ernő Gerő was broadcasted. The General Secretary stated in his speech that the demonstration by the people was organised by the “enemies of the people”. In the increasing tension someone fired at the angry crowd from the building of Hungarian Radio. This unleashed the people’s anger, setting off a running gun battle. The demonstration turned into an armed uprising, the revolution had begun.

From the 16 points of the youth – MEFESZ (Union of Hungarian University and Academy Students), 1956. October 22.

- “1. We demand the immediate withdrawal of all the Soviet troops from Hungary, in accordance with the declarations of the Paris Peace treaty.
2. We demand a new, secret-ballot election of basic-, middle- and central-level front-runners of the Hungarian Workers’ Party, and then they shall forthwith summon the party congress in order to elect the new Central Leadership.
3. The government shall be re-organized lead by Comrade Imre Nagy, all previous guilty leaders of the Stalinist Rákosi Era should be replaced immediately.
4. We demand a public hearing and an open trial in the criminal case of Mihály Farkas and his associates. Mátyás Rákosi is responsible at first instance for all the crimes of the recent past and for the destruction of the country and he should be taken home and should be tried by a popular court.
5. We demand general, equal and secret elections in the country with the participation of multiple parties in order to elect a new national assembly. We demand the guarantee of the right to strike for workers.”

Some protesters acquired weapons from the nearby gun stores: Others convinced soldiers, who were ordered to the scene as reinforcements, to relinquish their guns to the insurgents. Fights flared up at many points in Budapest. The uprising could neither be put down by the Soviet tanks, which began to pour into the city during the dawn hours. Their arrival only added fuel to the fire.

THE REVOLUTION IN BUDAPEST AND IN THE COUNTRYSIDE

In the days that followed there were mass demonstrations organised in the countryside as well. The revolution became a nationwide event. The frightened party leaders instructed the Presidential Council to appoint Imre Nagy prime minister. They hoped that the increasingly discontented people would calm down. However, in the tense situation the replacement of the government was not enough, as people demanded a radical structural transformation. The leaders of the party began to gradually lose control and the common people, young workers, intellectuals and students were determining the course of events.

The armed clashes continued in Budapest. On the 25 October at Parliament peaceful protesters were fired on from the roofs of nearby buildings and Soviet tanks, resulting in close to 200 being shot dead on Kossuth Square. People went on strike and established Revolutionary Committees to help in the insurgents' flash points (Széna Square, Baross Square, Corvin Close, Mester Street and Tűzoltó Street).

Pamphlet:

You, Pest lad!

You, youngster from the day care,
You, whose life span is hardly more than fifteen,
You, who laid your life down for the country...

You are not forgotten ever
whilst a single Hungarian is found on earth!

THE RETREAT OF THE FORMER REGIME

As a result of the uprising in the countryside and in Budapest, Rákosi's followers were dismissed from the leadership of MDP. Gerő was replaced by János Kádár who had served out a prison sentence in the Rákosi Era. As a result of these changes even the new party leaders named the events "revolution". They disbanded the MDP and established a new Communist Party, the Hungarian Socialist Workers' Party (MSZMP) (1 November).

The speech of Imre Nagy, 1956. October 28.

“People of Hungary,

[...] The government rejects those statements demanding that this widespread ongoing movement and activity of people would be a counter-revolution. [...] It is inevitable that in these activities a new, national and democratic movement was realised that developed in our people and united all members of it. [...]

The government proposes for the Parliament to change the coat of arms of the country to the Kossuth arms and March 15. should be regarded as a national holiday again.”

As a result of these changes, Imre Nagy announced his readiness to negotiate with the insurgents and to implement the goals of the revolution. In his radio speech (28 October) the prime minister declared the events a “national democratic revolution”. He announced that the AVH was to be disbanded and promised the restoration of a multi-party system and the withdrawal of Soviet troops.

The “regime” and the revolutionaries signed a cease-fire, beginning the process of implementing a new political system and the withdrawal of the Soviet troops. Freedom of the press was once more guaranteed, the old parties were re-established and the convicts of the first show trials were released from prison (for example József Mindszenty). To crown the political transformation, a coalition government was formed which assumed control over Hungary.

Radio declaration of József Mindszenty, 1956. November 3.

Our situation is merely determined by the decision of the imperial Soviet Union with its 200 million inhabitants: its intention with its military force positioned in Hungary. [...] We should not forget, however that the struggle we fought in this country was not a revolution, but a war of independence.”

THE DEFEAT OF THE REVOLUTION

The Soviet leadership were inclined to accept the Hungarian changes in the last days of October. They even conveyed this view to the Hungarian Government. However, the Suez Crisis and the US declarations concerning their non-interventionist attitude made it easier for the Russians to opt for an armed intervention. On 1 November the coalition government of Imre Nagy began its work, meanwhile the Soviets reinforced their army. Hungary was in a desperate situation: Imre Nagy

announced Hungary's withdrawal from the Warsaw Pact and appealed to the UN to recognise the neutrality of Hungary.

The tense political atmosphere appeared to have evaporated from the country, life began to return to normal. However, by this time the Soviets had already prepared a detailed plan to crush the Hungarian Revolution. Negotiations began between the Soviet High Command and the Hungarian Government's representatives concerning the withdrawal of the Soviet troops from Hungary. It turned out later that the talks were only to camouflage the real intentions of the Soviets as they arrested the whole Hungarian delegation, which was led by Pál Maléter Minister of Defence (the Soviets disregarded the diplomatic immunity of the delegates).

From the Memorandum of Imre Nagy to the UN

“He stated for the Soviet Ambassador that Hungary immediately cancels her contract with the Warsaw Pact and declares that she seeks the help of the four big powers for safeguarding her neutrality.”

An open Soviet offensive was launched at dawn on 4 November. The Hungarian army offered only sporadic resistance against the overwhelmingly superior Red Army. The Soviets only had to fight significant resistance in Budapest. The insurgents who were equipped with hand weapons inflicted heavy losses on the Russians. However, due to the enormous difference between the two forces they were unable to hold on longer than a few days. The last pockets of resistance were mopped up by 12 November.

Although the Revolution and War of Independence was defeated by the superior Soviet army, its memory will forever remain vivid, as its impact on the history of Hungary has been and remains enormous.

Radio speech of Imre Nagy, 1956. November 4., early morning

“Here is Nagy, Imre speaking, President of the Council of Ministers of the Hungarian Republic. At dawn today, Soviet forces began an attack on our capital, obviously with the aim of toppling the legal, democratic Hungarian government. Our troops are fighting! The government is in its place. I am making this fact known to our people and the whole world.”

5. RETALIATION AND CONSOLIDATION

THE FORMATION OF THE NEW GOVERNMENT

While the pockets of resistance were being eliminated the Soviet-appointed new leader, János Kádár, arrived at Budapest. He took over power in the name of the Revolutionary Worker-Peasant Government which was formed on 4 November. Imre Nagy and his closest colleagues fled to the Yugoslavian embassy while Archbishop Mindszenty fled to the American one. Many who had participated in the skirmishes, fearing retaliation, fled to the Western countries. They were followed by several hundred thousand people who had lost the hope of a democratic transformation.

The revolution and freedom fight was put down by foreign troops but for a long time the Kádár-government and the MSZMP still had to face local resistance in the factories (e.g. in the workers' councils) and also international isolation.

RETALIATION

Thanks to the Soviet army the government of János Kádár seized power but the populace refused to co-operate with it: the workers' councils and the Association of Writers upheld the demands of the revolution. As opposed to that, in December 1956 the party conference of the MSZMP labelled the revolution as a counter-revolution. It could, however, suppress the resistance of the people only by relying on the Soviet troops and on the newly-organised militia (the Padded Jackets), which later were replaced with the Workers' Guards.

The trials of the revolutionaries began in 1957. The leading politicians who had sided with the revolution were brought to trial only later and their trials conducted with the utmost secrecy. Imre Nagy and his fellows were tricked into leaving the Yugoslavian embassy and taken to Romania. As none of them could be persuaded to co-operate, they were shipped back home and sentenced behind closed doors in 1958. Imre Nagy, Pál Maléter, Miklós Gimes and József Szilágyi were executed, the others were sentenced to several years of imprisonment.

With time the revolution became taboo, it could only be referred to as a counter-revolution and even then by just a small group of the elite. The events were increasingly falsified. As time passed, the official historic account transformed the revolution into atrocities committed by criminals.

Victims of 1956	
wounded	about 20,000
dead	about 2,500
executed	about 350
imprisoned	about 22,000
interned	about 13,000
refugees	about 200,000

POLITICAL CONSOLIDATION

Seeing the suppression of the revolution and the cruel retaliation following it, more and more people were convinced that the system forced on them by the Soviet Union would exist for several generations. This is why most of them tried to coexist with the ruling regime; many even sided with the new government. This explains how the government and the MSZMP could present the support of the masses during the May Day parades in 1957.

Charles Gáti, *História*, 1991/4.

The happiest barrack of the satellites. [...] since there is food, a plot is available, living standards have developed and you could speak more freely than in the neighbouring countries, and finally almost everyone – almost – could apply for a passport. Let's admit that Hungary was outstanding among the other 14 Soviet bloc countries. [...] Neighbours were envious of the Hungarians: Soviet tourists believed that they were in the Western bloc. The West however admired and also idealized circumstances in Hungary; there were years with the brandnames of "Hungary" or "Kádár". After Öcsi Puskás and before Ernő Rubik, János Kádár was the Hungarian person whose name was the most well-known and most admired in the whole world. [...] Misunderstanding the basics of the system, one could even overhear that the realpolitik of Kádár has achieved all goals of the 1956 revolution."

Speech of János Kádár, in 1962

"We shall integrate all, who work for the interest of socialism and peace in the course of socialist national unity. We shall embrace Communists, those who are out of the Party, those who actively support the system and those who are undecided, the indifferent ones, those who are materialistic and those who are religious. The building up of Socialism is the joint matter of the nation."

Exploiting the memory of the revolution and the hostility of the Hungarian people to Rákosi, Kádár was able to prevent his return to Hungary and expel his followers from power. However, apart from a few exceptions, those who had been responsible for the earlier lawlessness were not punished, but placed into different positions of the state administration so they could still remain fairly influential. Having drawn the lessons of the revolution, the leaders of the party didn't introduce a cult of personality, didn't compel the people to be politically active and didn't commit blatantly unlawful acts. The essence of the new policy was announced by Kádár to the public as: "anyone not against us is with us".

In 1963 the majority of the 1956 convicts were given amnesty as a result of considerable international pressure and also in return for taking the "Hungarian question" off the agenda of the UN. Simultaneously, the Stalinists' influence was obliterated within the MSZMP.

ECONOMIC CONSOLIDATION

One lesson of the revolution was that the question of the standard of living had to be a priority for the party leaders. In the interests of political stability they regarded it as essential to slowly, but continuously, improve the welfare of the people, compensating them for the restrictions on their political freedom.

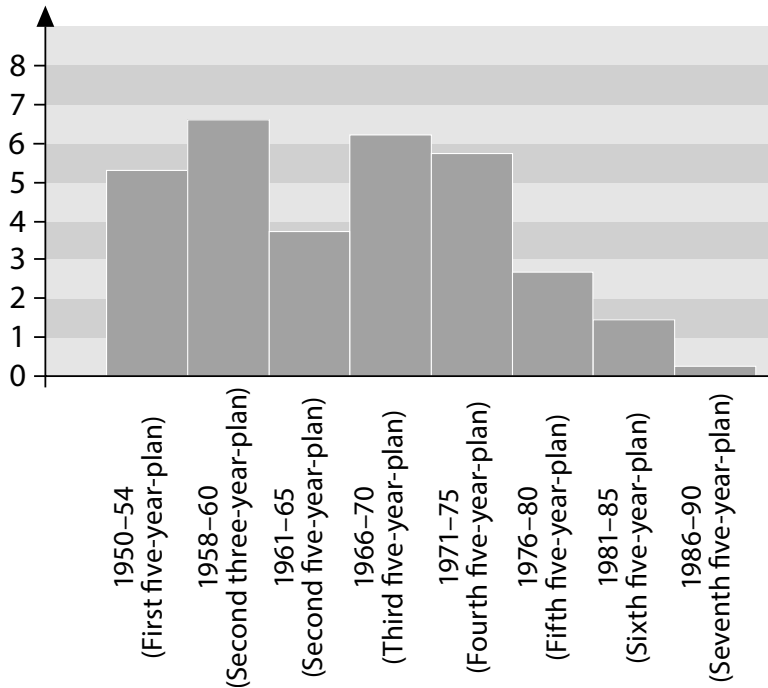
In order to solve the economic problems caused by the revolution (such as, the loss of production, destruction of property) the countries of the Communist Bloc provided large loans in goods and cash. In the economic policy, the rate of investments was reduced compared to the funds meant to be used for raising the standard of living. Compared to the previous policy, less emphasis was put on the development of primary production (e.g. mining, metallurgy) though heavy industry still remained the priority.

