Rolling Transition and the Role of Intellectuals

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Chapter V

Regime Change and Elite Change

Nonviolent transitions became fascinating topics for elite theorists in the past decades. In this chapter, I will focus on the explanation of Hungarian transition from an elite theory point of view. First, I contrast the dynamics of transition in Poland and Hungary by stating that the Polish transition was equally decade long, but it was initiated by workers and intellectuals in a broad and inclusive social movement, the Solidarity (Solidarnosc). Afterward, I discuss the role of agency in the elite-driven Hungarian transition by underlining the role of reformist and technocratic professionals outside the democratic opposition. Unlike the dissidents, these pragmatic groups followed the ideology of modernization. I argue that the roundtable transition can be understood as a form of elite settlement, which contributed to the political change significantly from co-optation via cooperation to competition.

1. Patterns of transition: Poland and Hungary

Lawful revolutions are results of a longer process of learning,¹ but they embody not just the revived patterns of historic past. The changes of Central Europe cannot be understood without considering the impact and legacy of the previous freedom fights of the region (1953, 1956, 1968, 1970, 1980–1981), but in 1989 the accelerating political processes affected each other, like dominos, in the countries of the region.

The opposition in Poland was incomparably stronger than the Hungarian opposition, the reasons for which led back at least to World War II. The

¹ Held, History of Eastern Europe in the Twentieth Century; Ekiert, The State against Society.
Solidarity trade union and social movement which was formed in August 1980 had ten million members at its prime, which practically covered the entire society. Solidarity included both workers and intellectuals, party members and outsiders, state employees and self-employed peasants. It was a real social coalition against the system, backed not only by millions but also strong social institutions, first and foremost the Catholic Church. The ideology of the movement was inclusive, encompassing a very wide spectrum of ideas including traditional national Catholicism, social conservatism, democratic (catholic) socialism, anti-communism, and pro-West liberalism. The leading institutional and ideological supporters of the opposition were the Polish Catholic Church and such charismatic figures as Cardinal Stefan Wyszynski of Warsaw and Karol Wojtyła of Kraków, the latter became the head of the Catholic Church as Pope John Paul II from 1978 onward. Papal visits to Poland attracted hundreds of thousands, and every such meeting equaled to an anti-system demonstration. The Polish opposition was able to leave the public sector and create alternative social institutions (second public sphere, samizdat journals, presses, legal aid services, schools, free universities, social networks, etc.). In short, the Polish democratic opposition had significant social support and an inclusive ideological platform which was backed by the Catholic Church, an institution comparable to the party state in terms of nationwide organization. This was further fortified by the support of the Vatican and the special attention of the United States in the new waves of the Cold War.

Compared to the size and organization of the Polish opposition, the opposition in every other communist country was just a group of isolated dissidents. Being a member of the Polish opposition was a question of pride and honor, reflected by widespread social appreciation which also provided protection. No wonder the leaders of the communist systems of other Central European countries could handle the dissidents much more easily, either by isolating them or by sending them away from the country (like in the GDR). Dissidence in other countries lacked social embeddedness, external institutional support, and widespread appreciation and protection. Thus, they had to operate in a more isolated way surrounded by the atmosphere of fear. Isolated East German dissidents

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were pressured by the authorities to leave for the West, but the Polish opposition was resistant to such opposition-breaking techniques of the party state.\(^3\) The countercultural context they lived in was so strong that for them leaving the country would have meant running away: they consciously decided to stay and to resist and organize further.\(^4\) Official sanctions only made them stronger.

In contrast, the Hungarian opposition was well-circumscribed group of middle class, typically younger, Budapest-based intellectuals. Being based in the capital, they were similar to the Czech dissidents of Prague, although the latter were artistic intellectuals while the background of the Budapest-based intellectuals was mainly in humanities and social sciences. The main doctrine of the Hungarian dissidents was human rights, which was powerful but lacked the historic tradition and narrative force which Christianity had. The Hungarian opposition referred to the Enlightenment and the French Revolution as intellectual predecessors; for the Polish opposition, religious belief was an integral part of their fight for freedom. Given the Hungarian Catholic Church was much more efficiently corrupted by the Kádár regime, the dissidents could not hope for support from the largest church and turned to small denominations instead. However, the Hungarian society was much more secularized than the Polish one, and therefore the lack of church support per se was not a crucial break in opposition organization.

Inside the country, the Hungarian opposition did not have a strong institution supporter like the Poles. They received support from outside the country from the Soros Foundation, but its ideas of free society spread in the country to a lesser extent. The scholarships and infrastructural support of the Foundation, useful as they were,\(^5\) could not make up for the lack of traditional internal institutional background. On the other hand, the Polish opposition faced a tough, combatant state party which introduced martial law in the country for one and a half years at the end of 1981 and the leaders of Solidarity were put under house arrest.

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\(^3\) Flam, *Mosaic of Fear.*

\(^4\) Michnik, “A New Evolutionism.”

\(^5\) Nóvé, *Tény/Soros.*
Table 9. The differences between the Polish and Hungarian opposition movements

<table>
<thead>
<tr>
<th></th>
<th><strong>The Polish Opposition</strong></th>
<th><strong>The Hungarian Opposition</strong></th>
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<tbody>
<tr>
<td><strong>The Character of the Movement</strong></td>
<td>widespread movement crossing social classes and reaching millions</td>
<td>small number of Budapest-based intellectuals, middle class group</td>
</tr>
<tr>
<td><strong>Opposition leader</strong></td>
<td>worker, elected trade union leader</td>
<td>freelance intellectual, informal leader</td>
</tr>
<tr>
<td><strong>Ideology</strong></td>
<td>Christian socialism, Catholicism, Patriotism, civil society</td>
<td>human rights, civil society, minority rights</td>
</tr>
<tr>
<td><strong>External support</strong></td>
<td>Major support: Catholic Church, Vatican, US</td>
<td>Less decisive: Soros Foundation, US</td>
</tr>
<tr>
<td><strong>Opponent</strong></td>
<td>combatant state party</td>
<td>“indulgent” state party</td>
</tr>
<tr>
<td><strong>Political regime</strong></td>
<td>military dictatorship, corporatism</td>
<td>selective party state dictatorship, paternalism</td>
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Historically, the Polish negotiations began as far back as August 1980: in the Lenin shipyard in Gdansk. Polish dissidents were the pioneers in initiating open negotiations with the communists in the region.\(^6\) The first talks between the activists of the newly formed Solidarity and the leaders of the communist party marked the beginning of the end of the system. The self-limiting revolution of Solidarity in 1980–1981 established a model for other opposition groups in Central Europe. Hungarian dissidents maintained vivid contact with their Polish colleagues and attempted to learn and locally apply the strategic and tactical methods of the Polish opposition.\(^7\)

Before Solidarity, people in the Soviet bloc had two major attempts of different type to change communist rule: a revolution (in 1956 in Hungary) and a reform (in 1968 in Czechoslovakia).\(^8\) Although both changes proved to be internally successful and enjoyed popular support, they both provoked Soviet military intervention and were not able to resist the overwhelming military power of the Red Army. Any sort of resistance seemed to be hope-

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7 Mitrovits, *Tiltott kapcsolat*.
8 These were preceded by the first protest in East Berlin in June 1953.
less. The solution for this deadlock came with the idea of new evolutionism, which was a strategy based on the Gandhian9 “non-violent non-cooperation” with the oppressive party state and the revitalization of civil society.10 This strategy aimed at separation from the state and strengthening civil society to make it prepared for future negotiations on rights and freedoms.11 It was an intellectual break with the idea of reforms and preparation for real, meaningful talks.

The long transition of Poland lasted for a decade from the Gdansk negotiations through the military regime and then, finally, to democracy. As it was Poland where the transition came first, the Polish opposition had to behave in the most cautious manner. By refusing reforms and shallow negotiations, Solidarity was able to create a political vacuum around the communist party. It was able to make clear that there was no other solution for the crisis than entering negotiations with the Solidarity. Accordingly, the Polish Roundtable talks which took place between February and April 1989 aimed less at the creation of a full-fledged democracy, and the participants rather agreed in concrete issues.12 Their first task was to restore legality and grant legitimacy to Solidarity. Next, they agreed on holding half-democratic elections where the result was partially predetermined.13 The Roundtable talks closed the period of declining state socialism.14

The task of the Polish and Hungarian Roundtable talks was to extricate their countries from dictatorship. In contrast, the East German and Czechoslovakian Roundtable talks occurred only after their revolutions.15 Therefore, in the latter cases, the goal of their negotiations was the establishment of the institutional order of the new regime, since they had already disengaged themselves from their dictatorial regimes. Poland was the first “roundtable country,” but they had to pay the price of ending up with semi-free elections in 1989. True, even these elections caused to a political landslide.

