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Foreword

Writing this thesis took me a long time. During this time, to take things in sequence, I moved between continents and countries, learned two new languages, found my love and gave birth to two wonderful children. Had I not found my love, this thesis might have been completed sooner, but I would not have given birth to two golden hearts. I would also have been one language poorer, and would not have had to set roots anew. Most importantly, though, I would not have enjoyed the happiness, the worries, or the dark and shining sides of belonging together. It is to Mats, Sara and Alexander, that I dedicate this book!

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Uppsala 1999, March 15

Ildikó Asztalos Morell

PART I
The Formation of Hungarian Agricultural Production Co-operatives

Picture 1: *Peasants producing in isolated family farms were integrated into collective forms of cultivation. Female brigades on the way to the fields (sixties)*
The surplus of the subsistence producing households of co-operative workers was sold on the city markets (‘whicket wholes’ of the market). These goods were typically sold by female rural saleswomen ‘kofa’ selling on commission or by the producers themselves. Regular commodity producers were more likely to chose private salesmen ‘kereskedő’ or co-operative channels (early seventies).
CHAPTER 1

Introduction

László Nagy, The ferryman

After the blaze out of the darkness has died, who will hear the cricket singing? Who will light the ice on the tree? Who will divide his body into the spectrum? Who will kiss the buds into life with his tears? Who will absolve the insanity in the cracks of the sky? O, after the blaze out of the darkness has died, who will annihilate the buzzard circling? And who will carry the little white cat of your body, Love, across the black river,

Ever flowing, safely into the fresh kingdom?
(translated by George MacBeth)

The state socialist agrarian and women’s emancipation rhetoric sought to achieve a more humanised society. Within this ideal of humanisation, exploitation based on differential ownership of capital was to be extinguished. Humanisation was to be achieved through participation in the building of socialism, and socialist wage labour was perceived as the source of this humanisation. This image had implications both for agriculture and for women. Peasants, perceived as being on their way to polarisation into capitalists and agrarian wage workers, were to be brought under collective forms of production. Large-scale, socialised forms of production were seen as economically and ideologically superior to petty, ownership-based peasant farming. Domestic slavery, perceived as a source of women’s subjugation, was also to be eliminated. Women were to be liberated through participation in wage labour, while the isolated, tedious domestic work was to be industrialised.

In the march toward realisation of emancipatory aims in co-operative societies, collectivisation had to proceed against the will of the peasantry. But in contrast to
the ideological postulates, the evolving co-operative society was hierarchically divided. Paradoxically, despite the hierarchical stratification of the realised co-operative society, and despite the fact that collectivisation proceeded against the will of the peasants, the evolved agrarian structure had clear social and economic achievements to show off. In general terms economically, the agrarian sector succeeded not only in supplying the population with food, but agricultural products constituted also a substantial proportion of export goods. This structure succeeded in keeping the countryside alive and contributed to the increase of standard of living of the rural population.

Women did indeed move into the labour force (women’s economic activity rate was among the highest amongst industrialised countries). This high rate of economic activity was made possible, by among other factors (such as the economic pressure on families to rely on two incomes) the expansion of the state’s responsibility (economic and organisational) in reproductive tasks. However, women’s integration into the labour force had not come about on ‘equal’ terms with men. While women were to take on extensive roles in the production apparatus of the state socialist economy, men did not take more responsibilities in the reproductive spheres. Women remained almost entirely responsible for the reproductive duties still carried out in the homes.

This thesis seeks to develop an interpretational framework for the analysis of the formation and continued reproduction of Hungarian agricultural production co-operative as a hierarchically organised gendered form of production. The study of the interrelation between two systems of domination – the economic and the gender based – is the narrower focus of the study. It will contribute with an improved understanding of, and answers to, the following underlying research problems: How did the changing economic system and so the changing preconditions for the reproduction of the co-operative as a form of production impact on the gendered systems of hierarchies? How did the existence of gendered system of hierarchy impact on the formation and the evolution of the co-operative as a form of production? The reproduction of agricultural production co-operatives as a gendered production system is viewed as dependent upon both internal and external factors. The internal preconditions will be analysed primarily from two angles: the co-operative is analysed as an economic system representing a special production form, and it considered as a gendered system. The features of the dominant state socialist economic formation are considered amongst the external factors contributing to the reproduction of the co-operative. The co-operative as a special production form, which evolved within this dominant economic formation. The period of interest is that between 1956, the start of a new and final collectivisation vogue in Hungary and 1989, when free elections were announced in Hungary, and the dominant state socialist system reached its final conclusion. Within this time frame, three key periods were identified as representing distinct stages of the evolution of the so-called Hungarian agricultural model. These were: the consolidation period (1956-1968), the period of evolving symbiosis (1968-1978) and the period of changing balance (1978-1989) (see Chapter 3). These periods coincide also with the various stages of Hungary’s transition to market socialism. During this period, the institutional preconditions (co-operative laws, market and price regulations) of the economy as well as some key features of the regulations of reproductive rights, constituting part of the state socialist
women’s policy changed profoundly. The focus of this analysis will be on internal mechanisms, while external factors are analysed to the extent to which they can be seen to have had an impact on the evolution of internal conditions.

Considering the internal mechanisms, the co-operative is first analysed as an economic system. The co-operative as a production form is considered to be composed of two major parts (see Figure 1.1.): the collective sphere (where production is organised in large-scale forms based on wage labour) and the family-household sphere. This latter combined three functions: production consumption and kinship. Consequently, the household contained both production (household-based agricultural production) and reproduction (domestic labour) functions which were carried out by the unpaid labour of family members.

The economic features of the wage labour-based collective production form, and those of the household-based production forms utilising uncommodified family labour were divergent. The conditions for the continued existence of these production forms depended also on the prevailing forms of organising reproduction. Systems of production and reproduction forms are interrelated systems with each other. The various forms of reproduction, just like those of production, can be considered as economic systems, using Polányi’s terms, four forms of production and reproduction are differentiated: household, market, redistributive and reciprocal.

While productive and reproductive responsibilities serve as basis for a gender-based division of labour, the gender division of tasks between productive and reproductive spheres cannot be derived from the logic of economic demands alone. Similarly, the prevailing gender segregation of labour within the various spheres of the co-operative cannot be explained from the reproduction needs of the co-operative per se. The explanation of prevailing gender differences in the division of labour requires that the reproduction of the co-operative as a form of production is analysed as a gendered system and is seen as the articulation of two main systems of domination – the economic and the gender system. The economic system is seen to be gendered throughout its various components. The logic of the gender system is that it systematically differentiates both men’s and women’s spheres, and orders these spheres hierarchically to each other¹. A gender system becomes patriarchal when the differentiation of male and female spheres leads to the systematic benefit of men and the subordination and exploitation of women (whether it is women’s labour, sexuality, etc.).

The narrower focus of this thesis, while analysing patriarchal relations of exploitation is to study the gender-based division of labour. The gender-based division of labour between the three spheres of labour identified as elementary for the reproduction of the co-operative as a form of production is analysed as the materialisation of the gender relation between men and women, and is seen as an expression of the prevailing gender system. In the analysis, the patriarchal gender system is perceived to be manifested within the hierarchically divided co-operative system. Thus, the assumption made is that the patriarchal system of domination is reproduced within the specific context of the prevailing economic systems of domination – the systems of domination characterising the co-operative. The subordinate features of

¹ See Hirdman, 1987 and the definition of gender system in Chapter 9.
women’s integration into the hierarchical system of the co-operative are interpreted as expressions of patriarchal structures of the division of labour. Furthermore, I view the relation between the gender system and the economic system to be one of mutual dependency. The two systems of domination (economic and gender) are analytically separated, in order to allow me to analyse the reflexive relation between the two: in what ways did the shift in the economic importance of the various parts of the system contribute to the gendering of the hierarchical positions within the co-operative system? During the evolution of market socialism the terms of the reproduction of the co-operative as a form of production were transformed, (for example, household-based production became increasingly integrated into the co-operative, and its market production increased, and, co-operatives engaged increasingly in industrial side-activities, which lead to an increasing demand for semi-skilled labour, etc.). How was women’s subordination reproduced within the transforming terms of the economy and the transforming gender division of labour? However, beyond analysing the impacts of the economic system on the gender system I am also interested in studying the ways in which the gender relationship between men and women contributed to the formation and reproduction of the co-operative as a production system. How did the prevailing gender system contribute to the formation and reproduction of the co-operative as a form of production?

The changing features of the dominant social formation are analysed as the external preconditions for the reproduction of the co-operative. Consequently, I separate the level of agricultural production co-operative as a specific form of production from the level of the dominant social formation, which provides the context for the functioning of the particular production units (see Chapter 5). The conditions of reproduction of a particular form of production are integrated to various degrees with the dominant system. In Hungary the transition to market socialism was described as a transition from command economy to ‘indirect bureaucratic co-ordination’ (Kornai, 1989). Redistributive co-ordination did never become an all-pervasive system. Alternative markets maintained their importance especially for marketing the surplus agricultural products of the households (see Figure 1.1). I am interested in the transformation of this dominant system to the degree that it has importance for providing a framework and the preconditions for the reproduction of the co-operative as a production form at-large – and as a gendered production form in particular. Concerning the first question, the main focus is going to be on the changing regulations concerning the co-operative’s enterprise freedom, the evolving principles of market socialism and the degree of permissiveness towards household-based production (see Chapter 3). Concerning the second question, the dominant system will be treated as a gendered system of domination, where the legal regulation concerning the organisation of production and reproduction has an inherently gendered nature (see Chapter 10). Two aspects are going to be discussed: the formation of the co-operative legal system, where discussion is going to focus on the economy and

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the discussion of state socialist women’s policy in relation to reproductive rights, where the gender question comes into focus.

The state’s redistributive regulatory function was more comprehensive in the state socialist systems, than is the case in Western welfare systems (Ferge, 1980). The emancipatory claims constituted the basis of legitimacy of the state under state socialism. Women were to be liberated from the personal bondage of domestic work by entering the labour force. Reproductive duties were to be socialised. Thus, women were to strive towards integration into the production system assuming the role of a worker free from reproductive duties. Although the state made large investments in the socialisation of reproductive duties and by this modified the system of reproduction (by the expansion of the state’s responsibility for childcare by the extension of day-care services, by socialising certain domestic duties by establishing laundries, services, etc.) the all-pervasive socialisation of reproductive duties proved to be an impossible task. Men’s freedom from reproductive tasks was not challenged by the state socialist emancipatory ideology, while, on the other hand, women continued to be responsible for the remaining reproductive duties in the households. Women’s incorporation into the labour force provoked the modifications of the prevailing production system also, which functioned on the assumption, as was mentioned above, of a worker free from reproductive duties. By the incorporation of women’s ‘reproductive rights’ into work rights and restrictions (such as paid childcare subsidies, or women’s ‘protection laws’ protecting women’s reproductive capacities), women workers were constructed as deviant. Nonetheless, state policies left men’s privileged freedom from reproductive duties essentially unchanged. Reproductive rights became integrated into the system on a gendered basis. Beyond those rights, which are bound to women’s biologically specific functions (maternal leave, breast-feeding leave) women were conceived as recipients of rights concerning the social reproductive functions (at first child-care subsidy could be paid only to mothers). Thus, the concept of the state socialist citizenship was also a specifically gendered concept. In this women’s citizenship was constructed in combination with assumptions about women’s biological function as potential bearers of children (see protection laws), assumptions about women’s functions as mothers (child-care subsidy) and expectations on women as socialist workers (reproductive rights were bound to labour force participation). The importance of the evolving ‘women’s policies’ are taken up in the study to the degree that these implied gendered differences in opportunities for gaining employment or carrying out paid – or unpaid caring reproductive work (see Chapter 10)³.

In more specific terms the thesis provides a contribution to sociological knowledge on various levels. First, the thesis provides a contextual background to the understanding of the evolution of the so-called Hungarian agricultural model. It provides a descriptive presentation of agricultural production co-operatives (Chapter 2), as well as an analysis of the historical background of to their formation and the various phases of the evol-

³ Cyba and Boje defines a gender regime in the following way: the ways in which political and institutional solutions affect men’s and women’s actual possibilities to have gainful employment or perform unpaid care work, along with the ways in which both kinds of work open up for entrance to social rights’, Boje and Cyba, 1997, p. 20. See in more detail on the state socialist emancipation policy in Chapter 10.
ing co-operative system (Chapter 3). The three periods identified in this chapter (period of consolidation, evolving symbiosis and changing balance) serve as the backbone of an analysis of co-operative transformation throughout the thesis.

Figure 1.1. External and internal systems determining the reproduction of the agricultural production co-operative as a gendered form of production

Second, the thesis contributes to the theoretical understanding of agrarian transition in Hungary during the post-1956 period. A specific focus was given here to the critical revision of Hungarian theories, in which the interpretation of Hungarian agrarian transformation was enriched with an amalgamation of critical perspectives from Hungary with critical perspectives on agrarian transformation in the context of capitalist systems of domination. For analytical purposes, agricultural production co-operatives were interpreted in two stages. In the first stage, the co-operative was seen as a form of production functioning within the dominant state socialist production system. In stage two the co-operative’s internal production relations were analysed. Here the focus was on the interpretation of the changing relationship between the collective and household-based production spheres. In contrast to ‘embourgeoisement’ theories (which saw household-based production as the prototype and cradle of capitalist development), and ‘oikos’ theories (which saw household-based production as ‘revolutionary’ base for a development path providing an alternative both to capitalist and state socialist economic systems), household-based production is interpreted as a specific production form functioning within a dominant production system. Household-based production functions according to principles other
than those of the market and redistribution. For example, the household’s goal is to provide for the needs of its members. As a result, household-based production can provide a certain degree of independence from the ‘wage cage’ of capitalist and socialist systems. Nonetheless, it functions within the limits and conditions of the prevailing economic systems and consequently obtains its specific forms in interaction with these systems (see for a theoretical discussion in Part II in Chapters 4 and 5).

Part III provides an empirical contribution to the analysis of agricultural production co-operatives as production forms functioning within the context of the transformation leading to the evolution of market socialism in Hungary. In Chapter 6, the collective sphere of production is analysed as a hierarchically stratified system. The concepts of differential control over resources, differential levels of autonomy over the labour process, the parallel processes of deskillling and upgrading and stratification according to core and marginal labour categories are used to describe the evolution of the collective labour organisation and the transformation from peasants to wage workers. Chapter 7 focuses on the changing relation between the collective and the household-based production spheres and applies the theoretical model evolved in Chapters 4 and 5.

While Part II and Part III concentrate on the interpretation of the transition of agricultural production co-operatives as economic systems, Part IV brings the interpretation of the gender system into focus. Chapter 8 delineates a general theoretical framework, in which the dual system theory is employed in the analysis of state socialist conditions. In this way, the thesis contributes to the interpretation of gender systems in the context of a state socialist system. In Chapter 9 the formation of the Hungarian state socialist emancipation ideology and women’s policies are reviewed. In particular, it is examined as a system that formulated the hegemonic perceptions of a gender-based division of productive and reproductive tasks. Thus, the gender-specific nature of the construction of citizenship in state socialist systems is demonstrated. The co-operative system is analysed as a gendered system in Chapter 10 and 11. Here, the interface between the gender-based hierarchical system and the formation of the co-operative as a specific production form is analysed. Applying dual system theory, it is argued that the two systems (gender and economic) contributed mutually to the realised form of agricultural production co-operatives. The patriarchal division of reproductive responsibilities influenced the formation of the co-operative’s production organisation, as well as the demands of the co-operative production formed the ways the patriarchal system materialised itself. The hegemonic formulations of reproductive rights reinforced the prevailing gender segregation of both production and reproductive tasks, as well as the gender segregation of labour within the co-operatives.

The thesis is concluded with Part V, in which the results of the thesis are summarised (Chapter 12). Finally methodological issues are discussed with a focus on how ‘distortions’ originating from the essentially constructed nature of statistical concepts impact on our ability to collect and analyse information concerning social processes (Appendix).
CHAPTER 2
Agricultural Production Co-operatives in Hungary: Main Features and Role in the Economy

This chapter explains the main features of agricultural production co-operatives in Hungary. It describes the gender-specific features of the co-operative laws that regulate the functioning of agricultural production co-operatives, describing the features of a specific Hungarian agricultural development model, and placing agricultural production co-operatives in the context of the Hungarian economy. Finally, it presents three examples from the latter part of the eighties to illustrate the composition and function of an agricultural production co-operative. All these features of the co-operatives are treated at various length and detail in subsequent parts of this thesis.

1. THE MAIN FEATURES OF AN AGRICULTURAL PRODUCTION CO-OPERATIVE

The initial model for the formation of the Hungarian agricultural production co-operatives was the soviet kolkhoz. However, Juhász et. al. (1983) emphasised the pattern-making importance of the ‘heritage’ of the manorial labour organisation for the formation of the co-operative production organisation in Hungary. The co-operatives followed the management model of the manors, as well as the combination of large-scale manorial farming and small lots of manorial servants. Kalocsay also points out the differences between the Soviet organisational model and model characterising the Hungarian estates. The former was based on a branch-wise concentration of production, while the estate system was organised along territorial units. The Hungarian agricultural co-operative model represented an amalgamation of the two, (see Figure 2.1 and Kalocsay, 1985, p. 76).

The realised co-operatives were socialist production units, which nonetheless, possessed key features which deviated in from state-owned enterprises¹. The distinguishing features of Hungarian agricultural production co-operatives as compared to state enterprises could be summarised as follows: collective disposition over indi-

¹ According to Wädekin the kolkhoz form was a suitable compromise during Stalinism. The state needed a centralised agricultural production organisation to be able to extract resources for the industrialisation process. At the same time the co-operative form compared to state owned enterprises had the advantage that the state was freed from the responsibility to pay wages to the workers. It became the cooperative’s duty to secure the living standard of the workers, see Wädekin, 1982.
Individually owned land, assets commonly owned by the members, a principle of democratic representation in the organisation, the right to a household plot and the collective organisation of production.

In order to strengthen the socialist character of co-operatives in Hungary, the property of the co-operatives was to be consolidated following the state decree of 1967. The land of those ‘outsiders’, who were no longer active in the co-operative, as well as previously state-owned land which was expropriated by the co-operative, was to be converted to consolidated joint co-operative ownership. Prior to the redistribution of co-operative land and assets in 1992, the co-operatives controlled 5.596 million hectares of land. Of these, 2.028 million hectares remained registered as privately owned, and 154 thousand hectares were owned by the state. However, the private ownership of the land taken into the co-operative, was purely a formality, since formal control over the land was turned over to the co-operative and since the land could not be taken out upon leaving the co-operative. Collective ownership was seen as having ‘ideological’ advantages (i.e. it was to prevent exploitation), as well as economic advantages which were expected to come about by realising the “economies of scale”.

The membership was to exercise its democratic rights through the Assembly (Közgyűlés), and in organisations bigger than 300 persons, through the elected body of the Assembly of Representatives (Küldöttgyűlés). These assemblies had the right to elect the president, the presidential board, and the members of various committees (Supervisory Committee, Women’s Committee, Household Plot Committee, Arbitration Committee). They also had the right to approve or reject the budget and the yearly action plan, decide about merges with other co-operatives and about division of the units. Beyond membership influence practised through the assembly, members had rights practised through representative bodies, for example, through the Supervisory Committee (Ellenőrző Bizottság). Members of the Supervisory Committee were responsible to the General Assembly, and thereby independent from the leadership. However, its members had the right to participate in the meetings of the leadership. The purpose of the Supervisory Committee was to control the leadership. However, these democratic membership rights to control the management were seldom utilised and generally considered to be ‘formal’. Swain’s study showed that co-operative members were more likely to express discontent or for-

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2 For a discussion on the differences between state owned and co-operative enterprises in Hungary, see Donáth, 1980.
3 See Varga, 1993, p. 33. In some other East-European countries, such as in Czechoslovakia and Romania, the consolidation of co-operative property did not advance so far. Co-operative land remained privately owned, yet was collectively expropriated. Thus, in the post-socialist transition restitution (returning land to the former owners) was administratively easy to adopt as a compensation policy (see OECD, 1995, p. 75).
4 See for a summary in Fazekas, 1976, p 224 on the motives behind the IV. law of 1967.
5 According to the 1967. IV. decree 13 §: The former member cannot request share from the co-operative’s assets. The land handed into the co-operative cannot be given out. The land is to go over to co-operative ownership and the former member is to be compensated according to standardised rates, Kampis et. al. eds. (1978), p. 33.
6 These were the most crucial functions of the assemblies, see for a complete list Kampis et. al. (eds.), 1978, pp. 38-48.
ward suggestions in meetings with the leadership on the work-unit level. These suggestions typically concerned household plots, but not the collective production. Swain (Swain, 1985, pp. 150-153) and J. Juhász, (J. Juház, 1970, p. 86) also argue that the General Assembly’s function was purely formal.

The major benefits obtained by the membership were the right to work (the co-operative had the obligation to provide employment to its members), and access to household plots. Access to household plots, or ‘háztáji’, was given to those members who had satisfied their work duties in the collective. Non-member co-operative employees also had right to a lot (‘illetményföld’), which was smaller in average size than the one allotted to members. The maximum size of ‘háztáji’ was 6000 m² (in case of orchard 3000 m²), while ‘illetményföld’ could not exceed 3000 m², (see Kampis et. al., 1978, pp. 152-160, and p. 140).

At the same time, membership implied certain obligations. Co-operative members were required to resign all landed property (beyond a minimal allotment of personal landed property7) and turn it over to the co-operative. As a result, they also gave up their disposition right over the land. Furthermore, they were obliged to accomplish the compulsory amount of work-hours for the collective. While the co-operative leadership had the flexibility to decide about the requirements at the given co-operative, the co-operative law established the maximum and minimum limits of the labour time (on labour regulation see in subchapter 2.3.).

During the formation period, membership status was the dominant type of integration into the co-operative. In 1961 there were 831,000 active co-operative members compared to 13,000 employees. In 1978 the number of active co-operative members had declined to 498,000, while the number of employees had increased to 115,0008. In 1970 women constituted almost a third of both members (32.9%) and permanent employees. In contrast, they formed the majority (93.9%) of the marginal labour category of helping family members9. Parallel to the unfolding of the Hungarian version of the state socialist agrarian modernisation project, the relative importance of membership status faded away, replaced by the strengthening emphasis upon alternative stratifying characteristics. Some of the main dimensions of differentiation became white collar vs. blue-collar labour, the level of skills, occupational prosperity and the convertibility of a skill to non-agricultural branches. The latter became important due to the integration of the co-operative labour force into the national labour force10.

Figure 2.1. Managerial model based on distinct production sites

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7 While co-operative members resigned their disposition right over land turned into the co-operative, the co-operative was obliged to pay a land-rent (földjáradék) (see Kampis et. al., 1978, pp. 78-80).
8 Data refers to all agricultural co-operatives, i.e. not only production co-operatives, see KSH, 1980, p. 100.
9 Data from KSH, 1984b, p. 316.
10 Co-operative labour force had high migration figures. Up to the latter part of the eighties the main trend was towards the industry. From the mid-eighties onwards co-operatives became attractive again, and skilled labour migrated to the co-operatives, see Osváth, 1986.
The other ideologically-based cornerstone of agricultural production co-operatives was bound to the collective production organisation utilising the co-operative’s common resources\(^{11}\). During the consolidation period of the late fifties and early

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\(^{11}\) The so called special agricultural co-operatives (szakszövetkezet) deviated from this pattern. These were formed in areas dominated by production types, such as fruit and wine production, which were not suited to large-scale production technology. See Simó, 1985 or Hann’s (1980) monograph on the village of Tázlár dominated by a special co-operative.
sixties (see chapter 3) a combination of the brigade system with family labour units prevailed (see Figure 2.1. for the illustration of the presence of worker and helper category within the brigade system). The brigades typically formed the basic organisational unit for production. The brigades were to integrate the capable members and their family members into work teams, And were typically formed around the performance of specific labour tasks: manual brigade, cart-driving brigade, machine brigade, animal husbandry brigade, etc. (Kalocsay, 1985, p. 83). Alternative systems evolved – partially in the direction of family share-cropping and partially in the direction of so-called complex brigades. In both cases the production units retained a large degree of autonomy over the labour process, while financial incentives ensured the increase of efficiency. These systems were pushed out by the enforcement of industrial types of work organisation during the seventies. This meant that production in the collective sphere proceeded in a pattern increasingly similar to the industrial production organisation, and was based on the segmentation of labour tasks. The collective work-organisation was seen as superior due to its capacity to concentrate technology and thereby minimise investment requirements and improve the distribution and utilisation of resources. It was seen to have advantages even for creating consolidated land units from the widely dispersed peasant lots. Furthermore, collective cultivation allowed the planned utilisation of labour. This last feature was the most criticised point by the opponents of the co-operative system (see Kopátsy, 1986).

Co-operatives were organised as hierarchical organisations from the beginning. In the example presented, a co-operative is composed of three local sub-units: the president managed the hierarchical organisation assisted by a vice-president, a chief agronomist and a chief accountant (see Figure 2.1). The local plants retained lower-level leadership unit, including their own accounting function. Production units were specialised according to production type. Beyond the dominant agricultural core activity (i.e. plant growing and animal husbandry), auxiliary services (workshops, building brigade), as well as certain processing (dairy, distillery, mill) and sales departments were also incorporated. Reflecting a transitory character, machines were both at the disposal of the various brigades (see the presence of tractors in the plant-growing units), and to some extent concentrated in a separate machine brigade.\(^\text{12}\)

The co-operative in Figure 2.1. was considered large in the early sixties. It controlled over 2,788 hectares (4,740 katasztralis hold) of land, out of which 1,924 hectares (3,270 kh) was arable. This included 156 hectares (265 kh) for household plots. The co-operative operated in three production units and was run by 634 members, of which, 431 were workers and 188 helpers (so called helping family members).

The features of the collective production sphere were substantially transformed by the end of the eighties. The non-agricultural activities increased in importance, the integration between collective and household-based production expanded (see chap-

\(^{12}\) During the first waves of collectivisation machines were located in state owned machine stations and co-operatives were obliged to pay for the services. Following the collectivisation after 1957 such machine centres were dissolved, see Chapter 3 on the historical background. During the consolidation period machine and cart-driving units formed typically a separate brigade, unlike in the example in Figure 2.1., see Kalocsay, 1985, p. 82.
ters 3, 6 and 7), and the size of average co-operatives increased. Co-operatives engaged more in social and cultural activities and further education, and also played a role in the development of local community. Managerial tasks became more complex and this tendency brought with it the expansion of a managerial, technocratic and administrative stratum. In 1989 21.6% of those employed in state farms and 17.1% in of those employed in co-operatives were white-collar workers (KSH, 1990c, p. 37).

2. WOMEN AND THE CO-OPERATIVE LAW

The co-operative’s expectations for labour inputs were gendered, which is illustrated by the fact that the minimum requirement for entitlement to household lots was higher (1500 hours per year) for men than it was for women (1000 work hours per year). This meant, that the minimum work requirement to grant eligibility to benefits was lower, and so could be seen as more advantageous for women than for men. However, it also meant that women, who were seen as more marginally integrated labour force, were required not only to satisfy a lower level of labour inputs, but also to accept a lower level of income13. In line with the state socialist political ideology of emancipation concerning women, and according to the co-operative law, women, in their function as effective and potential mothers, possessed special social rights. These rights were linked to women’s biological and social reproductive functions. The so-called protection laws (see in Chapter 9) were to assure that women would not be employed in areas which were defined as potentially dangerous to women’s ability to bear children or to their specific physiological features as women. Pregnant women, for example, were to be protected from work which could be hazardous for them or for the foetus. Furthermore, between the fourth month of pregnancy and the sixth month of breast-feeding, women were not to be employed in physically demanding work areas, night shifts, overtime or at a workplace further than 3 km from the pregnant woman’s residence. Women enjoying these benefits could not be jeopardised with lower wages than they earned in a comparable earlier season. Women who fulfilled the minimum labour requirements were also entitled to 20 weeks paid birth-leave (fizetett születési szabadág) at between 75 and 100 percent of their former wage. Women were also entitled to unpaid leave from the co-operative up to the third year of age of the child (GYES, a leave during which they were entitled to state financed child-care subsidy). Women, who decided to return to work, instead of taking child-care subsidy were to be granted breast-feeding allowance (szoptatási kedvezmény). Women (and fathers raising their children alone) had also the right to stay home to take care of sick children and were covered by a sickness insurance (beteség biztosítás) allowance up to 60 days per year with children younger than 3 years, and for up to 30

13 The maximum labour time was similar for men and women. In main agricultural activity was 3000 hours per year and in side-activities 2500 hours per year. The length of a work-day was also regulated and was to vary between 6 and 12 hours a day (7/1977 (III.12) Labour Law Number decree and 12/1977 (III.12) Agricultural and Food-industrial Ministry Number decree. See also Kampis et. al., 1978, pp. 118-120.
days with children older than 3 years. The period during which the working woman received various benefits based on the above-summarised reproductive rights, was to be treated as work time, and consequently counted as part of the base for benefits calculated on the basis of accumulated work time, such as pension, wage increase, etc.

These reproductive rights were constructed with the assumption of women’s dual role as mothers and wage labourers, and provided far-reaching opportunities for the combination of the parental and working role. However, they also served as the basis of a gendered conception of work, in which the division according to productive work (i.e., work in the collective) and reproductive work (i.e., work in the home with raising children) became gendered. While women were to combine work in both the productive and reproductive spheres (in the public and in the private spheres), men (if they were not raising their children alone), were not expected to cross the boundaries between productive and reproductive work and were perceived as wage workers proper. The analysis of the consequences of the gendered conception of labour within the co-operatives for the reproduction of gendered systems of hierarchies on the one hand and for the construction of the co-operative’s production organisation on the other, is one of the main themes of this thesis.

Women occupied the more subordinated segments of the labour force according to level of skills, convertibility of skills and level in the management hierarchy. While in 1975 only 10.2% of skilled workers were women, the proportion of women amongst semi-skilled workers reached 42.5% and amongst unskilled workers 43.5%. While in 1971 there were 6 women of 6507 co-operative presidents, the vast majority (70.6%) of subordinate administrative workers were women (KSH, 1980, Mezögazdasági Adattár, Vol. III, pp. 122-123). These matters are developed in chapter 10.

3. AGRICULTURAL PRODUCTION CO-OPERATIVES AND THE HUNGARIAN AGRICULTURAL MODEL

The term ‘Hungarian agricultural model’ has both a narrower and a broader application. In the narrower meaning, it refers to the developmental model evolved by Hungarian agricultural production co-operatives (see below). In a broader meaning the term is used to refer to the specific features of the Hungarian agricultural sector at large. This thesis focuses on agricultural production co-operatives, and so does not claim to provide an analysis of the agricultural sector at large. The analysis of

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14 The regulations are to be found in the following decrees: 20/1968 (VI.4.) MÉM (Agricultural and Food-industrial Ministry) number decree, 12/1977 (III.12) MT (Labour Law) number decree, 12/1977 (III.12) MÉM (Agricultural and Food-industrial Ministry) number decree, see Kampis et. al., 1978, pp. 128-136.


16 Swain highlighted the far-reaching achievements of socialist states in the expansion of social welfare schemes. Schemes, that the economic development could not keep in line with, see Swain, 1992.

17 Data refers to the ‘labour law number’ of employed (foglalkoztatottak munkajogi létszáma) amongst active members and employees, see KSH, 1980, Mezögazdasági Adattár, Vol III, p. 111. On the stratification of the agricultural labour force see also Hegedüs, 1977.
the agricultural sector at large, is taken up to the degree it is necessary to understand the various aspects of agricultural production co-operatives, or where, due to a lack of data specific to agricultural production co-operatives, it was reasonable to assume that data on the agricultural sector at large could illustrate trends within the co-operatives.

The ‘Hungarian agricultural model’ deviated in a series of features from the co-operatives of other state socialist countries. The preconditions for the evolution of the model were put into place partly by the 1957 Agrarian Theses (which opened a more permissive way towards collectivisation than what prevailed prior to 1956), and partly by the 1968 New Economic Mechanism (which involved the decentralisation of economic policy and the end of direct plan economy). Three main features of the Hungarian agricultural model are highlighted below: a) enterprise autonomy; b) increasing importance of industrial side-activities; c) integration between collective and household-based production.

a) Following the 1968 reforms, the enterprise freedom of co-operatives increased, which meant that co-operatives could decide on production targets. During 1972-73, the reforms halted. Critics of the reforms argued that the prevalence of indirect incentives, such as subventions, government target loans, and the continued presence of state-owned monopoly position of the supply industry (i.e. chemical and agricultural machine industry) and food-industry meant the continued presence of state directives in production. Thus, despite the abandonment of the directive Plan system, co-operative management was encouraged to utilise state subventions. This was believed to result in the prioritisation of subsidised projects by management – instead of evolving production profiles which would have better fit the prevailing currents of demand and supply.

During the early eighties, the necessity for a revival of the reform process ripened in political circles. The radicalisation of reforms from the eighties onwards increased enterprise autonomy. Within the co-operatives, the managerial stratum, although not owning the common property, nonetheless had the virtual control over the accumulated assets and their operation, within the limitations of the macro-structure (subsidies, loans, marketing rights, price-policies, etc.) and the internal relations established with the membership. As a consequence of the decentralisation of economic management in the Hungarian agricultural model, the managerial stratum gained significant economic independence and control over the means of production. This

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18. The specific features of the Hungarian co-operative agriculture were lifted up not only by Hungarian scholars (Romány, 1994, Kovách et. al., 1998a) but was internationally acknowledged, see e.g. Swain, 1985, Hann, 1980. For comparison with other state socialist regimes in general see Pryor, 1992, Wädekin, 1982. For a critical evaluation, see, Sipos and Halmai, 1987. For comparison with certain other regimes see Swain, 1985 for Soviet Union, Hunya, 1986/87 for Romania, Juhász and Magyar, 1984 for Poland, Juhász and Magyar, 1984, for DDR, Gussek, 1985.

19. The aims of the 1968 reforms were to dissolve the directive system of the plan economy, to increase enterprisal autonomy to apply indirect incentives, to increase the sensitivity of supply and demand forces to the formation of prices and to encourage the plurality of production forms, including the private sector, see Nyers and Tardos, 1981. On the critique of implementation see Tardos, 1985, Laky, 1980 and Kornai, 1987. See also Hedlund, 1992, pp. 162-171.

20. See on the halt of the reforms and the countervailing effects of subventions on the functioning of market forces Tardos, 1985, pp. 50-51. Swain discusses the limitations of managerial freedom by the regulative system of state subventions, Swain, 1985, pp. 145-146.
strengthened the positions of a market oriented, risk-taking and efficient managerial stratum. Legal loopholes in the reforms opened the opportunity for the most dynamic members of the management to increasingly pursue their own personal interests.21

b) From the seventies onwards, the importance of non-agricultural activities within the co-operatives increased. Side-activities provided the economic basis for survival during a period of declining returns from agriculture. Kováč et. al. (1994) described it as the co-operative’s internal subsidy system. By 1988 the proportion of non-agricultural revenues within the total net production value of agricultural production co-operatives reached 48.3%22. Within non-agricultural production, industrial production dominated (66.0%, within this only 19.7% was food-industrial activity, see KSH, 1987, p. 89). This change was also reflected in the composition of the co-operative labour force. In 1989 53.3% of the labour time spent performing physical work in production in the co-operatives (and 48.1% in agricultural state enterprises) was spent carrying out non-agricultural labour tasks.23 This large proportion of non-agricultural activities made it possible for the agricultural sphere to provide employment for a wide range of the rural population. Rural industrialisation was one reason behind a kind of ‘ruralisation’ – which was also described as an under-urbanisation phenomenon (Szelényi, 1988).

c) The last, and perhaps most important feature of the Hungarian agricultural model was the increasing importance of the small-scale family production of workers otherwise employed in the socialist sector.24 From the seventies onwards, entire production profiles in some labour-intensive production areas were gradually moved into the family sphere. In 1987, 75.9% of the value of vegetable output was produced in the family sphere (KSH, 1989b, p. 8). The co-operatives increasingly integrated small-scale family production into their organisational structure. This meant that the co-operative served as a medium for the supply and marketing of the increasing market-oriented production of the households. As a consequence, the separation of the public sphere of production and the private sphere of consumption, as envisaged by the all-pervasive proletarianisation perpetuated in the kolkhoz ideal, did not evolve in the context of Hungarian co-operative agriculture. Although agricultural production co-operatives were to become an exclusive organisation of agricultural production, they failed to evolve into an all-inclusive system of production. Instead, an organisational symbiosis developed

21 On spontaneous privatisation during the latter part of the eighties, see Sárközy, 1994. On the evolving spontaneous privatisation of the complex, large-scale co-operative organisations see Bihari, et. al., 1993.
22 See KSH, 1989a, p. 102. In 1989 37.1% of the gross production value was produced in non-agricultural activities, KSH, 1990c, pp. 92, 96.
23 See, KSH, MgStatEk, 1989, p. 36. In the figures on physical labour time spent in direct production and supporting workshops is counted, while white collar labour is not counted.
24 The Hungarian literature uses the distinction of first and second economy, see Galasi and Gábor, 1981.
between the public sphere (the collective sphere of agricultural production), and the private sphere, (the family-based small-scale agricultural production of co-operative workers). At first the family based production of co-operative workers contributed to the supply of the family’s own consumption needs. The market production of family farming expanded progressively to the degree that family production dominated within certain areas of agricultural production. The co-operative gradually expanded the integration of the private sphere by means of organising the preconditions of production in the family sphere. This included counting labour time used in the private sphere as part of the collective pool of labour time, and consequently counting it as part of the labour time required for eligibility for various social benefits.

While the social and economic importance of small-scale agricultural production was substantial under state socialism, this production form provided a favourable, yet not sufficient precondition for the evolution of a sustainable agricultural developmental model based on family farming. The evolution of such a model was hindered by the regulations limiting the scope of household-based production, the availability of capital, land, market institutions etc.

2.4. AGRICULTURE AND AGRICULTURAL PRODUCTION CO-OPERATIVES WITHIN THE HUNGARIAN ECONOMY

In 1989 the agricultural sector employed 17.4% of Hungary's active wage-earners. However, since the agricultural sector was engaged in non-agricultural activities also, only 11.7% (of the Hungarian active wage earners) could be considered as employed within agricultural core activities. This labour force produced 16.8% of the country's gross output (teljes kibocsátás), and 20.7% of its net produce. In contrast, only 8.4% of investments were directed to the agricultural sector (KSH, 1990c, p. 9).

The achievements of the Hungarian agricultural model, which combined the modernisation of the large-scale production sphere with household-based production in labour intensive areas, boosted the productivity of Hungarian agriculture to the

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26 In the context of Soviet agriculture, Wädekin argued that the permissiveness towards family farming at the formation period was related to the prevailing developmental policies. Due to the state policies aiming at extracting resources from agriculture towards industrial development high delivery quotas were set for co-operatives. These could pay wages from the sum that remained after paying all the revenues to the state. Since, co-operatives had often difficulties to pay wages to their workers, the rudimentary forms of family farming secured the existence of the co-operative workers and their families, see on the pre World War II period Soviet development in Wädekin, 1982, pp. 19-26. On the Soviet Union see also Hedlund, 1989. On Hungary prior to the 1968 New economic mechanism reform see Petö, 1985.

27 If we consider the distribution of labour time merely on the production site of plant-growing and animal husbandry branches of agricultural production co-operatives, this constituted for 32.3% of total labour time used in the APC-s. If we calculate even with the time spent with servicing the machines, storage facilities and attached activities and the administrative managerial activities, than 42.1% of the labour time was spent in the main activity in 1989. With these calculations the proportion of those de facto working in agricultural occupations could be estimated even lower than the 11.7% indicated in the sources, the former data calculated on the basis of KSH, 1990, MgStsőEk, 1989, p. 36, while the latter on the basis of ibid. p. 9.
upper third among OECD countries. If we compare the average agricultural production value per 1 hectare of agricultural area in the years between 1971 and 1978, Hungarian production was five times that of the world average, three-times that of the the average of COMECON countries, and constituted 70% of the average of West-European countries (Tardos, 1985, p. 56). Figures representing per capita gross production value placed Hungary amongst the top three in Europe in the case of cereal production (with Denmark and the Netherlands), pork production, poultry production, egg production and apple production.

While many East-European countries were troubled by the lack of sufficient internal agricultural production and were dependent on imports, Hungary was able to evolve into a large exporter of agricultural products. The success of the Hungarian model depended to large degree on favourable market conditions. The internal market for agricultural products was expanding due to the gradually increasing level of consumption. The consumption – or over-consumption of agricultural products (for example, of meat), was a part of this so called ‘goulash-communism’28. On the other hand, agricultural products constituted a crucial part of Hungary’s export both to COMECON and non-COMECON countries, and in 1989 reached 21.7% of all exports, while only 7.2% of imports were agricultural products29.

The agricultural sector was divided among two types of socialist (state and co-operative) and three types of family spheres of production. The three spheres of family production were: family farming proper (egyéni gazdaság), part-time farming of employees in the non-co-operative sector (kiegészítő gazdaság), and family farming of the employees of the co-operative sector (háztáji).

In 1986 70.2% of all agricultural land was cultivated in the collective sphere of agricultural production co-operatives30. An additional 4.5% of agricultural land was cultivated in the family sphere of agricultural production co-operatives (see Table 2.1.). State farms occupied 15%, and auxiliary and private farms 8.6% of the agricultural land. Thus, large-scale production forms (i.e. state farms and the collective sphere of co-operatives) dominated the land distribution.

Table 2.1. Distribution of the Gross Production Value in the Hungarian Agricultural Sector according Production Forms in 1986.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Agricultural land*</th>
<th>Gross Agricultural production</th>
<th>Net Agricultural production</th>
<th>Gross Production Total***</th>
</tr>
</thead>
</table>

---

28 The per capita food consumption increased by 16.3% between 1970 and 1984, while the consumption of meat, eggs and milk increased by 36.3%, KSH, 1985a, p. 60.
29 KSH, 1990c, p. 9. See also Mohácsi and Juhász, 1993.
30 So called special co-operatives added an additional 1.6% of the production value. Agricultural co-operatives were formed in three major forms: in type I and II co-operatives (i.e. in the special co-operatives) the family remained the main labour unit, and peasants could maintain control over large portion of their land. The co-operative commonly stood for marketing and the common machine stock (see Simó, 1983 and Hann, 1980). In type III co-operatives the collective production form was introduced, where the land and resources were consolidated, and a collective production form was introduced. Co-operative workers maintained access to small size of land for household based production. Whereas, up to the late fifties both forms prevailed, after 1959 the special co-operatives became systematically pressed down as not representing properly the socialist production ideals.
While the various family labour-based production units occupied merely 13.5% of the cultivated area, they produced 34.5% of the gross agricultural production value – a figure which corresponded to 54.9% of the net production value. Taking the example of agricultural production co-operatives, they occupied 74.7% of agricultural land, they contributed to 68.5% of gross and 62.4% of the net value of agricultural products and 68.8% of the total value produced within the agricultural sector. Within the agricultural production co-operatives, the collective sphere cultivated 70.2% of the agricultural land of the country, while 48.4% of the gross value of all agricultural production originated from the collective sphere in 1986 (see Table 2.1.). In contrast, while family households of co-operative workers cultivated 4.5% of the country’s agricultural land, they provided 17.5% of the country’s gross production value in agricultural products. Thus, the production value of household-based producers was disproportionately higher than the amount of land cultivated by them. Furthermore, since this family production was carried out with lower expenditures than in the collective, the net production value superseded that of the collective sphere even more than the figures on gross production value indicated. Of the net value, the share of the collective sphere was 34.4% and of family production 26.5%. The market difference is due to the higher production costs in the collective and lower in the family sphere (KSH, 1987, pp. 90-96.

As was mentioned above, there were three types of family-based agricultural production units. Taken together, there were 1,415 million households engaged in household-based agricultural production in 1986. There were 4,448 million people living in these households. This meant that 41.8% of the population in Hungary lived in households engaged in small-scale agricultural production. Of all the heads of household of households engaged with household-based agricultural production, 52% were co-operative members (i.e. active or retired). A large proportion of heads of household (39.8%) in households engaged with agricultural production were over 60 years of age, while the proportion of heads of households below 30 was only 3.7%. This indicates that household-based agricultural production was carried out

<table>
<thead>
<tr>
<th></th>
<th>Co-op sector</th>
<th>APC, Collective sector</th>
<th>APC, Family sector</th>
<th>Special Co-operatives</th>
<th>SOCIALIST SECTOR</th>
<th>PRIVATE SECTOR</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>76.3</td>
<td>70.2</td>
<td>4.5</td>
<td>1.6</td>
<td>91.3</td>
<td>8.6</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>14.5</td>
<td>48.4</td>
<td>17.5</td>
<td>2.6</td>
<td>83.0</td>
<td>17.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>9.2</td>
<td>34.4</td>
<td>26.5</td>
<td>2.5</td>
<td>72.6</td>
<td>27.4</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>20.5</td>
<td>53.6</td>
<td>11.0</td>
<td>4.2</td>
<td>89.3</td>
<td>10.7</td>
<td>100.0</td>
</tr>
<tr>
<td>State sector</td>
<td>15.0</td>
<td>14.5</td>
<td>9.2</td>
<td>20.5</td>
<td>91.3</td>
<td>8.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Co-op sector</td>
<td>76.3</td>
<td>70.2</td>
<td>4.5</td>
<td>1.6</td>
<td>91.3</td>
<td>8.6</td>
<td>100.0</td>
</tr>
<tr>
<td>APC, Collective sector</td>
<td>70.2</td>
<td>48.4</td>
<td>34.4</td>
<td>53.6</td>
<td>91.3</td>
<td>8.6</td>
<td>100.0</td>
</tr>
<tr>
<td>APC, Family sector</td>
<td>4.5</td>
<td>17.5</td>
<td>26.5</td>
<td>11.0</td>
<td>83.0</td>
<td>17.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Special Co-operatives</td>
<td>1.6</td>
<td>2.6</td>
<td>2.5</td>
<td>4.2</td>
<td>72.6</td>
<td>27.4</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Note: * = Includes arable, vegetable gardens, orchards, pastures, and vineyards 6523.6 thousand hectares; ** = Products from animal husbandry and plant-growing; *** = Including agricultural production, forestry, agricultural services and production beyond the main activity.
primarily by the households of the older generations\textsuperscript{31}. Thus, when in this thesis the household-based agricultural production of co-operative members is analysed, this population covers only about half of the people engaged with household-based production in Hungary (Galasi and Gábor R., 1981).

5. THREE AGRICULTURAL PRODUCTION CO-OPERATIVES IN THE EIGHTIES

In 1989, there were 1,246 agricultural production co-operatives in Hungary. The following figures are to provide a picture of the scale of the operation of co-operatives. An average co-operative had 4177.3 hectares of land (KSH, 1990c, pp. 27, 42) and on average, 344 full-time workers, of which 282 were blue-collar and 62 were white-collar workers. The stock of animals was made up of, on average, 794 heads of cattle, of which 298 were cows, 1936 swine, 934 sheep and 5055 poultry. The average equipment inventory was composed of 32 tractors, 19 lorries and 7 combine harvesters, representing a machine park with 5301 kW capacity (ibid., p. 28).

By the end of the eighties the multi-faceted character of agricultural production co-operatives strengthened. Substantial regional variation prevailed according to the proximity to urban, industrial and market centres, access to transportation, and the quality of soil and climate. To illustrate the organisational complexity and variation in the production profiles between co-operatives, the three following examples are presented.

5.1. ‘UJ ELET’ (NEW LIFE) AGRICULTURAL PRODUCTION CO-OPERATIVE

The ‘Uj Elet’\textsuperscript{32} co-operative represents a purely agricultural co-operative, with both collective and small-scale family production. The majority of the land owned by the co-operative was arable (3277 hectares). The co-operative also controlled grassland (306 hectares), forest (419 hectares), some orchard (8 hectares), vineyard (5 hectares) garden (55 hectares) and reeds (13 hectares) (see table 2.2.). The vast majority of the land (95.0\%) was cultivated collectively, while a small portion was cultivated by the families of co-operative members and other private leaseholders (altogether 210 hectares). While the majority of the land cultivated collectively was arable (80.1\%), the land cultivated by private producers was divided more evenly between 39.0\% arable, 18.6\% garden, 2.4\% vineyard and 28.6\% grassland.

In 1984 the co-operative had 408 active workers. These workers performed, on average, 232 work days labour during the year.

<table>
<thead>
<tr>
<th>Type of land</th>
<th>Collective farming</th>
<th>Family units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{31} Calculated on the basis of data from KSH, 1987, p. 9, KSH, 1988, p. 9.

\textsuperscript{32} The description is based on the co-operative’s report on economic results in 1984. The report was circulated as background material for the Rural Sociological Seminar organised by the European Association for Rural Sociological in Balatonföldvár, 1985.
Arable 3195 82 3277
Orchard .. .. 8
Vineyard 0 5 5
Garden 0 55 55
Grass land 246 60 306
Forest 419 0 419
Reeds 13 0 13
Others 115 0 115
Total 3988 210 4198


In 1984 the collectively producing, plant-growing branch engaged in the cultivation of cereals (on 1140 hectares), maize (on 1120 hectares), peas (on 110 hectares), and sunflower (on 236 hectares). Furthermore, various types of fodder crops were cultivated on 968 hectares.

Animal husbandry included both cattle (with 1152 animals) and swine raising (with 2932 animals). The cattle branch was oriented to both dairy production (with 530 dairy cows) and beef cattle raising (with 241 beef cattle, 297 heifers, 3 bulls and 81 calves). The co-operative leased out 270 cattle (35 dairy cows and 235 beef cattle) to private raisers.

Co-operative workers cultivated 51.5 hectares of sunflowers and 17.0 hectares of corn in household units ('háztáji'). They also engaged in animal husbandry in their households through a type of putting-out system through the co-operative. The co-operative provided the animals and the fodder, and also a contract guaranteeing purchase prices, while the co-operative workers provided their labour and facilities around their homestead. This meant that the households were not self-contained production units. Instead, they were dependent on the co-operative for obtaining fodder, and their production contained only one, yet the most labour-intensive elements of animal raising, while the co-operative controlled the most knowledge-dependent breeding process. The extent of household production of household-based producers reached a similar level to the collective production organisation. There were 167 beef cattle, 390 milk cows and 2131 fat pigs in the households. See table 2.3.

<table>
<thead>
<tr>
<th>Arable</th>
<th>3195</th>
<th>82</th>
<th>3277</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orchard</td>
<td>..</td>
<td>..</td>
<td>8</td>
</tr>
<tr>
<td>Vineyard</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Garden</td>
<td>0</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Grass land</td>
<td>246</td>
<td>60</td>
<td>306</td>
</tr>
<tr>
<td>Forest</td>
<td>419</td>
<td>0</td>
<td>419</td>
</tr>
<tr>
<td>Reeds</td>
<td>13</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Others</td>
<td>115</td>
<td>0</td>
<td>115</td>
</tr>
<tr>
<td>Total</td>
<td>3988</td>
<td>210</td>
<td>4198</td>
</tr>
</tbody>
</table>

Table 2.3. Distribution of production animals according to type of production unit in the 'Uj Elet' co-operative in 1984. (Numbers of animals).

<table>
<thead>
<tr>
<th>Collective</th>
<th>In lease</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>1152</td>
<td>270</td>
</tr>
<tr>
<td>Milk cows</td>
<td>530</td>
<td>30</td>
</tr>
<tr>
<td>Heifers</td>
<td>297</td>
<td>..</td>
</tr>
<tr>
<td>Breeding bulls</td>
<td>3</td>
<td>..</td>
</tr>
<tr>
<td>Beef cattle</td>
<td>241</td>
<td>235</td>
</tr>
</tbody>
</table>

3 These figures were calculated from the production results.
34 This figure was calculated from the given milk-production level.
Leasing appeared as a new legal alternative for co-operatives from the early eighties onwards. The data presented for the 'Uj Elet' co-operative shows higher productivity figures achieved in this organisational form. The milk-production per cow was twice as high in the leasing form as in the collective production form. Similarly, the productivity figures were higher in the household production of co-operative members than in the collective: the weight-gain of beef-cattle was 401 kg per animal in the collective and 671 kg per animal in the household production of co-operative workers. In contrast, fat pig raising appeared to be more effective in the collective: 247 kg weight increase per fat pig in the collective compared to 115 kg in the households.\(^{35}\)

By leasing, the co-operatives could gradually liberate themselves from unproductive branches, while private farming could gradually expand through the leasing system. The continuation of this system could have resulted in the expansion of a production structure based on private enterprise, which nonetheless would have been based on a rental-property structure. The renewed reform policy from the late eighties onwards aimed exactly at the evolution of policies encouraging a pluralistic structure.\(^{36}\) See further in chapter 3.

5.2. 'UJ BARÁZDA' (NEW) AGRICULTURAL PRODUCTION CO-OPEARATIVE

The production profile of the 'Uj Barázdá'\(^{37}\) co-operative is presented to show a co-operative with minor industrial activity, where agriculture remained the dominant

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\(^{35}\) The figures ought to be interpreted cautiously, since data is not given on the age of the pigs, or the length of raising period in the two respective production unit types.


\(^{37}\) The supporting data is taken from the report of the co-operative’s president: 'The economic activities and role in the life of the community of the Uj Barázdá Agricultural Co-operative 1985 (manuscript). The manuscript was provided as background material for a study visit at the co-operative by the
profile. This co-operative illustrates also a management model dominated by 'tech-
nocrats', a model that became typical by the later seventies. (See figure 1.). Fur-
furthermore, the role of a co-operative in the development of a micro-region is also
described. The 'Uj Baráza' co-operative was formed in 1970 from the merger of three
community-based co-operatives. The population of the mother communities was 1417
people in Mernye, 948 in Somogygeszt and 486 in Polány. As a result of regional
development policy, Mernye also became the administrative centre of a somewhat
larger micro-region, including 7 villages with a total population of 6251 people.
While this micro region at large was loosing population, and decreased to 80.2% of
the 1970 level by 1985, Mernye, the centre of the merged co-operative and also of
the micro-region was the only settlement within the micro-region in which the popu-
lation increased (by 9.0%). While, the small communities gradually were deprived
of independently managed functions, the micro-regional centre concentrated the
resources and services, such as day-care, primary school, library, culture centre,
youth clubs, health care centre and services rendered by the units of consumer and
purchasing co-operatives, such as the gas station, pub, grocery, and place for whole-
sale purchasing.
Similarly to the hierarchy of the micro-regional administration, the administrative
centre of the 'Uj Baráza' co-operative was also located in Mernye. The produc-
tion profile of the co-operative was predominantly agricultural, and was composed of a
variety of activities. The activities were inherited, in part, from the production com-
ponents of the three 'mother' co-operatives, and partly from contained branches
that were developed after the merger.
The co-operative owned 4377 hectares of land, of which 3273 hectares were arable
land. There were 1070 active wage earners in the three communities, of which about
one-third worked permanently in the co-operative. The co-operative had 557 mem-
bers. Of these, 302 were pensioners or seasonally working members. The co-
operative had 299 permanent staff, which was composed of 255 active co-operative
members and an additional 44 workers with employee status. In plant-growing, the
main production profiles were cereal, maize and sunflower growing, and from 1984
onwards, sugar-beet growing. The main branch in animal husbandry was the dairy
complex with 520 cows, which was added in 1984. The co-operative also owned a
horse-raising stable, with coach-driving and pleasure-riding horses. In connection to
the animal husbandry the co-operative increased the cultivation area of rough fod-
der. Among the auxiliary branches the co-operative had forestry and hunting, and a
supplying machine-repair workshop. In 1981 the co-operative initiated a produc-
tion-contract with a shoe-factory, and started to manufacture the upper parts of
shoes. This factory employed exclusively women.
The co-operative contributed substantially to the development of the services avail-
able for the three communities – food delivery to the day-care, and schools, cultural
activities for the elderly, sports club, and expansion of the regional health centre.

Rural Sociology Seminar organised by the European Association for Rural Sociological in Balatonfold-
vár in 1985

38 About the merger movement see Chapter 3.

39 This in turn reflects the plurality of production structure inherited from peasant agriculture.
Picture 3. Poultry raising was typically female occupation. Young woman in a 'chicken factory' (sixties)
There were five technologically separated production profiles within plant-growing. These activities had their own machine park and year-round cultivation schedule. However, these activities did not require the operation of independent production units (i.e. of working brigades). The mechanised phases of production could be carried out by a group of skilled and specialised agricultural machine operators. Manual labour activities were carried out by production groups at the three production sites (i.e. the three villages), composed of unskilled manual workers. In case of animal husbandry, a permanent labour group was employed for raising, milking, etc. Here also, there was a separation of skilled and unskilled labour-activities.

The hierarchical nature of the organisation was reflected in the leadership structure. The brigade leaders were the lowest-level leaders and were attached to the production units. They were typically skilled workers, and participated in the physical labour tasks while fulfilling some supervisory functions at the place of production. Each production profile (e.g. cereal production, sugar-beet production) had a professional leader responsible for the whole undertaking. This included the planning and timing of various cultivation activities in relation to available labour, the selection of plant varieties, and maintaining market contacts as well as calculation of the feasibility of production. Certain elements of this planning were further centralised, such as marketing and purchasing, or dealing with the administrative aspects of employment issues. The co-operative engaged a number of specialists with various functions, including biologists informed about research in breed-selection, account-
ants, lawyers and computer-specialists. Altogether, the 'Uj Barázda' co-operative had 20 staff members with university education. This resulted in a management structure with 14 administrative leaders, six production leaders and 8 brigade leaders.

5.3. 'GOLDEN AGE' AGRICULTURAL PRODUCTION CO-OPERATIVE

The 'Golden Age' is to represent such co-operatives, in which agricultural activity became secondary. By the late eighties in the 'Golden Age' co-operative 70-90% of the turnover came from various non-agricultural activities. This co-operative also represents a developmental phase in the organisational transformation of the co-operatives to holding companies that started in the latter part of the eighties. The 'Golden Age' co-operative was created by a merger of four former co-operatives between 1973 and 1975. There were three main organisational units in the 'Golden Age' co-operative: the chief administrative centre, the unit for agricultural activities, and the unit for industrial and service activities. The administrative centre was divided into the Board of Directors, and economic, finance and investment departments. The agricultural unit was further divided into a plant-growing branch, a machine and repair shop, a forestry and machinery unit, an animal breeding unit, an orchard branch and a group responsible for co-operation with small-scale producers. There were three such incorporated entrepreneurial units in 1989 within the agricultural section. The unit for industrial and service activities included a chemical branch, transportation branch, a unit with mixed industrial activities, wood processing industries unit, a service unit, a refrigerating plant and a metallurgy unit.

In this co-operative the industrial branches were profitable for a long period, and financed the deficit of the agricultural branches. Since, these industrial activities were typically divorced from the co-operative's agricultural production, with the legal opportunities rising in the early eighties, a system of self-accounting units were formed. The co-operative centre controlled the financial redistribution and management functions over these units, and thereby even maintained control over financial resources. At the end of the eighties incorporated entrepreneurial units were formed, which leased land from the co-operative for share-cropping. The incorporated private enterprises which were formed at the end of eighties operated, more or less, in a leasing relationship with the co-operative, resulting in the decrease of the co-operative's financial control over the individual entrepreneurial units. The co-operative maintained a good relationship with its workers engaged in small-scale production. From the late seventies onwards a new division of labour gradually evolved through which complete production branches were moved into the family based production units. These included swine, poultry and sheep-raising, as well as labour-intensive gardening. In this way the co-operative liberated itself from unproductive branches, which nonetheless, could be profitable for the small-producers who generally did not calculate their labour-input as an expense. In the late eighties many so-called 'quasi-agricultural' co-operatives were hit by the deep-

40 The data concerning the 'Golden Age' co-operative is taken from Bihari, et al. 1993.
41 One could possibly even claim that some agricultural co-operatives simply provided a legal organisational base for the industrial activities. It was through these branches that co-operative leadership could obtain bonuses.
ening industrial crises, some had reached up to 100% indebtedness and soon, newly-introduced legislation forced them to report bankruptcy.

The 'Golden Age' ranked among the economically strong co-operatives, and managed to survive the post-socialist transition to capitalism with a 33.0% debt level against its 1993 total assets. The 'Golden Age' demonstrated one transition path available for economically viable co-operatives after the fall of state socialism. The co-operative was transformed into a holding company, in which the various production branches formed limited companies with a leasing arrangements with the holding company, which represented the interests of the former co-operative members.

At the same time, a study concerning co-operatives in the Budapest agglomeration indicated that in 1993, 3 out of 10 former co-operatives were in liquidation proceedings, four had been transformed into holding companies, and three were renewed co-operatives. The employment capacity of the co-operatives in 1993 was 7% of the 1988 level\(^1\), and only a small minority of former members (about 10%) took advantage of the possibility of taking their land out of the co-operative and cultivate it privately. The majority of former members left their land in the renewed co-operatives and supported the renewal of the co-operative as a production form. These figures indicate that family farming and the survival strategies of families were closely bound with the prevailing form of co-operation.

\(^{1}\) The ten co-operatives in the study employed together 9538 people in 1988. Out of these three was under liquidation in 1993. These three together had 2604 employed in 1983, and only 75 in 1993. Three co-operatives were renewed, employing 393 people in 1993, whereas four were transformed into holding companies, employing 157 people in 1993. Altogether the inherited organisations from the 10 co-operatives employed 625 people in 1993, that was the 6.6% of the 1988 level, see in Bihari, et. al., 1993 p. 13.
CHAPTER 3

The Emergence of Agricultural Production Co-operatives

1. INTRODUCTION

This thesis analyses the conditions contributing to the reproduction of the Hungarian agricultural production co-operative as a production form, which evolved during the period following 1956. Agricultural production co-operatives evolving in the post-1956 period offered a viable developmental model for the rural population (Kovách, Szelényi and Harcsa, 1998). This could be considered a historical paradox, since the post World War II collectivisation proceeded with repressive methods and against the will of the majority of the peasantry. Indeed, when in 1992, during the post-socialist transition, co-operative workers were offered the opportunity to dissolve co-operatives, the overwhelming majority of co-operative members chose to revive reformed forms of production co-operatives. The conceptual framework to the interpretation of the mechanisms contributing to the reproduction and ongoing formation of agricultural production co-operatives is developed in Part II of this thesis. This chapter has a dual function. Its primary function is to provide historical background for discussion of the evolution of the co-operative as a production form. This provides the basis for understanding the theoretical argumentation presented in Part II as well as the analysis of co-operatives presented in Part III. Beyond serving as a general background, this chapter also constitutes part of my analytical model. The analytical model is developed in Part II and presents the emergence and ongoing formation of the dominant economic system, within which the co-operatives as production forms evolved.

This chapter is based on several underlying assumptions. On the one hand it views the formation of agricultural production co-operatives as part of a longer historical process, where historically evolved structures and symbolic meanings attributed to these structures are seen to have a significant influence on the nation-specific state socialist developmental model realised - in this case in Hungary. In harmony with

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1 For an analysis of factors contributing to the renewal of large-scale production forms in the post-socialist transition in Hungary see Asztalos Morell, 1997.
2 See on path dependency in Stark1992 the problem of historical continuity in agricultural production systems, see Kovách, et.al. 1998.
this first assumption, Subchapter 2 aims at placing the emergence of agricultural production co-operatives in a historical context. The agrarian structure characterising the era prior to 1945 is scrutinised (Subchapter 2.1.), followed by a presentation of the agrarian reform and the transition to socialism following World War II in Subchapter 2.2. (1945-1948). Finally, in Subchapter 2.3. the repressive methods of collectivisation characterising the Stalinist era (1948-1953) and the events leading to the 1956 uprising (1953-1956) are reviewed.

I also argue, as do Szelényi and Konrád, that while it is a historical fact that state socialism was introduced by repressive methods in Hungary, the reproduction of this economic system and the specific production forms existing within this system would not have been possible without the emergence of certain internal structures. These structures are characterised by the concentration of power and a social strata interested in the reproduction of these structures. Subchapter 3 is dedicated to the presentation of the ongoing formation process of the state socialist system of regulations providing the dominant framework in the formation of agricultural production co-operatives characterising the era between 1956 and 1989. Here, three periods are distinguished. First described is the consolidation period between 1956 and 1968. This period was characterised by a new vogue of collectivisation based on new principles (Subchapter 3.1.). The next section analyses the evolution of the symbiosis between collective, and household-based production following the launching of the 1968 reforms (Subchapter 3.2.). Finally, Subchapter 3.3. examines and analyses the changing balance between household-based and collective production, which evolved in the context of the renewal of the reform process in the post-1978 period. This periodisation also forms the basis for the comparison of historical shifts of various aspects of the agrarian structure throughout the thesis and is, consequently, of crucial importance for the explanatory model presented in the thesis. Within this framework the main concern lies with the period characterised by the evolution of market socialism, i.e. the period between 1968 and 1989.

2. Historical Background to the Evolution of the Hungarian Agricultural Model

2.1. The Agrarian Question in Hungary Prior to 1945

In 1935 land-estates, which were the remnants of the feudal society, occupied 40.8% of the agricultural land in Hungary (see Table 3.2.). Estates employed an excessive landless agrarian-population as ‘cseléd’, i.e. manorial servants (see Table 3.1.). In 1930 there were 216,000 manorial servants. They constituted 10.7% of the agrarian population. Further, 381,000 family members lived in the households of these two groups (Kovács, 1935, p. 211). Manorial servants worked on ‘kommenció’ (annual contracts) on the manors. An important part of the remuneration of

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Footnote:

3 The figure refers to landed property over 100 cataster holds (over 57.8 hectares). These could include even some large peasant farms. The proportion of the largest estates with over 1000 cataster hold (576 hectares) land occupied 29.9% of the land (see Table 3.2.). These belonged primarily to the upper nobility and the clergy (see Donáth, 1946, p. 22-23.). Even part of the upper bourgeoisie aimed at buying landed property for acquiring status, see Erdei, 1988, Berend and Ránki, 1974.
servants was the use of a lot (which varied from about 800 to 3000 ‘négyiszögől’ (approximately between 3200 and 12000 m²) and the supply of housing. Further rewards were rendered primarily in kind (cereals, firewood, milk, salt) and to a lesser degree in cash (Kovács, [1935], 1989, pp. 211–213, Illyés, [1936] 1967).

An additional 572 thousand people (28.4% of the agrarian population) were agrarian workers, such as ‘napszámos’ (day labourers), ‘summás’ (seasonal harvest workers), ‘kubikos’ (general unskilled agricultural and construction worker), etc. This group was also to large degree employed on the estates on a seasonal basis. A smaller portion (92 thousand) of these workers each had mini-lot, making a meagre contribution to survival.

The total number of manorial servants and agrarian workers, which constituted the rural poor, landless agrarian proletarian stratum reached 788 thousand, and formed 39.1% of the agrarian population. While manorial servants resided on the manors of the estates, the so called ‘puszta’, in locally detached communities, agrarian workers had varied origin. They had typically short-term employment and were impoverished former peasants.

As is shown in Table 3.1. the landholding agrarian population was dominated by dwarf and small lot holders (40.6 % of the agrarian population). The middle and large peasantry formed a thin stratum (18.6%) within the agrarian population. While Hungary was on the way to industrialisation during the period between the two World Wars, it was not sufficient to absorb the excessive agrarian surplus labour supply. Agrarian poverty and under-nourishment of large segments of the rural population constituted one of the most paramount social problems of the pre-world War II Hungarian society.

The land-estates symbolised social injustice due to the large agrarian proletariat. These land-estates were blamed not only for the presence of the extensive agrarian poverty, but also for their negative effect on the opportunities for the expansion of family farming and the stagnation of agricultural production during the period between the world wars.

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7 Donáth counts these below 10 holds (5,7 hectares) to the ‘nyomorgó kispárasztás’ (empoverished small peasantry), see Donáth, 1946, p. 22.

8 See for critique against the large estates in the populist and agrar sociological literature of the thirties in Illyés, [1936] 1967, Kovács, [1937] 1989. For a comprehensive analysis see Gunst, 1970, Berend-Ránki, 1974. Conditioned also with Hungary’s loss of its agricultural markets with the collapse of the Austro-Hungarian Monarchy, Hungary’s agricultural development between the two world wars was stagnating, see more in Gunst, 1991.
Table 3.1. Distribution of the Agricultural Population Before World War II and after the Land-reform

<table>
<thead>
<tr>
<th>Peasants according to size of land</th>
<th>hectares (cataster hold*)</th>
<th>In thousands</th>
<th>Per cent</th>
<th>In thousands</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large and middle peasants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large holders</td>
<td></td>
<td>110</td>
<td>5.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28.8 (50) - 57.5 (100)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle peasantry</td>
<td></td>
<td>266</td>
<td>13.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.8 (10) - 28.8 (50)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small peasants and dwarf holders</td>
<td></td>
<td>816</td>
<td>40.6</td>
<td>142</td>
<td>65.2</td>
</tr>
<tr>
<td>Small holders</td>
<td></td>
<td>298</td>
<td>14.8</td>
<td>675</td>
<td>30.8</td>
</tr>
<tr>
<td>2.9 (5) - 5.8 (10)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwarf lot holders</td>
<td></td>
<td>518</td>
<td>25.8</td>
<td>752</td>
<td>34.4</td>
</tr>
<tr>
<td>Below 2.9 (5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agrarian Proletars</td>
<td></td>
<td>788</td>
<td>38.7</td>
<td>284</td>
<td>12.9</td>
</tr>
<tr>
<td>Agricultural Servant</td>
<td></td>
<td>216</td>
<td>10.7</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>Agricultural Labourer</td>
<td></td>
<td>572</td>
<td>28.0</td>
<td>284</td>
<td>12.9</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>34</td>
<td>1.7</td>
<td>3</td>
<td>0.1</td>
</tr>
<tr>
<td>Other Agricultural Independent</td>
<td></td>
<td>6</td>
<td>0.3</td>
<td>3</td>
<td>0.1</td>
</tr>
<tr>
<td>Share Cropper</td>
<td></td>
<td>28</td>
<td>1.4</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>All in agriculture</td>
<td></td>
<td>201</td>
<td>100.0</td>
<td>219</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Andorka, R. 1979, p. 56, 60 (the data for 1930 is based on Hungarian Census). The definitions for categories of the agrarian population are based on Donáth, 1946, p. 22. *: Figures recalculated from hold to hectare (1 hold is about 0.57 hectares)

As is shown in Table 3.2. the distribution of agricultural land was extremely skewed with a few large estates holding disproportionately large share of the land (large estates formed 0.1% of economic units held 29.9% of the land), while the numerous group of small holders (80% of units) held a meagre portion of the land (19.3%). Meanwhile, the base of the economically viable, middle to large peasant farms was squeezed by the estates.

In Hungary, the historical routes of the survival of the land estates up to the second World War was traced to the so called 'second serfdom'. Up to the sixteenth century Hungary’s development followed the West-European path. During the fifteenth and sixteenth century, following the great demographic downturn in the wake of the black death and the peasant and religious wars in Europe, (including the peasant uprisings in Hungary), former serfs declared their desire for independent existence and liberation from feudal lords and clergy. In Western Europe, the personal de-

\* A register of peasant uprisings is available in Myrdal, 1995.
pendence of serfs on the landlords gradually evolved into monetary contract. Cities and markets evolved the foundation of a new economic system, which gradually overthrew the feudal system and its remnants. In Western Europe the evolution of agrarian systems showed national variations. Family-based producers came to dominate in most areas (e.g. Scandinavia, France, Western Germany), while large scale capitalised farms evolved in England, the Junker estates in Eastern Germany and the Spanish latifundia illustrate the presence of non-family based production forms.\(^{10}\)

Table 3.2. The distribution of landed property prior to the land-reform (1935) and after the land-reform (1947 December 31)

<table>
<thead>
<tr>
<th>Size of Property</th>
<th>Distribution of economic units</th>
<th>Distribution of total area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estates</td>
<td>0.7</td>
<td>0.6</td>
</tr>
<tr>
<td>Large estates</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Over 576 (1001)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small to medium estates</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>(101) - 575 (1000)</td>
<td>57.8</td>
<td></td>
</tr>
<tr>
<td>Large and middle peasants</td>
<td>19.0</td>
<td>15.8</td>
</tr>
<tr>
<td>Large holders</td>
<td>1.2</td>
<td>0.9</td>
</tr>
<tr>
<td>28.8 (50) - 57.5 (100)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle peasantry</td>
<td>17.8</td>
<td>14.9</td>
</tr>
<tr>
<td>5.8 (10) - 28.8 (50)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small peasants and dwarf holders</td>
<td>80.0</td>
<td>83.6</td>
</tr>
<tr>
<td>Small holders</td>
<td>16.8</td>
<td>23.5</td>
</tr>
<tr>
<td>2.9 (5) - 5.8 (10)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwarf lot holders below 2.8 (5)</td>
<td>63.2</td>
<td>60.1</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Note * = only family farms (egyéni gazdaság) in Donáth, 1969, p. 361.