For a short period after 1956 the regime allowed the peasant farms to survive but the total collectivisation of agriculture remained its aim. The so-called socialist transformation of agriculture continued to be forced because big estates were considered to be superior to small farms and because agriculture was supposed to ensure the labour force for industrialisation. It was also considered important to eliminate the self-sufficiency of the peasantry based on their private property, which made the peasants independent from the state and authorities.

The collectivisation of agriculture took place between 1959 and 1961. The organisation of collective farms occurred not without violence this time either, although the government also used other means of persuasion: concessions were given, machinery was provided for farming, the insurance system was extended to include the peasants on the collective farms. It reduced resistance considerably

that the Soviet model was modified to allow peasants to have a small household plot of their own. This made it possible for peasants to keep animals so the Hungarian peasants – unlike the Soviet kolkhoz members – didn't lose their affection for work. Another important factor contributing to the success of collectivisation was that it became evident, for the peasants as well, that they had to coexist with the system.

Unlike in the early 1950s, the organisation of collective farms, using the methods described above, didn't cause a drop in production and later ensured a good supply of food, which became a vital element in the policy of maintaining a good standard of living.



*The average annual development rate of the GNP
(Gross National Product (1950-1990))*

6. THE “HAPPIEST BARRACKS” – THE PERIOD OF “GOULASH COMMUNISM”

THE INTERNATIONAL BACKGROUND TO THE “HAPPIEST BARRACKS”

From the 1960s the MSZMP, led by János Kádár, in the beginning with the support of the Soviet party head Khrushchev, wished to follow a policy which could prove the viability of communism, both to the Hungarian people and to the international community. A dominant element of this was the annual moderate increase in the standard of living and satisfying the demand for certain consumer goods. It was believed that these could replace political freedom and would depoliticise the majority of the populace, which had turned against the communist system in 1956.

COMPROMISE BETWEEN SOCIETY AND AUTHORITY

From the mid-1960s the policies of the Kádár-led party were determined by a wish to conciliate the people and by the denial of the “intensification of the class struggle”. In the spirit of this policy, the regime to some extent normalised its relation with the different churches and the writers who shaped public opinion. The need to create national unity was proclaimed. After several decades of tribulations, most of the people accepted, with resignation, the party’s policy of conciliation and its intention to compromise. They understood that as long as they didn’t openly criticise the policies of the party and stayed away from opposition activities, their private and family life would be left alone. What is more, they would be able to achieve a modest level of prosperity. The policy of “live and let live” resulted in the collaboration of the people and the regime without any great conflicts for more than two decades.

THE NEW ECONOMIC MECHANISM

Ensuring a decent standard of living, which was also important politically, necessitated development, both in industry and agriculture. After the collectivisation of agriculture had finished, industry could no longer mobilise fresh labour forces from the villages. As women had been recruited to work, the last reserves of “manpower” were drained. The potential for an extensive expansion of industry (with the setting up of new factories and the enlargement of the old ones) was ruled out.

Any future development had to come from an increase in productivity. By the mid-1960s, however, it became increasingly obvious that intensive economic growth couldn't be carried out under the rigid framework of planning.

As the Soviet Union was struggling with similar problems, the Hungarian party leadership were given consent to introduce the necessary economic reforms. Thanks to this, the new economic mechanism was launched in 1968. This aimed to inject elements of market mechanisms into the lifeblood of the Hungarian economy.

The new system of economic management gave factories greater opportunity to exercise their initiative and tried to introduce realistic prices and wages. But because of political considerations some checks were built in the system: e.g. full employment continued to be a basic principle, fixed prices were kept for many goods and an increase in personal income was held back. Thus the economy prospered, the ability to adapt improved and there was a rise in the standard of living, as well as in the supply of goods. Nevertheless, the system was still not suited to overcome future crises.

ECONOMIC AND SOCIAL CHANGES

From the mid-1960s to the beginning of the 1970s the dominant sector (61%) of industrial production was heavy industry, which required a lot of raw materials and energy. The contribution of light industry and food processing to economic output further decreased. The dynamic increase of industrial production (7% on average) was mostly achieved through new investments (in mechanical engineering, chemical industry etc.) and the recruitment of new workers, but productivity didn't improve. In this period the most successful branch of the economy was, without doubt, agriculture. There was a spectacular growth in production, achieved on a decreasing area of land and with less labour input but greater efficiency. In the modernisation of agriculture, besides mechanisation and the use of artificial fertilisers, a significant role was played by the spread of new crops and the industrial production of crops (corn, potato, sugar beet, sunflower).

Animal husbandry also took off, with flourishing household plots playing a significant role in this. Within infrastructure, in transportation significant development was achieved primarily in motorisation (private cars, trucks and buses). However, Hungary's lag behind the international standard remained basically the same. The lag was even greater in communications. In Hungary the number of telephones per capita on the telephone network was on the level of third world countries.

The era's social changes followed international trends but took place more rapidly – in Western Europe the same processes had taken more than half a century

– and with a delay of thirty to forty years. The most important social change was the completion of the process of rural workers' migration to industry and also a start in the increase in the number of workers employed in the service sector. Simultaneously, there was a gradual increase in the ratio of white-collar workers and the decrease in the ratio of blue-collar workers and a decrease in the ratio of blue-collar. The modernisation of the countryside had begun. Urbanisation (people moving to towns) continued with the new characteristic that the most dynamic growth occurred not in the capital but in (large) provincial cities (Miskolc, Győr). In education, nursery schools became widespread: there was a continuous decrease in the number of those students who didn't finish primary school. Also, the number of students in secondary schools and at university increased.

An outstanding achievement of the Kádár-era was that living in daily privation was eliminated. Income levels were equalised between industrial and agricultural workers; white- and blue-collar workers; and between managers and employees.

"GOULASH COMMUNISM"

Owing to the economic reforms, there was a tremendous increase in people's consumption in Hungary; at least compared to the countries in Central Eastern Europe. The standard of living rocketed, several consumer goods (washing machine, radio, TV) became widespread and there were more cars. The standard of food-supply improved, e.g. meat, milk and sugar consumption increased significantly.

The economic changes resulted in wide-ranging social mobility, that resulted in an increase in the number of first generation white-collar workers. This process was promoted by the creation of a national network for education and popular culture. Within the limits of the system there was greater freedom of the press and book publishing. The famous-infamous policy of three Ts (tiltás/forbiddance, tűrés/tolerance and támogatás/ countenance) also gave greater freedom to artists.

Owing to the greater income and greater political freedom, the number of Hungarians who travelled west increased significantly. So did the number of foreigners visiting Hungary.

The shops full of goods; the large amount of car traffic; the more liberal book publication; the greater opportunities for travel; the authorities' abstinence from the use of open violence; the relative relaxing of ideology: these changed the negative image of Hungary and of the Kádár regime built up following 1956, both internally and in the eyes of the Western powers.

7. THE CRISIS OF COMMUNISM IN HUNGARY

CLAMPDOWN ON THE REFORMS

The chances of reform were spoilt when the members of the Warsaw Pact, among them Hungary, suppressed the “Prague Spring”, which had started with slogans advocating democratic socialism, with military force. Following the Czechoslovakian intervention of 1968 the Hungarian party leaders decided to limit the reforms strictly to economic areas, but this led to the process coming to a standstill.

On the insistence of the Soviet party leadership and the opponents of the reforms within the MSZMP, the politicians who had worked out the plan for economic changes (Jenő Fock, Rezső Nyers) were forced into the background after 1972; and ultimately the reforms were stopped (1974). The influential members of the party elite had realised that the ultimate impact of implementing the changes could lead to the virtual disappearance of the single-party regime. Rejecting the political and social consequences of adaptation to market mechanisms also raised the question of whether the communist system could really be reformed.

RELATIVE PROSPERITY

The debate about the reforms in the party leadership and the personal issues connected to them were seen by the majority of the people as an internal conflict within the ruling elite. In this way people and politics became almost totally divorced from each other. During the 1970s, the decline in the competitiveness of Hungary, which particularly affected raw material and energy-intensive heavy industry, was not felt by most of the people, or at least only slightly. People’s attention, having been excluded from politics, was taken up with their personal enrichment (acquiring a home, a weekend house, a car) and various shopping and travel opportunities.

Clearly analysing the political situation was made difficult by the fact that in some areas there were spectacular achievements. Agriculture could compete successfully on the world stage and by the 1980s its productivity for a good amount of its produce came close to the standard of Europe’s most developed agriculture. During the 1970s and 1980s, the fruit and vegetable production and pig keeping, all done mostly on the household plots, increased without a break. Signs of a crisis in the 1970s were also hard to detect because some long-awaited investments in infrastructure were completed during the period. The Budapest metro started to operate (1970) and the first section of the highway to Balaton was opened to traffic (1975).

In the eyes of the people, during this decade, foreign policy – in spite of its narrow scope for action – turned into a successful sector. Exploiting the general military and

political détente, Hungary developed wide-ranging economic and political contacts with her former enemies, the Western powers. As part of the good-neighbourly relations we had especially friendly relations with Austria which culminated in the rescinding of the system of visas. In the 1970s we consolidated our political and economic relations with the FRG, the Vatican and the USA (as a result of the latter, Hungary regained the Holy Crown and the coronation jewels). The greater scope for action was also marked by the fact that the situation of Hungarians living outside our borders – especially of those living in Romania – could be publicly discussed.

THE UNFOLDING CRISIS

At the beginning of the 1970s the ending of the income disparity resulting from the economic reforms and with measures to improve the situation of workers (wage rises, reducing the number of working hours) dampened the likelihood of any socio-economic conflicts. But the economic potential of the country and even more its adaptability didn't improve. Consequently, due to the 1973 oil crisis, the exchange rate terms became worse and worse for Hungary. This meant that we were increasingly unable, by a large margin, to buy raw material and energy in exchange for the Hungarian industrial products sold abroad (buses, TVs etc.). The Hungarian economy, restricted by the planning system and forced to trade within the COMECON, proved unable to adapt to the changes in the world market induced by the oil crisis. Industry couldn't increase its productivity so the position of the Hungarian economy relative to the world market continuously deteriorated.

The party leaders hoped to evade the unfolding economic crisis by taking up loans from the Western powers. These loans, however, couldn't help the Hungarian economy to solve the crisis because their application was based on two serious economic miscalculations. One presumed that the rise in oil prices would be a temporary phenomenon which would affect only the Western powers. According to the other, the "cheap" western loans would enable us to start such crucial heavy industrial investments which would result in the repayment of the loans and the interest. The errors in economic policy were aggravated by the party elite's refusal to drastically decrease the standard of living, which they insisted on, having drawn lessons from 1956. Thus, for political reasons, most of the loans were spent on maintaining the standard of living which had been achieved earlier. Most of the large investments started in coal mining and heavy industry, but within the rigid planning system this only made matters worse. By the end of the 1970s, it became obvious that the country's economy was drifting towards a severe crisis. János Kádár used the situation to get rid of conservatives in the party and to place reformers in key positions, but it was in vain. The country was on a collision course, debts had

begun to spiral out of control: to be able to service earlier debts new ones had to be taken up under increasingly worse terms. Not even the measures of retrenchment (raising prices, decreasing real wages) undertaken in 1979 could put the country on a course to growth in the short run and consolidate the economic situation of the debt-burdened country.

Year	Foreign debt (million \$)	
	Gross	Net
1975	4,199	2,000
1977	6,253	3,580
1978	9,466	6,141
1984	10,983	6,549
1985	13,955	8,046
1987	19,584	13,683
1989	20,390	14,900

The change of the amount of the Hungarian foreign debt

THE DEEPENING OF THE ECONOMIC AND SOCIAL CRISIS

Due to the mistaken decisions in economic policy the country rapidly grew indebted. At the beginning of the 1980s, the party leaders tried to introduce economic reforms again but these didn't significantly improve the situation. The failures made it evident for more and more people that partial reforms wouldn't save the system, planning couldn't compete with a market economy.

By the 1980s indebtedness reached the level where the maintenance of the earlier standard of living was impossible. While the people worked more and more, the state could less and less ensure those achievements (free medical care, full employment) which gave justification for the communist system. This brought severe economic hardship for a growing sector of society. The populace took notice of the worsening living conditions with growing anxiety, which was reflected in the start of the process leading to a decreasing population.

The strongest pillar of "goulash communism", the continuous increase of the standard of living collapsed. The social problems led to a social crisis and a growing mass of people grew alienated from the regime.

8. DEMOGRAPHIC CONDITIONS AND SOCIAL CHANGES DURING THE YEARS OF SOCIALISM IN HUNGARY

DROPPING BIRTH RATE AND MANAGING THE PROBLEM

In the 1960s, the birth rate gradually declined, which can be explained partly as a counter-effect of the Rátkó-era (Rákosi-era) and partly by other social phenomena. For example: female participation in the job market was high and it was very hard for women to cope with the new challenges of the dual role of breadwinner and homemaker. Urbanization and industrialization also affected the birth rate, as the share of rural society – in which large families are more common – declined markedly. A loss of religious faith among young people was another contributing factor.