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9 Gandhi, “Duty of Disloyalty.”
10 Michnik, “A New Evolutionism”; Arato, “Civil Society Against the State.”
11 Ekiert, *The State against Society*; Stokes, *From Stalinism to Pluralism*.
12 Among them the most important was the re-legalization of Solidarity.
13 Osyatinski, “The Roundtable Talks in Poland.”
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Hungary was the second to attempt a fundamental political change. The intention of the Hungarian negotiators was to follow the Polish path but to go further and achieve more than the Poles did. It was considerably easier to run second than to be the path-breakers. Only in the case of Hungary did the Roundtable talks achieve both goals simultaneously: freeing Hungary from the old regime and creating the institutional order of a democratic regime.\textsuperscript{16} Thus, the negotiations represent, in the words of Arendt, not only an end of an era but the beginning of a new one.\textsuperscript{17} Every serious political actor of the regime change could express their opinion during the Roundtable talks of 1989.

The Hungarian negotiators often referred openly to the Polish precedents. The Liga trade union sent delegates to Poland to learn the first-hand experiences of the Polish negotiators.\textsuperscript{18} They realized that the Polish opposition could arrive at a compromise with the communists on semi-free elections because they were much stronger than the Hungarian opposition. The Polish opposition could afford to accept substantial compromises in the early stages of transition because they were strong enough to mobilize the masses on the streets and change the results of the Roundtable talks later on. The Polish dissidents could accept a compromise without damaging their political credibility. In the spring of 1989 the Hungarian opposition could not risk that yet. In Poland, the semi-free elections of June 4, 1989, had far-reaching consequences. The former communist satellite parties distanced themselves from their “mother” and helped make a new majority in the parliament with the Solidarity. In Hungary, it was not until summer 1989 that the by-elections confirmed that the opposition had gained strength.

Yet the Polish Roundtable talks were educative not only to the Hungarian opposition but also the representatives of power. The latter saw how quickly the landslide victory of the Polish opposition in the Senate elections changed the political balance reached in the negotiations. A delegate of the MSZMP at the time remembered as follows: “I was in Poland, where we checked the local roundtable talks. We had a number of practical political experiences.

\begin{footnotes}
\item[16] Bozóki, \textit{The Roundtable Talks of 1989}.
\item[17] Arendt, \textit{On Revolution}.
\item[18] Interview with László Bruszt, 1997; Interview with Csaba Öry, 1997.
\end{footnotes}
Regime Change and Elite Change

We obviously rejected the Polish model, so that we would carry out some kind of compromise elections.”

Both in Poland and Hungary international factors also played a role in the success of the negotiations: the visit of US President George H. W. Bush, and the support of the Soviet chief party secretary, Mikhail Gorbachev. Interestingly, neither Gorbachev, nor Bush, urged the Hungarians to speed up the tempo of the transition. They rather warned them that the process of democratization should be kept controlled and the direction of the changes is more important than their speed. Internal pressures from the population and external support from the Western democratic community were both extremely important, but it was the politically active domestic agency, the intellectuals, who could actually manage the process. They formed the negotiating delegation to the Opposition Roundtable.

It is true that, neither in Poland nor in Hungary, any of the negotiating partners’ positions were legitimized by democratic election. Electoral results confirmed the previous efforts only later. In a way, democracy was created by nondemocratic ways. Still, the emerging political society clearly supported the opposition-groups’ struggle for democracy. In Poland, the party state was defeated by civil society that appeared relatively homogeneous as it existed under a single umbrella organization. In Hungary, the competing intellectual groups of the divided opposition laid the foundation for the multiparty system. With some simplification we can say that in Poland there was democracy before pluralism, while in Hungary there was pluralism before democracy. Looking at from historical perspective, the Polish transition was mass driven while the Hungarian transition was rather elite driven.

2. Elite change: The rise of reform intellectuals and the technocracy

The transition involved the gradual convergence of reform intellectuals and the democratic opposition, which had become close cooperation by 1989. However, that year not even the seemingly homogeneous pro-reform intellectuals were unified. Some of them specialized in bureaucratic, administra-

19 Interview with András Tóth, 1997.
20 Békés, “Vissza Európába.”
tive, technocratic roles; others insisted on the idea that the system may be reformed only from the inside (i.e., as a party member, linked to the reigning government). And a third group, the real reform intellectuals, grew more and more critical toward the system and the role of party intellectual. They gradually converged with the democratic opposition. Their cooperation was one of the preconditions of the rolling transition. They could place those activists to the front line who could be best in performing in the given moment.

The groups of technocrats, party intellectuals, and pro-opposition reform intellectuals cannot be sharply distinguished due to significant overlaps. Usually, reform intellectuals and technocrats were, too, party members, and they were open to representing professional positions even as party intellectuals. Genuine difference could be found in the mentality each group represented. Over time, these concepts came to refer to sets of different people, for those who identified as party intellectuals or technocrats in the beginning of the 1980s often radicalized by the end of the decade, and most of them identified as reformists. Their earlier place was taken by others. The radicalization of reform intellectuals pulled more and more party intellectuals and technocrats into their group, contributed to changing their identity, and facilitated the regime change. Szalai analyzed the groups of the counter-elite and distinguished between three groups: the technocracy of the late communist era, the democratic opposition, and the reform intellectuals floating in between. In the latter group, she included both the reform economists and the group of populist intellectuals.

I argue the role of reform intellectuals becomes significant if we compare it to the technocracy and the loyal party members. For the former represented a different identity and mentality from the latter. The social "bridg-

21 "Firstly, the Western, pro-market *late Kádár technocracy* growing up within the ranks of power (and its bureaucracies), secondly, the *democratic opposition* (deprived of its positions) standing outside the ranks of power and primarily committed to democracy and civil rights, and, thirdly, the *new reformist intelligentsia*, which is still in state positions but committed to the ideas of reform (thus floating in position between the two previous groups)." E. Szalai, "A rendszerváltás útelágazása."
ing” role of reformists was necessary for the democratic opposition in an era when it became clear that alliance with the workers was not going to happen. The reform intellectuals turned the focus of dissidents to economic problems, and opened channels to them which facilitated the peaceful regime change. Distinguishing party intellectuals and the technocracy is necessary because these groups formed their identity based on different preferences. The technocracy considered “apolitical” professional knowledge and bureaucratic reliability as most important, whereas the party intellectuals considered political loyalty. That these groups turned in a reformist direction was provoked by the inevitability of regime change. Without that, their identity— unlike the reformists—would have remained unchanged. The difference between the groups of technocrats and party intellectuals disappeared only by the end of the Roundtable talks of 1989.

Critical intellectuals were divided in the decade after giving up Marxism. Social scientists who could keep their jobs in the anti-reformist course of 1970s turned to their profession, while the entrants of the 1970s started empirical research. The cooperating members of these groups formulated their critical observations in the language of their scholarship in the new reform era on the turn of the 1970s–1980s. For the economists, the internal criticism of economic control was primary, although their writings did contain the germs of social and even regime criticism. Unlike earlier, intellectual reform groups in the 1980s were led not by philosophers or sociologists but economists. They knew the most about the critical economic condition of the country, they had access to insider analyses and statistics, and they were able to present alternatives with a critical edge, in the language of economic reform, but still in a way that was acceptable to politicians. Their position was further strengthened by the fact that the heydays of the Kádár era were legitimized by economic competence.

2.1 Reform economists

The members of this group were often called as reform economists. They enrolled in the party during their university years because then the consensus held that if one wants change, it can be most easily achieved within the party. There was one who, based on her recollection, hesitated about whether to enroll but then “my father said that criticism from the outside really made
Some of them surely believed in the possibility of reform and called for a kind of self-managing socialism. Others proposed, out of conviction or tactical considerations, “market socialism,” a combination of planned economic and market redistribution.