\(^{10}\) For discussion of the various developmental patterns see Djurfeldt, 1994.
In Hungary, following the pattern in the majority of East Central Europe, the feudal bonds became re-instituted. The Hungarian areas occupied by the Ottoman Empire constituted a peculiar exception, where the ‘civitas’ (citizens) of the large agrarian towns could buy their personal freedom with the payment of regular taxes to the sandjak. Following the Habsburg restoration, land estates were re-instituted even in these areas. Thus, in Hungary, it was not until the 1848–49 war of independence and bourgeois revolution that serfdom was abolished and the peasants could buy from the landlords the land they used. Still, the large land-estates remained virtually intact, and continued to economically dominate the peasant economies until the land distribution following 1945.

Social pressure on the agrarian population became especially hard during the period between the two World Wars. Lacking extensive industrial development, emigration served as a pressure valve for the raging agrarian poverty at the beginning of the century (Warriner, 1964). While the left and populist critique requested the dissolution of the land estates, there was no unified vision for the solution to agrarian poverty. The evolution of political alternatives was, to large degree, conditioned by the heritage of the 1919 dictatorship of the proletariat. In years during World War I, communists joined social democrats and progressive bourgeoisie politicians in demanding the dissolution of large land estates. Károlyi’s government, which obtained its mandate in the so called ‘ősziirózsás’ bourgeoisie revolution in October of 1918, announced a decree on land reform. This was to ‘kisajátít’ (appropriate) all land over 500 hold (ca. 250 hectares). Claimants were to reimburse the former landlords for a value which approximated 65% of the given market value of the land. However, communists and social democrats opposed the distribution of land. Following the communist take-over on March 21, 1919, the communist government disregarded the law on the land distribution, and instead ordered the ‘socialisation’ of land. They left the estates intact, and appointed ‘termelési megbizott’ (production commissary) to the units. They advocated the creation of co-operatives run by the former manorial servants and agrarian workers on the land-estates. Such co-operatives were initiated during their reign, and workers councils were established to direct the estates in many cases together with the former owners. It was only at the end of the short-lived dictatorship that they realised the political benefits to be gained from an alliance with the peasantry. This led to the political compromise in which the communists gave support to the redistribution of land. These plans were abruptly halted by the intervention of the ENTENT and the fall of the dictatorship.

11 See Erdei, 1940. The Hungarian plains was under the Ottoman Empire between 1526 and 1686. Transylvania (today belonging to Romania) had also a special status.
12 In Russia the abolition of serfdom came only 1867.
13 Károlyi became minister in 1918. Himself a decendent of the upper nobility, and owner of one of the largest latifundia distributed his lands, to provide example for radical transoformation.
14 See 1919:XVIII. néptörvény a földmivelő nép fölésztrágásáról (folklaw on the distribution of land to the peasantry), in Várkonyi, 1989, p. 15.
15 See Salamon, 1995, pp 40-53. Manorial servants were encouraged to participate in management and demand shares from the profit of the farms beyond wages, see contemporary recommendations by a commissary, see Várkonyi, 1989, p. 17.
The catastrophic impact of the Trianon Treaty’s for Hungary\textsuperscript{16} enhanced the powers supporting restoration of the historical national elite, i.e. the landed nobility. In other East-Central European countries radical land-reforms redistributed the land of former latifundia\textsuperscript{17}. In contrast, in Hungary, as the result of the controversial Nagyátádi land reform\textsuperscript{18}, the dominant position of land-estates survived. Their territorial share declined by only 6% (from 36% to 30%), and Hungary had the largest proportion of latifundia in Europe\textsuperscript{19}. The distributed land constituted of no more than 8% of the total agricultural area (and 10% of the land of the estates), and reached in average 1 hectare per recipient (Várkonyi, 1989, pp. 18-21). System friendly applicants were prioritised, and the new owners were to pay the current value for the land to the former owners, which placed a large percentage of the recipients in debt. A contemporary critique of the reform summarised the input of the reform:

During the land-reform 1.2 million hold (ca. 600 thousand hectares) land was distributed to small people. It seems as if the aim was to create a large number of mini-lots in the vicinity of large estates. The owners of these, since their labour power could not be fully utilised on the lots could serve as cheap day-labourers for the estates’ (Fejes, 1943, p. 225).

During the thirties, populist writers again activated the issue of land reform. The populists saw the solution to agrarian poverty in the distribution of the land to the landless and small-landholder peasantry, thereby realising the peasantry’s historical desire for independent existence. Those politically on the left, and especially those

\footnotesize\textsuperscript{16} As a result of the Treaty Hungary lost 2/3 of its former territory. The detachment of these territories meant that one third of the ethnically Hungarian population was to live in the areas detached from the historical nation state. This treaty created in size Europe’s largest ethnic minority. Communists, imposing The Dictatorship of the Proletariat were partially made responsible for the outcome, since they divided the nation and made Hungary a ‘person non grata’ at the diplomatic level in the crucial phase of forming the new boundaries of Europe.

\footnotesize\textsuperscript{17} Land-reforms in many of East-Central European countries followed the collapse of central powers and the creation of successor states. Landreforms clearly had a connection with the creation of new nation states. Redistribution was easened where there were element of ‘alien’ landlords. The redistribution of the lands of the former landlords, primarily of Hungarian descent in the areas detached from the Austro-Hungarian Empire, or the lands of German land-lords in the Balticum provides a good example. See Köll, 1995, Berend and Ránki, 1974, Abrahams and Kahk, 1993. In the newly formed neighbouring countries the Hungarian nobility, whose land was distributed in the land-reforms, became the symbols of ethnic oppression. The land-estates of pre-war ‘large-Hungary’ oppressed agrarian workers and obstructed the evolution of peasant agriculture regardless of the ethnic origin of the agrarian underclass. In the neighbouring countries this oppression was described not as a class oppression, but as a nationalist oppression of the former minorities by Hungarians. The ‘ruthlessness’ of the former rulers, i.e. which now became identified with Hungarians per se was richly utilised in chauvinistic, anti-Hungarian propaganda. In contrast in post-Trianon Hungary, the so called populist writers identified the nation with the ‘populus’, i.e. the peasantry and the agrarian proletars, while the nobility, represented by the domination of the estates, became apostrophated as alien to the nation’s body, see Illyés, [1936] 1967, Kovács, [1937] 1987. The situation of the agrarian population was aggravated during the period between the two World Wars since the influence of large estates strengthened in Hungary. Kovács argued about the exclusion of the peasantry from the nation concept in 1937:\textsuperscript{18} ‘The nation is formed by the aristocracy, landholders, middle class, the bourgeoisie and a very thin layer of the peasantry; the urban and rural agrarian proletars are excluded from the nation. One may talk about Hungarianness, but the words do not mean much’ (Kovács, (1937), 1989, p. 138).

\footnotesize\textsuperscript{18} The 1920:XXXVI. törvénycikk (law), see Várkonyi, 1989, p. 18.

\footnotesize\textsuperscript{19} Latifundia is defined as estates over 10 000 hold (appr 5000 hectares), Fejes, 1943, pp. 223-224.
with communist sympathies, played a careful game. They shared the sentiments of the populists against the feudal estates, and joined them in demanding the fall of the estates and radical land reform. However, even if many of them were sympathetic towards the idea of collectivisation they were careful not to express it publicly. And even those with leftist sympathies viewed the evolving ‘embourgeoisement’ of the peasantry as a progressive force. Erdei described Hungarian society at large - and the peasant society in particular - as a society in transition from a post-feudal stratification, represented by the structures of the estates and manorial servants and post-allodial peasants on the one hand, and a bourgeois society, represented by the market-producing entrepreneurial peasants and agricultural workers on the other hand (Erdei, 1945).

2.2. The Democratic Land Reform of 1945 and the Agrarian Transformation in the Transition Period (1945-1949)

Hungary entered World War II as an ally of Germany. Since the Yalta agreement between Great Britain, the United States and the Soviet Union made Hungary into a Soviet interest zone, Hungary was hesitant to capitulate to the Soviet Union. Following Hungary’s attempts to negotiate with the allied forces the conditions of capitulation, she was occupied by Germany in March. The German army was pushed out of Hungary by April 4 1945 by the Soviet army (see for an analysis in Salamon, 1995). This was the base for Hungary’s successive integration into the Soviet system. The year of the definitive incorporation was 1949, ‘the year of turn’. In the period between 1945 and 1947 the Agricultural Small-holders Party formed a leftist coalition government on the basis of the sweeping majority of votes in the last free election. The elections were held in November 1945. The Small Peasant Party obtained 57,03% of the votes and the Hungarian Communist Party 16,95%. Within the new government, - even though members of the Small Peasant Party held 7 out of 14 ministerial posts, - communists gradually expanded their influence and took over the key positions, such as the Ministry of Internal Affairs, as well as the newly formed Economic Planning Committee (Salamon, 1995, pp. 170-171). During this transition period the features of the agrarian policy reflected the spirit of populist and left radicalism of the pre-war period, even if the signs of Soviet influence were visible.

One of the major steps in the post-war reconstruction was the realisation of the populist goals, i. e. the destruction of the large-estates and the distribution of the land to the landless and smallholders. In contrast to the policy of the 1918/1919 proletarian dictatorship, the national revival programme of the ‘Magyar Kommunista Párt’ (Hungarian Communist Party) from November of 1944 demanded the immediate redistribution of land to the peasants. This was integrated into the programme of the ‘Ideiglenes Nemzeti Kormány’ (Transition Government), formed in December 1944, in the military zone already occupied by the Red Army. The

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20 Kovách, et. al. refer to the attitudes of Erdei, Bibó, Darvas, Veres and Illyés in particular, see Kovách, et. al., 1998.
21 As a result of a gradual demolition of the institutions of democracy during the transition period, Hungary became a one party state in 1949, the year when the new constitution based on the Soviet model came out.
‘Nemzeti Parasztpárt’ (National Peasant Party) drew up the plan including the decree of land-distribution in January 1945. Finally, the Transition Government ratified the plan on March 15, 1945, just prior to Hungary’s liberation by the Red Army (on April 4 1945) 22.

The land-reform of 1945 attempted to fulfil the peasant desire for land as a base for independent existence. Land and material assets in former land estates, which belonged to the former nobility (or clergy) and exceeded 100 holds (57.8 hectares) and on peasant farms which exceeded 200 holds (116 hectares) were to be appropriated by the state and redistributed on behalf of remuneration paid by the new owners on favourable conditions 23. The redistribution was to provide social justice and create ownership relations that would allow the evolution of family based farming on a broad social basis. The main distribution principle of the 1945 land-reform was to give the land to those who cultivated it, as the popular slogan, ‘The land belongs to those who cultivate it!’, indicated. Land reform was driven by the ideological positions of both leftist and populist traditions. The aims were also coloured by the communist desire to destroy the ‘reactionary’ class-base of the post-feudal land-estates 24. However, leftists interpreted the land-reform as bourgeois in character, and so could promote its goals only as a short-term compromise justified by the historical contradictions of the Hungarian agrarian development. As Donáth summarised the achievements of the land-reform in 1946:

‘The destruction of the feudal large-estate system, which was aimed at in various ways and in various intensity by the various strata of the peasantry, means objectively the cleaning up of the agricultural relations from feudal remnants, and liberating agriculture from those hindrances that delay the quick and capitalist development of agriculture. The change that occurred in agriculture as a result of the land-reform is a bourgeois type transition of the relations of production. This provides the class character of our democratic land-reform. That the leading class of the fight for the democratic transition of the property relations was not the bourgeoisie, but the working class is due to the circumstances. The Hungarian bourgeoisie ceased to play a progressive role in the fight between the peasantry and the large-estate owner class. In contrast, the Hungarian bourgeoisie proved to be against progression even in this matter. It is not the supporter of the democratic land-reform, but is the ally of the reac-

22 The 600/1945. M.E. No decree of the transition national government on the extintion of estate system and the division of land to the peasants.

23 Conditions included the possibility to postpone payment for up to three years could be applied for. On terms of remuneration see Várkonyi, 1989, pp. 38-39. The compensation was delayed or not paid and in case of payment the remuneration was symbolic rather than representing the value of the appropriated land, see Petö et. al., 1985.

24 The ideological evaluation of this land-reform in the post-1949 period, i.e. under the state socialist period, varied. Some defined the land-reform as an anti-feudal agrarian revolution. Somlyai summarised in which way the anti-feudal element was seen as strongest: since the reform concerned the total territory of large-estates, inclusively the equipment; the abolishment of large- and middle-large-estates liquidated a whole social class causing substantial structural change in society; due to the large number of those that received land the social structure of the peasantry transformed also substantially; the reform was carried out by the peasantry and the agrarian-proletariat, see Somlyai, 1955 and Balogh and Pölöskei 1979, p. 216. Others, emphasised even the anti-capitalist elements, since the democratic land-reform also weakened the positions of agrarian- and finance-capitalism, see Simon, 1984.
tionary large estates. The bourgeoisie...either as tenant or as a money renter, or as owner of large estates became interested in the survival of large estates’. (Donáth, 1946, p. 25-26) (my emphasis).

The leftist features of the land reform were apparent in the priority given to the interests of the landless and dwarf-landholders over the former middle peasantry. The landless agrarian workers and manorial servants and those dwarf-land owners whose assets did not exceed 5 holds (below 2,8 hectares) were eligible. To achieve broad social justice, the size of the distributed land was limited. The size of the maximum appropriated land could not be bigger than the receiving family had capacity to cultivate. In any case it could not exceed 15 holds (ca. 8 hectares or 1,6 hectares in case of orchards)\(^\text{25}\). Due to the high number of claimants for land, the individual quotas of redistributed land were low. Claimants received on average 5.1 kat hold (2,8 hectares), and various equipment in the value of 35 quintals wheat\(^\text{26}\).

Table 3.3. The composition of redistributed land according to occupation of the claimant

<table>
<thead>
<tr>
<th>Occupation of the claimant</th>
<th>Claimants</th>
<th>Number</th>
<th>Distribution %</th>
<th>Hectares</th>
<th>Distribution %</th>
<th>Hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manorial servant</td>
<td>109 875</td>
<td>17.1</td>
<td>922 255</td>
<td>28.3</td>
<td>8,4</td>
<td></td>
</tr>
<tr>
<td>Agricultural worker</td>
<td>261 088</td>
<td>40.6</td>
<td>1 288</td>
<td>39.6</td>
<td>4,9</td>
<td></td>
</tr>
<tr>
<td>Dwarf land-owner</td>
<td>213 930</td>
<td>33.3</td>
<td>829 477</td>
<td>25.5</td>
<td>3,9</td>
<td></td>
</tr>
<tr>
<td>Small land-owner</td>
<td>32 865</td>
<td>5.1</td>
<td>143 131</td>
<td>4.4</td>
<td>4,4</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>25 184</td>
<td>3.9</td>
<td>*72 009</td>
<td>2.2</td>
<td>*2,9</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>642 342</strong></td>
<td><strong>100.0</strong></td>
<td><strong>3 255</strong></td>
<td><strong>100.0</strong></td>
<td><strong>5,1</strong></td>
<td></td>
</tr>
</tbody>
</table>


Note: * = calculated figures

As a consequence the proportion of land in small size farms (up to 5.8 hectares) increased from 19.3% in 1935 to 39.0% in 1947, and in medium size farms (between 5.8 and 28.8 hectares) from 26.1% to 32.0% (see Table 3.2). For the first time in Hungarian history, the family farms became the dominant form of production in agriculture\(^\text{27}\).

\(^{25}\) On the specification see § 33-35 of the 66/1945. M.E. No decree.
\(^{26}\) Közgazdasági Szemle, 1955, No 2, p. 99, a földreform számokban. See also Orbán, 1979 p. 44.
\(^{27}\) According to Donáth’s judgement, in 1949 ‘two third of the country’s arable land was cultivated by petty commodity producer peasant farms using family labour, the other third of the arable is equally divided between farms using primarily or exclusively wage labour and those where family labour can only to a lesser degree find employment’ Donáth, 1969, p 364.
The 1945 land-reform's aim was to base agricultural production on family farms. It did not attempt to destroy the medium to large peasant farms. The emerging land-distribution continued to have a skewed form. In 1947, the 5.8% of the farms with a territory over 20 holds occupied 35.6% of the land. In this category, the majority of farms were viewed as dependent on the employment of wage labour.

During the transition period (1945 to 1948), even leftists argued for family farming as the basic production unit in agriculture. Applying Lenin’s analytical framework, they saw two capitalist roads for agrarian development: the Prussian and the American. Donáth argued that the land-reform established the preconditions for the evolution of Hungarian agriculture towards the American developmental model. Some features of the situation evolving after the land reform, e.g. that the new land-owners did not have equipment to cultivate the land, made such a development probable. The large-peasant farms were taking advantage of the situation by charging large sums for borrowing equipment and horses.

Donáth argued that a third alternative could evolve on the basis of family farms - the combination of family farming with the formation of an extensive system of co-operatives.

One of the features of the land-reform was that it did not distribute all the equipment of the estates to the new land-owners. Non-distributed equipment was transferred to so-called cultivator co-operatives (földművesszövetkezet). Stocks of animals and driving horses, as well as machines, suffered serious damage during the war. It was this lack of appropriate equipment and animals that had the strongest impact on the new farmers. Former manorial servants also lacked the know-how and capital resources required to run a farm independently. As a result, spontaneous formations of co-operatives were initiated. While the majority aimed at family cultivation, family farming was quite often complemented with other forms of co-operation. These included, such as machine co-operatives, co-operation for a given phase of production (ploughing, harvesting), or certain types of production (such as wine- or fruit-growing), or utilising the workshops of the former manors in co-operative forms. There was also sporadic formation of co-operatives where production was carried out collectively. These were most common among former manorial work-

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28 The limit of 200 hold showed a high tolerance level. Only later, following 1948, were also large-peasant, so called 'kulak', farms targeted for appropriation.

29 Donáth judged the skewedness of the distribution to be higher in 1946, see Donáth, 1946, pp. 415-417, than in his later work, see Donáth 1969, pp. 361-364. From 1948 onwards, when the pressure on large-farmers, so called 'kulaks', intensified this skewedness decreased somewhat. In 1949 farms over 20 holds constituted 6.4% of farms and occupied 22.6% of the land.

30 To these two roads one can add the classical model of England. One of the theoretical contributions of this thesis is a critical interpretation of the interpretation of this transition as peasant or as bourgeois in nature. Thus, it puts into question the interpretation of the land reform and the emerging agrarian society as bourgeois. This question is problematised in Chapters IV and V.

31 Donáth refers to cases where 80 to 120 day-labour was charged for the ploughing of 20 hold arable land, see Donáth, 1946, p. 417.

32 Even if Donáth saw the land-reform as bourgeois in nature, in 1946 he saw the structure of family farms of the working peasantry integrated into co-operatives as desirable.

33 See the law 606/1945 law § 30.

34 The number of horses declined from 900 thousand in 1942 to 329 thousand in 1945, the number of cattle declined from 2363 to 1059 thousand, the number of cows from 1011 to 586 thousand and the number of pigs from 4667 to 1113 thousand during the same period, see KSH, 1996a, p.109.
ers. During this transitional period, the formation of production co-operatives was not forced by the government. High inflation and poor economic conditions made the subsistence producing family farm appear the politically desirable model. Thus, the evolution of co-operatives at this stage could be interpreted as a spontaneous reaction to the mismatch between the land-distribution created by the land-reform and the distribution of equipment, know-how, and assets, which were on the one hand scarce due to the damage caused by the war, and on the other hand suited to a large-scale production system.

The following letter, dated from 1945 July 14, to the minister of agriculture documents one example of how co-operatives were initiated early - and even spontaneously:

“We, 105 families, former employees of the Esterhazy estate, who became small property holders during the reform, intend to form a peasant co-operative. Our small proprietors obtained 1417 kat.hold ... property for arable and meadow, and 39 kat hold ... for building lots and 300 kat hold ... pasture. Considering, that we do not possess horses, agricultural machines, peasant agricultural buildings, the wish of the small proprietors is to join into co-operative for at least 5 years. By this we aim to carry out agricultural production and sales together and intend to build peasant agricultural buildings by working in common” (cited in Várkonyi, 1989, p. 46).

However, at this time the MKP (Hungarian Communist Party) did not force the issue of collective forms of cultivation - not the least for the fear of the possibility that a collectivisation campaign could be used to flame up anti-Communist sentiments (Donáth, 1969, p. 389). Rather, the MKP applied a principle of gradualism. They supported the evolution of a family farm-based agriculture, while also encouraging the formation of diverse forms of co-operatives. As late as April 1948, the MKP aimed to create village-based agricultural co-operatives on the basis of the union of independent family farms. Even the union programme of the MDP (Hungarian Workers Party, which was created from the union of the various worker parties) in June 1948 stated that ‘… the utilisation of the achievements of technological and scientific developed ought to be made available for agriculture based on small property’ (Fazekas, 1976, p. 47).

The democratic land-reform starting after 1945, with the radical redistribution of the property of the large estates raised the hope of the landless and small-landholder agrarian population to obtain their own livelihood. Despite enormous difficulties such as the lack of equipment and knowledge facing the new land-holders, the years following 1945 showed a strong capacity for revival from the damage done to agricultural production during World War II. Nonetheless, the total production value of agriculture in 1948 was still 30% below the levels of a decade earlier, in 1938.

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36 This historical dilemma was repeated in 1992, when the land and assets of the co-operatives were chopped up, see Asztalos Morell, 1997.
37 The turning point in agricultural policy is dated to August 1998, see more below.
38 According to Várkonyi the transformation resulted in a loss of capacity and delayed the restoration after the war, see Várkonyi, 1989. Somewhat different was the evaluation of Donáth, who viewed the recovery of the agriculture to the pre-war level by 1949 as dynamic (Donáth, 1969).
(Várkonyi, 1989, pp. 48-50). Recovery was uneven in various production fields. In case of pigs and wheat recovery reached up to about 2/3 of the level prior to the war, while in case of cows and cattle and maize, recovery was completed by 1948 (KSH, 1996a, p. 104-109). Due to food shortages, food rationing persisted up to 1950.

2.3. THE YEAR OF TURN, 1949 AND THE LAUNCHING OF FORCED COLLECTIVISATION

Possessing the key positions in the government, the communists launched a gradual, systematic campaign to gain power.\(^{39}\) Having taken control of the Ministry of Internal Affairs and the feared AVO (Állam Védelemi Osztály - State Security Department), they then launched the first conception trials to get rid of undesired politicians and ordered the closure of the civil organisations of political life (political associations and clubs). Once in charge of the ‘Gazdasági Főtanács’ (Economic Main Council), the communists led the economic program of stabilisation. The ‘Országos Tervhivatal’ (National Planning Office) was established on Soviet pattern in 1947. An increasing nationalisation of the economy was launched (in 1948 factories over 100 employees and by 1949 factories employing beyond 10 persons became nationalised). Communists also infiltrated all the parties, where the infiltrators employed established communist tactics. This included the splitting up of big opposition parties, then reuniting them with leadership sympathetic to the communists. The so-called ‘salami tactic’ advanced well enough that communists demanded new elections in 1947. Here, with extensive forgery, they succeeded in becoming the largest party.\(^{40}\) The now split-up leftist parties were manipulated into a coalition, of which communists then took charge. During 1949, the remaining democratic institutions were extinguished by introducing the new, Soviet-model constitution.\(^{41}\) This announced Hungary as a one-party state. It was in this way that Hungary’s political incorporation into the Soviet system was accomplished. Communists obtained active help from the occupying Soviet Army, which had international authority as ‘SZEB’ (Szövetséges Ellenőrző Bizottság) Allied Control Committee, to oversee the stabilisation process.

From 1949 onwards, the construction of the new socialist economic system was orchestrated in the midst of intensifying police terror and conception trials. This also intensified ‘cleaning’ within the communists’ own ranks.\(^{42}\) The First Five Year Plan, which was announced for 1950-1954 was to make Hungary into a country of ‘iron and steel’. The so-called extensive industrialisation was forced by all means available, and as a result industrial production doubled during the five year period. The main labour resource for industrialisation was excess labour from agriculture and the mobilisation of women.\(^{43}\) This development was carried out at the expense of...
of the development of a consumer industry and of agricultural production, and resulted in a general decline of living standards. Corresponding to the large-scale socio-economic changes, agricultural policy also changed drastically. Fazekas identified Rákosi’s speech in Kecskemét on August 20, 1948 as the indicator of the turn of policy (Fazekas, 1976. 50-52). In his speech, Rákosi argues that the working peasantry is placed in front of an historic decision:

‘One of the ways is the old, traditional, excessive private farming, where everybody is concerned only with his own, where the principle of the survival of the fittest rules. The inevitable consequence of this principle is that the big fishes eat up the small fishes, the large “kulaks” become stronger and stronger and destroy the poorer working peasantry. The “kulak” farmers understand that co-operation limits to large degree their expansion, making usury credits and speculation difficult. Therefore, they do everything to frighten the working peasantry from joining the co-operatives. They claim that the co-operative is the beginning of the KOLHOZ, and that they are going to loose their land and alike…. The question is, which way should the working peasantry choose. The answer is clear. The working peasantry chooses the way of co-operation, mutual help and mutual work. (Rákosi, Épitjük a nép országát, pp. 292-299, quoted in Fazekas, 1976, pp. 50-51 my italics)

The November 28, 1948, Central Committee (Központi Bizottság) meeting of the Hungarian Workers Party (MDP), formulated the goals clearly: production co-operatives were to be generalised in agriculture in 3-4 years (Várkonyi, 1989, pp.47-48). Copying the Soviet model, the Leninist principle of gradual collectivisation was abandoned, and a rapid and forced collectivisation was launched. Total collectivisation became the goal of the adopted Stalinist development policy. Stalin emphasised the development of the heavy industry, which was to be achieved by extracting resources from agriculture. Forced industrialisation was the key to the creation of the Hungarian socialist state also. Based on Marxist orthodoxy, collective agriculture was seen as a production organisation superior to family farming. Furthermore, collective farming was also a more effective means of extracting resources from agriculture. Politically, the integration of peasants into collectives meant also that the individualistic economic basis of peasant resistance could be broken.

By this time, even though the spontaneous formation of co-operatives occurred, the majority of co-operatives were based on individual family farms and were not organised to carry out the production in collective forms. The number of cultivator co-operatives (földmüvesszövetkezet) in April 1948 reached 2285, and had 190,000 members (Fazekas, 1976, p. 78, see Table 3.4.). The size of the membership belonging to such co-operatives, which carried out collective forms of production, reached a mere 10,208 persons in June 1949, of which 70% had agricultural proletarian background (Várkonyi, 1989, p. 48). Although the majority of cultivator co-

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43 To discuss differences between the Marxian, Leninist and Stalinist perception of collectivisation would go beyond the interest of this chapter. For a summary discussion see Pryor, 1992, or Wädekin, 1982.

44 Szakács and Pető (1985) argued that the Rákosi regime achieved a result opposite to their aims. Forced collectivisation decreased rather than increased agricultural production and consequently the potential resources to be extracted. See also Várkonyi, 1989.
operators (földmüvesszövetkezet) were formed with varying purposes, a dominant organising principle was the management of machinery, which to large degree was distributed from the former estates.

Table 3.4. The number of co-operatives* and the size of their membership in Hungary on April 15 1948

<table>
<thead>
<tr>
<th>Type of co-operative</th>
<th>Number of co-operatives</th>
<th>Number of members in thousands</th>
<th>Average number of member per co-operative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7753</td>
<td>3439</td>
<td>2199</td>
</tr>
<tr>
<td>Cultivator co-operative</td>
<td>2285</td>
<td>2285</td>
<td>190, 83</td>
</tr>
<tr>
<td>(Földmüvesszövetkezet)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit co-operatives</td>
<td>957</td>
<td>550</td>
<td>575</td>
</tr>
<tr>
<td>Milk-co-operatives</td>
<td>1079</td>
<td>114</td>
<td>105</td>
</tr>
<tr>
<td>Consumption co-operatives</td>
<td>1922</td>
<td>1051</td>
<td>547</td>
</tr>
<tr>
<td>Agricultural co-operatives</td>
<td>257</td>
<td>66</td>
<td>256</td>
</tr>
<tr>
<td>Supply co-operatives</td>
<td>187</td>
<td>29</td>
<td>156</td>
</tr>
<tr>
<td>Industrial co-operatives</td>
<td>482</td>
<td>58</td>
<td>119</td>
</tr>
<tr>
<td>Other co-operatives</td>
<td>584</td>
<td>141</td>
<td>242</td>
</tr>
<tr>
<td>Total co-operatives</td>
<td>7753</td>
<td>2199</td>
<td>274</td>
</tr>
</tbody>
</table>

Source: The original source referred to by Fazekas, 1976, p. 42 is: Gazdaságtatistatikai Tájékoztató, 1948, No 8.

Note: *= Co-operatives registered according to the 1947. XI. co-operative law.

In accordance with the new line of policy, the new type of co-operatives were to combine the functions of various forms of co-operation. The 8000/1948 Governmental decree issued on August 13, 1948 defined the functions of the co-operatives in the following way: co-ops were to direct and organise planned agricultural production on the land in the personal property of its members. And, on the land rented or owned by the cultivator co-operatives, were to create production contracts, organise the delivery of supplies, process and market the agricultural products. Co-ops were also to take care of the assets and were to open shops to market consumption goods (Fazekas, 1976, pp. 52-53).

This law provided the legal framework to launch the fusion of the diverse forms of existing rural co-operatives listed in Table 3.4 into the regulated types of co-operatives. A full scale overview of the transition leading toward the formation of an increasingly homogenous form of co-operation goes beyond the purposes of this chapter (see on this Fazekas, 1976). However, I find it necessary to mention the legislative creation of three potential models for co-operatives in December of 1948. This legislation laid the foundations of the evolving co-operative structure throughout the remaining state socialist period.

Type I co-operatives were formed to organise the cultivation of land taken into the co-operative by the individual members. On the land, ploughing and machine assisted sowing was carried out collectively. The group worked according to a com-
mon sowing plan. Following the sowing, the land was divided amongst the members. The continued cultivation of each allotment, as well as harvesting, were carried out individually. The members contributed to the expenses of collective ploughing and sowing in proportion to their allotments.

*Type II co-operatives* deviated in the form of harvesting and in the form of the division of yields. Following the harvest, the yield was gathered and brought in for collective threshing. Divisions were allocated from this collective yield after the co-operative deducted the costs of collective cultivation processes and for collective development reserves. Thus, in contrast to the type I co-operatives, where the members individually took the risks for the results of cultivation on the individual plots, the risks of cultivation in *type II co-operatives* were divided equally among the co-operative members. In both type I and type II co-operatives members could maintain part of their land or animal stocks privately.

In contrast, in *type III co-operatives*, new members were obliged to merge virtually all their assets with those of the co-operative. Co-operative members could maintain one and a half hold (0.9 hectare) land under private cultivation, which was to include the garden surrounding the homestead. All animals were to be taken in, with the exception of a restricted number defined as necessary for self-consumption. The land in the co-operative was cultivated according to a *collective plan*. Working units (brigades) consisting of 6-10 persons were formed to carry out the production tasks. Labour in these brigades was measured in *work units*. The minimum work unit requirement per member was regulated by the co-operative. The costs of production and reserves were deducted from the yield. The remaining ‘surplus’ was distributed amongst the members in the form of land rent (paid after the amount of land that was brought into the co-operative) and in the form of wage (paid in proportion to the completed work units) (see in more detail the evolution of the wage labour contract in Chapter 7). By the end of 1948, 468 co-operative units had been formed. Of these 70 were type I, 119 were type II and 279 were type III (Fazekas, 1976, pp. 57-59). Type III co-operatives contained the essential features of agricultural production co-operatives to come.

In stark contrast to the political aims described earlier, the majority of the peasants wanted to maintain family farming (Várkonyi, 1989, p. 48). Both direct and indirect forms of pressure were exercised to force independent farmers to join the co-operatives, the permitted forms of which were restricted according to the three types described above. In addition to political pressure, the economic viability of independent farming was also threatened due to high tax rates and the limitation of the market.

To speed up the formation of co-operatives, the party evolved a new means: the *compulsory delivery* (‘beszolgáltatás’) of agricultural products. Wheat delivery illustrates this system: peasants were forced to deliver the total yield (with the exception of a per capita amount for personal consumption and seeds for the next sowing), at prices set by the state. Compulsory delivery was further strengthened in

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45 In the years between 1952 and 1955 taxes reached a level three times as high as in 1949, (Szakács, 1979, p. 85.)
Delivery requirements were made progressive, according to size of land. Those beyond 25 hold (approximately 12 hectares), those owning threshing machines, mills, grocery or shops were considered ‘kulak’ and were to deliver the largest amount. The enforcement was strengthened by sanctions against those who failed to deliver. These could be imprisoned for up to 5 years on the charge of endangering the nation’s food-supply. Between 1949 and 1953 400,000 peasants were sentenced, 39,527 kulak and 68,033 middle to small peasant farms were confiscated, which constituted 755,144 hold (400,000 hectares). Unrealistic requirements for of compulsory deliveries left 800,000 of the country’s 1,2 million peasants without wheat (to eat or sow) in 1952. Peasants not fulfilling the continuously increasing responsibilities were persecuted. Peasants with horses or equipment were forced to provide labour on the collective farms at meagre rates. Not being able to satisfy the quotas, and fearing repercussions, many turned over their land to the co-operatives. The number of co-operative members dramatically increased - from 12,000 to 376,000.

Purchase prices decreased dramatically. By 1949 they 71%, and by 1955, only 27% of the market price. Furthermore, the formation of local co-operatives was accompanied by a compulsory consolidation of holdings and re-partition of the land, which typically left independent farmers with the worst quality holdings. These so-called ‘kulaks’ were excluded from joining co-operatives and were pursued as class-enemies. Consequently, the stratum of the peasantry with the most know-how about running farms was excluded from co-operative formation. Contrary to expectations, production fell drastically during 1952.

As the economic basis of private farming was undercut, peasants in increasing numbers, either joined the co-operatives or offered their land to the state. The proportion of land under state control in state farms and co-operatives (in the socialist sector) reached 9.7% in 1950, 21.2% in 1951, 31.8% in 1952. By 1953, a substantial proportion (46.1%) of cultivated land belonged to the state. However, despite the extreme pressure, the proportion of cultivated land under private control remained at an unexpectedly high level (53.9%) (see Table 3.5).

Most of the farms which obtained land through the partitioning of large holdings, as well as the newly formed co-operatives were poorly equipped. Co-operatives collected equipment from the joining peasant households, which were poorly mechanised. The technological modernisation of the co-operatives was to be secured by the creation of state-owned machine enterprises. These supplied the co-

46 The 1951 delivery law was named ‘The 1951, year No. 10 law decree on the 1951-52 year state gathering of agricultural produce’ see in Várkonyi, 1989, pp. 49-52.
47 See Várkonyi, 1989 and Szakács, 1979, pp 87-89. For the failure to fulfil the compulsory deliveries the punishment of financial penalty as well as up to 6 months in prison could be charged. The number of prosecuted was much higher than of those receiving sentences.
48 Ibid, p. 86. Price development was more and more detached from world market prices.
49 Fazekas, 1976, p. 71-79; As is well known the treatment of the kulaks as class-enemy was especially emphasised under Stalin’s forced collectivisation in the Sovietunion in the late 20’s and early 30’s. See e g Djurfeldt, 1994, pp 69-70 or in the Hungarian context in Závada.
50 The ownership of agricultural equipment by co-operative members was strictly curtailed by regulations. It was not before the ideological shift in the seventies that the private ownership of horses was permitted.
operatives with machines and service in return for payment. Between 1948 and 1953, the number of tractors in such machine enterprises increased from 1484 to 9215 (Fazekas, 1976, p. 62). Meanwhile, the co-operatives were denied the option of purchasing agricultural machinery. Consequently, the state controlled the technological resources, an indication that even the co-operatives lacked the full trust of the state. This constituted a large impediment to the co-operatives’ opportunities for independent ventures in addition to serving as a centralised organisation for the extraction of resources from agriculture.

Co-operatives had to subordinate their production profile to directives specified by the Central Plan. The compulsory delivery system (kótelező beszolgáltatás) obliged the co-operatives to deliver given quotas of agricultural goods to state agencies at minimal prices, conforming to central administrative plans. Agriculture was also to contribute with the resources. The Plan Economy was to provide the institutional means of re-channelling the resources. The system of compulsory deliveries placed the state in a monopoly position for marketing agricultural products. This also meant control of prices. Production was controlled by a quota system for deliveries, and sowing plans were required to obtain permission from the village councils to ensure the likelihood of fulfilling those delivery quotas. The Central Plan’s directives left little opportunity for independent economic plans for the co-operatives.

Simó describes this delivery system as residual redistribution. The co-operatives first had to prioritise the satisfaction of central deliveries (delivery of products, taxes, payments to machine-stations). Secondarily, they had to secure those things necessary for next year’s cultivation. Only third then could they redistribute the residuals to their members in the form of work-unit payments (Simó, 1985, p. 7). During this period co-operatives could provide no economic security for their workers, since remuneration was affected both by crop yields and the extent of the compulsory delivery quotas. Members were commonly rewarded in produce equivalent to work units. The amount of the rewards depended on the size of the residuals. Consequently, there were no guaranteed wages (Swain, 1985, pp. 35-36). As Simó summarised: “Co-operatives were not run as an enterprise, as a modern organisation of the production of market goods, but as means of the centralised state forced delivery ‘bégüjtés’, and accelerated industrialisation.” (Simó, 1985, p. 8).

In the years between Stalin’s death, in March of 1953 and the strengthening of Kruschev’s power position between 1956 and 1958, there was also a power-play in Hungary, similar to the Soviet Union, between various factions in the party lead-

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51 Kopátsy sees this as the ultimate expression of the Stalinist anti-peasant ideology. Depriving the peasantry from control over technology meant their deprivation from immanent sources of expansion and a devaluation of the peasantry’s capacity to apply the technology effectively, Kopátsy, 1986, 1987.

52 Simó argues that the price extraction from co-operatives for labour and machine-use costs paid to the agricultural machine centres ment the extraction of resources from the co-operative to the state-controlled sphere (Simó, 1985, p. 7).

53 Khrushchev became party secretary in 1954, yet it took him up to 1958 to force his political rivals to retreat. Others, place his take over to his speech on the XXth Congress of the Communist party of the USSR, when he made up with Stalinism (Stuart Hughes, 1971, p. 512). This speech counts as the start of the de-Stalinisation.
ership. In June 1953, shortly after Stalin’s death, the MDP (Hungarian Workers’ Party) issued a self-critical document, in which, beside other matters, the party’s agricultural policy was revised. The new principles required voluntarism in the collectivisation; the strengthening of the production of the prevailing co-operatives, instead of forced recruitment; the abolition of sentences issued due to failure of delivery to the state; help in the form of services to independent farmers as well as to co-operatives, the end of the persecution of ‘kulaks’, and the opportunity to request the return of land that had been previously ‘offered’ to the state. Even the possibility of the dismantling of the co-operatives was raised. Furthermore, the one-sided emphasis on the development of the heavy-industry was criticised and the promise of an increase of the consumption level was raised.


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<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State sector</td>
<td>23.3</td>
<td>22.2</td>
<td>17.9</td>
<td>15.1</td>
<td>14.8</td>
</tr>
<tr>
<td>Co-operative sector</td>
<td>22.8</td>
<td>11.4</td>
<td>74.5</td>
<td>77.6</td>
<td>74.8</td>
</tr>
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<td>Out of which APCs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective</td>
<td>18.0</td>
<td>8.8</td>
<td>60.0</td>
<td>70.0</td>
<td>68.0</td>
</tr>
<tr>
<td>Household sphere (member family lots)</td>
<td>1.1</td>
<td>0.8</td>
<td>9.6</td>
<td>5.8</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>SOCIALIST SECTOR</strong></td>
<td>46.1</td>
<td>33.3</td>
<td>92.0</td>
<td>92.0</td>
<td>89.0</td>
</tr>
<tr>
<td><strong>PRIVATE SECTOR</strong></td>
<td>53.9</td>
<td>66.7</td>
<td>7.6</td>
<td>7.3</td>
<td>10.0</td>
</tr>
<tr>
<td>(without co-operative member lots)</td>
<td>9</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL (in percent)</strong></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total (thousands of hectares)</td>
<td>7 277</td>
<td>7 201</td>
<td>7 084</td>
<td>6 540</td>
<td>6 484</td>
</tr>
</tbody>
</table>


Note: The proportion of private production (excluding household plots of co-operative members) in proportion to all agricultural land started to increase following 1984. The proportion of land in main occupation private family farming was 8.6% in 1986 and 9.4% in 1988. The main trend could be interpreted similarly even

54 Crushchev’s take over happened in three phases. In the first phase, during the Malenkov era, there was a careful attempt to brake with Stalin. This was abruptly ended in 1955 February on the pressure of orthodox Stalinists and the military, when Malenkov was forced to resign. Crushchev took power in the third phase following 1956, Stuart Hughes, 1971, pp. 510-511.

55 See, Simon, 1979, pp. 27-28. The emphasis of consumption instead of increased productivity, and a slowdown in the collectivisation campaign marked the turn in all state socialist countries in the years between 1953 and 1956, see Brus, 1983, p. 63.
if co-operative member family lots are calculated as private agriculture. In this case, counted from the stabilisation period, the proportion of family farms declined from 17.2% in 1961 to 13.1% in 1984 and turn to increase to 14.9% by 1989.

The new prime-minister, Imre Nagy, was to communicate the party position to the public. According to party critiques, his parliamentary speech ‘falsified’ the party’s intentions in crucial points. Accordingly, his talk was received as a programme for undermining of the co-operative movement. According to this critique, Imre Nagy deviated from the party policy by claiming that the government’s intention was to strengthen the security of peasant production and property and by failing to call upon the collective peasantry to protect the achievements of collectivisation. Imre Nagy’s appeal was followed by a drastic retreat in the collectivisation. By the end of 1953, and within 6 months of the Nagy speech, the number of type III co-operatives decreased by 17.0% and of type I and II co-operatives by 15.6%. In contrast, independent farming was strengthened, and this process was supported by the state’s increase of buying up prices.

In 1955 the Stalinist faction returned. Imre Nagy was expelled from his party membership and his position as prime-minister on grounds of right-wing conception and faction activity. Mátéyás Rákosi, who represented the orthodox Stalinist faction within the Central Committee, took over the leadership. With Rákosi, the Stalinist methods of forced collectivisation and the attacks against independent farming also returned. Rákosi attempted to continue this line even after the XXth Congress of the Communist party of the USSR in February 1956. He was forced to resign by the Hungarian worker’s party in July 1956. Imre Nagy’s short-lived return was abruptly finished with the defeat of the 1956 revolution. The short-lived 1956 revolution actualised the anti-co-operative sentiments, and resulted in a fall back of the number of co-operatives. The number co-operative members fell from 294,000 in June 1956 to 96,000 in December 1956, while the area under cultivation fell from 1,319,000 hectares to 545,000 hectares (Várkonyi, 1989, p. 54). However, the message of the revolution was not fully in tune with the peasantry’s desires either. The appeal of cardinal Mindszenthy to the reinstatement of the clergy’s estates was perceived as a threat to the achievements of the land-reform, and so a threat against the property base of the new middle-peasantry.

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56 See, Simon, 1979, p 28-29. Imre Nagy made his support for the independent peasantry clear already in 1948, when his standpoint was that even the independent peasantry contributes to the building of socialism. Imre Nagy saw the middle-peasantry as the strength of the agrarian transformation.
57 Similar retreat was experienced in other state socialist countries also. This retreat was strongest in Hungary and Checkoslovakia, see also Brus, 1983, p 63
58 Calculated on the basis of data supplied by Simon, 1979, pp 25, 29. On the definition of type I, II and III co-operatives see earlier in this chapter.
59 Rákosi’s take-over occurred in March 1955, a month after the take-over in the Soviet Union by the orthodox Stalinist group following Malenkov’s resignation, see Simon, P, 1979, pp. 30, and H S Hughes, 1971, pp. 511.
60 Imre Nagy requested a neutral Hungary with the departure of Soviet troops. He was captured after the defeat of the revolution, and executed two years later, i.e. in 1958.
61 Simon makes this point (Simon, 1979, p. 31). Others emphasised the great political importance of the revolution, which brought with it the independent organisation of the peasantry (Magyar, 1988).
The above discussion shows that following 1948, \textit{the expansion of co-operatives was consistent with the Stalinist agrarian development policy, and was introduced and forcefully realised in Hungary as a consequence of Hungary’s incorporation into the Soviet interest zone}. The methods of collectivisation in this early period, as well as the ideological premises, stood in contrast to the wishes of the majority of the peasantry. \textit{It was during this period that the essence of the state socialist collectivisation process, i.e. the attempt at the proletarianisation of the peasantry, was introduced in Hungary}\textsuperscript{62}. The comparatively ‘voluntary’ nature of the collectivisation under the Kádár period cannot be understood without the historical background of the preceding events. In addition, this period demonstrated the strength of the desire amongst the peasantry for the continuation of independent farming. Despite the extreme pressures - economic, political and pure coercive - not even in the most ‘successful’ period of this coercive collectivisation did the ‘socialist’ sphere of production reach half of the agricultural area (see table 3.5).

Finally, the heritage of the pre-1945 land structure, together with the applied method of redistribution of estate property, created a large new agrarian small-holder stratum without sufficient know-how, assets or necessary production tools to successfully carry out independent farming. Considering the socio-economic circumstances of the late forties, collectivisation appeared a possibility, yet not an exclusive alternative for this stratum. The rhetoric of collectivisation could have easily exploited the position of this stratum, to make collectivisation appear as historical necessity.

\section*{3. The Evolution of the Hungarian Agricultural Model (1956-1989)}

\subsection*{3.1. The Consolidation Period and the Renewal of Collectivisation 1956-1968}

The 1956 revolution was followed by a period of transition in agrarian policy. The \textit{compulsory delivery system was abolished on November 12, 1956}\textsuperscript{63}. Between 1956 and 1958, policies sought aimed to rekindle the lust of the peasantry to produce. A more tolerant attitude towards family farming was introduced. \textit{Government plans were to be fulfilled by indirect methods, such as price, tax and income policies} (Petö and Szakács, 1985, pp. 433-435). The state was to maintain its \textit{monopoly over the trade} with goods. \textit{The control over prices} was to encourage the achievement of favourable product structures. There were, altogether, three periods of tolerance towards family farming in the early post World War II period: the first occurring between 1945 and 1948, the second between 1953 and 1954 and finally the last between 1956 and 1958. The two first periods ended in forceful collectivisation.

\textsuperscript{62}The interpretation of the collectivisation as the party state's attempt at the proletarisation of the peasantry was most clearly formulated in Szelényi, 1988. Swain talks also about the creation of 'socialist wage labour', Swain, 1985. However, it was Szelényi who set this process in the context of a class analysis.

\textsuperscript{63}Kádár marched into Budapest on November 7 together with the Soviet tanks. The timing of the decree indicates the national importance of the cancellation of the delivery system.
campaigns. Its not surprising, that when *collectivisation was once again returned to the political agenda* after the 1958 December Central Committee meeting of the MSZMP (Hungarian Socialist Workers’ Party, the renewed MDP after 1956), *the peasantry’s sources of resistance had been exhausted*. The Central Committee’s decree announced the realisation of the collectivisation principles ‘without hesitation’ (Petö, et. al., 1985, pp. 441-443). Collectivisation, (according to the type III model) was not only seen as a means of transforming the agrarian production organisation, but also as means of *increasing the capacity of agriculture to release labour force for the continuation of the industrialisation project*. Experienced agitators, who were to initiate local council committees to speed up collectivisation, were sent out to the villages. These agitators were to stay in the villages until their goals, i.e. the accomplishment of collectivisation, were achieved. They utilised a broad array of psychological pressure methods. Even if pure physical force was exceptional, the mere mention of the methods utilised five-ten years before was often enough to achieve the desired effect (Petö, et. al., 1985, pp. 443, 446). Two new waves of collectivisation campaigns during 1959 and 1960 were launched based on the new agrarian policy of the Kádár regime. *By the end of 1961 the new basis for co-operative agriculture had been laid down*. During this period the majority of farm land was brought under the two major forms of socialist agriculture: state or co-operative farming. Private farming as a primary occupation practically ceased to be an economically significant factor, and became restricted to isolated, poor farmlands. The family as an agricultural production unit was reduced to *part-time activity on the household plots of labourers and co-operative workers* (see Table 3.5). This period, also referred to as the *consolidation period*, laid the groundwork for the agricultural structure of the state the socialist period.

The "Agricultural-political Guidelines" (Agrárpolitikai Tézik) of 1957 provided the bases for a new agricultural policy (Csendes, 1989, p. 5). It emphasised "voluntarism" in the collectivisation. Major regulations conceived in the Stalinist direct command economy spirit were altered. The new policy initiated by the 1957 guidelines changed agricultural policy and development in the following directions:

First, the *abolition of the compulsory delivery system* released the co-operatives from the necessity of fulfilling mandatory supply quotas. *Economic incentives*, rather than direct command, were to direct co-operative leadership in the politically desired direction of economic activity. However, in practice this meant that *direct forms of control* over the co-operative leadership by party and government organs were transformed into *indirect ones*. The state could still realise its production goals by various means. *Production plans* were sent to *local community councils* to which co-operatives were to adjust. The system of *state subventions*, which was built up following 1958, also strengthened the leverage of local councils over the co-operatives. The state also controlled the market, due to its *monopolies*, which included control over both purchase and supply prices (Juhász and Magyar, 1983).

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64 Following 1956 agricultural policy enforced the spread of type III co-operatives, i.e. agricultural production co-operatives. The formation of type I or II co-operatives, so called ‘szakszövetkezet’ (special co-operatives) was discouraged. In practice they were tolerated only in areas, where collective forms of cultivation were seen as not reasonable to follow, such as wine or fruit cultivating communities, or hilly areas with dispersed land structure (see Simó, 1983, Hann, 1988).
Nonetheless, the shift from direct to indirect means of control opened up an opportunity for negotiation, and for co-operative leadership. This opportunity improved from 1965/66 onwards, when co-operatives obtained the right to enter into contracts without the intervention of district party or government authorities. This liberalisation was a predecessor to the acceptance, by the Central Committee decree in November 1966, of a new reform policy which sought to succeed the command economy. This led to the introduction of the New Economic Mechanism in 1968 (more detail to follow).

Second, although collective agriculture was still seen as the appropriate socialist production form in agriculture, collectivisation was to be achieved by economic mechanisms, rather than coercion. Resources were to be channelled to agriculture. Now, co-operatives could own and manage their own agricultural machinery, allowing them direct control over technological improvements. A special credit system was introduced in 1959, to provide the capital necessary for the modernisation of production. The state’s monopoly ownership of agricultural machines was released. The machine stations were dissolved and their equipment moved to the co-operatives in 1963. The ownership of machinery and access to capital to obtain machinery was an essential step toward enterprise independence, and created the preconditions for agricultural modernisation in Hungary (see also Swain, 1985, p. 37-38).

Third, during this period, following the issue of the 1957 Agricultural Guidelines (i.e. during the late fifties and early sixties) co-operatives gained the liberty to choose the labour organisation forms that proved adequate to achieve local co-operative production plans. The evolution of the organisational forms of co-operative work is further discussed in Chapter 6-7 and 10-11 the main features are summarised. Various forms of labour organisation such as sharecropping, were in practise adopting elements from traditional peasant farming, as well as from the former large estates (Juhász and Gaál, 1982). Share croppingsystems prevailed both with the family or the brigade as the basic work unit. Family labour was used even as supplementary labour within work brigades (see Figure 2.1). Between 1962 and 1975 the so-called complex brigades were widespread as labour organisational units. The complex brigades contracted to perform certain production tasks, were responsible for the internal organisation of labour, and were paid in shares of the produce or as a proportion of the achieved profit (Swain, 1985, pp. 162-167). With the increasing complexity of the composition of the labour force the family ceased to be seen as a viable primary organisational unit of labour. The influx of new categories of workers bound to the technological transformation of agricultural production, such as machine operators previously employed in state machine centres, were interested in the

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65 With the exception of wheat cultivation (Pethő and Szakács, 1985, pp. 457-459). In the Soviet Union the quota system for compulsory deliveries was in effect up to the eighties (Nove, 1980, p 133). In Hungary the strict pyramidal structure of agricultural planning prevailed only during the late forties and fifties, Swain, 1985, p 134.

66 The family, i.e. a man and a woman work-team, was the unit of labour organisation even in the labour organisation of estates (Balassa, 1985 and Tóth, 1977). Within the co-operatives share-cropping dominated up to the middle of the sixties. Even in 1970 27% of plant-growing jobs were carried out in share-cropping (Peto and Szakács, 1985, p.452). Concerning the adequacy of share-cropping in various historical contexts see Jonsson (1992).
establishment of *employee status*, providing labour conditions similar to the state controlled industry (Simó, 1985, p.9).

Fourth, co-operatives gained the ability to choose *the form of remuneration*. Although *sharecropping* was seen as politically undesirable, this system was often used to provide incentives for participating in collective production and dominated until the middle of the sixties. Sharecropping systems, bound to the family and brigade form of production, were based on a worker type which took risks with its own labour, i.e. remuneration was calculated in the ratio of the produce.\(^{67}\) Payment in *work units* (*munkaegység*) combined with a system of premium payments was also common. At first, remuneration was paid annually (later on quarterly basis), and was proportionate to production. The co-operative’s responsibility to provide employment for its members attracted many to join the co-operatives.

In the years preceding 1968, a general reform of working hours was carried out in the industry, emphasising efficiency and rational planning in labour economy, resulting in the decrease of weekly labour hours. To be able to keep labour in the co-operatives, the material security of co-operative workers had to be guaranteed. In 1966 *guaranteed wage* was introduced into the co-operatives\(^{68}\), as well as new labour norm systems. However, the wage worker model did not become generalised before the end of the consolidation period. Parallel with the expansion of the co-operative/labourer wage relations, the ownership role of co-operative workers continued to diminish further (Simó, 1985, p. 11).

Fifth, the 1959 decree made no specific mention about the prohibition of commodity production on family plots, nor did it indicate a desire to control it. As a result, *the engagement of household plots in agricultural commodity production became tolerated*. From 1960 onward, the government sought to encourage its efficiency (Swain, 1985, pp. 48–49). Household-based production was viewed as necessary to secure the survival of the peasantry, since, at first, incomes were not guaranteed. Furthermore, the allowance of household plots was seen as the acceptance of a *transitional phase* from peasant farming to collective. By the mid-sixties it was recognised as an *integral part of the socialist economy* (Szabó, 1964, p. 23). Household-based production of co-operative workers was generally accepted in all East-European countries, but the attitude was the most constructive in Hungary, where policies emphasised the economic importance of household-based production in reaching an optimal use of labour and material resources (Brus, 1983, p. 95).

Finally, in the process of re-collectivisation, initiated in the 1957 Agricultural Guidelines, a compromise solution evolved. At first, the once well-to-do stratum of peasants were also attracted to the leadership of the co-operatives. Their know-how was seen as a desirable asset. As Juhász and Gaál pointed out, the influence of the

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\(^{67}\) See Simó, 1985, p 8-9. This type of worker is re-conceptualised as the ideologically desirable in the post-1985 reform process.

\(^{68}\) The progressive development of a *guaranteed wage system* was seen as an elementary precondition for the capacity of co-operatives to maintain agricultural labour-force (Swain, 1985, pp. 39-46 and Péto and Szakács, 1985, p. 459, Juhász and Gaál, 1982, p 6). It’s development coincided also with the influx of machine-operators in connection with the dissolution of the Machine Centra (Gyenes, 1973, p. 39), since machine operators commonly acquired employee status. The wage system was also more fitted to the evolving hierarchical organisation of labour, based on divided labour tasks. A law regulating the minimum wage guarantee was issued even in the Soviet Union (Wädekin, 1973, p. 207).

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traditional "middle-peasant" (gazda) stratum dominated in the late fifties and early
sixties. Leaders of peasant origin adopted a careful and versatile survival strategy
(which also characterised the former peasant economy). From the second half of the
sixties, the influx of professionals with agrarian education increased (see chapter 7
and also in Juhász and Gaál, 1982).

In summary, the consolidation period following 1956 resulted in the evolution of
limited national divergence. The main accomplishment of this period was the stabi-
lation of the co-operative as a state socialist production form. In this production
form, two spheres of production became crystallised: one collective, the other,
household-based. Within the collective, the wage-labour model evolved. Steps were
also made toward the creation of the enterprise model of co-operative farming, with
increasing economic independence foreshadowing the 1968 reforms. Co-operative
farming developed autonomous features, (e.g. the dissolving of machine stations or
the increased control over production).

However, ‘de-Stalinisation’ did not mean the abandonment of the ideological prior-
ity given to state and collective farming over family farming. Socialist production
forms were believed to exclude exploitation, as well as being economically superior.
The peasantry was to give up its private production form based on the individualis-
tic appropriation of land and join the collectives. At the same time the methods of
collectivisation became revised. The new wave of collectivisation after 1956 is
often remarked for its relatively "voluntary" nature compared to the collectivisation
in other state socialist countries. This "voluntarism", however, can be perceived
only as an expression of the peasantry’s passive acceptance of lack of alternatives.
From the beginning the "voluntarism" and "autonomy" of the co-operative move-
ment has been dependent on an unspoken compromise. Production (inclusively petty
commodity production) on household lots was treated with increased tolerance. By
liberalising access to family household lots the peasantry received an outlet for its
‘individualistic’ desire for self-management. At the same time, based on extensive
labouring in the family household lot, the peasantry could acquire a stable standard
of living. In return the peasantry was to accept the co-operative as the dominant
organisation of agricultural production.

3.2. THE EVOLVING SYMBIOSIS BETWEEN COLLECTIVE AND HOUSEHOLD-BASED
PRODUCTION AND THE IMPACT OF THE NEW ECONOMIC MECHANISM ON CO-
OPERATIVE AGRICULTURE (1968-1978)

The end of the consolidation period coincided with the formulation of a national
reform programme. The main purpose of the reform package, the NEM (New Eco-
nomic Mechanism) introduced in 1968, was the strengthening of market mechan-
isms in the socialist economy at the expense of the overriding determination by the
plan.

The introduction of the NEM was to bring about crucial changes in the national
economy as a whole, profoundly affecting the co-operatives. These reforms aimed at
giving wider managerial freedom to enterprises as a means of increasing efficiency
of production. It aimed at decentralising planning and at decreasing direct central
administrative control over the production profile of enterprises, i.e. it intended to
abolish the both the state’s, and the party’s direct economic control (Csendes, 1989,
pp. 6-7). Instead, central directives were to gain effect via the indirect function of
economic incentives, such as regulation of access to capital, price regulation, state subventions, etc. In practice, it intended to shift the focal point further from central command by administrative means, to central command by economic means. Davis & Scase summarise the intentions of the 1968 reforms in the following way: 1) Autonomy for enterprises in selecting production targets, sales and purchasing, which is not limited by direct planning indicators, but instead by indirect financial incentives; 2) decentralisation of investment decisions by reducing the level of central subtraction over enterprise profits; 3) easing up trade by export subsidies and import duties; 4) the pricing policy reform was to bring prices closer to production costs as well as to reflect consumer demands closer (Davis and Scase, 1985, pp. 118-119, see also Hedlund, 1992).

Changes in the legal regulation of agriculture projecting the spirit of 1968 occurred already from 1967 onwards. The new regulations affected the co-operatives in a twofold manner. On the one hand they weakened the co-operative features and strengthened the state enterprise features by consolidating the land property of members to co-operative property. On the other hand, the co-operative’s economic independence and legal autonomy was extended by granting them the right to sign contracts and market their produce (without the approval of the council). Within the framework of ministerial suggestions, co-operatives gained free hand to decide on production plans. Prohibitions against non-agricultural side-activities were released. The permission of co-operatives to engage in non-agricultural side activities enhanced the possibility of evening out the seasonal nature of labour demand in agriculture and consequently could secure a better year-round employment pattern for co-operative workers.

The changed system of regulation improved the conditions for the co-operatives to act independently (Csendes, 1989, p. 7) and resulted in the flourishing of co-operative enterprises up to 1973.

"The members of the agriculturist elite joined the believers in liberal economic policy and indirect management rather than command (irányítás). They utilised the opportunities in searching own ways for ‘their’ enterprises; they rationalised the production profiles, renewed agricultural technology, increased side activities, which appeared profitable or could provide work for labour power released from main agricultural activities.” (Juhász and Gaál, 1984, p. 31).

The 1968 reforms extended the limits of tolerance for family-based agricultural production. Primarily, its economic potential became acknowledged. In contrast to

69 Donáth, referring the to pre 1967 conditions, praised the advantages of co-operative agriculture compared to state owned farms to rely on the self-interest of co-operative members to work on the collective, due their part-owner status (Donáth, 1980). The consolidation of the land of the members into collective property came into effect by a 1966 party decree and became legally regulated in 1967. Juhász argued that the consolidation of co-operative property strengthened the state enterprise features and weakened the co-operative features of co-operatives (Juhász, 1989). See on co-operative property also Csendes, 1989, p 7 and Papp,1985, p 101.

70 TRHGY 1020/67 (VII.11. Korm.). See also Swain, 1985, p. 53.

71 Co-operatives were allowed to venture in non-agricultural areas by the 1967/Number III law, whereas the 1968 reform gave up the plan directive system (tervutasításos rendszer), by this delegating the entrepreneurial freedom to the companies.
the ideological critique of the previous period that guided the perception of small-scale family farming, from 1967 onwards, the goal became its integration into socialist channels. In 1968, the extension of the network of consumer and marketing co-operatives (AFESZ) was initiated. In 1970 so-called special groups were started. These were catered to assist small-scale family production and marketing within specialised agricultural areas, such as rabbit-raising, viticulture and vegetable growing. In 1973, state incentives in the form of aid for investing in new production profiles on lots were launched. These forms of integration reached even beyond the circle of the workers of agricultural production co-operatives, and catered to all potential small-scale, part-time producers.

The integration of small-scale agricultural production into the formal economy proceeded even within the organisational framework of agricultural production co-operatives. The expansion of the scope of small-scale family production of co-operative workers proceeded hand in hand with its integration into the system of production of the co-operatives. In 1967, the entitlement to a household plot was transferred from the family to the individual. However, in order to secure the labour force for the collective cultivation sphere, the access to plots was granted on the condition of the fulfilment of the agreed minimum of year-round labour input in the collective. In this way, families with more family members working in the co-operative could obtain bigger plots. Meanwhile, the co-operatives could count on their labour input in the collective cultivation.

Further steps were initiated towards the integration of labour in the household plot into the co-operative organisation during the seventies. According to this, time spent working on the household plot, (at first only in animal husbandry, and from 1974 onwards also in vegetable growing) could be counted as part of the collective’s overall labour hours. The socio-economic importance of this labour time pool was that it served as the basis for entitlement to social security benefits and allotments. The range of these benefits was gradually expanded between 1974 and 1976 to include social benefits, such as pension, social insurance and childcare subsidy. That the aim of this incorporation was to enhance the market production in the household sphere is clearly reflected in the specification of the eligibility criteria in the 7/1977 MT number decree:

`R.73.§. (1) Labour carried out in the household plot by co-operative members is to be counted as labour time in the collective in cases in which it was an activity carried out within a contractual relationship with the co-operative to produce products specified by the Ministry of Agricultural and Food Affairs, and if it satisfies the following criteria: a) the animal is marketed to the co-operative or by the co-operative; b) the produce is marketed to the co-operative or by the co-operative or to a state company` (7/1977 MT number decree).

From 1969 onward, co-operatives were obliged to provide the households of co-operative workers engaged in small-scale agricultural production with fodder. The co-operative commercial network that existed prior to the state socialist transition serving the supply with goods necessary for production of small scale agricultural producers, e.g. the Hangya (which acted also as a savings bank and channelled loans to producers as well as sold the produce of the farms) was systematically demolished in the process of developing the state socialist economy. Hence, the private sphere of agricultural production, and so also small-scale family production of cooperative
regulation of 1968 reinforced restrictions established in the 1959 regulation limiting the number of animals allowed in small-scale family farming. However, this restriction was removed in 1970, with the exception of the prohibition on keeping horses. The latter prohibition was removed in 1977. In 1970, agronomists were to be appointed to organise production on household plots. From 1977 onward, household plot committees were to represent the interest of small producers.

The attitudes of the professional stratum towards small-scale family production could be described as pragmatic. Professionals saw a rival in small-scale family farming that would take labour time of co-operative workers, as well as provide an alternate means of existence. Consequently, its effect was to weaken the solidarity of co-operative workers to the collective sphere and to diminish the hierarchical subordination of positions apparent within the co-operative (Swain, 1985, Szelényi, 1988). However, they came also to realise increasingly its economic and social importance. Nonetheless, their ambition was to bring it under control, and integrate it into the co-operative organisation. These aims coincided with the party-state’s ambition to integrate small-scale family production into the formal economy. In this way, the party state could maintain indirect control, i.e. through the state’s surviving economic regulatory functions, over possible economic expansion of this sector. This was crucial, since the potential embourgeoisment of this sphere continued to be viewed as ideologically unacceptable.

The reform-vogue experienced a backlash even in Hungary following the breakdown of the reform process in Czechoslovakia in 1968. However, by 1973-74, administrative forms of controlling co-operative production profiles regained importance. Conservative forces intended to regain central control over planning and so to secure the party’s economic leadership monopoly. Administrative methods of directing production strengthened. By 1971-73, the so-called large-industrial lobby (Juhász and Gaál, 1982 p. 31) gained dominance within party and state leadership. This group launched a powerful attack against agriculture, since agriculture created significant competition for labour resources. The policy shift involved increased pressure on co-operatives to conform to the demands of the national economy - rather than to their own enterprise ambitions and economic rationality. It attempted to limit the co-operatives’ opportunities to engage in non-agricultural activities. Finally, even household production of co-operative workers was without appropriate supply channels. Thus, this new law served the security of small-producers.

73 As Rezső Nyers documented in 1989, the reforms were abruptly on direct Soviet request. Nyers laid the responsibility on the Kádár regime, which subdued itself to the 1968 participation in the invasion of Chechoslovakia. Although, the impact was not as dramatical in Hungary, the attempts for an economic liberalisation were slowed down also in Hungary. Interview with Nyers, Dagens Nyheter, 1989, Nov 6.

74 Juhász and Gaál (1982) summarises the change in attitude in the cooperative management: “While in 1973 - the agricultural professionals (my note. IAM) - often protested against the ‘administrative hegemony operating with expectations’ (elvárásokkal operáló igazgatási önkény), in 1976 they argued for the priorities of these expectations on the member meetings (közgyűlés)” ibid, p 31.

75 As a result of the large-industry’ political counterattack, industrial venturing of cooperatives became administratively limited, about 20 activities became prohibited, while an additional 20 became bound to ministerial permission. These prohibitive laws prevailed until 1980. See Papp, 1985 p 101.
members was affected by the restrictions under a shorter period. Such measures included the extension of income tax applied to small-scale family production. The strengthening of central control over agriculture at the beginning of the seventies had a variety of effects. On the one hand, the limitation of small-scale production was followed by a loss of gross agricultural production, and discontent in the countryside. On the other hand, the restriction of non-agricultural ventures by co-operatives meant that a source of production capacity, that could flexibly adapt to the manufacturing of goods in shortage, was lost. From the latter part of the seventies, the relative positions of the agrarian lobby strengthened (Juhász & Gaál, 1982 p. 34-35). During the easing of the hard-line course in politics, pro-agricultural policy changes occurred, including the rehabilitation of small-scale agricultural production in 1975/76, and later the liberalisation of the administrative prohibition on areas of entrepreneurial ventures in 1980 (Papp, 1985).

The increased administrative control over management could be more effectively carried out by a centralisation of co-operatives by mergers. A large-scale concentration of co-operatives was carried out. At the onset of the co-operative movement, the lands of private farmers were joined into co-operatives following more or less the principle of "one village one co-operative". This resulted in a network of co-operatives varying greatly in size, quality of land, emphasis of production, capital resources, and profitability. Technological modernisation increased the capital intensity of agricultural production. Access to capital resources was directed by government incentives. The concentration of enterprises into larger, and fewer units could ease the task of supervision over resources. It was also believed that the increased size of merged co-operatives would contribute to an increase in profitability. At the same time, the merging of co-operatives also fit with the political desire for the equalisation of regional differences. In addition, it was believed that the mergers would benefit inefficient enterprises by incorporating them into other, more efficient co-operatives. Therefore, several previously independent local co-operatives were joined into larger units. An indirect consequence of centralisation was the acceleration of the withering away of resources and independence of smaller, local communities, and the growth of a smaller number of economic and political centres. The number of co-operatives decreased to half of the 1968 level by 1983, with a corresponding increase in the average size of co-operatives. In 1983, on average, 4,141.8 hectares of land were controlled by a co-operative. This was 2.42 times the average size of a co-operative in 1968 (Fazekas, 1985, pp. 186-189). As the case of the mergers illustrates, the increase of enterprise autonomy proceeded hand in hand with centrally directed transformations of the existing enterprise structures.

Even if, due to the backlash in the reform-process, the 1968 reform could not be carried out to its full potential, the period following it produced important alterations compared to the Stalinist, direct command system. The reform signified the

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76 This was provoked by the rapid expansion of small-scale family production, which provided improving life-standards for cooperative workers, compared to the urban working class.

77 In larger communities it was common to have more than one cooperative.

78 Davis and Scase points out that as a result of the 1968 reforms Hungary was more integrated into the international economy than other East-European countries (Davis & Scase, 1985, p 119).
transition to market socialism. In practice, market socialism meant that the state planning agency lost its monopoly. State enterprises and co-operatives gained autonomy in choosing production profiles and controlling purchase and marketing. These shifts meant a clear decentralisation of an ideologically defined sphere of authority. However, acceptance of market principles only weakened - but did not make obsolete - the primacy of ideological principles. The state maintained an indirect regulatory function, via the partial control over the price system, and control over capital incentives.

Since 1968, the planned economy was superseded by an intermediate regulation system. The co-operative’s field of action continued to be subject to (direct and indirect) limitations originating from the predominance of central planning. Certain general central guidelines, such as the principle of full employment, or overriding wage policies, central price-indices, or changing perceptions on the prohibition or allowance of non-agricultural activities within co-operative enterprises limited the field of activity of the co-operatives. Further dependencies were related to the limitation of access to capital for investment. Capital was accessible only for preferred government projects. Enterprises continued to be channelled into economic behaviour conforming to the overall government economic development plans. Even if in market socialism, more general plans applied compared to the direct control of quotas, co-operatives were dependent on their bargaining positions with state socialist agencies and enterprises for loans, permissions, access to raw materials, etc. in order to be able to carry out economically successful operations. Consequently, the functioning of the state socialist market continued to be directed by the administrative mediation of the state.