The government tried to stop and even reverse the process with various measures. To support working mothers, a nursery- and kindergarten-program was developed. The period of paid maternity leave was extended and child-care allowances were introduced. These changes made it possible for one of the parents to remain at home for three years with the newborn and remain in the state-supported social system. The housing requirements of those with a child were supported and the amount of family allowances were increased.

The number of newborns indeed increased, however, not just because of the above-mentioned programs. It was mainly the consequence of the fact that the children of the Rátkó-era grew up to become parents themselves. The phenomenon could hardly be contained by the various government – financial – measures. The crisis of the 1980s, the worsening living standard, and the contraction of the welfare state all caused the decline of the birth rate to accelerate. (A natural population loss was first experienced in Hungary in 1981.)

The extra work (e.g. in the secondary economy) undertaken to achieve and maintain better living conditions as well as the economic crisis caused a gradual deterioration of the health conditions of the Hungarian population. The previously mentioned decline in the birth rate was parallel with similar drops in developed Western countries, however the rapid increase of the death rate was a unique phenomenon. Life expectancy dropped (especially in case of males) due to the higher death rate of the active population. The number of deaths per year approached that in the 1920s. After the change of the system, there was no significant change to the birth rate, but the steady increase of the death rate came to a halt and even started a slight decline.

POPULATION LOSS – AGING SOCIETY

The population of Hungary has been on the decline since 1981. It peaked around 10 and a half million and is projected – bar any significant changes – to drop to about 7 million within a few decades. Parallel with depopulation, the population has also aged as the percentage of the elderly grows steadily.

Both processes have significant economic consequences. Depopulation may lead to a labor market shortage that can hinder economic development. A labor market squeeze may also result in the employment of large numbers of guest workers, followed by immigration, as has been the case of several Western European countries.

As a result of these processes, the percentage of active workers decreases, while the rate of those eligible for a pension grows. Thus the number of people paying social security contributions declines as the number of those entitled to benefits increases. After a critical limit is reached, this can cause the collapse of the social security system. To avoid this, the pension age has gradually been raised.

SOCIAL CHANGES IN THE SOCIALIST DECADES

The terror of the World War and the social movements and political processes that followed have radically altered Hungarian society.

Forced industrialization accelerated social mobility and collectivization added to the impetus as thousands of rural peasants left their villages and became industrial workers. The rate of urban dwellers increased as the percentage of rural dwellers declined. This change corresponded to the development trends of the era, but the means by which it occurred were controversial. As there was a greater demand for a trustworthy political apparatus, the training of mid-level party cadres and intellectuals increased. The schooling of workers' and peasants' children was prioritized. However, the desired result was not achieved as most of these trained youth became revolutionaries in 1956. The process continued throughout the 1960s, together with the further creation of collectives. The modernization of Hungarian society (comprising employees, farmers on cooperatives and a very small number of entrepreneurs) continued throughout the 1970s. The pace of social mobility slowed and shifted in line with trends in developed countries. A further decline – however not as significant as previously – occurred in the primary sector (agriculture). Also, the expansion of the secondary sector first slowed, then stopped, while a steady increase was seen in the tertiary sector (trade, services, administrative and intellectual jobs). There was an interesting, dual type of situation for those who

worked in the city (mostly in industry), but lived in villages and thus had extra income from gardening and agricultural activities.

Full employment was achieved throughout the 1960s and 1970s. The system provided a considerable degree of security for those who were employed, and it made a big contribution to the wellbeing of society, as evidenced by an increase in household mechanization (more washing machines, vacuum cleaners, etc.) and the growing practice of taking longer summer holidays. The improved living standard affected a wide range of strata in the society. Blocks of flats were constructed by the state, while preferential loans made the private construction of houses possible. The comfort level of the newly built flats and houses was a big step up from previous eras; however, the size and the standard of the flats (mostly in blocks of flats) were less than desirable.

The crisis of socialism brought an end to the modest welfare and sense of security provided by the state. Unemployment appeared, more social groups fell out of the state's safety net and homelessness emerged as workers' hostels were wound up.

The market economy and democracy took root in the ruins of a crisis-stricken economy and society. The change of the system initially strengthened the signs of crisis amid privatisation, factory closures and rising unemployment. The situation was further worsened by the earlier elimination of the non-government and non-profit sector during the socialist decades, accelerating, rather than stabilizing, impoverishment. Unskilled and older employees, as well as pensioners, were especially hard hit.

NATIONAL AND ETHNIC GROUPS IN SOCIALIST HUNGARY. HUNGARIANS BEYOND THE BORDER

Ethnic minorities suffered a great loss after WWII. About 200,000 Germans were expelled from the territory of Hungary under the orders of the Allies. Similarly, pressure from the Czechoslovakian government forced a Hungarian-Slovakian population exchange, resulting in the departure of 60,000-70,000 Slovaks. The percentage of ethnic minorities dropped under 1%.

The dictatorship in the 1950s meant a repression of ethnic minorities, too, as their non-governmental institutions were nationalized. Because of fear of expulsion, some wouldn't reveal their German ethnicity and the case was the same for the Southern Slavs after the political conflict with Yugoslavia. Repression was less obvious during the Kádár-era as the aim was to integrate ethnic minorities into the system, while supporting their schools and cultural institutions. Industrialization also accelerated the processes of assimilation.

ROMA POPULATION

The position of the Roma (or Gypsy people) among the ethnic groups is unique, as their identity is connected not to their mother tongue – most of them speak Hungarian – but to their common sense of origin and culture. Their ethnic identity is mostly based on a sense of belonging: anyone who declares himself/herself a Gypsy, is regarded so. As is the case with any ethnic group, they often adopt a dual identity.

Recently, the name Roma (instead of Gypsy) has appeared in the terminology, because of the possible negative connotations “Gypsy” has. Similarly, the ethnic Romanians or Slovaks of the 19th century rejected the use of traditional expressions such as *Oláh* or *Tót*. Indeed, these expressions have disappeared from the everyday Hungarian language, although they may still be found in the literature or publications of the early decades of the 20th century.

The number of Roma was insignificant in the territory of historic Hungary, but their number showed marked growth in the 1950s and 1960s linked to the support system of the social security connected to the obligation of employment. Estimates suggest there were about 320,000 Roma in Hungary in 1971, while the number reached around 400,000 in 1993. Today, the Roma population is the most numerous – and ever increasing – ethnic minority in the country.

HUNGARIANS AS AN ETHNIC MINORITY IN THE CARPATHIAN BASIN

The establishment of the socialist systems in Central Europe was in part a relief for the ethnic minorities in the region as it ended their previous, post-war persecution. On the other hand – similarly to the majority populations – the ethnic Hungarians were vulnerable to the authority of the state. Their possessions were expropriated, their organisations and institutions were banned, and their religious institutions were restricted. However, later – under the control of the party state – some possibilities re-emerged, among them schools, book publishing and cultural institutions. At the same time, the state had new means for the forced assimilation of minorities.

The situation of minorities in different countries in the region varied depending upon the location. After the end of the war, in Tito's Yugoslavia – after the anti-Hungarian manhunt – the autonomy of the Vajdaság (Voivodina) provided a rather free climate – compared to the other neighboring states.

Due to the peace treaties, the Hungarians in Romania were given broad rights regarding their education. Székelyföld (Sekler land) achieved territorial autonomy, but it was only apparent on the surface between 1952 and 1968 (e.g. the street names were written in Hungarian, too). From the mid-1960s on, after the nationalistic turn

of the party secretary Ceaușescu, the Hungarian institutions were eliminated one after the other. An organized resettling of Romanians took place in the Hungarian cities, thus the ethnic Hungarians were no longer a majority there. At the end of the 1980s, a systematic resettlement scheme was concocted that would have meant the elimination of Hungarian villages (“village destruction”), but the program was never implemented because of the fall of the regime.

The Hungarian minority regained their self-confidence very slowly after the forced re-Slovakization and the population exchange after the war in Czechoslovakia. Hundreds of thousands never dared to reveal their Hungarian ethnicity.

The Hungarian population of Transcarpathia (Kárpátalja) was under the authority of the Soviet Union and lived in intimidation. They had the chance to acknowledge their ethnicity only after the 1960s.

The Hungarians living in Austria were cut off from the mother country by the iron curtain, too. While a gradual assimilation took place in the Burgenland region, repeated waves of emigration added to the Hungarian population of the region.

HUNGARIANS IN THE WORLD

About one-fifth of Hungarians live in places around the world because of the historic events of the 20th century: they emigrated, were expelled, persecuted or exiled and found new homes in North- and South America, Australia, Israel, South-Africa and Western-Europe. They comprise the originally 2-million-person Hungarian diaspora. Half of them, however, are no longer able to speak Hungarian. The World Federation of Hungarians put the number of Hungarians around 15 million in 1996. Some 13 million of them live in the Carpathian-basin – in the territory of historic Hungary: 10 million in Hungary, about 2 million in Transylvania, 600,000 in the Upper Hungary region, 360,000 in Voivodina, 180,000 in Transcarpathia, 20,000 in Croatia and about 10,000 in both Slovenia and Austria.

9. THE CHANGE OF REGIME IN HUNGARY

THE CAUSES OF THE CHANGE OF REGIME

By the second half of the 1980s, the failure of the Soviet-type communist system became more and more apparent. The party leaders had grown old and less able to take into account the reality of the situation; consequently they were helpless in the face of the unfolding economic and social crisis. Because of the growing indebtedness of Hungary, state finances came close to bankruptcy on more than one occasion.

Most of the people compensated for the loss in income by working overtime. This became possible in various offshoots of the main production lines: in the economic work partnerships (so-called “GMK”) founded within the factories for the purpose of working overtime, on the flourishing household plots; and, in the newly emergent private enterprises (e.g. taxi service). Practically every family took part in self-exploiting work in the so-called second economy. The daily round of 10-14 hours of work resulted in a decay in health. At the same time, societal differentiation in material wealth began and the economic gap between rich and poor widened.

Parallel with the intensifying crisis of the regime, the opposition started to organise itself. The first significant meeting of the opposition took place at Monor (1985) where the leading personalities of the opposition of the time and the reformist intellectuals participated. At this meeting the demand to eliminate the single-party state and to extend political freedoms already arose.

A FAVOURABLE TURN IN FOREIGN POLICY

By the second half of the 1980s it was more and more apparent that the Soviet Union had lost the arms race with the Western powers and due to her increasing economic difficulties she was unable to maintain her half a million strong army stationed in Central Eastern Europe. Instead of confrontation and isolation, Gorbachev and the party leaders changed the direction of their policy: her previous defence policy was reassessed and he opened the way for the social and political changes which had started in the Central Eastern European countries.

THE RISE OF NEW POLITICAL FORCES

The new political-economic elite, which had emerged and become more organised by the 1980s, tolerated supervision and paternalism by the weakening party leadership less and less. By 1988, the MSZMP, led by János Kádár, had lost the support of most of the party members and also many of the groups in society. The majority of people wanted radical change.

Lakitelek declaration, 1987

“Hungarians have drifted towards a deep crisis of their history. They have halted in their popular movement, have trembled in their self-esteem and poise, their cohesion-links have tragically loosened and their self-awareness is appallingly imperfect. We face an economic decline threatening with a total collapse. The ethnic Hungarians are tragically disintegrated. There is no future scenario for the nation that we could commonly undertake.”

Social Contract. - from Beszélő, 1987 June

“The social unrest personifies its object. Earlier, the successes of the consolidation era were connected to János Kádár, and now the country identifies the failures with him. The popularity of the party secretary devalues more than the Forint itself. There is one thing on which everyone agrees – from the worker to the party member – that Kádár has to go. [...]”

Opposition organisations were formed, the forerunners of the future parties: the Hungarian Democratic Forum (MDF), the Association of Free Democrats (SZDSZ), the Alliance of Young Democrats (FIDESZ). The events organised by them attracted more and more people. On 15 March 1988 more than ten thousand people participated in celebrations in Budapest which developed into a demonstration. A year later around one hundred thousand people celebrated together with the opposition.

Within the MSZMP a growing number of party members sided with Imre Pozsgay and Rezső Nyers, the reformist leaders calling for changes. During the party conference in May 1988 the reformers gained more influence and their representatives were elected to the highest party bodies. Károly Grósz was elected the general secretary of the party. As prime minister, Grósz had already carried out some cautious reforms and now hoped to resolve the situation with the introduction of some minor changes which would leave the essence of the regime intact. But the economic crisis deepened, increasingly alarming data on the indebtedness of Hungary was published. The opposition became more active but the Soviet party leaders gave no support to a violent crackdown on them.

In early 1989 Imre Pozsgay labelled the 1956 revolution a popular uprising in one of his public speeches. This meant refuting the ideological justification of the Kádár regime (according to which 1956 was a counter-revolution). The disintegration of the party started, in politics the initiative passed to the newly forming parties and political movements. In the economy a process of spontaneous privatisation began, during which the political-economic elite ensured their position within the new system.

At the reburial of Imre Nagy and his fellow martyrs (16 June 1989) a crowd of about one hundred and fifty thousand people not only paid respect to the heroes of 1956 but performed a symbolic burial of the Kádár regime.