The representatives of the group were the “Dimitrov Square Boys,” who arrived in the public discourse from the Karl Marx University of Economic Sciences which was on the square then named after Dimitrov. One of the negotiators of MSZMP in 1989 said that

the Dimitrov Square Boys was the category that covered the economists who graduated in the second half of the sixties and the first half of the seventies. So mainly around 1968. And this generation had relatively important representatives in the party and state leadership by the 1980s. [. . .] I also heard the category used in a sense that “so, they are the so-called reformist titans who try to act against the pedantic old crocks.” This is one line of explanation. The other explanation is that, I think, that these Dimitrov Square Boys still collaborated with the power back then. Both have some truth in them. Probably this dual approach is right. [. . .] As people in leading positions in the governing apparatus, they absolutely engaged in self-censorship, it can be observed in their writings as well.23

Another opinion claims that “this whole layer started from the belief that they are enlightened reformists [. . .] and therefore it is the best if they are at the helm.”24 Consequently, leading representatives of the Kádár regime could believe that accepting economic rationality was the essence of the Hungarian model, that is, everything which put that country in a more beneficial position vis-à-vis other countries in the Soviet camp. The deepening of the crisis brought the increasing influence of economists who step up as the guides of the solution.25 By the 1980s, a more radical group of reform intellectuals had grown up, who were finally able to acquire wider intellectual

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22 Interview with Ágnes Balázs, 1997.
23 Interview with Ferenc Vissi, 1997.
24 Interview with András Vértes, 1997.
25 Critical analysis of this view is provided by Böröcz, “Vanguard of the Construction of Capitalism”; “Reaction as Progress”; “Hungary in the European Union.”
support to the cause of reform. An economic researcher assessed the position of the group as follows:

I think I have a lot to thank to Rezső Nyers [the father figure of reformist communists who introduced the economic reforms in the 1960s—A.B.] [...] There were some intermediary people, who could perfectly speak the cadre language that Nyers cultivated but they also knew the language he did not. [...] They could speak to the enlightened people in the apparatus, and to the opposition as well. [...] For there were intermediary people who brought and carried messages. It worked like this.²⁶

In the beginning of the 1980s, there was observable difference between the old-style central planners and the younger researchers who had a rather reformist position already then. The latter were in regular contact with economists who, due to their views, were *persona non grata* around power. Professional contacts were formed and, as a result, blacklisted researchers could be involved by the technocrats in planning for the middle term.²⁷

The institutional background of the reform intellectuals was provided, beyond academic research institutes, by the Financial Research Institute of the Ministry of Finance. The debates in the Institute gathered increasing attention, and politically active circles were formed.²⁸ The second reform generation of the Kádár era was forming, the members of which did not know back then that their task will not be that of a reformer but a “transformer.” The Institute was peculiar because it was too scientific and independent for the politicians, whereas scholars found it too political and embedded in the circles of the party state. People who worked there felt privileged as they had access to the insider statistical data and analyses which showed the true status of the economy. However, they had to pay for their privileged position. Instead of books, they could only write inside papers with restricted circulation. But as censorship limited the publications of others as well, they were not significantly disadvantaged compared to their researcher colleagues in academic institutes. They rarely could go to Western institu-

²⁶ Interview with Mihály Laki, 1997.
²⁷ Interview with András Vértes, 1997.
tions, but they could go to China and Yugoslavia. The papers written on the basis of confidential data were debated in the Institute, where a few representatives of the opposition were invited as well. Reform economists tried, from the position of state-permitted insiders, to mediate between the politicians open toward reforms and the opposition of the system, and they often cut deals with the representatives of power as well. As a dissident later explained: “We published the writings of reformists under pseudonyms, and there was enough communication between us anyway. They had stronger belief in inside reforms and the possibility of changing from the inside than we, the so-called radical opposition did.”

The most obvious sign of a writing of a reform economist, distinguishing it from scholarly papers, was that the reformists formulated proposals for “the politics” at the end of each of their “materials.” A reform economist was never satisfied with the exact diagnosis of the case at hand. They also wanted to do something for the success of reform. Most of the reform economists believed that if their research analysis is correct then so are their political conclusions. At first, they never even considered that research competence and political competence might be two different things; they believed that the competence they have is equally valid for doing politics and science. In short, the reform economist was always, by definition, dissatisfied with the not properly radical, ambiguous political execution of the reform they proposed.

By political function, the reform economists were first and foremost communicators who perfectly spoke the economic jargon. They could communicate with politicians, scholars, and those with and those without positions alike. Moreover, their best communicators gradually stepped out of the public discourse of universities and institutes and learned to speak the language of the society. Many of them went to the country on community forums where, lecturing about the necessity of reforms, strove to become the social catalysts of change. They had a genuine overview of the processes going on in the country because they had the opportunity, given their position, to visit factories and develop a much more direct contact with the workers than either the dissidents, the top advisors of the party state, or the ordinary intel-

29 Kovács, "A reformalku sűrűjében."
30 Interview with Gábor Denszky, 1997.
31 Sárközy, Egy gazdasági szervezeti reform isdrában.
lectuals could. László Lengyel, one of their most active representatives who had been expelled from MSZMP in 1988, described the situation in that year as follows:

I have given lectures since 1975. This gives tremendous insight, and great experience to me. At first, this meant 10–15 lectures per year. Last year, seventy-two. These are mostly companies now. I am a regular at many places. Year after year, I see the workers and engineers who said something in 1981 and now, in 1988, also say something. It is very interesting to compare. An important characteristic of my operation is that I practically carry news from one end of the country to another.\(^{32}\)

In the end of the 1980s, the workers did not accept a lecturer from the party apparatus, but a reform economist (who also had a party membership book) was welcome.

When someone goes to lecture with a colleague from the Central Committee. The humiliation a colleague from the Central Committee has to endure! […] People at my age who joined the apparatus all complain: they cannot explain why they are at the party center. In a way that the audience does not say that they won’t attend at all, or attend only to yell “bastard” in his face.\(^{33}\) […] I can hardly mention an intellectual who has company contacts. Who could get inside any of the different social strata without a problem. The real tragedy is that there is no organic contact between intellectual groups and worker groups.\(^{34}\)

The most important social function of reform economists was to bridge this social gap: to engage in discourse with the strata outside the intellectuals, to raise awareness of the crisis in the wider public, and to spread the idea of reform. For a long time, they had expected that an enlightened group within the party would come to power and carry out change. This had led them to politicians like Pozsgay and Nyers. From the mid-1980s, the reform economists emphasized with more and more determination that Hungary

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32 Ács, Közért a párt, 11.
33 Ács, Közért a párt, 13.
34 Ács, Közért a párt, 17.
was in crisis, by which they primarily meant economic crisis and crisis of confidence. It was not until 1988 that they stated the political crisis as well. Recognizing the need for change led them to their most famous joint work, the critical study entitled *Fordulat és reform* (Turn and reform) which was debated by various professional-intellectual groups as well as the theoretical economics team of the MSZMP. The collapse of the previous dual public sphere was shown by the fact that the study was published not only by an independent journal, *Medvetánc*, but its text was read in Radio Free Europe and an abridged version was published by the *Közgazdasági Szemle* (Journal of Economics) which was close to the party.

The reform economists became the popularizers of expertise and technocratic knowledge via the rhetoric of crisis, and in that role they had much to do with that the society endured the deep transformation crisis in a surprisingly calm and patient manner. The reform economists interpreted their role as modernizers, moreover, they believed that they were “lanterns in the tunnel.” About reforming the system, a participant remembered as such: “Some deeply believed that the system can be reformed, but also thought that this system would exist forever and then one ought to do something. [. . .] Others, however, did have a genuine belief.”

The effect of this group could be strong because in the Kádár regime various social strata were isolated from each other, and mobility was also low. However, this mobility between the strata could be realized by the reform economists as free-floating intellectuals. Based on their knowledge, they were heard out in academic workshops; their party membership allowed them to meet the leaders of the system; their critical approach brought them close to the dissidents; and finally, their structural position and emancipatory attitude made them able to talk to the factory workers as well. They had access to every circle, and yet they did not belong to any of them. They were no scholars, no party soldiers, no members of the opposition, and they were no leaders of the workers either, but they had a taste of each of these roles. As if they were following the guide of Mannheim: they tried to synthesize the

35 Antal et al., “Fordulat és reform.”
36 For an analysis of the context of the *Fordulat és reform*, see Gagyi, “Beágyazott kritika.”
37 Interview with László Antal, 1997.
38 Pogány et al., *Lámpások az alagútban*.
39 Interview with Mihály Laki, 1997.
impulses which they received from various groups of society. They entered the spotlight when the system was ideologically depleted. The appearance of reform economists was, therefore, inseparable from the crisis of the system.

The rhetoric of crisis, that they cultivated, was effective not only because the system was really economically broken but also because their own group existence was legitimized by the crisis. If there is no crisis, the group of reform intellectuals does not exist. True, they were not the sole users of the vocabulary of crisis, which was taken up by the members of the populist opposition as well: however, they talked not so much about the crisis of the system but rather the historically determined, moral crisis of the nation. In the situation of vacuum that had been developing gradually, the reform economists made economic rationality the ideology substitute of the ideologically empty regime. This worked until a new, democratic regime was built in place of the collapsed old one. In the 1990s, the group of reform economists dissolved because their historic mission ended. In the competition of parties and ideologies, they could no longer belong to more than one group at once, nor represent “economic rationality” as an independent ideology.