One of the crucial mediators of the state’s interests was the price system, which was to reflect production costs. In certain areas considered as crucial for the national economy, or in areas crucial to the regulation of the national consumption level, fixed prices prevailed. These were achieved partially by a system of state subsidies. In other areas, free prices were introduced. A wide range of agricultural products belonged to the sphere of fixed prices, due to the state’s interest in securing stable consumption standards. To compensate for the price gap between industrial products used in agriculture and of agricultural products, the state applied various price-subventions both on industrial products necessary for agricultural production and on agricultural products. Thus, co-operatives

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79 Ota Sik gave the ideological foundation for market socialism. It was to bring production nearer to demand without compromising on the socialist form of ownership. Furthermore, the prices were to reflect closer production costs. However, in Czechoslovakia the reform movement moved further to political liberalisation than in Hungary, which led to its downfall in 1968.

80 Ivanics & Kalocsay, 1976 on wage regulations; Pulai & Vissi (eds), Gazdaságirányítás, 1984 on state economic directives; Enyedi & Kostyal & Vendég, 1980 on cooperative price regulation system; Csizmadia & Székely, 1986 on overall agricultural policy.

81 To provide a guaranteed consumption level belonged to the political commitments of socialism.

82 Agricultural prices fell into four categories during the seventies: fixed producer prices, maximum producer prices, producer prices with maximum and minimum range, and free prices. According to OECD figures fixed price products constituted 60% of agricultural sales, while only 10% fell in the free price category (OECD, 1994, p. 100).

83 This method has to varying degree been used within the Western agricultural support system as well, which has worked inter alia with subsidised low consumer prices, price-stabilisation measures and
continued to depend on the politically developed price-regulation at both ends of the production process in their interaction with state companies in monopoly position (Juhász and Magyar, 1983). The price system served as control mechanism over the flow of resources between various sectors.

The restrictive affect of the prevailing economic structure furnished and maintained according to central ideological principles, the functioning of market forces in other important ways. These limitations manifested themselves at the necessary connection points between co-operatives and the economy at large, for example, in its reliance on the raw-materials necessary for its production, such as chemicals, agricultural machines, etc, as well as in the process of marketing its goods. The marketing and purchasing of goods was not only constrained by central price policies, but also by the structural monopoly of the connecting institutions. The co-operatives were forced to buy and sell from “mammut” enterprises in monopoly positions (Magyar and Juhász, 1983) without the ability to influence the prices or the quality of the products bought. Consequently, the sale prices of agricultural products - and therefore the overall profitability of the co-operative - remained largely dependent upon government price policies. In this way, the co-operatives remained subordinated to the central will and depended on the power positions of the political technocratic elite representing the sector’s interests on high state and party levels in the process of distributing state resources.

This tendency was slightly altered, although not substantially, by the increase of co-operative self-marketing of primarily vegetable and fruit-products. Co-operatives could engage within certain branches of production in alternative markets. Such markets would include the city vegetable, fruit and meat markets. Although the overriding state price policies set the price-frames on these markets too (i.e. due to their dominance on the market), co-operatives, alike private producers appearing on these markets could achieve some limited price mobility. However, corresponding markets were not available for the sale of bulk products, such as grain, which had to be re-channelled through the State Grain Company, which monopolised the mills.

This period set the foundations for the expansion of household-based agricultural production - a process that intensified during the late seventies and eighties. Small-scale family production became progressively channelled into institutions under direct or indirect state regulation. These regulations provided safeguards that small-scale family production should not grow beyond limits created by central regulations. Hence, instead of capital accumulation, small-scale production channelled much of its surplus into conspicuous consumption. The extended liberalisation of production on family lots was also a sign of strengthening pragmatism in relation to this production sphere. The permission for the util-

84 Hedlund argues that in state socialist regimes the free food markets of the cities constituted the only reserves of real markets (Hedlund, 1989).

85 Veblen’s and Bourdieau's expression refers for consumption oriented to the expression of social status. In rural Hungary, the expansion of private building fits this category. Much of the expanded housing area was not utilized for the improvement of the standard of everyday life, and the created facilities were not always utilized, see Sozán, 1983.
sation of family lots (typically garden territory not suitable for repartition), and so of pre-existing utilities (such as stables), and of excess family labour, could provide a surplus asset in agricultural production which would otherwise not be utilised. In summary, the drift towards market socialism concerned the reform of the regulation of state socialist economy, and did not aim at a political relaxation of the party’s political and ideological monopoly. This meant that the fundamental principles of state socialism (as laid down under Stalinism) were not compromised (i.e. state-co-operative property, party’s political and ideological monopoly). The party-state withheld the control over setting the limits of economic enterprise autonomy. Consequently, the party-state maintained the crucial political (via ideological and political monopoly) and economic (price and capital) means of control. Nonetheless, the reform also allowed for the considerable extension of the co-operatives enterprise autonomy. Co-operatives could channel industrial production profiles, and so capital to the countryside in a period when the agrarian-scissors was widening. This industrial production subsidised the unprofitable agricultural activity. It also provided labour opportunities in the rural areas, and so helped the maintenance of the rural population.

Eventually, the importance of household-based production was formally recognised. Meanwhile, it was to be integrated into socialist marketing channels provided by the co-operatives. Thus, critiques of the reform argued that due to the ambivalence in the realisation of the reform ideals, the Hungarian economy of the eighties was best characterised as an amalgamation of a state-sector functioning under indirect bureaucratic commando (management) and a non-state sector which was market oriented, yet functioned under strong bureaucratic control. Thus, the aim of the 1968 reform to increase market integration was not realised to its full potential (Kornai, 1987, p. 43).


Socialist rhetoric had a humanistic ideal at its centre. It aimed at realising an exploitation-free society by the creation of socialist forms of operating the means of production. This society was to guarantee the satisfaction of basic human needs, such as food, shelter, right to work, etc. (Fehér, Heller and Márkus, 1983). The redistributive system based on bureaucratic co-ordination was to assure the realisation of...

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86 Swain also emphasised the positive effects of the Hungarian reform for agriculture, Swain, 1985, p 134.

87 According to Polányi the key feature of a redistributive system is that one part of the produced goods is gathered in centrally and is distributed in a way, which does not follow the logic of economic efficiency, profit, market conditions, market exchange. Other forms of distribution are the subsistence small economy, the exchange on the price-regulating market and reciprocity (Polányi, [1957] 1971). Ferge defines the socialist economy to be characterised by two main sorts of distribution of assets: one based on labour and the other on central redistribution. "The general features of central redistribution are that it realises the central redistribution of produced goods in order to integrate the community and secure the right of existence of the members of the community" Ferge, 1980, p.291. According to Ferge socialist society offered the opportunity to achieve redistributive justice, since the principle of redistribution infiltrated all spheres of social and economic life (see more in Chapter 4).
these goals. Critiques of the ‘humanisation’ rhetoric identified it as the legitimisation base of the continued reproduction of the system and of the leading position of the ‘teleological’ (party-bureaucratic) ruling elite (Szelényi and Konrád, 1978, Hegedűs, 1976) (see in more detail in Chapter 4).

Others emphasised the economic inefficiency of the system and argued that the economy had to produce before it could redistribute, and the prevailing state socialist forms of production appeared to be inefficient. As was argued e.g. in the work of Kornai, the system-specific characteristics of the state socialist economy impeded the maximisation of human productive potentials (Kornai, 1985). In contrast to the ideologised vision of the equalising essence of the state socialist economy, subordination was an element intrinsic to the ‘bureaucratic co-ordination’, Kornai, 1989, p. 9. He claimed that market shortages placed people into conflicting positions on the market (Kornai, 1985, pp. 62-80). Furthermore, he argued that the malfunctions of the system increased the hardship of providing for a socially acceptable consumption level. In Hungary, two major reform trends were aimed at correcting the malfunctions of the economy, one in 1968 and the other from the late seventies onwards.

The reforms around 1968 envisaged that the system could be reformed without compromise of the essential ideological principles of the system. Thus, while the intentions of the 1968 reforms were to achieve what Kornai defined ‘market co-ordination’, in reality the state’s bureaucratic control functions sneaked back into the system. Consequently, ‘direct bureaucratic co-ordination’ was superseded by a system of ‘indirect bureaucratic co-ordination’ (Kornai, 1987, pp. 1-32). With Kornai’s term, the state socialist economy was ruled by soft-budget restraints. Despite reform efforts, the state exercised a regulatory function by levelling out the budgetary restraints for economic entities with varying performance. Such levelling effects were built into the state regulation of prices, the system of profit extraction from companies. For example, company taxes extracted the profit from beneficial enterprises, while it was redistributed in the form of subventions, which supported the survival of non-profitable production (Kornai, 1985).

From 1973 onward, the downturn of the international business cycle worsened the economic preconditions of the Hungarian reforms. Hungary’s increasing foreign depth, and increasing international monetary demands sharpened the economic pressure, while potential international markets were narrowing down. The expansion of the economy halted. The developmental gap between East-Central European

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88 Polányi’s distinction between economic systems based on market exchange and redistribution highlighted the dehumanising effect of the generalisation of the market principle. In contrast, Kornai uses the contrasting terms of market co-ordination and bureaucratic co-ordination to highlight the failure of bureaucratic co-ordination to deliver the humanisation promise inherent in the ideology supporting redistributive systems, see, Kornai, 1985.

89 Galasi et. al. pointed out that the second economy’s low efficiency and the excessive labour input required for the desired returns showed the human costs of keeping up an inefficient system, i.e. Galasi perceived the second economy as an expression of the malfunctioning of the state socialist economic system, Galasi and Gábor R., 1981, Swain, 1992.

90 Hungary’s rate of growth, which reached 6% until the late 1970’s, suddenly dropped to 1.6% in 1979 and 0.0% in 1980. The economy could never recover from this crisis, which was worsened with the debt crises.
socialist economies and Western industrialised economies started to widen again.\footnote{While, in the period between 1950 and 1973 The regions economy expanded faster than market economies, in the eighties the gap between the USA and the non-market economies of Central and Eastern-Europe increased from 1.3 to 1:4 and the gap between the region and the European Common Market doubled, see Berend, 1994b, pp. 15-16} The realisation of the socialist welfare goals set by the party state met budgetary obstacles, i.e. the state socialist economy could not keep up the GNP high enough to be able finance its generous welfare policy (Swain, 1992). The living standards were declining. As Kádár’s popularising slogan expressed this decline: ‘comrades, we need to tighten the balley belts’. From the late seventies onward, the maintenance of the consumption standard was partially subsidised by foreign loans.

The reform critique gained renewed strength during the late seventies. The economic pressure made the demand of reform theoreticians\footnote{Economic reform criticism had its traditions from 1968 (see Nyers). Reform critiques could circulate their ideas even following 1968, see Liska, 1965, Tardos, 1982, Bauer, 1982, Antal, 1982, etc. See for an English summary in Canning and Hare, 1994, pp. 179-182 and Krémer and Závada, 1986, pp. 221-244. On the various ownership reform ideas see Lengyel, 1988.} for further development of the 1966-1968 reform appeal to the party, the evolution of solutions to the problems of the economy gained priority. The renewal of the reform process became politically accepted by the 1978 decree of the MSZMP (Hungarian Socialist Worker’s Party) Central Committee, and was reinforced by the XIIth congress of the party in 1980. The party directives aimed at increasing the national income producing capacity of the economy.

By the late eighties, an \textit{alternative vision of humanisation} gained more and more acceptance. In this vision, the \textit{creation of an economic system that could finance the costs of the improvement of the human condition} gained priority. This alternative promised not only the \textit{cure of the mechanisms} guiding the state controlled sphere, but extended also to permit the growth of an alternative system - a \textit{pluralistic economy} - combining both private and socialist forms of enterprise. These principles culminated in the 1985 reform of economic management (Pulai et. al., 1984).

The reforms loosened the grip of ideology in . They went further in deregulating the party-state’s overriding planning function and strengthened the emergence of the \textit{self-regulating} market. They also liberalised both \textit{ownership forms} and forms of cooperation. Other functions of the state - such as the state’s role as the \textit{owner} of the nation’s productive assets, the \textit{disposition right} of the state over managing the state-owned assets, and the \textit{welfare functions} of the state - were to be separated. Furthermore, the reforms contained substantial concessions to \textit{labor} interests also.

It is beyond the purpose of this part to go into the minute details of the reform process. The aim here is to highlight those features of the transition that had importance for the agrarian transition. More detail on reform ideas and policies during the eighties in Hungary is available in Lengyel, 1988, Köhegyi, 1991, Sárközy, 1994 and Canning and Hare 1994, p. 179-188.

\textit{The reform of the market}

In a system of ‘\textit{direct bureaucratic co-ordination}’ (i.e. under classical Command Economy) prices were set centrally. In contrast, under ‘\textit{indirect bureaucratic co-ordination}’ (i.e. under market socialism), the state-guaranteed prices were secured...
by various indirect economic incentives, such as subventions paid to the producer co-operatives that had the practical effect of reducing production costs. Even the price guarantees on industrial products utilised in agricultural production served the realisation of fixed prices on important agricultural products.

From the 1985 Economic Management reform onward, the overall economic vitality of planned economy was questioned, allowing market mechanisms to gain further ground. This challenged the artificially carved-out economic position of agriculture within the national economy as a whole, according to which the prices of agricultural products and inputs required for agricultural production (e.g. machine technology, chemicals, fuel) were defined by central price policies. The central price policies were motivated by political and ideological preferences, and generally did not reflect the production costs or the marketability of goods. Whereas previously, the majority of food products had centrally guaranteed prices, now the sphere of goods with free prices was extended.

Under the conditions of imperfect markets, the simulation of market prices was to be achieved by adapting gradually to the price-levels of the Western market. This was to be achieved by, on the one hand, regulatory methods, (i.e. gradual price increase), and on the other, by expanding the effects of the market. This allowed prices to reflect the expense level of the products and the quality differences of the goods, extending the deregulation of state economic protectionism and control (Pulai and Vissi, 1985).

Attempts at the liberalisation of prices in the food industries and respectively in its supplying industries did not necessarily affect the evolution of the agricultural sector favourably. For example, the introduction of market prices on chemical industrial products in conjunction with the decrease in subventions paid to agriculture led to the increasing indebtedness of co-operative agriculture. This brought with it a rise of food prices, which led to a gradual decline in the average food consumption.

The ‘indirect bureaucratic co-ordination’ preserved certain elements of the planned economy and contained levelling features. Co-operative leaders were believed to be adjusting production plans in order to maximise subsidies and benefits offered by the state, rather than to demand and supply challenges of the market (Swain, 1985).

The changed economic policy prioritised differentiation mechanisms, in contrast to the evening out effects that operated previously.

The decrease of profit tax was to permit the internal reinvestment of a larger part of the internally produced profit. This, in turn, was to stimulate self-interest for increased productivity. In contrast, the decreasing production subventions were to create harder budgetary constraints for unprofitable enterprises.

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93 During the early eighties the proportion of free price sales reached still only to 20% of all agricultural product sales (Csizmadia and Székely, 1986, p. 201). See on the position of small scale producers on the market Juhász and Magyar, 1982. On the concept of planned price see Cskós-Nagy, 1979. The reforms aimed at expanding the products with free prices. For an overview on the effects of the 1985 reforms for agriculture, see Villányi, 1985 pp. 81-90.

94 At first the state payed compensation to the households for the increase of price on basic food items, such as milk, and meat compensation. However, the price compensation was gradually abandoned, whereas the increase of prices continued. Public discontent grew, especially when state subsidies were cut back to children's furniture and clothes.
The structured change of the economy was slowed down by an expanding debt crises. Those products, which could be sold for convertible currency, were to receive subventions even if their production was not profitable. This policy slowed the structural transition of agriculture as well. Hungary was a net exporter of agricultural goods. The surplus in the trade balance was vital both to buy goods necessary for the renewal of the processing industry, for hard currency and to obtain raw materials, oil, iron etc., from the Soviet Union. However, due to the stabilisation of low prices for agricultural goods throughout the eighties, agriculture was poorly positioned to fulfil this function (Juhász, 1989, pp. 180-181). Thus, the realisation of the political goals faced serious obstacles posed by the expanding economic crises of the eighties.

A further problem for the improvement of ‘market co-ordination’ was the lack of capital. While the decentralisation of the banking system was on the reform agenda, the availability of investment capital for new entrepreneurs was scarce. This was true even in case of the financing of private forms of agricultural ventures and family farms. The commercial banking monopoly was detached from the central bank (National Bank of Hungary) in 1986. New large-scale commercial banks were established, which were more cautious to loan and keen to cash in interests on loans (OECD, 1984). The indebtedness of co-operatives increased substantially by the end of the eighties. Strengthened bankruptcy laws hastened the closure of unprofitable companies. Similarly, state debt increased further, due to the favourable attitude of international borrowing agencies.

**The reform of Ownership and Production Organisation Forms**

As was shown above, one of the core aims articulated by state socialism was the evolution of an ‘exploitation-free’ society via the nationalisation of the economy (abolishing the private ownership of the means of production). An antagonism free society was to be created, not by increasing the democratic participation of workers, but by detaching ownership and management from industrial capitalist stratum and transferring it into the evolving state and managerial bureaucracy. The reform process gradually modified key elements of this orthodox doctrine. From the middle of the eighties, the alternative of a pluralistic economy, built on a balance between state, co-operative and private spheres, was viewed as favourable. This mixed structure was to be achieved by radical transformation of the state and co-operative sector (from above) on the one hand, and by tolerance of an internal, grass-roots embourgeoisment (from below) on the other hand. The entrepreneurial participation of citizens and employees was to be stimulated on all levels of the economy.

Reform of the prevailing dominant state and co-operative economy was to proceed via the transformation of the prevailing ownership relations (e.g. by allowing joint

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95 On the hindrance of the reforms in agriculture see also below.

96 The nationalisation of property was not seen to stand in opposition to the interest of the working class. In contrast, the official ideology, envisaged the socialisation of property as the means of leading the working class in the materialisation of its historical calling. The proletariat, deprived of control over the means of production was seen to be in the historical position to bring about an antagonism free society.
ventures, stock companies, etc). These forms were to encourage the flow of capital between private, co-operative and various state-owned ventures. In addition, ownership relations were to be altered by the introduction of foreign capital, in the form of joint ventures. Preferential tax rates placed foreign entrepreneurs in more advantageous position than the weak small national capital (see on the regulations Hudson, 1992, pp. 306-307). The government sought to attract active foreign capital to invest in rebuilding the economy. Nonetheless, the policy of supporting modernisation by borrowing money that had dominated the preceding period remained also in praxis.  

Another path for transforming the structure of the economy was the creation of a separation between the state’s ownership function and the operation of assets. State-owned enterprises or co-operatives were allowed to set up contracts for the operation of their assets in form of leasing arrangements. By 1988, around 11% of shops and 44% of catering firms functioned with leasing contracts (Canning and Hare, 1994, p. 181). Leasing evolved into a common path towards grass-root embourgeoisement.

The separation of the state’s ownership function from the operation of the assets was promoted even by models that delegated the disposition rights to the management or to holding groups. The Enterprise Act of 1984 created the concept of the ‘self-managing enterprise’ and transferred sizeable control and disposition rights over enterprise assets to enterprise councils composed by managers and/or workers. These councils had the virtual disposition rights over the assets, with right to restructure, merge or split, and to set up joint ventures. Borish estimates the proportion of self-managing enterprises to have reached 80 % by the end of the eighties (Borish, 1996 p. 126, see also Canning and Hare, 1994, p. 182). The remaining state owned companies were organised under the various ministries.

The discovery of a legal loophole - a pre-communist law on commercial companies that had not been repealed - allowed the creation of subsidiary companies with up to ten percent of the enterprise assets. The new subsidiary could also be formed as joint venture with domestic or foreign partners. As Canning and Hare (1994, p. 182) argued, the Company Act of 1988 clarified the legal framework for the process, which was already happening spontaneously. This new code allowed the formation of joint-stock companies, limited liability companies, and partnerships. The new corporate forms were seen as a means to an end in attempts at the decentralisation of

97 Furthermore, the apparent technological backlash compared to the West became acknowledged. The catching up with the West became an open programme. The acknowledgement of the superiority of know-how produced in Western industrial capitalism became a developmental principle. Western know-how, let it be hard goods, such as technology, or soft, such as management principles were to be imported. The irony of the shift is that this turn occurred paralelly with the hard restrictions on the export of Western technology to the East-European region. The international managerial consulting companies had flourishing business in Hungary during the late eighties. The International Monetary Fund gave loans to the import of technology and know-how. This period clearly witnessed an optimism for economic pluralism, and an uncritical Messianism projected into import of Western technology and know-how. Hungary was conceived favourable by international loaning agencies and the government continued to utilise loans to finance the modernisation project. By the end of the eighties Hungary accumulated the highest per capita debt amongst East-European countries. This debt doubled during the period between 1985 and 1987 (Juhász, 1988, p. 183). Even if the loans were partially directed to technological innovation, large portions of the credit continued to be invested in state socialist mega-projects, such as the waterdam system on the Danube (Juhász and Mohácsi, 1993, 1994).
the mammoth state enterprises. Combined with the drastic cuts in state subsidies and access to government founding, companies were forced to adjust and move toward profitable branches and search for alternative capital. In 1989, the Company Act was amended with sizeable tax benefits for joint ventures, especially for those with foreign capital. Since the fear was raised that the managerial stratum could use the new regulations to get access to state company assets, the Transformation Act of 1989 was aimed at clarifying the status quo. While it further enhanced managerial independence and the transformation into corporate forms, the state became the clear owner of the new company’s shares. However, the new entities continued to be able to buy up to 20% of a state company’s assets at rates reduced by up to 90%.

Having the de facto disposition rights over company assets, company management could utilise the prevailing legal boundaries to transfer state company assets into private subsidiaries. The above-described leasing arrangements also provided opportunities through which private subsidiaries could obtain favourable conditions for the leasing of equipment or buildings. Thus, the new company forms played a role even in case of ‘spontaneous privatisation’ tactics of managerial groups, for example in ‘private capital accumulation from above’. Such cases, where management succeeded in transferring state company assets into private subsidiary companies, raised overt public outrage. Some called on the re-nationalisation of self-managing companies as the precondition for the establishment of clear boundaries between the state’s role as owner of assets and the manager’s role as directors of state-owned enterprises (Auth and Krokos, 1989, Canning and Hare, 1994, p. 185). However, some argued that management was forced to seek remedies to the increasing financial crises of the economy (due to drying out of subsidies, hard capital control, and harder bankruptcy conditions). The new laws allowed the transfer of company assets into new subsidiaries, which were not burdened by the mother company’s debt.

By the end of 1989 an ‘Ownership Reform and Privatisation Programme’ was formulated. A State Property Agency was formed in March 1990. It was aimed at both supervising the economic transformation and privatisation process, and at safeguarding against the plundering of state assets by managers. Furthermore, the agency was to ensure proper valuation of the assets and increase the transparency of transactions. This established a framework for an alternative to the spontaneous privatisation process - state-managed privatisation.

By the end of the state socialist period, the most dynamic segment of state socialist enterprise management found a tool for converting its decision-making power within the state socialist system into economic power in the evolving market capitalist system. This was accomplished by means of using its position and expertise in the former system for acquiring tangible assets. The dynamic groups of co-operative management also utilised the new institutional frameworks. Side activities were easily transformable into limited companies, while according to one pattern, the co-operative enterprises became holding companies. (Bihari et. al., 1993)

*The state’s welfare-creating function and the market adjustment of wages*
Economic self-interest was to stimulate productivity on all levels of the production organisation. Until 1985, a monolithic system of wage-regulation prevailed. The enterprises owed accounting responsibility to the state. The state aimed at securing
and equalising the wage level, (i.e. ‘equal wages for work of equal value’). The average wage level prevailing at a company was to conform to the national directive in order to avoid the deduction of penalties from company profits. It was often in the strategic interest of the companies to avoid unproductive, redundant, low-paid labour, in order to be able to pay higher wages for qualified labour essential for the production process (Swain, 1992 also Swain, 1985 for agriculture). In contrast, the new wage policy allowed for larger differentiation of personal wages and the allocation of a larger portion of company profits for such purposes. Thus, the wages were allowed to vary within wider margins to give scope for stipulation by means of differentiation (Pulai and Vissi, 1984). The means identified by the reform to achieve the levelling affect of socialist goals was the introduction of a *progressive tax system* in 1987.

The budgetary boundaries between finances concerning the state’s function as an entrepreneur and as a welfare institution were made more transparent. The wage’s function to reward a certain labour input (which could be rewarded differentially by the employer) and the previously paramount social welfare function of the wage was to be separated. *By this, the wage system was ‘liberated’ from its function of realising the ideological goal of attaining social justice.* Social guarantees attached to the wage level were replaced with welfare guarantees. By the end of the eighties, even the right to work was questioned, and unemployment was accepted as a necessary phenomenon. The *value of wages* was to be moved gradually into the sphere of the *self-regulating market*. Wages were to be differentiated individually; both according to labour input differences and the supply-demand dynamics of the labour market. This was to allow enterprises to both attract and retain the kind of labour force required for increasing productivity. At the same time, the new policy was to discourage the saving of labour by propping up unproductive branches.

*Labour and self-management*

Self-interest in the labour process was to be encouraged also by the introduction of entrepreneurial features within labour organisations. Groups of workers could form so-called company economic labour units, or ‘VGMK’s (Vállalati Gazdasági Munkaközösség). These could contract labour from the company and were remunerated on piece-rate basis. VGMKs were to increase the contracting unit’s self-determining power over the labour process and the entrepreneurial features of labour contracting. These were intended to increase the workers’ interest in increasing efficiency and productivity. The units themselves could design the division of labour in the production process. The surfacing of worker self-management meant a compromise of managerial monopoly, and represented a step towards the democratic participation of workers in the labour process. Liberalisation leading to the

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98 The sharp decline in the standard of living was accompanied with an increasing social differentiation. Parallel to the increase in poverty for low income categories, a stratum of economically prosperous also surfaced. In 1989 30% of the population lived below the minimum standard of living, see in Ottília Solt (sociologist of poverty and social conditions), interview for Rapport SVT, 1989, Oct 30.

99 See Prugberger and Sindler (1988) for the increase of entrepreneurial features in agriculture.

100 By this the reforms touched a central area criticised by the new left, i.e the alienating affect of the labour process. By the self-management of the labour process, the workers obtained the potential to acquire control over the division of labour within the limits of the given production process.
formation of independent organisations for the representation of labour interests meant a further concession of managerial power.

This model was inspired by earlier sub-contracting models in agriculture, e.g., household production and sharecropping. Sub-contracting schemes were further developed also in agriculture.

**Political reform or constitutional revolution?**

By 1985, these compromises had begun to *erode the ideological integrity of the system*. The central ideological principles\(^{101}\) of the exclusivity of socialist ownership forms and of the priorities of ideological principles over economic rationality had been attacked. At first, the reforms were strictly *economic* in nature and left the legitimacy of the ideological basis of the system untouched (Krémér, and Závoda, 1986). However, the gradual, yet thorough transformation of the socio-economic system eventually undermined the ideological legitimacy of the system. The ongoing reform process reached a level at which the ideological postulates of state socialism could no longer be upheld without obvious inconsistencies.

In Hungary, the 1988 May National Party Congress marked the new political turn\(^{102}\). The congress declared its critique of the monolithically centralised party state. It followed its critique, demanding the separation of the Party and the Government, calling for the introduction of political pluralism and expressing the need for a broad democratic transformation on the basis of the legal state and constitutional revolution (Berend, 1989, pp. 47). Thus, the rebirth of the political society can be traced from the 1988 May Party Congress, which declared the freedom of political association. However, the declaration of the rebirth of the ‘politicising citizen’ (homo-politicus) was not without contest within the party elite (Pozsgay, 1989, pp. 13-15).

‘The MSZMP lost, in the process of the last decades, its initiating power, since it bound its political calling and the realisation of it, to a dogmatic ideology, to an illusionary image of socialism, and to a power form which realised this image by force, while appearing as paternalistic.’ (Pozsgay, 1989, pp. 14)\(^{103}\).

The formation of a pluralist party system and preparation for free elections became the goal. The overall democratisation process allowed for the expression of group dissent in form of strikes or demonstrations (following the relaxation of respective prohibitions). Dissent within the agrarian sector was expressed demonstrations (e.g.

\(^{101}\)\(^{101}\) By the gradual abolishment of state guarantees to keep unprofitable enterprises alive, labour guarantees (right to work) were also withdrawn. Citizenship guarantees for the satisfaction of so called basic human needs, a cornerstone of socialist ideology, such as the right to work, were jeopardized. This is what Kolosi calls the *erosion of the ideological content of the system* (Kolosi, 1989). See earlier Szélényi and Konrád’s identification of the humanisation agenda as the legitimisation ground for the system (Szélényi and Konrád, 1979).

\(^{102}\) Berend pinpointed that by 1988 Hungary lagged behind in the political reform process. By this time the Soviet Glasnost process reached to the critique of the party state (Berend, 1989).\(^{103}\)

\(^{103}\) Pozsgay was one of the leading party figures of the transformation within the rank of the leadership.
winegrowers demonstrations in 1988 or harvesters demonstrations in 1989) demanding an increase of agricultural buy-up (felvásárlási árak) prices. It was seen as a constitutional task to establish the legal frameworks for the transition.

By July 22, 1989, opposition parties gained seats in the parliament and round-table discussions started with opposition party leaders on the management of the transition. By September 18, an agreement was reached to call for multi-party elections during the following year. Thus, the ruling government was but an interim government and could not provide a comprehensive solution to the transition of state property. The reasons for the lack of radicalism of the last socialist government (and consequently of the reform socialist MSZP Magyar Szocialista Párt formed from the split of MSZMP) at the end of the eighties was discussed earlier.

Following the permission issued in 1989 to form alternative political parties, even further-reaching demands were articulated, primarily amongst the opposition. These demands sought a total legal and political reappraisal of the forced collectivisation, and of the destruction of private agriculture. The demands involved a wide range of claims, starting with reclamation of nationalised land and the possibility of reclamning collectivised land, and leading to the possible total or partial dissolution of the co-operative structure (Tanács, 1989). However, the presentation of the agrarian reform plans of the various parties goes beyond the aims of this thesis.

Reform and Agricultural Transformation

The transformation of the agricultural production co-operatives in the renewed reform process evolved along with the ambiguous features of the organisation. On the one hand, the state enterprise features of the collective sphere increased as a result of the consolidation of ownership to co-operative property following 1967 (see above). As an outcome of the increased entrepreneurial features of the co-operatives, the above-summarised economic transformations characterising the mainstream of the economy also characterised the transition of the co-operative corporate structure. On the other hand, by the eighties, the co-operatives’ organisation of agricultural production was even more characterised by the duality of col(m104)

This was the consequence of the previous average wage regulation system, see Villányi, 1985, p 86.

Moderate circles (such as the MDF, Hungarian Democratic Forum) suggested the maintenance of an altered co-operative movement, with ownership rights of the land vested in members and employees, (on the image of part-ownership of workers). On the other hand they requested the re-establishment of and compensation for appropriated land (such as forests and pasture) and for other forcefully appropriated private lands. Similar to the, the SZDSZ (Union of Free Democrats) did not intend to abolish agricultural production co-operatives administratively, neither did they support a new land redistribution. However, they also claimed that the primary owners of the current co-operative property were to be replaced into their rights as owners. They judged the current form of large scale agriculture to be a none-viable economic form and intended to encourage the institutional separation of its various part activities.

On the other end of the political arena are those parties that demanded the restoration of varying historical stages of land-ownership. The MFP (Hungarian Independent Party) considered the 1944 October 5 state (prior to Hungary’s German occupation, which was continued by Soviet occupation, but also was prior to any sizeable land-reform) as ground for departure. The FKgP (Independent Small-holders Party) and the KDP (Christian Democratic Peoples Party) wanted to go back to the state of the 1945 land-reform, whereas the NKgP (National Small-holders Party) to the land conditions of 1947. The MDF (Hungarian Democratic Forum) wanted to compensate for injustice suffered after June 1949, when the first non-free Parliament was convened. See Heti Világgazdaság, 1989, Oct, Pártprogramok: Földnálajdon, in: Heti Világgazdaság, 1990, Feb 10, p 72.
tive and household-based production. The increasing economic crises forced the collective sphere to transfer production to the household-based production sphere to an increasing degree. Consequently, production in the latter was increasing according to a residual principle. While the new regulations allowed large flexibility in the transformation of the corporate structure of the co-operatives, the expansion of household-based production remained captured within the co-operative paradigm. The deregulation of the market brought agricultural co-operatives to a deepening economic crises. Input costs were increasing, while subventions were reduced and terms of borrowing became hard. Here, two main forms of coping strategies are emphasised.

Reform and transformation of the co-operative corporate structure

One of the adaptation strategies used by the co-operatives utilised their expanding enterprise-oriented freedoms. The participation of agricultural production co-operatives in industrial side-activities had already increased during the preceding period. Reforms intensified the shift in the production profile of the collective sphere. The liberalisation of the cooperative’s economic spheres of competence after 1980 led to the further expansion of ventures into non-agricultural areas. These activities often served as an internal subsidisation of primary agricultural activity. In some cases, the agricultural activity became nothing but a camouflage. From the latter part of the eighties, the reforms allowed the institutional separation of units specialised in various production profiles. Co-operatives utilised the increasing alternatives to transform parts or whole of the production organisation. A common trend was the detachment of various sub-units, such as various industrial side-activities. These could be separated as limited companies. Within the agricultural sector, there was a rapid increase in the number of legally constituted companies, from 67 in 1988 to 498 in 1990. During the same period, the number of co-operatives remained similar (1253 respectively 1267) (KSH, 1992c, p. 123). In this respect, co-operative management applied the above-described corporate transformation strategies.

Reform of small-scale agricultural production

The concessions achieved in entrepreneurial freedom sparked a rationalisation of production. The collective sphere experienced increasing difficulties in maintaining the profitability of their agricultural undertakings. One strategy to overcome this diminishing profitability was to transfer production profiles to the household-based production sphere. The cooperative’s collective sphere maintained the industrially manageable fields, such as wheat growing, whereas labour-intensive areas of cultivation which were not as well-suited to industrial methods, such as vegetable growing, were gradually moved into the sphere of small-scale family production. Family farming expanded in importance and commodity production increased (Szelényi, 1988).

However, while, agriculture was a forerunner of the reforms in various aspects discussed earlier, the reform vogue did not result in the radical shifts required for the massive evolution of family-based farming as an independent production organisation. Since the consolidation of co-operative property in 1967, the co-operatives
maintained their monopoly over land. The 1987 Land reform and the 1988 Co-operative and Agricultural Co-operative Laws made only minimal concessions. As the rhetoric, ‘the successful agrarian policy is to be further developed’ indicates, no radical turn was anticipated. Land that could not be utilised profitably under collective forms of cultivation could be leased out for private cultivation. Sharecropping systems were reappraised as beneficial to increase the self-interest of workers. Furthermore, bankrupt agricultural production co-operatives could be reorganised into the looser, special co-operative forms (see above under type I co-operative). Unutilised co-operative property could also be put to use in form of so called ‘internal ventures’ (Prugberger, 1988), which nonetheless remained within the framework of the mother institution, the co-operative. These internal ventures could not possess property separate from the mother institution. Based on the 26/1981 (IX.29.) MÜM decree, part of the production process was allowed to be operated in self-accounting units employing not more than 15 persons. In Szentes, the production organisation was transformed into internal ventures based on the above law. The various ventures could make offers (‘licitál’) to rent the co-operative’s assets. Those offering the highest returns to the co-operative obtained a contract on a yearly basis. Liska’s model, which was applied in the catering industry, serves as comparison to this model. The difference is only that in the above case only co-operative employees or members had the right to ‘licit’ (for an analysis see Prugberger et. al., 1988, pp. 312-322). These stipulations were not intended to enhance to the active formation of a family farms from below the ranks of the worker-peasants (Juhász, 1989, pp.184-185), but nonetheless, they contributed to it.

However, the land monopoly of the state and co-operatives continued to inhibit the expansion of family farms. With unchanged ownership relations within agriculture, the proportion of land utilised within the family based production sphere increased only moderately - from 12.1% in 1985 to 14.9% by 1989. The increase was concentrated in family farming by non-co-operative members. This indicates the growing importance of leasing arrangements within agriculture. Nonetheless, leasing and household-plot production arrangements continued to be bound mostly to the terms of the co-operative.

‘In 1988 during fieldwork in Galgahéviz, I visited a Hungarian private dairy farming entrepreneur. He had 30 cows, and a few horses. Prior to our visit, his lease from the co-operative of a 30 hectares pasture land was not renewed, despite the fact that the pasture was to be left fallow by the co-operative and consequently, was not to be utilised. He started the dairy farm a year ago and invested by building stables and other buildings on the land rented from the co-operative. Since the contract was not renewed he hired a bulldozer in his rage and had the buildings destroyed, so that the co-operative would not benefit at his expense from the buildings. Meanwhile, some of his customers were just taking out two horses for a ride. He was constantly moving, giving orders to the bulldozer operator, checking with the rider family and calling the milking process in the still standing part of the stable, inviting us generously on fresh milk and wine, while explaining us his conflict with the co-operative’ (Notes from 1988 summer).

As this case suggests, there was plenty of spirit to initiate private ventures, yet the prevailing structures in agriculture inhibited the expansion of grass-root capital
accumulation. Instead, the reforms opened the opportunities more radically for transformation initiated from above, by the top level of management.

**Summary**

From the mid-eighties onward, the agricultural sector lost its progressive nature. The influential position of the agrarian lobby delayed the radical transformation of the agricultural sector. The reform process radicalised the opportunities of transforming large-scale, industrial type organisations. In contrast, the further expansion of family farming continued to be captured within the framework permitted for transforming co-operative production. The agricultural reform ideas of the government envisioned the main line of transformation of agriculture to be similar to that of industry. Juhász emphasises that the interest of the agricultural lobby in maintaining the co-operative structure delayed the formation of a radical agricultural reform policy during the reform vogue of the eighties (Juhász, 1989, pp. 183). The agricultural lobby was captured in the iron cage of the co-operative doctrine in a dual meaning. On the one hand, the power base of the agricultural lobby was based on the continued existence of the co-operatives. On the other hand, the ongoing pluralisation of the economy by transition from above opened opportunities even for the co-operative elite to convert its managerial power to economic power. From the end of 1988, the necessity of radicalising the transformation of agriculture became also accepted on the party level. Such radicalisation included the demand to liberalise land market restrictions and the prohibition for private persons to buy land. However, the evolution of a radical reform programme for agriculture had to wait for the transition period. The MSZP’s (Hungarian Socialist Party) new programme came too late to ever be introduced.

The comprehensive transformation of agriculture awaited the post-socialist epoch and a new code on co-operation and on the dissolution of co-operatives, after which, the various compensation laws set the legal framework for the transition. Despite the right guaranteed in the above laws to detach land for family farming, the overwhelming majority of the owners created by the procedures following the transition chose to return the land into collective forms of cultivation. It was through the residual principle that the bulk of family farms evolved. Their pool was both the land of the renewed, and later, dissolved co-operatives - and of the dissolving private companies, which formed as ancestor organisations from the dissolution of former co-operatives (see in more detail in Asztalos Morell, 1999 forthcoming).

From 1985 onward, the reforms gradually eroded the ideological core of state socialism. Major compromises helped legitimise private capital accumulation and self-organising production forms, including worker self-management and the liberalisation of the interest-organisations of civil society.

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The legitimisation of private capital accumulation occurred in a controversial form, since it permitted the influx of foreign capital into the state-socialist redistributive economy. This had the consequence of intermingling party/state-controlled property with international financial ownership. The early initiation of the flow of foreign capital into Hungary established the foundation for the relatively large importance of international capital in the post-socialist privatisation in Hungary. Privatisation by means of the sale of state-owned companies to foreign capital remained a dominant form of privatisation - even in the post-socialist period. However, the study of the post-socialist transition falls beyond the focus of this thesis (see on agricultural transition Asztalos Morell, 1999).

Amongst the internal means of transition to pluralistic economy two alternatives emerged: the internal transformation of state and co-operative owned to private enterprises and the emergence of private enterprises via grass-roots capital accumulation. By the late eighties the reform process reached a level at which the ideological postulates of state socialism could no longer be upheld without obvious inconsistencies. This led to the erosion of the ideological core of the system. This process undoubtedly led to the final dissolution of the one-party paradigm in 1988, as was described above.

One path by which the technocratic elite sought to rescue its power was to transfer its positions in the central-redistributive system into convertible positions in the newly-establishing production system. The loopholes in company laws were utilised by the most ‘dynamic’ elements of the state socialist management to transfer positions in the state socialist economic elite into tangible assets. In the evolving market economy the ‘whicket-holes’ opened for capital accumulation were largest for the transfer of soft capital assets (what Szelenyi called with Bourdieau’s term, cultural, political and social capital) accumulated in managerial positions into economic capital (Szelenyi, 1995).

The realisation of the deconstruction of state socialism carried with it the gradual erosion of the state guarantees that constitute welfare socialism. The reformers had to cope with social unrest following the erosion of these welfare guarantees. Consequently, they needed a broad base of support. Concessions had to be extended in two directions: First, this meant concessions towards increased labour autonomy. This appeared to be a historical cul de sac. Workers could convert their status from wage labourers into petty-entrepreneurs. In the form of collective work brigades, they could contract their labour to the company, while maintaining control over the organisation of the labour process. By the late eighties, the possibility of worker’s control over enterprise capital was even discussed as a developmental direction.

Some version of these ideas appeared on most political platforms prior to free elections. However, these discussions faded quickly after the post-communist take-over. The other direction of the concessions pointed toward the legitimisation of internal private capital accumulation. This also created for many, the image of a golden

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108 Hungary received the highest amount of Western investment amongst the so called transition economies, see World Bank, 1995b. The state socialist management is highly represented amongst the new elite in the transition economies (Kovách, et.al.). The favourisation of foreign investment offered one potential path for the former management to transfer its power positions in the transition to capitalism (Kiss, 1991, p 312, Swain, 1992, p 29)
age - the chance for independent existence. Meanwhile, the path of capital accumulation from below was inhibited by the lack of capital markets. Szelényi describes how rural entrepreneurs gathered the capital for their venture from family reserves and from usury loans on high interests. Bank loans were nothing to be considered (Szelényi, 1988).

Thus, in the shadow of the large-scale transformation of the economy at large - and the co-operative as a form of production, co-operative workers persisted stubbornly with various forms of household-based production forms. Szelényi, argued that the parallel society based on the second economy growing in the shadow of the redistributive economy contained the roots of the emergent embourgeoisment. However, it was only a small fringe of this alternative sphere that met the preconditions for entering the reopening road of embourgeoisment and capital accumulation. The overriding majority of activities remained on a subsistence production level and served as a subsidy of the low wages earned in the socialist spheres of production. Consequently, the majority of second-economy activities were subordinated to the redistributively-controlled monolithic system, and served as an extension of the buying power of wages. The generalisation of a double source of existence was supplied from an underdeveloped sphere in the shadow of the dominant system of central redistribution, subsidising the latter and being subordinated to it. It evolved into an autonomous source of existence in a critical mass only after the reforms following 1985.

4. Summary

This chapter has focused on how external political and economic regulations provided a changing framework for the evolution of the system of agricultural production co-operatives. The evolution of family farming, following the land reform in 1945, was captured by increasing pressure for collectivisation and reduction of the market that followed the year of turn in 1949. The period between 1949 and 1956 was characterised by repeated interruptions in the evolution of the production organisation of agriculture. The overview of the historical process of the emergence of agricultural production co-operatives reveals that the historical preconditions of the socialist transition (the skewed land distribution and weak peasantry) established the formation of collective forms of cultivation as a possible alternative - at least for parts of the agrarian population. However, collectivisation was realised by force and coercion for the agrarian population at large. In contrast, the balance between collective, and household-based production forms, evolved along with the ongoing renegotiation of the boundaries of the latter. In this ‘negotiation’ the co-operative doctrine was not brought into question. Nonetheless, household-based production succeeded in gaining concessions, which allowed the gradual expansion of the scope of permitted activities in this sphere. The evolution of the Hungarian agricultural model following 1956 can be divided into three periods: 1) the consolidation period (1957-1968); 2) the reform period (1968-1978); and 3) the new reform vogue (1978-1989). These three periods are used throughout the thesis to illustrate the differentiating stages of the evolution of the various aspects of agrarian structure.
With the establishment of agricultural production co-operatives as the dominant production organisation, a relatively long (close to 30 years) evolutionary period followed. In contrast to the period prior to 1956, which was characterised with abrupt and repeated interruptions in the institutional conditions of production, this epoch was characterised by a gradual process of institutional change. Evolving within the limits of state socialist domination, the reform process allowed the unparalleled development of the forces of production within agriculture characterising the Hungarian agricultural model, as was described in Chapter 2.

The transition of production relationships within the agrarian sphere obtained a paramount position in this process. In agricultural production co-operatives, the proletarianisation of labour was not fully accomplished. The stubborn survival of family–based, small-scale agricultural production, was seen by Szelényi as the source of resistance which forced the ‘teleological’ (i.e. redistributive, bureaucratic) leaders to increasing concessions towards the liberalisation of the system (Szelényi et al., 1988, Ágh, 1989).

The evolution of the symbiosis between household-based and collective production spheres reached a phase by the eighties in which the prevailing institutional framework hindered the expansion of family farming. Meanwhile, the new institutional alternatives, such as internal ventures continued to meet the limiting impact of prevailing institutional limitations, such as the co-operative’s monopoly of land. A relevant question to ask is to what degree was the household-based production of co-operative workers successfully transformed from a shadow activity, integrated with and subordinated to the co-operative, to an economic activity by own right. Also, to what degree, if at all, was this activity a ‘capitalist’ activity or, alternatively, an economic activity, which maintained the features of a household-based production form, which, nonetheless, emerged in a market economy.

Part II focuses on theoretical challenges to the interpretation of co-operative transition under market socialism as a social process with a main emphasis on the shifting balance between collective and household-based production is going.
PART II

Theorising Agrarian Transformation
Co-operative workers could maintain a household plot for subsistence production. An older woman going home with the vintages from the own grape-cultivation.
Picture 5. Women did most of the labour in subsistence farms during the sixties.
Women were often employed as seasonal labour. Female hoeing brigade in the sixties.
CHAPTER 4

Agrarian Transition During the Evolution of Market Socialism: Sociological Interpretations

1. INTRODUCTION

This chapter provides an overview of the evolution of a critical perspective on the reform process in Hungary. Theories which bring into question the ideological postulates of state socialist ideology are used to critically examine the system. In Hungary, in contrast to other state socialist countries, the dissolution of the party-state was initiated from above, without mass pressure from below. First among East European countries, the party state allowed the free formation of political parties. This began the preparatory stage for the announcement of free elections in 1989, which led to the final destruction of the state socialist system. The party decision was the outcome of a process of gradual disintegration of the state socialist system. Economic reforms, which were initiated in 1968 led to piecemeal changes in the economic system. By the end of the eighties, the Hungarian state socialist economy had undergone three decades of reforms. Up to the last, the repeated reform attempts claimed continuity with the same ideological basis (party-state domination and denial of private property based capital accumulation) (see Krémer and Závada, 1986). Strengthened by the unfolding economic crisis in the late eighties these changes forced the leadership to increasingly dilute the ideological base of the system. The radical changes of the eighties affected the guiding mechanisms of the economy, initiated a liberalisation of property relations, and transformed social policy principles as well as processes of social differentiation. Meanwhile, as it was shown earlier, reforms concerning agriculture failed to bring into question the priority of socialist production forms. The transition of the co-operative production form is interpreted in the context of an evolving market socialism. Thus, my intention is to elaborate an interpretation of this transition in order to provide a critical perspective to the socio-economic context of the dominant economy. It is within this context that the transition of the co-operative as a specific form of production is interpreted. Therefore, my goal is not to provide an exhaustive overview of the critique of the state socialist system in the East and in the West. Neither is it to provide an all-encompassing overview of all interpretations of these changes. Rather, my focus is on the presentation of ...
pretational frameworks of the social processes during the state socialist reform period which were seen as relevant to the understanding of the development of the co-operative as a form of production during the evolution of market socialism and which were influential in the development of my own understanding. The Hungarian debate is treated preferentially due to its closeness to the very events in the focus of my analysis. The reform process was also followed by a gradual liberalisation process. The scope of critical interpretation of the ideological postulates of state socialist economy widened, parallel with the unfolding of the reform process. The expanding scope reflected the changes in the moving target of reality, where social processes crystallised into identifiable entities. The changing political climate affected the scope of tolerated interpretations as well. The chosen position taken in relation to the main course of events could promise different possibilities for influencing the evolution of the events within changing political climates. The viewpoints of various authors are viewed as articulated in the context of the evolving complexity of social reality, where changing time and space could provide a variety of opportunities for the authors to articulate the contradictions of the system. The focus is on the presentation of various viewpoints which were influential in the forming of the analytical framework of this study, and not to provide an overview of the life work of the various cited authors. The review of this literature has even an idea-historical importance. However, while this idea-historical aspect increases the relevance of this literature, a comprehensive idea-historical review goes beyond the aims of this analysis.

The review of critical studies on the transition of state socialism is important in order to articulate the climate and the complexity of factors that had importance in the evolution of the so-called Hungarian agrarian model. This analysis also makes it possible to place the agrarian transition into the context of state socialist transformation and to articulate to what degree these co-operatives embodied the general features of state socialist economic institutions and in which way they were specific. Critical perspectives regarding the evolving reform process are grouped into two broader categories. First, theories which call into question the economic postulates of the state socialist ideology are discussed. These theories focus on the economic contradictions of the system as driving forces in the ongoing reform process. Second, relevant theories are used to scrutinize the social and political contradictions that form some of the driving forces behind the ongoing reform process. The latter are further divided into theories focusing on the internal contradictions within the elite as driving forces of change and theories which identify social pressures from below as the driving force of change. In this context, the household as a source of social and economic protest is in the spotlight.

2. The Critique of State Socialism as an Economic Project

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1 See the debate between Kolosi, Nagy, and Róna Tas, in Replika, 1992. As Andorka pointed out in his contribution, it is misleading to take various theories out of the context of the period of state socialism they were written in.
In Hungary, a radical critique of the state socialist economic system evolved. These theories disputed the ideological postulates of state socialist economy. As Kornai formulated: "Neither deductive logic that starts out from realistic assumptions nor historical experience seem to confirm that we are progressing towards a perfect, contradiction-free society" (Kornai, 1985, p. 4). Kornai revealed the specific contradictions and vulnerabilities of the state socialist economy, such as the generalised shortage causing both deprivation of choices and subordination to the market (Kornai, 1985). Others critically evaluated the rising importance of the second economy (with its ultimate inefficiency, low returns and self-exploiting life-style, see Galasi and Gábor R, 1981) as a sign of a malfunctioning state socialist economy. In the following sections, the shortcomings of the formal (first) economy, the paradoxes of the informal (second) economy and the shortcomings of reform attempts are reviewed.

2.1. THE FIRST ECONOMY²

Kornai viewed the state socialist economy as a system providing a framework for system-specific economic agency. It was through decisions based on the motivations and attitudes of the economic agents that the structural constraints of the economy were manifested in everyday life. Kornai found the roots of internal contradictions in the system-specific conflicts of a socialist economy: "Such conflicts do not stem from the faults of a particular manager, from bad planning or a bad style of work. The cause lies deeper than those, in the power structure of society and the form of ownership and institutional system in it" (Kornai, 1985, p. 3).³

State socialism was built upon the negation of private property. The managers of state socialist property were not responsible as private persons for their economic shortcomings. The essential character of the economic shortcomings of the system were often associated with its historical origin. The system was formulated in the political struggles of the forming Soviet system in the '20s and '30s: The Soviet power had to be protected and built alongside the continued challenge, military and later cold-war from the Western industrialised powers. To respond to the Western challenge the adopted solution was to build the Soviet union into an industrialised military great power. As Kolosi puts it: "the method the Stalinist leadership adopted to monopolise the Preobrasenszky-Trotsky-Group's concept of highly centralised and militarised accumulation, that they adopted to stabilise an emergency situation and to start on an attempt to transform the backward Russian economy into a developed industrial military great power" (Kolosi, 1989, p. 9). The monolithic-terrorist political system derived in the emergency situation attempted the industrialisation of the backward Russian economy by monopolising and centrally reallocating the country's resources according to the politically determined goals of fast industrialisation. The system adapted to the production goals of Western industrial capitalism. In contrast with the capitalist self-regulating market goods were stripped from their exchange value. Goods were produced according to their politically determined use value. The elimination of the self-regulating effect of the market, created an economic planning system directed by politically determined voluntaristic autocracy. Although, by the centralisation of resources a fast progress was achieved in the historically backward regions of Eastern-Europe, the limits of growth became obvious. By the end of the state socialist epoch, the gap was ultimately expanding between Western industrial and Eastern state socialist societies (see also Berend, 1996, p.7). The most obvious expressions of which were the technological gap, an economy of shortage, the increasing indebtedness to the West and the expanding difference in the standard of living between the East and the West. In Hungary the economic crises contributed to the continuation of reform efforts.

² The essential character of the economic shortcomings of the system were often associated with its historical origin. The system was formulated in the political struggles of the forming Soviet system in the '20s and '30s: The Soviet power had to be protected and built alongside the continued challenge, military and later cold-war from the Western industrialised powers. To respond to the Western challenge the adopted solution was to build the Soviet union into an industrialised military great power. As Kolosi puts it: "the method the Stalinist leadership adopted to monopolise the Preobrasenszky-Trotsky-Group's concept of highly centralised and militarised accumulation, that they adopted to stabilise an emergency situation and to start on an attempt to transform the backward Russian economy into a developed industrial military great power" (Kolosi, 1989, p. 9). The monolithic-terrorist political system derived in the emergency situation attempted the industrialisation of the backward Russian economy by monopolising and centrally reallocating the country's resources according to the politically determined goals of fast industrialisation. The system adapted to the production goals of Western industrial capitalism. In contrast with the capitalist self-regulating market goods were stripped from their exchange value. Goods were produced according to their politically determined use value. The elimination of the self-regulating effect of the market, created an economic planning system directed by politically determined voluntaristic autocracy. Although, by the centralisation of resources a fast progress was achieved in the historically backward regions of Eastern-Europe, the limits of growth became obvious. By the end of the state socialist epoch, the gap was ultimately expanding between Western industrial and Eastern state socialist societies (see also Berend, 1996, p.7). The most obvious expressions of which were the technological gap, an economy of shortage, the increasing indebtedness to the West and the expanding difference in the standard of living between the East and the West. In Hungary the economic crises contributed to the continuation of reform efforts.

undertakings. Localised risk was minimised due to state intervention into the economy. Kornai’s distinction between direct and indirect bureaucratic control was introduced in Chapter 3. According to this view, in planned economies, economic development was directed by direct bureaucratic control mechanisms. The transition to market socialism in Hungary led to the easing of direct control mechanisms. Compliance with the plan was to be encouraged by ‘market’ mechanisms, rather than required by direct measures. Kornai called this system of state intervention indirect bureaucratic control (Kornai, 1987). One adverse result was that resources from successful enterprises were re-channelled by means of subventions and subsidised preferential investment targets, and benefited even unsuccessful enterprises. This decreased the risk taken by unsuccessful ventures. The limited nature of economic risk-taking made decision-makers more predisposed toward investment. This, in turn, fostered a climate of overheated demand for goods, and contributed to an extensive expansion of the economy. This soft budget constraint also created a continued demand for labour. Hence, the state socialist economy was resource-limited, i.e. it expanded to the limits of its resources. This overheated demand was seen to characterise the demand for labour and was interpreted as the cause of what became depicted in the eighties as women’s over-employment (see Chapter 10). In contrast, in a capitalist economy, the hard budget constraint allows the selective mechanisms of the market to set limits for expansion. Consequently, the expansion in market economies is limited by demand rather than by the availability of resources (Kornai, 1985).

As the discussion in Chapter 3 indicates, while co-operatives benefited from the decentralisation of economic control and the increased enterprise freedom following 1968, the continued measures of indirect bureaucratic control fostered the adherence to preferential investment targets subsidised by state projects. Even if decision-making over production targets was transferred to the co-operatives, these decisions were circumscribed by the features of the market, the state monopoly on marketing (with the exception of some goods) and by state market regulation (price setting, subventions). From the seventies onwards, co-operatives could utilise the prevailing demand on small series production of service and industrial goods. Thus, under the conditions of imperfect markets characterising state socialism, wicket-holes existed where market mechanisms gained effect and companies could act as risk-taking ventures. Non-agricultural venturing of the co-operatives could be considered as one such sphere. These were considered to be more adjusted to supply and demand variations in the imperfect state socialist markets than the mammoth industrial enterprises (Papp, 1985, p. 11). According to Harcsa, Kovách and Szelényi (1994), by the eighties, the agrarian sectors survival depended to large degree on the profits derived from industrial side-activities.

The results of Donáth’s large-scale study of the relation between work and ownership in the industrialising agriculture, made it apparent that expectations bound to the superiority of large-scale socialised (state owned and collective) production systems in agriculture have not been realised (Donáth, [1979], 1992). Building on his earlier theory, he argued that the co-operative ownership form has advantages compared to state ownership, since the co-operative member has a personal interest in the improvement of work. This personal interest is realised in an even more concentrated form in the household-based production of co-operative workers. He
claimed that it was this personal interest that explained the large differences between the productivity and efficiency figures in state, co-operative collective and household-based production. While the efficiency of production declined in all production forms, it declined least in the household-based production form and the most in the state sector\(^4\). Donáth pinpointed three neuralgic points of Hungarian agriculture: degree of enterprise independence, the degree to which the enterprise and the worker was personally interested to realise production targets and the supply to agriculture of industrial goods. He argued that co-operative enterprise independence was negatively impacted by the mergers that occurred and that enterprise independence was jeopardised by the subsidy system. This redirected resources from successful to unsuccessful units. Furthermore, the personal interest of co-operative members declined as a consequence of the consolidation of co-operative property. This was also weakened due to the transfer of member influence on decisions from the general assembly to the representatives assembly.

At the end of the eighties, Kopátsy (1986/87) declared all forms of socialist agriculture (i.e. including both state and co-operative) to be nonviable forms of production in agriculture, since here, personal engagement plays an even higher role than in industry. The disinterest of workers had far greater effect on the production results in agriculture than in the industry. Thus, family-based production organisation were seen to fit agriculture.

2.2. **THE SECOND ECONOMY**

In the shadow of perpetual shortages and low wages, an economic sphere which operated beyond the control of the state economy flourished. While some viewed this informal economy as a transient phenomenon, Galasi and Gábor R. conceptualised it as a symptomatic feature of state socialist economy and introduced the term *second economy* (Gábor, R and Galasi, 1981)\(^5\).

The second economy was perceived as a phenomenon existing alongside, and in varying degrees, even in opposition to the state-socialist economy. Galasi set the limits for the second economy broadly, and included, along three dimensions, distinct types of activities, such as 1) household-based production, 2) the drawing of benefits out of one’s position in the formal economy (e.g. in forms of tips, but also as advantages to get access to certain social benefits), and finally 3) purely illegal activities, (such as, bribes accepted in return for favours done utilising one’s official

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\(^4\) Donáth measured efficiency by the produced new value for every 100 Forint spent on production costs. The figures for state, co-operative and household were 33, 57 and 73 respectively. He compared also the produced new value for every 100 Forint gross production value (which gave the figures 25, 36 and 56 respectively). The co-operatives showed double return measured in the produced net production value for every 100 Forint worth production assets than sate farms (Donáth, [1979] 1992, pp. 216-217).

\(^5\) The term was coined by Péter Galasi and István R Gábor (1978, 1979). For an overview of different aspects of the second economy in Hungary and particularly its role in the gradual fall of state socialism, see Róna-Tas, 1991. This concept has similarities with what is defined as the informal economy in the West (Ingelstam, 1980, Pahl, 1984, Mignioni, 1988). However, the concept of the second economy, as was shown above, reflects a content reaching beyond that of the informal economy. On the one hand the economic weakness of the state redistributive economy created larger opportunities for the growth of this sphere then was experienced in the West (Galasi at seminar Dept of Economic History/SCASSS, 1989). On the other hand the state, realising its incapability to fight against the apparently negative effects of the second economy on the performance of the first economy showed increasing readiness for the integration of this sphere into the formal economy, a tendency lacking in the West (Szelényi, 1988).
position). According to an estimate in Hungary in 1985, 45% of incomes originated from the first (formal) economy, 35% from the second (informal) and 20% from pensions and allowances (Kovách, 1995, p. 84). Overwhelmingly, the most important activity in the second economy was agricultural household production. According to Kovách (1988) 3 million people participated in it in the eighties. Galasi described the second economy as a symptom of the sickness and malfunctioning of the state socialist economy, and as detrimental for both the working morale and for the functioning of the state sector. At the same time, the second economy was also characterised by low productivity, low concentration of capital and rudimentary technology. Thus, Galasi pointed out the deficiencies of both the first (formal) economy and in the second (informal) economy, and saw the two systems as interdependent. The second economy, in Galasi’s view was a ‘degenerated’ phenomenon rather than a sphere piloting economic progress. The concept of the second economy highlighted its features as responses to the malfunction of the state socialist system.

In the critique of the second economy, much remained unstated about how the formal (first) dominant state socialist economy benefited from the second economy in the short-term. It permitted the reproduction of the labour force at an acceptable consumption level, despite the fact that the state socialist sphere of production could not reach a productivity level that would have allowed reproductive wages – a level which would have been able to finance the costs of reproducing labour power at a similar consumption level. In this way, the second economy served as a political pacifier. In the longer run, it assisted the reproduction of the state socialist sphere of production with its inherent weaknesses.

The large-scale expansion of the second economy into other spheres of the economy by the end of the state socialist period also indicates that the second economy, in contrast to the above views, had potential for development. This potential was utilised in the concessions made in the reforms of the eighties. As was shown in Chapter 3, opportunities for internal labour contracting (VGMK) opened up for workers, private enterprises could start, etc.

A different perspective grew up among those who turned the spotlight on the informal economic institutions of the civil society. A series of studies were produced during the eighties which documented the richness of important economic activities that were carried out outside of the main-stream of the state socialist economy. These activities utilised the informal reciprocal networks of civil society and compensated for the poor functioning of the socialist economy. Within these institutions the importance of the household earned a special position. It was praised as an ‘eternal’ institution, which not even the state socialist regimes could dissolve (Sik, 1989). The household, as it is further developed in the next section, was perceived as an institution that challenged the attempts of the monolithic redistributive system to achieve its extinction. The household maintained its productive as well as its reproductive functions, and it was ‘discovered’ that a substantial portion of labour time in Hungary was spent in the households with the reproduction of labour power.

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6 To make an example. In Hungary more than half of newly built housing was built by private persons. A large percentage of these were built with the reciprocal assistance of neighbours, friends and relatives (Sik, 1989).
and other productive activities. Nonetheless, its social and economic importance had previously largely been neglected (Timár, 1988).

In agriculture, the importance of the household gained special attention. As it was discussed in Chapter 3, the economic and social importance of household-based agricultural production was at first viewed with tolerance, but was eventually recognised as a symbiotic, complementary part of the state socialist production system. Even if household-based production became more and more acknowledged as an integral part of the co-operatives, this was to occur within the limitations provided by the legislation. This legislation circumscribed the opportunities for the expansion of the household sphere, as a result of the land monopoly of the state and co-operatives, or of setting limits on the size of the activities (see more in Chapter 8). In the economic analysis of the eighties, the advantages of family-based agricultural production over collective production forms were better understood (Donáth, 1979, 1992, Kopátsy, 1986/87) as well as the lack of radicalism in the reform ideas in the agricultural sphere (Juhász, 1989).

2.3. THE NATURE OF ECONOMIC REFORMS: RATIONALISATION OR CONCESSION?

The post-Stalinist period manifested continuous attempts at improving the system in all state socialist countries. According to Kolosi, attempts to correct the system occurred in two directions. They were either changes not providing a fundamental challenge to the system (such changes were typically directed to the rationalisation of production or to fight corruption); or were so-called concessional reforms, which built on compromises and the opening of 'wicket-doors,' to use Kolosi's expression. These implied an ultimate loosening of the logic of the system. Consequently, as Kolosi puts it: such "... reforms are always and everywhere accompanied by the gradual erosion of the principles of this social model." (Kolosi, 1989, p. 9.). The loosening of the system's logic resulted in the development of parallel systems: "if these concessional reforms ... obtained a critical mass in certain fields, then a double social structure is produced, the symbiosis of a redistributive and a self-controlled society is realised without the two becoming organic." (Kolosi, 1989, p. 12). This alternative, self-controlled structure has the potential to provide a viable alternative to the redistributive model if it is allowed to develop to a critical mass. Both Hungary in the late eighties, and Yugoslavia could be considered to have reached a critical phase, according to Kolosi.

Thus, Kolosi viewed the Hungarian reform efforts as typical of the concession model. However, the 1968 reforms especially – as well as the more radical form the reforms of the eighties – acted on the other front as well. In parallel, they aimed at the rationalisation of the state-monopolistic sector (i.e. the first economy) by detaching it partially from the state's supervision, and at gaining support and stability by pragmatic compromise with alternative spheres of development (i.e. by concessions to the private sphere). Illustrated by the case of agricultural production co-operatives on the one hand, the reforms increased managerial freedom from the plan, and extended the affect of market forces. On the other hand, the reforms represented compromise and concessions in their increased tolerance – and later encouragement – of the alternative, non-state socialist household-based production sphere. It is another question that the reforms did not succeed to detach the state-monopolistic economic sector from the state's overriding bureaucratic influence.
Neither could these provide guarantees for the autonomous functioning of production units, since the state’s role as controller of the redistributive process was retained (through its control over capital and prices). Neither had the state liberalised its control over the levels of production in alternative production spheres it tolerated, such as with the enforcement of the limitations on the free expansion of household-based production.

Kolosi summarises the lessons of the Hungarian concessionaire reforms: first, they allowed spontaneous processes in areas that did not appear to threaten the basic structure of the system, but where their absence would have contributed to shortage or instability. In such areas ‘wicket-doors’ were opened. Second, a second economy could evolve where the first economy possessed the necessary power to draw the second economy under its control. The maladjustment of the two systems resulted in an ‘ideological schizophrenia’ and value crisis. Behind the formal redistributive mechanisms, an ‘informal corporate political decision-making system’ was created that functioned through bargaining between ad hoc interest groups: "Monolithic unity was changed by a heavily distributed political structure" (Kolosi, 1989, pp. 13). Finally, pluralistic structures evolved within all spheres of existence – economy, politics and society.

Whereas concessionary reforms proved viable for short-term survival, they were not viable as a mechanisms to recreate long-term economic and social stability. From the late eighties onwards, the reforms in Hungary attempted to open concessions even wider, by on the one hand further liberalising alternative ownership forms, and on the other hand, by opening up for importing both technological ‘hardware’ and the broader know-how and economic management systems that had proven successful in the West. However, these soft imports commonly malfunctioned in the prevailing system and contributed further to the schizophrenic nature of pluralistic structures and values.

Hence, in this interpretation, the reforms served only to delay the unavoidable final crises of state socialism, and were no more than survival reflexes of a system flawed beyond repair. This irreparability seemed clear especially in countries where three decades of continuous reform policy has exhausted the potential for concessionary reforms. Such was the case in Hungary during the late eighties (Kolosi, 1989, p. 14).

2.4. **SUMMARY**

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7 The implementation of the tax-system provides a good example for the maladjustment of Western ideas to the convoluted East-European reform economy. A functioning tax system is one precondition for the possible coexistence of a market oriented economy and a welfare state. The reforms of the late eighties had a limited liberalisation of property relations as an explicit goal. By this the policy opened channels for internal capital accumulation. At the same time the steps for a regulated integration of foreign capital into Hungarian entrepreneurial property were also made. However, while foreign capital enjoyed preferential taxation benefits the capital-week Hungarian petty-embourgeoisment was punished with excessively high progressive taxation. The adapted taxation system copied the Swedish taxation system, about the time when this system was abandoned in Sweden itself, due to regressive effects it was attributed to have on the economic development. Further anomalies of the tax system were the lacking integration of prevailing central regulation of incomes. Due to the double-regulation of certain spheres of income, (i.e. one through the continuation of the central regulation of wages, and one through the newly introduced system of progressive taxation) the taxation system could not function as a self-regulating system. In the sphere of the formal economy its effects were corollary.
The above theories viewed the market socialist transition as a process evolving in reaction to the economic contradictions of the system. In this respect, the contradictions of state socialism in the first (formal) as well as in the second (informal) economy were perceived. From the perspective of economic critique of society, the dissolution of the system was a consequence of the gradual dilution of the hard core of ideological postulates regarding the economic functioning of the system. While the importance of the economic critique of the system is not called into question, in the next section I turn to the discussion of theories which focus on the importance of underlying social processes in explaining the dynamics behind the transition to market socialism.

3. **THE CRITIQUE OF STATE SOCIALISM AS A HUMANISATION PROJECT**

3.1. **INTRODUCTION**

The aim of the following section is to analyse the reform transition as a social process. In Subchapter 3.2., theories that conceptualised the internal contradictions within the state socialist power elite are discussed. Subchapter 3.3. discusses those theories which focused on the importance of social pressure from below as the driving force of change.

3.2. **THE REFORM AS THE CATALYST OF SOCIAL TRANSITION FROM ABOVE**

Paralleling the evolution of the critique of state socialism as an economic system – the impact of which culminated in the 1968 reforms – a critical perspective evolved even of state socialism as a humanisation project. In Hungary, Ferge’s work is considered as the first systematic sociological analysis of the state socialist society as a hierarchical system (Ferge, 1969). Ferge identified the participation in the societal division of labour as the main stratifying factor in state socialism, a formation where the ownership of the means of production lost its dividing function. Ferge perceived the stratification of state socialist society as hierarchical, where the position in the societal division of labour and on the ladder of decision-making over societal resources defined a person’s situation within the hierarchy. However, Ferge perceived that the societal division of tasks was a necessity, as was the presence of a hierarchical stratification. Ferge argued that the socialist goal of equality was to be achieved by providing equality of access to positions of power. Her aim was the social engineering of societal reproductive processes within sight of the goal of equalising access. The fundamental means of increasing the equality of human existence, by equalising opportunity, could evolve from the extension and perfection of the state’s redistributive function (Ferge, 1979, pp. 72-112). Thus, according to Ferge’s view, the goal of humanisation has not yet been achieved. However, she did not refute the possibility that this can be realised within the framework of the system.

In contrast, the ideological critique of state socialism formulated by the so-called Budapest school provided a radical refutation of the ideological claims of the state socialist regimes articulated from the standpoint of a Marxist vision of humanisation (Hegedüs, 1976, Heller, 1976). Heller described the party state as a hegemonic ruler, utilising the socialist economy for its own benefits. The party state did not
succeed in eliminating the alienating nature of production that characterises industrial capitalism. In some aspects of life it has further depressed the human condition. Heller also identified the failure to transform of the conditions of reproduction as one of the causes of the failure of the emancipatory project. The family continued to transmit property and in this way to reproduce possessive relations.

Szelényi & Konrád's theory further developed the radical critique of state socialist redistributive power as a source of social and economic domination under state socialism. They claimed that the national versions of state socialism could not have been reproduced had it not built on the evolution of internal power elites interested in the maintenance of their control over the redistribution of resources (Szelényi and Konrád, 1979). State socialist regimes justified their reign by proclaiming themselves as the ideological leaders, the very 'vanguard' of the realisation of the dictatorship of the proletariat. This stage was to lead to communism. Szelényi and Konrád perceived this ideological claim in a pejorative meaning. In reality it was not the proletariat that exercised power, but those in redistributive power positions, i.e. the intelligentsia. Under state socialist regimes the control over the redistributive process and societal resources constituted the underlying power base of social differentiation. Thus, property relations ceased to be the essential medium for the transition of inequalities. Those in positions of power (i.e. the redistributors) simply reproduced the system guaranteeing the power base of their own privileged position.