These 12 points were the joint demands of the opposition on 15th March, 1989. They were shared with the audience by the actor György Cserhalmi at the National Museum. While there were widespread arrests a year earlier, now the opposition could celebrate freely.

1. We demand the genuine representation of the people and a multi-party system....
2. We demand the rule of law instead of a police state. Let human rights be enforced and let there be an independent judiciary.
3. We demand freedom of speech, freedom of press, freedom of religion and freedom of education....Let the State Religious Office be dissolved.
4. We demand the right to strike. Let there be no restriction of freedom to defend interests, to hold parties accountable and to exercise solidarity.

THE PEACEFUL CHANGE OF REGIME

The people of Hungary wanted a peaceful change of regime which would eradicate the single-party dictatorship and, in addition to political freedoms, would ensure social security for every citizen.

In the summer of 1989, talks started between the MSZMP and the Opposition Round-table ("EKA") representing the opposition groups in order to prepare for peaceful transition. The latter was created to enable the opposition to co-ordinate its policies and it united the opposition parties with the greatest social support (e.g. MDF, SZDSZ, FIDESZ, SZDP, KDNP and the FKgP). At the negotiations the representatives of the MSZMP and the EKA agreed on the basic rules and the agenda for the peaceful transition (September 1989). The MSZMP gave its consent to the opposition proposals: to making amendments to the constitution and to creating the conditions for free elections based on a multi-party system (the financial funding of the parties, rules of elections etc.). It also ensured parliamentary consent for these.

At the same time, the last communist government with Miklós Németh as prime minister, started to dismantle the institutions of the single-party regime and to give a new meaning to the relations with the Soviet Union and the other communist countries. It initiated talks about the withdrawal of Russian troops from Hungary (this was signed in March 1990) and opened the border for those East-German

citizens who wanted to go west (September 1989). This step was very important in the unification of the two Germanies and the domino-like fall of the Central Eastern European communist systems. In the meantime the reformist communists (Imre Pozsgay, Rezső Nyers, Miklós Németh) established the Hungarian Socialist Party to replace the former single party. The MSZP inherited the wealth and positions of the MSZMP but defined itself as a modern social democratic party supporting democracy.

After the parliament had modified the constitution, the third republic was proclaimed in Hungary on the 23 October 1989, on the 33rd anniversary of the defeated revolution. Genuine political changes started, however, only after free elections were held with the participation of many parties.

For the Hungarian people it was novel to see the political fight, the struggle during the electoral campaign, which appeared in the press, on TV, at rallies and on posters. Contrary to expectations, this fight was most acute between the opposition parties and not with the representatives of the old regime. Their conflicts became evident right after the signing of the round-table agreements. The SZDSZ and FIDESZ, for example, opposed the idea that the president of the republic should be elected before the parliamentary elections, directly by the people, because in this case the then popular and well-known Imre Pozsgay was likely to become president. As a result of collecting signatures, a plebiscite (a referendum) was held (November 1989) where it was decided that the president could be elected by the new parliament. The plebiscite turned the two strongest opposition parties, the MDF and the SZDSZ, against each other.

At the first parliamentary elections after the fall of the single-party regime, in March and April 1990, 65.77% of those eligible voted. The election was won by the Hungarian Democratic Forum and it formed a coalition government with the FKgP and KDNP with József Antall as prime minister. The strongest opposition party in parliament was the SZDSZ, advocating radical anti-communist slogans.

The two largest parties, the MDF and the SZDSZ, made a pact on the operation of parliament and the government. According to this the SZDSZ nominated the president of the republic, Árpád Göncz, and the MDF the Speaker of the House, György Szabad. In order to facilitate governing, the number of laws requiring a two-thirds majority of the votes of the representatives ("two-thirds" laws) was reduced. Greater political weight was given to the prime minister by accepting the institution of a constructive vote of no confidence.

In the autumn of 1990 there were local elections. It was one of the most significant events in the change of regime that the council system, which had been an obedient executor of the will of central government, was abolished and independent local councils came into being enjoying broad powers.

Excerpts from the Government program of József, Antall 1990 May.

“Our principles:

Principle 1: This government intends to be the government of freedom.

Principle 2: The new government intends to be the government of the People.

Principle 3: This government intends to be the government of the economic turnaround, and it is also aware of the fact, these are the greatest tasks awaiting us.

Principle 4: The new government will become a European government, not just in the geographic sense. We declare the tradition of democracy, pluralism and openness.”

THE CREATION OF SOCIAL MARKET ECONOMY

After the change of regime, the creation of the social market economy was started in Hungary. The aim was to construct a system which would be based on market relations but would redress the greatest inequalities through state intervention and would ensure the welfare of society.

The scope of action for the first government after the change of regime, however, was narrowed by the financial obligations arising from inherited debts, by the economic crisis and by the lack of Hungarian capital. This is why privatisation, which was essential in the creation of a market economy and for the economic recovery, took place under controversial circumstances. A lot of loss-making factories and firms were closed down and several hundred thousand people became unemployed.

10. FORMING THE DEMOCRATIC SYSTEM***THE OUTCOMES AND HARDSHIPS OF SYSTEMATIC CHANGE***

Following the 1990 elections, the new political regime in Hungary sought to redefine its system of governance on both the national and local level. Hungary instituted a new democratic system of laws – based on the separation of powers and popular sovereignty – that replaced the former authoritarian system based on state socialism. The most profound change was the establishment of a regularly meeting, multiparty parliament that served as Hungary’s legitimate government. The system of local governments and public administration was subsequently reorganised and given new responsibility. This division of power – or system of checks and balances – created a functioning democratic civil society.

Upon their formation in 1990, local governments were to represent the interests of the local citizenry and were provided by the national government the financial means

to meet the needs of their citizens. City councils were chosen to lead the individual local governments and were elected for four-year terms. For settlements with populations exceeding ten thousand, the city council would elect a mayor. This changed in 1994 when citizens were given the right to directly vote for the mayors in those areas.

The necessity of free elections and private property ownership, the basic conditions required for a democratic civil society, were generally agreed upon by the political leadership and the majority of Hungarians, however the path to determining this realisation differed greatly. The greatest issue facing Hungary was that there was no precedent for how a country should transform from a system of state socialism to a democratic civil market economy.

The Washington consensus served as a possible scenario for the transition to the market economy. This program was ratified in 1989, in Washington DC and was originally designed for Latin-American countries being in a debt-spiral who were offered a program supporting their economic-financial development.

The first post-socialist Prime Minister, József Antall (1990-1993), referred to his government as the “kamikaze-government”. This nickname was to characterise the approach his government would have to take to respond to what were considered unsolvable challenges. Expectations from the political transition were that the Hungarian population be given an increased level of liberal rights, a quick attainment of Western living standards, and the preservation of social security programs. For these reasons the growing unpopularity of the newly elected government was foreseen – according to the elected Prime Minister.

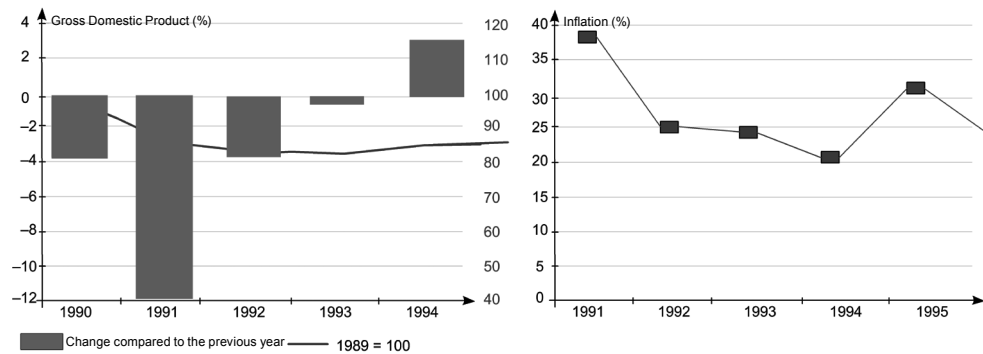
“The situation of the government was further complicated by the fact that the majority of the mayor-positions and most of the positions in the local governments were won by the opposition parties in the cities (mostly by the Alliance of Free Democrats, SZDSZ) and by independent candidates in villages. Owning the local power emphasised the importance of those opposing the government forces in national matter of the politics.”

ECONOMIC-SOCIAL PROCESSES

In the years following the political shift in Hungary, the changes to the economic system had a primarily adverse effect on the country. Economic contraction was due to the loss of the eastern markets, the collapse of the country’s heavy industry sector and inflation. Hungary’s GDP (Gross Domestic Product) in 1993 dropped below levels prior to the transition and the economic downturn was greater than that during the years of the Great Depression (1929-1933). Additionally, foreign debt of the country nearly doubled, the real value of salaries and pensions declined and unemployment reached 10 % of the active population (about one million people).

The social transformation was also viewed differently by the various political parties; The Hungarian Democratic Forum (MDF), Independent Smallholders, Agrarian Workers and Civic Party (FKgP) and the Popular Party of Christian Democrats (KDNP) supported the change while the parties Alliance of Free Democrats (SZDSZ), Hungarian Socialist Party (MSZP) and the Alliance of Young Democrats (FIDESZ) served as the opposition mainly on the issue of how to create a class of property owners – as a base for the civil system, as well as how to determine the primary beneficiaries of privatisation.

Graphs on the changes of the GDP, of the inflation, and of the real income (c) National income and inflation between 1990 and 1995.



(During this period, real incomes declined by almost 20%, thus reducing the standard of living, too.)

The problem of political liability and ideological-financial compensation brought the next question to the surface: whether to show preferential treatment towards certain social groups and whether it was compatible with the rule of law.

Liability: During the autumn of 1990, the common view in Hungarian society and within government circles was that those who were responsible for causing the catastrophic economic situation should be impeached and face criminal indictment. Between 1991 and 1994, several legislative initiatives included wording that made punishment possible for political crimes committed during the years of the dictatorship. Elements within the newly formed government wanted to name and impeach the members of the terror “machine” of the party state, including its institutions, representatives of the internal ministry and national espionage system, while members of the opposition instead wanted to simply expose the leaders of the former regime and members of the intelligence system. This issue led to a heated and prolonged debate on the question of liability between the government and the opposition in which the Constitutional Court also joined but still no resolution was found.

THE DEVELOPMENT OF DIFFERENCES

Since its inception, the new government was in the crosshairs of the opposition. Ideological confrontation developed on issues such as historic legal continuity (debate on the coats of arms of Hungary, reburial of József Mindszenty or Miklós Horthy), standpoints on civil resistance (including the blockade of taxi drivers and the so called media war) (in Topic 15.), support of social programs and entitlements, government transparency, and media freedoms. These points of contention appeared not just between the government and the opposition, but between the Prime Minister and the President, and between the political parties of the government coalition and inside the coalition parties as well.

“We need to realize that in the previous decades (...) the country led a life in which it did not produce that which was redistributed to the society, but it was covered from debts. This provided the Hungarian people a certain level of security. (...) They lived more freely and better than the Polish, the Czech, the Romanian people. So the society, even though living in a party state (...) lived a better life that would have been allowed by the Hungarian economy. (...) The West provided loans to the Eastern countries. (...) This period is over. A world has collapsed. The system has deteriorated and that – and it should be understood – was not the fault of our government. That was the reason for the change of the systems in East-Central Europe, because the communist policies and also a whole economic system were destroyed.” *(An excerpt from the pyjama interview with József Antall)*

THE SHARPENING OF THE DIFFERENCES

The so-called Democratic Charter Movement was meant to quell the disagreements between the Hungarian government and the political opposition. One of the movement's platforms was the safeguarding of democracy by joining the post-socialist intelligentsia and the democratic opposition. This movement led to an even greater call from the government for free and transparent elections but also led to political fracturing as well. One of the initial points of contention within the movement was on the issue of economic privatisation. This led to the Independent Smallholders, Agrarian Workers and Civic Party (FKgP) to be the first to officially exit the government coalition; although most of their elected members of the Parliament continued to independently support the Prime Minister. Following the departure of FKgP, fissures began to form within the Hungarian Democratic Party (MDF) connected to the issue of liability carrying over from the former regime. Some

MPs of the party believed that the government owed the public an investigation into the practices of the elite members of the Kádár regime as well as excluding them from positions of economic and political power. In 1993, those disillusioned by the government's position exited the MDF and created the Hungarian Justice and Life Party (Magyar Igazság és Élet Pártja, MIÉP) led by István Csurka. The party also sought to revise the terms of the Treaty of Trianon upon the disintegration of the Soviet Union, Czechoslovakia and Yugoslavia.