Despite they appeared as a unified group before the politically interested audience, the reform economists were not homogenous. Fundamentally, there existed two approaches, two schools: the more economic-inclined were the monetarists, while the more sociology-inclined became the institutionalists.

The monetarists were interested in the system of regulations, the “control pedestal,” and therefore they were closer to the circles of power. They lived off the information published by the party state to a restricted audience, and thus their scholarly activity gradually colluded with the party state. They were obviously more competent than the experts of the party bureaucracy, based on their education, openness, and system of networks. No wonder that after the regime change, in spite of the distrust of the new ruling political elite, they became CEOs of banks, economic policy makers, important party advisors, and the leading officials of governmental institutions. They usually continued their professional career, only a minority of them became party politicians. Their thinking was formed by the then strengthening ideology of neoliberalism and neoconservatism, but they did not become anti-

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40 Csengey, *Meztelőkás szabadság*; Csurka, “Meg nem történt forradalom.”
41 E. Szalai, *Gazdaság és hatalom; Útelágazás*; Gagy, “Beágyazott kritika.”
democratic liberals because the need for democracy was deeply engrained in the domestic critical thinking. The monetarist representatives of the liberal economists sometimes appeared to accept the idea of “first perestroika, then glasnost,” and refer to the economic success of South Korea and Chile. They argued that the political and the economic sphere cannot be changed at once, that is, there should first be economic reform, private property, and capitalism, and only then should there be democracy. However, they held a minority opinion vis-à-vis those who believed that economic reform without political reform is not possible.\(^{42}\)

The *institutionalists* were more interested in the actual social consequence of reform, or the social output of the economic policy of interest reconciliation. This way, they became more and more sensitive toward political oppression, the popular support of the reform, and gradually converged to the democratic opposition. Later, they became the critical sociologists of the new democracy, as well as the newly founded capitalism.\(^{43}\)

Besides the reform economists one should also mention the sociologists who researched inequality, the “second economy,” poverty, and the issue of social inequality in general. This was the period of the nascent political science as well, which had grown out of jurisprudence and “scientific socialism,” turning against their doctrines. Key figures of Hungarian political science temporarily grouped around certain reformist politicians as well. In official ranks, they represented professional rationality but never not gave up their teleological ethos which they wanted to see applied in politics.\(^{44}\) By the end of the 1980s, this group was paralleled by the circle of legal scholars, mainly constitutional lawyers, who had influence over decisions but also often criticized the various bills incompatible with the rule of law; provided legal advice to the representatives of the newly forming parties and initiatives; or worked on a new constitution. It was a sign of the relative flexibility of the Kádár regime that the members of these groups could be kept in the vicinity of the official institutional system until the end.

\(^{42}\) The monetarists included, for example, Lajos Bokros, István Csillag, and György Surányi. Their influence is shown by that the former two became ministers, the latter was twice the head of Hungarian National Bank. Cf. Sebők, *Paradigmák fogadásán*.

\(^{43}\) The institutionalists included economists who later became economic sociologists.

\(^{44}\) Kovács, “Reform Economics.”
2.2 The ideology of modernization

The common denominator of reformist intellectuals was the ideology of modernization. Referring to the results of the enlightened technocracy, they emphasized that neither reform nor model or system change is conceivable without professional knowledge. They tried to combine this modernizing professionalism with the promise of social pact and corporatism which would ease conflicts. However, the idea of modernization is not the same as modernity. The slogan of modernization meant a top-down management of processes by the technocratic center instead of the support of the spontaneous processes of civil society. In other words, the argument suggested that there are the “modernizers” on one side and those to be modernized on the other side. The populist left, which represented the vague policy of third way had little influence in the leadership of MSZMP, just like the old communists. The proposal of reform intellectuals to the party leadership was to give up the dictatorial and ideological policy of Marxism-Leninism in favor of a practical, pragmatic, “neutral” direction which fits to the requirements of the crisis as well as modernization. The word “pragmatic” here meant the economic crisis required a change of structure, and the party state cannot engage in welfare policies under the given circumstances. It suggested that the solution was modernization, marketization, the dissolution of party state dependencies, and therefore the party leaders had no choice but to act as modernizers.

The quick adoption of modernization theory in late communist and post-communist Hungary was spectacular. Originally, the theory of modernization was a product of American sociology and political science of the 1950s. Its central idea was the universally applicable theory of linear economic and political development, the stages of which affect significantly, albeit in different ways, the opportunities of political democracy. The distinction between “developed” and “developing” countries stems from this terminology. In the Cold War period, the political application of the theory of modernization was successful in ensuring the superiority of the Western world over the Soviet-type countries. While the latter rejected the Western use of the term, they tried to represent a different but still modernizing alternative of devel-

45 So, Social Change and Development.
opment. In the 1970s, the theory of modernization in Western social science slowly gave way to the paradigm of globalization.46

When the representatives of Hungarian reform economics and political science spoke the language of modernization in the 1980s, it had a critical function toward the state socialist regime. Thus, the idea of modernization was naturally interpreted in an ideological sense. In the second half of the 1980s, the reform rhetoric that referred to the need for modernization and convergence to the West successfully disarmed the arguments of anti-reformist politicians and therefore it had an important role not just in the easement of the system but also in convincing the old elite that peaceful transition had no alternative. At the same time, the argument for modernization suggested to the competent members of the old elite that they had nothing to fear from reform or even the regime change, as their professional knowledge will be required in the new system as well. It promised that systems may change, but the “enlightened” modernizing elite will stay in place.

Later, several reform economists were critical toward their previous role. As one of them pointed out:

I took part in every kind of reform committee game. [. . .] There were others who were practically like-minded but they thought that reformism was bullshit because it leads nowhere. We were not convinced that it does, either. I thought the system would become more flexible if we started reforming it here and there. [. . .] The system collapsed because of the collapse of the economy of the Soviet Union. The internal forces, no matter how much we could play reform, we had no chance to reform that much.47

As the transition was on the way, it became less clear who moves who: the politicians move the intellectuals, or the intellectuals move the politicians? The professional intellectuals who had been promoted politicians or advisors to legitimize Prime Minister Károly Grósz and his program in 1987 gradually turned away from him, which contributed to his fall in 1989. The ability of influence of this group near the party is exemplified by the pre-regime

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46 Roberts and Hite, *From Modernization to Globalization*.
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change Ministry of Justice, which was in the hands of the “professor trio” of Kálmán Kulcsár, Tamás Sárközy, and Géza Kilényi. On the one hand, they contributed to the acceleration of the regime change by formulating a liberal Association Act. On the other hand, in the field of the economy they facilitated for the nomenklatura and state enterprise leaders to accept the Company Act and the act on transformation, both of which offered legal opportunities for spontaneous privatization. It seemed that those politicians had strengthening positions who were endorsed by influential groups of intellectuals. One of the participants of the reform debates remembered as follows:

In Hungary, there already was an experience with reforms; we thought that we were much more experienced than the Czech or the Poles who had just come to power. We had already seen what happens to the various exact models when they need to be realized. And we trusted neither the radical shock therapy nor the success of voucher-type privatization. Everyone was looking for much more sophisticated solutions. The consensus within the whole macro-economist elite in Hungary was in that.

A significant number of reform economists worked with the economic committees of the Roundtable talks of 1989. They were forged together by reformist traditions, and the real difference between them was not in the party they happened to represent but whether they represented the reform economist tradition or not.

2.3 The technocracy

The success of the rhetoric of modernization had a great impact on the technocracy of the late Kádár era. In the end, the set of reform economists showed partial overlap with the world of the late Kádár technocracy. While those more inclined toward social criticism appeared in the Opposition Roundtable, the representatives of the technocracy of the late Kádár era

48 Their successes were acknowledged by the new political elite. After the regime change, Kulcsár became an ambassador, Kilényi became a judge at the Constitutional Court, and Sárközy became a presidential advisor.
49 Interview with László Urbán, 1997.
were in the negotiating delegation of MSZMP during the Roundtable talks of 1989.