They questioned the applicability of the Marxist class concept to the description of state socialism. Referring to Weber, they considered its applicability to be restricted to societies based on self-regulating markets. However, the broader application of the Weberian concept of power allowed them to conceptualise other means of legitimising power than the ownership of the means of production. Polányi's economic integration models (Polányi, 1976) and analysis of the form of power legitimisation in redistributive pre-colonial societies formulated power legitimisation grounds other than property relations. Similarly to some of the 'ancient' societies described by Polányi, the disposition right over surplus products served as the central means for the organisation of power under state socialism as well.

Szelényi and Konrád viewed the evolving reform process as bound to a power struggle within the ruling class. They conceptualised the redistributive power as internally divided. The two major factions were, the teleological redistributors, that part of the ruling class which justified its mandate with the state socialist ideology, and the technocratic redistributors, the stratum that fought for the take-over of power, justifying its claim by arguing the need for rational redistribution and the necessity of professional knowledge in building state socialism. The reform process expressed the ethos of technocratic redistribution. However, even the technocratic

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8 Heller (1976) disagreed on this point. She saw that family's continued function as the transmitter of private property led to the reproduction of possessive relations, resulting in the deformation of socialist principles.

9 Marx interprets the antagonistic class positions to be determined by the relations of production.

10 Szelényi and Konrád wrote their work during the early seventies. Their work was inspired by the 1968 reform process, and the disillusion following the Prague events.

11 For another interpretation of the backlash see Hedlund (1992), who emphasised the impact of the oil crises on the backlash of the reform process in Hungary.
stratum, it relied on the trajectory of the state socialist ideology to legitimate its power.

Szelényi later modified this theory. While, the technocrats strengthened their power positions in the leading managerial posts during the seventies, (as the example of the co-operatives indicates), the Kádár regime stubbornly reaffirmed the ideological core of the system, and by this the influence of the teleological elite was maintained. Instead of the intensification of the confrontation between the two fractions of the elite, a long-lasting compromise evolved between the teleological and technocratic elite in the post 1968 period (Szelényi, 1986). Even if Szelényi toned down the interpretation value of the distinction between the teleological and technocratic elite in his later work, he did not refute it (Szelényi, 1988).

The renewal of the reform vogue awaited the beginning of the eighties, and was further intensified by the end of the decade. This epoch was closed by the take-over of the highest levels of power by the technocratic stratum, or the so-called ‘new elite’ (Szelényi, 1992), that became complete shortly after Kádár's death. The reform process of the eighties accelerated the diversification of property forms, which affected former state property (i.e. introduction of stock market, the liquidation of unprofitable enterprises, etc.), and also liberalised conditions for private ownership of enterprises. This was to lead to the strengthening of the private sector and to a mixed economy. The enterprise reforms of the eighties meant the transition of de facto disposition rights over property to the managers (see the reforms of the self-managing enterprises in Chapter 3).

Throughout the post-1968 period, the reform ideology was constructed on strictly technocratic grounds. Its concern was the reform of the economy, and not the transformation of the state socialist system per se. However, some claimed that the economic reforms had inherently political content and emphasised its liberalising potential from the monolithic dictatorship of the Stalinist and post-Stalinist period. The state socialist ideology fulfilled a pejorative function, with Ferge's word it was a 'narcotisation'. "It protected people from consciously accepting co-operation with a form of power, which their own values condemned." (Ferge, 1989, p. 23). According to this view, the political desire of resisting the system's negation of freedom was formulated first in the form of economic reform programs:

The hidden political content of the reform is contained in areas such as deregulation, freedom of enterprise, freedom and pluralisation of property ownership, etc. These radically question the rationale for the existence of all monopolistic power - party, state and economic power - and restrict their scope of action. Open political content had the meaning that the thinking over of the conditions for economic reform led to a radical rejection of the given structure of power. (Ferge, 1989, pp. 23-24).

A logical extension of this politically inspired reform view was the extension of economic reform to a radical shift in politics: a combination of pluralistic property relations with pluralistic party-system.

By the end of the eighties, radical change appeared inevitable. Nonetheless, the direction of change could not be foreseen clearly and views diverted. Some viewed the reform process as a liberalisation tendency and conceptualised the future in terms of a state socialist mixed economy. This reform-supporting view projected a
much higher degree of survival of autocratic elements in the economy than common in Western welfare societies, and aimed at achieving a balance between profit and non-profit sectors organised according to social rationality with a broader content than the purely economic utility principle (Ferge, 1989, Szelényi, 1991). Others viewed the reform process as leading to internal controversies and declared the dead-end of the system (Kolosi, 1989).

Based on the above arguments, the role of the technocratic elite could be seen as paradoxical, since it participated in the dissolution of the legitimisation base of the power position it occupied in the redistributive system. With the extension of Szelényi and Konrád’s argument, one could interpret the constitutional dissolution of the state socialist system in Hungary as the ‘victory’ of the technocratic stratum over the teleological rulers. This struggle for power was won by using technocratic rationality as a basis of legitimisation. The apparent economic crises of state socialist economy forced the further destruction of teleological legitimacy. In this way, the technocratic elite accelerated the destruction of the basis of legitimacy of the existence of its own power.

However, as the post-socialist transition revealed, the most dynamic members of the technocratic elite succeeded in transferring their leading positions in the political and economic apparatus into leading positions in the evolving capitalist economic system. In his work at the latter part of the eighties Szelényi calls attention to the process through which managers became entrepreneurs (Szelényi, 1986). He saw the extension of this process in the post-socialist era. His term, managerial capitalism refers to the transmission of the cultural and political power (capital) of the former managerial stratum into economic power (capital) in the evolving capitalist economy (Szelényi, 1995, see also Kovách, 1994, Asztalos Morell, 1997).

Applying Szelényi and Konrád’s theory on the internal differentiation of the state socialist elite, one could argue that the announcement of the elections by the party in 1989 in Hungary could be interpreted as the final ‘victory’ of the technocratic stratum over the teleological redistributors in the struggle for power. By this point, the importance of state socialist ideology for legitimising the power of the technocratic stratum was lost. Taking the essence of technocratic rationality to its full conclusion meant an inevitable, ultimate collision with teleologically determined priorities.

One cannot understand the national differences in the forms of expression that the demise of state socialism took without conceptualising state socialism as integrated into the internal power structure of the nation states. Similarly, neither can one understand the demise of the state socialist system in the ’peripheral’ nation states without connecting it to the demise in the ’centre’ of state socialist power. It was the embeddedness of nation states in the Soviet empire that gave the limited mandate to the national redistributive rulers (Szelényi, 1992).

As was seen in Chapter 2, despite a co-operative organisational form characterised by democratic leadership principles, the control over resources in the co-operatives was concentrated in the hands of the management. State socialist ideology legitimated the prevailing form of co-operatives and by this also the existence of the power of the management. The selection of the ‘right’ type of managers was also secured by the legitimated process of selection procedures (see the description of the triple criteria in Chapter 7). Due to the resistance of the peasantry against collectivisation up to the late fifties, the last ‘successful’ wave of collectivisation was
carried out by co-opting the former middle-peasantry for the cause, and offering the leading positions to this stratum. Thus, following the accomplishment of collectivisation, former members of the middle peasantry were entrusted with chief leading positions in the co-operatives. The teleological leaders obtained positions in the supervisory organs, e.g. in the local and regional councils, which served as the means of transmitting the party state’s politically determined economic goals. Following the reform process, the leading positions in the co-operatives were taken over by technocratic party kaders, who possessed both university-level education and were politically reliable party members (Juhász, 1983, Swain, 1985). This was accomplished by the mid-seventies. The increase in power of technocrats on local and small organisational levels had followed the large-scale societal patterns. They reflected the shifts in power positions of larger lobby-groups on party-state level. I argue that the advance of the technocratic elite is crucial for the understanding of the transformation of agricultural production co-operatives also. The technocratic elite was seen to be divided internally. The so-called agrarian lobby represented the political interest of the socialist agricultural sphere. Juhász argued that by the end of the eighties, this lobby became the hinder of progression in the agrarian sphere (Juhász, 1989). Since, the legitimisation of their existence was bound to the collective production form, they could not imagine the reform of agriculture beyond the forms provided by the co-operative as production form. Thus, the ‘radicalism’ of the agrarian reforms of the eighties was based on the conception of the co-operatives as analogous to state owned enterprises. As it was noted in Chapter 3, co-operatives became even more like state run enterprises, since due to the consolidation of cooperative property, the specific features of co-operative enterprising (which is seen to originate from the joint ownership of assets by its members) were diluted. The concessions made towards the toleration of the reinstatement of family farming as an alternative production form within agriculture, were merely hesitant and minor steps (i.e. the permission of rental arrangements, the possibility to reclaim land by those few who still had the land registered on their name). Thus, agriculture halted behind the radicalism of the reforms in the other areas. The representatives of the agrarian lobby, to which the reproduction of the socialist production forms in agriculture (i.e. of the co-operatives and state enterprises) provided the legitimization of power, acted against the liberalisation of the monopoly on the ownership of land enjoyed by the co-operatives (as enterprises) and by the state. As has already been described, liberalisation was in the interest of the technocratic elite. However, its limits were carved out in the conflict of interest of the various factions of the elite. Beyond a certain limit (such limit was in effect against attempts at the dissolution of the co-operative production form), liberalisation collided with the interests of the agricultural lobby. The dissolution of co-operative production form was opposed by the agrarian lobby, representing the interests of the co-operative management even in the period of post-socialist transition. Nonetheless, the most dynamic part of the co-operative management succeeded in converting its power position (cultural, political and social capital) in the socialist period into economic capital in the post-socialist period. This was despite the dissolution of the state socialist co-operative as a production form (see more in Harcsa, Kovách and Szelényi, 1994 and in Asztalos Morell, 1997). Such conflicts revealed the internal
limitations of the reforms and their inability to resolve the paradoxes of the state socialist system without the resolution of the system itself.

3.3. THE ‘SILENT REVOLUTION’ AND THE SOCIAL FORCES FROM BELOW AS CATALYST OF CHANGE

3.3.1. Introduction

The above perspectives explored the relationships between reform process and the internal conflicts of the elite. However, the internal conflict between the teleological and the technocratic elite cannot explain the necessity of the implementation of the so-called concession reforms described above (Kolosi, 1989). As shown earlier, Marxist orthodoxy claimed the exclusivity of socialist enterprises as the productive base of the state socialist economy, as well as the exclusivity of the proletarianised labour force and the establishment of proletarian power materialised in the party-state. Instead of realising the power of the proletarians, the control over resources was ceded to the technocratic and teleological elite. The question, whether the working class possessed a potential source of protest and what in that case was the base of its resistance, was nonetheless, a key question for the critical evaluation of the system.

As noted in Chapter 3, Donáth elevated the importance of self-interest for economic behaviour. He argued that the failure of the introduced monolithic state socialist industrial production system was that it could not capture the self-interest of the immediate producers. In contrast, the post World War II transition of agriculture (i.e. the realisation of co-operative rather than state ownership of assets as a model for the re-collectivisation of agriculture following 1956) resulted in "the coincidence of production and the interest of the immediate producer … the latter proved to be such a complementary production force, which compensated for the lack of production forces" (Donáth, 1978) 12.

Lacking functioning institutions of political self-representation, the last resort of the alienated labour force in the hegemonic state socialist system lied in retrieving or engaging this self-interest in labour. Héty and Makó’s studies indicated that industrial workers lived with the strategies of shop-floor slow-downs to press-out economic improvements from the management (Héthy and Makó, 1972). Burrawoy and Lukács (1986) in their comparison of American and Hungarian worker’s resistance strategies found that the Hungarian worker’s shop-floor resistance strategies were more effective than the strategies used by industrial workers in American companies13. Nyers, apostrophised this strategy as a negative power: "people ‘vote’ with their feet, when they leave a work-place, they vote with their hands when they hold back productivity due to the dysfunctional nature of the state regulative system" (Nyers, 1984 in Àgh, 1989, p. 61.). In contrast, the evolving small economy, the prototype of which was the household-based agricultural production of the co-operative workers, was seen as a positive strategy: "they voted for the utilisation of

12 Others, as well argued against state owned as against co-operative production forms in agriculture see Kopátsy, 1986/87.
13 Szélényi argued that the advances of Hungarian workers derived from their semi-proletarian status, and that they were not fully economically dependent on incomes from wages (Szélényi, 1988).
all national resources, when they participated in masses in the activities of the small economy, in the social work for the improvement of their own households” (Nyers, 1984, in, Ágh, 1989, p. 61). By this Nyers, and Ágh along with him, refuted the view of the party state apparatus as the possessor of an all-pervasive regulative power. In contrast, they elevated the powers of resistance in the hands of the civil society.

The stubborn survival of non-socialist production forms in agriculture turned the attention of sociologists to the importance of grass-route resistance as catalyst of political and economic change. Ágh refers to the ‘popular uprising’ of the small economies (a kisgazdaság népi felkelése).

As it was noted, according to Kornai’s critique of the economic system (Kornai, 1985), an economically week redistributive economy could not provide an all-pervasive system of production. Alternative forms of economic activities (covered partially by the term ‘second economy’) prevailed and increased in importance in parallel with the gradual erosion of state socialist ideology. This meant, that wage labour relations did not obtain exclusivity in the existential base of the ‘proletarianised’ majority. The informal sphere, coined also as the ‘second economy,’ came to be an integral element of the subsistence base of large segments of the population. Most households based their survival on a combination of activities, including both wage labour and working in the informal sphere.

The household carried out varying productive functions. As was shown earlier, small-scale agricultural production could be considered one of the most widely practised forms of the informal or second economy. Small-scale agricultural production prevailed predominantly in the countryside, however it was common even in urban settings (Kovách, 1988).

Thus, in contrast to those perspectives which criticised the second economy as detrimental to the first economy, viewing it as a symptom of weakness, agricultural household-based production was in practise perceived as a source of an alternative development.

While, the expansion of the second economy’s agricultural production pacified political unrest, its continued reproduction did bring about a passive, yet fundament-

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14 The reform process, which meant the abandonment of planned economy and the evolution of market socialism, and which started with the 1957 Agrarian Guidelines, meant not only the reforming of the central redistributive system by increasing enterprise autonomy on behalf of state regulation, but also expanded gradually the space of growth of an alternative economy, i.e. of the so-called second economy. See Kolosi’s distinction between reforms of the main system and concession reforms earlier in this chapter.

15 With “proletarianised majority” I mean here, along with Szélényi, purely the generalisation of the wage labour relation as the existential base of the majority, see Szélényi, 1988.

16 This meant also that the separation of domestic labour, as a private sphere of use value production, and of wage labour, as the public sphere of exchange value production, has not crystallised as clearly as under industrial capitalism. See more on these aspects in Part IV.

17 The former view is expressed by e.g. Galasi, while the latter by Szélényi. It is important to mention that they focus on a different range of activities. While Szélényi is interested primarily in agricultural household based producers, Galasi’s focus is broader, and looks as economic activities alternative to the state socialist system. The excesses of second economy labouring were in some respect competing with the labour interests of the formal sector, and were detrimental for the latter’s functioning. As claimed by official party conservative critique: the second economy decreased productivity in the first economy and distracted labour power from the formal to the informal sphere.
tal revolution of the agricultural production system. It caused the reorganisation of the divisions between large-scale and small-scale, socialist and household-based production forms. Labour intensive production areas were moved from the socialist to the household-based production form. In a further meaning this vogue was seen as a 'silent revolution' (Szelényi, 1988), which brought about the ideological re-evaluation of private based production forms, and finally led to the evolution of a new production form based on the symbiosis of the two systems.

The following subchapter highlights those models which scrutinize the role of immediate producers (i.e. the 'have-nots') on the gradual transition of the state socialist system leading to its final dissolution. At first, theories which saw the household as a modifying force are outlined to serve as a contrast to those models which saw the household as an alternative economic sphere providing a viable alternative to the dominant state socialist system.

3.3.2. Household-based Production as the Modification of the Wage Labour Contract

Some theories treated small-scale agricultural production as a transitional phenomenon. According to the so-called proletarianisation thesis the disintegration of the peasant society was accomplished by the 1980’s. A large portion of the traditional peasantry searched for jobs in industry. In fact, even if many of them continued to live on the country-side and engaged with small-scale agricultural production on part-time basis, they could be considered to be integrated into the working class (Böhm and Pal, 1985). The assimilation into the working class included even the co-operative peasantry. Small-scale agricultural production was most widely practised in this group. However, the proletarianisation theses treated small-scale agricultural production as an one-generation phenomenon, which covered primarily consumption needs (Vágvölgyi, 1976).

In contrast, the differentiation theory described small-scale agricultural production as a polarising factor which divided the agricultural co-operative society into 'workers' and 'peasant workers' (Gyenes, 1968). The first stratum evolved along a proletarianised existence and based its existence increasingly on wages from labour in the formal, first economy, i.e. from the collective sphere of agricultural production co-operatives. In contrast, 'peasant-workers' relied on a dual base of existence in which the majority of their survival base originated from small-scale agricultural production. Márkus developed the concept of 'post-peasantry' (Márkus, 1973) as a new cultural and economic category defined by a certain behaviour, which constituted a bridge between two life-styles: the urban, industrial on the one side, and the rural, agrarian on the other side. Kemény looked at this as an essentially working class phenomenon (Kemény, 1972). This 'new working class' largely continued to

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18 The term 'proletarianisation thesis' was introduced in Szelényi’s analysis of the evolution of models describing the rural transformation (Szelényi, 1988). Kovách is critical against the term. He argued that the authors in this category did not aim at evolving a class analysis, which is the interpretation framework in the focus for Szelényi (Kovách, 1992).

19 In Hungarian the above discussed differentiation theories are called by the term ‘polarizációs’ (polarisation) theories. The reason for the deviation in my translation to English is that the term polarisation theories is used for Marxist perceptions of the supposed necessary polarisation of the peasantry into capitalists and proletarians.
live on the countryside and maintained its involvement with small-scale agricultural production. Meanwhile, both Márkus and Kemény remained within the framework of the proletarianisation thesis, since they treated the existence of the 'post-peasantry' as a transitory phenomenon, even if they envisaged the prospective proletarianisation of the 'post-peasantry' to take more than one generation. They treated the dualistic existence of 'peasant-workers' as a survival strategy – a strategy for maintaining better living conditions.

A somewhat different view is expressed by Simó and Módra. They viewed the first, formal economy and the second, informal economy, to be mutually dependent upon one another (Simó 1985). They treated small-scale agricultural production as an equalising factor. In an empirical analysis they compared two societies. A strong hierarchically stratified society, dominated by the collective sphere of an agricultural production co-operative and a society based on a so-called specialised co-operative that was constituted of small family-based production units. The former society was dominated by strict hierarchical relations, while the other led to an open, equalised society. The rigid hierarchies resulting from the first economy were compensated for by the mechanisms of the second economy. This, according to the study, resulted in a strengthening of the social and economic middle-strata, rather than leading to a polarisation between workers and new peasants.

3.3.3. The Theory of Embourgeoisment

The above theories viewed household-based production as an alteration of the wage-labour contract, yet they did not attribute to it a progressive role. In contrast, in the embourgeoisment theories, household-based agricultural production, which is one type of the second economy, was conceptualised as a potential source of an alternative development compared to the dominant state socialist system.

Szelényi et. al. (1988) argued that the interest of the state socialist redistributors was to proletarianise the masses, including the peasantry, by this bringing them under the redistributive control of the system. The process of proletarianisation was accelerated by the expansion of state socialist industrialisation project, as well as by the policy aiming at the disintegration of the traditional peasantry. The proletarianisation process proceeded not only in the industrial sector, but even in agriculture. The weakness of the state socialist economy contributed to the incomplete integration of the new-proletarian stratum. The new working class in large portions maintained a

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20 Szelényi (1988) argued that the lacking depopulation of the rural areas in Hungary was a symptom of the underurbanisation of East-European countries and formed part of a developmental policy. In Hungary the specific importance of the co-operatives in the industrialisation of the country-side through co-operative side activities as well as the continued importance of household based agricultural production contributed to maintenance of the rural population. An opposit trend evolved in the Sovietunion. On the depopulation of the countryside in Estonia, see Abrahams and Kahk, 1994.

21 See the presentation of Type III versus Type I co-operatives in Chapter 3. See also Hann (1980) who pointed at democratic tendencies in Tázlár, a village dominated by a special agricultural co-operative. Simó’s equalising thesis contradict the results of the results of Pahl’s work in an industrial setting, who argued that the urban informal economy, increased rather than decreased inequalities, i.e. those who already had, could utilise their resources to save more or obtain more through engagement in the informal economy. As Pahl summarised: ‘…households with members in employment are most likely to engage in all other forms of work and the reverse is the case in household where none is employed’ (Pahl, 1984, p. 334).
dual existence, where they relied on wages from the first economy as well as on incomes from the so-called second economy. This resulted in the stabilisation of a semi-proletarian existence for large parts of the society.

Szelényi argued that this dual existential base gave the socio-economic foundations for the silent resistance of the peasantry against the proletarianisation effort of the system. This resistance was viewed to have forced the leadership to political concessions to household-based production, was apostrophised as a ‘silent revolution’ and was claimed to have contributed to the erosion of the building blocks of state socialist system. Szelényi resting on the analysis of social transitions in rural Hungary, claimed that by the end of the seventies the conditions were ripe for the return of parts of the semi-proletarised peasantry on the embourgeoisment process that had been interrupted in 1948. The softening course of state socialist politics towards household-based production, which was seen the achievement of the ‘silent’ revolution, re-actualised this historically interrupted process (Szelényi, 1988). This semi-proletarian existence could serve as ground for divergent social development tendencies. Although a large portion of the population had been engaged in alternative activities in the second economy, it was only a small portion that could enter the road of embourgeoisment. Only certain strategic positions allowed the transfer of skills and resources to capital.

To understand the meaning of the term, it is necessary to summarise the history of the concept (see Kovách, 1992). The development of agriculture during the seventies led Juhász to re-actualise Erdei’s distinction (drawn in the forties) between the categories of ‘peasant’ and ‘peasant-bourgeois’. The underlying message of this distinction was that while, in strictly class terms the peasantry of the period between the two world wars was stratified along the lines of a bourgeois society (into landless workers, large land owning peasantry and middle stratum), the social forms characterising the socio-economic behaviour of this population were in transition from feudal to capitalist forms (Erdei, [1942], 1988, p. 165). According to Erdei, the difference between peasants and peasant bourgeois lies thus not in the differences in their class position, but instead in differences in their mentality. While peasants are part of a community and their economic behaviour is traditional, the peasant-bourgeois is calculating rationally with its labour and assets, takes risks and can act beyond the limitations of the local community. Juhász saw the revitalisation of the embourgeoisment process of the thirties and forties in the expansion of household-based production from the seventies onwards. The ‘interrupted embourgeoisment’ term introduced by Juhász (1976) assumed that the historical process

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22 The Hungarian word ‘polgár’ has both the meaning of bourgeoisie, and of citizen, and so is used by Erdei in the double meaning of the evolution of embourgeoisement and citizenship, see Erdei, [1942] (1988).

23 See on the historiography of the term Kovách, 1992, p. 219. Kovách argues that the term was introduced in Szélényi’s work first in 1988 (Szlényi and Manchin, 1988). The original theory of interrupted embourgeoisement reaches back to Erdei. The ‘civitas’ (‘civis’) of the agri-towns of the Hungarian Plains occupied by the Osman Empire utilised their isolation from the landlords and the clergy and turned to Calvinism. Their inhabitants enjoyed free status and the townships exercised political liberties. Meanwhile the cities maintained an agrarian occupational base. This original ‘embourgeoisement’ process which referred to both economic and social features of the civil society was interrupted by the Habsburg restoration. Habsburgs intended to break the achieved economic liberties of the towns by reintroducing the feudal obligations of serfdom, as well as by re-catholicisation of the protestant inhabi-
of embourgeoisement of the peasantry, which gained new impetus with the land distribution following 1945 and was cut short by forced collectivisation, was reacti-
vated during the seventies.

Juhász did not bind embourgeoisment to a class concept 24. His views, which crystal-
lised already in the seventies, were summarised in a later article. He highlights four key features of the (ideal-typical) ‘bourgeois’: 1) he/she finds an own role in his/her integration into the societal division of work; 2) he/she gains acknowledgement in the community by the merits of his/her activities; 3) he/she engages in such enter-
prising, which involves risk-taking through the investment of capital; 4) he/she has the ability to create his/her own community, where community is a kind of voluntary union organised to represent common interests (Juhász, 1992, p. 181.). Thus, the evolution of the bourgeois as a citizen (citoyen) occupies a key role in Juhász’s conception of embourgeoisement. However, Juhász argued that instead of the entre-
preneurs depicted by the bourgeois term, he found a ‘peasant-bourgeois’ stratum growing among household-based producers. The category peasant-bourgeois ob-
tained a special meaning in Juhász writings. In contrast, to those defined as bour-
geois proper, the local community continued to fulfilled a decisive role for the eco-
nomic behaviour of the peasant-bourgeois stratum. The peasant bourgeois, al-
though engaged in commodity production, nonetheless continued to see their future within the frames of the local community and its traditional values:

for the peasant-bourgeois the horizon is given within which he is to secure his individual position. … The disadvantage of this system is that…the commu-
nity sets the limits of his enterprise, since he applies the co-operation forms available within this community in his own enterprise (Juhász, 1992, pp. 181-
182).

While Juhász saw this type of household-based producer increase in Hungary, producer types reflecting the characteristics of the ideal-typical bourgeois mentality were also manifest. Such were the dynamic groups within specialised horticulture, who expanded economic contacts on their own initiative and beyond the limits of their own local community, and related to their investments in a risk-taking manner. As Juhász characterised this group: ”… the ideal type of the entrepreneur does not consider how he could be important in the community…but for him the running of his business becomes a self-fulfilling goal” (Juhász, 1992, p. 182).

Thus, the contribution of Juhász was to reintroduce the embourgeoisement concept into the analyses of the agrarian transition during the socialist (and later even post-
socialist) period. In contrast to the Marxist concept of bourgeois, the term signifies the importance of a type of mentality in economic behaviour. This is a phenomenon which can take autonomous expression and is not strictly bound to class positions.

Even if Juhász does not explicitly apply his categories to a systematic class analysis,
one can attempt to take his terms, and Erdei’s, to their limits and argue in the following manner: even a capitalist class position does not necessarily mean that a producer in a capitalist class position behaves as a bourgeois. Meanwhile, bourgeois mentality can characterise a person not in a capitalist class position. While, Juhász’s original embourgeoisment concept stayed at this level, Erdei’s embourgeoisment concept, as well as Szélényi’s revitalisation of the term, had further implications. Their concept claimed that embourgeoisment leads to the polarisation of peasant society to capitalist class positions.

The theory of embourgeoisment was developed into a systematic class theory in the work of Szélényi (see Kovách, 1998). Szélényi, like Kovách, emphasised the weakness of proletarianisation as a particular feature of the Hungarian development. The Hungarian state socialist economy did not succeed in fully integrating the new recruits of the working class originating from the rural population. A substantial stratum of the working class remained in a semi-proletarianised status. Besides wage labour, they maintained a foothold in small-scale agricultural production, and through this in a peasant existence.

The theory of the ‘interrupted embourgeoisment’, introduced in the context of socialist transition by Juhász and further developed by Szélényi et. al., occupies a central position in Szélényi’s theories. Juhász and Szélényi argue that the middle-peasantry succeeded in preserving its potential to embourgeoisment from the period of the land reform (1945-1948) through the epoch of collective agriculture. Juhász emphasised the continuity of pre-socialist stratification in the socialist society. The former peasantry became integrated into the co-operative work organisation according to their pre-co-operative status (Juhász, 1975)25. Under state socialism, private ownership of the means of production ceased to be means of transferring economic and social differentiation. Instead, the different positions occupied within the co-operative hierarchy provided differing opportunities for the accumulation of cultural, social and political capital. As noted, Szélényi refuted the role of Marxist class analyses and applied instead Weber’s notions of class. Here, he used the differential control over resources and the differing degree of autonomy over one’s own and others’ labour, to explain the differences in power. Thus, positions of relative power within the co-operative allowed the agents more autonomy in their economic behaviour. The presence of this autonomy is also seen as a key feature of the bourgeois mentality. Juhász and Szélényi called the positions within the state socialist economy which provided favourable know-how, contacts and culture for autonomous action as ‘parking positions’, i.e. parking positions on the way to embourgeoisment. Meanwhile, engagement in the second economy could contribute with a production base for the accumulation of assets and know-how required for engagement in self-sustained production. These two strategic positions (i.e. within the formal and within the household sector), provided favourable preconditions to begin the transition to embourgeoisment.

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25 Juhász also emphasised the continuity of organisational elements in particular of the large estates in the production organisation of the co-operatives (Juhász, 1988a). On the large estates a formalised, hierarchically stratified work organisation prevailed (Tóth, 1977). According to Juhász (1988) positions in the co-operative organisation had direct equivalents to the positions in the formal large estates.
Juhász showed that the formal middle-peasantry and their descendants have actively sought the positions within co-operative agriculture that offered maximum autonomy. These positions were least associated with the low status day-worker jobs of the formal large estates, and instead could transfer the middle peasant status into the co-operative work-organisation. The previous middle-peasants were attracted to positions with power and autonomy within the socialist co-operatives. The occupation of strategic positions within the co-operative work organisation meant an investment in cultural capital, i.e. positions requiring know-how and providing autonomy in deciding over labour processes. Thus, the rank-order of the pre-collective agrarian society was transferred over generations and reproduced within the hierarchy of the co-operatives. Szelényi’s empirical analysis showed that eighty percent of the stratum on the road to embourgeoisment in rural Hungary in the 1980’s originated from the propertied class of the pre-1948 period. The opportunities expanding for household-based production from the seventies onwards became the arena for the revitalisation of the embourgeoisment process. Know-how and positions obtained in the co-operative were seen to provide advantages in participating in the expanding household-based agricultural production also.

Analysing the preconditions for embourgeoisment, Szelényi emphasised the importance of the transition in economic mentality, stressing the importance of cultural rather than economic capital. This emphasis reflects Szelényi’s earlier theory of the class hierarchy under state socialism (Szelényi and Konrád, 1979). The genesis of the entrepreneurial spirit, defined as autonomous, risk-taking, rational choice-based economic behaviour, under state socialism was a result of a historical process, as well as a result of deliberate family labour strategies.

By the end of the eighties, when Szelényi’s ideas about Hungarian rural transition took form, this alleged embourgeoisment process was expanding in the shadow of a transforming Soviet empire. This has most likely coloured his ideas about the nature of this embourgeoisment process. The Soviet experiment failed to follow its promised trajectory. Nonetheless, in the mid-eighties, the Soviet empire seemed not to be challengable in these grounds. Szelényi looked at Perestrojka as the reincarnation of the reform-efforts in East-Central Europe, i.e. in Hungary and Czechoslovakia around 1968. Perestrojka opened up the opportunity for a kind of mixed economy with a dominant state economy and a private economy capable of providing economic competition for the state-owned sphere (Szelényi, 1992, pp. 13-15). This could have opened the way for the expansion of the internal (national) embourgeoisment process, and could have led to what later was called the ‘third way’ developmental model. This meant that by the abandonment of the post-Stalinist developmental phase, the East-Central European region would not have moved directly toward a Western capitalist model. A ‘third way’ evolution would have meant the continued importance of the state as a welfare institution, as well as the continued importance of state ownership. The material base for the embourgeoisment process

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26 Szelényi, 1988, and is developed in Chapter 5. His results are not supported by later research, see Harcsa, et. al. 1995.

27 This argument stands in opposition to the equalisation thesis discussed in connection to Simó and Modrá’s concept of the strengthening middle stratum presented earlier. On the concept of cultural capital see Bourdieu, 1986.
that started in the seventies was primarily the household-based small-scale agricultural production rooted in a self-exploiting life-style. According to Juhász and Szelényi the 'third way' evolution was to be based on the domination of petty bourgeoisie existence, i.e. neither dominated by large multi-national concerns nor by soviet type redistributive economy. With this thinking, they revived a populist model of the future, rooted in the period between the two world wars. The prevailing importance of a pluralist economy could have led to the development of a garden Hungary. While, the region could approach the easing of bonds to the Soviet Union, this development seemed realistic due to the imagined continuation of supervision by the Soviet great-power.

Szelényi's embourgeoisment theory had further implications in his double pyramid model. This described the transforming state socialist society to be divided into two segments: one stratified along the state socialist hierarchy and one evolving society growing up from the 'second-economy', and stratified along the principles of the growing alternative market (Szelényi, 1988). Thus, Szelényi saw the evolution of household-based production in the duality of a redistributive economy and a developing system characterised by market based integration. In this, household-based producers on the way to embourgeoisment represented the seeds of the evolving capitalist society.

While Juhász did not interpret embourgeoisment in strictly class terms, Szelényi's conception was integrated in a model of class transformation. He pointed out four main social processes in the agrarian society: 'proletarianisation' and 'caderisation' (i.e. the rise in the political hierarchy) were to reflect the main stream of class differentiation within the redistributive state socialist system. 'Peasantisation' (based on the peasant-worker position reflected the strengthening of a traditional attitudes toward production) and 'embourgeoisment' (the rise of an entrepreneurial mentality toward production) were to describe processes along an evolving alternative society based on the principle of the market. While the two former terms were interpreted as the main axis of state socialist stratification, the two latter were seen as processes and positions representing the evolving alternative market economy.

In contrast to Szelényi and Juhász, Kovách questioned the possibility that small-scale agricultural production at large in its condition in the eighties could lead to a large-scale capitalisation process (Kovách, 1988). Kovách views the importance of small-scale agricultural production in demolishing the monolithic structures imposed by the state socialist economy and in compensating for economic disadvantages created by the redistributive system. However, he emphasised the limiting functions of the state-socialist economy on the development of household-based production forms. Ownership of land and means of production as well as employment of labour were legally confined. Access to industrial or agricultural inputs was legally restricted, and in short supply. Lack of capital and absence of access to production loans further limited the possibilities for economic expansion. The poorly developed infrastructure isolated producers from potential markets. State and co-operative controlled retail companies have further expanded the isolation

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28 This was also the developmental model of certain populist writers of the pre-World War II period, such as, Németh, 1943.

29 For a recent application of the dual pyramid in the Swedish scholarship see Eliasson, 1998.
from consumers. A wide range of agricultural products had state regulated prices, and the price of other formally free-price goods was also strongly determined by the large socialist companies in monopoly position. According to Kováč, about two third of the products of small-scale agricultural producers were channelled through various socialist companies. Juhász and Magyar emphasised also how companies in monopoly positions dictated small-scale producers’ options, for example, by setting quality standards and dictating both production technique and price (Juhász and Magyar, 1983).

Similarly to Juhász and Szelényi, even Kováč defined entrepreneurship as bound to a mentality characterised by rational accounting, risk-taking and autonomous economic action. Kováč argued that the so-defined entrepreneurial embourgeoisement of small-scale agricultural producers was limited to a minority – which reached about one-tenth of all small-producers.

Although the portion of marketed goods progressively increased within small-scale production, a large portion of the produce continued to be oriented towards the consumption needs of the family. Furthermore, Kováč warned against interpreting all forms of production for sale as commodity production per se. The prevalence of traditional attitudes towards farming differentiated farming types along a traditional vs. rational farming dimension, i.e. a majority of even those producing for sale conducted their activities under habitual conditions, rather than guided by rational accounting principles. Furthermore, the family farming of co-operative workers for sale, typically implied a contractual relation to the co-operative. Typically, the co-operative workers supplied labour and homestead, whereas the co-operative provided the standard technology (fodder, breeds, methods). The co-operative retained the capital, know-how, innovative potential within agriculture, and also maintained control over the terms of buying the ready produce. The activities were commonly not imbedded in rational accounting. Instead, they were run on traditional principles, involving no risk-taking on the market due to the co-operative’s guarantees on buying up the produce. It was the co-operative that engaged in enterprise, while the contracting workers provided their labour power and the use of their productive utilities. In this sense, small-scale contractual family farming can be conceived as a state socialist version of the putting-out system, rather than as a genuine form of enterprising (Kováč, 1988).

Kováč, like Szélényi and Juhász, saw the importance of small-scale production in its strengthening of the middle-stratum. Small-scale agricultural production provided the opportunity to improve the life-conditions of a broad social group. It was the drive for conformity and group pressure within this social group that regulated what should be produced. Furthermore, production revenues were typically channelled toward expanding consumption goals (new houses, durable consumption goods), rather than towards the accumulation of capital. As has already been noted, such accumulation was also effectively infringed upon by legal prohibitions up to the mid eighties.

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30 This does not mean the total absence of agricultural entrepreneurship. Rather it implies that this entrepreneurship was much more limited and distinct in its form than supposed. Compare also with Juhász’s distinction between peasant bourgeois and bourgeois earlier in this chapter.
3.3.4. The ‘Oikos’ Economy as Alternative Integration Principle

Ferge criticised Szélényi for restricting his discussion of the evolution of the household to the dual dimension of the redistributive versus market based system:

If we return to Polányi, we find a fourth integration scheme, beyond that of the market, reciprocity and redistribution. This, so-called oikos-economy, i.e. the subsistence oriented small economy …, which is both a form of production and redistribution, has played either fundamental or complementary role through history - thus can not be viewed as an irrelevant factor (Ferge, 1988).

Ferge argues against the view of Szélényi et. al., in which household production is considered primarily as a ‘small market economy’, and as a problem concerning the relation between two large economic systems, i.e. between state socialism and an alternative market economy. Focusing on the ‘oikos’ principle enabled her to reveal the underlying difference between the ‘large economy’ and the ‘small economy’:

the small economy is in principle different from the large economy, i.e. from the economy, which is sharply dissected from all other social activities, and it is not a condensed, shrunken form of the large economy, but has another economy, sociology, politology and even more, another philosophy (Ferge, 1988, p. 215, in Ágh, 1989, p.56).

Juhász argues for the economic advantages of informal compared to formal organisations of production in agriculture. The formal organisation cannot keep up, he argues, with the competition from the informal organisations, which

... can combine more freely their commodity-producing activities with other activities bound to the reproduction of everyday life, which makes the changes in the co-operation continual, which makes the innovative processes part of its nature (Juhász, 1988, p. 27)

Thus, even if the Chayanovian definition of peasant economy (see next Chapter), as oriented to the reproduction of the existence of the farm family and the farm, did not have a breakthrough in Hungarian theorising, the importance of the flexibility of combining reproductive and commodity producing activities in the informal economic organisations was emphasised in the models describing agrarian development. Thus, in this view the advantage of household-based production compared to large-scale organisations is argued for by the specifics inherent in the informal work organisation.

Ágh (1989) argued that these specific features of the household were seeds of an alternative to the existing concepts of modernity (i.e. the one based on redistributive and the one based on market co-ordination). The stubborn existence of the household was seen by him as means in the gradual dismantling of the dictatorship by the formalised large economy. In this view the state socialist collective symbolised the formalised large economy, which divided society into a production machine and a reproduction machine.

The division of people into a consumption machine in the civil society and a production machine in the state society does not take into consideration the productive forces in the complex life-style, its extreme efficiency, the usability
of free-time, the complementarity of small-production, small-activity. It denies not only this production principle, but most of all the production of the producer, the reproduction of people, which happens primarily in the civil society. (Agh, 1989, pp. 58-59, my italics).

The ‘revolution’ of the household-based producers against the collective was seen as the forerunner of the protest movements of civil society for social and economic autonomy in the eighties. Then, the expansion of small enterprising in the economic sphere and of the expansion of alternative civil society in the social sphere was seen to have continued the path which was started in agriculture and led to the erosion of the system:

Agriculture, at least in Hungary, was the effective and successful opposition to ‘modernity’. It has gradually put out of action the crude abstractions of modernity, it forced the rethinking of the societal model, which divided production and consumption, property and (direct) production, and in general the various spheres of life, including small-culture and small-society (separation of work-time and free-time, the human investment of reproducing labour power and at the same time consumption) and the small politics (the lifting out of the power-political relations from society and placing it as an independent sphere in opposition to society). (Agh, 1989, p. 57).

Szelényi saw the seeds of the evolution of a market-based economic system in the expansion of the household-based production sphere in agriculture. In contrast, Agh’s perception of the expansion of the ‘small economy’ meant a social and economic force different from that offered either by state socialism or by the market. This ‘oikos’ economy constituted an economic force working on its own principles, and he saw it as the alternative to modernity.

From the various critical standpoints raised, I would also highlight Laki’s. Laki’s main polemic is against embourgeoisment theories, nonetheless the critique is relevant even in the context of ‘oikos’ conceptions. He pinpoints, with reference to Braudel, that an alternative sector of economic activities prevails even in the shadow of the developed capitalist economies:

… here I think about such forms of survival strategies and forms of everyday life, as production for self-consumption, residual redistribution, the lack of accounting for costs, the symbiosis of ‘enterprise’ and the household, the mutual help of relatives and neighbours, i.e. the forms of the natural subsistence and exchange which were well known even in Hungary during the seventies and eighties. (Laky, 1992, pp. 185-186.).

This alternative sphere is, of course not unique to state socialism. Laky’s crucial critical argument is directed against the expectations that this alternative sphere can serve as the basis of the over-throw of the main system of domination – the first, the formal economy. In contrast to Szelényi, who saw in the household-based production sphere the seeds of a market-based rationality and relationship, Laky emphasised that the majority of this sector is in use-value production, where subsistence production was of crucial importance. Thus, he summarises: this sphere, in this form, was not suitable to be responsible for the delivery of a historical alternative developmental path, which the embourgeoisment process implied (Laky, 1992, pp.
192-193). Embourgeoisment without the transformation of the formal, first economy, could not provide sustainable development: "I do not believe that our country can catch up with the developed world relying purely on own resources and on the socialist embourgeoisment of the second economy" (Laky, 1992, p. 192).

4. A CRITICAL ASSESSMENT OF THE HUNGARIAN DEBATES

At the beginning of this chapter the market socialist transition was analysed as an economic process. This analysis is important for the understanding of the specific features of the gradual transformation of the overriding system of redistribution characterising the Hungarian type of state socialist system on the one hand, and the distinguishing features of various production forms belonging to the so-called second economy on the other hand. These processes are important for this study to the degree they can be associated with underlying social processes. Theories conceptualising the transformation of agrarian production forms as social processes stood in the focus of Subchapter 3. In this context, those theories were first presented which describe the internal conflicts within the state socialist redistributive system’s elites as driving forces behind the reform process. In this respect I suggest the utility of Szelényi and Konrád’s model, which divided the elite into a teleological and technocratic strata. This was followed by theories which describe the transition as an outcome of pressure from below. Here, the social resistance of civil society was seen to be rooted in the relative independence that the continued economic importance of the household provided.

The developments in the seventies showed not only the increasing political toleration of household-based production, but even a shift in policy toward the promotion of an increasing commodity production and integration of household-based production into the state socialist redistributive formal economy. As a result, household-based agricultural production was accepted as an organic component of the co-operative model. Meanwhile, its integration into the co-operative meant that the scope of production was increasingly drawn under the control of the dominant redistributive economy. However, following 1956, the commodity production of household-based producers was never fully incorporated into the redistributive economy. City food markets constituted alternative channels of marketing, an ‘island’ of market economy within a ‘see’ dominated by the redistributive system. Here, beside the stands of the state-owned food stores and co-operative marketing booths, the stands of private salesmen and of small producers shared the market. This market covered only a specific niche of the produced agricultural goods, the main category being vegetables, fruits and flowers. By the end of the eighties, the scope of family-based production expanded further. However, the further expansion of household-based production forms continued to be captured within the co-operative paradigm. This encapsulation was the outcome of the continued land monopoly of the state the co-operatives, and of the lack of, or imperfections in the markets of land, capital and means of production. Instead, household-based production expanded according to the residual principle. With increasing budgetary constrains on the co-operatives following the sharpening of bankruptcy laws, hard terms for loans, and cuts in governmental subventions – not the least from 1988 onwards – the intensifying privati-
sation of non-agricultural branches led to a crises of co-operative agriculture and made collective forms of agriculture economically untenable primarily in labour intensive branches (most of all in vegetable and fruit growing and dairy farming). In the description of this process, I am in basic agreement with embourgeoisment and ‘oikos’ theoreticians who argued that developments concerning the changing treatment of the household were forced by the continued resistance of those who kept the household alive as an alternative social and economic institution (despite the proletarianisation attempts of the dominant state socialist system). Their stubborn negation of attempts of the state to extinguish and limit the role of the household to subsistence production was the force that forced those in positions of redistributive power into making concessions. In that sense I also agree with the description of this process as a ‘silent revolution’. However, the debate in Hungary between embourgeoisment and oikos theoreticians highlighted certain critical points, and I believe that it is worthwhile to pursue these critical points.

My first critique concerns the conceptualisation of the specificity of household as a form of production. Here, my particular interest is to highlight the way embourgeoisment theories saw household-based production as economic base for the social differentiation between paths leading to an ‘embourgeoisment’ and alternatively to a ‘peasantisation’ process.

Second, while these theories examine primarily the relation between household-based production and the dominant redistributive system, I find it necessary to emphasise the relation between household-based economy and both the dominant redistributive system and the emerging market economy.

Third, these theories lifted up the progressive features of the household. Even if oikos theories related the progressive features of the household to its feature to combine the spheres of production and reproduction, its primarily focus remained on seeing the household as a unit of production. Even more is this the case with embourgeoisment theories. Instead, of this one sided focus on production I turn the attention to analysing the reproduction cycles of the co-operatives and within it of the households.

Finally, all the discussed theories, including theories regarding the elites, sidestepped a systematic analysis of the importance of gender. Instead, I argue, that our understanding of the rise and ongoing transition of the co-operative at large – and the household in particular – as forms of production, cannot be complete without analysing the underlying gender division of productive and reproductive responsibilities that made possible the day-to-day reproduction of these forms.

4.1. The Conceptualisation of the Household

Embougeoisment theories focus on the household as a private form of organisation. Thus, the semi-proletarian status of the workers engaged in household-based production served as entrance to two social paths (alternative to the polarisation path bound to the logic of the state socialist wage relationship into proletars and kaders): embourgeoisment and peasantisation. By contrasting peasantisation and embourgeoisment they aim to explain the genesis of an alternative social organisation principle, where the position in the market serves as the main source of social and economic differentiation. Thus, they target the genesis of entrepreneurial spirit, for which household-based agricultural production serves as the material base.
In contrast, the ‘oikos’ conceptions argue that the social force driving the revolution of the household originated from the household being an alternative production form. Its specific feature was that it unified productive and reproductive spheres in contrast to the industrial work organisation model of so well socialist as capitalist systems, where production of goods and the reproduction of the worker is carried out in separate spheres. However, while oikos conceptions succeeded in capturing the specific features of household-based production, they have not explained the prevailing differentiation between various types of household-based producers. This differentiation was integrated into the embourgeoisment and peasantisation paths by embourgeoisment theories.

The expanding commodification of the agricultural production of household-based producers was treated by Juhász and Szelényi, in the theory of interrupted embourgeoisment, as a revival of a historical process. Embourgeoisment referred on the one hand to a transformation of mentality (the evolution of a kind of entrepreneurial mentality, as well as of a self-organising civil society). However, Erdei, from whom Juhász and Szelényi took the term, also referred to embourgeoisment as a process bound to the ‘completion’ of the evolution of a society stratified along bourgeois positions.

the present phase of the transformation of the situation of the peasantry in Hungarian society shows that its position and role already conform to the bourgeois criteria, yet it still fills this position partly under peasant forms. For this very reason, we can no longer speak of a homogenous peasant mass, but must find the class stratification of the peasantry in the bourgeois sense adding that a part, indeed in a sense the whole, of the peasantry still retains feudal-peasant forms in its bourgeois, petit bourgeois or working-class class positions. The peasantry is therefore neither an order of society, nor a class, but a conglomerate of regular bourgeois class stratification coupled with common feudal-peasant social forms. Erdei, [1942], 1988, p. 165.

The underlying assumption in Erdei’s dual stratification theory was that with the full evolution of bourgeois society in agriculture, it is going to be stratified along capitalists and proletars with a thin middle strata of petite bourgeoisie. Szelényi also built his theory of embourgeoisment on Erdei’s perception of embourgeoisment as a type of mentality, as well as a bourgeois class position. Thus, Szelényi also built on the assumption of a polarisation of the peasant society as a result of the evolution of its emergence in the process of embourgeoisment.

In light of the continued importance of family-based agriculture in Western industrialised capitalist economies, as well as the lack of polarisation of peasantries of developing countries, the importance of household-based production forms was a focus of the international debate on agricultural development as well. In some of these debates, issues compatible with those discussed in the Hungarian literature stand in the focus. I emphasise two such polemics: first, the debate between the so-called polarisation thesis and those arguing for the specific features of peasant type economies; and second, the debates aiming at clarifying the differentiation between peasants, simple commodity producers and capitalist agrarian entrepreneurs. These debates are developed in the next chapter in hopes if further developing the analytical tools already discussed in the Hungarian context.
4.2. **Household-based Production as a Form of Production within a Dominant Mode of Production**

Various aspects of the role of the formal state socialist economy in the evolution of household-based production were analysed by embourgeoisment theoreticians (Juhasz and Magyar, 1984; Szelényi, 1988; Kovách, 1988). The deficiencies of the evolution of the market integration of the household were most commonly discussed in relation to the critique of the dominance of the state socialist system (Kovách, 1988). However, the relation of the existing alternative, informal markets to household-based producers was not explored. As noted, the disagreement between oikos theories and embourgeoisment theories was that the latter saw principles of the market in the expansion of the household sector. Thus, in embourgeoisment theories, the boundaries between household-based production units and this alternative market were not examined. Instead, the household became a representative of the market alternative, as the critique of oikos theories pointed out. In contrast, oikos theories argued that the household contained a principle – the unity of production and reproduction – that made it superior to both the economies of redistribution and of the market. However, oikos theories also lack a systematic analysis of the relationship between the growing market alternative and the household. The household was a puzzling phenomenon for both of these theories since it represented the growth of a system negating and opposing the redistributive system.

Due to the centrality of the conceptualisation of the household as an alternative social and economic organisation principle, compared to the redistributive socialist social and economic organisation principle, I find it crucial to examine the relationship between these two principles to enable a critical assessment of these theories. The theoretical insights of the international debate on the role of family farms in capitalist market economies provide some useful analytical tools for this analysis. Friedmann (1980), in her analysis of the relationship between simple commodity producer farmers and the dominant capitalist economy separated two levels of analysis: that of the dominant social formation and the level of the given forms of production functioning within this dominant framework. The specific forms of production are formed in articulation between these two. However, as e.g. Djurfeldt (1994) or Jonssson, et. al. (1993) emphasised, the state has an important mediating role between family farms and the market in predominantly capitalist economies. The state’s redistributive function alters the effects of the market on the family farms.

Along with the above presented two principles, I view household-based production as a special form of production, based on the utilisation of family labour. Its form of production exists under the auspices of the interplay between the market and the redistributive function of the state, where the rules of the predominant mode of production dominate. I see the main goal of household-based agricultural production to be the provision of means for the reproduction of the family as a consumption unit. The precondition for this becomes the reproduction of the production unit, which in turn, serves as the production base for the household's material survival. In case the production unit is not sufficient to provide the means for the reproduction of the family, the labour of the family is utilised in complementary ways. However, the conditions for the reproduction of this economic unit are both internal (bound to the family) and external (bound to the conditions set by the interplay
between the state and the market, the rules of which interplay in turn depend on the dominant mode of production). Thus, the dominant system, within which the household is reproduced in industrialised societies, contains some combination of redistributive and market principles.

In capitalist systems the market and the principle of profit dominates, while the state has an intermediate function. In contrast, in state socialist systems the redistributive system dominates. The market is restricted to ‘wicket wholes’, such as the urban markets (Hedlund, 1989). In contrast to the orthodox planned economy under market socialism, the principles of the market begin to erode even the main-stream redistributive economy. A critical level was reached in Hungary during the latest stage of market socialism at the end of the eighties.

Along with Szélényi’s class analysis (see earlier), one could argue that due to the increased enterprise freedom given to co-operatives as enterprises, the position of co-operative leaders (and so of co-operatives) was paradoxical. Co-operative leaders were, on the one hand, allies of the teleological elite (since their positions depended on the reproduction of the state socialist system). On the other hand, they were subordinated to the continued dictates of a system based on indirect redistributive principles. Similarly, the co-operative as production form was integrated into the state socialist redistributive system, its frames of action were synchronised with the conditions set by the principles of indirect bureaucratic co-ordination. However, co-operatives were semi-autonomous enterprises, which had certain specific features as forms of production that deviated from state owned companies.

In relation to the workers, the co-operative leadership clearly represented the domination of the state socialist system. The positions of the leadership were legitimatized by its mandate to proletarianise the former peasantry. Despite the gradual generalisation of the wage labour status of co-operative workers, co-operative workers maintained their engagement with household-based production. The stubborn survival of the household-based production of co-operative members led the co-operative leadership (as well as the political leaders) to realise the productive potential that lie within the households. With the progressive integration of the households’ production activities into the co-operative’s production plans the co-operative as a production organisation became divided along a collective and a household-based production sphere. While the commodity production of the households increased as a result of this increasing integration, the co-operative served as mediator of the products of the households of co-operative workers to the markets. Within this relationship, the co-operative could be seen to have materialised the subordination of household-based production under the dominant economic system, since the collective dominated the market channels, which separated the household-based producers from the consumers and from the markets. However, as noted above, this integration never became complete due to the continued importance of alternative markets.

Consequently, the analysis of the relationship between the household and the dominant economy requires a two stage process. In stage one, the co-operative’s internal conditions – those between the collective and the household – must be analysed. In this context, the necessity of separating household-based commodity production from the reproductive activities of the family are discussed in Part IV. In the interrelation between the collective, the household and the family, the collective is seen as
the dominant organisation, which also facilitated the domination of the state socialist economy at large. In stage two, the co-operative’s relationship to the dominant economy at large is to be scrutinised. In this stage, the co-operative is analysed as a system, integrated into the dominant state socialist system, which nonetheless functions with increasing degree of enterprise independence. The position of the leadership is also seen to evolve along with the dichotomy of being both an ally to – and being dominated by – the teleological core (see Figure 4.1). It is through this integration that co-operative workers as wage workers and household producers obtain specific rights and obligations. However, to varying degrees and in different forms, co-operative workers are also in contact with the emerging alternative market through their participation in household-based commodity production.

Figure 4.1. The co-operative as a class model and production form functioning within the dominant state socialist indirect redistributive system

This model is expected to provide insights into the following questions that emerged in the debate between embourgeoisment and oikos theories: a) To what degree has the semi-proletarian position of the wage workers engaged with household-based production indeed possessed the alleged potential for ‘emancipation’ from the domination by the redistributive system? b) What is the time and space specific utility of the evaluation of embourgeoisment and oikos theories concerning the relationship between the state, the market, the household and civil society?
4.2.1. The Emancipatory Content of the Semi-proletarian Status

As it was noted embourgeoisment and oikos theories focused on the household as an alternative to the production form offered by the redistributive system. In contrast, I am also interested to examine in which way was household-based production integrated into the co-operative as a form of production. More specifically what was its relation with the collective production sphere. Even if household-based production provided an alternative to the state socialist system, it provided it within the limitations of the dominant system. The advantages of household-based production were utilised by the dominant redistributive state socialist economy. This utilisation took various forms. Due to benefits from this sphere, the wage level in the redistributive sphere could be kept low. By this the ‘second economy' subsidised the state socialist sphere. This could keep the standard of living at a socially desirable level, despite of low wages. The production costs could be held down for the co-operative, e.g. by putting out labour intensive production branches to the households.

Since, the presence of household-based production contributed to the reproduction of the co-operative as a production form, and since the opportunities for expanding the production were limited for the majority of co-operative workers, it is just as legitimate to see this production form as an integral feature of the co-operative as a production form. The semi-proletarian status, that Szelényi and Ágh interpreted (with different content) as a condition with emancipatory potential, could also be seen as a state of double exploitation, where co-operative workers were obliged to engage in both wage work and household-based production in order to create the resources required for the reproduction of their own and their family’s labour power.

Both embourgeoisment and ‘oikos’ conceptions see in the household the material foundations of the protest against the iron rule of wage labour (i.e. the proletarianisation attempt of the state) and its exploitative nature. Meanwhile, they leave the relation between the household and the dominant economy unproblematic. The degree to which the semi-proletarian status of workers engaged in household-based production provided the seeds of an alternative development, (i.e. the emancipatory potential of the household) depended, among other things, upon the degree of autonomy that household-based producers enjoyed over the control over the labour process in the household (Kovách, 1988). On one extreme, the production was fully integrated under the co-operative’s control. These could be seen more like a version of the output system, and those involved with it could best be described as being double exploited (see above). On the other extreme, even such production units existed, where the household practised control over the production process, and the co-operative acted, more or less, as the provider of resources and a mediator of sales. In the cases belonging to the latter, extreme household-based production could be perceived as the seeds of the development of family farming proper, either along the lines of peasantisisation, or along the lines of becoming small commodity producers.

Kovách emphasised the limiting effects of the state socialist economy's domination over resources and over large parts of the market on the economic expansion of household-based production (Kovách, 1988). Juhász and Magyar depicted the system of economic domination of the state socialist redistributive system both over the co-operatives as a whole, and over household-based producers in particular (Juhász
and Magyar, 1984). While limiting the expansion of household-based production, the redistributive economy also conserved it in a rudimentary form. Szelényi observed also that the presence of the state socialist economic system did, in fact, serve as a safety mechanism guarding small-scale household-based production:

"In fact, they live so well on their tiny farms precisely because they operate in a redistributive economy – and a not overly competitive environment. In a market system proper, most of them would go bankrupt immediately; the rest would starve on their one-acre farms." (Szelényi, 1988, p. 14).

In light of the post-socialist transition, Kovách, et. al. (1994) offered an additional alternative to the interpretation of the relationship between the co-operative and the household. This alternative emphasised the co-operative’s syncretic role for the rural society. As a result of its engagement of the rural population with household-based production, it could mobilise the labour reserves of a large population which could find subsistence through this activity. While the co-operative separated the household from the market as Kovách (1988) argued, it also assumed the costs of developing marketing networks, transmitting the achievements of the green-revolution to the small producers. It served as the base for a rural developmental strategy, which combated the tendencies toward rural depopulation that characterise many industrialised countries. Instead, co-operatives industrialised the countryside by moving industrial side-activities to the countryside. The plural existential base of the ‘new working’ class made this rural industrialisation a plausible alternative. Thus rather than looking at the ‘emancipatory potentials’ of the household, as a seed of something else, it is also relevant to see it as an integral part of the co-operative model.

4.2.2. The Relation Between the Household the State and the Market

The evolution of household-based production beyond the limits carved out by the dominant indirect redistributive system depended on the evolution of alternative markets – or on the transformation of the dominant system along market principles. This was a process that gained impetus during the latter part of the eighties. The interrelationship between the alternative economy developing at the dawn of the state socialist period (one could even call it black market economy, with its some-times wild-west regulations), and the expansion possibilities of the household-based production need to be examined as to their merit.

One of the main factors restricting the expansion of household-based agricultural production was the lack of access to capital31. Official ways of gaining access to investment capital were non-existent – with the exception of certain directed subventions programmes (e.g. to expand gree-house gardening). However, an alternative, informal economy evolved in this respect as well. A summary of an interview about the transition to entrepreneurship of a small-scale producer, conducted by Szelényi, exemplifies the importance of this evolution for the expansion opportunities of household-based producers:

31 As was discussed earlier, the concentration of capital in petty commodity producing agriculture in developed industrial capitalist countries was seen to be facilitated by the terms of access to capital, see Friedmann, 1978.
After some initial difficulties they were successful and by 1975 had saved some 100,000 Ft. With the money in his pocket, his ‘ears were itching’, as János put it, so he bought a farm for 500,000 Ft and started to build up his gardening enterprise, constructing plastic-covered tunnels heated by oil furnaces (one 80-meter tunnel costs about 250,000 Ft.) He built five of these for himself, while his mother and the family of one of his married daughters added more tunnels to the enterprise. To cover these costs he had to borrow more than 1 million Ft. Since government policy prohibited the Savings Bank or any other bank at that time from giving loans for private businesses, he had to borrow from loan sharks at a 25-30 percent interest rate (about five or six times the official rate, and about four times the inflation rate). Kerekes thus suddenly became a major entrepreneur, one of the bigger ones in Szentes. (Szelényi, 1988, pp. 100-101).

The opportunity offered by access to loans created the preconditions for expanding the production profile. However, the dynamics established by the conditions of borrowing, taken the above-described black market situation, also set the terms on the expansion possibilities of production. The importance of market-based financing becomes even more essential to the understanding of the evolution of household-based production during the post-communist period. The take-over by international monopoly-capitalistic enterprises of large portions of the food-processing industry – together with the continued lack of access of capital and hesitant state agricultural policy – resulted in a dramatic decrease of agricultural production in Hungary in the first years of post-communist transition (Asztalos Morell, 1997).

4.2.3. The Time and Space-specific Utility of the Analytical Models of the Eighties

As it was noted in an earlier idea historical reflection, the ever changing reality of the market socialist transition offered changing horizons for the evolution of a critical perspective. As Szelényi noted in the first Hungarian edition (1992) of his book on embourgeoisment, the sudden fall of the Soviet Empire at the end of the eighties was not foreseeable. One might also add that other features of subsequent governmental policies on privatisation (which sold out over half of the state food industry to international capital with large portion in monopoly position rather than allowed it to be bought by the renewed co-operatives of the new land owners) were also unforeseeable, such as the dissolution of co-operative property by the new co-operative and compensation laws (which split up land ownership to mini-lots and opened the ways for managerial capitalisation of former assets). Nor was it to be expected that the agricultural policy of the new epoch was to be formed without the active participation of the peasantry’s representatives. Thus, it would be unjust to expect these models to have generalisability beyond the period and space they were intended to describe. My purpose for trying to push these models beyond the limits of the horizon of Hungary in the late eighties is explained by the alleged emancipatory potentials which these theories bound to the role of the household. Thus, judging the relevance of these models in light of twentieth century West-European agricultural development (Morell, 1993, 1995, Bäcklund, 1988) (the description of which development was never the aim of the Hungarian theories), it appears that the above discussed theories lack balance. They overemphasise the importance of entrepreneurs for the evolution of the modern agricultural society. In
contrast, they under-emphasised the importance of both the nature of the dominant mode of production (including the nature of industrialisation, with its varying demand for excess agricultural labour force), and the development of a civil society with formal interest organisations to represent the interests of producers and the role of the state and its supportive policies, for the evolution possibilities of household-based production forms. Hence, I believe that embourgeoisment theories placed a one-sided emphasis on the importance of the grass-root development of commodity production in household-based agricultural production. This sweeping historical force – which Szelényi referred to as a ‘silent revolution’ – was but one component in the process leading to a radical transition of the production relations in agriculture. Household-based production, per se, could contribute to the undermining of the state socialist system, but could hardly provide an alternative, all-pervasive system of economic development in the larger context of the globalisation of capitalist relations.

Despite the capital intensification and land-concentration apparent in household-based agricultural production under industrial capitalism, this form of production has been dependent, in its developmental potential, upon the dominant mode of production32. In West-European agriculture, labour productivity and capital intensity has grown dramatically in the post-war era33, while it has continued to be organised mainly on a family farm basis – which often meant farming on a part-time basis. One explanation of this lies in the fact that farmers organised themselves, as well as engaged themselves in the agri-industrial complex via the co-operation of individual producers. Furthermore, they succeeded in their efforts to pressure governments for subventions and guarantees through interest organisations. The dependence on capital, together with a certain amount of governmental pressure for larger and more cost-efficient units, forced out an increase in productivity and a more competitive farm structure. Thus, in a way, the dominance of capital (agri-industrial and financial) stimulated the concentration of assets and the modernisation of agriculture by forcing its rules over household-based production.

In comparison, the household-based production in Hungary was subordinated to the state socialist dominant economy. The state not only delimited the spheres of expansion for household-based production, such as the maximum size of land or the availability of equipment, it also utilised the production potential in family labour and household productive resources to achieve its own production purposes. The expansion of commodity production of the households was channelled through the co-operatives and did not contribute to sizeable capital accumulation or the increased competition between producers leading to concentration of production units. There were of course some exceptions, such as certain specialised gardeners. Kovách was sceptical about the potential of household-based producers in Hungary during the eighties, since they were acting on a market with prices which were to large degree state regulated. Although, the degree of state interference was more extensive under state socialism than under Western capitalism, it does not contro-

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32 See in a North-American context on the role of simple commodity producers within a generalised market Friedmann, 1978; and Hedley, 1979.
33 In most countries labour productivity grew faster in agriculture as compared to industry. See e.g. data quoted in Djurfeldt, 1981, p. 168 and for Sweden, Jörberg, 1984, p. 36.
vert the fact that even under capitalism, the survival of small scale household-based production was influenced by state intervention. Indeed, since the 1880s, the state was active in various ways in promoting agriculture. This tendency was reinforced in the 1930s, and currently, agricultural supports take up fifty percent of the budget of the common market (Tracy, 1989). The main difference between the two systems lies in the state’s ideologically based political and economic treatment of the household-based production form – even if to a decreasing extent. Nonetheless, the state socialist regime to impose limitations on the possibilities for the economic expansion of the household-based production form. The price system was subordinated to the political fights between agrarian and industrial lobbies, as well as to interests of securing consumer supplies and export goods, and were not designed to support the producers. Household-based production was limited, as were the opportunities to acquire land or to obtain access to different means of production or credit. In contrast, the state intervention in Western industrialised countries included no explicit discrimination against family farms, even if some argued that the state subventions were beneficial for large, capitalist farms rather than for family farms (Djurfeldt, 1994).

In Western development, peasant interest organisations provided economic and political power in relation to capital, the state and consumers. Due to the success of farmer’s organisations efforts to influence state policies towards agriculture, the state played an important economic role in providing subventions and protectionist support to the agricultural sector, even if the economic packages were built on somewhat different methodologies than the price guarantees under state socialism (Tracy, 1981, Hedlund and Lundahl, 1981).

The relationship between the dominant socio-economic formation and household-based production as a form of production will be explored in two further contexts: the evolution of civil society and the dominant economy’s capacity to absorb the potential agrarian labour surplus.

In Hungarian, ‘polgárosodás’ refers to a phenomenon expressing both the evolution of civil society and an economic embourgeoisment, while the English term embourgeoisment refers only to the latter. However, even in Hungary, a debate evolved around the degree to which the evolution of the ‘second economy’ led also to the evolution of a ‘second society’. Hankiss claimed that the evolution of a second society meant the evolution of a normless society in the emptiness created by the disillusionment with state socialist moral values. Nonetheless, his view was attacked by Hann (1992), among others. Hann saw the development of an alternative civil society in the evolution of household-based agricultural production, based on a value system grounded in a work ethic. Due to the limitations which prevailed until the middle of the eighties, the institutional development of the civil society was blocked. In light of the evolution of farming under industrial capitalism, the economic ‘revolution’ of small-scale producers cannot result in the improvement in the conditions of household-based production without the evolution and strengthening of the civil interest organisations of household-based producers in agriculture (see Jonsson, et. al., 1993 on the importance of civil society for the expansion of family farming).

Neither can the potential for family farms be understood without consideration of the historical context of economic development. In Western industrialised countries,
intensive industrialisation drew surplus labour power from agriculture. The availability of alternative jobs altered the preconditions of the reproduction of farms. See as a paramount example Sweden (Isacson, 1994, Morell, 1993). In contrast, in Hungary, despite the extensive industrialisation from the fifties, the industrial sector could not provide a viable alternative for a large proportion of the rural population. While industry suffered from lack of labour force, it could not attract the excess rural population due to low wage levels. In contrast, the co-operatives could maintain large segments of the rural population because of the opportunities to secure the standard of living of the membership by means of dual existential strategies.

4.3. THE IMPORTANCE OF THE TERMS OF REPRODUCTION FOR THE UNDERSTANDING OF FORMS OF PRODUCTION.

The household’s specificity as a form of production was rooted in its capacity to combine the creation of goods with the recreation of the worker, production and reproduction (Ågh). While the family’s flexible boundaries as a work organisation were seen to provide its competitive edge compared to wage labour-based production forms in agriculture, the relationship between the prevailing organisation of production within the collective sphere and the conditions for the reproduction of the co-operative labour power has not been explored. I argue that we can reach a deeper understanding of the formation of various production forms by turning attention from the conditions and organisation of production in various forms of production to an analysis of the conditions of reproduction of the various production forms, as well as of the labour power in the various forms of production.

A similar shift in focus is recommended by Djurfeldt (1994) for distinguishing the specificity of family farms in comparison to other production forms in agriculture. The theoretical aspects of this shift in emphasis are discussed in Chapter 5. The consequences of such a shift impacted the formulation of the research question in the following ways. In analysing the co-operative as a form of production and the household as an integral yet specific part of this form of production, I turn the focus on the internal and external conditions for the reproduction of this system. Meanwhile, I also search for the conditions that work toward the dissolution of the system. The empirical analysis of the co-operative as a production form (Chapter 7 and 8) is based on this underlying model.

The importance of the conditions of the reproduction of labour for the understanding of the formation of the co-operative as a form of production, is elaborated in Chapter 11. Here, special emphasis was placed on how the prevailing organisation of reproduction of labour impacted the production organisation of the collective sphere, and of the integration of the household into the co-operative’s threefold (collective, household and family) organisational model.

4.4. THE IMPORTANCE OF TOTAL DIVISION OF LABOUR AND GENDER FOR THE UNDERSTANDING OF PRODUCTION FORMS

Oikos theories highlighted the specificity and emancipatory potential of the household in its feature to integrate the productive and reproductive spheres of labour. While, the household becomes the arena for both reproductive and commodity producing activities, this does not mean that they cease to exist as two separate spheres. A problematic feature of the ‘oikos’ conceptions is that, although they indicate the
prevailing separation of the spheres of reproduction and market production within the household, the internal gender division of reproductive and productive tasks is not explained satisfactorily.

The boundaries between these two spheres are maintained through the gender segregation of labour. As Andersson Flygare’s (1999) study of intergenerational transfer of farming culture in Swedish family farms shows that while women’s activities transcend the reproductive and the commodity producing spheres, men’s participation in the households remains restricted to productive activities, with the exception of a few traditional male reproductive duties, such as repairs, and firewood supply. Such boundary-maintaining practices contribute to the reproduction of patriarchal subordination within agricultural systems based on family farming. Similar patterns prevailed in the gender segregation of labour between productive and reproductive tasks in the Hungarian agrarian context (see chapter 11).

The division of labour tasks and their hierarchical subordination according to gender serve as the main maintenance mechanism of the gender system (Hirdmann, 1990). Since, activities contributing to the creation of consumption goods – and so use values – remains a female activity, while the production of commodities and exchange values – which can be measured in incomes is dominated by men – remains a male activity, women remain economically fully or partially dependent on men (Seccombe, 1973). This dependence is secured by the gender division of labour in private as in public spheres of patriarchal relations (Walby, 1990).

In the formation process of co-operative agriculture, family-based production was replaced by collective cultivation forms. This process meant the transition from private to public labour organisation. In Hungarian theories on the stratification of the agricultural co-operative society, three recurring problem areas dominated: firstly, the question of continuity between the estate and peasant society’s social stratification and the collective’s evolving social stratification could be named. Secondly, the question of how modernisation of the co-operatives transformed this stratification could be mentioned. Finally, research focused on how this stratification was associated with differential participation in household-based production. These studies contemplate the gender differences in these matters to varying degrees (Kulcsár and Szijjárto, 1980, Juhász, 1975, Simó, 1980). However, in these groups of studies, the gender differentiated participation in the various moments of the labour process was not systematically related to an underlying gender-based structure.

On the other hand, women’s role in agriculture – and in rural society – was the focus of a series of studies (Kovácsné Orolin, 1970, 1976, H. Sas, 1972, Lengyel, 1979, Répássy, 1983). These studies focused on the prevailing inequalities between men and women in the co-operative labour organisation as well as in the family. I will return to the discussion of various perspectives on gender in Hungary in chapter 8. Here however, I aim only indicating the directions of thinking in the Hungarian sociological literature on the importance of gender differences in the division of labour.