THE BALANCE SHEET OF THE ANTALL-GOVERNMENT

The elimination of the legacy of the socialist system proved an immense task for the Antall government as it required the structuring of a parliamentary democracy and the transition to a market economy. Remarkably, of all post-socialist countries it was only Hungary where the new government served for the entirety of its time in office, yet public support for the government dropped over that time period. Driving public dissatisfaction, beyond economic hardships, was the sense that the changes in Hungary were purely symbolic and were slow to take effect. The response to the mounting criticism by the Antall government was to state that the alternative to his approach would have been radical and potentially violent change, stating *“You could have had a revolution instead”*. The death of the Prime Minister József Antall (in 1993. December) led to the last months of the parliamentary cycle being governed by the previous Minister of Internal Affairs, Péter Boross. Due to its rising unpopularity, it became clear that the MDF was going to lose the 1994 elections.

Outer circumstances	Tasks	Requirements
The collapse of the Soviet system and block.	The operation of the system of the rule of law.	Maintaining social security.
The strengthening of the super-power position of the USA	The operation of the parliamentary and government system. Legislation.	The increase of the standard of living.
The strengthening of European Integration	The management of the debt-burden.	Compensation.
The unification of the two Germanies.	The management of the economic crisis.	Liability (regarding the victims of the party state).
The disintegration of Yugoslavia and Czechoslovakia	The management of the escalating unemployment.	The support of Hungarians beyond the border.
	The restraint of inflation.	Ensuring parliamentary rotation.
	The change of the economic structure.	Maintaining the coalition government.
	Conducting privatisation.	The management unemployment.
	The creation of the new layer of property owners.	

Possibilities of the Antall-government

11. THE OPERATION OF THE NEW HUNGARIAN DEMOCRACY

PARLIAMENTARY ROTATION

Since 1990, Hungary's subsequent governments have been coalition governments and served their full terms, showing the stability of the democratic government structure. Hungarians' political preferences were initially based on the connection to the previous regime, religion and other cultural factors, and regional location. Over time, however, the political landscape in Hungary became more and more bipolar, developing into strong right-wing and left-wing political factions. After 2000, most of the voters became devoted followers of the two main political parties, the left leaning MSZP, and the right leaning Fidesz.

In the 15 years following the collapse of the socialist regime several Hungary's political parties have collapsed or been forced to reorganise. Among the historic political parties reorganising after the regime change, including the Hungarian Party of Social Democrats (MSZDP), FKgP, and KDNP, only the KDNP survived.

For a while it seemed that even the KDNP would disintegrate due to internal differences, but after the 2002 elections (when the party did not reach the parliamentary threshold) it formed a strong party alliance with Fidesz, allowing it to survive.

Those parties in opposition to MDF also saw their coalitions break apart. MIÉP was the first party to exit followed by the Hungarian Democratic Popular Party (MDNP) who later allied itself with Fidesz before officially disbanding. The SZDSZ party, that had formally been allied with MSZP and was viewed as the party of "small government" also lost popularity within Hungary. The party that saw the greatest rise in popularity was Fidesz, a former liberal party that turned towards conservative-national values and successfully replaced the MDF in the right-centre of the political spectrum.

The MSZP, being the primary holdover from the previous regime, had the greatest political infrastructure (national network, party-property) that gave it an advantage with an established position in both the national and local political landscape.

Those seeking radical social and institutional change founded Jobbik, the Movement for a Better Hungary in 2003, that branded itself as a staunch right-wing nationalist party.

THE HORN-CABINET

Prior to the 1994 elections the Hungarian Socialist Party (MSZP) campaigned with the slogan of expertise, by placing experts into key positions solving the crisis if

elected. Most of the people considered MSZP to be the party that would be able to create a Kádár-like social security system and establish a modest standard of living. The elections were easily won by the party, led by Gyula Horn, although the party unnecessarily offered to form a coalition with the Alliance of the Free Democrats (SZDSZ). Many believed that SZDSZ would reject the coalition offer (as it was a radical anti-communist party) but the two parties' previous cooperation within the Democratic Charter Movement (Topic 9.) led them to unite. This allowed the government to gain a greater than two-third's majority, which provided a mandate for the coalition to take steps to stabilize the struggling economy. Minister of Finance, Lajos Bokros, introduced a series of measures regarding economic policy that led to positive results for the Hungarian economy mainly by lessening foreign debt to help spark economic development. These measures, unfortunately, also exacerbated the uneven socio-economic gaps existing in the country, as the economic measures negatively affected wage-earners that made up a substantial portion of the population.

THE ORBÁN-GOVERNMENT

Due to the developing economic situation, much of the population assumed that the 1998 elections would be won by the MSZP-SZDSZ coalition. Surprisingly, the elections were won by the Fidesz-Hungarian Civic Party. This was accomplished primarily due to Fidesz's ability to draw support from the right. After its victory, Fidesz offered to form a coalition with FKgP and were thus able to gain a majority in Parliament. Viktor Orbán became the Prime Minister and implemented a program that would be "more than a change of government but less than a change of the system". This proposal not only placed a new emphasis on governing (e.g. national policy, population- and family policies), but on strengthening a new political-economic elite. The new government also wanted to weaken its political opponents, who had gained important economic positions following the regime change. These efforts prompted greater and harsher debates within the government. The Orban government also took measures to promote national pride, including a series of Millennium celebrations in 2000 remembering the thousand-year-old Hungarian state, as well as continuing economic development programs such as the family-supporting system and a state-subsidized program of flat-constructions. During the era of the Orbán-cabinet, Hungary was admitted to NATO and the negotiations and discussions regarding the EU-membership of Hungary accelerated as well.

THE MEDGYESSY-CABINET

The election of 2002 was an intense contest between the Fidesz-MDF coalition and the MSZP-SZDSZ coalition. By a slim 10-person parliamentary majority (198 to 188), MSZP, emerged victorious campaigning on the program “the welfare change of regime”. Péter Medgyessy was elected Prime Minister and created a cabinet backed by his political allies. The previously begun economic stimulus program (based on internal consumption) continued including the enlargement of the flat-construction program. This continuation, led to an increased budget-deficit and incurred a greater national debt, as well as raising criticism from those in the government as well as the opposition. During the years of the Medgyessy government Hungary was also officially admitted to the European Union (mentioned in Topic 13.).

The program provided public service employees and civil servants a 50% raise in salary on average and those earning minimum wage were exempt from taxes. It also provided a one-time extra 190,00 Ft amount for the pensioners and introduced an additional “13th month” pension payment. University scholarships and family allowances were also raised. All these measures cost about 190 billion Ft for the budget – calculated at current prices.

CIVIL ORGANISATION AND YOUTH ORGANISATIONS

The Association Act, passed in 1989, led to the formation of several independent civil organisations and foundations. Lacking an established middle class in Hungary, however, a decent percentage of the civil organisations were insufficiently funded and could only survive if politically supported.

The change in political system also led to changes within Hungary’s youth organisations. Following the collapse of the single party state, the Communist Youth Organisation (KISZ) ceased, and due to a lack of funding most state sponsored youth organisations were not re-established and their property was privatized or left derelict.

One of the greatest pioneer camps of the Kádár-Era, Csillebérc was privatized and reorganised.

The historic youth organisations that were revived (e.g. Scouts’ Movement) and those that were subsequently formed saw their success tied to their ability to influence intellectual growth and offer positive effects on the lives of Hungary’s youth.

*Following the British example, the **Scouts' Movement** was organised in the 1920s in Hungary for putting greater emphasis on the physical and ethical education of secondary school students, beyond their intellectual literacy. A very important element of their program is the incorporation of practical life-skills (baking, cooking) and sports (rowing, biking). In 1945 it was banned by the dictatorship, then in 1989, based on the Association Act, it revived, bearing Number 1. in the list of civil organisations.*

THE SYSTEM OF POWER

After the regime change, a parliamentary representative democratic republic was created. Executive power in Hungary lies in the head of the government which is the Prime Minister. The main checks and balances within the government are the Parliament (and the parliamentary opposition) and the Constitutional Court. The position of President has a primarily representative and ceremonial role but does participate in decisions dealing with states of emergency. In the first years of the new democracy, due to the opposing party affiliations, cooperation between the Prime Minister and the President proved problematic and prone to infighting. Fortunately, by mid-1990 a tenuous cooperation was formed between them. As the years passed, the power of the Prime Minister increased and became more decisive. This happened primarily because of the establishment of the Prime Minister's Office (chancellery), and the strengthening of factional discipline amongst MPs. These changes had a profound effect on public opinion of political life in Hungary as well. Election campaigns and political messaging became more focused on the personalities of politicians rather than political platforms of the parties.

The Prime Minister's Office first fulfilled administrative tasks (e.g. they prepared the government meetings). Later – being a superministry (chancellery) – it coordinated the total operation of the government and gained departmental tasks of the government under its direction.

There are two main trends in modern political thinking on what makes a political structure democratic. The first argues for formal elements: the institutional structure and the rules of procedures regarding the political decisions are decisive. The second puts emphasis on the content: democracy means a governing method that favours public interest on all means.

Excerpt from the parliamentary program speech of Gyula Horn:

“There is extraordinary importance in the fact that the first social-liberal government of Hungary is being formed. This coalition was born from two traditional ideologies and political practices of Europe and now holds a 72% majority in the Parliament. [...]

Honourable Parliament,

One has a reason to ask whether the impoverished society is able to modernize or not, so what about the strategic aim of the government program. Our answer to this question is a definite ‘yes’ and we have a detailed program for its realisation, if certain criteria are met. Let me highlight two of the most important ones (also mentioned in our election program, too): the need for reconciliation in the society and a wide-ranging national partnership. [...]

Economic data	1993	1994	1995	1996	1997
The increase of the GDP (%)	-06	2.9	1.5	1.3	4,6
State budget deficit	-6.6	-8.4	-6.4	3	4.8
Primary balance	-2.9	-2.7	1.7	4.3	3.1
State revenues (without privatisation)	53.9	52.4	47.1	46.9	44.3
Revenues of the privatisation	4.8	3.6	8.3	2.5	4.0
State expenditures	60.3	60.8	53.4	50.3	47.3
Debt	88.7	86	84.3	71.5	62.9
Inflation (%)	22.5	18.8	28.2	23.6	18.3

Government program for the Civil Hungary

“We firmly believe that family is the most natural unit of the civil society. The feelings of love, unity and confidence are all born here. We all learn important lessons in this field: the ability to co-operate, the basics of knowledge, the values of community existence. [...] We are devotees of the introduction of an equitable family subsidy system that puts child-raising at the centre. We are also confident – and it is strengthened by our personal life experience as well – that we need an education system that provides an equal chance to acquire knowledge without regard to birth, wealth or residence.”

Act I of 2000. On the Remembrance of a Thousand year old state of Stephen I and on the Holy Crown

“The Holy Crown embodies a relic that represents the continuity of the Hungarian state and that of its independence in the eyes of the Hungarian public and also in Hungarian legal tradition. For the Millennium jubilee of the Hungarian state, from the National Museum the Holy Crown is put into a meritorious place, and is put under the watch of the Hungarian Parliament, representing the people of Hungary.”

12. THE STRUCTURING OF THE MARKET ECONOMY – PRIVATISATION, COMPENSATION

THE CASE FOR THE SOCIAL MARKET ECONOMY

Upon taking office, Prime Minister József Antall announced the creation of a social market economy in his initial government program. The system was based on market relations first practiced by the German Christian Democrats at the end of the 1950s. The program would address the inequalities created by the market system through state intervention and would also ensure the welfare of all elements of society. The program, however, proved unsuccessful as the economic environment was unfavourable due to a decrease in both industrial and agricultural production as well as a rise in unemployment. Additionally, a trade imbalance combined with rising inflation (as high as 30%) led to a deficit within the state budget that brought the country to the brink of bankruptcy upon several occasions. The process of privatisation further aggravated the economic crisis.

THE START OF PRIVATISATION

The struggle adapting to the new political structure distracted from the issues brought by the process of privatising state assets. The sweeping changes had already begun in 1988 in the form what is known as spontaneous privatisation. As a result, 2,5% - or by other estimations 5% - of state assets had already been privatised by the summer of 1990. One of the first measures of the Antall-government was to put an end to this “free robbery” system. The privatisation process, therefore fell under government supervision and control. Consequently, the framework to sell state assets required a value assessment by outside experts, open tenders, and competitive bidding. Although the process was more controlled, it was not completely free of corruption.

Spontaneous privatisation meant the privatisation of state enterprises – in whole or part – based on the decision of the state enterprise itself. During the process of privatisation, the buyers and sellers – taking advantage of the equivocal legal regulations – regularly applied legal, but not ethical techniques. They usually undervalued the state asset, and investment capital was often over assessed. The representatives of the political elite were responsible for the sales in the privatization process and managers of the enterprises and/or foreign or Hungarian investors benefitted at the expense of public assets. These buying and selling methods became known as allocation or looting.

The main goal of the new regime was to promote the benefits of private ownership to the Hungarian population. Domestic investors and employees were encouraged by different methods, including loans and stock options for employees, to help implement the transition, however, the lack of capital in Hungary, and lack of entrepreneurial experience hindered its success. The problematic implementation of privatisation, which led to market-loss for Hungarian products, termination of state subsidies, and the closure of factories and businesses, was accompanied by an immense asset-devaluation. Nearly 15 % of all sellable assets were privatised between 1990-1994 and of that 55% became the property of foreign investors.