The more the old regime declined, the more the technocrats freed from the leash of the party state, the less they took the proposals of the people of the party center seriously, and the more the self-confident they became. It is clear from their statements during the interviews that they found themselves to be authorized to solve the problems, primarily on the grounds that they had access to central information. They often referred to the fact that they had dealt with this before, and therefore they know how to run the economy. As politics was a quite negative term for their ears, everyone who did not approach problems from a “purely professional” angle was deemed unauthorized or incompetent. As one of them characteristically and self-confidently put it: “My starting point was that politicians were not simply corrupt but the greater problem was that they were idiots, too.”

A similarly characteristic statement claimed that “the reforms of economic command tried to be explicitly apolitical, because success could be achieved on technocratic grounds. [. . .] And then, you know, the regime change came up.” So they saw the democratization as a confounding factor which hampered professional work. At first, the technocrats did not even consider the idea of regime change. They were trying to correct the given model of socialism, and they were already happy with not being so much dependent on politicians. Later, when the issue of regime change was unavoidable, they often changed their argument and said that they had already started the transition ten years before, and that work just came to fruition.

In the interpretation of the majority of technocrats, the turn of 1989 meant that they had to expand their base because of the accelerating changes, and they had to bring in to the negotiations the opposition (who they already knew from professional circles) and the satellite organizations of the MSZMP of the negotiations (who they believed to be incompetent but had significant popular support as advocacy groups). Instead of negotiations, the technocrats often talked about “consultations” by which they wanted to emphasize the superiority of their own technocratic knowledge. For them, the National Roundtable talks, “this trilateral consultation series

50 Interview with István Tömpe, 1997.
51 Interview with Márta Nagy, 1997.
was the fending off or re-education of the obsessions of some people who were rather uneducated in the issues at hand and held populistic attitudes by character.”

According to a similar opinion, “I interpreted the whole period back then as knocking at an open door. Why the hell we need this whole hype when the things that happened—apart from the socialism-capitalism debate—were essentially the same as what we had wanted to build up and do in economic policy, income policy, market building.”

The members of the technocracy were not older than the reform economists. They also typically graduated from law or economic school in the beginning of the 1970s and joined the party in parallel, although they thought that professional knowledge and party membership were separable. As the times changed, they began to see themselves as insider reformers and tended to look down on those who tried to analyze economic processes “from the outside” (i.e., without party membership and administrative position). Technocrats refrained from value-based or ideological thinking and insisted that, during the 1989 Roundtable talks, they represented not the party state but the ministry that sent them there. Although they were members of the party, they identified as experts who represent the view of the profession and do not politicize. But there were some, like Miklós Németh who later became prime minister, who gave up their position as university lecturers out of professional career ambitions to work in one of the groups of the MSZMP Central Committee. The career of Németh shows that party membership and sufficient loyalty made movement between the roles of reform intellectual, technocrat, and party intellectual. This eventually led to the paradoxical situation that Németh broke with the party that delegated him, giving up the role of party intellectual. He returned to his previous technocrat identity, whereby his goal was not the realization of “liberty, equality, fraternity” but the “managing” of the transition. After MSZMP was dissolved, the decisive majority of technocrats did not leave for its successor, MSZP, but continued as party outsiders which was also a liberating experience.

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52 Interview with Márta Nagy, 1997.
53 Interview with György Radnai, 1997.
54 Oplatka, Németh Miklós.
56 Tőkés, Hungary’s Negotiated Revolution; Oplatka, Németh Miklós.
Several members of the technocratic group were also university professors therefore they were part of the state administration as well as the system of higher education. They felt the taste of complete independence in 1989. According to a recollection “this one year, from March 1989 till May 1990 was the best. When there was no party control, when the government had broken free of the controller and made decision in a sovereign way and thought, just like we did, that finally we decide about these things, not those stupid guys at the ‘White House’ but now this sparkingly clever group with brilliant ideas. This was a fantastically good feeling, because they wanted, they needed, one would work nights after nights because he knew that next day this issue will be raised. One felt that he can directly arrange things.”

By the time of the Roundtable talks, the normative social models of the reform intellectuals had transformed. Earlier, economists had discussed the compatibility of plan and market; sociologists, the changing of the internal structure of redistribution; constitutional lawyers, socialist constitutionalism; and political scientists had discussed democratic socialism, corporative pluralism, or a new compromise. At the end of the 1980s, the normative model for economists was private property based, self-regulating market economy; for sociologists, the welfare state; for constitutional lawyers, the rule of law; and for political scientists, representative democracy based on a multiparty system.

3. The Roundtable talks as elite settlement

Political science literature often depicts transitions as elite games. The analyses start from the presumption that democracy cannot be created without dialogue between the elite and the counter-elite, where both parties are ready to discuss the conditions of transition. The fact that the regime change in Hungary happened by negotiation, by an agreement of the elites, invited analysts to focus on the actors of changes.

The last two decades of the 20th century in Central Europe saw the new rise of elite theory. Researchers of different schools—Marxist class analysis,  

57 In the 1970–1980s slang of the apparatus, “White House” referred to the building of the party center.  
58 Interview with György Jutasi, 1997.  
59 Przeworski, Democracy and the Market; Gunther et al. (1995); Colomer, Strategic Transitions.
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Weberian sociology, functionalist stratification research, New Class theories—all started assessing the accelerating changes of politics and society, but many of them soon ended up with elite-centered research. The classical theories of elites\textsuperscript{60} were complemented by new approaches which put the emphasis on the change of elites, which they saw as an integral part of profound social change. Political elite researchers had to change focus after the decades of more static “Kremlinology” and “Sovietology.” At times of rapid social change, the significance of the decisions of political leaders increases, and therefore the scholars of transition also recognized the importance of elite research.\textsuperscript{61} Most scholars agreed not only that democratic transition was an elite-driven process but also, following Huntington,\textsuperscript{62} that reliably operable democracy can be created only by the elites and it cannot be expected from the masses. Why did the elitist approach become so popular?

3.1 The rediscovery of elite theory

Elite theory at first saw democracy and elite rule as two phenomena that coexist but are also contradictory. Michels\textsuperscript{63} opined that the parliamentary political elite has, because of its tendency toward oligarchy, corrupted democracy and therefore representative democracy is just a hypocritical form of elitism. For decades after Michels, elitism was identified with fascism or at least charismatic rule. It was treated as a theory which has nondemocratic answers to the questions of political classes, governing, and social equality. The decades after World War II were dominated by the theory of democratic elitism which placed elitism within the framework representative democracy understood as competition. In the end of the 1960s, the debate between the supporters of democratic elitism\textsuperscript{64} and those of participatory democracy brought temporary victory to the latter side.\textsuperscript{65} The general view held that elitist democracy was the ideological pair of modernization theory, which was too subject to heavy criticism in the 1970s.

\textsuperscript{60} Michels, Political Parties; Mosca, The Ruling Class; Pareto, The Rise and Fall of the Elites; Max Weber, Essays in Sociology; Mills, The Power Elite.

\textsuperscript{61} Przeworski, Democracy and the Market; Schmitter, “The Consolidation of Democracy.”

\textsuperscript{62} Huntington, The Third Wave.

\textsuperscript{63} Michels, Political Parties.

\textsuperscript{64} Schumpeter, Capitalism, Socialism and Democracy.

\textsuperscript{65} Cf. Bottomore, Elites and Society; Bachrach, The Theory of Democratic Elitism.
Chapter V

At the time of state socialist regimes in Central Europe, a simplified version of Marxian class theory was used as the official interpretation of society. According to this view, socialist society is based on a “two classes and one layer” model. First, there is the proletariat which, as the “class in power,” rules in alliance with the peasantry; and there is a subordinated layer of intellectuals, called “intellectual workers,” who help the former in realizing their historic goals. In most of the region’s countries, social sciences adhered to the official ideology. The scholars who represented official views used a simplified version of class theory, while dissident sociologists attempted to disqualify that and criticize the system via New Class theories.

During the 1980s, popularity of elite theory was coming back. Elite researchers gave up the formerly dominant class analysis and turned their focus from structures to actors. Referring back to the works of Schumpeter, they went back to the position that the concepts of elite and democracy are not irreconcilable. This means for the democratic transformation that even an elite that did not come to power by democratic means can create the institutional conditions of a new democratic order if they are committed to democratic principles. In the literature of democratic elitism, the focus moved from structures to actors, from path dependence to institutional choices and institution-building. Concepts like transition, roundtable talks, constitution-making, compromise seeking and breaking, strategic choices—all of these reflected on the importance of elites and the significance of political elite research. Thus, both the historic and the intellectual conditions were given to the revival of elite theory. Social science in Central Europe changed course: it dealt with social change instead of the status quo, the revived cleavages instead of social stratification, and elite analysis instead of class analysis.