One approach could be exemplified by the study by Kovácsné Orolin (1976). She argued that ‘women start to integrate into the varying spheres of societal production system according to the positions they occupy within the gender division of labour in the family’ (ibid, p. 216). In this regard, she argued that the lower level of devel-
development of services in rural areas compared to cities hindered women’s labour force participation.

Another emphasis is apparent in the study of H Sas (1972). She analysed the rural family as a small production unit satisfying production, service and consumption tasks. She argued that the gender-differentiated family strategies were formed based upon how the value of the labour of various family members could be maximised. Lacking comparable societal valuation of women’s labour, families were forced to prioritise men’s labour force participation. Thus, she argued that ‘beyond the traditions, the social situation forces families to maintain undemocratic relations within the family’ (H. Sas, 1972, p. 195).

For my study, gender has a dual importance. I am interested in seeing in which way the asymmetrical gender division of total labour (i.e. both production and reproductive tasks) has influenced the formation and ongoing transition of the co-operative as a form of production. I am also interested in seeing the way in which the features of the co-operative as a form of production (characterised by a hierarchical production organisation, as well as by the duality of collective and household-based production spheres), as well as the conditions for its continued reproduction, contributed to the reenforcement of asymmetrical gender pattern in both the formal and in the informal labour spheres.

My gender-based theoretical framework is further developed in Part IV. There is also a concise discussion of gender perspective in agriculture found in Chapter 5.

5. Summary

Ferge’s and Kolosi’s analysis underlined the importance of the liberalisation process for intensifying social and economic transformation. The liberalisation process, which started with the 1968 reforms, gradually altered the institutional background of the economy, and this opened up the way for slow and gradual adjustments of the dominant redistributive system. From the eighties onwards, it even meant that the ‘second economy’ could start to organise itself as a legal, alternative economic sector besides the state socialist economy.

The economic shortcomings of the system not only stood as catalyst behind the radicalisation of the reforms, but determined the formation of the advancing new system as well. The ‘second economy’ was in this meaning a typical syndrome of the weaknesses of the economy.

The potential of this second economy to evolve into a production system that could provide a viable alternative to the dominant redistributive system depended, on the one hand, on the possibilities for household-based production units to evolve into self-organised production units, and on the other hand, on the expansion of market-based integration system.

My intention was to discuss - embarking from a number of Hungarian theoretical approaches - the relationship between the state socialist production system and household-based agricultural production, as a special form of the second economy. In my view, the second economy was subordinated to the dominant state socialist economy. It served to compensate for the failure of the state socialist economy to produce adequate value to pay wages sufficient to finance an acceptable consump-
tion level. In this sense, the second economy financed the reproduction costs of the state socialist economy. Thus, the state socialist economy directly benefited from the second economy. However, this short-term benefit helped mask longer-term economic weaknesses in the dominant system and helped create the appearance of well-being. As a result, energy for potential political resistance was channelled into obedient and isolated labouring. Nonetheless, the stubborn persistence of the households became the material base for building production forms which represented an alternative to the state socialist production form based on proletarianised wage labour.

In the last section, I focused especially on the meaning of the embourgeoisment and peasantisation process. I argued that semi-proletarian status that the household-based production of wage workers provided did not necessarily imply an ‘emancipatory potential’. It could be also interpreted as an integral element of the co-operative production form. The position of those engaged in household-based production – in addition to wage labour – could also be seen as being doubly exploited. Nonetheless, this does not discount the fact that the smaller portion of households with this dual existential base could be seen to be evolving into an alternative production form. While, Szelényi, et. al., identified two main paths for family farms: peasanti- and embourgeoisment, I examined the use of the term embourgeoisment in referring to the critique of oikos theories. The term embourgeoisment merges the theoretical domains of two concepts discussed in the international literature: simple commodity producers and capitalist farmers. I argued that the embourgeoisment path corresponds to the simple commodity producer path, rather than being the preparatory stage towards the evolution of a capitalist enterprise structure in agriculture. The peasant character of production is described as a cultural aspect of the economy, i.e. the lack of rational planning in the lack of which production is driven by tradition. I see the evolution of rational economic behaviour as being to large degree conditioned by the characteristics of the dominant economy. The peasanti-phenomenon described by Szelényi and others is constrained both by the weakness and protectionist features of the state socialist dominant economy, and by the lack of capital concentration in the household-based production sphere. The potential of household-based production sphere to serve as a seed for an alternative developmental path depended upon the degree to which the alternative, market-based system of co-ordination evolved. By elevating the importance of relations between household producers and the dominant economy I do not neglect the importance of cultural components of economic behaviour.

It was argued that analysis of the transition of the agricultural production system requires a two-stage model. On the first level, the internal conditions for the reproduction of the co-operative as a form of production are analysed. The co-operative is seen as being composed of three units: collective, household (producing commodities) and domestic (reproducing the labour force). On the second level, the external conditions for the reproduction of the co-operative as a form of production are analysed. This level involves an analysis of the co-operative as a specific form of production, functioning within the context of a dominant socio-economic formation, which is in turn, also in transition.
Furthermore, I argued for the benefit of focusing upon the reproduction cycles of the co-operative as a production form and of the supply of labour in the co-operative from the one-sided focus on the organisation of production. Finally, I argued for the utility of analysing the co-operative as a gender-structured system, and that such a perspective could contribute to understanding the ways in which the asymmetrical gender-based division of socially necessary labour contributed to the formation of the co-operative as a form of production. I argued also that the focus on the reproduction cycles of the co-operative can also contribute to the understanding of gender inequalities.
CHAPTER 5

Production forms in Agriculture

1. INTRODUCTION

As was shown in the previous chapters, the attempt of the state socialist regime to proletarianise the peasantry did not succeed. Co-operative workers maintained sizeable production in their households. This production was interpreted as having not only economic importance, but also social importance. It was seen as the 'silent revolution' of the peasantry against the regime (Szelényi, 1988) and as a strategy of ‘active resistance’ (Àgh, 1989). Consequently, expectations were high for the potential for evolving an economically viable family farming sector after the fall of the state socialist system. However, the peasantry’s ‘historical revenge’ in the post-socialist transition has not primarily come about by organising civil society into political action. Rather, the rules of the establishment of the new social order – one based on the principles of market and private property – was again orchestrated from above, from urban centres, and by politicians – without the active participation of the peasantry. Nonetheless, the ‘historical revenge’ of the peasantry seems to have evolved according to the ‘residual principle’ (similar to what had happened between the latter part of the seventies and late eighties). Following the compensation and privatisation acts and the introduction of the new co-operative law approved in 1992, the former co-operatives at first transformed into reformed co-operatives or private enterprises as ancestor organisations. In contrast, the transition from ancestor organisations to family farms proceeds along with bankruptcies and dissolution of large scale production organisations. In terms of land use, family farms first gained equity with large-scale agricultural production organisations (i.e. with the ancestor organisations of former co-operatives, such as reformed co-operatives, and various capitalist enterprises) in 1996. Although The analysis of the post-socialist transition of agriculture falls beyond the focus of this study (see Asztalos Morell, 1997). It is taken up briefly here because of the value of post-socialist processes to the understanding of the importance of social processes under the socialist period.

At the end of the previous chapter, several points of criticism regarding embourgeoisment and oikos theories were raised. This chapter aims to further develop these critical remarks. Several analytical models discuss the stubborn survival of family
farms under conditions of capitalist economies. I argue that these can also provide analytical insights for interpreting the role of household-based production even within the context of state socialist development.

The focus in the Hungarian debate was on how household-based production forms have served as the basis of resistance against the dominant redistributive economy. In contrast, I suggest the importance of looking at household-based production as a form functioning within a dominant economic formation. In the case of the agricultural, household-based production of co-operative workers, I argue for shifting the focus to the functioning of the co-operative as a production form, which nonetheless is composed of divergent units.

In this chapter, alternative production forms in agriculture are analysed. This helps to understand the specificity of Hungarian agricultural production co-operatives. The aim is to develop an analytical model for the analysis of specific production forms, existing within the context of dominant economic formations. This analytical framework will help conceptualise co-operatives as existing within the context of the state socialist economy. It will also help in understanding the internal dynamics between the collective and the household-based production organisation within the co-operatives. The integration of the Hungarian embourgeoisement theories into the international debate on agricultural production forms is expected also to assist in the critical assessment of the potential of household-based production of co-operative workers to evolve into family farming proper (see defined below). The ‘emancipatory potentials’ of such a transformation were implied in the embourgeoisment and oikos theories discussed in Chapter 4.

At first (in Subchapter 3), the benefit of differentiating between specific units of production and dominant social formations (Friedmann, 1980) is discussed. This issue is examined in the context of the Western debate on the role of family-based production forms within capitalist economic systems. Second (in Subchapter 3), different models of economic integration are compared. These models are to assist the examination of the specificity of dominant systems based on redistributive versus market-based integration. Furthermore, they are to help to define the specificity of economic integration model based on the principle of household as compared with other integration principles.

Third (in Subchapter 4), it discusses the importance of various production forms within agriculture, in order to identify the specificity of the co-operative as a production form combining the elements of collective and household-based production. Fourth (in Subchapter 5), it examines the various forms of interactions between household-based production forms and dominant economic systems. Fifth (in Subchapter 6), the question of economic advantages associated with various production forms are discussed.

Sixth (in Subchapter 7), the discussion is summarised by revisiting embourgeoisment and oikos theories. Finally (in Subchapter 8), it is argued that the literature on production forms in agriculture in the West – as well as in Hungary – is preoccupied with the analysis of the organisation of production. Meanwhile, the organisation of reproduction has been neglected. Furthermore, analytical insights derived from looking at agricultural production forms as gendered systems are discussed for better understanding of production forms.
2. DEFINING FORMS OF PRODUCTION IN AGRICULTURE

The classical model of agrarian transformation postulated in the writings of Marx envisions a unilinear pattern of development. This model suggests that the direction of the transformation of pre-capitalist productive relations moves towards a polarisation into capitalist farmers and wage workers (Marx, 1978). However, the persistence of non-capitalist forms of production has turned the attention of the new-Marxist literature to the analysis of the actual process of capitalist penetration in the so-called natural economies. As Goodman and Redcliff summarise: ‘Within individual peripheral formations, this approach seeks to specify the interrelations between capitalist production, branches of capital and those sectors where non-capitalist forms survive’ (Goodman and Redcliff, 1981, p. 53). Thus, this approach highlights the separation of labour from ownership of the means of production, for example, in the case of agriculture, the proletarianisation of peasantry is not a necessary condition for the participation in the capitalist system.

In Hungary, embourgeoisment and oikos theories examined the persistence of household-based agricultural production forms in light of the attempts of the state socialist regime to proletarianise the peasantry. I argue that the failure to complete the proletarianisation of the co-operative peasantry can be perceived as a historical parallel to the persistence of non-capitalist forms of production under capitalism. It can exemplify the persistence of household-based production forms within the context of a dominant system based on capitalist, or alternatively, on redistributive dominant economic systems (see below on the distinction between these two).

Debates within this new-Marxist approach centred around the level of conceptualisation of modes of production and social formations. According to Roxborough, a mode of production is defined as a social totality, incorporating the unity of production relations, class structures and juridical-political institutions with the economic base (Roxborough, 1975). Other theories define the mode of production as an abstract concept determining the ‘laws of motion’ and ‘underlying structural regularities’ of social formation, which are concrete, historic entities (Alavi, 1979 and Banaji, 1977). According to this view, (and contrary to Roxborough’s theory), a conceptualisation of the totality of a social formation as constituted by the articulation between various models of production is precluded. Although Banaji admits that individual enterprises can represent different forms of productive relations, they are, nonetheless, also incorporated in a social formation. Thus, they are subject to the general laws of motion of the economy and, consequently, to the underlying mode of production. Furthermore, Banaji perceives surviving non-capitalist structures as distinct forms of production subject to, and determined by, the dominant capitalist mode of production.

However, other neo-Marxist approaches argue that these surviving non-capitalist structures exist independently and constitute separate modes of production in interaction with the dominant capitalist mode of production. Wolf, for example, emphasises the importance of the juridical-political superstructure for the reproduction of a mode of production. He defines this system of relations as the ‘extended concept’. These ‘concepts’ of reproduction define the ‘dynamics’ of the system. These dynamics provide ‘crucial mechanisms by which otherwise isolated enterprises (units) of production … are brought into systematic relationship with one another’ (Wolf,
1978, p. 11). As Goodman and Redcliff summarised: ‘Wolf illustrates the articulation approach by considering social formations constituted by a combination of modes, restrictively defined, in articulations with an ‘extended’ mode which is dominant; that is, its laws of motion are operative’ (Goodman and Redcliff, 1981, p. 57).

On this point Friedmann’s conceptualisation is of relevance. She is critical of the way certain Marxist theories treat the empirical disparities, exemplified above by the survival of non-capitalist production forms, from the ideal typical classical modes of production. These deal with the lack of polarisation of the peasantry by creating categories of transitional modes of production (Friedmann, 1980, p. 159). She calls this ‘teleological reasoning’. Instead, she differentiates theoretically between two levels of analysis: unit of production and social formation. She argued that the forms of production ought to be ‘double specified’ as units of production which nonetheless, function in interaction with the dominant social formation. A social formation provides the context for the reproduction of a form of production.

… I shall argue that the central concept for analysis of agrarian social relations is the form of production. This is conceived through a double specification of the unit of production and the social formation. The social formation provides the context for reproduction of units of production, and in combination with the internal structure of the unit, determines its conditions of reproduction, decomposition, or transformation. (Friedmann, 1980, p. 160).

Household-based agricultural production can take various forms, dependent upon the context provided by the dominant social formation. As she concludes:

Not only can these contexts not be derived from the dynamics of household production organisation, but the internal composition and division of labour within productive household and the characteristics of household members, are largely determined by the external relations of household to each other and to other social groups. The structure of the larger economy thus conditions the relative importance of internal processes. (Friedmann, 1980, p. 159).

Thus, following in Friedmann’s footsteps, I mean on a dominant social formation the rules regulating the exchange of goods and services between the units of economic interactions. While talking about production forms, I think about units functioning interaction with the broader framework defined by the dominant social formation. Different forms of production units are characterised by specific types of socio-economic relations which regulate both the production and reproduction of the production organisation and the purpose of the economic activity. Thus, the relations between the means of production and labour, the nature of the control over resources and the acquisition of the usufruct of the resources, as well as the way in which the production form is reproduced, are crucial for the understanding of the features of a production form.

In Chapter 6 and 7, agricultural production co-operatives are analysed in the context of the evolution of market socialism, a transition which led to the devolution of the state socialist system per se. As noted in Chapter 4, this reform process led in two directions. Kolosi described the first as the reform of the state socialist dominant system, leading to the gradual delusion of the main-core redistributive principles. He
described the second as leading to the opening of ‘wicket-holes’ allowing, under limitations, the existence of and expansion of alternative economic systems, including the household and a limited market. I argue that reforms in both direction could be looked upon as reforms in the general ‘laws of motion’ of the system (i.e. in the social formation with Friedmann’s term) and in the allowed types of units of production.

While theories of family farming are utilised in order to define the specificity of household- (i.e. family-) based agricultural production systems, these theories emerged from the analyses of industrialised Western and third world countries. I argue that the conditions of state socialism as the dominant economic system, and the transformation of this system in the process of the evolution of market socialism, requires the introduction of a complementary conceptual framework. Polányi’s models of economic co-ordination provide a suitable analytical framework to bridge this gap.

3. SYSTEMS OF ECONOMIC CO-ORDINATION

At first, general concepts are discussed to identify the characteristics of systems regulating the exchange relationships between the agents of different economic systems. Furthermore, the features of the relationship between the dominant systems of regulation and the alternative systems is identified. I apply four concepts, defined by Polányi, astypes of economic co-ordination.

Polányi describes reciprocity and redistribution as the underlying organising principle of ‘primitive’ societies. What these two principles share in common is what they negate: ”the motive of profit is missing; the principle of work carried out for rewards is missing; the principle of least effort is missing; and any kind of institution based on economic motives is missing” (Polányi, 1976, pp. 57). In positive terms reciprocity is built on “the institutional structure of symmetry ... The surprising “duality” found in tribal categorisations is very suitable for grouping individual relations into pairs thus allowing the movement of goods and services between persons without lasting securities.’ (ibid. p.59). In contrast, redistribution is based on the principle of centrality. ‘The institutional structure of centrality ... , which can be found to a certain degree in all human groups, allows the collection, storage and redistribution of goods and services’ (ibid. p. 60). He argues that ‘as long as the social organisation functions in its usual way, personal economic motives are not forced to come into function.’ (Ibid. p. 60).

Polányi claimed that these principles are not restricted to the ‘primitive’ economies, but may be seen as underlying basic human principles in all societies (ibid. pp. 54-55). The continued presence of reciprocal relations in the state socialist economy were highlighted, along with others in the literature on housing in the countryside. The institution of ‘kaláka’ is built on the reciprocity of services, which was commonly applied in the construction of family houses (Sik and Kelen, 1988). The institution of redistribution became a general principle in tribal as well as despotic archaic societies. Nonetheless, even societies based on market co-ordination have some elements of redistribution. Polányi’s capitalism critique points precisely to the forces of the self-regulating market which squeeze out the redistribute praxis of the
‘welfare state’ oriented towards the institutional securing of the individuals right to survival (Ferge, 1980, p. 291).
Along with Polányi, Ferge argued that redistribution can become a right only under the conditions of socialism:

If the means of production and the majority of produced goods are in the possession of separate private producers, the legal foundations of such redistribution, which contradicts the rights bound to private property and interests... can always be challenged (Ferge, 1980, p. 294).

The principle of the household refers to production for own use. The Greek word for household: ‘oeconomia’ is the root of the term economy. Polányi views the household as an institution which evolves on a higher level of development in agricultural societies.

The need to secure the necessities (my italics) of the people belonging to one’s own household...has nothing to do with the motive of profit and the presence of markets. Its scheme is the closed group. Either the family, the settlement or the estate ... formed the self-sufficient unit, the principle remained the same: the principle of production and storage for the satisfaction of the needs of the members of the group (Polányi, 1976, p. 67).

The concept of production for self use does not exclude the presence of contact with a market or the sale of surplus: ‘The principle of producing for self use can remain valid as long as markets and money are pure appendices to the household.’ (Polányi, 1976, p. 68). The need to specify the meaning attributed to the household and household-based production in the context of a dominant redistribute and a dominant market economy are to be discussed later.

In contrast the principle of the so called self-regulating market refers to such an economic system, where the markets rule, the

... system of the production and distribution of goods relies on this self-regulating mechanism. Such an economy is derived from that idea that the purpose of human behaviour is to maximise the achievement of profit...Under this principle the system of the production and distribution of goods is secured exclusively by the price. ... It follows from the principle of self-regulation that they process always for the market, and that all income originates from such marketing. According to this all participants in production have their own market; not only the goods (inclusively services), but even labour, land, money, their prices are called prices, wages, land rent and mortgage (ibid. p. 81).

A further obstacle to the functioning of a self-regulated market is that neither prices, supply or demand should be limited or regulated, and that the market should function as the single co-ordinator (Polányi, 1976, p. 82).
In contemporary industrialised countries, the principle of market regulation dominates. Nonetheless, not even these systems are fully freed from the presence of redistribution. The system of taxation, to varying degrees, involves a redistribution of goods to secure the reproduction of the members of the community. The welfare state forms a ‘de-commodified’ filter between the functioning of the market and the
numbers of society (Esping-Andersen, 1990). In the case of agriculture, a part of the redistributed assets is invested in market regulation, such as in the case of agricultural support systems. On the other hand, with some historical exceptions, state socialist systems did not succeed in completely destroying all functioning markets. The continued existence of city markets for agricultural products was such exceptions within the dominantly redistributive systems (Hedlund, 1989). Market principles prevailed also in the shadow of the redistributive system. A good example is the case of free medical care and the presence of an informal ‘pocket-money’ system, through which patients kept alive or re-created, a kind of commoditisation of medical services. This phenomenon was considered part of the so-called second economy (Galasi and Gábor R., 1981) In Hungary, the introduction of reforms from 1968 onwards consciously aimed at the reintroduction of elements of the market into the redistributive system.

However, even if neither the capitalist nor the socialist economy can be seen to be purely regulated by the market – or by redistributive principles – they nonetheless represent two characteristically different co-ordination principles. Ferge highlighted the difference between a market economy and a socialist economy in the following:

> as under the conditions of capitalism the logic of the market dominates even the nature of non-market and none-economic relations, so under socialism the redistributive solutions infiltrate even areas which are fall beyond the area of central redistribution. (Ferge, 1980, p. 292).

Thus, in this sense, redistribution obtained a pervasive, even, if as we argue below, not all-pervasive nature in the socialist economy. In modern industrialised societies, either market exchange or redistributive systems constituted what Banaji called the ‘underlying structural regularities’ (Banaji, 1977) of the systems of economic co-ordination.

Furthermore, neither the systems based on the dominance of market co-ordination nor those based on the principle of redistribution was able to eliminate the alternative socio-economic principles expressed in the category of reciprocity and the household. While the wage labour relationship regulates access to the main means of subsistence for those excluded from control over the means of production in both market and redistribution-dominated systems, the household, as well as systems built on reciprocity, continue to have crucial importance for the reproduction of the everyday life.

Friedmann’s differentiation is used as a model for the study of agricultural production co-operatives, as a form of production, with the state socialist economic system as the dominant economic formation. Furthermore, the conditions for the reproduction of the co-operative as a form of production are analysed in two stages. In the first stage the co-operative is a production organisation composed of distinct parts: collective and household. In the internal relationship between these two systems, the collective dominates. In the second stage, the co-operative is seen as a form of production functioning within the dominant system. This relationship is one of both alliance and confrontation formed in the competition for acquiring access to redistributed resources.

Applying Friedmann’s concept of form of production, Hungarian co-operative agriculture could be considered to have been formed through gradual changes on two
levels: on the level of the dominant social formation (i.e. on the level of general laws of motion of an economy) and on the level of the production units (i.e. in changes in the production relations characterising units of production).

Thus, on the level of the dominant social formation, the strict principles of redistributive co-ordination were altered. Co-operatives were then allowed to apply market principles in their functioning as enterprises. Co-operatives could choose their production targets, following the increasing liberalisation of regulations and could even engage in activities beyond agriculture. However, as Kornai’s critique discussed in Chapter 3 indicated, the new system did not approach the desired model of market co-ordination, and could be best described as a system characterised by ‘indirect bureaucratic co-ordination’. This was due to the prevailing importance of subsidies and continued price regulation up to the eighties. From the eighties onwards, the reform and gradual devolution of the system of bureaucratic co-ordination was again brought into focus (Kornai, 1987). Meanwhile, in the shadow of the dominant social formation, alternative forms of social co-ordination prevailed. As city food markets illustrate, this formed ‘islands’ of market co-ordination in a dominant redistributive system. Conditions of even these reflected the ‘general laws of motion of the dominant system,’ since they often complemented the redistributive system by supplying goods in shortage.

The next level of analysis concerns the level of the production units. The collective sphere of the co-operatives is treated as a system integrated with the dominant redistributive system. The collective sphere came into being with the mandate of the redistributive ideology, its existential base is bound to the dominant system and can be seen as a direct part of the redistributive system. Since the external conditions of its reproduction are determined and conditioned by the prevailing state socialist system, the co-operative would not exist without the prevailing system of domination.

The household-based production of co-operative workers is seen on the one hand as an integral part of the co-operative model. Co-operative workers base their existence on the combination of incomes from wages and the usufruct of household-based production. Household-based production is also integrated to varying degrees into the co-operative production organisation and the household became increasingly a production site for co-operative production. On the other hand household-based production is seen as a system with a logic of its own, and as an articulation of a non-socialist, non-capitalist form of production with the dominant state socialist redistributive economic formation. The specific form which household-based production took depended to large degree on its relationship with the dominant system – which went through an ongoing transition process.

Following the last wave of collectivisation, the importance of the household as a production unit has been integrated into the principle of the co-operative model. Even if its purpose to provide for the family, the sale of surplus products produced within the households of co-operative workers was not prohibited. Thus, due to the continued existence of urban food markets, the co-operative peasants (working also on their household lots) had a potential outlet for their surplus production on markets alternative to the one co-ordinated through the redistributive system. However, up to the eighties, the underlying mode of commoditisation of household production...
of co-operative workers was facilitated through the integration into the co-operative’s chain of marketing via the dominant economic system. This transformation provided the backdrop for the expansion of household-based production. Meanwhile it also formed the limitations to its further expansion. Without the further liberalisation and expansion of alternative markets (e.g. capital, means of production, land and product markets) the commoditisation of household-based production was to remain within the framework of the co-operative system, which represented the indirect redistributive system characterising market socialism. The expansion of household-based production is not seen as if it occurred in a vacuum. The precondition of increased commoditisation of household-based production is the presence of markets. Lacking generalised alternative markets, the co-operatives succeeded in channelling the commodity production of the households. However, the further expansion of household-based production required the development of alternative markets.

I consider the perspectives of the evolving household-based producers to be conditioned not only by the co-operative as part of the dominant redistributive system, but even by the limitations in the nature of the evolving markets of the emerging capitalist system.

4. The Social Importance of Forms of Production in Agriculture

As was noted, one of the key details of Hungarian agricultural production co-operatives was the duality of production organisation: i.e. of collective and household-based agricultural production forms. At the beginning of this chapter, I distinguished between a dominant economic system – the dominant rules of economic and social contact regulating the coordination between economic actors – and production forms. Here, the focus is on the internal conditions of the reproduction of the co-operative as a production form. (The external conditions were described in detail in Chapter 3, while an analytical framework discussing the articulation between the dominant system and concrete production form was provided in the opening part of this chapter). First, an analytical tool is provided to help differentiate the various forms of production in agriculture.

In the latter part of this chapter, the specificity of the co-operative organisation is highlighted by comparison with other key forms of production within agriculture. Three alternative organisational models are presented for comparison: estates (or alternatively capitalist agricultural enterprises), family farms and semi-proletarian (or alternatively part-time) farms.

The heart of differentiating production forms is a) the ‘pattern of labour use’, and b) the ‘pattern of reproduction’ of a given production form (Djurfeldt and Waldenström, 1996, p. 188).

The first criteria focuses on the nature of the labour resource of the production unit, its remuneration and relation to the means of production and to the control over the

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1 It could be, of course questioned whether the production carried out within the putting out system can be or not called commodity production proper. The increasing accountability of labour time used in the household-based production into the total labour time used in the collective sphere indicates all the more that this activity composed an integral part of the collective sphere.
resources of the concerning unit. The second criteria focuses on the conditions of reproduction of the unit itself and the labour force required for its operation from one cycle to another.

Answering these questions also requires a delineation of the boundaries and functions of the unit. In Djurfeldt (1994) specified as principles for the differentiation between gods, gård and torp, the labour use criteria and the way in which these three types differ in deciding over three functions: 'production unit (farm), consumption unit (household) and kinship unit (family)' (Djurfeldt, 1994, pp. 24-25). In the case of family farms, the demographic life cycles of the family influence the composition of the household. If the farm cannot provide employment for all of the family members, some may take employment outside. In periods where the producer per consumer ration on the farms is low, the farms might require additional labour power (see also Djurfeldt, 1996).

While my description is inspired by Djurfeldt’s ideas, it also deviates from it. I provide below some preliminary definitions for the way in which I use this triangular distinction.

Production (whether carried out within a market-, a redistributive- or household-based economic system) can be seen as an activity which is oriented towards the creation of goods required for the (simple or extended) reproduction of the unit. A household is commonly defined as a consumption unit. It is most commonly the unit of a family. However, it can also include members who have no kinship relationship to the main family residing within a consumption unit. In addition to being a consumption unit, I see the household also as the institution which organises the utilisation of the resources of the household members. The term household is used to mean the organisation of the provision of the means of subsistence for the members of a household, as well as the organisation of the utilisation of the labour power of the household’s members. Thus, the purpose of a household is to organise the provision of the means for the reproduction of the household unit. The household is the principle organisation which binds together those living together in this economic unit.

In the case of Western family farms, the fact that a kinship unit (the family) is bound to the production unit (the household) was seen to have contributed to their competitive advantage as compared to wage labour-based farms. Those belonging to a family are seen to be loyal workers, since potential sanctions by the family (such as exclusion from the kinship unit) can be stronger than the loss of a wage labour. They are also motivated, since the farm belongs to them, and so more careful with the assets. Thus, family labour requires little or no supervision. Land was transferred primarily through inheritance. In this way, the position in the kinship unit, the prospect of inheriting the farm or being owner of it serves as incentive for taking care of the assets, putting up with unfavourable labour conditions, etc. (Gasson and Eriington, 1993). Kinship has a reduced importance for production in the case of cooperative workers. Since the means of production were socialised, these (land and assets) are not inherited through the family. Nonetheless, the family retained a circumscribed function in the accumulation of assets. Activities were typically oriented toward the family’s consumption goals (for example, to afford an expensive wedding, to be able to help the children to build a house, etc). However, these assets
were typically converted into consumer goods. Thus, kinship played a modified role even in case of household-based production of the co-operative workers.

According to Djurfeldt, in addition to the way in which these three units (production unit, consumption unit and kinship unit) are combined, even the type of labour force utilised on the farms is important in differentiating forms of production. Here, Djurfeldt emphasises the differentiation between commodified (wage labour) versus uncommodified (family or reciprocal labour) forms.

Following on the analytical footsteps of Djurfeldt, I develop the model of ‘family farms’, ‘estates’ (capitalist farms), and ‘semi-proletarian farms’ on the basis of both the labour criteria and the degree to which they contain the principles of production, household and reproduction. These models assist in the identification of the specificity of agricultural production co-operative as a form of production.

4.1. ‘FAMILY FARMS’

Peasant farm households are primarily engaged in a combination of cultivating crops and raising animals. With increased commoditisation, farms tend to become more specialised.

One of the key distinguishing features of family farms (compared to other agrarian production forms) is their reliance on family labour (Chayanov, 1986, Djurfeldt, 1994). The conditions of reproduction of the labour force of the members of the unit is interwoven with the production function. In the ideal-typical family farm, the farm provides for the subsistence of the family. In case of ‘family farms’ the production site belonging to the household is sufficient to provide for the needs of the members of the household, as well as is able to utilise the family’s own labour resources. However, due to the shifting relationship between the demographic cycles of the family and the farm’s ability to provide for subsistence, the family can periodically ‘sell’ part of its excess labour while in other periods it might depend on the hiring of outside labour.

Nonetheless, these deviations do not change the overriding importance of family labour for the reproduction of the farm as a unit of production. This family labour base is the source of major distinguishing features of the economic functioning of the family farm. This is often seen to provide a competitive edge compared to capitalist farms due to the alleged lower real costs of labour. However, the labour force criteria by itself seems not to be sufficient to define family farms (Friedman, 1978) (see more below). Djurfeldt adds to the family labour criteria that the farm should be the basis for the reproduction of the family and its own existence. Following Djurfeldt’s definition, I use the term family farm to describe the reproductive family farm more specifically.

On family farms, the production site overlaps with both the household and the kinship (biological and social reproductive) unit. The orientation of family farms towards the satisfaction of the family’s consumption needs derives from this overlap. It is also important that access to land is to a large degree regulated outside the realm of the market, since it is transferred, to a large degree, by inheritance within the kinship group.

Historically, the use of non-household labour can be organised along other lines than wage labour and the same goes for the household members’ labour outside the household Morell (1995).
4.1.1. The Reproductive Family Farm

To qualify as a reproductive family farm, a unit has to be able to provide for the reproduction of the labour power of its members and for the reproduction of the farm as an economic unit from the resources of the farm. The farm must also provide occupation for the labour power of the members of the unit. The major source of the livelihood of peasant households originates from the land. My definition of the family farm is closest to Djurfeldt and Waldenström’s notional family farm category.

This theoretical definition builds on two criteria: (1) the first is the labour use and (2) the second the pattern of reproduction. In terms of these criteria the notional family farm is characterised (1) by means of a labour use criterion as relying mainly on family labour and by that family labour is employed mainly on the farm, and (2) by a criterion, as being reproductive in the sense that the family can be fed with the income from the farm, which also suffices for reproduction of the farm as such. (Djurfeldt and Waldenström, 1996, p. 188.).

Djurfeldt formulates the reproduction criteria somewhat differently in an other work:

Gården kännetecknas av en överlappning mellan tre funktionella enheter: produktionenhet (gården), konsumtionenheten (hushållet) och släktskapenheten (familjen), while the labour force criteria is rather similar: För sin drift kräver gården familjearbetskraft, dvs. arbete utfört av medlemmar av familjen och hushållet (Djurfeldt, 1994, pp. 24-25).

In Hungary, reproductive family farms, according to the above general definition, occupied a minority of agricultural land in the period prior to the land reform of 1945. If farms between 2.9 hectares and 28.8 hectares are considered to fall within this category, 35.3% of agricultural land was occupied by this category in 1935.

Djurfeldt and Waldenström had the possibility to operationalise these concepts in more exact terms. My calculation is made on the basis of secondary data and utilised Fél and Hofer’s fieldwork in Atány between 1951 and 1963. The boarder for being able to afford a horse team lied between 3 and 4 hectares (6 and 8 holds). Smaller farms were obliged to work at farms with horse power in exchange for tilling, while those with horses tilled the soil for those without in exchange for labour or for payment. Farms between 8,7 and 11.6 hectares (15 and 20 holds) were considered to be able to make a living on the farm, i.e. to cover for the subsistence of the family. Farms over 11.6 hectares (20 holds) needed commonly the help of sharecroppers and harvesters to cope with the work load. Those above the category between 23,2 and 28,8 hectares (40 and 50 holds) could afford 2-3 permanent extra farm hands, as well as occasional day labourers, harvesters and artisans, and produced primarily for the market. See Fél and Hofer, 1969, pp. 230-234. The boundaries according to land size cannot be taken as absolute. The quality of the land, the type of farming, degree of mechanisation as well as the condition of agrarian markets could impact on the conditions of reproducing farm units. For other categorisation in Hungary see Donáth, [1946] 1992, Erdei, 1940. See internationally Morell, 1992, Gasson and Errington, 1993, Djurfeldt and Waldenström, 1996. The category of farms larger than 40 to 50 holds, but below 100, i.e. those farms who can afford to employ 2-3 permanent servants, would need to be taken under further scrutiny. With consideration of the demographic variation between the consumer to producer ratio on the farms, as pinpointed by Chayanov, even family farms proper, could be in a situation, when, for given periods in the household’s life-cycle they would be dependent on permanent hired labour, while in later phases the labour demand of the farm could be satisfied by the family (Chayanov, 1986, Djurfeldt and Waldenström, 1993). A further problem with categorising this group of farms as capitalist arises in case of applying the reproduction criteria. Is the goal of the farm activities to reproduce the subsistence of the family by means of reproducing the farm, or, is it to increase profit. Would it be the latter, the branch of

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The proportion of land cultivated by this type of farm increased to 53.1% in 1947, and to 73.8% in 1949 (see table 3.2. in chapter 3). Within this the land occupied by the ‘middle peasantry’ exceeded the amount of the land cultivated by those on the lower margins of reproductive family farms (those who depended on the sale of family labour or services in order to make the economy function). Thus, land reform increased the opportunities for family farms. The expansion of family farms occurred in the midst of large farms and estates. This meant, that for a short period of time in Hungarian history, family farming could serve as the main production form in agriculture. Two groups might be considered as transitory. The group occupying land between 2.9 and 5.7 hectares contained high proportion of farms where some members of the family were obliged to complement the intacts with work outside the farm, and the category of farms cultivating land between 11.6 and 28.7 hectares, where a large proportion of farms occupied most probably farm-hands with varying frequency. If we discard these transitory groups in these categories, the proportion of reproductive family farms appears more marginal. Nonetheless, their importance increased apparently during the period between 1935 and 1949 (12.6% in 1935, 17.3% in 1947 and 29.2% in 1949).

The big difference in the proportion of family farms in the two interpretations focuses attention on the problem with the application of the labour criteria. The differentiation between family farms and capitalist farms, according to the reproduction criteria, could be of use. Friedmann (1978) argued that family farms are characterised by a simple reproduction cycle (the aim of production is the reproduction of the production at similar level). This is in contrast to capitalist enterprises aiming at extended reproduction, in which the reproduction of the production unit occurs on a larger scale. Thus, the regular reliance on hired wage labour does not by necessity result in the attribute of capitalist farming.

Erdei’s embourgeoisment theory described the transition of the peasant society prior to 1945. The above-described large-scale expansion of the subsistence base of self-made peasants resulting from land reform made the populist ideas about ‘garden’ Hungary seem to come true. However, as we saw in Chapter 3, the new land distribution created by the land reform was interpreted by leftists as a step that has destroyed the barriers blocking a capitalist transition of agriculture (see citation from Donáth, 1946 in Chapter 3). Donáth described two alternative paths for agrarian transformation: one, an American-style capitalist transition of agriculture and the other, one in which the small-scale peasantry would integrate its production even more with an expanding network of co-operatives.

The dangers of interpreting family farms as heading towards a capitalist transformation can be demonstrated by the fact that the same interpretation also set the stage for the collectivisation agenda (see Lenin, 1974 or Rákosi (1948) in Fazekas, 1976). The ideological justification for collectivisation was established in the polarisation thesis in orthodox Marxist and Leninist interpretations, which assumed that family farms are undoubtedly going to be converted into capitalist farms (see below), and economic activity could be chosen freely between farming or other sorts of investments. Even in case of farms relying on hired labour, profit is not sought after in a purely capitalistic way.
households of agrarian proletars, proletarians⁴, since the members of those farms who cannot compete are going to be transformed into wage workers. With the exception of three shorter interim periods, as was described in Chapter 2, collectivisation prevailed as official ideology in Hungary between 1948 and 1989. It was not until the last wave of collectivisation, following 1958, that the destruction of the subsistence base of family farms was accomplished. With the exception of some marginal areas, family farms proper were eliminated following 1961.

The gradual transition of co-operative agriculture reopened the opportunity for the evolution of family farming. Nonetheless, up until the eighties, co-operative workers could obtain access to household plots purely via the satisfaction of labour duties within the co-operative first. This provided the right for land. From the late eighties onwards, the spread of leasing type production systems, opened up a still much-restricted possibility for creating the reproductive base for family farms proper. At the end of the eighties, the interpretation of this revitalised household-based production again obtained a symbolic importance. It was formulated as an ‘anti-economy’ compared to the redistributive state socialist economy. As it was discussed in the previous chapter, the increasing commoditisation of household-based production and the strengthening of entrepreneurial mentality of some segments of these producers inspired Juhász (1983) and Szelényi, et. al. (1988) to interpret this development as the renewal of the interrupted embourgeoisment process of the peasantry. Meanwhile, the other alternative agrarian worker paths depicted by Szelényi, et. al. included the accomplishment of proletarianisation and a kind of peasantisation (implicit in the peasant-worker position). In contrast, Ágh saw in the stubborn survival of the household’s productive functions the revolution of the ‘oikos’ against the state socialist monolithic system. My criticism in this respect is oriented primarily towards the interpretation of the commoditisation and increasing entrepreneurial features of household-based producers as tendencies towards embourgeoisment as a capitalist transformation.

Thus, looked at from the perspective of the three distinct principles: production, household, kinship, family farms are ruled by principles of the household. The production site on the ‘reproductive’ family farm is sufficient to provide for the reproduction of the household members – and of the production unit that belongs to the household. The degree to which this production is utilised for the reproduction of the family, (whether its products are consumed directly by the members or the products are sold and the costs for the reproduction are paid from this sum), depends on the commoditisation of the production. The degree to which the production is distributed in the market is a differentiating principle between peasant family farms and petty commodity producing family farms (see later).

### 4.1.2. Commoditisation and the Differentiation of Peasant Farms and Petty Commodity Producers

In the duality of the two paths, ‘embourgeoisment’ versus ‘peasantisation’, that Szelényi et. al. (1988) identified as alternative to the ‘proletarianisation’ path, Erdei’s dual categories of ‘peasant’ versus ‘bourgeois peasant’ can be identified as

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underlying ideal types. These polar terms depict a transition from a peasant economy, guided by traditional principles, to a bourgeois peasant economy, which is guided by rationality. It is a transition from an economy partially integrated into the markets to one which is an active participant in the market. However, the underlying assumption in the theories of the embourgeoisment of the peasantry in Erdei, and following him in Szelényi, et. Al, was that the outcome of this process leads to the polarisation of the peasantry into capitalists and proletars.

The prevailing differences and similarities between various types of household-based agrarian production forms facilitated the debates also in the West, following the ‘rediscovery’ of the peasantry in the sixties. The first English edition of Chayanov’s work came out in the midst of the intellectual vogue in new left literature, which attributed a position of central importance to the peasantry. The peasantry, which was previously treated as an apolitical, conservative force, ‘a sack of potatoes’, as Marx apostrophised, was seen suddenly as independent political actor (Shanin, 1986, p. 21.). Chayanov’s treatment of peasant production as a form of production different from the capitalist and his treatment of the relation of the peasant economy to the dominant economic system (vertical integration of the peasantry), was highly relevant in the frame of the underdevelopment debate.

Some of the followers of Chayanov associated a universalistic position to the peasantry, which postulated a peasant society, functioning according to its own logic and existing parallel to industrial society (Shanin, 1988).

According to others, family farms exist in a specific social and economic context. They are either part of a historically formed peasantry or of a farming community. The peasant society is characterised as a partial society, existing within a larger social and economic context. The peasants are also perceived to have a subordinate position within this larger system: ‘...it is only when ... the cultivator becomes subject to the demands and sanctions of power-holders outside this social stratum - that we can appropriately speak of peasantry’ (Wolf, 1966, pp. 8-11). The underdog position of the peasants manifests itself in unequal social relations. Wolf asserts that peasants are ‘rural cultivators whose surpluses are transferred to a dominant group of rulers’ (Wolf, 1966, pp. 3-4).

However, the applicability of Chayanov’s theory for the analysis of all kinds of family farm producers was not accepted without reservation. Friedmann is critical of theories which claim that family-based household production lends a universal feature to these economies which is unique to agriculture. Friedmann’s critique of Chayanov points out that household production occurs in a variety of social and economic contexts. These external contexts cannot be derived from the nature of household production, but rather the internal relations of household production are conditioned by them: ‘the structure of the larger economy thus conditions the relative importance of internal processes’ (Friedmann, 1980, p.159). Friedmann’s suggestion, as discussed above, is to formulate a theoretical differentiation between two levels of analysis: unit of production and social formation. She conceptualises the form of production on the level of unit of production. A social formation provides the context for the reproduction of a form of production. She argues that the term ‘peasantry’ is not an analytically well-formulated category. Household producers existing under conditions of generalised commodity production should be defined as simple commodity producers rather than peasants. The ‘peasant’ term should be
restricted to cases where household production exists under conditions other than
generalised commodity relations.
Ellis emphasises that ‘it is useful to distinguish between non-market coercion (for
example, the relations between overlords and serfs under feudalism), the exercise of
unequal economic power in imperfect markets and the adverse results for peasants
of price trends originating in competitive wider markets’ (Ellis, 1989, p. 6.).
The peasant economy is commonly distinguished by its ‘partial integration into
markets’ (Friedmann, 1980, p. 164). This partial integration is often seen in relation
to the orientation of the peasants’ production. A substantial, yet largely varying part
of the peasant production, is intended for the consumption of the family –is subsi-
dent production. Subsistence production reduces the costs of the reproduction of
peasant labour, furthermore, it makes the peasant farm less dependent on the
changes of market prices. Peasant farms typically engage in various non-market,
reciprocal transactions, such as the Hungarian ‘kaláka’ (exchange of labour ser-
vices) (Sík, 1989). This implies that ‘competition does not exclusively or even prin-
cipally define the relation of peasants to each other or to outsiders’ (Friedmann,
Many argue along with Friedmann, that peasants ought to be distinguished ‘from
family farmers operating within fully developed product and factor markets.’ (Ellis,
1989, p. 10). Fully developed economic markets are defined by perfect competition:
‘In the perfect competition model no coercion, domination or exercise of economic
power by some economic agents over others, can exist.’ (Ellis, 1989, p. 10). How-
ever, this is a highly ideal typical situation, that is hardly fulfilled even in the case of
the highly commercialised North American farmers. To address this fact. Ellis in-
troduced a more operational definition: ‘commercial family farms function in a
market with abundantly available credit, variable and easily accessible production
inputs, they have command and access to information about the newest available
technology, there is a free market of land, and information on prices is available’
(Ellis, 1989, p. 11). In contrast, the economic environment of peasant households
fulfils only a few – or none of these criteria:
Peasants are farm households, with access to their means of livelihood in land,
utilising family labour in farm production, always located in a larger economic
system, but fundamentally characterised by partial engagement in markets
which tend to function with a high degree of imperfection (Ellis, 1989, p. 12).

Ellis continues, claiming that ‘peasants cease to be peasants when they become
wholly committed to production in fully formed markets; they become instead fam-
ily farm enterprises.’ (Ellis, 1989, p. 13).
Gasson and Errington continue along this line and claim that with the increased
commercialisation of farms, their business enterprises features become dominant as
a result of the importance of their reliance on family labour, ‘...as capital replaces
labour as the pivot of the farm business, the family’s capacity to acquire and manage
capital may be superseding its importance as a source of labour’ (Gasson and
A theoretical differentiation suggested by Shanin emphasises that a difference exists
in terms of the relationship of petty commodity producing and peasant economies
with the larger economic system (Shanin, 1974, 190-191). However, while peasant
economies are tied into traditional patterns of communal labour exchange, the major trend of petty commodity production is an increasing individualisation and commoditisation. As summarised by Friedmann: ‘Personal ties for the mobilisation of land, labour, means of production, and credit are replaced by market relations’ (Friedmann, 1980, p. 167). Consequently, an important distinction emerges: while petty commodity producers still utilise predominantly family labour, their relations with the ‘external’ economy reflect an increasing degree of Commoditisation. However, Friedmann’s conception implies a series of assumptions. She argues that because these simple commodity producers control their own means of production, utilise the labour power of their own family, and produce for a market, they become a part of a petite bourgeoisie. In this way, the existing cultural and economic boundaries between the urban petite bourgeoisie and their rural counterpart are erased. I agree with Djurfeldt’s criticism on this issue. He pinpoints, among other economic differences, the peasants’ dependence on the eventual costs related to the use of land (i.e. land-rent). By equating family farms with other petite bourgeois producers, the specific origins of family farming (the degree to which it emerged from the local community, kinship ties and reliance on family labour), are diluted. Furthermore, the peasant’s economic behaviour is not commodified to the degree that the urban craftsman’s is. They make use of non-commodified forms of labour exchange. He/she also produces a part, even if a decreasing part of his/her consumption needs, so a part of consumption does not occur in commodified form.

Djurfeldt argues that instead of differentiating between peasants and commercial family farms as two completely different phenomena, one could emphasise the underlying similarity between them. However, an important distinction should be conceived as existing along a continuum in which one pole represents peasant economy without commodity form, where all reproduction occurs on the farms or via none-commodified exchange mechanisms, while on the other end we find a fully commodified peasant economy in which everything except labour power is bought (consumption goods) or sold (products) on the market. Friedmann’s simple commodity producers are placed on the commodified pole of this continuum, while the term peasant is reserved for those non-commodified producers. Djurfeldt sees as the main problem with this conception, the fact that the majority of peasants are located somewhere between these two poles. Furthermore, Djurfeldt argues that not even simple commodity production allows for the total generalisation of the commodity form, since its criteria is that labour power is not obtained in commodity form. Thus, the use of their own labour power is the common denominator for both simple commodity production and peasant production. However, in American and West-European agriculture ‘one-man’ farms become increasingly common. This leads Djurfeldt to the conclusion that it is not

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5 Friedmann’s model in Djurfeldt, 1994, pp. 103-105
the use of family labour that is the minimal criteria for peasant economy, but the use of labour power in non-commodity form, i.e. self-employment. ‘Genom att arbetsskraften inte har varuform, utan är egensysselsatt, så smyger sig en logik in i den enkla varuproduktionen som inte är en marknadsslogik’ (Djurfeldt, 1994, p. 108). This implies a competitive advantage for the peasant:

När produktionen är klämd av höga priser på insatsvaror, och låga priser på försäljningssidan, då har den en fördel av att arbetsskraften inte behöver vederlag efter rådande marknadstaxa. (Djurfeldt, 1994, p. 108).

Thus, as a critique of the Commoditisation thesis, Djurfeldt concludes that even the simple commodity producers are subjects of the Chayanovian logic. ‘...arbetskraft i icke varuform ger utrymme för en annan logik i den enkla varuproduktionen - en logik som inte är marknadens...’ (Djurfeldt, 1994, p. 109). The internal logic of the simple commodity producer is derived from family, relatives and the local society.

One could remark on Djurfeldt’s position that he, for the benefit of emphasising the universal feature of peasant producers (the non-commodified form of labour), tones down the importance of the differentiation of the peasantry along the Commoditisation continuum. With the increase of Commoditisation of peasant production, the peasantry is obliged to internalise certain principles of the market.

It is important to pinpoint the prevailing difference that the presence of functioning markets – and the involvement of farmers in such markets – has on the nature of farm production.

The increased reliance of family farms on capital (due to increased costs related to new technology etc., their increased dependence on the market for inputs and outputs, or the impact of governmental policies in form of taxes to be paid or subventions to obtain), forces the family farms more and more to internalise the logic of the market. Rational accounting has to develop, farmers are forced to adapt to radical changes in the demand for and prices of goods. Whereas the importance of group pressure and reciprocal relations can remain important locally, it is the individual family farm that is legally responsible for paying interest on loans, the costs of inputs and paying taxes.

While, the peasant becomes a component of the market, (it is this integration that Djurfeldt focuses upon), the peasant economy itself is transformed qualitatively. Peasants are forced to act according to the rationale of the market position they gain in this market. This is distinct from the traditional rationality that the non-commodified peasant derived from the family/relatives and local community. ‘Och det är den sociala och kulturella kontexten som bestämmer bönernas beteende.’ (Djurfeldt, 1994, p. 109).

I believe that Friedmann succeeded in grasping one aspect of this difference in her dual conceptualisation of forms of production as both a specific unit of production and as a unit functioning within a larger social formation. Forms of production are specified as an articulation between the dominant social formation and the unit of production.

However, Commoditisation – the internalisation of the rules of developed commodity markets by family farms – does not necessarily lead to the polarisation of agrarian society, or to the dissolution of the specific features of the agrarian context of family farming. For example the uncommodified nature of the labour force, which
involved the reliance on family labour and the preponderance of reciprocal exchange relations and the importance of community and kinship for the family farms, may persist (Djurfeldt, 1994).

In summary we could differentiate petty commodity production from peasant-type economies by the former’s participation in generalised markets as a system existing among the conditions of a capitalist economic order and type of ownership relations. In contrast to capitalist farms, the consequence of its family basis is the un commodified nature of its labour force, a lack of emphasis on surplus accumulation and an orientation for simple reproduction.

In my opinion, the differences between peasant and bourgeois farmers, highlighted by Erdei and other embourgeoisment theorists in the same tradition (Szelényi), articulates the transition between traditional producers, existing within undeveloped markets, producing to large degree for self-subsistence and ‘petty’ commodity producers, existing in developed markets and producing to large degree for the market. Embourgeoisment theories have added to this distinction, an emphasis on the shift in mentality and attitudes toward production and the farm, – the emergence of rational economic decision making, etc. (see at the end of this chapter).

4.2. The Capitalist Agrarian Enterprise

In this thesis, the main significance in finding a suitable definition for capitalist agrarian enterprises is obviously related to the issue of whether the Hungarian agrarian transition in the pre-collective and late collective periods, respectively, can reasonably be interpreted as being ‘on the way’ to a capitalist development (as stated by Erdei (1940) in the forties, by Donáth (1946) in the fifties and Szelényi, et. al., 1988 in the eighties). In this respect, the distinctions drawn in the Western debate between simple commodity producers and capitalist producers seems to be of great relevance. As a point of departure, I would sum up the key paths of the capitalist development of agriculture identified in the Marxist tradition.

The ‘classical’ type of capitalist agricultural enterprise is depicted by Marx by the case of the ‘yeomen’ economy in England (Djurfeldt, 1994). The yeomen rented the land of the landed aristocracy. Since, they were obliged to pay land rent they were forced to run the venture with profit. The yeomen utilised the land as a source of attaining profit and employed wage labour. Lenin, in turn differentiated between the Prussian and the American paths to the capitalisation of agriculture (Lenin, 1972, p. 239). The Prussian way evolved through the capitalisation of large estates. The American way evolved, where feudal estates have not existed or where they were crossed by radical land-reforms. Magnusson summarises the features of the American road:

Här leder utvecklingen till kapitalism genom en fri bonde som utvecklas till kapitalistisk ”farmer”. Detta kan antingen ske under förutsättning att feodala relationer aldrig förekommit - som i USA - eller genom att feodalismen krossas på revolutionär väg - som i Frankrike - och att jorden delas ut till den som brukar den. Genom en differentieringsprocess utvecklas vissa till ”farmers”

Friedmann argued that under conditions of a dominant capitalist market, the reproduction of the farm as a production unit might require the expansion of the unit. This is also reflected in the increasing land concentration in family farms in developed economies.
som använder sig av lönearbete, medan andra slås ut och skapar ett jordlöst proletariat. (Magnusson, 1980, p. 15).

Using Djurfeldt’s model, one could argue that in case of the classical and the Prussian model, the household unit of both the owner of the venture or estate and that of those working on the unit was clearly separated from the production unit. In contrast to the Prussian and classical models of capitalist agriculture, such is the case of farms on the ‘American road’ to capitalisation. The farm family typically lives on the farm and remains emerged in the local community. Thus, Djurfeldt’s model, the ‘American road’ shows similarities with the ‘gård’ rather than the ‘gods’ model. To examine the question of whether and to what degree the ‘American road’ per se is indeed a capitalist road, goes beyond the focus of this study. What is of interest are the criteria by which family farms and capitalist agricultural enterprises could be differentiated. This question is entertained here in order to see what criteria are used to interpret whether or not the Hungarian agrarian development was on its way to a capitalist transition.

Some used the labour criteria to distinguish between family farms and capitalist agricultural enterprises. According to this view, petty commodity-producing households utilise predominantly family labour similar to peasant economies (Nemec, 1972). In contrast, economic units that are dependent on the permanent use of paid labour for their reproduction fall beyond the definition of family farms. In such units, the control over resources is separated from labour. Those producing on the farm do not own or control the means of production. A managerial stratum can evolve to supervise the production process, such as in the case of large estates.

Although capitalist farming is based predominantly on the hiring of wage labour for the production process, suggesting a clear distinction between petty commodity producers and capitalist farmers based only on the features of their labour force is problematic. As Chayanov argued, even family farms proper can be dependent on hired labour in certain phases of the family’s demographic life cycle due to shifts in the consumer versus producer ratio in peasant families. Similarly, petty commodity producers might hire wage labourers on occasion, similarly to capitalist farmers, but this is usually only a periodic and temporary occurrence (Djurfeldt and Waldenström, 1996). This might be related to changes in the demographic composition of the households or changes in the labour demands of the economy in various agricultural seasons. Periodic employment of labour might also occur due to variation in the specific labour requirements of various adaptation strategies. They only ‘redistribute existing household labour among households in a cyclical variation in labour supply’ (Friedmann, 1978, p. 80). Also, highly mechanised capitalist farms might be able to base their undertaking solely on family labour. Friedmann concludes:

The role of wage labour in simple commodity production … points to serious pitfalls in defining social class mechanically. Wage labour can be an adequate indicator of social class only if general social reproduction also recreates the original conditions of individual participation in the labour process (Friedmann, 1978, p. 84).

She argues that the comparison of reproduction patterns of simple commodity producing compared to capitalist economies would provide a better ground for defini-
tion. Reproduction is defined by her: ‘..all reproductive forms involve the recreation from one round of production to another, and from one generation to another, of all the elements of production and the relations among them.’ (Friedmann, 1978, p. 87). The type of reproduction can be expanded both for simple commodity and capitalist production. However, the nature of expanded reproduction is different in the two cases. To understand the difference, the main orientation of production of the two must be compared. As a consequence of the expanding cash needs deriving from the circumstances established by the dominant capitalist mode of production (for example rental payments or for deductions to state expenditures such as taxes), the households have to become engaged in the production of exchange value to some extent. However, this commodity production penetrates their activities to varying degrees, depending not only on the increasing cash needs of the household, but also on the various adaptation strategies of these economies. Indeed, historically, commodity production becomes dominant only in certain forms of adaptation strategies, as in the case of specialised fishing (Hedley, 1979, p. 284). In contrast, the orientation of capitalist farms is the generation of profit, the accumulation of capital and the expanded reproduction of the production unit. This means that in a case in which agriculture is a profitable investment, capital input increases. Conversely, in a period of decline, capital moves to alternative investments. In contrast, family farms tend to survive stubbornly even through periods of low returns. Consequently, although there are no economic pressures for petty commodity producers to engage in extended reproduction, demographic pressures may force farmers to do so. These demographic pressures might create a tendency towards ‘fission’ (Hedley, 1978, p. 88), ‘in which income generated in one household enterprise is used to establish a new one on the same scale’ (Friedmann, 1978, p. 88). For capitalist farms, the goal is the accumulation of surplus value and the concentration and expansion of the economic unit.

4.2.1. The Prussian way to Capitalist Development: Estates and Capitalist Agrarian Enterprises

A classical capitalist production form assumes a proletarian household. Marx defined the proletariat wage worker as a person who is divorced from the means of the production, and who consequently is forced to sell his/her last resource, i.e. his/her labour power. This labour is to produce commodities in order to obtain exchange value on the market. The employment of wage labour provides surplus for the employer, which is the sum he/she can maintain from revenues of the sale of commodities after his expenses are deducted. This surplus is considered to be created by the ‘exploitation’ of wage labour as the source of his/her profit.

The labour force of the wage workers is reproduced in the family. This reproduction is typically carried out using women’s unpaid reproductive labour. The products of the unpaid domestic labour are use values, which are consumed in the process of the reproduction of both the labour power of the wage worker and the reproduction of the family. In this model, the household is conceived as divorced from the means of subsistence and consequently dependent on incomes from wage labour. Thus, the household is ‘degraded’ to a unit of consumption. Production and reproduction are thereby separated. This means that the production site, where the wage-worker earns its living, is separated from the wage worker’s household (i.e. family residence).
In this conception, the household is no more than the institution which organises the transformation of wages into consumption goods. Its function is conceptualised to be closest to the reproductive function.

The historical examples of estates show more complex internal and external structures than the above-described model of capitalist enterprises. Historical examples of the large estates showed a dual labour base of internal regular labour and seasonal labour force provided by dwarf-holders and landless agrarian proletars.

Using Djurfeldt’s three-fold distinction in the analysis of Hungarian ‘estates’ prior to World War II, we find that the production site of the manor is separated from the household and the kinship unit of the landlord, as well as that of the manorial workers. According to the labour criteria discussed above, production on capitalist farms is performed in exchange for wages. The separation of the production site (the fields and manorial buildings of the estates) and the household means also that the wage worker performs his/her productive tasks at the production site, while the reproduction of his/her labour power is carried out in his/her homestead. The site of the latter is physically separated from the manor. This means there is a separation of production (at the site of the capitalist farm) and consumption (at the site of the household of the wage worker).

Hungarian large estates had a year-round regular labour force ‘cselédek’. These families were contracted typically on an annual basis. Part of their payment came in the form of access to a small plot to supply the household with base agricultural products. Payments in kind were made on the assumption that the worker household would utilise this resource to carry out a limited range of production of goods, serving the consumption needs of household members. This meant a double utilisation of the labour of the manorial workers: on the manors and in their own households. The latter allowed the minimisation of the monetary expenses for the landlord and reduced labour costs.

This allowed household members to secure one part of the resources required for the reproduction of the family by labouring on the household plot. Thus, manorial servants laboured on two production sites: one on the manor, the other on their small lots. Thus, the separation of the production site and the household is accurate only from the point of view of the main manor and its owners. The landlord’s household (whether situated on the estate or elsewhere) was separated from the production organisation of the agricultural activity. In contrast, the manorial workforce lived in semi-proletarian households. The household (consumption unit) of the

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7 This kind of description of the household has been criticised from different perspectives. Here, I take up only a few aspects of the critique. The upsurge of research around the informal economy showed that the household continued to display a wide range of economic activities, which represented alternative ways of securing the provisions for the members of the household, that fell beyond the frameworks carved out by the wage labour cage of industrial society (Pahl, 1984). It is worth to note that not all estates ca be considered capitalist. Polányi (1976) argued that the household principle of economic co-ordination can be extended even to the cases of estates. In this case the economic organisation of the estate aims at the reproduction of the household(s) belonging to the estate and the estate as a production unit. In contrast estates could be considered capitalist when they orient themselves to the acquisition of profit and the extended reproduction of the estate as a production unit.

8 Wages were also low due to the abundance of labour on the countryside, which was seen by Gunst (1991) as reason for the low level of production in Hungarian agriculture of the period between the two world wars.
manorial workers was separated from the production site of the manor, while it maintained a partial integration with the fragmentary production site attached to the household in form of the allotted land.

The seasonal labour demand of the estates was addressed through the employment of external labour. Even seasonal workers were employed. These workers also typically had small lots of their own. However, even if its seems clear that the household can retain elements of productive activities and therefore contain a limited production site, the very insufficiency of this production site to provide for the needs of household members made it necessary for the members of the household to become engaged in wage labour.

Seasonal labourers were commonly hired on meagre day-labour rates, as 'napszámos' e.g. for potatoes picking, hoeing, etc. A third kind of labour was a migrating labour source. Poor peasants, typically from Northern Hungary, but even from Slovakia, were hired as a group 'summas', for a fixed sum paid for the harvest work (Balassa, 1985). This sum could be either paid in cash or a portion of the crop.

A contravening tendency was pinpointed already by Kautsky at the beginning of this century. He found that small farms stubbornly survived in the shadow of large Junker estates in Germany. These small farms provided cheap labour power for the estates (Kautsky, 1988).

Similarities between the organisation of estates and co-operatives were pinpointed by Juhász (1988a). Here, two characteristics are highlighted. One is the hierarchical nature of the organisation of production in the collective sphere of co-operatives and manors alike. The other is the household lot as part of remuneration of the work force. However, differences were marked. The two organisations were built on a fundamentally different basis of ownership. In addition, they were integrated into fundamentally different dominant social and economic systems, etc. Differences also evolved concerning the function of the household lot. In the co-operatives, the household lot was transformed gradually. At first, this transformation occurred in the direction of putting out system. This proceeded through the integration of the household into the collective production plan. In this process, the household became a production site of the co-operative. Another direction taken in this transformation was the development of a freer association between the household and the collective. In this type of co-operation the co-operative institutionalised the sale of the products of the petty commodity-producing household units (on production organisation types see Kovách, 1988). Remaining constant in this household transition was the fact that the access to the lot continued to be dependent on the work of the recipient in the collective production organisation. This feature remained similar to the manorial model.

4.2.2. Embourgeoisment Theory, the Polarisation Thesis and the American way to Agrarian Capitalism

Orthodox Marxist polarisation thesis argues that the polarisation of peasants into capitalist farmers and landless agrarian labourers is essentially unavoidable. The agrarian history of this century indicates that these expectations are not fulfilled. Instead of capitalist farms squeezing out family farms, the tendency was the opposite. While the size of production units was gradually increasing, the labour input of the farms decreased dramatically. This was due to the decrease in labour required
following mechanisation. The increased capital intensity of farming was accompanied by the expansion of family farming, rather than of capitalist farms employing wage labour (Djurfeldt, 1981, Schmitt, 1991).

Hungary exemplified the Prussian path of agrarian development. As was described in Chapter 3, estates over 200 hold (116 hectares) occupied 35.8% of the agricultural land in 1935. The broad stratum of agrarian poor served as the labour reserve of the estates. Gunst argued that the low rate of industrial development, which could have attracted the agrarian surplus population, indirectly contributed to the low rate of modernisation of the estates (Gunst, 1991).

Meanwhile, the anticipated polarisation of the peasantry was interpreted as a path towards the capitalist transition of agriculture. Erdei, in the forties described the image of the village after the ‘bourgeois’ transition:

The workers are situated at the bottom of the society and there is no substantial difference between an agricultural and an industrial worker. Above this stratum is a thinner petite-bourgeoisie, which is composed of those making a living from agriculture or those in other branches alike. On the top is the thin layer of bourgeoisie, which is composed of the farmers owning the largest amount of land in the village, intellectuals, the most prestigious industrialists and tradesmen of the village. This social structure is very similar to that of the cities... (Erdei, 1974, p. 146) (my italics).

Erdei viewed the Hungarian village of the pre-war period to be on its way from a ‘rendi’ (estate like, feudal) type of stratification towards a bourgeoisie type. He thought that this transition pointed clearly towards the dissolution of the peasantry, characterised by family farming, and its polarisation into ‘bourgeoisie’ (capitalists) and ‘proletariat’. This meant the prospective polarisation of family farming, together with the dissolution of the remnants of the post-feudal elements in rural stratification. This interpretation is revived in the context of the land-reform, which was characterised as bourgeois in nature (see Donáth cited in Chapter 3). Donáth viewed the nature of the land-reform as not simply bourgeois, and believed a polarisation of the peasantry and the emergence of an agrarian bourgeoisie as underway. Nonetheless, he argued for an alternative path, which was to halt bourgeois development in agriculture. He advocated collectivisation on the basis of the poor peasantry.

As noted, the issue of ‘embourgeoisment’ resurfaced in the debate of the eighties initiated by the writings of Juhász and Szelényi (Juhász, Szelényi, Kovách, 1997). That Szelényi saw in the expansion of family farming in the Hungarian countryside the emergence of a bourgeoisie, in the meaning of capitalist farmers, could be illustrated by the following excerpt:

The number of wage workers in the private sector is not sizeable at least so long, but the phenomenon is interesting, since it shows that the embourgeoisment of some can bring with it the proletarianisation of others. How could a ‘real’ entrepreneur class exist without a ‘real’ working class. The further development of the embourgeoisment process is going to divide the working class into two fragments, into ‘state sector workers’ and ‘private sector workers’ (Szelényi, 1992, p. 90).

Thus, even if Szelényi, in view of the empirical data, reflects on the weak evolution of the employment of wage labour on household-based producing farms, he sees
them as evolving toward embourgeoisement, and nonetheless grasps this evolution as following a path towards a capitalist polarisation. I do not question that an agrarian capitalist stratum had evolved in Hungary by the end of the eighties. Nonetheless, I identify this stratum purely with those employing wage labourers and investing for the sake of acquiring profit. Agriculture, indeed opened opportunities for private capital accumulation by the end of the eighties. However, I argue that capitalist development of agriculture is not a necessary outcome of the commoditisation of agricultural production. Neither is it a necessary path for the evolution of family farms. Family farms do not, by necessity, transform into capitalist farms employing agrarian wage workers.

Furthermore, I argue that by the end of the eighties (a period which fell beyond the one covered by Szelényi’s book, published originally in 1988) the dominant path towards capitalist transition opened within the ranks of the state socialist managerial elite, rather than in the ranks of household-based producers. This tendency in the post-socialist transition was described in a later analysis jointly written by Harcsa, Kovách and Szelényi (1994). The legal loopholes of the system, as was discussed in Chapter 3, allowed for the transfer of parts of the co-operative assets into private enterprise, opening the way towards capitalisation in the meaning of profit oriented production.

The transfer of portions of co-operative assets into capitalist ventures, initiated in the late eighties and continued in the transition period, created a new path for agrarian capitalist development. In this development, various company forms (joint ventures, stock-companies, leasing arrangements) were present. Those in control over resources during the end of the state socialist period were able to utilise legal loopholes to gain private control over co-operative assets (see description in Chapter 3). In contrast to the socialist co-operative form or the new forms chosen by ancestor organisations of the former co-operatives (such as reformed co-operatives, joint ventures, stock companies and limited companies), these new enterprise forms had no obligation to employ the various types of share-property owners. As a result, former co-operative members entering the new enterprise forms with their assets obtained in the privatisation process did so with no right to employment. Ancestor enterprises drastically reduced their labour force, which led to wide-spread rural unemployment. These new ventures typically contain both agricultural and non-agricultural activities. Thus, instead of the ‘American way’ to capitalist development, in the post-socialist transition in Hungary, a ‘managerial capitalist’ transition occurred, as Szelényi emphasised in a later study (Szelényi, 1995). This was made possible by the historically specific conditions of the transition period, which manifested themselves in restricted paths of capital accumulation.

4.3. ‘SEMI-PROLETARIAN’ AND ‘PART-TIME’ FARMS

The main analytical difference between semi-proletarian farms, and reproductive family farms is that the former can provide for the consumption needs of neither the household members, nor the production unit, from the resources of the farm. As a result, some of the members of the unit are obliged to work for wage outside the farm on a regular basis. It was argued that the most important differentiating factor of family farms is their reliance on family labour. However, important differentiation also occurs between
farms dependent on family labour. Such farms, which to large degree depend on additional income originating from the sale of the labour of members of the family, cannot be considered reproductive family farms. Therefore, part-time farms are non-reproductive farms (Djurfeldt, 1994). Looking at these type of households dependent on both wage income and income from the farm from the point of view of their wage labour relation, one can also use the term ‘semi-proletarian’ households. Even larger family peasant farms in Hungary employed regular or seasonal farm-hands (Fél and Hofer, 1969). These seasonal workers commonly relied on a dual base of subsistence. The exchange between poorer farms lacking a horse-team and larger farms owning horse-teams, meant that poorer farms were dependent on working on larger farms in order to be able to produce. Thus, it is important to differentiate between the small-scale production of manorial servants, and the dual subsistence base of pauperised peasants. The latter group possessed the ambition and at least partial ability to carry out family farming, while the former group refrained to household-based production as part of their contractual payment from the estates. Similarly, disposition rights over the land were circumscribed and bound to labour on the estate in the case of manorial servants, while the access to and control over land of pauperised peasants was not restricted by the estates.

The importance of semi-proletarian households for the cheap reproduction of labour power was discussed also in the context of capitalist wage labour. In Canada, Veltmeyer saw the importance of underdeveloped regions characterised by semi-proletarian, or part-time farms for capital. These farms could serve as a retreat during low economic cycles, and could provide a reserve army of labour in periods of expansion. Similarly, the historical example from Hungary showed that small farms served as depots of extra labour for estates and larger peasant farms. In the industrialisation process, they often provided a semi-proletarian labour force for industry. Frequently these dwarf farmers constituted a commuting labour force (Böhme and Pál, 1985, see also Veltmeyer, 1979 for international comparison).

Within highly developed capitalist economies a rather different type of part-time farm appears. Here, the mechanisation and specialisation of the farms put farm families under doubled pressure: on the one hand farms became increasingly dependent on cash incomes to finance the high costs of mechanisation. On the other hand, mechanisation released part of the available labour force on the farm. The ‘one-man-family farm’ becomes increasingly common. In these farms the farm provides work only for one family member, typically the male head of the household, while other able-bodied, working age members of the family are forced to exchange their labour for wages, outside of the farm. In contrast to the examples discussed above, these part-time farms can be relatively large in size (see Djurfeldt and Waldenström, 1993 for the Swedish case). However, in cases where ‘part-time’ farm households become primarily dependent on selling their labour power and the farming activity becomes purely a complementary activity, we ought to consider the unit as a semi-proletarianised farm (Djurfeldt, 1994, pp. 24-28).

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9 The term can be misleading in case of the kind of wage labour carried out by the farm member is not classifying him/her amongst the proletarian class in its classical meaning. Here, the term is used to identify the wage labour relation.
In summary, we could say that by using the three guiding principles: the production site in the semi-proletarian household is neither sufficient to provide for the reproduction of the members of the household, nor for the reproduction of the production unit. In highly capitalised family farms it can also mean that the production unit cannot provide sufficient work for all the members of the household. Consequently, certain members of the household engage in labour outside the farm. Semi-proletarianisation is also a common condition of the pauperised peasantry. In both of these cases, the employment is carried out on a production site separated from the semi-proletarian household. Meanwhile, the semi-proletarian household maintains substantial production activity on its own production site.