In the post-socialist countries, there were three different scenarios for the privatisation process. In Czechoslovakia and Poland, the distribution of stocks among the population was managed. In Romania, a widespread re-privatisation process took place, so the previous property owners got their possessions and assets back. In Hungary – in relation to the high amount of foreign debt – privatisation was based on cash.

COMPENSATION

The question of privatisation was connected to the problem of financial (and ethical) compensation. The government wanted to compensate the property owner, or the descendant of the previous owner for those assets (land, estates, shops and enterprises) confiscated during the years of the party state or previously during the war times. Inside the government coalition led by the MDF, the Smallholders (FKgP) campaigned for all-around compensation, which meant that the previous owner was given the asset back. The strongest lobby for reprivatisation came within the agricultural sector that sought to re-create the property-structure created by the land distribution of 1945. After a series of heated debates, in which the Constitutional Court also took part, a compromise was made that property losses that had previously not been compensated for would be partially reimbursed. The previous owners were compensated with securities (compensation notes) according to the value of their asset. Those owed minimal personal compensation were paid up to 200,000 Ft, while those owning a considerable amount of property seized by the former regime were compensated up to 5 million Ft. Government compensation notes could be exchanged for land, flats or stocks.

Although the compensation plan was meant to remedy the financial harm caused by the party state and the pre-1945 governments, it mainly benefitted domestic entrepreneurs. Most of the people compensated were of old age or citizens who could not and did not want to take part in entrepreneurship. Many sold their compensation notes to wealthy entrepreneurs who were able to buy state assets for a bargain price after one or two years and profited more than a 100% in their sale.

COMPENSATION OF THE CHURCH

The compensation to Hungarian churches, primarily regarding land assets, was also done by the method of reprivatization. This decision was justified by the lawmakers from the perspective that the church is a public benefit organisation. The wording of the law stated that for the purposes of their religious, teaching, educational, health, social- and youth protection activities churches would reclaim their previous estates back in 10 years' time. The reality of the reprivatization differed substantially. Under the terms of the Vatican Agreement, the Catholic Church, claimed 40% of their assets, and resigned the rest of it for an annual stipend. The government also agreed to the same amount of state support for Catholic educational institutions as it did for public ones. The compensation of other historic churches in Hungary was very similar to that offered to the Catholic Church.

The Vatican Agreement (1997) was concerned with the financing of the public benefit and religious activities of the Hungarian Catholic Church and their compensation. According to the agreement, education institutions of the Catholic church are provided the same level of state support as the ones run by the state or the local self-governments. The Church gained some as of its confiscated institutions back. It was entitled to a stipend on the rest of the others from the contemporary users. This agreement made the practice possible that citizens can offer 1% of their income taxes to a church. The guidelines of the Vatican Agreement were later applied to the other historic Churches of Hungary (Calvinist, Lutheran, Jewish, Greek Catholic).

Church	Number of estates back
Roman Catholic	12,00
Calvinist	800
Lutheran	220
Jewish	1

The number of estates that the Churches got back

THE ENLARGEMENT OF PRIVATISATION

The loss of the eastern markets devaluated Hungarian assets, and the high level of the foreign debt created a constraint for selling. For this reason, the Horn-government accelerated the process of privatization between 1994 and 1998. They simplified the selling process and a preferential position was provided for international capital.

This sped up the overall process and caused budget-revenue to grow considerably. Despite the decreasing percentage of Hungarian investors, the appearance of foreign capital stopped the economic decline, stabilized the balance of the budget and reduced the state-debt. Foreign companies helped spread new technologies and efficient methods for organisation of employment that were also favourable for the Hungarian economy. Some of the international companies settling in Hungary, however, purchased a market for their own products causing the closing of several factories and firms and the layoffs of Hungarian workers.

During the next round of privatisation more than the 70% of Hungarian state assets were privatised tripling revenues compared to the previous government-era. The national energy sector, telecommunications, and much of the banking sector were sold to foreign investors. Consequently, Hungary had transformed within a decade from a socialist economy based on state ownership into a private-property based market economy.

PRIVATISATION DRAWN TO CLOSE

Due to the disintegration of the agricultural co-operatives, farming areas ranked much smaller in size in Hungary (8.3 hectare), compared to the countries of Western Europe (16-70 hectare). Beyond the difficulties of productivity, this also caused problems in efficiency. During the privatisation process (in the second half of the 1990s) a new problem arose connected to the planned admission to the European Union: the selling of arable land and the allocation of it to foreign owners. A harsh public debate evolved on the social and economic advantages and disadvantages of the incorporation of foreign capital.

One of the main economic aims of the Orbán-government – elected in 1998 – was the safeguarding of national assets. When the process of privatisation had ended, it was only the field of the agriculture where they found a considerable sale of assets. Twelve big state-farms became the private property of their managers and employees.

During the years of the Medgyessy-government, privatisation increased and became more widespread leading to increasing incomes. As a result, within a decade of the change of regime, the percentage of private property in the economy increased to about 90%. By 2000, this triggered transformation had strengthened Hungary's economic prospects.

ECONOMIC ACHIEVEMENTS

The transformation to a market economy resulted in a considerable economic outcome. The level of GDP (Gross Domestic Product) in 2000 was nearly 133% higher than in 1989. Industrial production showed impressive growth, making up 1/3 of the total the national product. Due to the establishment of multinational corporations (Suzuki, Opel, Audi, and after 2010, the Mercedes), the most decisive branch of the industrial sector was machinery. The founding of large Hungarian firms (MOL, OTP) also help to generate growth and even established subsidiaries in neighbouring countries.

The advancements in telecommunications transformed traditional labour conditions, enlarged the possibilities in communication links and affected everyday life. Investments in infrastructure were also made including building and expanding motorways and national roads, increasing railway transportation between bigger cities and Budapest through InterCity trains, and the enlarging of Ferihegy Airport. Subsequently, an increasing level of exports (Germany being Hungary's most important international trade partner) provided the backbone for economic development, since the domestic market remained weak.

ECONOMIC PROBLEMS

The management of the foreign debt caused a prolonged and serious financial problem. Similarly, a high inflation rate was also a major issue until 2000 when the rate dropped below 10%. The change in political systems also triggered a huge decline in the field of agriculture. Production remained below 1989 levels for the first ten years of the new era and unemployment within the agricultural sector also remained high.

Despite Hungary's economic turnaround, GDP/capita by the mid-2000s, in comparison to the EU average, was still on the same 60% level as it was in 1989. Hungary's position in the world economy had not improved according to the goals set following the transfer to a market economy. Unfortunately, foreign debt of the country continued to grow into the first decade of the new Millennium eliminating the economic gains that had advanced Hungary beyond its former satellite state counterparts.

Act XXV. of 1995. On the settling of the property relations and on the partial compensation of the public population for the harms unrightfully caused by the state.

“The scope of the act:

1.§. (1) partial compensation (from now on: compensation) is rightful for those natural persons whose private property was adversely affected by the realisation of the act put into practice after 1939. May. 1.”

Income from privatisation	Between 1990-1994		310 billion Ft	
	Between 1994-1998		1,100 billion Ft	
The share of state and private enterprises from the created GDP	1989		80% state, 20% private	
	1998		30% state, 70% private	
Rank of Foreign Entrepreneurs	Germany (28%)		Austria (10%)	
	USA (26%)		France (10%)	
Percentage of employees in different sectors	1992	State firm: 33	Cooperative: 7	Private property: 22
	1997	State firm: 7	Cooperative: 2,7	Private property: 41

13. THE CHANGE OF THE SOCIAL CONDITIONS

POPULATION, RELIGION

Since 1980, Hungary has seen continual population decrease due to a decline in birth rates and a rising death rate. Hungary's Natural Increase Rate (NIR), the difference between births and deaths, shows natural population loss of nearly half a million people between 1990 and 2006. This demographic trend was tempered some by the nearly 200,000 Hungarians from the neighbouring countries that immigrated to Hungary. The dropping NIR is not unique to Hungary as most developed countries face the same issue. Subsequently there has also been a decline in the number of marriages and Hungary is also facing the issues of an aging population. The percentage of the elderly (> 65) grew from 13% to 16%, while the rate of the youth (<14) dropped from 20% to 16,8%. Life expectancy is also considerably less than the EU-average (In 2000 it was 67 years for men and 76 for women). Given this data, Hungary is ranked at the bottom of moderately developed countries. Regarding ethnic diversity, Hungary is a homogenous county, while it is heterogeneous in terms of religion.

EMPLOYMENT

The economic changes greatly affected employment. Because of the privatisation process, the rate of the state-employed people dropped. Many became employed by private businesses and enterprises, and the percentage of self-employed (entrepreneurs) also grew (from 8% to 12% between 1992 and 2000). Regarding the employment structure: the rate of people working in the service sector and in the intellectual sphere grew, while those employed in primary and secondary sectors (especially in the agriculture) declined.

Because of the collapse of the COMECON (Council for Mutual Economic Aid) market, and of the socialist planned economy several hundred thousand people lost their jobs – especially in the heavy industrial centres. Parallel with the transfer to the market economy the percentage of the inactive population – those who are in the active age group but fell out of the employment market – considerably grew. Among the groups mentioned above, this includes retired people, as well as those pre-retirement age and other dependents including students. The immense growth of the number of retired people corresponds with the fact that many people applied for a disability pension upon the closures of heavy industrial factories. In 2003, 57% of the active adult population (between 15-64) was employed. This rate was 6% lower the average of the European Union and lower than the regional mean rate.

INCOME – SOCIAL STRUCTURE

From the early 1990s incomes also dropped – usually by 25-30% in line with the overall economic decline facing Hungary. Real wages and incomes reached the previous level of the 1989-year-one only in 2002. Contributors to this included the doubling of the minimum wage by the Orbán-government and the 50% salary-increase of public service workers by the Medgyessy-government (announced in the program of welfare change of the system). Due to these efforts, the rise of the rate of real wages exceeded that of the pace of economic development.

Economic changes also led to alterations within the social structure. The income gap between the socio-economic classes grew considerably. The previously experienced 4-5 times difference grew to 8-fold by 2003. This rate was higher compared with Scandinavian countries, but lower than in most of Western-Europe and the USA. The income level of the middle classes (comprising about the 40 % of the society) continuously worsened until 2000, forcing many to fall below what is considered middle class. The regional differences inside the country also grew, as so did the differences between the various types of settlements (city and small village). Work- and life conditions increased in developing regions and Budapest

but deteriorated in regions that saw declines in heavy industry as well as in smaller settlements.

The widespread preferential privatisation process of the previously council-owned and state properties also had a great effect on the changes of the social structure. The previous renters had pre-emption rights so many of them became the owners of their rented property. In case of the preferential areas of the capital and other big cities, this provided a significant financial advantage and contributed to the stabilization of the financial situation of a middle class.

HEALTH CARE AND SOCIAL SECURITY

Issues dealing with Hungary's healthcare system also developed following the transition to the new regime. The number of hospital beds decreased between 1989 and 2005 (by 20%), but the number doctors and also the real value of the expenditures of healthcare grew. The positive effects of the growing expenditures, however, were not experienced in the state of health of the population. Hungary struggled with several societal health issues tied to lack of exercise and unhealthy diets, as well as high levels of harmful addictions, including smoking, the consumption of alcohol and, by the mid-1990s, illegal drug addiction mostly among the younger generation.

Social expenditures in Hungary were generally close to the EU-average, and subsequent governments covered family support programs, unemployment benefits and retirement services. Between 1990 and 1995, families were provided a universal child allowance that was based on the number of children within a family. The Horn-government introduced a system that connected family allowances with salaries (Bokros-package), while in 1998 the Orbán-cabinet made the family allowance universal again but connected the financing to the school-attendance of youngsters. Retirement-age in Hungary was raised in 1997 to alleviate issues connected to the politically controversial pension system.

STANDARD OF LIVING

Urbanisation continued to grow after the change of the system with 2/3's of the population now living in cities. The process was sparked by a drop in agricultural workers and bigger villages incorporating into small towns.

Rates of consumption have also changed due to the transition of the political system. Due the constant rise in energy-prices, a greater amount of money was needed to cover utilities. Prices have doubled in 15-years' time, yet the percentage of expenditures on food has not changed significantly and rate of other expenditures

(clothing, consumer items) has decreased. Social differences are highlighted by consumption also. Those possessing higher wealth and salaries spend five times more on health and personal body care, and seven times more on culture and entertainment than the poorest ones. The construction of flats showed minimal growth (stagnated) in the 1990s, but after 2000, flat-construction and flat-buying willingness rose, due to new loan-construction's introduced by the Orbán-government. There were also huge levels of difference in living-conditions as those in higher social positions advanced, while amongst other classes there was no change at all – e.g. the Roma population.

WINNERS AND LOSERS

Those who gained wealth during the privatisation process and the executives of international companies, took advantage of the changes. Both groups had members from the previous era's political and economic elite, and from the leadership of those businesses that were given assistance during the latter part of the 1980s. This group also included those highly qualified experts who took part in the management of financial, economic, technological and scientific life. Finally the biggest winners were those local and national politicians, who had a public role throughout the election periods.