The focus on the elites became generally accepted because elite theory captured the essence of post-communist transition better than New Class theory could. In addition, the idea of elite change was heavily influenced by the renewing social theory of the 1980s. According to the already cited observa-

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67 Schumpeter, *Capitalism, Socialism and Democracy*.
tion of Foucault, power does not necessarily belong to a class and it is imaginable not only in vertical terms, but it encompasses every field of social life. The theory of Bourdieu about the various forms of capital opened the door for research about the convertibility of various forms of social resources and capital goods. Michael Mann described society as organized power networks: this view called for rethinking power from a general historical and theoretical perspective. The research of radical social change brought new ideas to elite theory as well, which formulated new hypotheses about the transformation of elites.

One of the most important new approaches was the thesis of elite settlement by Burton and Higley, which emphasized the role of elite groups in rapid political changes. The authors did not think to use their theory for explaining transitions between two different regimes, they rather explained how elite settlement can recreate order within a disintegrating system. The application of elite theory to elite-driven transitions was formulated first in the neoconservative intellectual atmosphere of the 1980s, when scholars of comparative politics stressed the importance of a minimalist or “modest” interpretation of democracy. In this view, it is an essential part of democracy that decision making by elected elite groups is relatively uninterrupted by the masses. According to Huntington, democratic institutions “come into existence through negotiations and compromises among political elites calculating their own interests and desires.”

In the light of this, Burton and Higley claimed that elite settlement leads to stable democracy. As they write:

Elite settlements are relatively rare events in which warring national elite factions suddenly and deliberately reorganize their relations by negotiating compromises on their most basic disagreements. Elite settlements have two main consequences: they create patterns of open but peaceful competition, based on the “norm of restrained partisanship” [...], among all major elite factions; and they transform unstable political regimes [...].

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69 Foucault, “The Subject and Power.”
70 Bourdieu, “The Forms of Capital.”
71 Mann, The Sources of Social Power.
72 Burton and Higley, “Elite Settlements.”
This approach was soon understood more broadly. As the manifestation of peaceful transition to democracy was very similar to an elite settlement, the scholars of democratic transition tended to approach the entire process from the viewpoint of elite behavior. According to this thesis, elite settlement as a quick renegotiation and rearrangement of political conditions was important to elites to avoid revolutionary violence. Elite researchers found that the form and legitimacy of political change was to a large extent dependent on the composition, behavior, and quality of the political elite.

The theory of elite settlement was interpreted as an alternative to the theory of revolution, by focusing on the behavior of the main actors of a negotiated regime change. Burton and Higley listed five characteristics of elite settlement: (1) Elite settlement is accomplished quickly; (2) It includes face-to-face, partially secret, negotiations; (3) It is recorded in formal, written agreements; (4) It reflects forbearance and conciliatory behavior; and (5) It requires experienced political leaders. The thesis of elite settlement was complemented by other, empirical research in the vein of transition studies, which interpreted the process of transition as a combination of various forms of elite games. The overlap between the elite settlement theory and the conceptualization of transition through negotiations turned out to be striking. The theory of democratic elitism was largely supported by the transformative processes of the Third Wave of democratization.

3.2 Three theories of post-communist elite change

As for the theories of post-communist elite change, three of them proved to be influential. First, I refer to the works of Elemér Hankiss who used Bourdieu’s theory of four forms of capital—economic, political, cultural,
social—in an innovative way to describe the regime change as a conversion of power. He believed that the elite will never give up power voluntarily; to do this, it requires special incentives or exigency. Hankiss argued that in 1989 such motivation was present in the negative sense, as in the prospect of losing power, as well as the positive sense, as in the possibility of conversion of power. According to his conjecture, the political leaders and their followers who contributed to the reform processes of state socialist systems of Central Europe did not do it for the common good or freedom but for their own well-conceived interest. The starting point of Hankiss was the coexistence of various forms of power in society, and when the communist elite faced the decay of the ancien régime it got an incentive to convert its power to other fields. Hankiss’s thesis of conversion of power by convergence offered an explanation to what motivates the elite in changing the regime. He claimed that the communist elite achieved this by the legalization of “spontaneous privatization,” a process which has been frequently interpreted in the political discourse as a means of elite survival through the corrupt and below-price acquisition of state assets.

Hankiss believed that the formerly communist, now pragmatic elites would be able to get rid of the discredited system while preserving their influence. He expected that the winners of the transition would create a grand coalition, whereby the layer of former bureaucratic leaders merges with the management of state enterprises and the entrepreneurial elite. He opined that the notion of reform was just a cover to hide the convergence of the elites which was taking place in the background of the transition. The potential new elite, he argued, would not come from outside influential circles but it would comprise everyone with enough political influence to step on the road to enrichment. In Hankiss’s view, this was the price of bloodless, peaceful transition. Although his examples were from Hungary, Hankiss extended the scope of his analysis to the whole of Central and Eastern Europe. When his book was published, his theses were heuristic but he formulated one of the most important hypotheses of elite transformation of Central and Eastern Europe. However, later research revealed that Hankiss was only partly right. Elite reproduction was dominant mainly in the economic sphere, but the

79 Hankiss, Kelet-európai alternatívák.
political sphere experienced more rapid and profound change. Elite circulation, that is, the change of elites turned out to be a more powerful process than elite reproduction, and it led to the almost complete replacement of the elite in a short time.

Secondly, the thesis of political capitalism by Jadwiga Staniszkis was similar to that of Hankiss. It argued that the former nomenklatura used its political power to accumulate substantial personal wealth. Staniszkis believed that the chief beneficiary of the privatization process was the ruling elite of the communist system, which could thereby preserve its leading position in the society. Staniszkis foresaw the emergence of new bourgeoisie consisting of leading cadres and the members of the former nomenklatura, and she described this process as “political capitalism.” She assumed that the outgoing political elite can design capitalism according to its own needs. Staniszkis described this as a hybrid form of Westernization.

Staniszkis examines six forms of the combination of power and capital, and enlists both the advantages and disadvantages of political capitalism. Looking at privatization through realist glasses, she stated that “there is no rational privatization without capital.” Among the disadvantages of political capitalism, she mentions “compromising the idea of privatization of state sector in the eyes of society” which makes them unenthusiastic about the new regime and prevents their active participation in public matters. This harmonized with the pessimist assessment of Jowitt about the expected survival of the ghettoized, mistrustful, Leninist political culture of East Central Europe which is incapable of the democratic control of power. Among the advantages of political capitalism, Staniszkis observes that it made the systemic transformation easier and quicker because members of the nomenklatura had not opposed the process at all but were interested in its success. Both Hankiss and Staniszkis accepted Bourdieu’s thesis of different forms of capital, and they believed that the conversion of political capital into economic capital would be the dominant social process in elite change of the post-communist transition.

Thirdly, the form of conversion of power was at the center of the works of Erzsébet Szalai, who formulated a thesis about technocratic continuity. In

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80 Szelényi and Szelényi, “Elites during the Postcommunist Transformation.”
81 Staniszkis, “Political Capitalism in Poland.”
82 Jowitt, “The Leninist Legacy.”
the 1980s, she did empirical research in state owned big socialist firms and she agreed with Hankiss that managers of state companies had been prepared for a special spontaneous privatization which had been designed to combine political and economic capital. However, Szalai claimed that it is not the whole nomenklatura which could implement this large scale conversion but only their younger and more educated elements. She interpreted this process as an increasing struggle between the old elite and the emerging new technocracy. She predicted that the younger, better educated, technocratic new elite would control the process of economic transformation which accompanies the political transition. Szalai’s hypothesis was more complex than those of Hankiss and Staniszkis, and this influenced later researches as well. “Those who relied exclusively or overwhelmingly on political capital for their power and privilege (i.e. the old elite) are likely to be downwardly mobile, while those who combined cultural and political capital (i.e. the new technocracy) are better positioned to achieve positive privileges in terms of economic capital today.”

The theses of Hankiss, Staniszkis, and Szalai were powerful statements about elite change in Central Europe, and they were all formulated at the late 1980s. Later theses about the composition and function of the post-communist ruling elite were elaborated in the interpretive framework of democratic elitism, or at least in relation to it as the dominant approach. In these writings, intellectuals appeared only as supporting actors: their political influence reached its peak during and immediately after the regime change, later it began to decline.