The difference between a semi-proletarian household and the household of an estate worker could be summarised in the following. The estate worker gains access to the production site used by his/her household through his/her employment status on the estate. This production site is under his disposition only during the period of his/her employment. In contrast, the semi-proletarian household has control over a production site on his/her own right. This disposition is not bound to his/her employment status outside the household. The household maintains its ability to operate this production site, within the limitations of its unit, as a self-accounting activity, and not purely as a complement to the wages paid to the manorial worker.

The household-based production of co-operative workers exemplifies a variant of this estate model within the context of the co-operative as a dominant economy, since co-operative workers’ qualification for land was bound to their participation in the collective work.

4.4. THE AGRICULTURAL PRODUCTION CO-OPERATIVE AS A PRODUCTION FORM

Using first Djurfeldt’s criteria (labour form and reproduction criteria) to differentiate production forms in agriculture; second, Friedmann’s definition of production forms (the double specification of ‘form of production’ as ‘production units’ functioning within a dominant ‘social formation’) third, Polanyi’s economic integration principles (‘redistribution’, ‘reciprocity’, ‘market’ and ‘household’) and fourth, Kornai’s definition of the economic co-ordinating models under the market socialist transition (the transition from ‘direct’ to ‘indirect redistributive co-ordination’ on the level of the dominant social formation and ‘soft budget control’ on the level of the individual enterprises), I come to the following definition of the co-operative model.

Co-operatives, as production forms, are composed of a dual production organisation. From the perspective of the collective, we find a production form which is on the one hand based on the use of wage labour. This wage labour differed from capitalist wage labour, since the co-operatives had the obligation to provide labour for their members and since the right to an agricultural lot was part of the remuneration. On the other hand it is characterised by ‘soft budget constraints’, which means that the expansion of its production is not debilitated by failures to achieve profit. Meanwhile, the lack of hard budgetary constraints drives leaders of socialist enterprises to expand production. This expansion is limited not by the success of failure in achieving profits, but by the availability of resources. Furthermore, the collective is a production organisation which is emerged in the economic co-ordinating model of the dominant redistributive co-ordination system. It is this integration, using
Kornai’s interpretation, that results in the lack of profit sensitivity of socialist enterprises. In Hungary the transition from direct to indirect redistributive co-ordination meant that redistributive control was secured by a combination of a system of incentives, redistributed from the resources obtained from an extensive centralised deduction of eventual profits generated in the enterprises. By the end of the eighties, redistributive regulation was further challenged. This made way for the expansion of market mechanisms, which interested managers in obtaining profits and running the enterprises as ventures.

From the point of view of the households of co-operative members, we find semi-proletarian production units. Production is carried out by unpaid labour of family members residing in the household unit. This production is carried out to complement wages and in order to secure the supply of goods necessary for the reproduction of the family as a kinship unit residing in the household. However, the production site belonging to the family is neither sufficient for the reproduction of the family or for the reproduction of the household’s production unit. Furthermore, access to this production site is guaranteed by the regular wage labour of one or more family members in the co-operative.

The features of this semi-proletarian production site in the households of the co-operative workers changed with time. The introduction of the ‘output system’, which meant the integration of the household production into the co-operative’s production plans, led a transformation through which the household became an integral part of the production site of the co-operative. This meant that the labour form in household production became altered. Labour carried out in the household could be counted as wage labour time, production was carried out under conditions of fixed prices, and supplies were delivered by the co-operative, etc.

The labour organisation of the household reflected the dual function of the household – that it both served as a production site and enabled the organisation of the daily reproduction of the kinship unit.

5. Household-based Production in the Context of a Dominant Economy

5.1. Introduction

The above-described production forms were identified more or less in their own right, with the focus on the specific features of divergent agrarian production forms. In this section the focus is placed on the dominant economic context and the articulation between production forms – which are primarily family-based – and the dominant economic system.

5.2. Vertical versus Horizontal Integration of Family Farms within Capitalism

As I emphasised earlier, my ambition is to critically describe household-based production in its relation to the dominant redistributive system, while I also seek to evaluate the developmental potential of household-based production within the evolving alternative system.
The impact of the dominant state socialist system on the agrarian development in Hungary was highlighted partially in the context of the macro economy. Juhász and Mohácsi (1993) pinpointed the function of the prevailing system of agricultural production, through its excessive export production, for the reproduction of the international system of co-operation between COMECON countries, and for the reproduction of Hungary’s position within this system. On the micro level, Swain (1985) pinpointed how the position of managers is bound to their integration to the dominant redistributive system. He also showed the ways in which management could utilise their positions of power to obtain economic advantages from the system. In contrast, household-based production commonly was analysed from the perspective of its emancipatory potential (Ágh, 1989, Szelényi, 1988) Even Swain looks at household-based production as source of economic independence for cooperative workers in relation to management. Even so, as noted, the limitations of the emancipatory potential household-based production are emphasised in research carried out by Kovách (1988). He discusses the dominance of integrated production forms, and sees the evolution of a type of venture commodity producer farmer as a kind of evolutionary stage. While Kovách maintains his focus on production organisation types of household-based producers, Szelényi, et. al. (1988) extended the analysis and suggested it as the foundation of a class process in which the expected outcome is likely to be the polarisation of the producers. I argue that the outcome of market transitions is not evident for household-based producers, and does not necessarily accrue to the benefit of household-based producers or the expansion of family farming. The capitalisation of these farms, the assumed direction for the transition of family farms following the expansion of market relations, is not a necessary development. I argue for the introduction of a critical perspective – not only for the analysis of the conditions under state socialism (i.e. the relation of household-based production units to the redistributive economy) – but even for the analysis of the evolving alternative systems (i.e. the relation of the expanding household-based production to the evolving market system). This also permits a better understanding of the transition period following the fall of the state socialist system.

Orthodox Marxism assumed the polarisation of peasantry into a capitalist and a proletarian class as the necessary path of the capitalist transition of agriculture (Lenin, 1974). As noted above, this horizontal model of transformation was modified by Kautsky (1988), who pinpointed the ‘stubborn resistance’ of small family farms. He saw the functional relationship between small farms and large capitalist estates, where the former provided cheap labour for the latter by maintaining a degree of independent production. Kautsky (1988) also identified what became a key issue in Chayanov’s work – the ‘vertical integration’ of farms into capitalist enterprises engaged with the marketing of agricultural products, as well as with the capital supply of farms (Chayanov, 1986). In the previous section, the commoditisation of family farms and their integration into commodity markets was viewed as ‘developmental’ for the farms. In this sub-chapter the focus is on theories which highlight the dark side of the relationship between the dominant economic system and the family farms as part society and part economy. The theories discussed are based on the experience of the interplay between non-capitalist production units with a dominant capitalist economy. The
question for this study is whether these theories can serve as a model for the understanding of the relation between household-based producers and a dominant redistributive system based on indirect bureaucratic co-ordination. A further question is whether the integration of household-based producers into the imperfect markets of redistributive economies and their integration with the redistributive system could be analysed using the analogy of the above-described theories.

5.3. *Inhibitory Conditions for the Development of Family Based Production Forms in Agriculture*

As was noted above, underdevelopment and dependent development theories during the sixties and seventies drew attention to the integration of non-capitalist forms of production into dominant capitalist economies. Following dependent development theories, Vergopoulos argued that its thesis can be extended even to describe segments within developed capitalist economies. This goes beyond the description of the meeting between economies of the capitalist core and economies of the periphery. He saw the terms of unequal exchange as characterising the exchange between even simple commodity producers and other parts of the economy within a dominant capitalist economy. Since simple commodity producers can produce at lower prices than capitalists, the difference between the price of production and this ‘imaginary’ sum is accumulated in other parts of the economy. This would serve as a necessary mechanism for the accumulation of urban capital (Vergopoulos, 1978, p. 447). Friedmann, however, is highly critical about the applicability of the unequal exchange concept to functioning market economies. She argues:

Unequal exchange, even if its existence could be shown, cannot serve as a mechanism of accumulation between sectors; to benefit from low prices is not the same as to exploit, and the benefits within the urban sector are not clearly defined. … there is no reason to believe that the lower prices of production of agricultural households are further removed from value than others … the lower prices of production of agricultural households may more closely approximate value (Friedmann, 1980, p. 169).

Furthermore, she argues that it is the normal behaviour of merchant capital within a capitalist economy to buy

…commodities below their value by that amount which allows it to realise the normal rate of profit in the long run for simple commodity producers and capitalists alike. …. This difference in reproduction between simple commodity production and capitalist enterprises are a matter of indifference to merchant, banking, and land-owning capital, as long as each may expect on average to achieve the normal rate of profit. Whatever general advantages may ac-

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10The purpose of this summary cannot be to provide an overview on dependency theory. Dependency theory evolved as a critique of modernisation theory. They argued that the capitalist development of underdeveloped regions cannot be assumed automatically. The long-term underdevelopment of certain regions can be rather seen as a feature of capitalist development, in which interest is to block development in these regions. For its main thesis see Frank, 1967, Cardoso, 1971, Dos Santos, 1973, Wallerstein, 1974, Goodman and Redcliff, 1981 provides an overview. Dependency theory came all the more under critique by research on developing countries especially by so-called institutional theories. For a recent critical perspective and alternative view see Dzorgbo, 1988.
To the economy from simple commodity production in agriculture, neither individual capital nor 'capital' in general has any economic mechanism for favouring or damaging it. Thus if simple commodity production implies a capitalist economy, then markets in factors of production in turn preclude the exploitation of simple commodity producers. (Friedmann, 1980, p. 170)

Friedmann continues to argue that: 'Unfavourable terms of trade do no necessarily constitute exploitation as we saw above, unless a mechanism of 'unequal exchange' by merchant capital can be established....It is important, therefore, to use the term 'exploitation' with care and precision, specifying mechanisms for the appropriation of the surplus product.' (ibid. p. 171).

My interpretation stands closer to Djurfeldt’s (1994), who is critical of Friedmann’s commoditisation thesis (see in more detail below). Friedmann’s thesis on simply commodity producers assumes an economy where market relations are generalised. Despite a generalised market economy, regional sections of a market can show specific constellations of economic circumstances, such as the lack of alternative work opportunities, or dominance or monopoly position enjoyed by particular companies. These can create conditions, even within the circumstances of developed generalised markets, under which simple commodity producers can be pressed to sell their products below their potential value. Of course, simple commodity producers have the choice in a free market not to sell, and to give up the activity and move to other parts of the country Such a choice led to the intensive urbanisation of developed industrial capitalist countries.

The thesis of unequal exchange was used even in the international debate. Some argued that by means of unequal exchange, the surplus of the peasants is appropriated. When all costs are deducted, the peasant is left with a mere wage. Thus they are hidden wage workers who produce profit for capital. In Canada, Sacouman (1980) argued that indirect forms of exploitation of petty commercial fisheries and farming go to direct forms of exploitation and lead to the proletarianisation of these. In contrast, Veltmeyer (1979) argued that the interface between direct forms of capitalist exploitative relations, (i.e. the presence of wage labour relation) and underdeveloped petty commodity-producing segments of society does not necessarily lead to the accomplishment of the proletarianisation of the latter. The presence of semi-proletarian forms can be 'functional' for capital as a reserve army of labour. Thus, Veltmeyer conceptualises a kind of semi-proletarian existence, in which the continued reproduction of an underdeveloped petty commodity producer stratum served as a reserve army of labour to be mobilised in economic expansion, and, which could return to its base petty commodity production in periods of decline.

Djurfeldt’s critique turned towards those who argued that that certain formulations of the terms of unequal exchange within Marxism dissolve the relevance of the peasant term is of value on this point. Thus, as Djurfeldt points out this theory dissolves the special nature of the category it will explain, i.e. the special nature of peasant production.

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In summary, the observations about the concept of ‘unequal exchange’ argue against the uncritical use of the term. It seems to have relevance primarily for describing the relation between family-based production forms and dominant economic systems under conditions of imperfect markets. This relation does not necessarily lead to the proletarianisation of dependent segments of society. Semi-proletarianised, alternatively petty commodity producing segments of the economy can engage in long-term dependency relation with the dominant economic system without implying the necessary proletarianisation of the former. Neither does this relation necessarily lead to the dissolution of the specific features of family based production forms.

In reaction to embourgeoisment and oikos theories, one could argue that the continued presence of household-based production of co-operative (and other) workers does not necessarily contain an emancipatory potential. This is meant in the sense that this form can surpass the other, or that it can serve as an alternative social organisational principle by itself, since household-based production forms constitute partial societies.

The ways in which household-(and/or family-) based production serve the basis of viable agrarian development has been a focus of ongoing discussion in the international agrarian literature as well. The next section provides reflection on this area.

6. IS THERE A SUPERIOR FORM OF PRODUCTION IN AGRICULTURE?

6.1. THE ‘NEW’ AND THE ‘OLD’ ORTHODOXY

Theories about the economic superiority of large-scale systems were articulated primarily during the late eighteenth and early nineteenth century. Using the analogy of the evolution of industry, with economies of scale originating in the alleged indivisibility of best technology and the virtues of specialisation and internal division of labour, large-scale systems were thought to enjoy advantages in agriculture also. This view gained a crucial importance in the Marxist evolutionist framework. The concentration of capital and the evolution of production resources would reach its peak in capitalist large-scale agriculture.

The economic superiority of capitalist large-scale agriculture – the belief in which has been labelled the ”old orthodoxy”, by Jonsson et. al. – would also inevitably lead to the polarisation and, in fact, to the liquidation of the peasantry. This view was the inspiration of Lenin’s analysis of the Russian peasantry, which he judged to be on their way to being polarised towards capitalists and agrarian proletars (Lenin, 1974). The Marxist polarisation thesis served as the ideological basis for the Stalinist collectivisation project. This view was criticised both from within the Marxist debate and from the outside. Internally, the most important critique came from Kautsky, who reflected on the stubborn survival of the peasantry on the continent (the original inspiration for the Marxist view was the rather atypical English devel-

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12 In the recent literature even the issue of ‘sustainable development’ was raised. This concept focuses on the environmental aspects of the agrarian development patterns. While, this is an issue of great importance. Nonetheless, in the current thesis, the focus is on what I call viable development. I use this term to describe the ability of agricultural production to supply a population with means of existence, employment, food and social security. See also on this latter aspect Kovách, et. al., 1994.
Kautsky shows a certain ambivalence concerning the virtues of small and large farms. He envisaged the proletarianisation rather than liquidation of the peasantry. Large-scale capitalist farms and small holdings were developing side by side, and smallholders sold labour power to the capitalist farmers (Kautsky, 1988, Vol. I chapters 6-8). He also noted tendencies for capital to penetrate agriculture without fully confiscating the formally independent peasant units. Such dependency situations prevailed not only between small peasants and Latifundia, but also in more or less explicit versions of vertical integration with various forms of capital, such as credit or trade. Thus, the disappearance of family-based production units is not the necessary consequence of the capitalisation of agriculture. However, family-based producers can be seen not only to have advantages for large-scale agriculture as the symbiosis depicted by Kautsky indicated, but were also seen to have competitive advantages in comparison with large-scale production units hiring wage labour.

Staying within the framework of estates, Niskanen (1995) showed how estates utilised these advantages by shifting dairy production to the households of estate workers. These workers were to deliver milk in return for the provision of a subsistence lot. Such alleged competitive advantages enjoyed by family farms enabled them to resist competition from capitalist enterprises. Taking the case of England, the land of classical capitalist agrarian enterprises, capital moved to large degree, to agrarian industry and commerce.

From the outside, the critique contributed to the evolution of the so-called new orthodoxy. On the one hand, John Stuart Mill argued that the opportunities for the effects of the economies of scale are more limited in agriculture, and he praised the equalising effect of family farming. Furthermore, peasants could improve their assets by the investment of their labour power. Economic critiques focused on the special advantages inherent in family agriculture, such as the caring and self-interest of the family worker in contrast to the disinterested wage labourer. This concern has an especially large importance in agriculture, particularly in case of animal husbandry is concerned. Furthermore, the product of agricultural labour is realised with a long delay. Due to the impact of unpredictable factors (such as weather), it cannot fully be connected with the quality of labour carried out. Thus, the supervision of wage labourers raises problems. Similarly, the large distance between the workplaces also hinders control. Kautsky had already pinpointed some economic advantages of family farmer over capitalist farmers. While the latter is bound to the production of profit for its reproduction, the family farmer can be satisfied by covering the reproduction costs of the farm and labour.


14 See Jonsson, Köll and Pettersson 1993. Some inspiration came from Kautsky’s foremost combatant in the ideological debate on the agrarian question within the German social democratic party around the turn of the century, Eduard David who, departing from the specific organic nature of agriculture argued that specialisation and division of labour were not as advantageous for agriculture as for industry and that capitalist development along industrial lines would not follow in agriculture. See David 1903. The German debate is covered in Hussain and Tribe 1983 and documents of the debate is reprinted and commented in Hussain and Tribe, eds. 1984.
This aspect gained a central focus in Chayanov’s theory of the peasant economy. He debated both neo-classical marginal utility theories, Lenin’s polarisation thesis and the evolving collectivisation project. He claimed that on the one hand, instead of being driven by the interest to maximise economic utility, the peasant farmer weighs the utility of further increasing his/her production against the amount of drudgery this extra work would cost. On the other hand, he looked at the variation in the size of land used and the hiring practices of peasants as the reflections on the various stages of the peasant farm in the life-cycle. Since the peasant farm is primarily driven by the motive of fulfilling the consumption needs of the family, the consumer/producer ratio of the farm could explain the variations in the land use of the farms. This was in sharp contrast to Lenin, who interpreted the variation in the size of land as the sign of the polarisation of the peasantry into two classes. Furthermore, Chayanov argued for a complementarity between large-scale and small-scale systems. The former being suitable only in mechanisable and low labour intensive areas, which could be seen as a direct critique of the Soviet collectivisation project.

Economists today ascribe great importance to differences in transaction costs between farms using family labour and hired labour, respectively. The “family farm” can be regarded as an organisational solution for the difficulty of monitoring and supervising workers who, for practical reasons, cannot be gathered together in a single location”. Monitoring, supervising, work-controlling costs, and in general, management costs would accordingly be higher on farms using wage labour than on farms using exclusively family labour. This would compensate the family farms for the fact that the somewhat larger family managed farm using hired labour might run closer to optimum size, from a technological point of view. It is also easy to grasp that monitoring costs would rise with increasing farm size, (presupposing hired labour). Furthermore, increased labour productivity which would increase the optimum size of farms and also raise wage rates, would also tend to raise management costs out of proportion, since labour-saving innovations in this sphere are uncommon.

Thus, the transaction cost approach indicates that family farms tend to be more efficient than hired labour farms, and to restrict the advantages of increasing farm sizes. Some of these specific transaction costs are more or less unique to agriculture, due to its spatial dependency, and thus helps to explain why the structure of production units in agriculture differs from that in many industrial branches. Others, as mentioned, have to do with kinship itself and the use of kinship labour reducing transaction costs. The transaction cost approach emphasises the fact that family and non-family labour are not perfect substitutes. Other economic theories commonly view agricultural labour as homogenous.

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15 Chayanov, 1986. See also the comparative analysis of Lenin’s and Chayanov’s analysis in Djurulf 1981. A modern chayanovian interpretation of the present farming sector in Sweden is given in Djurfeldt 1990 and 1994, see earlier in this chapter.

16 Pollik, 1985 p. 591. Pollik groups the advantages of family governance... into four categories: incentives, monitoring, altruism and loyalty. All can be shown to have importance for transaction costs. Incentive advantages arise because family members “have claims on family resources” and because “economic relationships are entwined with significant personal ones, the family commands rewards and sanctions not open to other institutions”, ibid., p. 585.

585 See also Sozan ’s (1983) critique of the collective compared to the family based organisation of animal husbandry in Hungary.
Similarly, Djurfeldt has pointed at family farmers’ traditional access to kin labour, which tends to keep their regular hiring of wage labour low. In a modern welfare state with high income taxes and social benefits charged to the employer, rendering the difference between actual wage paid to the worker and the wage cost of the employer large, this is especially advantageous.

To summarise, according to the “new orthodoxy” (the term is from Jonsson et al.), the advantages of peasant farming grow on the one hand from an economic argumentation, which claims the economic superiority of family farming, and a more sociologically-based argument, which argues for the stubborn survival of family based peasant economies on the ground of the social characteristics of the peasant economy. Both of these refer to essentialist features of family farming. However, the apparent advantages in family farming can result in divergent developmental patterns. The literature refers to the ‘stubborn survival’ of family farming, citing its persistence, despite unfavourable economic conditions. In periods when agriculture cannot deliver profit to capitalist enterprises, family farms – often due to lack of alternatives in case of low industrialisation level – continue farming due to the advantages above described of family farms compared to capitalist enterprises. Often this survival is bolstered by dependency relations to various forms of capital and a symbiosis between capital and semi-proletarianised producers. The dependent development of peasant farms is commonly associated with the weak development of local markets, and the monopoly position of capital in its interaction with producers. In contrast, in the case of developed and generalised capital markets, family-based producers can utilise the same advantages inherent in family farming as a competitive edge and generate a process of gradual expansion, capital accumulation, modernisation and land concentration.

However, whether family farming survives due to the a) capacity of family farms to resist decline, b) due to being beneficial for the interest of various forms of capital (i.e., as a reserve army of labour, as cheap labour force or as cheap producer of goods), c) due to the competitive edge in family farms, or d) due to the fact that the generalisation of product markets intensifies competition; the potentials in family farming cannot be analysed in isolation from the dominant system.

6.2. LOOKING AT FAMILY FARMING IN A BROADER CONTEXT

We have sketched the contours of the arguments providing support to the ‘superiority’ or higher ‘reproduction’ potential of two main types of agricultural production systems. These were referred to as “old” and “new orthodoxy” by Jonsson, Köll and Petterson (1993). To discuss further the competitive advantages of family farming versus capitalist enterprises goes beyond the focus of this chapter (see Pollak, 198 for summary, also Schmitt, 1991 and Djurfeldt, 1994). Therefore, I limit my discussion to summarise, along the arguments of Jonsson et al (1986), the pitfalls of making universalistic claims regarding the superiority of the given production form. The old orthodoxy could be described as evolutionist, whereas the new orthodoxy is essentialist and anti-evolutionary. In contrast to these two alternatives, a historical relativist view emerges. While accepting the model value of large-scale and family-

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17 Dependency theory related the regional unevenness of capitalist development to the subordinate articulation of local production forms with the dominant world economy (see earlier in this chapter).
based production forms, this view does not accept the universalistic claims attributed to these production forms. Instead, it critically examines the historical, macro-economic and social context of these agricultural production systems. The new orthodoxy advocated family-based agriculture as the absolute favourable model of development, (e. g. for developing countries), but the historical evidence shows that the ‘success’ cases of peasant-based development evolved in the context of a constellation of specific historical circumstances. The major factors influencing agrarian development could be summarised as follows: 1) the evolution of markets, 2) the unfolding of industrialisation (as a potential way out for the labour force, as well as the driving force behind economic development and urban markets), 3) the nature of demographic pressure on rural society, 4) the evolution of institutional background, associations and literacy of the farming community, 5) the prevailing system of control over resources (what is the division of land), and 6) the role of the state. Depending on the constellation of circumstances in certain countries, family-based production could fit the preconditions better (e. g. the evolution of Danish family farming), while in others, the lack of these favourable conditions promoted an alternative system (the dominance of large estates in Hungary between the two world wars).

These critical points have obvious relevance to the ideas presented in the Hungarian debate on the superiority of family-based production forms in agriculture – both in the spirit of oikos and embourgeoisment theories. Some conditions specified large, rural demographic pressures, the lack of any significant pulling power of industry to attract rural labour, the low level of development of representative organisations of the producers, slow development of markets in the agrarian context and the state’s dubious role, for example, during the post-socialist transition (abolition of agrarian subsidies, while opening trade for import of EC subsidised agrarian products) and evolution of supportive conditions for family farming in the post-socialist period.

Family farming spreads despite of the lack of supportive (enhancing) conditions, according to the ‘residual principle’ described already in the context of the socialist period. However, as the Hungarian experience indicates, family farming cannot evolve into a successful branch without the ‘help’ of enhancing conditions. This, nonetheless, does not prevent family farms from having a high degree of absorbing capacity and ability to expand in importance, due to their greater ability to resist economic decline.

While the theories advocating the primacy of large-scale systems were based primarily on arguments focusing on characteristics of the organisation on the structural level, theories advocating the primacy of the peasant type economy turned their intention to the features of the family farmer. Even if the focus became the family farm as a form of production, it was the type of agency manifested by the family farmer that made the crucial economic difference, and so the question of agency moved to the forefront. In theories emphasising the importance of historical context, the question of agency loses its central place given by the theories of peasant economy, and the impact of structures is of crucial importance. While, keeping in mind the critical elements in the historical relativist view, I would like to highlight the need to examine the relation between structures and agency in the next section.
6.3. THE CO-OPERATIVE AS A COMBINATION OF LARGE-SCALE AND SMALL-SCALE ADVANTAGES

Agricultural collectivisation was justified by the Marxist belief in large-scale advantages related to economies of scale principles. Large-scale production forms were seen to ease the burdens of mechanisation and lead to the concentration of resources and know-how. Meanwhile, the system evolved gradually from the latter part of the seventies, showing more and more clearly the evolution of a system characterised by complementarity. Collective production methods under the prevailing circumstances, could be continued only by deficit (vegetable growing, parts of animal husbandry). Thus, the co-operative utilised increasing the economic advantages available in family labour-based production forms.

7. REVISITING EMBOURGEOISEMENT THEORY AND THE IMPORTANCE OF AGENCY IN ECONOMIC TRANSITION

7.1. INTRODUCTION

The mode of production and articulation debate, which was presented earlier in this chapter, emphasised the importance of dominant economic formations on the evolution of family farming. Summarised crudely, family farms evolve in the direction of ‘simple commodity producers’ in the case of well-developed markets (Friedmann, 1980). Theories described as historical relativist also emphasise the importance of contextual features of articulation of various production forms. However, beyond the sole importance attributed to the dominant economic formation, they emphasised the importance of alternative features, such the prevailing demand for products, the level of literacy, level of industrial development and demographic pressure on the rural population (Jonsson et. al., 1993). In contrast, under conditions of underdeveloped markets, the articulation of family farms with the capitalist economy was seen to lead to the conservation of the dependent condition (Frank, 1967). In contrast, theories of the specificity of the peasant economy emphasised the fact that the characteristic features of family farms (as being based on family labour and oriented towards the reproduction of the kinship unit and the household as a production unit), explain its stubborn survival under various dominant formations, including capitalism (Djurfeldt, 1994).

While the potential contribution of these theories to the analysis of Hungarian agricultural transition were highlighted earlier, I intend here to pinpoint a common pitfall in these explanatory frameworks. Even if from different perspectives, to different degree, the above approaches placed the overriding emphasis on the importance of structural factors, whether the importance of dominant structures, the structural features of specific production forms or the conditioning effect of macro-societal transformations. I saw it necessary to complement the way Hungarian embourgeoisement and oikos theories conceptualised the commoditisation of household-based production, as well as the articulation between household-based production and the transforming market socialist system as dominant economic formation. I argue that these theories can contribute to a better understanding of the importance of agency in the evolution of the specific types of articulations between production
forms and dominant systems. Or, more specifically, the interaction between household-based production and the transforming market socialist dominant system.

Following the review of theories on interaction between dominant systems and family farms as specific production forms, the question remains open whether a) the commoditisation of family farms is always controlled and initiated by external interests, whether it is taxation, commercial/fiscal or other interests or b) can it be seen as a self-induced process. Does the integration into the market enhance the tendencies for the evolution of a kind of rational economic behaviour – even if it does not take the form of a ‘homo economicus’ (Djurfeldt, 1994) acting according to the model of marginal utility or profit maximisation? However, others argued that integration into the market often has the result of subordination to the market, rather than taking an ‘evolutionary’ step ahead, as the generalisation of the ‘homo economicus’ model should assume. The most dramatic examples can be seen in cases of developing rural economies in which the commercial interests transform a subsistence producing economy into a commodity producing economy such as, for example, cocoa plantations. This effectively destroys the subsistence economy that previously contributed to the survival of a group. Nonetheless, the integration of the peasant economy into a market postulates the genesis of another kind of awareness than the tradition regulated production process would assume. Integration into the market can also be a way to liberation from a peasant existence restricted by the amount of available land. Intensified commodified onion production on small lots, for example, meant the upheaval of small peasants from a meagre semi-proletarian existence in Hungarian peasant society between the two World Wars (Erdei, 1940). Thus the embourgeoisement theories are revisited in order to see whether the main analytical frameworks discussed in this chapter (the analyses of the articulation of specific production forms with dominant economic formations and the analyses of specific features of production forms) can provide an adequate analytical framework for the study of agrarian transformation, or could embourgeoisement theories provide a complementary edge?

7.2. EMBOURGEOISEMENT: PEASANTS TO CAPITALIST FARMERS?

Erdei’s theory of dual stratification has been influential in Hungarian agrarian sociology (Kovách, 1997, Benda, 1991). His analysis of the Hungarian peasant society took the evolution of rational economic behaviour among peasants as a starting point. He claimed that the Hungarian peasantry (as well as Hungarian society at large) of the period between the two world wars could be placed along a continuum. On one end we find the traditional peasantry and the post-feudal society. Here production is regulated along traditional patterns. Access to land is highly regulated by familiar ties. In contrast a ‘new’ farmer type of producer evolved as part of a growing bourgeois society. The new farmer took advantage of the expanding urban markets, took risks, and was highly market oriented, calculating costs and benefits. These two types of peasants (traditional and bourgeois) did not differ in their class position, and their production relations were similar. Both relied on family labour and were dependent on having control over land for their production. Their differences were status (‘rend’) like. These were manifested on the level of associations between actors, behaviour, and consciousness.
At the present phase of the transformation, the situation of the peasantry in Hungarian society shows that its position and role already conform to the bourgeois criteria, yet it still fills this position partly under peasant forms. For this very reason, we can no longer speak of a homogeneous peasant mass, but must find the class stratification of the peasantry in the bourgeois sense, adding that a part, indeed, in a sense the whole of the peasantry still retains feudal-peasant forms in its bourgeois, petite bourgeois or working-class class positions. The peasantry is therefore neither an order of society, nor a class, but a conglomerate of regular bourgeois class stratification coupled with common feudal-peasant social forms. Erdei [1942], 1988, p. 165.

Erdei interprets the transition clearly within the conceptual framework of capitalist transition. As it was argued above following Friedmann and Djurfeldt, polarisation of family farms is not a necessary outcome of commoditisation. I find Erdei’s identification of the traditional peasant elements with ‘feudal’ remnants similarly problematic. Somehow the essence of the family-based peasant category gets lost in this view. Lost with it is the ability to see family farms as a group with its own logic, which nonetheless, always exists as a partial society subordinated into the dominant society (Wolf, 1966). Thus, instead of viewing the transition of the peasantry as a process of dissolution into categories defined by the logic of capitalism, I view family farms as being defined by a specific internal logic of reproduction. This is not to say that capitalist farms, or that agrarian proletars would not exist. I argue instead that family farms are infused with capitalist relationships, and that the exchange of family farms with the dominant capitalist system leads to crucial alterations in the way family farms can be reproduced.

However, the interface between the dominant capitalist system and family producers is modified by the presence of not strictly sui generis economic phenomena, such as cultural factors. Erdei also assumes the relative freedom of class positions from social forms. While, he argues that the peasantry is in the bottom stratification, along the lines of a bourgeois society, the social forms characterising the socio-economic behaviour of the peasantry are on the way between feudal elements to capitalist. Highlighting the importance of the historical dimension and the impact of Calvinist tradition in the generation of rational economic attitudes of certain groups of the peasantry, he also makes apparent this relative liberty between the economic and the non-economic (religion, culture). Similar to Weber, he sees the apparent influence of extra-economic factors on economic development, rather than seeing these as determined by economy per se (Swedberg, 1998). As it is known, Weber’s model stands in contrast with Marx’s conceptualising of the cultural as superstructure, reflecting the material conditions of social power relations.

7.3. Petty Commodity Production and the Entrepreneurial Spirit

Djurfeldt does not find any obvious connection between the eventual evolution of entrepreneurial spirit amongst peasants and the degree of their commodity production, or form of production. He is critical of Marxism for making this connection explicit: ‘Nymarxismen.. har inte kunnat infria ambitionen om att koppla det social och det kulturella till den ekonomiska analysen.’ (Djurfeldt, 1994, p. 110). He cites Salamon about American farmers of similar economic but differing cultural background, striving after different goals.
Om man kunde belägga utbredningen av ett entreprenörstänkande bland svenska bönder, skulle detta altså inte nödvändigtvis bero på att de är enkla varuproducenter, eller har blivit homines economici, som lantbruksekonomena förväntar sig. Det kan lika gärna bero på att ett entreprenörstänkande blivit inne i denna borgerlighetens skördetid. (ibid., p. 112).

The last years of the state socialist regime in Hungary were characterised by a widespread entrepreneurial enthusiasm. This could certainly be described in Djurfeldt’s terms as a reflection of ideological streams surrounding the transition period. Nonetheless, this entrepreneurial spirit rose in the context of the liberalisation of legal restrictions on the forming of enterprises, and in this way had real material conditions leading to its emergence. However, it is just as true that only a very limited portion of the people characterised by the entrepreneurial spirit of the era have succeeded in transferring this ideological enthusiasm into economic capital. Thus, while it is hard to imagine capitalist development without the rise of entrepreneurial spirit, it is not a sufficient condition for the emergence of capitalist relations. Institutional preconditions, the presence of functioning markets in money and goods, as well as a primitive accumulation of capital, are also required for the emergence of capitalist relations.

In contrast to the Marxist vision, which saw a unilinear relation between the economic foundations of society and culture, in which the former was determinant, the Weberian vision assumed a relation between economic foundations and culture. But this was in both directions, and not of total causal nature – not only can economy have an impact on the evolution of culture and religion, but culture and religion can influence the developmental trends of economy.

In Szelényi’s analysis of state socialist transition, the transmission of cultural capital occupies a crucial position. While economic capital ceased to be the bearer of social differentiation, differential distribution of cultural, social and political capital hold a key position in the evolution of social differentiation. Various positions within the state socialist hierarchy of production organisations allowed a differing degree of personal accumulation of these assets. Positions allowing autonomous action, for example, could provide parking positions and allow the transmission of entrepreneurial spirit.

The perpetuation of household-based production provided the other alternative ground for the transmission of entrepreneurial spirit.

Thus, social transformation presupposes both the presence of cultural and ideological conditions as well as favourable grounds for their materialisation. Despite the prohibitive context of the dominant state socialist economic system, the wicketholes of the system, such as the continued presence of household-based production and local markets, provided such a basis for the materialisation of the ‘entrepreneurial spirit’.

A further precondition to social transformation was the evolution of civil society, which was part of the context of the embourgeoisement term in Hungarian. It assumes that specific social groups, in this case the semi-proletarian peasant workers, act according to their self-perceived group interests. As Szelényi expressed in terms of ‘silent revolution’ – and Ágh in terms of the ‘revolution of the household’ – the semi-proletarian peasant worker’s continued engagement with household-based
production perpetuated a production form that could provide an alternative to the production form organised by the redistributive system. However, as the discussion in earlier parts of this chapter showed, the importance of agency for social transformation is to be reflected in the structural transformations of society, and these two approaches ought to be used in a complementary fashion.

8. THE IMPORTANCE OF THE ‘TOTAL SOCIAL ORGANISATION OF LABOUR’ FOR THE UNDERSTANDING OF PRODUCTION FORMS

8.1. DEFINING FORMS OF REPRODUCTION
In the research on agrarian production forms there is a growing interest in dealing with the importance of ‘production’ as ‘reproduction’ work (see Djurfeldt, 19). Discussing on a more general level the ‘total social organisation of labour’, Glucksmann (1995) calls attention to the relationship between shifts in society concerning the societal organisation of various labour tasks. ‘Reproduction’ workers cannot enter the sphere of ‘production’ work (i.e. paid labour force) without the societal reorganisation of labour tasks previously carried out in the home by unpaid ‘reproduction’ workers.

Within the agrarian context, the socio-economic importance of the reproductive sphere was highlighted by research focusing on the gender-specific division of tasks in general, and on women’s contribution to agrarian development in particular. Due to the overriding importance of the gender division of labour, within which women were engaged with the reproductive duties, this problem area has strong association with the social construction of gender. Nonetheless, I find it necessary to deconstruct this combination and analyse these two types of work in their own right, without having to take position concerning their relation to the construction of gender (gender is taken up on its own right in Part IV). This choice is consistent with theoretical assumptions discussed in Part IV. There, it is argued that there is no essentially given pattern for the gender division of labour between the productive and reproductive spheres. Nonetheless, the historically specific gender division of labour between these spheres – and the relations characterising the organisation of reproduction – has crucial importance for the understanding of production forms. Here the overall division of labour is analysed to see how the differential distribution of various tasks impacts on the formation of the production forms.

In very general terms, I identify (biological and social) reproduction as the organisation of biological and social reproduction of personal existence within the given social and cultural context of everyday life. It fulfils the day-to-day recreation of human life, including the capacity to work. To be engaged with reproductive work means to be engaged with the satisfaction of the basic consumption needs defined within a historically specific context: to supply food to eat, to provide a shelter, to care for hygiene and clothes, etc.

As with production, reproduction can also be carried out in various forms. Based on Polanyi’s co-ordination principles, I differentiate between: domestic (household) based, reciprocal, redistributive (state) and market co-ordinated forms of reproduction. The dominant forms of co-ordination characterising a ‘gender regime’ (see...
Part IV) impact even in this respect on the specific units where reproductive work is carried out. In systems dominated by market principles, and where the welfare state is relatively weakly developed, the state’s involvement with the supply of reproductive services is weakly developed. Those in need of such services turn to the market to buy such service (Glucksman, 1995), or satisfy it through reciprocal aid. In contrast, in systems dominated by redistributive co-ordination, the state obtains a crucial importance in the provision of reproductive services 18. Parallel to women’s increased labour force participation in various industrialised countries, the state and the market gain even more importance as co-ordination forms of reproduction.

The characteristics of the form of reproduction are defined by both labour use and the broader reproduction criteria, similar to those used by Djurfeldt (1995) to define production forms. The labour use category identifies whether wage labour or un-commodified form of labour is used to carry out the given activity. The broader reproduction criteria defines the conditions for the continued existence of the unit. In the domestic form, reproductive activities are carried out by the unpaid, un-commodified labour of the domestic worker. The continued reproduction of this relationship depends upon the relationship which is built between the unpaid domestic worker and the (main) breadwinner(s) of the family. In the market form, the reproductive activities are carried out through the use of wage labour, and in the case of reproductive services even self-employed ‘petite-entrepreneurs’ can sell services. The continued existence of such reproductive activity depends on the achievement of profit. In some forms of marketed reproductive services, the goals are ideologically influenced and may also take non-profit forms. In case of reciprocal forms, the unpaid labour of members of the needy person’s network group provides the service. Those providing the service expect other or similar services of value similar to that they themselves provided.

The possibly most debated reproduction form is the domestic form of reproduction (Molyneux, 1979, Delphy, 1984). The crucial points in the debates are the ‘domestic labour relation’ characterising the personal dependency relationship between the domestic (reproductive) unpaid worker and the family’s main male breadwinner (Hartmann, 1986) on the one hand, and the alleged role of domestic labour in the reproduction of the labour power of the wage worker for capital on the other (Gardiner, 1975). In my interpretation, the domestic- (household-) based form of reproduction includes activities which transform the goods produced by the household or the goods that are purchased from the wages into consumption goods. Within a household, the division between productive and reproductive activities is culturally determined. Reproduction, in contrast to production, includes those activities which are perceived as related to the family’s private sphere. These activities and services are not purchased conventionally. While, it is difficult to find a universal set of duties which represent the essence of women’s private service work, ‘reproductive work’ can most effectively be defined by the kind of relations characterising it in contrast to ‘productive work’.

The domestic form of reproduction is carried out within the framework of a household unit. The difference in the underlying ‘rationalities’ between the way the

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18 In this respect Oläh (1998) compares capitalist, state socialist and middle way regimes. Sweden serves the example for a middle way regime.
household functions and the way the reproductive sphere functions could be best illustrated by the dual concepts of ‘instrumental’ rationality and ‘caring’ rationality (Prokop, 1981). The household is seen to fulfil the organisation of the provision of means for the reproduction of the unit. This can take different forms. In cases in which the household bases its supply of means for the reproduction of its members through wages, the productive function of the house is rudimentary. In contrast, in case of family farms, the household contains also a production unit.

In comparison to the ‘rationality’ of the household, reproductive activities focus on the immediate personal needs of family members. It is an activity nearest to the satisfaction of personal bodily and emotional needs. Nonetheless, the differentiation between ‘instrumentality’ and ‘caring’ may be seen as dichotomous. While the household functions overwhelmingly with the purpose of arranging the provision of means for the reproduction of the unit, it could be misleading not to see this activity as involving an element of caring. Similarly, a reproductive worker, while arranging for the personal needs of the members of the family, also has to economise with the resources of the unit, and have a high consciousness about the size of the available resources. ‘Making ends meet’ requires an economic consciousness. However, the household is organised for the provision of these resources, and the reproductive sphere for the utilisation of these assets.

I argue that the various ways in which the three functions (production unit, consumption unit and kinship unit) identified by Djurfeldt (1994) are combined in the various production forms has important consequences for both the organisation of production within these production forms and for the overall reproduction patterns of production forms. The kinds of activities that are to be carried out in a unit depends on the combination of these three factors. Thus, the various production forms also imply certain general reproduction patterns. As noted, these are also influenced by the dominant ‘gender regime’.

Taking the example of family farms, the fact that these are also kinship units means that members of the household are also engaged (beyond the production tasks) with activities derived from this kinship unit. Such activities concern the organisation of labour required to secure the biological and social reproduction of the family. Thus, the household has to distribute its labour resources between ‘productive’ and ‘reproductive’ activities.

In contrast, the wage labour based organisation of production (either representing a form of production integrated into a dominant market or into a dominant redistributive economy), is characterised by the utilisation of wage labour. The wage labour relation involves the separation of the production site and the site of reproduction of the wage worker’s labour power as well as the reproduction of the kinship unit. The family’s reproductive function is the daily and intergenerational reproduction of the family as a kinship unit. Its function for capital is that it reproduces the labour power of the wage workers (Molyneux, 1979). As the concept of ‘family wage’ implies, (Hartmann 1986) the wage of the main breadwinner – typically the male head of the household – includes assumed provisions for the unpaid domestic labourer.

Meanwhile, the household retains a complementary role oriented towards the organisation of the ways the means of subsistence for the family is secured. In the case of the wage-earning family, the production site of the household is not suf-

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cient for the reproduction of the family’s existential base, and the workers are separated from the means of production necessary for their survival. However, even in wage worker households substantial production takes place (Pahl, 1988, Gershuny, 1978).

Since households in general, and household-based producers in particular, are ‘partial societies’, they function within the broader social formation even when it concerns the social organisation of reproductive duties. According to the concept of ‘total social organisation of labour’. The uniting a consumption, production and kinship unit is seen to be the characteristic feature of family farms. However, even here, potential shifts within the internal division of labour between production work and reproduction work may occur only through the reorganisation of the division of labour – internally or externally. A reproductive worker cannot increase her (his) input into productive tasks without the sizeable decrease in her (his) reproductive work. This relation is even more clear in the case of an industrial labour organisation, based on wage labour. In traditional societies much of reproductive work was carried out within reciprocal frameworks of the family, broader kinship group and the local community. In modern (i.e. welfare) societies the engagement of the public sphere in duties formally carried out within the private, reproductive sphere, increased. As the term the ‘total social organisation of work’ implies, the social organisation of productive work has close affinity to the social organisation of reproduction. Thus, a better understanding of the ‘total organisation of labour’ contributes to a deeper understanding of the conditions for the reproduction of production forms in general, and agrarian production forms in particular.

8.2. Reproduction Forms in the Co-operatives

Co-operatives as a production form exited in the context of the dominant redistributive co-ordination. While co-operatives came about as a materialisation of socialist ‘emancipatory’ goals concerning production forms, the organisation of reproduction was also formed according to the ‘emancipatory’ goals materialised in state socialist women’s policies. As part of the redistributive co-ordination, the state re-channelled resources from production to the establishment of a broad institutional network of reproductive services, such as day-cares, subsidised work-place and school meals, etc. Within the context of co-operative society, three main forms of reproduction were common: domestic (household), redistributive (state services) and reciprocal (utilising a broader kinship network).

In peasant society, reproductive duties were carried out within the domestic and reciprocal reproduction forms. At the dawn of the co-operative movement, the co-operative collective production organisation assumed that the households of co-operative workers maintained a rudimentary production function, which was to primarily supply the consumption needs of the family. With the increased demand for labour, even women’s wage labour was mobilised. The precondition of this mobilisation was the expansion of state organised (redistributive) forms of reproduction. The way reproductive rights were institutionalised and the importance of the interface between the productive and reproductive spheres for the understanding of the co-operative as a form of production, stands in the focus of Part IV.
8.3. THE GENDERED ORGANISATION OF PRODUCTION AND REPRODUCTION IN AGRARIAN PRODUCTION FORMS

The importance of the reproductive sphere for agrarian development was highlighted by research on the role and contribution of women to agrarian development. Simplifying this broad field, two main conceptions can be differentiated. According to the first conception the focus was on how gender roles differed in agrarian systems, as well as on the identification of women’s contribution to agrarian development. In this effort the complementarity of gender roles was emphasised without examining gender-based differential power. In some cases, the relationship between men and women in the agrarian context was described as equal. This conclusion was drawn from women’s large contribution to production, as well as to the reproduction of the farm and family unit.

According to the second view, the focus was turned on the relational features of gender ‘complementarity’. The relationship between the male farmer and his wife was conceptualised as a power loaded relationship in which the male farmer is dominant in the economic sphere, and where the activities of the women’s reproductive sphere are subordinated to the prevailing interests of the productive sphere of the male farmer (Andersson Flygare, 1999).

While both of these perspectives have analytical power useful to the understanding of agrarian production forms, the nature of their analytical contribution differs. The contribution of the first perspective (called here the perspective of ‘women’s contribution’) was to bring women and the women’s sphere into the analytical framework for understanding agrarian production forms. In contrast, the analytical contribution of the latter was to focus on the relationship between men and women and the construction of ‘masculinities’ and ‘femininities’ in the agrarian context. Rather than focusing on women, this approach focuses on agrarian gender systems, i.e. they focus on relations between men and women. Furthermore, this perspective focuses attention on how the gender-based power imbalance within the agrarian households and families can be of analytical value in and of itself for understanding the processes in agrarian production forms.

In recent research on gender in agriculture, this question reaches an even more independent status. A gender perspective was seen to contribute to new understanding of agrarian production forms. Gender possesses its own independent analytical power in the explanation of the agrarian modernisation process, and of the historical formation of the socio-economic organisation of agriculture. As Östman summarised this position:


While social theories (historical or sociological) examined the agrarian development from the perspective of the traditionally male sphere of the economy (Sommestad, 1998, p. 125. talks about a ‘mancentric’ understanding of agricultural work and economy’), the so called ‘productive spheres’, a growing literature, utilising a gender perspective, emphasised the importance of women’s contribution to agrarian
development by bringing to the light the importance of traditionally ‘female spheres’ for agrarian development. As Whatmore summarised:

It has highlighted the analytical constraints imposed by a concept of farm labour which counts as relevant only activities in the commercial agricultural production process and ignores a whole realm of conventionally defined “women’s work” in the subsistence and reproduction process. Such a concept obscures the essential interdependence between these two processes and of the labour relations which underlie them (Whatmore, 1991, p. 5).

The studies utilising a gender perspective oriented the spotlight on the relationship between men and women, and how men’s and women’s different roles in agrarian organisations reflected an unequal power relation between them. These relations were seen to have independent analytical power for explaining features of agrarian development. As Sommestad (1998, p. 124) points out: ‘gender relations by themselves can explain historical development’.

Within this field, research interest has shifted somewhat, from looking at structural foundations of gender inequalities in agrarian production forms to the analyses of the symbolic field. Rather than seeing gender relations as a static structure, this perspective reflects on the ongoing social construction of gender identities within the transition of agrarian production.

The utilisation of the independent analytical power of gender requires an analyses of the gender system in its own right. Only after this can a gender perspective contribute to a better understanding of agrarian production forms. However, as Sommestad (1998) emphasised, just as it is important for the understanding social processes to have a gender perspective, it is also important to have a sound social theory of agrarian transition at large. The combination of the two enables one to describe the interaction between inequalities based on gender and other forms of social structures.

Since the development of an understanding of gender systems in their own right would redirect the focus of the analyses I take up the gender construction of inequalities in Part IV.

9. Summary

This chapter aimed at providing a conceptual framework for the analyses of Hungarian agrarian transformation during the transition to market socialism. ‘Embourgeoisment’ and ‘oikos’ theories looked at the growing socio-economic importance of household-based production as representative of an alternative to the developmental path offered by the state socialist economic system. While, ‘embourgeoisment’ theories saw in this production the seeds of a market economy, ‘oikos’ theories recognised it as an alternative to both the redistributive and the market-based economies.

In general, my interpretation of the household is closer to the ‘oikos’ conception and accepts the of ‘oikos’ theories’ critique of embourgeoisment theories. These assume that household-based producers are headed toward polarisation into capitalists and agrarian wage workers. Meanwhile, I am critical of the essentialist formulations in
‘oikos’ theories and emphasise that household-based production systems form partial societies.

Friedmann’s ‘form of production’ concept provided an analytical alternative, which takes into account the fact that that agrarian production units obtain their specific form in interaction with the dominant social formation. Applying Polányi’s economic integration principles, I put forward a model that analyses the changing importance of household-based production in conjunction with dominant economic integration principles. The dominant economic integration principles were considered, on the one hand, to have been in transition from (with Kornai’s terms) ‘direct to indirect redistributive co-ordination’. On the other hand these were formed in the (with Kolosi’s terms) ‘wicket holes’ of markets tolerated by the state socialist regime, which were gradually expanding during the period.

Agricultural production forms were further specified with the help of Djurfeldt’s model. According to two factors: a) the type of labour used in the unit and b) the reproduction criteria (which involved differences according to how the units contained or not a production unit, consumption unit and a kinship unit), family farms, capitalist enterprises and semi-proletarian units were differentiated. In the following, a critical perspective was presented in contrast to the polarisation thesis, which saw in the commoditisation of family farms the seeds of future differentiation into capitalists and wage workers. The commoditisation of family farms was instead interpreted as a process in which family farms, while maintaining their identifying features (such as the uncommodified form of labour), became increasingly integrated into the various markets of the dominant capitalist economy.

Following Jonsson et. al. research, it was argued that despite the specific advantages present in large-scale, as well as family-based production forms, no universal claims can be made. The developmental potentials in family farming depend on a series of external and internal factors, such as level of literacy, organisations of civil society, market conditions, demographic pressure and industrialisation. The impact of the nature of the dominant social formation and its influence on family farms and their developmental potential was further scrutinised. The presence of imperfect markets was seen to hamper developmental potentials in family farming. Even under such conditions, family farming can expand according to the residual principle.

Embourgeoisment theories were revisited in order to highlight one specific contribution made by them. Embourgeoisment theories emphasise the impact of cultural patterns and the social construction of the entrepreneurial spirit on social transformation.

Finally, it was argued that the understanding of production forms was dominated by studies focusing on the male fields of contribution. However, agrarian systems could not be understood without the appreciation of women’s essential role in reproduction and as part of the labour force. The analytical power of gender was emphasised to expand upon the understanding of production forms and their transformation in agriculture.

In the following, the agricultural production co-operative are organised as a special agricultural production form, characterised by the duality of collective and household-based production forms. The focus is on both the internal and external conditions for the reproduction of the co-operative as a form of production. The main features of the evolution and legal regulation of the Hungarian agricultural model
were introduced in detail in Chapters 2 and 3. In Part III, the external conditions were discussed to the extent that they could show the direct impact on the formation of the co-operative as a hierarchical organisation. The analysis is divided into two parts. In Chapter 6 the collective sphere stands is examined, while in Chapter 7 the household-based production sphere is analysed. The contribution made possible by analysing the co-operative as a gender system follows in Part IV. Here, using the analogy of the model presented above, the gender relations on the level of the specific production forms are interpreted to be formed in the context of the prevailing dominant gender regime.
PART III

The organisation of production in agricultural production co-operatives

Picture 7. In the first phase of mechanisation first the number of tractors increased. The first tractors were seen to shake the bodies and were seen as dangerous for pregnant women and without convenience. ‘Women’s protection laws’ prohibited the employment of women as tractor drivers (sixties).
Picture 8. A male brigade on the way out to the fields (sixties)
Picture 9. A female brigade picking tomatoes on the collective’s fields
1. INTRODUCTION

The dissolution of the independent subsistence base of the peasantry by bringing land under collective ownership and production forms did not lead to the 'humanisation' of the conditions of production, as was hoped. It lead instead to the evolution of a hierarchical organisation. This chapter focuses on the various aspects of hierarchical subordination within the collective sphere of agricultural production co-operatives. The main purpose here is to highlight the hierarchical nature of the cooperative organisation. A better understanding of these characteristics provides a stronger basis for the analysis of the special characteristics of agricultural production co-operatives as a specific form of production organisation under state socialism.

Within the analytical framework described in the introduction to Part II, this chapter (Chapter 6) emphasises the collective sphere as a production organisation. The focus is on the internal organisation of the collective. External dependencies are discussed only to the degree to which they can help to understand the evolution and functioning of co-operatives as hierarchical organisations.

First, the resolution of the power paradox within the co-operatives is discussed. The separation of management and labour is seen as part of the evolution of agricultural production co-operative as a state socialist organisation. The transition of power from traditional to technocratic leadership within co-operatives is seen as an integral element of the transition to market socialism. The co-operatives are perceived as integrated into the power base of the dominant economic formation. Leadership dynamics, such as the fight for internal power for the control over resources within the co-operatives, is seen as embedded in the struggle for redistributive monopoly between various factions of the state socialist power elite.

Second, I describe the specific features of the modernisation project which evolved in the agricultural production co-operatives. Modernisation is seen not purely as a technological process but also as a process which evolves in a given social and economic context. Technocratic management, which took over co-operative leadership during the seventies, played an essential role in the formation of this modernisation. Furthermore, the impact of modernisation on labour needs is analysed.
Thirdly, the hierarchical differentiation of the labour organisation of the collective sphere is analysed. Its segmentation into central and marginal labour categories, is scrutinised. The organisation of labour in the collective sphere evolved in the direction of an industrial-type system with the segmentation of labour tasks. Furthermore, the effects of changes in production profiles and technology on various occupations are investigated.

Figure 6.1. The collective sphere of the agricultural production co-operatives and its relation to the dominant indirect redistributive system

2. THE EVOLUTION OF CO-OPERATIVE MANAGEMENT

2.1. INTRODUCTION
According to the interpretative framework applied in this thesis, the key stratifying factor under the conditions of state socialism became control over resources (see in Chapter 4 the critical analysis of Szelényi and Konrád’s concerning theory). In this subchapter, the process of the evolution of the co-operative managerial stratum is analysed with the help of the concepts of demarcation, closure and exclusion. Organisational demarcation¹ is the practice through which certain occupational groups subordinate other groups. Exclusionary² practices assure that potential candidates

¹ Witz defined patriarchal strategies of demarcation in the following way: 'patriarchal strategies of demarcation relate to those aspects of occupational control that extend beyond the sphere of control over the supply of an occupational group's own labour and are concerned with the creation and control of occupational boundaries, attempting where possible to subordinate related or adjacent labour and occupations’. Witz, 1986, 14-35.

² See for definition of exclusion in context of patriarchal domination: 'Patriarchal strategies of exclusion may be identified as those where exclusionary practices are directed against actual or potential women practitioners or employees; it seeks to create women as a class of 'ineligibles'. A patriarchal strategy of exclusion may be pursued by an occupational group in its attempts to regulate the supply of its own labour where this takes the form of excluding women from routes of access to resources such as skills and knowledge as well as form opportunities to legitimate practice.” Witz, 1986, p. 17.
from non-desirable categories become ineligible to occupy the post. An accompanying process is closure, in which the dominant social group acquires control over access to leading positions. These concepts highlight the processes underlying the evolution of managerial stratum within the co-operatives and the internal power conflicts of the elite.

Co-operatives existed with external dependencies to the party-state. This, to some degree, influenced the institutional integrity of co-operative organisations. For example, state policies circumscribed the co-operatives' primary organisational and economic fields of activities. Although, co-operatives could be perceived as economically accountable, independent bodies, their economic activities were limited by the various forms of direct and indirect forms of control dictated by state and party organs. During the evolution of market socialism, the entrepreneurial freedom of co-operatives improved. However, the state maintained its dominant position by indirect means of economic influence. Subchapter 2 focuses on the way in which inequalities in control over resources preserved the power base of the managerial stratum. The external preconditions of managerial power mentioned above are brought up to the degree necessary for a understanding of the development of managerial power within the co-operatives.

2.2. Separation of Management and Labour: The Organisational Demarcation of Management from Labour

The co-operative as a production form was to build on the joint ownership of the means of production. Members were to represent their ownership interests in the General Assembly (‘Közgyűlés’). And production was to be carried out in collective form. Management functions such as the co-ordination of production tasks were separated from labour from the onset. In the process of collectivisation in the post-1956 period, the social base of co-operatives was to be expanded by ‘voluntary’ means – the traditional, middle peasantry was attracted to leadership positions in the co-operatives. In this way, the leadership was chosen from the ranks of the membership. This stratum’s cultural capital – its tradition of independent farming and its traditional higher status within peasant society – allowed the transfer of traditional peasant know-how into the collective production sphere. This was thought to have contributed to the success of the organisation of a new base for agricultural production. As Pető (1985) pointed out, the drastic fall of productivity in the early phase of collectivisation, was related to the take-over of leadership by the ‘agri-proletarian’ stratum that lacked the know-how of independent farming. At the same time, elements of the peasant household-based production were preserved. The continuation of household-based production on co-operative allotments by co-operative workers laid the ground for a semi-proletarian existence. Szelényi (1988) - among others - stressed that co-operatives failed to fully proletarianise the peasantry.

Due to the connection of co-operatives to the locus of a village in the early period, the choice of leadership from the ranks of the membership meant also that local interests could be articulated in the co-operatives. However, the hierarchical separation of management and labour superseded expectations based on the origin of the

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1 The application of the concepts of different types of capitals introduced by Bourdieu (1986) in Hungarian sociology see Szelényi, (1988), Kovách, (1994).
leadership from the ranks of the membership. This resulted in an increasing disassociation of the leadership from its membership. The management model adapted for the co-operatives was hierarchical in nature, and resembled the leadership-triad of president-agronom-working-group or brigade leader of the manorial estates (Juhász and Gaál, 1982, p. 14, Juhász, 1989a). This resemblance increased the alienation resulting from the separation of leadership functions. At the onset of the new wave of collectivisation during the post-1956 period, the family labour team was maintained (similar to early industrialisation, see Cockburn, 1983). This meant that production tasks were allocated by managers at higher level of the hierarchy, while the production process was planned on the level of the production units. However, the control over resources and production was moved up to the various levels of the managerial hierarchy (to brigade leaders, see Figure 7.1 and 7.2) (Juhász and Gaál, 1982, p. 13).

The de facto separation of control and labour meant that the first and crucial step towards the dissolution of the peasantry and its prospective proletarisation had been taken, and a crucial element of family-based peasant production was extinguished – the disposal over production resources.

2.3. THE CLOSURE OF POWER BY PROFESSIONALS

Until the sixties, the majority of co-operative chairmen came from among the traditional founding members of the co-operatives, and typically possessed little or no formal training. From the sixties onwards, the number of professionals with formal education increased dramatically. Professionals were generally "outsiders" as compared with the locally-based co-operative membership, and came often from the former middle peasantry (Juhász and Gaál, 1998, p. 13). Claiming a monopoly of knowledge based upon their formal training, they represented the new industrial value system combined with the knowledge of new agricultural technology. The shift of power to the 'technocrats' coincided with the ethos of belief in a state socialist vision of modernisation based on advancing technology and development. A new ruling elite, based on a network of local party, communal and state socialist enterprise leaders, took over the positions of power. By the end of the seventies, this stratum won the power struggle in most areas (Juhász, 1983).

Positions of power became increasingly dominated by the technocratic stratum within the co-operatives. In 1972, 26% of co-operative presidents and vice-presidents and 41% of medium to high level managers had higher education. This compared to 87.1% of presidents and vice-presidents and 71.1% of medium to higher level managers in 1983 (KSH, 1980, p. 30, p. 122 and KSH, 1984c).

The monopoly of control and expertise of the technocrat stratum was able to increase so powerfully for a number of reasons. First, it coincided with the party-state's interests. External regulations, for example, the 'triple criteria' established formal education and party loyalty, as a prerequisite. Second, the 'merger' movement facilitated the take-over of power, with its concentration of co-operatives into large units. Third, actual 'co-operative' features in agricultural production co-operatives decreased.\(^1\)

2.3.1. The 'Triple' Criteria

In the early seventies, increasing administrative pressure helped the professionals to strengthen their positions. This shift of power was clearly enhanced by pressure from above. New government regulations formalised and strengthened this tendency. The new recruitment law, passed in 1974 (TRGYH, 19/1974 (VII.18.) MEM) prescribed a triple criteria for selecting suitable co-operative presidents and managers: appropriate educational qualifications, political party solidarity, and finally managerial fitness (see also Swain, 1985, p. 117).

This regulation provided indirect means of interference by the state socialist party elite in the selection of co-operative leadership. By means of evaluating the political fitness of candidates – or more often by simply putting up candidates judged as suitable by regional party organs – the elite could control the process of recruitment of the new elite (see Swain, 1985 on means of the membership to counterbalance).

The technocratic stratum became the disciple of the state socialist agricultural production methods. Mechanisation was combined with the introduction of industrial labour organisation, characterised by specialisation and segmentation of work tasks. Instead of the family, the individual became the unit of production. The introduction of the industrial labour organisation meant a further step towards the ideologically desired proletarisation of the peasantry. The position of the technocratic elite depended upon the existence of the co-operative as a production form, and on the alleged superiority of the co-operative production and the modernisation project of the co-operatives which, in turn, was based on the introduction of the industrial production system.

The shift in power to technocrats meant a shift in organisational principles and managerial culture from one rooted in the heritage of the membership base of the co-operatives to one based on the culture of the newly emerging professional leadership supported by the regional and national government and party leadership. These ‘cultures’ differed in their treatment of power. The recruitment principle of early collectivisation viewed the co-operative chairman as one among equals, having originated from the same membership. The take-over of technocratic leaders treated the new managers as a category with superior qualifications. This ‘otherness’ was built on the alleged superiority of formal agronomic training, and based on the indoctrination of the superiority of a modernisation project based on large-scale industrial production organisation. This system led to the further widening of the gap between management and labour as well as to the further differentiation between various categories of labour.

2.3.2. The ‘Mergers’

As a result of a ‘merger’ campaign, smaller, community-based co-operatives were forced to merge, forming larger enterprise units. The merger movement coincided with – and was facilitated by – the interests of the growing, trained professional group of agrarian experts, which could move quickly into the newly opening leader-

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1 The technocrat stratum was schooled in the ethos of mechanisation and taylorian labour organisation, see also on this point Juhász, 1983.
ship and professional positions. The group interest of this stratum was to gain further control in the management.

The centralisation affected co-operative institutional entities in various ways. As Swain (1985) argued regarding the breakdown of the community based co-operative network, the original membership basis of the co-operative organisation was weakened and the actual supervision of co-operative affairs by local, governmental and party organs could be made more effective due to the smaller number of units involved. The co-operative centralisation also served the aspirations of the local regional administration by securing a better structural set-up for the realisation of their political interests. The decrease in the number of co-operatives reduced the responsibility of supervision over co-operative production. Regional administration had the responsibility of reporting to state authorities about production figures in a given region. Economic incentives and credits were negotiated on the basis of these figures. The "elimination" of weak co-operatives resulted in improved figures for the districts under the jurisdiction of local administrative districts. These, in turn, improved the bargaining position for co-operatives. Furthermore, the mergers also facilitated the integration of co-operative professional interests with the interests of the local political administration (Swain, 1981, p. 243).

The "merger" movement also coincided with the aims of the government's regional development policies. From the seventies, rural communities were ranked, and this hierarchical ranking system became the basis of the redistribution of government funds available for settlement improvement projects. The policy aimed at the development of regional community and service centres. However, its indirect consequence was that smaller communities ranked toward the bottom of the scale, were deprived of many political, cultural, social, and service functions provided by the state. As a consequence of the regional development policies, these communities received services through designated community centres (Vági, 1991). The integration of local co-operatives, formerly structured on the "one village one co-operative" principle, resulted in a further economic subordination of the small communities to larger regional centres (see in Chapter 2 the case of Mernye).

The influence of the technocratic stratum was also reaffirmed by the external economic and political dependencies of the co-operatives, since the production form became dependent on contacts with the agri-industrial complex. With the increase of agricultural modernisation, the demand for trained professionals increased. The complexity of government regulations regarding the agricultural sector, as well as of the complexity of marketing and financing affairs of the co-operatives as enterprises (which were enlarged in the merger movement) fostered the appointment of a co-operative management, which was familiar with these conditions, and was able to apply these conditions for the benefit of the enterprise.

Their association with the dominant economic system, which was essential for the successful functioning of the co-operative, could conflict with the interest of the local membership. How the membership succeeded in pressurising on behalf of their interests in the case of household-based production is discussed in Chapter 8.

2.3.3. The Formation of Co-operative Property

As Donáth (1980), emphasised, the common ownership of assets contributed special characteristics to co-operatives as compared with state-owned companies. He ar-
guessed that the collective peasantry showed a higher level of engagement in the production process than the workers on state owned farms. Following the introduction of a co-operative property law in 1967, non-active co-operative members were pressured to sell their land to the co-operative at centrally-regulated, nominal prices. Since the proportion of co-operative-owned property soon exceeded the size of the land still in the hands of the membership, the co-operative features of the organisation faded away even more (Juhász, 1989). This was also the outcome of changes in the functioning of the organisations of membership representation. Control functions originally practised by the General Assembly ("Közgyűlés") were moved up to the representative body (see Figure 2.1. in Chapter 2). The political goal to strengthen the state company features of co-operatives coincided with and eased the take-over of leading positions by technocrats.

2.4. THE EVOLUTION OF MANAGEMENT MODELS

compare with Chapter 2Co-operative management models show individual variation, depending, for example, on differences in the type of production profile or size of the enterprise. Kulcsár and Szijjártó differentiated three main types of models: "linear", "functional" and "combination" (Kulcsár and Szijjártó, 1980, p. 149). At the onset of collectivisation most co-operatives followed the so called "linear" internal management model. The control command was one-way. Co-operatives were smaller in size, and more homogenous in composition and production profile. Management was organised according to labour organisational units, following a hierarchy from labour group to leader-brigade to leader-agronom and to the president. Although the president was "one of them", his structural position gave him strong authority in decision-making. The spread of the "merger" movement further contributed to the increased complexity of management, and resulted in an increased specialisation of managerial areas. While the concentration of the co-operatives decreased the number of top co-operative executives, the number of managers on the middle and lower levels increased (Table 6.5.) A functional division of management tasks took precedence as the role of professional divisions strengthened. The professional stratum's monopoly of knowledge gained influence within the various divisions of the co-operative economy. This also served as an instrument of the professional stratum's power take-over. With the increased complexity of production, the decision-making process became more decentralised. Decision-making authority was divided and partially invested in the middle levels of the hierarchy. This "functional" model of management was characterised by an increased importance of secondary levels of management in the decision-making process related to the various functions of the co-operative economy. These included departments for a) planning and administration; b) the various types of production processes, such as animal husbandry, plant growing; and c) the management of various regional sub-plants. The most commonly adapted management model became the combination of the two above, or, the "combination" method. Management using this method was most often "functional" on the higher levels of the hierarchy and "linear" on the lower levels of supervision. Critics of the newly structured co-operatives pointed out that the expanded managerial and administrative apparatus and the separation of management and labour
resulted in both the increase of production costs and diminished productivity of agricultural production co-operatives (Kopátsy, 1986/87). Others pointed to the lack of personal engagement on the part of co-operative workers, due to the alienation of labour (Sozán, 1983).

Differences in the centralisation of control did not effect the hierarchical nature of the relation between management and labour. All in all, it increased the alienation of labour from decision-making. Mergers did not lead to a decrease in required managerial staff. Instead, the proportion of administrative and managerial staff within the co-operative labour force increased (see Table 7.5.).

2.5. THE PROFESSIONALS VS. THE MEMBERSHIP

The continued influence of the membership was to be guaranteed via various institutions of membership representation. However, the latter had limited spheres of influence (see below), and had a mostly formal importance.

Co-operative agriculture was a unique formation due to the joint ownership of the means of production by its members. As a result of this unique relationship of the membership to the means of production, members had the theoretical right to exercise certain influence on co-operative management. This ability of the membership to influence co-operative matters was institutionalised on various levels of the decision-making process. The formal co-operative structure was defined by the Co-operative Law. However, the structure and functioning of the individual co-operatives varied according to the application of this law to the specific characteristics of the co-operatives (Hollós, 1983, p. 102). In certain decisions, the vote of the whole membership was required. Such an example was the election of the co-operative chairman (otherwise nominated by the regional government and party administration). For this purpose a General Assembly meeting was called. However, in the history of the co-operative movement, the membership rarely exercised its formal rights of refusal, since such action was commonly interpreted as open political dissent. In the daily functioning of the co-operative, the participation of the membership in the decision-making process was carried out by indirect means. The membership's influence was meant to be ensured through one or more representatives within the Executive Board. But while a certain proportion of the Executive Board was supposed to be comprised by elected representatives of the membership, the actual influence of these representatives varied greatly between co-operatives (Hollós, 1983, pp. 103-105) (see Figure 2.1. in Chapter 2).

In parallel with the merger movement, the influence and number of professionals within management increased, furnishing leaders for the various branches of production. In the executive board representatives of the membership commonly formed the minority, whereas the influence of the professionals increased, so that the majority was composed of professionals in charge of various levels of the co-operative production. Furthermore, while the technocratic members of the Executive Board were in charge of the planning and supervision of given operations, the role of the representatives of the membership was to voice the concerns of the membership. Hence, their access to information required for them to be able to effectively influence the decision-making process was more limited than that of the technocrats. As noted, following the consolidation of co-operative property the impact of the
General Assembly decreased and membership rights were to be exercised through the representatives of the membership. The conflicting interests between the technocrat stratum and the membership could be related to the different goal-orientations of the two groups. The agricultural practices of the membership, which were composed primarily of formerly independent farmers were predominantly derived from the traditional forms of peasant family farming. In contrast the practices promoted by the professional stratum were imbedded in “scientifically” developed methods of production suited for large-scale agriculture. This created tensions. For example, whereas traditional farming was more conscious about the preservation of natural resources, due to its utilisation of a “limited good”6, the large-scale farming practices of the co-operatives were production oriented.

I have complained many times to the co-operative agronom about how wastefully they produce maize. But one becomes tired of telling when they do not listen. When the thresher goes through the field, it threshes out the seeds, the rest of the maize is just blown out on the field. It would not take much to let a truck follow along and gather it. The co-operative uses only the corn of the maize. They harvest it for food or fodder. When we harvest the maize, we use every little bit of it. The corn-stalk we use in the stable, the leaves for fodder. In the winter we heat with the corn-cobs in the furnace, and even the roots left in the earth and enrich it (interview with Antal Bozi, co-operative member, former owner of a large family farm, in 1980, see Asztalos, 1981).