The losers however were those who lost their jobs in heavy industrial centres and mines, the physical workers and those, who did not have a land possession in agriculture. Much of the Roma (gypsy) population is listed in this group, too. (The situation of the Roma people is discussed in topic 14.)

During the 1990s, a considerable percentage of the Hungarian population were disappointed by the results from change of the system, mostly because of the deteriorating living conditions, although following the year 2000, public opinion began to trend upward.

In 2001, it was about the 69% of the population who answered “yes” to the question: “Although there are many problems related to it, democracy is the best form of government.”

14. FOREIGN POLICY, HUNGARY IN THE CARPATHIAN-BASIN THE CHANGES OF THE INTERNATIONAL RELATIONS

Contemporary to the political changes in Hungary there were also historic changes all over the world. The Soviet Union had lost the Cold War and Germany had reunited for the first time since the end of World War II. (1990. October 3.) The

bipolar international system had ended dramatically changing the international landscape both in Europe and the world.

All the European satellite states of Europe belonging to the Soviet Union gained their independence and total sovereignty after the break-up of the Warsaw pact and COMECON (1991). In Hungary, the last military unit of the Soviet army was withdrawn on June, 19th 1991. On December 26th, 1991 the Soviet Union itself collapsed leading to important regional changes throughout Europe creating issues along the borders of Hungary. First, the bloody and prolonged ethno-religious Yugoslavian civil war started, followed by the amicable split of Czechoslovakia into the Czech Republic and Slovakia. Hungary found itself with new neighbours including Slovakia in the north, Ukraine in the east and Serbia, Croatia, and Slovenia in the south.

EURO-ATLANTIC ADMISSION

After its reclamation of sovereignty, Hungary made admission to the Euro-Atlantic organisations a top priority. In order to join organizations such as NATO and the European Union, Hungary was required to meet a number of condition's. Finally, after a referendum in 1997, Hungary became a full member of NATO on May 12th, 1999. The former Hungarian People's Army, now the Hungarian Armed Forces, went through a modernisation process that saw a greater influx of technology but a decrease in military personnel (by nearly a third) as well as an end to compulsory recruitment by 2004.

ACCESSION TO THE EUROPEAN UNION

For accession the European Community, Hungary signed the Association Agreement in December of 1991. This agreement called for the gradual end to customs duties and other trade barriers and set a 10-year-long schedule for accession. Hungary submitted the official membership application to integrate into the European Community (which became the European Union in 1994). The specific accession negotiations started in 1998, followed by a national referendum in 2003. The official accession of Hungary into the EU took place on May 1, 2004. After this act, it was the right of Hungary to take part in the European Parliament and have a Hungarian Commissioner in the Brussels Commission. All tariffs and duties between Hungary and the other EU member states were eliminated the flow of labor became free and the borders separating Hungary from its EU neighbours became symbolic.

REGIONAL RELATIONS

The new Hungarian foreign policy announced in 1990 was focused on the development of relations with the neighbouring states and people, from the Baltics to the Balkans. The Visegrád Treaty (February 15th, 1991) was signed on the recommendation of Czechoslovakian President Vaclav Havel, for stronger relations between Czechoslovakia, Poland and Hungary. It revived the cooperation dating back to the Medieval ages and became partnership called the Visegrád Four after the independence of Slovakia in 1993. Unfortunately, the fact that all of the Visegrád countries transitioned away from the socialist system at the same time and each needed an influx of capital investment and modern technology, made them competitors blocking any effective cooperation between them. The same competitive attitude also explains why during the last phases of the accession process of the EU-application all Visegrád countries (V4) had enforced their own national, individual interests instead of common concerns. Furthermore, the two strongest members of the Visegrád Four, Poland and the Czech Republic signed their individual contracts with the EU, weakening the bargaining position of the other countries and undermined the commonly created accession strategy. There were several attempts for greater cooperation since the accession to the EU, but a real breakthrough in relations bid did not occur.

NEIGHBOURS' RELATIONS

The break-up of the Soviet Union and the formation of an independent Ukraine created a new ground for cooperation for Hungary. To be able to safeguard the interests of the 150,000 Trans-Carpathian Hungarians, a Basic Treaty was signed with Ukraine in 1993. The contract ensured the borders between the two countries and assured the promise that the majority Ukrainian ethnic group would provide rights to the Hungarian ethnic minority based on international norms and ethnic agreements (details in Topic 14). Hungarian-Slovakian relations were strained by the continuously enforced Beneš-decrees, and by the conflict over the construction on the Gabčíkovo (Bős)-Nagymaros Danube hydroelectric plant.

Similar Basic Treaties were signed with Slovakia (1995) and Romania (1996), too. The real importance of these contracts signed by the Horn-government lie in the fact that these treaties dealt with countries that held the greatest number of ethnic Hungarian living beyond the borders of Hungary. Besides the guaranteed borders, both contracts ensured European-norm ethnic rights; however, they both lacked the requirements for autonomy.

The relations of Hungary with Slovenia and Croatia are friendly and have been unproblematic since their independence. This can be explained by their common historic heritage and also by the fact, that the rate of ethnic Hungarians living in these countries are negligible compared to the previously mentioned countries, and that their rights are guaranteed by conventions.

There were tense relations with Serbia throughout the 1990s. Serbia resented Hungary for supporting the independence of Croatia. During the Yugoslavian civil war, many ethnic Hungarians living in Vajdaság (Voivodina) were recruited to the Serbian army, and many of them died; also, many immigrated to Hungary. At the end of the civil war, thousands of Serbs were settled in Voivodina, triggering further problems.

THE PROTECTION OF ETHNIC HUNGARIANS LIVING BEYOND THE BORDER

The protection of the nearly 2.5 million ethnic Hungarians living in neighbouring countries was a high priority for Hungarian policy after the system change. This claim was supported by the statement of József Antall Prime Minister after the creation of his government: “Spiritually, I feel like the prime minister of 15 million Hungarians”. The increased responsibility was also demonstrated by the fact, that financial support for the Hungarians beyond the borders was continuous even in times of restrained budget periods. Hungarian foreign policy had strongly supported the desire for political autonomy of Hungarian communities since the beginning. Unfortunately, any hope for this to become a reality was blocked by the joint endeavour of government- and opposition parties in neighbouring countries. This had a negative effect on the Hungarians in those countries as they did not gain their rightful collective ethnic rights and it hurt relations between Hungary and its neighbours.

In 2001, the Orbán-government accepted the Law of Status (or Preference) which redefined the status of ethnic Hungarians (also detailed in Topic 15) living outside of Hungary. Subsequently, relations between the Orbán-government and neighbouring countries became tenser, due to its active policy regarding ethnic Hungarians. This issue eased some during the Medgyessy-cabinet, but was still left unresolved.

The accession of Hungary and of neighbouring states to the European Union (Slovakia, Slovenia – 2004, Romania – 2007, Croatia – 2013) opened new possibilities for the regions divided by borders. The strengthening of cultural and economic relations inside regions positively affected the situation of Hungarians living on both sides of the border.

Excerpt from the speech of president Ferenc Mád1 on 2003. April 9.

“History has offered us the possibility to give our opinion in the form of a referendum in some days, on 12. April, to state our intention to join the free integration of the European people, the European Union. [...]

With the joining of the European Union and with a systematic and hardworking effort we are given the chance and possibility to take advantage of the accession to the greatest political, cultural and economic alliance. [...]

We need to highlight the efforts of all governments of the change of the system. Special thanks to all political forces, public and social institutions committed to the accession and all citizens supporting the common national issue.”

Act LXII. of 2001. On Hungarians living in the neighbouring countries

1.§. (1) This Act shall apply to persons declaring themselves to be of Hungarian nationality who are not Hungarian citizens and who have their residence in the Republic of Croatia, the Federal Republic of Yugoslavia, Romania, the Republic of Slovenia, the Slovak Republic or the Ukraine (from now on: neighbouring country).

(2) This Act shall also apply to the spouse living together with the person identified in paragraph (1) and to the children of minor age being raised in their common household even if these persons are not of Hungarian nationality.

2.§. (1) Persons falling within the scope of this Act shall be entitled, under the conditions laid down in this Act, to benefits and assistance on the territory of the Republic of Hungary, as well as in their place of residence in the neighbouring countries.

3.§. The Republic of Hungary, in order to a) ensure the maintenance of continuous contacts, b) provide for the accessibility of benefits and assistance contained in this Act, c) ensure undisturbed cultural, economic and family relations, d) ensure the free movement of persons and the free flow of ideas, and taking into account its international legal obligations, shall provide for the most favoured treatment possible in the given circumstances with regard to the entry and stay on its territory for the persons falling within the scope of this Act.”

15. ETHNIC GROUPS IN HUNGARY, HUNGARIANS BEYOND THE BORDER AFTER 1990

THE SITUATION OF ETHNIC GROUPS

The population of Hungary, regarding its ethnic makeup, remained homogenous after the change of the system with the majority population (97%) regarding itself as ethnic Hungarian. The remaining population of the country is made up primarily of hundreds of thousands of Roma people (Gypsies), who are considered of dual identity (Hungarian and Roma), due their ethnolinguistic heritage, as well as tens of thousands of ethnic Germans. The Parliament passed a law in 1993 ensuring the rights of the national and ethnic groups living in the country, establishing common rights of ethnic groups to keep, to cherish and to inherit their identity. According to the legal terms, it is the right of the ethnic groups to create their own self-governments both at the county and national level. Hungary had their first minority elections in 1994 and by 2000, there were about 800 minority self-governments half of them connected to the Roma, and about 160 of them in the hands of the German ethnic minority.

THE ROMA POPULATION

The population of the Roma has grown continuously over the last decades, especially in the North-Eastern part of Hungary. There were major differences amongst the population, regarding their employment, social-economic position and their settlement conditions. Their social situation changed after the change of the system. During the decades of the socialist system, about 60% of the population were employed which began to steadily decline after the change of the political regime. In the following 20 years, about 20% of them managed to return to the workforce but still today much of the Roma population is permanently positioned in the lowest third of the socio-economic classes in Hungary. The gap between the different classes among them widened which also is connected to specific regions of Hungary. Those members of the group who were young, city dweller entrepreneurs, and with higher levels of education were able to take greater advantage of the political changes after 2000 while those lacking a degree or being unemployed in the countryside fell to the periphery of society. The system of self-governance at the county-level, allowed the Roma a political forum to best represent their interests.

Hungarian society's view of the Roma is still steeped in old stereotypes and generalisations of the population.

HUNGARIANS LIVING BEYOND THE BORDER

The fall of communist dictatorships and the democratization process taking place in the countries of the Soviet satellites, set high hopes regarding the future of the Hungarians living in the Carpathian-basin. It seemed that legal and social obstacles blocking the rights of ethnic Hungarians would disappear everywhere. Questions regarding freedom of use for the Hungarian language, the development of the Hungarian school system (from the elementary to the university) in neighbouring countries and the prospects of common autonomy were all topics hoping to be addressed in the years following the change in political system.

In reality, in many of the countries nationalist tendencies amongst the population strengthened. Politicians and political parties in some of the neighbouring states played the “Hungarian-card” several times in their political debates to distract from their own problems by focusing on the Hungarian ethnic group. Some politicians also announced the need for a homogenous ethnic state, thus taking actions against the autonomy-pursuits of the Hungarians.

The bloodies acts of the heightened nationalism of the majority population took place in Romania. At that time, the population of Marosvásárhely (Tirgu Mures) was majority Hungarian, when the Romanian demonstrators on March 19th, 1990, called for the resignation of the Hungarian Mayor and the removal of the Hungarian street signs. Armed with axes and clubs, they broke into the headquarters of the Democratic Alliance of Hungarians in Romania (RMDSZ) that served as the political representation of Hungarians. The Hungarians in the building were beaten and assaulted. (The contemporary Hungarian writer, András Sütő lost an eye during the incident.) The next day, thousands of Hungarians demonstrated against the violence and the failure of the authorities on the main square of the city. Romanians, who were transported there by buses, and were armed with various weapons (scythe, pitchfork, clubs and chains), attacked them. The appearance of Seklers and neighbouring Gypsies saved the lives of the demonstrators.

Unlike the Communist era, there was a possibility for the Hungarian minorities to organize their own political parties, professional bodies, and schools (however, the creation of an individual university was not possible) as well as maintain their connection to the mother country without any barriers.

After the change in political system, Hungarian policy continuously and diversely supported the ethnic Hungarians living in the Carpathian-basin. Regarding the situation of Hungarians beyond border regions, the foundation of the Duna TV Channel was of crucial importance (1992-1993). Through a satellite broadcast, they provided Hungarian language and cultural programming for Hungarians living in the Carpathian-basin. The Law of Status (or Preference) was also an important measure in supporting all Hungarians living in the Carpathian-basin (2001). The law

made financial support for families possible who had a child attending a Hungarian school; and several allowances were introduced for those claiming and possessing the so-called Hungarian identity card (e.g. travel benefits or health care). This identity card was issued for about half a million ethnic Hungarians. These legal measures contributed to the feeling of unity of all Hungarians living in the Carpathian-basin with the mother country. The creation of the Transylvania University reflects the same endeavour, as it is maintained by Hungarian state support.