**Co-optation, cooperation, contestation**

International literature on democratic transitions distinguishes moderate and radical opposition, and underlines that the success of transition is ensured mainly if the reformers of the declining system and the moderates of

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84 Szélényi and Szélényi, “Elites during the Postcommunist Transformation,” 618.
the emerging opposition are the central players of the negotiations. Usually building on the experience of Latin-America, this approach cautions against radicalizing opposition coming to the fore too much because it holds that radical demands might jeopardize the success of transition.\footnote{Huntington, The Third Wave.} In Hungary, however, the definition of the content of political change had been continuously changing until the summer of 1989. The scenarios of reform, model change, and regime change existed virtually in parallel. Reform included co-optation, model change understood as cooperation, and regime change meant contestation on the level of elites.

The strategy of co-optation was a favorite means of the Kádár regime to maintain social peace and integrate the intellectuals. However, at the time of the decay of the system it became harder and harder to maintain co-optation, and it required ever more creative ideas from the leaders of the system. In this chapter, I analyze how co-optation changed in the 1980s, and how it was replaced first by cooperation and eventually open contestation between the new political forces.

While the regime change in Hungary can be characterized mainly by the cooperation of the old and the new elite,\footnote{Cf. Bozóki, Körösényi, and Schöpflin, Post-Communist Transition; Bruszt and Stark, "A politikai jártéktér újraformálása Magyarországon"; Schiemann, The Politics of Pact-Making; Tordai, "A Társadalmi Szerződésből az alkotmánybíróság határozatág"; "A Harmadik Köztársaság alkotmányának születése"; Tőkés, Hungary’s Negotiated Revolution.} we would be exaggerating by saying that the transition was exclusively the game of elite groupings. The pressure of civil society was continuously felt during the last few years of the Kádár regime. The politically active intellectual elite defined how the negotiations would go, but there was considerable interaction between the acts of the masses and the elite during the process. In the protest on March 15, 1989, the speakers demanded unity because they realized the dangers of the divisibility of the opposition. Tens of thousands of people attended the picnic of the independent trade unions on May 1, and about 200,000 people were present at the reburial of Imre Nagy and his fellow martyrs on June 16. All this showed the strong social support of the opposition. The opposition negotiators could feel the same support after the September agreement as well when they initiated a referendum on the unresolved issues of the negotiations. In the matter of three weeks, they managed to collect 200,000 sig-
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natures on the streets. The negotiated revolution of Hungary was not only the business of small, well-organized groups of the elites. The opposition was backed by masses who could be quickly mobilized.\(^8\)

The form of political change was given by the quick renegotiation of the political and institutional situation and the adaptation of the country’s constitutional order to the changing circumstances. However, the change of the economic sphere was realized through a much more complicated mix of elite co-option and elite convergence. The younger, more educated members of the technocracy had no competition within the elite. For various reasons, but they were personally interested in the success of the transition. The economic-managerial elite could not have been shut out of the benefits of the economic transition.\(^9\)

The dynamics of the transition was related to overlapping circles and loose groups of the opposition, which changed as the transition was going from one phase to another. Different protagonists, different circles and groups were brought to light by considering progressive reform ideas, the strategies of co-option, the visions of “socialist pluralism,” model change, and radical reform just as the negotiated regime change or the mass mobilizing politics of “Let the people decide!” Although in many cases these scenarios can be distinguished in time—the less radical options gradually gave way to the concepts expressing the necessity of more fundamental change—they run parallel to each other more than once. While some groups were still doing politics by the spirit of considering progression, other had already begun looking for more radical solutions to the political crisis. The dynamics of the regime change influenced the situation assessment, political identity, and resultant political strategy of the radical opposition groups as well.\(^9\) Yet in numerous cases this was due to the change of power relations within the organizations. The dynamics of the regime change had an effect, not only on inter-organizational relations but it also changed the composition of those groups that defined the politics of each organization.

In a narrower sense the Hungarian transition occurred between 1987 and 1990.\(^9\) Reform was the agenda of the first year. In a certain sense, the his-

\(^8\) Cf. Hofer, “Harc a rendszerváltásért szimbolikus mezőben”; Arato, Civil Society, Constitution, and Legitimacy; Rainer, “A rendszerváltás és az ötvenhatos hagyomány”; Renwick, “Az eliten kívüli erők szerepe a rendszerváltásban.”

\(^9\) Szalai E., Gazdaság és batalom; Higley and Lengyel, Elites after State Socialism.

\(^9\) Bruszt and Stark, “A politikai játéktér újraformálása Magyarországon.”

\(^9\) Ripp, Rendszerváltás Magyarországon.
tory since the economic reform of 1968 had been the history of restarting and withdrawing, sometimes overt but more often covert, implicit reform attempts. While there had been no fundamental change in the top echelons of power of the communist party until 1988, this was the time when the leader of the MSZMP’s reform wing, Imre Pozsgay developed his network which would become important later. Developing contacts with various social and cultural groups, Pozsgay followed a strategy of co-optation to realize his reform ideas. He went to the various nonofficial clubs, supported traditionalist circles as well as moderate social initiatives. His popularity stemmed from that he offered an alternative, not only to the elderly leader, János Kádár and his circle but also to the middle-aged generation who wanted to overthrow Kádár but insisted on maintaining the system.\(^92\)

Within the state party, Pozsgay had to form a temporary alliance with Károly Grósz, a long term party-apparatchik to overthrow Kádár because his internal support was not enough to carry out the mission with success. To remove Kádár, one had to mobilize the apparatus, something Grósz could do. Pozsgay was popular outside the party, but Grósz had the party machinery in his hand. Grósz could have maintained his influence in the broader party membership only if he had been able to isolate MSZMP from society. But in a dissolving dictatorship, the party state was not what it had been. Instead of adhering to the Leninist principle of “democratic centralism,” the party membership demanded stronger ties to the society. There was no chance to lead the party in the old way anymore, by bureaucratic control. However, Pozsgay was helped in his successful fight against hardline cadres precisely by his openness and good relationship to the party state’s reformers and to the semi-opposition groups outside the party. The walls of the party state continued to break after Kádár was removed. Reformers of the communist party still acted by the strategy of co-optation. They tried to use their existing relationship with opposition organizations to channel more and more political power from the conservatives of the party state to them or their clients.\(^93\)

However, the scenario of co-optation was nullified when the Opposition Roundtable was formed in March 1989, and that it later gained strength.

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\(^92\) Emblematic figures of this generation were Károly Grósz and János Berecz.

\(^93\) For example, participants of a New March Front event lauded Elemér Hankiss’ theory to form a grand coalition of the reformers of the party and the state, managers of big corporations, and the new entrepreneurs, as a political goal to be realized. Cf. Lázár, *Az Új Márciusi Front*. 
MSZMP was opposed no longer by unorganized and divisible opposition groups: the institution uniting the forces of the opposition under the principle of consensus was created. There was no chance for any reformer of the party state to co-opt the ones from the side of the opposition. When MSZMP attempted at dividing the EKA, it failed. The only way the communists could involve the opposition to the solution of the crisis if they open negotiations about the fundamental change of the political system. The logic of co-optation gave way to the logic of cooperation.

The strategy of co-optation worked until there was a need for wide fronts and “weak ties,”\textsuperscript{94} that is, in the early phase of the regime change, during Gorbachev’s glasnost. By the spring of 1989, however, Pozsgay must have seen that political action built on sympathy \textit{per se} was not enough. Public opinion started to turn about him when, in April 1989, he did not quit MSZMP and start a new democratic reform movement. Failing to quit, he could not show the path to his followers, so he tried to keep up their sympathy by his personal popularity and language which differed from the party jargon and built on the ideas of nation, democracy, and socialism.

In the summer of the 1989, the National Roundtable talks were at the center of political life. In the beginning, it seemed that starting the negotiations was according to Pozsgay’s plan. As it had been known by then that MSZMP would nominate him for the position of president, it was easy for Pozsgay to concede to the opposition that wanted to dethrone the state party. He could kill two birds with one stone: weaken the state party while increasing his own chances. Gradually dropping the burden of the state party, he could have emerged as the president of the nascent Republic of Hungary, and he was justified in expecting his opposition allies negotiating in EKA not to hinder early presidential elections in exchange for his concessions. Organizations in the gravitational field of Pozsgay tended to accept such a compromise. However, he failed to organize these circles behind him effectively, and his People’s Front-like strategy came to fruition without him being able to harvest its fruits. Elemér Hankiss, a well-known representative of EKA, recalled:

\begin{quote}
I sensed horrible tension between the two camps. Nevertheless, the consultation was very civilized, very calm. […] The whole thing had very
\end{quote}

\textsuperscript{94} Granovetter, “The Strength of Weak Ties.”
high stakes in a psychological sense, so that we can sit down and talk. That was the first time they sat down with the opposition. And by this, they brought the opposition into public politics.95

The phase of co-optation was replaced by cooperation, which primarily meant strengthening the unity of the opposition vis-à-vis the state party. The speedy dynamics of change quickly gave way to József Antall a chief negotiator of MDF and the circles developing around him. Antall became politically active in 1988, and his network originally included the elderly leaders of the historical parties (FKGP, KDNP), as well as some prominent figures from MDF and BZSBT only. Antall became the leader of the moderate right during the Roundtable talks, and for a long time he managed to balance between the reformers of MSZMP and the radical democrats of EKA. Antall was a principled anti-communist but in practice he was a rather cautious politician. Due to his central position and prestige, he had probably the broadest and most effective of all circles in the definitive months of 1989. While Pozsgay built his network for years, Antall achieved the same in 1989 in a matter of months by making himself and his party unavoidable during the talks. An additional benefit for Antall was that he became stronger within his own party as well, and by the end of the summer it had become obvious that he would be the next leader of MDF.