As the above citation illustrates in case of corn production, the practices of the collective and of household-based producers differed. The goal of large-scale collective farming was to increase the production measurable in the amount of grain of maize per hectare, the goal of a peasant farm was the possibly most comprehensive utilisation of the whole corn crop in a way that preserved the quality of the key resource, land.

Another example to illustrate the differences between the production centeredness of the collective and the resource centeredness of the “peasant” cultivation would be the case of Tejfalusziget forest union. In the pre-collectivisation period the local peasants owned shares in the forest on one of the islands in the Danube river. The forestry union regulated the usufruct of the forest, the forest was divided into units. Key duties, such as cutting trees, planting, cleaning from bushes were rotated annually. The number of grazing animals was regulated to permit the pasture on the island to recover. When the co-operative took over the forestry union, the traditional regulation of the usufruct of the forestry was abandoned, the number of grazing animals was maximised, care for the forest neglected. Within a few years, the island was overexploited and its use for grazing was abandoned (Asztalos, 1981).

In the conflict of interests between the membership and the technocrat stratum, the traditional expertise was devalued. This devaluation could be justified from the

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6 After World War II even commercial petty commodity production in the West lost its ecological sensitivity - which developed with the growth since the mid 19th century of a mixed husbandry with well functioning symbiotic interdependence between the main branches (animal husbandry and plant growing) of agriculture - due to increased specialisation. The latter was combined with the one-sided utilisation of land, and the intensification of the use of pesticides and artificial fertilising (Morell, 1993).
management's point of view by the fact that the position of the formerly independent farmers within the co-operative became limited to the performance of segmented tasks. These tasks did not require a comprehensive knowledge of the whole production process. As a consequence the formerly independent farmers went through a process of "deskilling", and were seen as less and less competent (according to the judgement of professionals) to participate in the decision-making process. An important aspect of the deskilling process was the increasing loss of control over one's own labour. Differential participation in management also meant a differential right to decide over the labour process. Since this privilege was not returned to or shared in some form with the membership, a monopoly of control evolved. In the case of the co-operatives, this monopoly was claimed progressively by the technocrat stratum, with certain limited supervision rights retained by the membership.

While the agrarian labour organisation went through an industrial disciplining process, through which the working unit and the individual workers influence over the labour process decreased, co-operative workers achieved important concessions within the household-based production sphere (see Chapter 7).

2.6. PROCESSES IN THE EIGHTIES: SPONTANEOUS PRIVATISATION AND ORGANISATIONAL TRANSFORMATION IN THE CO-OPERATIVES

One of the key features of Hungarian agricultural co-operatives was that non-agricultural production had a vital importance for the co-operative economy. The industrial side-activities were commonly not organically integrated into the agricultural main activity. Both the physical site of the production, and its management and integration into the external economy were semi-autonomous from the main activity and the co-operative organisation at large.

In the reform regulations of the early eighties, opportunities opened up for organisational transformation which constituted the first stages in the creation of a legal framework for transforming co-operatives into holding companies. Large divisions of production within the co-operatives could be separated organisationally as partnerships with semi-independent budgets. These, in turn, were ordered under the Centre. These units kept accounts of the costs and incomes generated within their activity separately. However, they could not independently decide over the use of the income generated by their activities. They were also responsible for paying the for administration and management decided by the Centre. In turn, they received access to working capital and inputs from the Centre. However, now the productivity of the these sub-units, and so the success of the sub-unit managers could more easily be compared and evaluated.

The new reform of 1988, Law on Partnership allowed for the formation of partnerships with outside enterprises (either private or foreign owned). This provided the legal basis for the formation of independent limited companies, with relatively low starting capital. These units could then rent and operate the facilities, land, machines, workshops required for their activities from the co-operative. As Kovács, et. al. (1994) study showed, these private enterprises were typically founded by members of the top management. Considering the deepening liquidity crises of the co-operatives by the end of the eighties, these companies could convince the co-operative leadership and membership about the benefits of such an arrangement, which freed the co-operative from the financial and managerial responsibility for
these activities. But the unequal contribution of the various branches to the common budget sharpened the conflict between various managerial groups (ibid. pp. 136-152). This gave further impetus to the detachment of enterprise units. At first, these units were seen as exceptions. However, their number soon increased. Utilising the loopholes of the Company act of 1988, a spontaneous privatisation process began (Sárközy, 1994). During 1988 and 1989, the highly profitable industrial side-activities were transformed into limited companies, effectively transferring them into the private sphere. Consequently, a pattern of co-operative transitions evolved by the end of the state socialist period which involved not only an organisational change, but also two alternative patterns of privatisation. Initially, it aimed at the privatisation of the operation of common assets. However, given the expanded opportunities, the most dynamic elements of management succeeded in using the newly opened legal possibilities to transfer property from the collective to the private sphere. This organisational transformation of the co-operatives intensified during the post-socialist period (Asztalos Morell, 1997).

By 1991, the financial crises of co-operatives further deepened and large sections of co-operative production were reorganised into limited companies. As Kovács, et. al. (1994) described the process, the co-operative centre became a holding company. This holding company could own shares, preferably majority shares in the limited companies which were detached for the operation of various production profiles. The limited liability companies were also responsible for contributing to the servicing of co-operative debts, while the holding company was responsible for providing working capital. The holding companies, – the co-operatives – remained the owners of assets, which were not transferred at this stage to the limited liability companies, and it was the co-operative that could be mortgaged for loans.

The agents of this transition were the co-operative managers. In the reform process of the eighties, a model evolved which could help them to transfer their leading positions within the co-operatives, and the cultural, social and political power accumulated in these positions, into economic capital (Kovách, 1994, Asztalos Morell, 1997). Transformation into holding companies formed an important path in managerial privatisation. But as indicated earlier, the analysis of the post-socialist transition falls beyond the limits of this thesis (see Asztalos Morell, 1997)

2.7. SUMMARY

As was shown above, the formation of the co-operative management in the post-1956 period went through three main stages. In the first stage (consolidation period) leaders were chosen from the ranks of the local middle peasantry. In this stage, the leadership functions became separated from the role of co-operative membership as labour force. In the second stage (evolving symbiosis) technocrats consolidated their leadership positions. Their expansion was seen as an integral part of the political intentions of the party-state and was related to the transformation of the co-operative organisation at large (the mergers and the expansion of co-operative property). The increased influence of the technocratic leadership was accompanied

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7 Kovách stresses the importance of the liquidity crises especially in the post-socialist period, where co-operatives, as socialist institutions already burdened with loans, had difficulty to obtain credits (Kovách et. al., 1998b).

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by the gradual devaluation of the ‘tradition-bound’ know-how of the membership, which strengthened the undemocratic features of the co-operative. In the third stage (changing balance) the most important process was the ‘entrepreneurisation’ of the dynamic groups of the management.

3. MODERNISATION OF THE PRODUCTION STRUCTURE AND OCCUPATIONAL CHANGE

3.1. INTRODUCTION
Agricultural production co-operatives realised a specific form of modernisation. In Hungary, the prospects for agriculture were especially bright, since it was considered a successful branch. As noted in Chapter 2 agriculture provided a comparatively large portion (16.8%) of the gross production value in the late 1980’s. Agricultural products constituted a high proportion of (21.7%) of exports, while agricultural imports only accounted for 7.2% of total imports. Hungary was a net exporter of agricultural goods, both on the Western and on the COMECON markets. Agricultural co-operatives were also the most successful examples of the decentralisation of economic planning and the increase of the independence of enterprises under market socialism developing after the 1968 "New economic mechanism" reforms. The modernisation of the collective sphere and the introduction of the achievements of the biological revolution increased the productivity of Hungarian agriculture to the upper third of the OECD countries. Household-based production played a crucial role in the agricultural output already during the socialist period. In 1988 32.5% of gross agricultural output and 50.1% of the net output was produced in the small-scale household-based units (KSH, 1990c, p. 91) From the seventies onwards, the non-agricultural production of the co-operatives increased powerfully. By the late eighties, close to half of the net production value produced in the co-operatives came from these side-activities (KSH, 1989a, p. 102).

The ‘Hungarian model’ of agriculture evolved in the context of the market socialist transition. As noted, this was characterised by reforms of the first (formal) economy, (enterprise autonomy of the socialist production forms increased), as well as concessions to the second (informal) economy (the extension of the permitted scope of household-based production).

In the modernisation of the collective sphere the technocratic managerial stratum was the driving force. Acting in the context of the market socialist transition and the conditions of the indirect redistributive system, co-operative management strove after the expansion of the production organisation. Realising the opportunities provided by the entrepreneurial freedoms available for co-operatives, they facilitated both the technological modernisation of the agricultural sphere and the expansion of non-agricultural activities. Management took a less active part in the expansion of

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8 KSH, 1990, Mezőgazdasági Statisztikai Évkönyv, 1989, p. 9. For comparison, agriculture’s share of GDP at factor costs was below 9% in 1992 in all 15 countries presently members of the European union, except Greece where it reached 15% (Eurostat: Agriculture - Statistical yearbook 1995).

9 Hungarian co-operative agriculture was internationally acknowledged, Swain, 1985.
Subchapter 3. focuses first on how this modernisation process evolved and how it affected the labour demand of the co-operatives. Thus, those processes which affected the changing occupational structure of agricultural production co-operatives are examined. The most fundamental change in the organisation of agricultural production was connected to the technological modernisation process, which includes a wide-range of changes, including the mechanisation of production moments and the introduction and expansion of chemical, biological and irrigation methods for cultivation. Thus subchapter 3.2. considers the width of technological change for agricultural production. The production profile of co-operative production transformed substantially (this includes both shifts in the production profile within the agricultural main activities, and the introduction of non-agricultural 'side-activities'). The evolution of the co-operative production profile is considered in subchapter 3.3. Finally, in subchapter 3.4, I discuss the way in which the changing production structure of the co-operatives changed the demand for labour and the evolution of opportunity structures within the co-operative labour force.

3.2. Changes in the Agricultural Sphere

3.2.1. Introduction

Subchapter 3.2.2. investigates the unfolding of the mechanisation of agricultural production. The impact of the introduction of the achievements of the green-revolution on the agricultural labour force is discussed in Subchapter 3.2.3. In Subchapter 3.2.4. changes in the production profiles in the agricultural branch are overviewed. The impact of modernisation on the labour demand is summarised in Subchapter 3.2.5.

3.2.2. The Mechanisation of Agricultural Production

The process of mechanising agricultural production had a major impact on the composition and size of the agricultural labour force. It has reduced the absolute number of workers required to provide the same level of production. In the short term, mechanisation increased the demand for skilled workers who were specialised and trained for the operating and servicing of the agricultural machinery. By 1978, the amount of machine-assisted labour had increased to 136.1% of the 1968 level (KSH, 1980, p.234). Running parallel to this process, the need for manual (not machine assisted) labour decreased, and this affected both traditionally male and fe-

10 The forms of integration of the household based production sphere and the role of the management in this are analysed in Chapter 7. The role of management could be seen as contradictory. On the one hand, Swain (1985) pinpointed that the household based production of co-operative workers undermined managerial authority in the co-operatives. However, on the other hand, one could argue that household based production contributed to the costs of the reproduction of the co-operative labour force, and so helped both to secure the labour supply of the co-operative and the pressure on wages. From the eighties onwards, management put the transfer of unprofitable production branches into the household helped the management to improve production figures.
male labour tasks. In contrast, the mechanisation created new job opportunities for men, and decreased the demand for female labour. However, in the long run, continued mechanisation combined with the improvement of productivity resulted in decreasing demand for even skilled labour.

Four aspects\(^{11}\) of the mechanisation process will be discussed here: 1) The increase in the degree of mechanisation of various production processes; 2) The increase of agricultural machines; 3) The increase in machine assisted labour; and 4) The impact of mechanisation on labour demands\(^{12}\).

**The Increase in the degree of Mechanisation of the Various Branches of Agricultural Production**

The preparatory processes for soil cultivation requires a rather simple technology. For example, at first, only drawing power was mechanised by using a tractor, which pulled the plough. Thus ploughing was mechanised already during the consolidation period prior to 1968. In contrast, a more versatile technological apparatus is necessary in harvesting. Thus, the mechanisation of the harvest varied for different crops. The degree of mechanisation of harvesting varied between 4.5% and 97.3% in 1968 (see Table 6.1.). Grain harvest reached over 90% mechanisation already during the consolidation period (sixties). Potato lifting, sugar beet lifting and loading and corn harvesting became mechanised in the period of evolving symbiosis (seventies). Potato loading and some vegetable and onion harvesting became fully mechanised in the period of changing balance (eighties). The mechanisation of fruit and most vegetable harvesting remained low.


<table>
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<tr>
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<tbody>
<tr>
<td>Grain harvest</td>
<td>97.3</td>
<td>100.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potatoes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifting</td>
<td>52.0</td>
<td>87.6</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifting and loading</td>
<td>5.9</td>
<td>31.1</td>
<td>72.4</td>
<td>93.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Sugar-beet:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifting</td>
<td>63.5</td>
<td>68.8</td>
<td>96.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Loading</td>
<td>4.5</td>
<td>48.9</td>
<td>92.9</td>
<td>82.2</td>
<td>85.7</td>
</tr>
<tr>
<td>Corn harvesting</td>
<td>10.5</td>
<td>89.1</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vegetables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Onion</td>
<td>78.0</td>
<td>84.7</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beans</td>
<td>86.9</td>
<td>97.4</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^{11}\) Here could be mentioned also the introduction of the so called industrial production systems. In these the system owner large state farms sold the right of complex production technologies. This included not only technological innovations, but also the application of specific plant types, cultivation technology etc... The analysis of these would go beyond the focus of this subchapter, which is the impact of modernisation on labour demands.

\(^{12}\) Here could be mentioned the dissemination of so called industrial production systems, where specific organising co-operatives or state farms held together the system of e.g. rabbit and chicken raising, maize production.
Peas | 90.8 | 91.3 | 94.1
Tomatoes | 17.6 | 20.9 | 13.7
Paprika | 15.1 | 10.7 | 5.3
Fruits:
Grapes | 6.4 | 8.9 | 5.4


*Increase in Agricultural Machinery and the Labour Demand*

Agricultural mechanisation unfolded in three directions: First, there was an increase in the absolute numbers of machines. Second, with the improvement of the technological level, machines’ capacity increased and third, in complexity. These three elements of technological modernisation can be illustrated by the case of the use of tractors by the co-operatives.

First, the number of tractors owned by co-operatives increased until 1970. From then onwards, it decreased. Second, although the number of tractors was decreasing, the overall capacity of tractors continued to increase, reaching one and one-half times the level of 1970 by 1984. Consequently, with the technological improvement, a smaller number of higher capacity tractors could provide the same or larger amount of labour. Third, the use of tractors has been superseded in several areas by more advanced machines. One example is the shift from tractor-pulled shipments to the use of trucks. In the distribution of machine labour carried out by tractors, the amount of work spent in shipment decreased to 68.3% of the 1970 level by 1978. During the same period so called ‘other labour’ for example, commercial and transport related work carried out by tractors, increased by 26.9% (KSH, 1980, pp. 234-236). Besides the loss of importance within the shipment of goods, tractors were superseded within certain cultivation processes, and were gradually replaced by more effective, special-function machines (Bethlen, 1979, p. 52).

In case of other agricultural machinery, the absolute numbers used continued to increase, but the overall capacity of the machines increased at a faster rate than the absolute numbers. By 1983, the number of trucks used increased to 428.0% of the 1968 level, but the overall capacity of trucks increased to 548.1% during the same period. Similarly, the number of combine harvesters machines grew to 147.5% of the 1968 level, whereas their capacity grew to 292.1% (Fazekas, et al, 1985, p. 187).

This mechanisation affected labour demands in two ways. On the one hand, the expansion of mechanisation of larger and larger portions of the production profile led to the overall increase of labour performed by machines. As a result of the expansion of mechanisation, the overall amount of machine labour gradually increased until the late seventies (by 1978 it had increased by 29.1% compared to 1970). With the approaching of maximum mechanisation, the demand for machine labour stabilised, and from 1982 onwards it started to decrease. The decline could be seen as a consequence partly of the high level of mechanisation achieved, and partly of the
rising efficiency of the production\(^\text{13}\). The evolution of machine-labour figures unfolded differently depending on the type of machine. Here the patterns of machine labour that was carried by the three major agricultural machines: tractors, trucks, and combine-harvesters is discussed (see Table 6.2.).

On the other hand the improvement of technology resulted in increased productivity. This was achieved in part by reducing the necessary labour time needed to cultivate a given area (thus saving labour), and in part by improving soil preparation, resulting in increased yields per hectare. The increased productivity of machine-assisted labour can also be measured by the amount of machine labour carried out during a set period of labour hours. The amount of land cultivated during this standard time frame showed a steady increase in this period. The summary indicator of all machine labour shows an 11.0% increase between 1970 and 1976\(^{14}\). From 1976 onwards, figures are available on the three major type of machines separately: until 1984 the productivity of machine labour carried out by tractors increased by 28.7%, by combine harvesters machines by 80.2%, and by trucks by 4.6%\(^{15}\). This means that the amount of hours required for specific labour processes decreased, making more labour redundant. The increase of productivity is a sign of the intensification of production, inasmuch as more capital resources were devoted to it.

Table 6.2. The distribution of machine-labour, 1970-1983 (thousand normal hectare) 1970=100%

<table>
<thead>
<tr>
<th></th>
<th>1978</th>
<th>1982</th>
<th>1983</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tractor</td>
<td>97.0</td>
<td>93.3</td>
<td>89.8</td>
</tr>
<tr>
<td>Combine harvester</td>
<td>150.2</td>
<td>171.9</td>
<td>160.7</td>
</tr>
<tr>
<td>Truck</td>
<td>261.4</td>
<td>286.7</td>
<td>252.6</td>
</tr>
<tr>
<td>Total</td>
<td>129.1</td>
<td>131.4</td>
<td>122.4</td>
</tr>
</tbody>
</table>


3.2.3. Chemical and Biological Modernisation in the Collective Sphere

The application of chemicals as fertilisers or pesticides and the introduction of high-yield crops increased the productivity of agriculture primarily by raising hectare yields\(^{16}\). The amount of chemical fertilisers applied by the co-operatives increased rapidly until the mid-seventies (the amount of fertilisers used rose by 240.6% during the 1968 to 1975 period) from there on the quantity was stagnating (from 1975 to 1983 the amount of fertilisers applied grew only by 5.8%, see Fazekas, et al, 1985, p. 188). A negative impact of the increased application of chemical fertilisers was the decrease in the use of natural resources. The recycling of animal manure commonly remained unresolved within the large-scale animal husbandry production...
systems. The amount of animal manure used on the fields gradually decreased (during the 1981 to 1984 period it declined by 25.5%) (KSH, 1986c, pp. 91-92). This is one of the negative side-effects of the introduction of industrial-type production systems into the agriculture. The principle of economic efficiency often superseded the importance of ecological efficiency. Due to the increased dependence of agriculture on technology – and on a specialised labour force adapted to this technology, the remaining labour intensive, un-mechanised production processes lost prestige.

Agricultural irrigation and watering systems also expanded greatly following the collectivisation of the agriculture. The amount of land watered had increased by 24.5 times by 1976 compared to the pre-collectivisation state (data from 1939, see Bethlendi, 1979, p. 59). However, from the mid-seventies the watering capacity of co-operatives has declined (from 1975 to 1983 the decline was 38.4%, see Fazekas, et al, 1985, p. 188). The inefficiency of labour supply and organisation was blamed for the lack of utilisation of the available technological resources. The increased yields were the consequence of multiple factors (improved fertilisation, weed and decease control, the introduction of crops developed by bio-technology, the introduction of industrial production systems etc.). Between 1970 and 1983, ton per hectare yields rose by 59.3% for cereals, 66.2% for potatoes, 3.2% to 11.5% for vegetables (Fazekas, et. al., 1985, pp. 190-191). The meat yield from animal husbandry also increased. The ton per 100 hectare return increased by 41.4%. The increase was the most significant for poultry (100.0% increase). From the mid-eighties onwards, cereal yields declined – a sign of the general crises of the collective production sphere.

Chemical modernisation influenced labour needs in various ways. Pesticides had a direct labour-saving affect by replacing the previously manual task of weed-control. Similarly, chemical fertilisers could be distributed mechanically, and often to an undesirably high degree, they have replaced the use of the more labour-intensive use of manure. The use of chemical pesticides and fertilisers, like the utilisation of biologically improved species, resulted in the increase of productivity. This meant that a given output could be secured with a smaller labour input. Thus, even this technology had a reducing effect on the development of labour needs. On the other hand, the introduction and development of this kind of know-how increased the demand for related skills, and thus created new gender-specific work opportunities.

3.2.4. Changes in the Agricultural Production Profile and the Labour Demand

Agricultural production co-operatives were large-scale farming units. The overall proportion of the two main branches – plant cultivation and animal husbandry – has shifted during the period between 1968 and 1983. With the gradual expansion of the animal raising capacity the proportion of animal husbandry increased from 32.5% of the co-operative’s production value in 1968 to 41.9% in 1983. (a 9.4% increase, see Fazekas, et. al., 1985, p. 188). Important changes within the composition of production in both branches contributed to this shift. The amount of livestock raised by the co-operatives grew (see Table 6.3.). Greatest was the increase in poultry production. However, the number of other animals (swine, sheep and cattle) also increased (Fazekas, et al, 1985, p. 191).
Table 6.3. The composition of live-stock in the co-operative collective sector

<table>
<thead>
<tr>
<th></th>
<th>1968</th>
<th>1983</th>
<th>1989</th>
<th>83/68</th>
<th>89/83</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>984</td>
<td>1151</td>
<td>988</td>
<td>117,0</td>
<td>85,8</td>
</tr>
<tr>
<td>Swine</td>
<td>1646</td>
<td>2549</td>
<td>2410</td>
<td>154,9</td>
<td>94,5</td>
</tr>
<tr>
<td>Sheep</td>
<td>1427</td>
<td>1860</td>
<td>1163</td>
<td>130,3</td>
<td>62,5</td>
</tr>
<tr>
<td>Poultry</td>
<td>2468</td>
<td>7227</td>
<td>6292</td>
<td>292,8</td>
<td>87,1</td>
</tr>
</tbody>
</table>


The distribution of agriculturally cultivated land had not changed fundamentally. Instead the change was most prominent in the product structure of plant growing. The overall production figures of grain crops increased by 5.3% (see Table 6.4.). The cultivated land of industrial crops increased by 89.7%. The growth within animal husbandry was accompanied by an increase in the land used for fodder-production. The most significant decrease was in the amount of land used for potatoes (-78.9%), and vegetables (-48.9%). In the latter cases, the decrease in the cultivated area within the collective lands was compensated for with an increase of these activities within the household-based cultivation of co-operative farmers (see later in more detail).


<table>
<thead>
<tr>
<th></th>
<th>1968</th>
<th>1989</th>
<th>83/68</th>
<th>89/83</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain crops</td>
<td>2069.6</td>
<td>2130.4</td>
<td>106.5</td>
<td>96.7</td>
</tr>
<tr>
<td>Wheat</td>
<td>1100.2</td>
<td>1046.7</td>
<td>104.0</td>
<td>91.5</td>
</tr>
<tr>
<td>Industrial Plants</td>
<td>234.7</td>
<td>532.0</td>
<td>189.7</td>
<td>119.4</td>
</tr>
<tr>
<td>Sugar beets</td>
<td>83.4</td>
<td>94.6</td>
<td>95.5</td>
<td>106.1</td>
</tr>
<tr>
<td>Sunflower</td>
<td>64.9</td>
<td>302.4</td>
<td>381.8</td>
<td>122.0</td>
</tr>
<tr>
<td>Potatoes</td>
<td>60.5</td>
<td>7.7</td>
<td>21.1</td>
<td>60.2</td>
</tr>
<tr>
<td>Fodder</td>
<td></td>
<td>746.6</td>
<td>81.7</td>
<td></td>
</tr>
<tr>
<td>Silo maize</td>
<td>138.7</td>
<td>206.9</td>
<td>190.6</td>
<td>75.8</td>
</tr>
<tr>
<td>Vegetables</td>
<td>93.0</td>
<td>42.6</td>
<td>51.1</td>
<td>89.7</td>
</tr>
</tbody>
</table>


With the mergers during the seventies the size of cultivation units increased. This allowed the further rationalisation of cultivation by creating large, consolidated fields. Such units simplified the installation of watering systems. The increase in mechanisation and rationalisation within the production profiles increased the demand for relevant skilled labour. From the eighties onwards, labour intensive pro-

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17 The majority of land constituted arable land (76.4% in 1968 and 76.9% in 1983), one fifth pastures and meadows (20.3% in 1968 and 20.7% in 1983), and the remaining portion formed vegetable gardens (0.2 in 1983), orchards (1.2% in 1983) and vineyards (1.0% in 1983) (see Chart 7.) see in Fazekas, et. al., 1985, pp. 189-190.

18 As was seen earlier vegetable cultivation was the least mechanised area.
duction profiles (such as vegetable production) decreased, since they were gradually moved into household-based production, resulting in the further decline of the demand for traditional manual labour.

3.2.5. The Impact of Agricultural Modernisation on the Labour Demand
Due to the increase of mechanisation of agricultural production as well as the gradual decline of non-mechanisable production profiles, the seasonal nature of the labour demand decreased. With the increase of mechanisation new lines of differentiation evolved in the labour demand. On the one hand, the new technology required trained operating staff. On the other hand the demand for unskilled labour declined. Furthermore, the gap between skilled and unskilled labour increased.

3.3. THE COMPOSITION AND EVOLUTION OF NON-AGRICULTURAL PRODUCTION

3.3.1. Introduction
Those factors are first discussed which contributed to the expansion of non-agricultural production profiles within the co-operatives (see Subchapter 3.3.2.). Subchapter 3.3.3. summarises the evolving non-agricultural profiles within the co-operatives, while Subchapter 3.3.4. analyses the impact of these activities on the labour demand of the co-operatives.

3.3.2. Factors Influencing the Evolution of Non-Agricultural Production Within The Agricultural Production Co-operatives
Non-agricultural ventures became an economically more and more important part of co-operative activities. Whereas, in 1966 the portion of non-agricultural production was 9.8% of the total co-operative net production value, its importance increased to 48.3% by 1988 (KSH, 1983c, pp. 86-99 and KSH, 1989a, p. 102). Papp (1985) differentiated two main categories of factors contributing to this increase: a) factors intrinsic to the features of co-operative agricultural production (or to the broader agricultural sector); and b) factors related to a wider economic and political context. Mechanisms internal to the agricultural sector created motivation (see point 3) for the co-operatives to engage in non-agricultural ventures that were partially driven by their available excess labour (see point 1 and 2) and partly economic:

a) Agricultural labour has a seasonal character. Consequently, large segments of the co-operative labour force were without work during large parts of the year;

b) Furthermore, modernisation of the agricultural production created additional excess labour. This excess labour force, with a majority of women and middle-age to older people, had often minimally transferable skills. They also had a low degree of geographical mobility, for example, for taking work outside the nearby community;

c) Agricultural production had a lower level of profitability than industrial production. Due to widening agri-industrial scissors from the eighties onwards (KSH, MgStatEk, 1989, p. 104), production costs of agriculture rose faster, while the value of output rose more slowly, than in non-agricultural side-activities. Due to the high deductions for production cost and depreciation, the net production value constituted only 26% of the gross production value of agricultural production, whereas it
constituted 41% in the case of non-agricultural production in 1989 (KSH, 1990c, pp. 92-96). Due to this great difference, co-operatives were better-able to strengthen their economy by means of non-agricultural ventures (Papp, 1985, p. 10). Engagement in non-agricultural side-activities often served as an internal subsidy for agricultural production.

Factors outside co-operative agriculture per se, such as the structural features of the Hungarian industrialisation (see point 3 below), the characteristics of the socialist economy's labour demand (point 1 and 2), and of the political ideology (point 4) created a favourable backdrop for the development of non-agricultural co-operative side-activities. These were as follows:

a) Due to the nature of state socialist economic development, the limits to its expansion are set by the resources. One such resource was the availability of labour\(^{19}\). In the early phase of industrialisation, rural excess agricultural and female labour served as a large untapped labour reservoir. By the seventies, urban industry could not mobilise further agrarian resources. Urban industry experienced increasing problems due to labour shortages. Administratively established limitations on labour mobility proved to be unsuccessful. While during the sixties, the problem of agrarian over-population was solved by migration towards the cities and an increase in the commuting labour force, the strategy of the seventies turned towards rural diversification and the industrialisation of the country-side. In this, co-operatives had a key role. Thus, the country-side did not become depopulated. Instead, it was revitalised from the seventies onwards (Szelényi, Harcsa and Kovách, 1998). Hence, rural solutions with available labour became attractive.

b) Industrialisation initiated a large geographical migration from rural to urban areas. However, the degree of migration into urban areas of this socially mobile labour force did not match the degree of its social mobility, for example, its degree of integration into the industrial labour force. Large segments of the industrial labour force remained rural\(^{20}\) in residence, as well as life-style. For example, commuting workers commonly engaged in small-scale agricultural production. This large pool of workers lived on the margins of two societies, commuting long hours into the urban industrial centres. The proportion of commuting workers increased from 13.4% of all workers in 1960, to 19.6% in 1970, and 24.0% in 1980 (Böhm and Pál, 1985, pp. 44-57). The majority (76%) of these workers were rural residents. Hence, rural work opportunities could provide viable alternatives for them.

With the increase in industrial ventures by the co-operatives, work opportunities provided in these areas increasingly attracted labour from sectors outside agriculture. Whereas, in the late 1970s, two-thirds of labour engaged in the co-operative’s non-agricultural side-activities came from the internal restructuring of labour, in the early 80s there was a growth in labour coming from other sectors of the economy (Papp, 1985, pp. 36, 39). In fact from 1981 onwards, the agricultural sector ceased to be a labour-supplying sector. Despite the continued decline of labour in the agricultural core activities, the overall labour force of the co-operatives increased as a

\(^{19}\) See the earlier discussions on Kornai's resource limited development theory of state socialist economy, Kornai, 1985.

result of growth in labour in the side-activities. This process continued until 1983. From then onwards, the size of the labour force declined again.

c) Furthermore, there was a gradual restructuring process within the industrial sector towards centralisation, which resulted in the decline of small to medium-sized companies. The number of small to medium-sized companies declined by 38.6% between 1960 and 1965. This process continued during the seventies (Papp, 1985, p. 11). Market demand for small series of individual products not fulfilled by the centralised, less flexible industrial sector, created favourable market conditions for agricultural co-operatives. The spread of co-operative industrial side-activities was to large extent replacing the declining small to medium sector of the industry (Papp, 1985, p. 11).

As a result of these mutual interests in the various levels of the economy, the industrial side-activities of the co-operatives were to large extent built on various forms of co-operation with the industrial sector. During the early eighties, the majority (80-85%) of co-operative side-activities depended on industrial companies, which in turn provided the equipment, supplies and terms of the contract. The norms and wages applied depended on the supplying company. In a smaller portion (12-18%) of such co-operations, the co-operative determined the management of the non-agricultural side-activities, including wage agreements. However, only a minor part (2-3%) of the co-operatives engaged in independent ventures on the market (Bánky, 1983, see in Papp, 1985, pp. 17-18).

This process also coincided with the prevailing labour policy and political ideology, which guaranteed the right for work, and for full employment21. The need to provide labour for rural residence could be used for justification in lobbying against the industrial lobby, which was opposed to the spread of co-op industrial ventures, due to its sweeping effect on labour in the industrial sector.

3.3.3. The Main Types of Non-Agricultural Activities

These non-agricultural activities, commonly referred to as side-activities, were varied in character. On the one hand, activities had some organic connection with the main-scheme agricultural profile. On the other hand, activities with no organic connection to agriculture also became established.

a) Certain activity types grew out of the mainstream agricultural engagement. Such connection was established at different reference points of the production process. At one end, different servicing and supplying industries sought to provide technological support to the agricultural production process. With agricultural mechanisation and modernisation, adequate machines, buildings, and services became crucial. Due to the lack of industrial background in the rural areas, co-operatives became self-sufficient in servicing their machines, building and supplying their agricultural facilities, etc. These ventures, once established, could offer services for the wider community as well. In the distribution of the net production value of the co-operatives (KSH, 1989c, p. 88 and KSH, 1989a, p. 102), the portion of incomes from the building sector reached to 9.7% in 1968, and 8.6% in 1988; in transport

21 These policies have been modified in 1987 allowing more freely the shut down of non-efficient enterprises, and as a consequence the lay-off of employees.
The share of agricultural services and agricultural side-activities increased from 0.6% in 1968 to 8.8% in 1988\textsuperscript{22}. At the other end of the production chain, co-operatives were large-scale producers of agricultural goods. Co-ops, despite their large size, found themselves in an entrenched position in the process of marketing their products. For example, in case of wheat and meat marketing (which products formed the majority of co-operative products), the mills, slaughter houses and meat factories were in the hands of state enterprises in monopoly position (Juhász and Magyar, 1983). However, in case of other products, such as vegetables, eggs, potatoes, etc., co-operatives could, in practice, find their own way to the market. Besides sales of fresh products, co-operative involvement in food processing became also sizeable. The share of commerce from the net production value was 0.8% in 1968 and 6.5%; whereas the share of food industry reached 0.1% in 1968 and 7.8% in 1988. Thus, both branches showed a strong increase.

b) Activities with no direct organic connection to agriculture evolved according to the individual co-operative’s abilities and talents for finding profitable ventures. Sizeable increases took place during the observed period: the share of industry from the net production value was 6.3% in 1968 and 17.2% in 1988. The net production value of non-material services also increased significantly – from 0.7% in 1968 to 5.0% in 1988\textsuperscript{23}.

3.3.4. Changes in the Composition of the Non-Agricultural Labour Force

These broad structural transformations in agricultural co-operatives and in the economy resulted in changes in the composition and size of the co-operative labour force. The agricultural sector maintained its function in releasing excess labour all through the seventies. The number of all active wage-earners in agricultural co-operatives (both members and employees in both blue-collar and white-collar occupations) declined by 22.7% between 1970 and 1979\textsuperscript{24}. This decline was accompanied by internal structural changes in the composition of the labour force. This was marked by an increase in those working in non-agricultural occupations (there was a 64.7% increase between 1976 and 1982, which was highest in the industrial occupations), and by a decrease in those working in agricultural occupations (there was a 27.3% decrease during the same period – see Table 6.5.). By the early 1980's, the

\textsuperscript{22} This intensification of agricultural services and side-activities can be an outcome of and increased involvement of the co-ops in servicing the second economy agriculture.

\textsuperscript{23} Papp’s estimates on the distribution of non-agricultural production value provides different proportions. In lack of further description of the origins of his data, it will be only attached here without further comment. In the composition of these side-activities in 1980 food-processing industry was the most important. The highest proportion of returns (45.7%) came from here (KSH, Az iparon kivuli....., 1982, p15-17, in: Papp, 1985, p. 15). The second most important area was the industrial services provided for the local communities (16.9% of returns). A high proportion (13.4%) of revenues came also from the manufacturing of industrial products. The remaining 24.0% of revenues came from various activities including wood-processing (7.8%), chemical industry (6.7%), light-industry (3.3%) and other industrial products. The majority of these activities (three-fourth according to Papp’s judgement, Papp, 1985, p16) is related to the agricultural main activity, either in form of processing of agricultural products, or in form of enhancing the main activity.

\textsuperscript{24} KSH, 1980, p. 9. Data on non-agricultural and agricultural blue-collar workers separately is available only from 1976 onwards.
increase in industrial occupations superseded the decrease in agricultural occupations, and there was a moderate increase in the size of the blue-collar labour force between 1980 and 1982 (KSH, 1981, p. 55, KSH, 1983b, p. 56, KSH, 1980, p. 112).

With the modernisation of co-operative production in both agricultural and on-agricultural spheres, the differentiation between workers according to level of skills into skilled, semi-skilled and unskilled workers gained importance. These categories are derived according to the level of training acquired by the workers, as well as according to the level of training required for the performance of the particular work process. The proportion of skilled workers (both agricultural and non-agricultural) in the co-operative labour force increased between 1976 and 1985 (see Table 6.5.). Meanwhile, the proportion of semi-skilled and unskilled workers declined.

Table 6.5. Changed in the number of various categories of blue-collar workers in the co-operatives 1976-1988

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>14.2</td>
<td>18.3</td>
<td>23.0</td>
</tr>
<tr>
<td>Building industry</td>
<td>7.6</td>
<td>10.0</td>
<td>9.4</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>5.2</td>
<td>6.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Commerce and supply</td>
<td>0.6</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Water and services</td>
<td>0.2</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Lifting, shipping goods</td>
<td>1.0</td>
<td>1.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Other</td>
<td>16.7</td>
<td>13.0</td>
<td>12.2</td>
</tr>
<tr>
<td>Total non-agricultural</td>
<td>45.5</td>
<td>49.9</td>
<td>54.0</td>
</tr>
<tr>
<td>Agriculture</td>
<td>42.3</td>
<td>37.6</td>
<td>32.8</td>
</tr>
<tr>
<td>of those agricultural</td>
<td>8.7</td>
<td>3.7</td>
<td>2.3</td>
</tr>
<tr>
<td>unskilled</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blue collar</td>
<td>87.8</td>
<td>87.5</td>
<td>86.8</td>
</tr>
<tr>
<td>of those skilled</td>
<td>32.9</td>
<td>38.4</td>
<td>43.1</td>
</tr>
<tr>
<td>semi-skilled</td>
<td>39.5</td>
<td>37.4</td>
<td>33.4</td>
</tr>
<tr>
<td>unskilled</td>
<td>15.4</td>
<td>11.6</td>
<td>10.3</td>
</tr>
<tr>
<td>White collar</td>
<td>12.2</td>
<td>12.5</td>
<td>13.2</td>
</tr>
<tr>
<td>Combined Total</td>
<td>100.</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


3.4. White Collar Labour and Administrative Modernisation
The separation of management and labour functions in the co-operatives was accompanied by the expansion of white-collar labour categories assisting the function-
ing of management. One of the arguments justifying the merger movement was that it would allow the concentration of production resources, and consequently the improvement of planning with labour resources. In contrast to these expectations, these planning functions seem to have required even more support from white collar workers. The proportion of white-collar workers within the co-operative labour force increased between 1976 and 1985 from 12.5% to 15.8% (see Table 7.5). The number of top managers decreased (in 1982 it reached 65% of the level in 1971, see Table 11.5.) as a natural consequence of the declining number of units. In contrast, the number of middle level managers increased (with 18% in second and with 127% in third level management positions, see Table 11.9.). The hierarchically differential evolution of white-collar positions is discussed in more detail in Chapter 11.

3.5. SUMMARY OF AGRICULTURAL MODERNISATION AND CHANGES IN LABOUR DEMAND
The overall ‘modernisation’ process of co-operative agriculture proceeded by a series of transitions, such as technological change, organisational change, changes in the production profile. The modernisation project that was realised in the co-operatives was criticised for the excessive employment of white collar and managerial labour compared to physical labour. Furthermore, the lack of autonomy and self-interest of the workers related to the alienated nature of labour in the collectives was criticised. In contrast to family farms, the collective forms of cultivation required an excessive apparatus of supervisory, planning and control staff. With these changes, new lines of differentiation between preferred and marginal groups emerged. Shifts in co-operative labour demand changed the structure of the labour force. Some occupations provided prospects for long-term advancement, while others declined in importance or were fully superseded. Technological change opened new ways of differentiating between various work categories. In general terms, the seasonal nature of the labour demand decreased. The proportion of agricultural labour declined, while the proportion of non-agricultural physical and white collar labour increased. The importance of skill levels as a differentiating principle increased.

The question is, how did occupational change in agricultural production co-operatives impact labour stratification mechanisms? These labour stratification mechanisms are described with the help of the following concepts: a) core and margin; and b) the evolving differences in the degree of autonomy within and control over the labour process.

4. THE FORMATION OF THE CO-OPERATIVE LABOUR FORCE

4.1. INTRODUCTION
Subchapter 3 discussed in general terms the impact of the specific form of modernisation realised in the co-operatives on the labour demand. Here, the co-operative

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25 See for the analysis of the impact of changing opportunity structures bound to technological change in the context of the changing gender stratification of labour Wikander (1988).
production organisation as a humanisation project is under scrutiny. Even the underlying question in subchapter 4 represents a critique of the co-operative as a humanisation project. The evolution of the hierarchically stratified labour force in relation to management is seen as the alienation between head and hand. In addition, the separation of various labour categories is analysed as the consequence of the segmented labour demand of the co-operative.

This subchapter analyses the development of the co-operative labour organisation. Subchapter 4.2. develops a conceptual framework for: a) the discussion of labour stratification processes prior to and following the introduction of the industrial production system, and b) the analysis of mechanisms regulating occupational stratification in agricultural production co-operatives in the context of changes in the labour demand of co-operatives which followed the modernisation process described above.

In subchapter 4.3. various stages of the creation of the co-operative socialist labour force are discussed: a) the creation of the agricultural wage labourer following the demolition of the material basis of the peasant production organisation; b) the adaptation of the industrial labour organisation to agricultural production, thus moving this one stage closer to the production form of socialist industry. The creation of the industrial labour organisation is discussed in the context of the shift of managerial power to technocrats; and c) finally, some aspects of the 1985 reforms, concerning the reform of the labour organisation are raised.

In subchapter 4.4. the transformation of the internal stratification of the co-operative labour force is analysed in the context of the modernisation of co-operative production structure. Results of the analyses of the labour organisation of the collective sphere are summarised at the end of subchapter 4.

4.2. LABOUR STRATIFICATION PROCESSES: A CONCEPTUAL FRAMEWORK

To highlight the segmentation and hierarchical features of the co-operative labour organisation two analytical models are used. A series of studies were carried out on the Hungarian labour market by a group of labour market theorists.26 Building on the assumptions of neo-classical economic theory, they argued that in Hungary, the conditions of a functioning labour market evolved due to a) the strengthening of enterprise character of companies following the 1968 reforms, and b) the prevailing strong mobility of labour. They described the labour market as formed by the demand and supply of labour. Adapting the segmented labour market theory27 to the analysis of the Hungarian conditions, they claimed that the allocation mechanisms in the labour market were influenced by two complementary processes. Workers appeared on different and non-competing segments of the labour market. These segments were formed partly by factors outside the realm of economic processes, and were directed on the one hand by status and prestige differences, and on the other hand by consciously chosen labour market

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27 See for the principles of the segmented labour market theory Doeringer and Piore, 1971.
strategies. A factory study on labour market strategies showed that blue-collar women were not work-centric in their attitudes, and prioritised the family. Amongst semi-skilled blue-collar men, however, second economy opportunities within agriculture explained their position on lower segments of the labour market, (Kemény, 1975 paraphrased by Galasi, 1982, pp. 20-22).

Under the conditions of perpetual labour shortage, companies, on the other side of the equation, were forced to act on behalf of their rational interests to avoid the streaming out of labour. Companies created barriers which were to lock in the labour force essential for the maintenance of the production process by various internal provisioning mechanisms. Consequently, the core of the labour force was to be attracted – according to the theory – by improved conditions, while the recruitment of new labour sought to fill primarily marginal positions (see an empirical example in Chapter 10).

Thus, labour market theories argue that segmented labour markets evolve as a result of dynamic process between the segmented nature of the economy’s demand for labour on one hand, and the segmented feature of the labour supply on the other. In the latter case, conscious labour market strategies contribute to the differential supply of labour of various family members. As will be discussed in Chapter 8, feminists criticised neo-classical economic theories for exaggerating the role of free, rational choice in choosing labour market strategies. As a consequence of this exaggeration, neo-classical economic theories overestimate the opportunities available to individuals to actively influence their positions on the labour market segments. They fail to analyse the importance of prevailing structural inequalities, and the prevailing gender system for the formulation of gender differentiated strategies within the families. Family relations, as well as the prevailing societal organisation of social and biological reproduction and social expectations concerning proper gender roles, all impact on women’s choice of labour market strategy. Furthermore, the prevailing segmentation of the labour market, and the choices of employers are also based on ideological images of the female worker, and the prevailing gender segregation of the labour force. Thus, women’s job opportunities in the higher segments are determined just as much by certain segments being closed for women, as by their own chosen strategies. Similarly, to choose jobs on the higher segments of the urban, industrial labour market is to a large degree limited for unskilled men with experience only in agriculture. For these men, a dual base of subsistence could easily be seen as an acceptance of survival patterns emerged in local communities as a matter of free choice.

In contrast, approaches critical to the segmentation of the labour market viewed the division of labour under state socialism as the source of domination and subordination (Hegedüs, 1977 [1966], p. 52). While the most important subordination of manual labour was to the ‘hierarchically structured administrative apparatus’, a crucial segmentation occurred even within manual labour. The alienation characterising capitalist labour relation evolved even under state socialism. Two broad groups of labour were developing according to Hegedüs. One was a specialist group that

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29 I use the term critical approaches to refer to those perspectives which analyse the unequal distribution of power, see also Burrell and Morgan, 1979.
maintain the ability to control their own work to a relatively high degree. For the other group the labour tasks were shaped by the technological process. The loss of control over their labour \(^{30}\) was the crucial alienation factor for this latter group. The emerging divisions between segments of the labour market formed along factors like the nature of work, creative vs. intellectual character of the work, the degree of routine-like features and the required level of education, established lasting divisions. Conflicts even emerged between the categories.

Szelényi et. al. looked at the introduction of the industrial labour organisation, as part of the party-state's means in its attempt to proletarianise the peasantry (Szelényi, et. al., 1988). The technocracy indoctrinated by Soviet industrial-type production model saw a means for rationalising production and fulfilling the interests of achieving best efficiency in co-operative agricultural production, in the enhancement of industrial production methods. As Swain pointed out, the segmentation of labour tasks made the distance between management and labour even wider, and also served as a means for justifying and strengthening the authority of the technocracy over the peasantry (Swain, 1985).

In contrast, the semi-proletarian, dual base of subsistence of the rural population in general – and of co-operative workers in particular – was interpreted as a backlash in reaction to the system’s attempts to proletarianise the peasantry (Szelényi, 1988, Swain, 1985 see also the discussion in chapter 4, 5 and Chapter 7).

Szelényi, et. al., 1988 and Hegedüs, 1977 emphasised the importance of differential control over resources, as well as the importance of the level of autonomy over decision making and over their own labour process, in the hierarchical differentiation of the production organisation. They viewed the above as expressions of differential positions within the hierarchy of the system. Their critical contribution is utilised in the analytical framework of this thesis. My critical reflections concern the following points: They focus on the alienating, subordinating separation of labour and management (see Hegedüs, 1977). The segmentation of the co-operative organisation is seen from the angle of the potential evolution of household-based production (see Szelényi, et. al., 1988). Thus, from the point of view of factors leading to the demise of the co-operative system – or factors which serve as a bridge between the pre-co-operative, the contemporary co-operative and the supposed post-co-operative systems (see Juhász, 1975 and Szelényi, et. al., 1988). In parallel, the forces which held together the co-operative as a production system fell outside the main focus. Taking the concept of ‘parking positions’ discussed in Chapter 4, the stratification of the co-operative labour force is analysed with a focus on how various positions within the co-operative system could transmit positions of power from one system to the other (for example, from the stratification of pre-socialist through socialist to post-socialist society). Thus, some key problems related to the functioning and reproduction of the co-operative as a form of production – such as the importance of the co-operatives’ segmented labour demand, (which the previously mentioned labour market theories focused on), or the importance of the prevailing gender system of the organisation of the reproduction of labour power, (which is going to be analysed in more detail in Part IV), remained unexamined or obtained secondary importance.

\(^{30}\) Note the similarities between the conception of Hegedüs and Braverman.
I base my approach on a critical fusion of elements taken from the in the above-described two major frameworks. I rely on some of the analytical tools of the segmented labour market theory described above. However, in contrast to its assumptions about free choice as the regulating principle on the labour market, I integrate these analytical categories into a critical framework along with other theories belonging to a critical perspective. In Part IV I complement my critique with an analysis of the gender-specific aspects of labour segmentation.

Due to the seasonal nature of agricultural production, the labour demand of the co-operative varied seasonally. This was accentuated by the industrial-type labour organisation. Thus the co-operative’s functioning depended on its ability to maintain a year-round, permanent labour force (which I call the ‘core’), while at the same time the co-operative also needed to secure a seasonally varying group (I refer to this as ‘marginal’ labour). The relative importance of occupations changed with the ongoing modernisation of agricultural production and the changing composition of production.

‘Core’ versus ‘marginal’ positions are also seen to represent differential degree of control over resources and the labour process. The maintenance of boundaries between core and marginal occupations (‘demarcation’) and the control of the recruitment of the privileged groups (‘exclusion’) are seen as processes which enable the privileged groups to secure their positions. The maintenance of occupational boundaries for ‘core’ groups was also in the interest of management in order to secure stable labour force for the continued operation of the co-operative production apparatus.

From the point of view of the supply of labour, I argue that the gender specific supply of labour is the outcome of not purely rational choice, but is primarily conditioned by both the prevailing gender system and the gender-specific personal interests of men in maintaining their privileges within the family.

As analytical model of the segmented labour market theories indicated the evolving segmentation of labour evolved as a dynamic process between: a) the characteristics of the co-operative’s labour demand. This is seen to be to large degree conditioned by the prevailing needs of the production organisation and the evolving industrial labour organisation, which further segmented and differentiated the labour force; and b) the features of the supply of labour that surfaced in the dissolution process of the peasantry.

The focus in this subchapter is on the collective organisation and its demands. The other end of the labour market equation, – the dynamics related to the transformation of the peasant family and the supply of labour and the reproduction of the labour power of co-operative workers, – is emphasised in Chapters 7 and 10. At first, the evolution of the co-operative labour organisation is reviewed in Subchapter 4.3. In Subchapter 4.4. the shifts in the stratification of the co-operative labour force are analysed along the conceptual frameworks developed above, (as divided into ‘core’ and ‘marginal’ categories).

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31 Even large estates, that fell long behind the rigidity of labour categories dictated by the industrial type labour organisation were dependent on maintaining a permanent labour force, fulfilled by the ‘cseled’ category, and a seasonal labour pool, that was composed of varied paupers from the near-region ‘Napszámos’ and long-distance migrating labour groups ‘Summas’, see Balassa, 1985, Tóth, 1977, Illyés, 1967.
4.3. THE EVOLUTION OF THE CO-OPERATIVE LABOUR ORGANISATION

4.3.1. Introduction

Co-operative labour relations represented the conspicuous nature of labour under state socialism. Here the evolution of the co-operative labour organisation is reviewed in its three main phases. The three phases are differentiated according to the shifts occurring in the degree of autonomy (degree of control over the production resources and the labour process) of the individual worker.

4.3.2. From Peasants to Co-operative Workers (Consolidation Period)

In the family-based peasant farm, most duties were assigned based upon roles determined according to gender and age. Certain tasks were performed by all members alike. Assignments varied according to the demographic composition of the family (for example, the number of sons and daughters), and could be adapted to changes. Where there were more sons in the family, labour duties were assigned according to birth order. The oldest son had the task of taking care of the horses, the second son taking care of the cattle and cows, etc. (Asztalos, 1981, Fél and Hofer, 1969). However, in case of a lack of sons, the division of labour of the family had to be adjusted accordingly. Thus, everybody had to be able to perform all the tasks for successful functioning of the farm. While gender roles could be the hardest to break, the gender division of production tasks could be changed in case of necessity, such as wartime, when farms could be left for long periods with few men. In contrast, the boundaries of the gender division of labour of reproductive duties, for example, men’s privileges of being free from these, was preserved more strictly (Andersson Flygare, 1998). Although the kind of labour that a person was assigned to do reflected the status of that person within the family, a person’s rank for the outside world was determined by the rank of his or her family at large, and not by the kind of labour performed by one.

The underlying transformation process in the co-operative’s collective sphere led from the breaking up of the traditional peasant organisation of production (munkaszervezet) to the establishment of a collective organisation. ‘Deskilling’ constituted an integral part of this transition. In the first stage, the ultimate know-how and decision-making was removed from the immediate producers and vested at first in co-operative managers coming from the ranks of the peasantry (see Subchapter 2). This served as the first important step in the creation of an organisational model of agricultural production, leading to the proletarisation of the peasantry.

The differences in peasant and collective production organisations can also be related to differences in the type of production characterising them. Peasant farms

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32 Most peasants had to do the same kinds of labour routines like farmhands, nevertheless, one's rank in society was determined according to whether one was a peasant or a farmhand, and not according to the actual work one did. On the family as base of social status see Morvay (1981 [1956]).

33 Of course, the most important precondition for this proletarisation was the transition from private to collective ownership. Here, the proletarisation process is considered from the point of view of the organisation of production and the labour process. Since, the co-operative workers were allowed to maintain small-scale household based production this deskilling could not become complete. This dual existential base constituted the foundations of a semi-proletarian existence, see Szelenyi, 1988 and Szelenyi, Harcsa and Kovách, 1998.
were characterised by mixed production profile in which economic security was derived from a combination of activities that included both commodity and subsistence production (Erdei, 1976, [1943]). The balance between production for immediate consumption and for marketing was determined by the family's overriding consumption needs. In contrast, with the consolidation of land, co-operatives aimed at achieving large-scale production units. Co-operative production typically was exclusively commodity production, in which the production of each type of commodity was determined by the varying level of demand generated on the socialist markets that were controlled by redistributive mechanisms. Each line of activity obtained its own institutional entity, such as a plant-growing branch, a horticulture branch, an animal husbandry branch, etc.

Production and labour was organised according to the labour demand of these divorced entities. At first, various organisational models were introduced. *Family-based* production in the form of share-cropping was also common. Family share-cropping was practised primarily in manual labour-dominated cultivation types. According to the most common forms of family cultivation, the individual co-operative member and his family contracted for all the cultivation and raising tasks bound to a given area and/or animal unit. Family cultivation was commonly combined with remuneration connected to results achieved, such as in case of share-cropping. Kalocsay finds that family and collective cultivation methods varied to a significant degree, where the main features of family cultivation can be summarised in the following:

In the case of family cultivation, the organisation of manual labour activities falls beyond the directives of the co-operative. The features of family-based production require that the participants in it acquire a wide range of autonomy in deciding about the type of procedures followed and the timing of the manual labour processes. This does not imply that the co-operative management has no labour organisational tasks in case of family production, since the use of machines and charts, and the utilisation of staff operating these is required even in case of family production. (Kalocsay, 1966, p. 356.)

The industrial production organisation was already viewed as a model to be followed at the onset of collectivisation. Erdei summarised the nature of this transition as: ‘... a rise of agricultural production from the level of manufacture to the level of mechanised large industry’ (Erdei, 1961). During this period, production was to a large degree based on manual and horse-assisted labour. The proportion of machine capacity compared to horse-driven capacity had reached only 50 percent by 1960 (Tibold, 1987, p. 142). The large size of production facilitated the collaboration of large labour teams. These brigades resembled, to large degree, the labour organisation units of the former large estates (Juhasz, 1988). Mechanisation and the integration of labour related to the operation of agricultural machines into co-operative organisations started from 1962 onwards, when the state-controlled machine stations

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34 Chayanov distinguishes peasant farming from capitalist enterprise on ground of the former’s primary drive towards the satisfaction of family consumption needs, in contrast with self-fulfilling profit orientation (Chayanov, 1986).

35 This was the case especially after the release of compulsory deliveries to the state, even if the free function of the market continued to be limited by state policies.
lost their monopoly on owning and operating agricultural machines (Tibold, 1987, p. 142).

During the sixties, an intermediary organisational form became widely applied by co-operatives – the so called complex brigades. The prime period for this form was between 1962 and 1976 (Swain, 1985, pp. 162-167). Complex brigades were introduced as units of labour organisation and payment, and ‘contracted’ to perform specific labour tasks. The brigade took the responsibility for the organisation of labour and received payment in proportion to the profit produced. Matus described the functioning of a complex brigade in the Szekszárd State Farm. One of the 10 complex brigades functioning in the plant-growing branch consisted of 12 members contracted to perform the following tasks:

the labour connected to the cultivation of 1010 kat hold cereals, including soil preparation, sawing, plant protection, harvesting and transport in such a way that tractor drivers, combine/harvester drivers and machine operators are provided by the brigade. They receive after each q delivered cereal 4 Ft wage, and in case of producing over the planned quantity an additional 5% of the produce as a premium payment. The contract required the delivery of 18.5 q wheat. Furthermore, The brigade contracted the achievement of 200 q/kat hold average yield on 520 kat. hold fodder mice, whereas they were to receive 60 fillér per q. Beyond the above named direct production tasks the members were to carry out the daily service, yearly repair and winter general service of the machines, with the exception of blacksmith, welding and electrical tasks, which were to be carried out in the central workshops. The brigade was equipped with the following machines: 2 Sz-100 type tractors, 1 DT-413 tractor, 5 Zetor Super tractor, 4 SZK combine/harvesters, 4 ZSKN mice harvesting adapters, 3 TCD mice sawing machines, 5AS 1,8 fodder mice combine harvesters...The members of the brigade received 1700 Ft wage advance, the final wage payment was paid according to the size of the yield at the end of the year... After the final account the average monthly wage was between 2500 and 2800 Ft per brigade members. (Matus, 1966, p. 315).

The main advantages of this type of organisation were summarised by the author as follows: higher productivity, lower energy expenses, good labour moral, labour discipline and self-supervised labour process, and lower loss of time related to repairs on machines. Nonetheless, complex brigades were situated in a stage of transition towards the industrial labour organisation. While ‘the brigades were to carry out the necessary tasks as an autonomous organisation, and were to organise the labour tasks within the brigade independently, they were to follow the technological requirements specified by the co-operative’ (Mohácsi, et. al., 1969, p.70).

4.3.3. The Generalisation of the Industrial Type Production Organisation (the Period of Evolving symbiosis)

This extensive modernisation of agriculture accelerated during the post-1968 period. Co-operative agriculture was to serve national food production needs within the framework of large-scale socialist production. Co-operative mergers resulted in large-scale concentration of production units36. The professional stratum that took

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36 See on mergers in Chapter 2, and also in subchapter 2 above. The main wave of mergers started during the early to late seventies.
over during this period represented the party-state’s ethos aiming at levelling out the difference between the co-operative peasantry and the working class. The professional stratum, indoctrinated with soviet-type agricultural production ideology, worked for the introduction of large-scale industrial production methods combined with the mechanised technology\textsuperscript{37}. Aided by the advantages of their training, they introduced the results of the green revolution (breed-selection, chemicalisation) and agricultural mechanisation with the adaptation of an industrial labour organisation. Thus, work organisation models based on the peasant tradition and on worker enterprise type working teams were pushed out in favour of industrial-type models. Industrial organisation meant the segmentation of work—tasks, and a further loss of control over the labour process. The labour unit became the individual, integrated into socialist working brigades and specialised in given tasks. The know-how of running a farm had already lost its economic relevance within the structure of collective farming with the separation of ‘head’ and ‘hand’. Now, with the generalisation of the industrial labour organisation within collective production, the workers became specialised to carry out given, technologically defined (limited) duties, such as coach-driver, truck-driver, tractor-driver, viticulturist, etc. The traditional, multifaceted labour of the peasant became devalued as unskilled agricultural labour\textsuperscript{38}. In the complex brigades, the workers’ collective had a certain control over the labour process. With the industrial labour organisation, this control over the labour process was further removed, since, the planning and supervision of labour tasks was removed into the hands of production managers. The further centralisation of decision-making was sought already in the early sixties, justified by the needs of technological advancement. Decentralised managerial models were seen as poorly-suited to higher levels of technology:

In plant growing, machines and machine groups with capacity superseding the size of brigades and even of local production units were installed into the production chain. This development destructed the previous decentralised and closed organisations and created new labour organisational units beyond the brigades, and even beyond the production units. The importance of skilled labour came into the forefront, which led to increased division of labour, and requires the employment of workers with specialised training.... A healthy process started to evolve new forms of labour organisation.... In the period when, parallel to the improvement of technology, higher specialisation, and higher concentration of production is introduced and when larger production units are formed, such (for example, - decentralised - my addition) managerial methods cannot be successful. (Tőszegi, 1961, p. 11).

The transition to industrial-style production organisation was prepared by research and development of models developed to enable the adaptation of industrial managerial models to agriculture. These were to be introduced in experimental units and

\textsuperscript{37} Juhász & Gaál, 1982, p. 21. Taylorism had a renaissance starting from the sixties in the Soviet Union. Lenin in the twenties supported the scientific planning of production, while Stalin emphasised the heroism of the workers, and importance of the workers’ active contribution to the production process, which stood in opposition to the mechanistic view of Taylorism, see Makó, 1985.

\textsuperscript{38} However, the know-how and labour organisation of family farming remained relevant within the organisationally separated sphere of small-scale production on small kitchen-lots of one to two hectares, allotted to co-operative members.
further disseminated through the training of professionals (Szabó, 1963, pp. 32-33). The professional technocratic elites’ take-over of leadership positions from the early seventies onwards realised these visions, which were formulated already during the early sixties.

The co-operative labour organisation introduced additional elements which were alien to household-based agricultural production. The separation of management and labour, together with the increase in the size of the production units increased the difficulty of management tasks and the complexity of administrative duties. Thus, the size of the managerial stratum increased, together with the size of white-collar labour to support it. The majority of women obtained jobs with low levels of autonomy, either in the clerical services in the case of those with mid-level education, or as semi-skilled conveyor-belt workers. Some areas requiring higher levels of training also opened up for women, such as in the field of accounting. The servicing of the increasing agricultural machine park developed its own internal staff. The expansion of industrial activities added a further aspect to the evolving complexity of the co-operative labour force. This led, among other things, to the spread of semi-skilled routine jobs (see in next subchapter). Thus, agricultural production co-operatives were transformed into agri-industrial complexes.

As a process complementary to deskilling (which was bound to the worker’s losing control and autonomy in the production process) certain skills were upgraded. Upgrading was bound to skills that obtained high value in the industrialised labour process, such as skills connected to the new technologies. Wages became related to labour time rather than success in the fulfilment of production tasks (for example, as in the case of share-cropping). The personal interest of the worker to improve the results also declined. By the end of the period of changing balance, important steps were made in the transition of the peasantry into wage-workers. The principles of wage differentiation were to be made similar to the industry. This was applied first to the case of industrial workers employed in the co-operatives (on the basis of the MSZMP KB 1972 decree the Munkaügyi Minisztérium issued a national wage table Országos Szakmai Bértáblázat in 1974, which was to be applied for industrial workers). The MEM decree of 112/1971 (X.13) had already grouped workers into categories according 24 labour/environmental and labour-type principles. Finally, TOT issued recommendations (1/1975) in which they recommend the application of a Termelőszövetkezeti Munkadij-táblázat (co-operative wage regulation table). Wage levels were to be regulated by a national table of wages (Ivanics and Kalocsay, 1976, pp. 9-10). This meant that the regulation of wages became detached from the former productivity criteria, as was described in case of the remuneration of complex brigades. This meant the stabilisation of the wage-worker model. However, as it was discussed in Chapter 4, the overwhelming majority of the co-operative peasantry continued to rely on a dual

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39 The concept of deskilling was evolved by Braverman in the context of the analysis of industrial labour, Braverman, 1974. See in more detail on deskilling and upgrading in the context of subchapter 4.4.

40 This could be seen as a stage towards the proletarisation of the peasantry, with the restriction made by Szélényi, who emphasised the generalisation of the semi-proletarian status of the peasantry, see more in the chapter on household based production, Szélényi, 1988. See also Swain, 1985 and chapter 2 above.
base of subsistence. As part of the remuneration from the co-operative, those who fulfilled the labour requirements of the co-operative were entitled to a lot. The way in which the production carried out on this lot changed through time is discussed in Chapter 7.

4.3.4. The New Vogue of Reforms and the Alteration of the Labour Organisation (Period of Changing Valance)

The reform vogue in the eighties altered the conditions within the formal production sphere. At first, reforms aimed at mobilising the surplus labour power of wage workers, in the service of the first (formal) economy. By extending worker autonomy over the production process, reforms were to mobilise the self-interest of the workers to increase productivity within the formal sector. Thus, after 1985, concessions were extended for a controlled liberalisation of semi-autonomous forms of organisation of the production process, such as the GMK's (economic working unions). Self-accounting labour units were introduced even into agricultural production co-operatives. These models resembled the complex brigade models, which were sharply refused in the seventies. But after 20 years out of favour, they returned anonymously, ironically enough amongst the industrial labour reform ideas of the mid-eighties. Working teams could contract labour from the factories, and instead of norm and piece-rate payment, they were to be rewarded on the bases of this contract (see Pulai and Vissi eds. 1985).

Industrial workers (just like co-operative workers on the household lots) could contract for work from the companies in their leisure time. Later contractual relations were to have an impact even upon the labour organisation regular time work.

While the wage-labour relation became generalised within the co-operatives due to the continued presence of household-based agricultural production carried out by co-operative workers in their ‘leisure-time’, workers did not become fully ‘de-skilled’ and could preserve elements of the knowledge required to engage in agricultural production. However, the level of autonomy co-operative workers enjoyed within household-based production far exceeded the level of autonomy they had in the collective sphere (see in Chapter 7). The level individual risk and responsibility taken, and of control exercised over the production carried out in the household, varied in the different forms of household-based production. These forms of production – and the newer leasing arrangements – contained the greatest potential to lead to the transformation of household-based production within the co-operative framework, into petty commodity producing family farming as it was defined in Chapter 5.

The eighties brought a gradual process of ‘humanisation’, which implied that the control by workers over the labour process increased. On the other hand, the control over production resources by management also increased. This led to a spontaneous privatisation process, where those possessing ‘parking’ positions enjoyed privileged opportunities to participate. In this sense, the eighties also served as a prelude to the post-socialist transition of the economy and society.

4.4. Structuration Processes within Co-operative Labour: "Core" and "Marginal" Labour Categories
4.4.1. Introduction

The labour force of agricultural production co-operatives possessed some special characteristics. First of all, the initial labour force was formed by members who were also contributors to the co-operative property. They served the backbone of the permanent labour force of the co-operatives. This ‘core’ labour force was soon extended with other categories of workers who also had employee status. Furthermore, due to the seasonal variation of agricultural labour demand, the core of permanent labour force had to be complemented with various kinds of seasonal labour categories.

Thus the evolving labour force was more complex than was typical in state-owned industry, with marked differentiation amongst various employment categories. The concepts of "core" and "marginal" labour force discussed above provide a suitable analytical tool to describe the nature of stratification within the labour force according to status and functional inequalities.

A characteristic feature of the co-operative labour force was that a "marginal" and/or "reserve" labour force was continuously recreated and that it employed a labour force larger than would be warranted by the level of technology. Co-operatives adopted a large-scale industrial production system, utilising modern agricultural production technology. Juhász and Gaál (1982) points out that the modern agricultural technology developed in North-America and Western-Northern-Europe was well-suited for family farming. Some argued that the new technology could be seen as a catalyst behind the concentration of production units (comment from Waldenström). Critics of the co-operative system argued that this adaptation was problematic (Kopátsy, 1986/87). Among the disadvantages of the collective production organisation that could be enumerated were the administrative costs of planning, the lack of self-interest of workers (Sózán, 1983), and the apparatus required for controlling production. These were seen to more than outweigh the advantages inherent in the concentration of production units. The large-scale production system (at least in its state socialist setting) proved to be comparatively unproductive, and it did not allow for the provision of acceptable living standards.

Co-operatives laboured under conflicting pressures in their efforts to develop a suitable labour force. The variety of labour tasks segmented according to the industrial labour organisation required the employment of a versatile labour force. They were to fulfil the labour demands of both the technologically advancing areas and tasks of more routine nature. The seasonal nature of production created further problems for the development of continuous occupation for the labour force. This latter was problematic also, since the co-operative law guaranteed employment for the members of the co-operatives. The co-operatives were obliged to create jobs for those members who (typically due to lack of skills suitable on other segments of the labour market, or due to low mobility) could not take part in the labour market on the national level.

External forces, such as features of the labour market (for example, the availability of low skilled, low mobility labour supply and the existence of competitive urban labour markets for trained and mobile labour force) or governmental regulations (for example, wage policies, which encourage the accumulation of low-skilled low-paid labour reserves) also influenced the evolution of the production system and the labour organisation of the co-operatives.
Co-operatives evolved a complex system to cope with these problems. Co-operatives were forced to allow – and encourage – the survival of small family production. This small-scale production background functioned as a buffer in maintaining high level of employment within the co-operatives, as well as a buffer for various categories of reserve labour. Thus, household-based production served as a supplier of reserve labour. The availability of excess labour reserves was seen by some as an important factor in the expansion of industrial side-activities.

4.4.2. Stratification According to Membership Status

a) Employment Categories Related to Membership Status:

Co-operative members formed the core of the co-operative organisation. They constituted the largest labour category and they occupied the ‘core’ of the labour organisation with year-round employment patterns (see also Chapter 10). At the onset of they possessed a dual loyalty based on their status as owners and producers in the co-operative.

These members possessed voting rights related to their membership, for example, the nomination and election of co-operative leaders or the acceptance of new members. Furthermore, members had access to certain economic benefits. Depending upon the fulfilment of the minimum yearly labour input in collective production, they were entitled to a household lot. The co-operatives provided even servicing, provisions and marketing arrangements assisting household-based production on these lots. Members also received limited allotments from the co-operative’s profit based on their membership status. This is not to say that there was no further difference between members. A hierarchical stratification prevailed between the different occupational categories (Juhász, 1975), in which occupational prestige varied similarly to the rank order of the peasant labour organisation (where for example, labour with horses provided higher status than labour with poultry).

However, the specific nature of agricultural production necessitated the frequent employment of additional labour. At first, such labour was utilised to satisfy the greater labour needs of the agricultural peak seasons. The employment of additional labour during these periods was essential to accomplish the time-sensitive tasks of the peak seasons. However, the co-operatives could not provide year-round employment for this labour. Two kinds of labour reserves related to the core membership were mobilised to fulfill the seasonal labour needs of the co-operatives: family members of co-operative members and retired co-operative members. Beyond these two groups, even seasonal workers without connection to the co-operative were employed.

Seasonally employed family members were typically the spouses or children of co-operative members. Their labour status was defined through the co-operative member family member. The majority of helping family members were women (see Chapter 10). Their importance declined parallel to the mechanisation of production and the resulting decline in the seasonal nature of labour demand. While in 1970 there were 99,000 helping family members in 1980 their number declined to 60,000 and by 1990 to 2,000 workers (KSH, 1992a, p. 66).
Retired workers in the co-operatives were those previous members who had retired and were pension recipients. The income from their seasonal employment served to supplement their pensions. These members did not lose their status after retirement. A portion of retired members even continued to participate in collective labour. Those who contributed land to the co-operative also remained as recipients of modest sums of land rent (föld járulék) and kept the right to obtain occasional work. With time, the co-operative membership went through an ageing process. This change was reflected in the growing ratio of retired compared to active members.

b) "Non-member" Employment Categories

With agricultural modernisation the labour processes became gradually mechanised, while from the eighties, labour-intensive branches were transferred into the household-based production sphere. These changes decreased the seasonal nature of labour demand. Consequently, the size of the temporary labour force also gradually declined. Parallel to the process of agricultural mechanisation, the nature of the co-operative labour demand changed substantially. Furthermore, the importance of non-agricultural activities became more and more important. This process further contributed to an increasing demand for specialised skilled and semi-skilled labour. While the skills necessary within the context of traditional agricultural practices were specific to the agricultural production itself, the skills required within the context of modernised agriculture, and non-agricultural side-activities became more easily transferable. Due to the higher transferability of skills required by the new co-operative labour demand, the workers became less and less tied to mainstream agricultural production, and became less motivated to be tied to the co-operative structure as members. As a result of their higher labour mobility the membership status did no longer provide desirable advantages for this group. Hence, the importance of non-member employees increased within the "core". The proportion of co-operative employees increased steadily from the seventies onwards. In parallel with the increasing numbers and proportion of employees within the co-operative labour force, the size and proportion of workers with membership status was gradually decreasing (see Table 10.1).