Despite the improving conditions, each Hungarian enclave has a declining population. This is problematic as the guarantee of ethnic rights is connected to the population size in each settlement or region. (E.g. the use of the Hungarian language or the application of Hungarian public inscriptions is possible if the percentage of the Hungarians is over 20%.)

TRANSYLVANIA

Most of the ethnic Hungarian population (about 1.2 million) of the Carpathian basin live in Romania, in the historic Partium and the eastern part of the Transylvania regions. In the counties of the Sekler Land (e.g. Maros, Hargita, Kovászna) about 90% of the population is ethnic Hungarian. Other areas have more sporadic populations, mostly located in Northern Transylvania, Bihar county, the Szilágyság, Máramaros and in the historic Hungarian cities, like Kolozsvár (Cluj Napoca), and Nagyvárad (Oradea).

The decades of communist dictatorships in Romania had hard consequences on the Hungarian ethnic minority. The Hungarian population, its churches, and civil organisations not only lost their collective rights and freedom, but they were deprived of their possessions as well. The change in the political system brought steady development in the majority of Hungarian counties regarding their private and collective civil rights. The use of Hungarian settlement names and the use of Hungarian names for public buildings and in public areas became legal as did the use of the Hungarian language in local self-government. The legalization of the reprivatisation law after 2000 partially solved property issues as well, especially in case of the Church-owned estates and possessions.

The Democratic Alliance of Hungarians in Romania (RMDSZ) is a political organisation of key importance for Hungarians living in Romania. It has been present in Romanian political life since 1990 (and had a government function for a short period of time). It has an important role in the local political life of the counties of the Sekler land, too. The spiritual leader of the Hungarians in Romania is László Tőkés, a Calvinist priest (also the bishop of the Királyhágó-mellék Calvinist Diocese between 1990-2009) who has played an immense role in starting the processes of the change of the system in Romania and in the movement for Hungarian autonomy.

UPPER HUNGARY (FELVIDÉK)

The Hungarian population (about 500,000 people) of Upper Hungary lives in Slovakia, in the strip of land along the border of Hungary. Komárom (Komarno) and Dunaszerdahely (Dunajská Streda) are prominent cities among the cities having majority Hungarian populations. The creation of independent Slovakia in 1993 lessened some of the rights enjoyed by the ethnic-Hungarian developed following the Velvet Revolution that ended the socialist system. This led to the cooperation of previously competing Hungarian political parties, creating the Party of Hungarian Coalition (MKP) in 2000, to press for minority rights and broaden the development of Hungarian schools and public institutions. The accession of Hungary and Slovakia to the European Union resulted in the further development of Hungarian-Slovakian relations in the border region. However, the MKP later split up, and was ousted from the government leading to the disintegration of Hungarian political organisations in Slovakia.

VOIVODINA (VAJDASÁG)

At the time of the political transition in 1990 the Hungarians living in the southern regions of the Carpathian-basin (Yugoslavia) were located mostly in the Vajdaság (Voivodina) region, and in the cities in neighbouring regions of Szabadka (Subotica), Zenta (Senta) and Magyarkanizsa (Kanjiža). The multi-ethnic Yugoslavian state provided a relatively wide range of cultural autonomy for the Hungarians living in the region. They had schools, cultural organisations, Hungarian book publishing and theatre also. The Yugoslavian civil war, however, decimated the Hungarian ethnic group as many of them moved to Hungary to escape the violence or conscription (Topic 13). After the disintegration of the Yugoslavian state, a smaller number of ethnic Hungarians gained Slovenian or Croatian citizenship and most of them (those living in Voivodina) became Serbian citizens. The political situation however, became less favourable and more divided, and because of that the number of ethnic Hungarians in the region has been gradually decreasing with numbers now fewer than 300,000.

The Democratic Community of Voivodina Hungarians (VMDK) was founded in 1990. Its most important aim was the enforcement of minority rights and the safeguarding of the common (collective) rights of Voivodina Hungarians. In 1994 the Alliance of Voivodina Hungarians was excluded from the VMDK.

TRANSCARPATHIA (KÁRPÁTALJA)

The ethnic Hungarians living in the Transcarpathia region were under the supervision of the Soviet Union, and then later Ukraine. Soviet rule meant restricted minority rights and isolation from the mother country and this caused the number of Hungarians to drop dramatically (Today the population stands at about 150,000 people). The political transition in Ukraine led to greater self-organisation of the ethnic Hungarians who formed the Transcarpathia Hungarian Cultural Association as a safeguard for the interests of Hungarians living in the Ukraine. The representatives of the association filled important positions in the local governments of Hungarian settlements. Settlements in Ukraine with majority Hungarian population gained the rights to use original Hungarian names and have Hungarian street names. In the city of Beregszász (Beregovo), which had the largest population of ethnic Hungarians, a Hungarian National Theatre was organised.

HUNGARIANS IN THE WORLD

Throughout the political transition in Europe and Hungary nearly 5 million Hungarians migrated beyond its national borders. There were about 3 million of them living in the Carpathian basin and another 2 million Hungarians living in several countries all over the world. The greatest community of Hungarians live in the United States and in Israel. To accommodate Hungarians living abroad The World Federation of Hungarians was reorganised in 1992 aiming to safeguard and promote the linguistic and cultural identity of Hungarians. In the same year this organisation, during the presidency of Sándor Csoóri, initiated the Channel Danube Foundation that promoted the expansion of Hungarian citizenship for those who declared themselves to be ethnic Hungarian (2000).

László Tőkés: Autonomy is the best remedy for separation (Temesvár, 1996. May 16.)

“The ethnic Hungarian community in Romania has never used violence as a tool in its 75 years of minority history. With a selected group of legal and peaceful ways, using parliamentary means and European norms and practices we intend to continue our struggle for the human and collective rights and also for the realisation of different forms of autonomy well-known in Europe.”

16. EDUCATION, CULTURE, CIVILIZATION SCHOOL SYSTEM

The change in political systems had a dramatic effect on the Hungarian educational system beginning in 1989. Some of the most important changes were the cessation of the compulsory Russian language classes, as well as alternatives to the 12-year compulsory (8 primary/4 secondary) education system including the introduction of 6 and 8 year secondary school programs. Additionally, the possibility for church schools and foundations schools were opened as alternatives to state funded education.

The law on self-governments in 1990 placed the majority of elementary and secondary schools under the control of self-governments. The transition process was legalized by the new law on public education in 1993. The previously mentioned Vatican agreement (Topic 34.) was an important step in the matter of the creation and maintenance of church schools.

PUBLIC EDUCATION

After the political changes in 1989-1990 school subjects and perspectives also started to change. Socialist indoctrination based on Marxist ideologies were eliminated from the curriculum and other educational documents. In addition, the promotion of differing beliefs and viewpoints became more prevalent in educational settings. State regulation of education, similarly, became the field of continuous political debates and legislative changes, especially over the debate on the role of the National Curriculum (Nat). Changes to Nat were begun prior to 1989, but were legally changed after years of negotiation in 1995. The debate, however, is reignited every time there is a change in the government control leading to frequent modifications to education policies.

The National Curriculum is the basic document for the academic regulation of public education with the statements of development goals and the basic study material. The 1995 version of it was regarded to be too broad by most teachers, so more definite academic specifications were phrased in the so-called General Curriculum (2000). Since then, education legislation, the Nat and the General Curriculum, and thus the academic material to be taught, have been the subject of hotly contested debates.

The transformation in education has also affected classroom sizes at the different levels of education. The number of students below 15 years of age dropped by 25 % in elementary education. Along with this the number of students per classroom improved (from 25 to 20) and the rate of teachers per students improved, too. Those secondary schools offering the National Final Exam have more than doubled their student population, increasing from a 20% rate per year to 60% over a ten-year

period. This, and the collapse of the socialist industrial programs, also explains the drop in enrolment in vocational schools by nearly half. Research has shown, unfortunately, that these changes, have not had the dramatic affects on society that was hoped for.

HIGHER EDUCATION

There were many important and major changes to higher education, as well. Institutions run by the church or private foundations began to appear, including Pázmány Péter Catholic University (1992), Károli Gáspár Calvinist University (1993) and the Budapest Central-European University (1994). A new law was also passed that provided academic autonomy and self-government for all universities. One of the biggest changes was the integration into the European system of higher education. Beginning in 2000, Universitas-type institutions were created (based on Medieval traditions), connected to the Bologna system of European universities, a multilevel higher education system. Due to the changes made by the government as well as the foundation of new institutions and the enlargement of old ones the number of full-time college and university students tripled. The increase in the number of students however was not followed by the increase in professor-numbers or the improvement of the possibilities after graduation. Thus, the general benefits of higher education has not improved as much as was hoped for. A further problem was caused by the fact that the structure of higher education did not respond to the demands of the labour market, which included positions that did not require a university degree.

The basic idea of the Bologna-system is the creation of a universal and comparable higher education that is divided into two development sections (cycles) which complement one another. The first cycle consists of the basic training (Bachelors (BA) programme), that provides a specialized degree to enter the job market and also enables the candidate to be admitted to the second training cycle (Masters (MA) programme). The Bachelors programme equals college training, while the Masters program is the university level. The latter one is also required for those seeking PhD degrees.

CULTURE

Great changes were experienced in terms of cultural life in the years just prior to and during the change to the political system. Government censorship of the media gradually ceased, ending the permit system and expanding the number of new newspapers and magazines. Probably the most important among these was

Hítel (Credit) – a magazine that covered literature and public life – issued in 1988 November for the first time. The publishing of previously banned pieces of art and science also became available, allowing the public access to the works of Orwell, Solzhenitsyn, Koestler, István Bibó, and Sándor Márai.

Book publishing also changed a lot by 2000 as the number of published works increased; although, the number of copies available decreased. One of the most notable Hungarian writers, Imre Kertész, was awarded the Nobel-prize for his book *Fateless* (Sorstalanság) recounting the terrors of the Holocaust.

SCIENCE AND ARTS

The world of science and arts also changed after 1990. The Hungarian Academy of Sciences, Hungarian Academy of Arts as well as the Society of Hungarian Authors (Szépírók Társasága) and the Hungarian Writers' Association (Magyar Írószövetség) gained their autonomy and several non-governmental organisations were born in the field. The end of the previous ideological, spiritual and academic constraints had a liberating effect on most fields. The increased liberties were seen throughout the artistic and scientific fields, providing for greater diversity, discovery, and expression. The new ideological and political freedoms did, however, result in growing social disagreements within and between members of the different fields.

PRESS AND MEDIA

The greatest and longest debate to emerge out of the political transition was the state of the media in Hungary. The cause of this debate came from the opinion of the MDF-government that stated that print and electronic media (radio and TV) presented information in a subjective and unprofessional way. The problem began with issues arising from the compromise made between the MDF and the SZDSZ that the position of Chairman of the Media should be selected by the prime minister but approved by the President. The President at the time, Árpád Göncz, a previous member of the SZDSZ, was unwilling to approve the position leading to what was commonly referred to as the Media war in 1993-94.

During the crisis, the bulk of readership of the daily papers transitioned from political periodicals to tabloids. The privatisation process led to the appearance of commercial-type radio stations and TV channels all of which were new phenomena in the platform of electronic media. By 2000, public preference turned towards

tabloids due to the popularity of those commercial channels and, in response, newspapers and magazines such as Magyar Nemzet, Heti Válasz, Népszabadság, and 168 óra began orienting to specific right-wing and left-wing audiences. The “right-” and “left-wing” TV channels and radio stations were also born (Hír TV, ATV, Lánchíd Rádió, Klubrádió) leading to greater political polarization and social disunity. In addition, internet journalism and news portals, like Origó, and Index also became more popular.

CIVILISATION

The most pronounced indicator of change in cultural activities was the transformed role of previous cultural centres in cities and the disappearance of cinemas from villages. Musicals became more popular while theatre productions saw a slight decrease in spectators. The role of channel TV-programmes and satellite-TV programmes grew to become the most popular platform for culture in Hungary by the middle part of the 1990s. By 2000, Multiplex cinemas (playing mostly action films) began to appear together with the growth of shopping centres. After a long political debate, the New National Theatre was opened in March of 2002 and the new gallery for contemporary arts, the Ludwig Museum also opened. Remembrance days were introduced at schools and the Holocaust Documentation Centre and the House of Terror were opened.

SPORT AND LEISURE TIME

Sports were affected by the economic and social changes, too. The government control of sports, specifically professional sport, was privatized, allowing for individual ownership of teams. The effect of privately owned teams proved controversial as many national team sports worsened, but there were more individual sport successes.

By 2000, easier living conditions allowed individuals more time for sport and other leisure activities. Year by year huge crowds gathered for public sport events like the Budapest Marathon, and the Balaton cross-swimming as well as music- and cultural festivals such as the Sziget Festival, and the Valley of Arts.