The witnesses had mixed feelings about the behavior of József Antall. Some believed he was too old-fashioned, while others thought this advantage came from this very trait. Someone pointed out his special ability to balance:

Antall was very adept in assessing various power relations, and when it had to be summarized after a day of debating where we stood, he was masterful in this, and he always favored those a little bit who wanted more politically. He could present it, he said such periodic sentences that were accepted even by the softer line, [so] he was very adept in dealing with the participants.96

According to another participant,

95 Interview with Elemér Hankiss, 1997.
96 Interview with Tamás Tirts, 1997.
Antall had a great sense to informal politics: that is, when, who, what should be said during the break in three words, and then go on with the negotiations accordingly. And another one had to be told another three words. He was excellent in that. And he was just as calm and cumbersome in EKA, which was good political tactics with him, not only a stylistic flaw, I think, but political tactics, too, that speeches had to be long and cumbersome, because then you need to speak about practically nothing, and you can avoid substantive answers. I think he did this consciously.⁹⁷

In the committee dedicated to constitution-making, the delegates of MSZMP also had high opinion of Antall: “I didn’t realize for a long time that he wasn’t a lawyer because his comments were so professional. What I noted rather was that how much the others listened to him. Most of the times, the last word from the side of EKA in that delegation was said by Antall.”⁹⁸ The negotiations were attended by some artists as well, who noticed something else in Antall as well, and formed a more pronounced opinion. For example, a renowned movie director remembered him as follows: “That was the first time I met József Antall, and I said to myself: Can it be that he’ll be prime minister? Then we’re in trouble. [...] I met him once or twice later, it was completely obvious that he’s an extremely vain man . . . it seemed to me he had a very malformed soul.”⁹⁹

Péter Tölgyessy, a top delegate of SZDSZ, who negotiated with him on a daily basis, characterized him in an interview as follows:

József Antall was the carrier of one of the significant traditions of Hungarian history. His family showed the best traditions of the Hungarian political class. [...] In 1990, he did not simply want to put an end to state socialism and the Kádár system, he was trying to revive the conservative-liberal tradition that had been broken in 1947. He hoped to lead the right-wing voter to modern Europe.¹⁰⁰

Pozsgay remembered Antall as someone who excelled at the negotiating table, and this paved his path to party leadership. “I don’t want to talk about

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⁹⁷ Interview with Viktor Orbán, 1990.
⁹⁸ Interview with József Kajdi, 1997.
⁹⁹ Interview with Miklós Jancsó, 1997.
¹⁰⁰ Kasza, Metamorphosis Hungariae, 27.
him based on disappointment and disillusionment, because history will certainly give him credit for many good things, especially that he agreed to govern the first term, simply he made fatal mistakes in my opinion. I’m not sure that he should have agreed to it.”

The tactic of co-optation was driven by the soft-liners of the MSZMP, while cooperation was orchestrated by them and the representatives of the moderate wing of the opposition. The radical opposition parties had a much harder time to build an effective network. For their political activity openly aimed at being not the followers but the makers of change. They strived to be always one step ahead the changing political atmosphere. Coming from the democratic opposition, the leadership of SZDSZ was more cohesive and closely knit. According to a participant, “It can’t be debated that homogeneous leadership was a strength of SZDSZ for a long time. The leading body of the democratic opposition, which used to make Beszélő, they organized SZDSZ, and certainly led the party.” However, SZDSZ did not have much opportunity until the summer of 1989 to build a social following. The Network of Free Initiatives brought many people into the gravitational field of SZDSZ, but the effect of this was less observable a year later. The leaders of the party found sympathizers in the liberal circles of the liberalizing press, and they were close allies with the Liga trade union. According to a recollection: “Finally we were sitting there, and it was amazing to see that all of a sudden one becomes a great man out of nothing, of obscurity. There were three such people: Viktor Orbán, Péter Tőggyessy, and József Antall. The others? They could not come to the fore so much.”

The SZDSZ during the Roundtable talks was hallmarked not by the former dissidents but first and foremost Péter Tőggyessy, who belonged to the newcomers in the party, but he did not have supporters in other parties. One of the participants remembered the role of Tőggyessy as follows:

Great many things that were achieved by the Opposition Roundtable, [...] and what was achieved by SZDSZ outside of it, were led and developed by Péter Tőggyessy, he had a decisive role. [...] I think of him as a politician of great caliber and a very talented man who needed such

101 Interview with Imre Pozsgay, 1997.
102 Interview with Miklós Szabó, 1997.
103 Interview with László Vitézy, 1997.
an issue to be motivated enough, and this was the level at which he could really create and work. And then there were other things that did not motivate him that much, or at all, and he was not really interested in those issues either. For instance, he does not know how to organize the party or lead it on the operative level. As if he was born to make the development of the comprehensive, constitution-level political reform ideas.\textsuperscript{104}

The relationship of SZDSZ and Fidesz in the negotiations can be best described as symmetrical, as opposed to the asymmetrical relationship of MDF and the smaller right-wing parties. Maybe this handicap of SZDSZ and Fidesz contributed to that, when in September 1989 these parties were in the minority regarding the issues that had been left open at the negotiating table they found a take-off point in turning directly to society. They felt that they had nothing to lose. For although they did not want to jeopardize the results reached at the negotiating table, in several questions they did not accept the compromises the moderate opposition found acceptable. Thus, they initiated a referendum in those issues which the negotiations had not resolved. The following table summarizes the reorganization of elite groups in each phase of the democratic transition.

\textbf{Table 10.} Declared goals and dominant elite networks during and after the transition

<table>
<thead>
<tr>
<th>Period</th>
<th>Declared political goal</th>
<th>The relation of MSZMP to the new organizations</th>
<th>Dominant elite group</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>reform</td>
<td>co-optation</td>
<td>Reformers weakening the regime from inside (Pozsgay)</td>
</tr>
<tr>
<td>1988</td>
<td>model change</td>
<td>cooperation</td>
<td>MSZMP leaders overthrowing Kádár (Grósz, Pozsgay, Nyers, Németh)</td>
</tr>
<tr>
<td>1989</td>
<td>regime change</td>
<td>contestation</td>
<td>followers of Antall (MDF) and the leaders of SZDSZ</td>
</tr>
</tbody>
</table>

\textsuperscript{104} Interview with Gábor Demszky, 1997.
Three types of opposition behavior could be identified at the Roundtable talks. Those were, as John Schiemann called them, the “ultra-moderate,” the “moderate,” and the “self-limiting radical” positions, which sometimes complemented each other and sometimes competed with each other.\textsuperscript{105} Focusing on domestic politics, the success of the Hungarian regime change was the result of the fortunate constellation of several factors. First, as the time passed it was more and more in the interest of the reformers of MSZMP to make an agreement with the opposition, they tried to mobilize their contacts in this direction. Second, it was crucial that the success of the moderate opposition, represented by MDF, managed to neutralize the “ultra-moderates” and even steer them to the path of regime change, and that this aim was supported by the “self-limiting radicals” of SZDSZ as well. In other words, the reorganization of the political playing field was done by the cooperation of radicals and moderates; they were divided not by strategic but tactical differences. Third, it was important that the success of the referendum of the radicals managed to divert the moderate opposition from an agreement that would have led to a Polish-type early power-sharing with the dominant groups of the old regime.

It was the joint effect of these factors that was able to ensure that the Roundtable talks left with only a very few political “mines” which the voters would have had to circumvent in the new democratic period. The changing political goals of “reform—model change—regime change” corresponded to the behavior of elite groups described as “cooptation—cooperation—contestation.” Different groups of the opposition have been maneuvering in these conditions by rotating themselves in that period of rolling transition.

\textsuperscript{105} Schiemann, \textit{The Politics of Pact-Making}. 