Beyond the reserve groups related to the membership, there was also a reserve group without contact with the membership. This was the group of seasonal employees. This pool of labour was also commonly derived from the rural population settled in the vicinity of the co-operatives seeking temporary income, but could be also organised groups from outside the community (such as solders or students). The agricultural modernisation process was accompanied by a general decline in the number of people engaged in agricultural production. Whereas this trend was true for the co-operative labour force as a whole, it is not true for each co-operative labour category. This of course is related to the diverse nature of co-operative production as well as the complexity of co-operative organisation. The absolute number (as well as relative proportion) of active co-operative members declined steadily after 1961. Similarly, the absolute number (as well as relative proportion) of working family members and of seasonal employees followed a declining curve. The remaining seasonal labour demand was satisfied increasingly using the work of solders and students.
The absolute number (as well as the relative proportion) of those with permanent employee (for example, non-member) status rose from 1961 until 1968. After 1969, the absolute number of permanent employees stayed at a relatively constant level (with a minor decline). However, their relative proportion within the labour force continued to rise, since other groups declined in size. In the mid-eighties, both their absolute number and relative proportion increased. The decrease in the demand for marginal, seasonal labour brought with it a swelling in the numbers of potential labour reserves. These, especially women, were increasingly attracted as semi-skilled workers in the expanding non-agricultural branches of the co-operatives.

In summary, the shift in the co-operatives' structure led to a sharp diversion from the peasant family tradition. At the same time, the traditional founding membership began losing ground not only in management, but also as the "core" labour group. A new "core" group of highly skilled employees started to emerge. In turn, both of these (traditional and new) "core" groups had their own "reserve" labour group, which differed from them both in employment status and degree of participation in collective labour.

4.4.3. Alternative Structuration Processes of the Co-operative Labour Force

As was discussed above, the process of 'deskilling' (which meant the loss of autonomy and complexity characterising the peasant labour organisation) constituted one of the chief principles of the industrial labour organisation. In contrast, in the process of technological advancement, certain labour tasks were 'upgraded'. The upgrading of labour tasks was often combined with increased autonomy over the labour process. The goal of employers – also of co-operatives – to maintain a core labour force was often achieved through preferential treatment of certain labour categories. The differentiation of skilled labour compared to semi-skilled labour can be perceived as one such kind of preferential treatment of a group of labourers. However, it also serves as effective means for preventing a group of workers not qualifying for the skilled title (Krémér and Závada, 1988, Witz, 1986, p. 17) from becoming part of the preferred group. Qualifications for entering the skilled category commonly are bound to special training, however, such preconditions could be overridden by other principles, such as suitability or experience. The use of skills as means of stratifying the labour force is strengthened by the party-state's central wage-regulation policy, which made skills one of the means of justifying income-differences (Ivanics and Kalocsay, 1976).

As was argued above, differentiation according to level of skills could also serve as means of stratifying labour according to degree of autonomy in the labour process (Hegedüs, 1977, [1966], p. 47-57). Various grades of autonomy could emerge in the division of labour within the same work-team, e. g. one worker's labour became dependent on the other worker's work speed, quality of work, etc. Such kind of differentiation could evolve according to differing position in the technological

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\[41\] Data separately on permanent employees is available only for 1970, 1972 and 1974. These years follow the described trend. Figures representing both seasonal and permanent employees show an unbroken growing trend from 1961 to 1968. It can be assumed that this trend is also representing permanent employees alone, because the size of permanent employees is higher than that of seasonal employees.
process. An agricultural machine operator set the speed of the work-process, while assisting labour on complementary machines had to adjust to the speed set by the first named worker\textsuperscript{42}.

Differential influence over the labour process can characterise the relation of a whole labour category compared to another group. By ‘demarcation’ (Witz, 1986, pp. 14-35) the boundaries of a certain groups labour task becomes subordinated to the group dictating the labour tasks. The rise of white collar clerical workers in co-operative agriculture exemplifies the emergence of such a labour category.

4.4.4. Summary of Structuration Processes

Two main models were utilised to analyse the labour stratification mechanisms within the co-operatives: a) the co-operative labour force was seen to be stratified along the differential levels of control over the labour process; deskilling and upgrading were seen as two parallel processes in the transformation of peasants into wage workers, as well as in the ongoing transformation of the labour force; b) the labour force of the co-operatives was seen to evolve along the ongoing transformation of the production structure and the shifts in the features of the required labour force. The evolving labour force was seen to be divided along core and marginal labour categories. These processes were analysed primarily from the point of view of the co-operative’s labour demand.

These frameworks are also developed to understand the mechanisms leading to the articulation of the gender relation in the context of the stratification processes of the co-operative labour force in Part III. These mechanisms are going to be analysed in the context of the transformation of the co-operative production system.

4. SUMMARY

As it was described in Chapter 3, co-operatives were founded against the will of the majority of the peasantry. This chapter has described the formation of co-operative society that was created by the attempt at proletarianising the peasantry. The focus was on the collective sphere. Important questions were: how did the collective production organisation evolve, what did the proletarianisation of the peasants involve and what kind of division of power laid the foundations for its continued reproduction? Furthermore, the evolving changes in the work and management organisation of the collective were seen as part of the evolving model of agrarian modernisation. While, the focus was on the collective production organisation, its evolution was analysed in the context of the market socialist transition.

First, the separation of ‘head’ and ‘hand’ was discussed in the co-operative production organisation. In the ‘consolidation period’ co-operative leaders were chosen from the ranks of the former middle peasantry. During this period various labour organisation forms were in praxis. Family-based, as well as brigade-based production forms could be found. In the complex brigades workers maintained relative

\textsuperscript{42} Similar dependency occurred even in the traditional peasant division of labour, e.g. the male scythe harvester 'kaszás' labour set the speed also for the female binder 'kévekötő', see a description in Balassa, 1985.
autonomy over organising the labour process. However, production plans were set by the leadership. The size of the remuneration of co-operative workers was unpredictable, since it depended on the size of the yield. Due to the low level of mechanisation at the onset, the labour demand of the collective production organisation had a large seasonal variation. Helping family members, who were during the low season supplied by the main breadwinner and the production of the household were utilised as reserves.

During the 'period of evolving symbiosis' co-operative workers received guaranteed wages, and in this way more closely approached proletarian status. In general terms, the collective sphere was to come closer to industry and to the industrial work organisation. The vanguard of this transition was the new technocratic leadership. These possessed formal education and were indoctrinated with the theory of the superiority of large-scale production systems. Technocrats took over co-operative power positions from the seventies onwards. In parallel to this development, co-operatives were merged into larger units and in 1967 co-operative property was consolidated. Modernisation of production decreased the seasonal nature of labour demand. Meanwhile, co-operatives were obliged to provide labour for their members. Utilising the increasing enterprise autonomy, co-operatives engaged increasingly in non-agricultural production tasks. These activities utilised labour reserves with low mobility.

The increase of industrial features in the co-operatives meant that the workers' autonomy within the labour process decreased further. In agriculture the modernisation of production (mechanisation, use of results of green revolution, chemicalisation, etc.) decreased the demand for manual labour and increased the labour demand for mechanised tasks. This also meant a new stratification of the labour force along skilled and unskilled categories. The increase of industrial activities brought also with it a differentiation along the level of skills. As it will be seen in the next chapter, the weakening of labour autonomy in the collective production sphere was accompanied by increase in concessions given the household-based production sphere. During the period of 'changing balance' the economic weaknesses of the collective production system became increasingly visible. With the changing support system, increasing input prices and tightening budgetary constraints, co-operatives were pressed to transfer unprofitable production branches to non-collective forms of cultivation. Organisational labour forms, which were common during the consolidation period, were now introduced in all sectors of the economy (VGMK as a revival of some aspects of the complex brigades). Meanwhile, the most dynamic strata of the management developed strategies to utilised loopholes in new legislation to obtain a key role in transferring co-operative assets into various private or joint venture forms. In this way, they developed a model, at the end of the state socialist period, through which they could transfer the cultural, social and political capital that was the foundation of their power position within the co-operatives, into economic capital.

The co-operative labour organisation was strongly segmented. And the lines of segmentation changed over time. In the formation period, the labour force was differentiated according to a seasonal versus permanent dimension. Further segmentation evolved along the lines of traditional status differences between occupations (such as differences between cart-drivers versus manual brigade workers). With the
increasing modernisation, the co-operative had to secure its ‘core’ of skilled workers.

Co-operative workers were differentiated according to survival strategies. Those relying on wages were primarily interested in the improvement of wages, while those utilising dual survival strategies shared an interest in expanding concessions to household-based production. Up to the end of the eighties, the managerial stratum’s interest was bound to the reproduction of the co-operative as a production form. It was first at the end of the eighties, that the most dynamic segments of the managers found patterns for transferring their positions in the co-operative to economic capital.

The next chapter turns to the analysis of the household and looks at the specific features of the relation between the household of co-operative workers and the collective sphere.
CHAPTER 7

Changes in the Relationship between the Household and Collective Spheres of Production

1. INTRODUCTION

The aim of this chapter is to investigate the social importance of the various phases of the evolution of the household production of co-operative workers. It also examines the relation between household-based production and the dominant social formation at large – and the co-operative in specific.

As was noted in Chapter 2, the collective production forms integrated into the redistributive system did not succeed in establishing an all-pervasive system. Household-based production forms maintained their economic importance throughout the state socialist period. In Chapter 5 an analytical model was presented which defines agrarian production forms as units of production (characterised by specific production relations) functioning within the dominant social formation.

According to this definition, household-based production is a ‘form of production’ that relies on family labour for its reproduction. Family farms unite functional units: a production unit, a consumption unit and a kinship unit. The aim of its activity is to reproduce both the family and the production unit. In case of reproductive family farms (Djurfeldt, 1996) the production of the farm is sufficient to reproduce the farm and the family residing on the farm.

Family farms gain their historically specific forms through the way they are related to the ‘dominant social formation’. Petty commodity producers constitute a specific form of family farms under the conditions of generalised markets. Meanwhile peasants are characterised by the partial integration into commodity markets.

The more specific aim of this chapter is to interpret the household-based production of co-operative workers in Hungary as a specific form of production functioning under the conditions of the market socialist transition. This transition was characterised on the one hand by the introduction of ‘indirect redistributive co-ordination’ and on the other hand by ongoing ‘concessions’ and the expansion of ‘wicket-holes’ of the market.

Within this broader framework, first (in Subchapter 2), the features of household-based production of co-operative workers are analysed. The following questions are
investigated: How does the household function as a unit organising the supply of means for the continued existence of the family? How does the household organise the utilisation of its resources, especially labour? Finally, what is the relationship between the division of production areas between the collective and the household-based production fields and the uncommodified nature of the labour source of household-based production?

In Subchapter 3 the focus is turned to the analyses of the relationship between the co-operative and the household. The question is whether or not the monopoly position of the co-operative compared to the household, as well as the monopoly position of state-controlled supply and marketing institutions compared to the co-operatives impacted on the features of household-based production.

In Subchapter 4 the emphasis is placed on the various forms of integration between the household and the co-operative on the one hand and the household and the broadening wicket-holes of the market, on the other hand.

2. THE HOUSEHOLD OF CO-OPERATIVE WORKERS AS A UNIT OF RESOURCE MANAGEMENT

2.1. HOUSEHOLD BUDGETS

As it was described in Chapter 3, with collectivisation the peasantry lost its independent base of subsistence. However, as part of the remuneration for the work carried out in the co-operative, collective workers had the right to obtain household lots. Using this household lot of 1-2 hectares as a production site, co-operative workers continued to be engaged in household-based production. These lots were typically situated around the co-operative worker’s family residence. Consequently, household-based production was carried out in a unit which contained production function and was in addition a consumption and a kinship unit. However, production on the household lot was, with some exceptions, not sufficient to provide for the subsistence of the family. Neither was it enough to reproduce the farm as a base of subsistence or to fully utilise the available labour force of the family. Furthermore, entitlement to the household lot was preconditioned by the fulfilment of minimum labour requirements in the collective.

Consequently, the households of co-operative workers typically relied on a dual subsistence base combining wage labour and household-based production. With the expansion of the welfare state functions of the state socialist state, various social benefits became increasingly important components of family incomes. The relative importance of various incomes sources, (consequently also the importance of incomes from small-scale agricultural production) changed markedly during the observed period.

In this section, the shifting importance for the households of co-operative workers of three types of income sources – incomes from household production, wage labour and social benefits – will be highlighted for the three historical periods (consolidation, evolving symbiosis and changing balance). These changes are analysed with the help of household budget data. Figures on per capita income of households of co-operative workers published in the annual, and from 1982, biannual household
statistics are utilised. The households of co-operative workers contain such households which had at least one physical worker in the co-operatives. Households with only co-operative workers and so-called double-income-source (kettős jövedelmű) households are represented in the sample. The samples were drawn from a pool of households representative of the whole population. In the analysis, gross income figures will be used, with some comparisons with net figures. The reason for this is that the statistics do not separate extractions from gross incomes related to pension payments or taxes. As a result, it was not possible to provide an accurate picture of the distribution of net incomes between the three named income sources.

Table 7.1. Distribution of net income of co-operative worker (co-operative peasant and dual wage earner) households according to source of income. Per cent.

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<tbody>
<tr>
<td>Agricultural production for sale</td>
<td>28.7</td>
<td>20.3</td>
<td>17.0</td>
<td>14.7</td>
<td>14.9</td>
<td>23.3</td>
</tr>
<tr>
<td>Agr. prod. for own consumption</td>
<td>36.6</td>
<td>33.9</td>
<td>19.9</td>
<td>9.6</td>
<td>8.0</td>
<td>11.3</td>
</tr>
<tr>
<td>Total agricultural production</td>
<td>65.4</td>
<td>54.2</td>
<td>36.8</td>
<td>24.3</td>
<td>22.9</td>
<td>346</td>
</tr>
<tr>
<td>Wage labour</td>
<td>23.9</td>
<td>35.6</td>
<td>48.5</td>
<td>58.0</td>
<td>55.8</td>
<td>48.5</td>
</tr>
<tr>
<td>Extra wage labour</td>
<td>0.0</td>
<td>2.4</td>
<td>2.0</td>
<td>1.3</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>All labour based income</td>
<td>89.3</td>
<td>92.2</td>
<td>87.3</td>
<td>83.6</td>
<td>80.5</td>
<td>85.1</td>
</tr>
<tr>
<td>Social benefits</td>
<td>2.5</td>
<td>2.9</td>
<td>7.0</td>
<td>14.4</td>
<td>18.1</td>
<td>13.9</td>
</tr>
<tr>
<td>Other income</td>
<td>8.2</td>
<td>4.9</td>
<td>5.7</td>
<td>1.9</td>
<td>1.3</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total gross income</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>


Note: The 1960-1971 figures are not fully compatible with the later figures due to change in the definition of co-operative worker households.

The figures presented in Table illustrate clearly that even if the ‘proletarianisation’ efforts of the state were not achieved during the state socialist period (due to the continued engagement of co-operative workers with household-based production), these efforts, nonetheless, showed a clear impact on the composition of the household budgets. Until the early eighties, the share of incomes from household-based production within the household budgets was gradually declining. However, this trend was reversed, and from the early eighties onwards the proportion of incomes from household-based production was on the rise.

In the following pages, the changing composition of family budgets during the three main periods is scrutinised.

2.1.1. The Consolidation Period (1957-1967)

It was during the period 1957(1961)-1968 that the labour relations of co-operative workers became gradually consolidated. This consolidation resulted in the gradual increase of co-operative incomes, and in the step-by-step, formal equalisation of co-operative incomes with industrial incomes. A major step towards these goals was
the introduction of guaranteed wages in 1966. The per capita income in cooperative worker families originating from the co-operatives themselves tripled between 1960 and 1965 (KSH, 1966b, p. 26). During the same period, the gross absolute value of sale from household production decreased, while the value of self-consumed food increased marginally. These two trends show that during the consolidation period, although small-scale agricultural production maintained an important role within the income sources of the households of co-operative workers, both the absolute value of production and its importance in the total household income was gradually decreasing. The proportion of income from household production in the household budgets decreased during the sixties. There was a decrease both in the proportion of incomes from sales and in the value of production for self-consumption. This relative decrease was strongly influenced by the rapid increase of the absolute size of incomes from the co-operative (see table 7.1). The majority of marketed goods were sold through private channels.

As a part of the consolidation of the wage labour relation of co-operative workers, the system of social benefits available for co-operative workers expanded. The increase of the proportion of social benefits in co-operative worker incomes was also a consequence of the gradual expansion of benefits available for the so-called co-operative peasantry. This was a group that in the early phase of the co-operative movement, was differentiated as a class other than the working class, which grounded its existence in co-operative ownership of the means of production. At first the co-operative membership as a collective was considered to be responsible for the social well-being of its members. In contrast, the working class was perceived as the symbolic owner of the state-owned means of production. The equalisation of the conditions of the working class and the co-operative peasantry meant the gradual expansion of social benefits that were initially available only to the working class (e.g., pension, free health care). However, some benefits continued to be provided at lower benefit levels for co-operative workers as compared to workers in the state sector (child-care subsidy). This meant both an increase in the level of benefits and an expansion of the types of benefits available. As a consequence, the importance of various social benefits for the household incomes gradually increased.

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1 The introduction of guaranteed wages was initiated by a Central Committee proposal in 1966, and by 1967 the majority of co-operatives adhered to the requirement (Swain, 1985, pp. 43-44).
2 The proportion sold via private channels was 53.7% in 1960 and 63.1% in 1964, KSH, 1973b, p. 64. As was discussed in Chapter 3, during the fifties peasants were pressurised into the collectives by unrealistically high compulsory levies by state agencies. The lower figures for 1960 can reflect the peasants' remaining fear of using private channels as well as the destruction of such channels that followed these policies.
3 The equalisation concerned those in the labour force. Many of the social benefits did not become civil rights. However, some crucial benefits, such as health care did become civil rights.
4 In 1960 old age pension was guaranteed for those becoming co-operative members. In 1967 the scope and the level of pension benefits was increased for co-operative workers. Family allowances in 1953 and maternity allowances in 1959 were extended to the co-operatives. In 1966 sickness benefits and maternity allowances were further developed. Child-care subsidy was offered for co-operative worker women in 1968, Swain, 1985, pp. 39-40.
during the consolidation period\(^5\). While it constituted 2.3\% of the per capita household incomes in 1960, it reached 3.5\% in 1965.

2.1.2. The Evolving Symbiosis between Household and Collective Spheres of Production (1968-1977)

During this period a balance evolved between the collective and household spheres of production. Household production became increasingly integrated into the collective sphere. This integration occurred on various levels of the two systems. On the one hand co-operatives actively expanded their involvement with marketing the products of the households on consumer-markets and towards the food industry, and also expanded their function as supplier of materials to be used in household production. While in 1970, 53.8\% of marketed value of agricultural products within the gross income of the households was channelled through co-operative and state controlled organs, this portion increased to 68.9\% by 1972 (KSH, 1973b, p. 64). Various contractual forms in household production meant a relatively risk-free economic environment for household production. At the same time, various state aid programmes were introduced to assist household production (Swain, 1985, pp. 67). In 1972, for the first time during this period, the relative importance of production for sale superseded the value of production for self-consumption. From then on, the absolute and relative importance within total household incomes of household production for sale expanded throughout the state-socialist period.

Another aspect of the integration of small-scale family production into the collective sphere was the gradual incorporation of household-sphere labour input into the labour time serving as the basis of eligibility for social benefits. First (in 1970), the labour input in household-based animal husbandry, and later (in 1974), the labour input in household-based plant-growing carried out by co-operative workers in their households, could be incorporated into the collective labour base\(^6\). The wage levels of co-operative workers continued to increase toward industrial wage levels and parity was virtually reached by the early seventies. Important steps towards reaching equality were among the recommendations for the regulation of the length of working days in 1974, the introduction of a national table of wage-rates, and the recommendation of 100\% wages paid in 1977\(^7\). As a result of this continued improvement in wage levels, their importance in the household incomes did not decrease during this period, despite the expansion in the sphere of household production. The range of incomes eligible for social benefits increased, and the level of certain benefits moved closer to that of industrial workers. The importance of social benefits increased markedly within the household incomes under this period. In 1965 it constituted 3.6\% of the gross per capital household income, whereas in 1972 it reached 7.8\%.

\(^5\) The largest types of social benefit revenues within the household budgets were pensions and family allowances. From 1968 onwards child-care subsidy came up to the third most important type of benefit.

\(^6\) The legal power regulation of the incorporation of labour spent within animal husbandry was issued in 1970: TRHGY, 5/1970 (III.22.), while for plant-growing the incorporation occurred in 1974: TRHGY, 13/1974 (VI.30.), see also in Swain, 1985, pp. 74-75.

\(^7\) The earlier praxis was that workers received monthly ‘wage payments’ (advances) and these were complemented at the end of the co-operative season with ‘wage supplements’, see in Swain, 1985, pp. 52, 59.

This period is marked by three tendencies. The value of the households’ marketed products continued to increase, accelerating especially from the early-eighties onwards. Production for self-consumption continued to decrease until the early eighties. However production for self-consumption again increased in importance from the mid-eighties onwards – a sign of the decreasing real value of incomes. As a result, the value of total agricultural production within household budgets increased substantially – from 22.9% of the household budgets in 1982 to 34.6% in 1987.

The other tendency was connected to the widening economic crises in the state socialist economy. Between the late seventies and early eighties, the increase of the absolute value of incomes from wages and household-based agricultural production was still at about the same rate. Between 1976 and 1982, the annual increase of the absolute value of wages was 8.2% in comparison to an annual increase of 7.4% of gross household-based agricultural production. Signs of crisis became evident from the early eighties onwards. Between 1982 and 1987 the rate of increase of the value of wages in household incomes fell to 3.1% per year, whereas the increase of incomes from agricultural production accelerated to 14.6%. As a reflection of this shift the proportion of household incomes from wages decreased only moderately between 1976 and 1982, whereas it fell sharply between 1982 and 1987.

The signs of crisis were also reflected in the evolution of the proportion of social benefits in household incomes. Between 1976 and 1982, their importance in household incomes continued to increase. The economic crises of the state socialist economy further deepened and the state budget acquired excessive Western loans that the economy could not refinance. The expansion of social benefits further deepened the economic crises of the state-socialist economy. As a result, the economy’s capacity to realise its welfare objectives fell behind. This incapacity to create economic wealth sufficient to finance the excessive welfare system became more clear during the eighties (cf. Swain, 1992, pp. 7-32). From the mid-eighties even the proportion of incomes from social benefits within household incomes decreased strongly from the high level of 15.0% in 1982 to 10.9% in 1987. Whereas, between 1976 and 1982, its absolute value more than doubled in the household budgets, the level of social benefits increased only marginally (4.1%) between 1982 and 1987.

2.1.4 Interpretation of the Changing Importance of Household-based Production in the Family Budgets

Household budgets indicated that the proportion of revenues from household-based production superseded that from wages during the consolidation period – even if in declining degree. Within this balance, the proportion of subsistence production dominated. As is further analysed in Chapter 11, this pattern was ensured by the combination of men’s year-round wage labour and women’s highly seasonal employment pattern. As the analysis of time-budget studies indicates below, women’s production increased substantially – from 22.9% of the household budgets in 1982 to 34.6% in 1987.

In case of co-operative households it meant an increase in household incomes from 11.8% in 1976 to 15.0% in 1982.
seasonal employment patterns were complemented by women’s high degree of participation in household-based agricultural production. Thus, it is reasonable to assume that the high level of subsistence production was, to a large extent, carried out by women. The prevailing high level of production for sale was sold primarily through private channels. However, retail rights were in large part limited by the state. Thus, revenues from household-based production ‘subsidised’ to a large extent, the reproduction costs of the wage labour of the main breadwinner. However, during the consolidation period, the household production unit was, to a great extent, separated from the co-operative.

During the intensification of co-operative production, women’s wage labour participation became more and more regular in character, even while women’s labour force participation remained below the level of men in the co-operatives. Rural women’s labour force participation increased at large (Asztalos Morell, 1998). To a large degree, this expansion of women’s employment is reflected in the increasing proportion of revenues from wages within the household budgets, which continued until 1976 (incomes from wages reached 23.9% of budgets in 1960 while they reached 58.0% in 1976). The increasing proportion of revenues from social benefits also reflects the increase in labour force participation. The increase of revenues from labour force generally reduced the importance of revenues from subsistence production. The diverse production profile required for providing for the family’s consumption needs was the most time consuming, and with women’s increasing labour force participation, wages paid work were prioritised over this activity. Thus, the family’s survival was increasingly based on a dual wage-earner model, decreasing the importance of subsistence production. In contrast, the proportion of incomes from commodity production remained stable during the period of the expanding symbiosis. Commodity production did change, however, becoming increasingly integrated with co-operative production, and men’s participation also increased in this sphere. Thus, while household-based production became increasingly characterised by commodity production, it also became increasingly a male activity. Thus, the interrelation between household-based production and the co-operative was increasingly formed by the transfer of the goods produced in the household-based sphere through the co-operatives to the market. Consequently, while incomes from the household-based sphere may be seen to ‘subsidise’ wages from the co-operative, this function (i.e. subsistence production) is complemented by surplus revenues gained by the co-operatives, which originated from the marketing of products produced by the households. From the eighties onwards the trend turns clearly, and incomes originating from household-based production increase and come to parity with wage incomes. Since these figures are averages, it is clear that for a large proportion of co-operative workers, the importance of incomes from household-based production have superseded the importance of wages by this time. This shift followed large-scale transitions in the state socialist economy. the real value of wages declined drastically during the latter part of the eighties, which contributed to the increase even of subsistence production. Revenues from household-based production are overwhelmingly revenues from commodity production The proportion of incomes from sales increased remarkably, and these products continued to be channelled predominantly through the state socialist sale network. However, as it is seen below in this chapter, a small group of the most dynamic household-based
producers succeeded in breaking out of this network in certain production areas, which meant a break from the subservience to the state socialist production system as a main source of survival (through wages or through the monopoly of marketing products).

2.2. The Transformation of Household-based Production and Changes in the Time-allocation Strategies of Households

2.2.1. The Social Importance of Family Labour for Household-based Production

I operate from the assumption that the purpose the households of co-operative workers is to provide for the reproduction of the family as a consumption unit. I also suggest that the fulfilment of this goal is the purpose of the household’s very existence. With forced collectivisation, however, the possibility for achieving this reproduction through household production was hampered. Consequently, families were forced to rely on wage incomes for their subsistence. In the previous section, I described how the composition of the household budgets according to origins of revenues changed with the shifting forms of integration between households and the co-operative. In this section I analyse this change as a function of time-allocation strategies. I argue that the model used by Chayanov to describe the functioning of peasant households could be applied to the analysis of the co-operative households. These are seen to be in a developmental stage between a ‘post-peasant’ and a ‘re-peasantised’ existence. Chayanov’s drudgery versus increased consumption level ratio, as well as his model of the peasant labour supply, is utilised. According to the first, Chayanov argues that the peasants’ aim is to avoid the drudgery of work, thus, he expands his work-time to the degree that it can provide him with the return necessary to achieve the consumption level desired for the reproduction of his farm and family. According to the second assumption, the peasant reaches this goal, in part, through the utilisation of the family’s labour power. Thus, when surplus labour is available, the peasant increases production – or, lacking such opportunities, he can offer surplus labour for paid work, whereas in demographic circles where labour power is not enough, the peasant may hire labour force. The hiring and selling of labour is also related to the farm’s ability to utilise its labour capacity. In the case of the co-operative peasantry, the former case is the most adequate comparison. Thus, Chayanov’s model implies that the peasant economy, even in its traditional form, is guided by rational economic behaviour. However, this rationality is based on principles than the rationality of a capitalist enterprise. To take an example, a capitalist entrepreneur halts the production of a product which does not bring profit to his enterprise. A peasant can continue to produce this product – even if the production does not give profits – if he has no other alternative utilisation of

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[10] The majority of rural households were not able to survive from own production only in the pre-collective period. Here the emphasis is that the opportunity to do so was taken for the overwhelming majority of the agrarian population due to the socialisation of land and assets in the process of collectivisation.
the family’s labour power\textsuperscript{11}, if the product of this activity is necessary for the satisfaction of the family’s consumption needs, or if it continues to contribute to the reproduction of the peasant family and the farm as a production unit.

Time-budget studies indicate that the maximum average daily ‘bound’ work time (i.e. work time not available for leisure and recreation) of adults in agricultural physical work reached between 11 and 12 hours per day. Despite fundamental changes in the composition of labour time, this was the average total work time of women agricultural workers engaged in physical work in 1962, 1976 and 1986. Thus, it is reasonably safe to assume that the aim of the families is to utilise the labour power of adult family members to this level in a way that provides maximum benefits for the family.

The three time-budget studies below represent the three co-operative periods, as well as three stages of the articulation between the collective and the household-based production sphere. The time budgets of male and female agricultural physical workers represent the way in which the co-operative worker households utilised men’s and women’s labour power.

As noted, co-operative worker households based their subsistence typically on multiple means of subsistence (wage and household production and state revenues). Incomes from labour had overriding importance. Household budgets reflect the generation of tangible incomes and products necessary for the subsistence of the household unit. These budgets however, contain a noticeably biased estimation of products consumed by the family. While these estimate the value of those consumed agricultural products which were generated in the household, it does not estimate the value of those services and products, which are generated in the ‘reproductive’ sphere (i.e. preparation of food, washing, cleaning). As a result, the economic contribution of activities traditionally performed by women is made invisible. In contrast, time budgets reflect the utilisation of the totality of the family’s labour resources. The household decides over the use of the labour assets of the family between ‘reproductive’ and ‘productive’. Thus, from the point of view of the household, it has to balance its labour resources in a way that secures the means for its continued existence, as well as secures the daily reproduction of the human condition of the household unit. Gender has a great explanatory value for the understanding of the division of labour between various spheres of activities, and so is crucial for the understanding of the division of labour in both the collective and in the household. Here, the gender aspect is raised in order to illustrate its importance for the understanding of the division of labour. However, in order to discover the reason for the great explanatory value of gender, the kind of social relations that serve as the foundations for the gender system need to be discussed in their own right. This is the focus of chapters 10 and 11.

The focus here is to see how the labour time of co-operative workers was balanced between various ‘productive’ (wage labour and household-based production) and ‘reproductive’ activities.

\textsuperscript{11} Schmitt (1992) develops this argument further.
2.2.2. The Use of Time of Co-operative Workers

During the first period, men were the main wage earners. Nonetheless, women had an important role as producers of subsistence goods on the family lots (see chapter 11). This meant that while men became integrated into the core labour opportunities providing year-round employment, women functioned to large degree as a seasonal labour force. Thus, men’s labour time was dominated by useful time spent with wage labour (9 hours), some labour in the household production sphere (1.4 hours) and some typically male activities in the domestic sphere (1.3 hours) Here, due to prevailing low technological level of the households, the time included as a typical duty includes activities such as the bearing of wood for heating. Men’s total labour time reached the maximum useful time assumed earlier, of 11.7 hours per day (see table 7.2).

Table 7.2. The distribution of labour time of agricultural physical workers by sex on an average day of the year, 1962, 1977, 1986. Hours.

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<tbody>
<tr>
<td>Wage earning activity</td>
<td>9.0</td>
<td>7.1</td>
<td>6.6</td>
<td>3.8</td>
<td>4.7</td>
<td>4.9</td>
</tr>
<tr>
<td>Household production</td>
<td>1.4</td>
<td>2.2</td>
<td>2.3</td>
<td>2.0</td>
<td>2.0</td>
<td>1.8</td>
</tr>
<tr>
<td>All productive activity</td>
<td>10.3</td>
<td>9.3</td>
<td>8.9</td>
<td>5.8</td>
<td>6.9</td>
<td>7.1</td>
</tr>
<tr>
<td>Domestic labour</td>
<td>1.3</td>
<td>1.1</td>
<td>1.1</td>
<td>5.4</td>
<td>4.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Child-care</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.5</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>All Reproductive activity</td>
<td>1.4</td>
<td>1.2</td>
<td>1.3</td>
<td>5.9</td>
<td>4.5</td>
<td>4.1</td>
</tr>
<tr>
<td><strong>All labour</strong></td>
<td><strong>11.7</strong></td>
<td><strong>10.5</strong></td>
<td><strong>10.2</strong></td>
<td><strong>11.7</strong></td>
<td><strong>11.4</strong></td>
<td><strong>11.3</strong></td>
</tr>
</tbody>
</table>


In contrast, the majority of women’s time was taken up by domestic work (5.4 hours per day). Women also spent the most time with household-based agricultural production also (2 hours a day) – an activity that was dominated by subsistence production during the sixties. The large amount of time in the domestic sphere clearly reflects the surplus labour that the high level of self-sufficiency on agricultural production meant, but also the low level of utilisation of services, and the poor quality of household technology. Women’s labour force participation followed a seasonal and part-time pattern, which was reflected in the low level of average labour time (3 hours per day) compared to men.

In contrast to the sixties, the seventies brought the modernisation of agricultural production, which involved, on the one hand, a decrease of labour demand (average labour time decreased even as a result of the regulation of maximum labour time), and on the other hand, the decline in the seasonal variation of the labour demand. And while the absolute number of those employed in agricultural occupations was declining, the pattern of employment of those who remained there changed. As a
result, men’s labour time in the co-operative decreased, while women’s increased somewhat\(^\text{12}\). Men’s labour in household-based production increased from 1.4 hours in 1962 to 2.2 hours in 1976, in parallel with the increased integration of household-based production into the co-operative and the resulting increased commodity production of the household-based production sphere. However, the increase in time spent with household-based agricultural production did not match the level of decrease in time spent with wage labour. Consequently, men’s total time spent with labour declined by 1.2 hours per day to 10.5 hours. Women’s increased time spent in wage labour (0.9 hours increase) was roughly compensated by a decline (of 1.2 hours) in time spent on domestic duties. Altogether, women’s total time spent with labour remained at 11.4 hours – around the maximum time assumed above. Meanwhile, men’s participation in reproductive duties declined, which with the exception of some traditionally male areas, remained women’s responsibility. Similar tendencies continued in the period of changing balance from the eighties onwards. Men’s wage labour time decreased, exchanged for a continued increase in labour in household-based production. In contrast, women’s time spent in wage labour increased, while time spent with household-based production declined.

### 2.3.3. Discussion

As it was pointed out above, the maximum total daily labour time (maximum ‘drudgery’) was 1 hour higher for women than for men. Co-operative workers obtained access to the household lot through the fulfilment of the minimum labour requirement in the collective labour force. Furthermore, the reproduction of the labour force of the family also had to be taken care of. This was to large degree carried out within the families. Consequently, the labour time available for household-based production was squeezed between these two activities. Household-based production had to be carried out at the cost of free time. Furthermore, the analysis of the relations between production costs and production value indicates that household-based production was carried out under gradually worsening conditions until the eighties.

A question that could be raised, is why did co-operative workers continue with these activities rather than utilising free time? Looking at it from the perspective of the household, one plausible explanation is that the wages were not sufficient to cover living expenses at the desired consumption level. Co-operative workers with rural residence and non-transferable skills had no alternative for utilisation of their surplus labour. The household-based producer could be seen as being motivated to accept low returns on labour as long they could not see other ways of utilising the excess labour power of the family. Thus, the co-operative could build on this resource only while the household-based producer had no better alternatives. Consequently, this economic behaviour cannot be seen as ‘irrational’, lacking calculations of costs and benefits. The rationality of these producers is bound to their circumstances defined by the socialist labour contract. *The*

\(^{12}\) This was also combined with the influx of women into such traditionally male occupations, which were declining rapidly as a result of mechanisation (see chapter 10). Thus, women were taking over some of the more regular agricultural physical occupations. Women’s major influx into the co-operative labour force was as white-collar workers and semi-skilled industrial workers.
only resource available to these producers was the labour they could carry out, resulting in the erosion of their leisure time.

Looking at it from the perspective of the co-operative, one could argue that the co-operative benefited from this labour in various ways. In this sense, the co-operative could be seen as the beneficiary of the work of co-operative workers in the household. These forms depended on the relations between the household-based producers and the co-operative within which this production was carried out. These relations are analysed Subchapter 4, where the interest of the co-operative in maintaining the various forms of household production is investigated.

The reasons behind men’s and women’s differing levels of ‘drudgery’ are examined in Chapter 10-11.

3. Changing Balance Between the Collective and the Household Production Spheres

3.1. Comparison between Collective and Household-based Production Forms

3.1.1. Introduction

As it was noted in Chapter 4 and 5, Szelényi et al. (1988), like Ágh (1989), argued that the increasing concessions given to household-based producers were the outcome of stubborn pressure coming from the ranks of the household-based producers themselves. The ‘silent revolution’ of the households represented an active resistance against the regime’s attempts at proletarianising them. I argued that this historical force gained its strength from the specific features inherent in household-based production functioning within the context of a dominant economic system. Based on the theoretical model presented in Chapter 5, the question is how can the shifting importance of household compared to collective spheres of production be related to differences in their form of production.

The collective sphere was described as a sphere integrated with the state socialist system of ‘indirect redistributive co-ordination’. As was noted in Chapter 3, at least until the latter part of the eighties, the expansion of this system at large was seen to be limited by the availability of resources (with Kornai’s, 1995 terms ‘resource limited expansion’) rather than by the profitability of production. Meanwhile, co-operatives in particular were seen to be more profit-sensitive compared to state enterprises. In contrast, the household-based production sphere was seen to be regulated by the consumption needs of the household, rather than the demand for profit. As it was argued, it is this drive to secure the means of subsistence for the household that differentiates the household-based producer from a ‘capitalist’ farm enterprise. In order to confirm the suitability of these models for the description of economic processes concerning the relation between the collective and household-based production sphere during the market socialist transition, I present two tables (tables 7.3. and 7.4.). These allow the comparison of the evolution of gross and net production values and production costs in collective versus household-based production.

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spheres during the three main periods (consolidation, evolving symbiosis and changing balance) of analysis.

Table 7.3. Annual increase rates of gross production value, production costs and net production value in the collective and household-based production sphere of co-operative agriculture.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross production value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective</td>
<td>7.5</td>
<td>6.1</td>
<td>2.9</td>
<td>0.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Household**</td>
<td>0.5</td>
<td>0.0</td>
<td>0.6</td>
<td>1.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Production costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective</td>
<td>10.4</td>
<td>6.7</td>
<td>2.5</td>
<td>0.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Household</td>
<td>-2.1</td>
<td>4.0</td>
<td>3.9</td>
<td>0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Net Production value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective</td>
<td>4.4</td>
<td>3.4</td>
<td>3.1</td>
<td>-0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Household</td>
<td>2.4</td>
<td>-2.1</td>
<td>-2.4</td>
<td>2.7</td>
<td>1.8</td>
</tr>
</tbody>
</table>


The analyses of the differences in reproduction patterns between socialist, capitalist and household-based production forms would require the use of data on the level of production units. Lacking these, the analyses presented below can provide only a crude, but useful, measure of the specific features of collective versus household-based production forms.

Three distinct periods emerge concerning the relation between the collective and household-based production spheres from the analysis of trends in the production figures and they correspond to the three final periods of co-operative development elaborated in chapter 2.

3.1.2. The Consolidation Period (1957-1967)

During this period the collective production sphere was strengthened, while the household-based sphere was tolerated as a sphere of production oriented towards the family's consumption needs. Resources were directed to the establishment of the production base of collective large-scale agricultural production. Mechanisation and chemical treatment and the creation of facilities adequate to house a modern production process were preconditions for this. Production costs also increased as a result
of the expansion of the organisational base of production, due to the separation of production and management in the collective sphere. The high annual rate of increase of production costs in the collective sphere (10.4%) led to a large increase in gross production value (7.5% annually). Nonetheless, they produced a substantial gap between the rates of increase in gross and net production respectively (See table 7.3). Meanwhile, household-based production was cut off from production resources. Despite declining investments in production, the gross production value increased modestly (0.5%). The worsening economic conditions could not bring about a decline in the production of the household sphere in absolute terms.

3.1.3. The Period of Evolving Symbiosis (1968-1977)
This period is characterised by the increase of investments channelled towards the household sphere of production, where the production costs increased by a annual rate of 4.0% during this period while production costs continued to grow in the collective sphere as well (by 6.7% annually). The gross production value in the collective developed in conjunction with the increased costs. However, the increase of production costs did not contribute to change in the gross production value in the household-based production sphere. The gross production value of household-based production stagnated despite increasing production costs. Meanwhile, the increase of gross production value of the collective sphere was the result of comparably large increases in production costs.

Thus, the gross production value of the household-based production sphere did not decrease and so lose in output in absolute terms – despite increasing production costs. However, household-based production fell in relation to that of the collective, which continued to expand during this period (see table 7.4).

This period can be divided into two phases, the first up to the early eighties, and the second from the early mid-eighties. Despite the declining number of household-based production units, the shift from the collective towards the household-based production sphere was most pronounced in the latter period. From the late seventies to the early eighties, the rate of growth of the gross production value continued to fall in the collective sphere, and reached only 2.9% annually, compared to 7.5% and 6.1% respectively, in the previous periods (see Table 7.3). The decline in the growth rate of gross production value reflected the decline in the growth of production costs. The extended expansion of the collective sphere could be realised only through the continued increase in production costs (increased fertilising, chemical treatment, non-agricultural inputs, etc…). With increasing energy prices, the resources for financing such increase in inputs were slowly exhausted.

In contrast, if we look at household-based production, we find that the volume of agricultural production originating from this sphere (gross production value) shows no association with the rise and fall of production costs (see Table 7.3). In the second half of this period (between 1981 an 1989), the collective sphere ceased to be able to increase its gross production value. The strengthening of budget controls, as well as the decrease of governmental regulation of prices, led to a deepening financial crises of the agrarian sector. According to Harcsa, Szelényi and
Kovách, (1998), in 1990 ‘From the 1250 co-operatives only 300 were profitable..., 300 needed subsidies and the rest just covered costs’. In comparison, while production costs did not increase substantially in the household-based production sphere, the gross production value originating from this sphere increased in both in absolute terms and in relation to the collective sphere in the period between 1981 and 1989.

The period from the early-mid eighties also reflected the widening economic crises of the state socialist economic system^{13}. This was also the period of the new reform vogue, which applied the expansion of market mechanisms, and the decrease of agricultural subventions. The production figures indicate clearly that the household sphere appeared to respond to the crisis with a modest economic expansion, while the collective sphere could not reverse its economic decline.

### 3.1.5. Summary

Despite the discriminatory and restrictive policies concerning household-based production, and the economic favouritism towards collective production (the collective sphere benefited first by exclusivity and later by priority in access to capital and technology), household-based production had been able to maintain a high level of economic importance in relation to collective production sphere throughout the state socialist period.

Until the eighties, the portion of household-based production within the total co-operative gross production value decreased from 42.4% in 1961 to 25.1% in 1980. In comparison, the net production figures decreased from 48.8% to 36.5%. The smaller grade of decrease in the net figures is a consequence of increased difference in the production costs of the collective and household-based production spheres. The collective sphere incurred higher capital investment and production costs than the household-based production sphere, in producing the same gross production value^{14}. Whereas in 1961, as much as 36.3% of production costs within the two spheres (collective and household) was endured in household-based production, by 1986, household-based production accounted for only 18.7% of the production costs (see Table 7.4). The rate of increase of production costs remained at a significantly higher level in the collective compared to the household-based production sphere. These increasing production costs were not returned by a compatible scale of increase of productivity. Instead, the continuously higher level of investment in the collective sphere was returned less and less in an increase of gross and consequently, of net production value. The gradual widening of the difference between the collective and household-based production spheres was reflected in the increasing gap between the proportion of household-based production from gross product-

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^{13} Swain goes to conclude that the seriousness of the economic crises was intensified by the fact that the state socialist economy was no longer able to provide the economic basis to maintain its generous social welfare programme, Swain, 1992.

^{14} To illustrate the point. If we take the case of capital investment into agriculture, only 6.3% of all investments in the agricultural sector was made in the household-based production sector in 1986. At the same time, 24.8% of all production costs within the agricultural sector were related to the household-based production sphere. Meanwhile, 35.1% of the gross production value created in the agricultural sector’s agricultural production was produced in the household based production sphere KSH, 1989, Mezőgazdasági Zsebkönyv, 1988, pp. 60, 79, 85.
tion value and from net production value. This meant that the household-based production sphere succeeded in improving the returns on production costs as compared to the collective sphere (see Table 7.4).

Table 7.4. The household-based sector’s proportion of total (collective and household-based) co-operative investment and production value. Per cent

<table>
<thead>
<tr>
<th>Year</th>
<th>Production costs</th>
<th>Gross production value</th>
<th>Net production value</th>
<th>Gap between gross and net production value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>36.3</td>
<td>42.5</td>
<td>48.8</td>
<td>6.3</td>
</tr>
<tr>
<td>1968</td>
<td>24.2</td>
<td>32.1</td>
<td>40.6</td>
<td>8.5</td>
</tr>
<tr>
<td>1978</td>
<td>20.2</td>
<td>26.2</td>
<td>37.0</td>
<td>10.8</td>
</tr>
<tr>
<td>1980</td>
<td>19.5</td>
<td>25.1</td>
<td>36.5</td>
<td>11.4</td>
</tr>
<tr>
<td>1985</td>
<td>19.4</td>
<td>25.6</td>
<td>39.4</td>
<td>13.8</td>
</tr>
<tr>
<td>1986</td>
<td>18.7</td>
<td>26.7</td>
<td>43.6</td>
<td>16.9</td>
</tr>
</tbody>
</table>


Until 1978, the continuously higher level of investment in the collective, compared to the household-based production sphere, resulted in continued growth of the collective sector’s share of total production both in gross and net terms. With the worsening of the economic climate during the eighties, production inputs in the collective sphere stagnated. This stagnation was accompanied by a stagnation of growth in production.

In summary, the collective sphere’s expansion was to large degree connected with the availability of new resources. Increased volume of production was the outcome of increased production costs, but the rate of growth of production fell behind the rate of growth in production costs. In contrast, there seemed no clear connection between the rate of growth of the production volume in household-based production and the rate of growth in production costs. The volume of household-based production stayed relatively stable until the early eighties, independent of the drastic decline in production costs (as during the sixties) or their drastic increase (as during the seventies). This result seems to correspond to expectations derived from the theory of consumption orientation of households, as well as the theory that argues that one of the competitive advantages of household-based production is its greater ability to survive economic crises (see in Chapter 5).

Until the end of the seventies, the frameworks of expansion of household-based production were structured by the overall dominance of the redistributive paradigm. From the early eighties onwards, the wicket-holes of alternative forms of integration opened and the grip of the redistributive paradigm was loosened. This allowed for a modest restructuring of production profiles in the collective sphere. This, in turn, led to the transfer of some labour-intensive production branches to the household-based production sphere, resulting in a modest increase of the volume of household-based production.
3.2. PRODUCTION PROFILES IN THE TWO SPHERES OF PRODUCTION

3.2.1. Introduction

In the following section, the distribution of agricultural production profiles between the collective and the household are analysed through the three historical periods. This distribution of production profiles shows either long-term stability, (as in the case of swine raising), or movement towards increased complementary, (as in case of grain production and vegetable growing). This subchapter investigates these changes and how can they related to the differential labour base and reproduction cycles (see earlier Djurfeldt’s definition) characterising the collective, as compared with the household-based production forms. This is to be achieved by the analyses of tables on gross production values and size of production in the various branches.

The larger part of the overall collective co-operative gross agricultural production value came from the plant-growing sector, including a wide range of activities within each individual co-operative. Animal husbandry maintained an important role, increasing from 19.2% of the gross agricultural production value in 1960 to 41.6% in 1989 (KSH, 1983b, pp. 104-117, KSH, 1990c, p. 97). In the composition of household production, the role of animal husbandry was sizeably larger than in the collective sphere: it constituted around 60% of the gross production value from 1960 to 1986 - with some year-to-year variation.

Between the early sixties and early eighties, the proportion of household-based production within the total co-operative gross production value decreased both in plant growing (from 25.9% in 1964 to 16.0% in 1981) and in animal husbandry (from 37.0% to 25.3%). This trend was broken in both areas during the early eighties, and by 1986 the proportion of household-based production had increased to 17.9% in plant growing and 26.7% in animal husbandry (table 7.5).

Table 7.5. The proportion of household-based production within the gross production value of agricultural production co-operatives. Per cent.

<table>
<thead>
<tr>
<th>Year</th>
<th>Plant growing</th>
<th>Animal husbandry</th>
<th>All agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Net</td>
<td>Gross</td>
</tr>
<tr>
<td>1961</td>
<td>25.4</td>
<td>30.6</td>
<td>66.9</td>
</tr>
<tr>
<td>1968</td>
<td>22.3</td>
<td>29.2</td>
<td>45.9</td>
</tr>
<tr>
<td>1975</td>
<td>17.1</td>
<td>24.6</td>
<td>39.0</td>
</tr>
<tr>
<td>1980</td>
<td>15.8</td>
<td>27.0</td>
<td>35.9</td>
</tr>
<tr>
<td>1985</td>
<td>16.5</td>
<td>32.6</td>
<td>36.1</td>
</tr>
<tr>
<td>1986</td>
<td>17.9</td>
<td>36.1</td>
<td>36.8</td>
</tr>
</tbody>
</table>


15 In 1960 its proportion in the gross production value of households was 64.4%. For the respective years see: KSH, 1983b, pp. 104-117; KSH, 1986b, 1985, p. 78; KSH, 1987, p. 94.
In the following the relation between the collective and household-based production sphere is going to be analysed in animal husbandry and plant growing respectively in the three discussed periods of co-operative development.

3.2.2. Animal Husbandry
During the first consolidation period, co-operatives often lacked the physical facilities suitable for animal husbandry, whereas the traditional peasant farms had (as part of their heritage from traditional family agriculture) some, commonly modest buildings, suitable for small-scale stock-keeping. Beyond the availability of production resources, the households of co-operative workers had excess labour available. Due to these preconditions, farm households managed to maintain substantial share of animal-raising, despite the ongoing collectivisation efforts.

The distribution between profiles of collective and household production are considered as ‘equal’ if it is between 40% and 60% and is considered as complementary if the proportion of production lies over 60% or below 40%. Changes over time are to be analysed with this instrument.

In 1964 cattle, swine and dairy production were equally distributed between the household and the collective spheres. Meanwhile, poultry raising and egg production was overwhelmingly placed in the household sphere with sheep breeding in the collective sphere.
Table 7.6. Composition of Live-stock in the Co-operative Collective and Household Sector (Figures concern live-stock at the end of the year in thousands, in case of poultry in tonnes)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cattle</td>
<td>805</td>
<td>984</td>
<td>1131</td>
<td>1164</td>
<td>1051</td>
<td>988</td>
</tr>
<tr>
<td>Swine</td>
<td>1841</td>
<td>1646</td>
<td>2034</td>
<td>2203</td>
<td>2466</td>
<td>2410</td>
</tr>
<tr>
<td>Sheep</td>
<td>1467</td>
<td>1427</td>
<td>1815</td>
<td>2040</td>
<td>1432</td>
<td>1163</td>
</tr>
<tr>
<td>Poultry</td>
<td>7223</td>
<td>9198</td>
<td>31160</td>
<td>32558</td>
<td>31240</td>
<td></td>
</tr>
<tr>
<td>Milk</td>
<td>567</td>
<td>717</td>
<td>822</td>
<td>1367</td>
<td>1433</td>
<td></td>
</tr>
<tr>
<td>Egg (thousand)</td>
<td>171</td>
<td>356</td>
<td>806</td>
<td>1020</td>
<td>1047</td>
<td></td>
</tr>
<tr>
<td>Household</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cattle</td>
<td>693</td>
<td>578</td>
<td>347</td>
<td>292</td>
<td>204</td>
<td>..</td>
</tr>
<tr>
<td>Swine</td>
<td>2740</td>
<td>2024</td>
<td>2272</td>
<td>2272</td>
<td>2168</td>
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</tr>
<tr>
<td>Sheep</td>
<td>260</td>
<td>209</td>
<td>168</td>
<td>227</td>
<td>237</td>
<td>..</td>
</tr>
<tr>
<td>Poultry</td>
<td>39734</td>
<td>32177</td>
<td>27851</td>
<td>26543</td>
<td>23079</td>
<td>..</td>
</tr>
<tr>
<td>Milk</td>
<td>742</td>
<td>650</td>
<td>551</td>
<td>502</td>
<td>442</td>
<td></td>
</tr>
<tr>
<td>Egg</td>
<td>1111</td>
<td>1223</td>
<td>1295</td>
<td>1348</td>
<td>1159</td>
<td></td>
</tr>
</tbody>
</table>

Percentage of animals raised in households

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>46.3</td>
<td>37.0</td>
<td>23.5</td>
<td>20.1</td>
<td>16.3</td>
<td>..</td>
</tr>
<tr>
<td>Swine</td>
<td>59.8</td>
<td>55.1</td>
<td>52.8</td>
<td>50.8</td>
<td>46.8</td>
<td>..</td>
</tr>
<tr>
<td>Sheep</td>
<td>15.1</td>
<td>12.8</td>
<td>8.5</td>
<td>10.0</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>Poultry</td>
<td>84.6</td>
<td>77.8</td>
<td>47.2</td>
<td>44.2</td>
<td>41.5</td>
<td>..</td>
</tr>
<tr>
<td>Milk</td>
<td>56.7</td>
<td>47.5</td>
<td>40.1</td>
<td>26.9</td>
<td>23.1</td>
<td>..</td>
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<tr>
<td>Egg</td>
<td>86.7</td>
<td>77.4</td>
<td>61.6</td>
<td>56.9</td>
<td>52.5</td>
<td>..</td>
</tr>
</tbody>
</table>


With the increasing investment by co-operatives in modern, large-capacity stables, small-scale household economy lost its original advantage derived from the availability of inherited facilities\(^{16}\). As a consequence, household-producers’ share of the overall co-operative animal husbandry decreased until the early eighties. During the three decades of the co-operative period, changes in this distribution pointed in different directions. In the case of poultry raising, the collective invested in large-scale chicken and egg ‘factories’ and industrialised the production. As a result, the proportion of the household sphere decreased dramatically. However, the households maintained a sizeable production in units of smaller size. In the case of cattle raising and dairy production, the number of household-based producers declined constantly, while the collective sphere expanded modestly in case of cattle.

\(^{16}\) However, household farms maintained their advantage due to the availability of family labour.
raising and dramatically in the case of dairy production. Changes in the latter are clearly related to improvements in facilities and breed selection in the collective sphere (see Table 7.6).

While, households could not keep up with the ‘industrialisation’ of animal husbandry in the collective sphere, they still maintained certain advantages. From the latter part of the seventies, the figures show a higher proportion of the household sphere in the gross production value than in the number of animals (compare table 7.6. and 7.7). The changing trend is a reflection of the increasing productivity in the household sphere (for the same number of stock animals, a higher production value was realised from the late seventies onwards). This difference can be reasonably explained by the family labour form of the households, discussed in Chapter 5.

Table 7.7. Household sector’s proportion of gross co-operative production value. Per cent

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>45.8</td>
<td>34.0</td>
<td>25.0</td>
<td>25.1</td>
<td>21.2</td>
</tr>
<tr>
<td>Swine</td>
<td>49.5</td>
<td>51.8</td>
<td>53.8</td>
<td>50.5</td>
<td>53.0</td>
</tr>
<tr>
<td>Sheep</td>
<td>15.2</td>
<td>17.2</td>
<td>11.4</td>
<td>12.6</td>
<td>17.9</td>
</tr>
<tr>
<td>Poultry</td>
<td>75.1</td>
<td>64.1</td>
<td>35.3</td>
<td>33.9</td>
<td>33.7</td>
</tr>
</tbody>
</table>


3.2.3. Plant Growing

One of the main principles of agricultural production co-operatives was the collective cultivation of co-operative land. The principle was a reflection of the fact that the majority of agricultural land had already been in collective use. The proportion of land in household-based production within all co-operative agricultural land was marginal already in 1961, and continued to decrease. The loss of land was most pronounced in the arable fields and in vineyards and orchards, while the area of garden cultivation stayed rather constant.

While household production had a narrowing production base resulting from the loss of productive land in both absolute terms and in relation to the collective sphere, its share of the total production value of co-operative plant-growing constituted a substantially higher portion than the portion of land cultivated by them (see Table 7.8).

This was an outcome of the differences in the overall distribution of various kinds of agricultural land in the collective and household sector. The overall distribution according to types of usage of the collectively cultivated land did not change fundamentally. The majority of land was arable, with one fifth being pastures and

17 This was not the case for so called agricultural special co-operatives, a Hungarian development of the co-operative movement, which however included only a marginal part of all co-operatives.

18 The proportion of land in the households decreased gradually from 13.3% in 1961 to 10.1% in 1975, 7.3% in 1980, 6.0% in 1986 and finally to 5.8% in 1988, see KSH, Mezőgazdasági Adattár I, pp. 10-23; KSH, Mezőgazdasági Statisztikai Evkönyv, 1980. p. 64.; KSH, Mezőgazdasági Statisztikai Evkönyv, 1986. p. 44.; KSH, Mezőgazdasági Statisztikai Evkönyv, 1988. p. 44.

meadows, with the remaining portion used for vegetable gardens, orchards and vineyards (Fazekas, 1985, p. 189). Arable land also constituted the most sizeable area under household cultivation. However, the second largest territory was garden, orchard and wine-cultivation land. In the composition of household agricultural land, land forms requiring a higher level of intensity in cultivation – such as gardens – are more strongly represented than extensive areas of cultivation, such as pastures. Pastures took only third place. In contrast to the collective lands, the distribution of household lands was transformed drastically due to the large decrease in the size of the arable area.

The following section focuses on how various branches of plant growing evolved within this narrowing production base.

The proportion of household-based production of the co-operative gross production value decreased in all plant-growing branches – with the exception of vegetable growing (see Table 7.8). Household-based production continued to provide a substantial part of produce in fruit (49.1%) and grape (38.3%) cultivation even in 1986 despite a declining trend from time of collectivisation onwards. The contribution of the household sphere became further marginalised in grain crops from 18.3% in 1964 to 7.1% in 1986. In contrast, the share of household-based production increased dramatically in vegetable production. From constituting 25.5% of the gross production value in 1964, the contribution of this sphere started an enormous increase in the period following 1968 and reached 46.4% by 1978. This increase continued until the late eighties, reaching 63.5% in 1986.

Table 7.8. Proportion of household-based production within the gross production value of the co-operatives in the various plant-growing branches and within the agricultural land of the co-operatives

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain crops</td>
<td>18.3</td>
<td>16.6</td>
<td>9.1</td>
<td>8.0</td>
<td>7.1</td>
</tr>
<tr>
<td>Vegetables</td>
<td>25.5</td>
<td>25.3</td>
<td>46.4</td>
<td>49.6</td>
<td>63.5</td>
</tr>
<tr>
<td>Fruits</td>
<td>60.2</td>
<td>56.2</td>
<td>47.1</td>
<td>40.0</td>
<td>49.1</td>
</tr>
<tr>
<td>Grapes</td>
<td>59.9</td>
<td>54.8</td>
<td>45.0</td>
<td>46.9</td>
<td>38.3</td>
</tr>
<tr>
<td>Other</td>
<td>0.4</td>
<td>7.4</td>
<td>6.1</td>
<td>2.9</td>
<td>4.9</td>
</tr>
<tr>
<td>All</td>
<td>25.9</td>
<td>22.3</td>
<td>16.5</td>
<td>16.0</td>
<td>17.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agricultural land</th>
</tr>
</thead>
</table>

The changes in the production profile of the collective – and of the household sphere – complemented each other. Highly mechanised production profiles dominated the collective sector. Non-mechanisable cultivation most commonly became unprofitable, and difficult for the collective sector to organise. The labour demand

---

20 Although there was a notable, yet small increase in arable land between 1975 and 1976.
21 Comparative figures for 1964 are 60.2% and 59.9% of the gross production value.
of non-mechanisable cultivation types varied significantly due to season, corresponding to the seasonal peaks of household production. The increase in production expenses exceeded the increase in sales prices in case of most vegetables, with the exception of onions and green peas (KSH, 1990d, p. 7). Household-based cultivation gradually superseded collective production in most vegetable-growing branches. In seven out of the ten of the most important vegetables, the proportion of household cultivation from all co-op-sown areas was over 50% in 1986, and in three cases over 70%, whereas, their share in 1968 was under 15% in all of the cases (see Table 7.9).

Table 7.9. The proportion of household-cultivated land of all co-operative land sown with the ten most important vegetables

<table>
<thead>
<tr>
<th>Type of vegetables</th>
<th>1960</th>
<th>1968</th>
<th>1975</th>
<th>1983</th>
<th>1989</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden peas</td>
<td>3.2</td>
<td>2.5</td>
<td>3.0</td>
<td>1.7</td>
<td>1.4</td>
</tr>
<tr>
<td>Garden beans</td>
<td>..</td>
<td>7.8</td>
<td>7.7</td>
<td>6.7</td>
<td>10.4</td>
</tr>
<tr>
<td>Green paprika</td>
<td>3.8</td>
<td>6.6</td>
<td>12.6</td>
<td>56.2</td>
<td>73.0</td>
</tr>
<tr>
<td>Spice paprika</td>
<td>6.7</td>
<td>11.1</td>
<td>24.3</td>
<td>69.8</td>
<td>78.9</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>1.4</td>
<td>3.5</td>
<td>7.5</td>
<td>32.2</td>
<td>52.6</td>
</tr>
<tr>
<td>Onion</td>
<td>3.2</td>
<td>5.7</td>
<td>13.2</td>
<td>56.8</td>
<td>56.7</td>
</tr>
<tr>
<td>Watermelon</td>
<td>1.8</td>
<td>4.0</td>
<td>4.3</td>
<td>12.1</td>
<td>25.4</td>
</tr>
<tr>
<td>Cucumber</td>
<td>..</td>
<td>3.8</td>
<td>24.1</td>
<td>81.0</td>
<td>76.3</td>
</tr>
<tr>
<td>Cabbage</td>
<td>3.2</td>
<td>10.3</td>
<td>24.7</td>
<td>40.7</td>
<td>66.0</td>
</tr>
<tr>
<td>Carrot</td>
<td>..</td>
<td>14.5</td>
<td>28.3</td>
<td>37.3</td>
<td>57.9</td>
</tr>
<tr>
<td><strong>All Vegetables</strong></td>
<td><strong>10.2</strong></td>
<td><strong>6.6</strong></td>
<td><strong>12.0</strong></td>
<td><strong>28.3</strong></td>
<td><strong>34.5</strong></td>
</tr>
</tbody>
</table>


Household production was gradually replacing collective production in the most labour intensive, seasonally variable and non-mechanisable cultivation types. The increased role of small producers in vegetable cultivation became even more pronounced during the latter part of the eighties. In 1987, 75.9%, while in 1989, 84.0% of the gross production value of all produced vegetable in Hungary, came from household-based production. In 1987 the share of small producers reached over 80% in 5 out of the 10 most important vegetable types, while by 1989 the share of household-based production of 5 out of 10 sorts of vegetables reached over 90% and in 8 out of 10 over 80% (see table 7.10).

---

22 The most important is referring to those vegetable types which were cultivated on the largest territory.

23 Figures regarding the production of vegetables is not available for household production of co-operatives separately for the years following 1986. Figures in table 5.3.10. cover small private agricultural ventures besides the household economies of coop workers as well.

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Table 7.10. Small producers’ proportion of total co-operative gross production value of vegetable production.

<table>
<thead>
<tr>
<th>Type of vegetables</th>
<th>Average 1981-1985</th>
<th>1986</th>
<th>1987</th>
<th>1989</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green peas</td>
<td>13.8</td>
<td>4.1</td>
<td>5.8</td>
<td>21.8</td>
</tr>
<tr>
<td>Green beans</td>
<td>37.7</td>
<td>35.3</td>
<td>42.2</td>
<td>63.7</td>
</tr>
<tr>
<td>Green paprika</td>
<td>77.7</td>
<td>88.2</td>
<td>89.9</td>
<td>94.5</td>
</tr>
<tr>
<td>Spice paprika</td>
<td>76.6</td>
<td>87.6</td>
<td>89.1</td>
<td>88.5</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>58.6</td>
<td>76.5</td>
<td>80.9</td>
<td>90.7</td>
</tr>
<tr>
<td>Onion</td>
<td>64.8</td>
<td>77.4</td>
<td>79.3</td>
<td>80.8</td>
</tr>
<tr>
<td>Watermelon</td>
<td>34.8</td>
<td>53.1</td>
<td>59.8</td>
<td>86.3</td>
</tr>
<tr>
<td>Cucumber</td>
<td>92.9</td>
<td>92.4</td>
<td>95.2</td>
<td>96.8</td>
</tr>
<tr>
<td>Cabbage</td>
<td>67.9</td>
<td>85.2</td>
<td>86.0</td>
<td>93.1</td>
</tr>
<tr>
<td>Carrots</td>
<td>66.4</td>
<td>81.6</td>
<td>74.3</td>
<td>91.6</td>
</tr>
<tr>
<td><strong>All other vegetables</strong></td>
<td><strong>64.8</strong></td>
<td><strong>72.0</strong></td>
<td><strong>75.9</strong></td>
<td><strong>84.0</strong></td>
</tr>
</tbody>
</table>


3.2.5. Discussion

Household and collective farming evolved in a complementary way within the overall structure of co-operative production. There was an apparent division of production between the two, adapting to production characteristics in the two spheres. The collective sphere engaged primarily in the cultivation of easily mechanisable products that could be cultivated on a large-scale, and where investment in technology was seen as feasible (both from the point of increasing productivity and reducing staff, by utilising the technological advances in mechanisation and biological chemical revolution – see above). On the other hand, household production was deprived of capital resources and opportunities for expansion. Since, family labour was not counted as an expense, this area was most inclined toward labour-intensive types of cultivation, which were feasible even with a low level of capital investment. The proportion of household-based production increased more slowly within the distribution of land under vegetable cultivation (see Table 7.9) than within the distribution of the gross production value (see Table 7.10). In other words, a higher percentage of the returns (gross production value) originated from the household-based vegetable production than the proportion of land cultivated in household-based production forms. This serves as an illustration of how the co-operative and state land monopoly hindered the shift in production forms and the take-over by household-based producers. However, it can also illustrate the higher level of productivity in the household as compared with the collective. This latter interpretation is supportive of those theories which argue for the advantages of the uncommodified family labour form in agriculture discussed in Chapter 5. According to these theories, in agriculture – more than in industry – the care and engagement of the workers is important. Working for one’s own benefit also makes ongoing supervision unnecessary. In case of vegetable growing, the household could also utilise the flexibility inherent in the use of family labour, which was required due to the large seasonal variation in labour demand.
The evolution of the relation between the collective and the household-based production forms is summarised in the following matrix, which compares the proportion of household-based production in the various production profiles (Table 7.11). On the diagonal of the matrix we find those profiles where the initial division of production profiles between the collective and the household has not changed.
Table 7.11. Changes in the proportion of household-based production within the total co-operative production of various agricultural production branches (in percent)

<table>
<thead>
<tr>
<th></th>
<th>In 1964</th>
<th>In 1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 39%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheep</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grain crops</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between 40-59%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dairy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cattle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grapes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egg</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poultry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+Vegetables</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. COMMODITISATION WITHIN HOUSEHOLD-BASED PRODUCTION AND ITS SOCIAL IMPORTANCE

4.1. INTRODUCTION
As was pointed out earlier, subsistence and various forms of commodity production occurred side by side with each other in the household-based production units of the state socialist period. Juhász placed (Juhász, ?) the major shift from predominantly subsistence-producing households to primarily commodity-producing ones in the mid-seventies (see table 7.12).

Table 7.12. Distribution of household plots of workers in agricultural production cooperatives according to the nature of household farming (in % of all household plots)

<table>
<thead>
<tr>
<th>Household farming</th>
<th>1967</th>
<th>1972</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insignificant or none</td>
<td>13.4</td>
<td>18.1</td>
<td>20.1</td>
</tr>
<tr>
<td>Mainly subsistence production</td>
<td>63.7</td>
<td>52.0</td>
<td>23.0</td>
</tr>
<tr>
<td>Producing for sale</td>
<td>18.5</td>
<td>29.9</td>
<td>56.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Specialised production from production for sale</td>
<td>3.9</td>
<td>10.1</td>
<td>35.0</td>
</tr>
</tbody>
</table>


In the following the main features of household-based production unit types are contrasted. As was argued in Chapter 5, the Commoditisation of family farming evolves in the context of the dominant social formation. In this subchapter I focus on the socio-economic relations between on the one hand the household and the collective, and on the other between the household and the alternative markets. These relations formed the external conditions for the reproduction of the specific
forms of household-based production. Commoditisation of household-based production is interpreted in the context of these relations.

Furthermore, it was emphasised in Chapter 5, that the analysis of the (social and biological) reproduction of the labour force of the co-operative workers as well as the reproduction of the family as a kinship unit is as essential to the understanding of the relations characterising the household as it is for the understanding of the articulation between the household and the collective. It was emphasised that women’s unpaid reproductive labour enables both the continuation of the wage relation and the internal relations within the family unit. Consequently, the process of Commoditisation of household-based production is analysed as a process defined by external dependencies as well as by the internal functioning of the household.

Before turning to the discussion of my typology, I present two models (Kovách, 1988, and Szelényi, et. al. 1988). At the end of this paper I present a summary table, which places my typology in relation to these two in order to show the underlying similarities and differences between my perception and these two models.

4.2. CATEGORISING HOUSEHOLD-BASED PRODUCTION

4.2.1. Introduction

The differentiation between workers and ‘post-peasants’ within the agrarian society had already been introduced into sociological research during the early seventies. Workers were those who gained their subsistence primarily from wages, while the post-peasant combined wages from the co-operative with extensive household-based production (Gyenes, 1968, Márkus, 1980). During the latter part of the eighties the emergence of the ‘free-market’ producer, risk-taking agricultural entrepreneur becomes the focal point of interest.

The differentiation of entrepreneurial commodity production from other prevailing forms of petty commodity production has not been unanimously perceived. Juhász (1985), as well as Szelényi (1988) and Kovách (1988) strive for a conceptualisation of the phenomenon that emerged gradually in Hungarian agriculture from the latter part of the seventies onwards. Szelényi and Kovách argued that under the conditions of state socialism and a dominant state socialist, redistributive economy, a fringe of small-scale household-based agricultural producers started to exhibit entrepreneurial features.

These two types of categorisations are contrasted. The first is developed by Kovách and is a typology of all household-based producers – not only those working within co-operatives. Here the focus is on production unit types as representing producer mentalities. The second typology was developed by a team led by Szelényi, and relates the evolution of production types to the social stratification of the countryside – and so to the alternative survival strategies. While pinpointing the advantages and short-comings of these two typologies, I offer a third alternative, where the preconditions for the reproduction of the household-based production are systematically analysed in their relation to the preconditions for the reproduction of the state socialist production system.

Here, I discuss the typologies built on these theories.
4.2.2 Typology of Household-based Production as a Production Unit (üzemszervezet)

The goal of Kovách was to identify the distribution of the various production types. He defined the emerging agricultural entrepreneurs along the following dimensions: 1) the emergence of the enterprise as a free-standing economic unit (a unit by itself); 2) the labour base of production; 3) features of the enterprise culture; and 4) secondary features. These could be summarised as follows:

1) Kovách summarised the preconditions for the emergence of the household-based production unit as a free-standing enterprise (unit by itself) by using the following criteria: agricultural commodity production became a goal in itself in contrast to just fulfilling the function of wage-subsidies; agricultural commodity production became the main source of income instead of being a supplementary source of income; commodity production formed an organic structure by itself instead of being integrated into a dual subsistence base; the production primarily feeds an accumulation of capital, instead of feeding consumption needs; and the accumulation of capital, driven by the logic of the interaction between the enterprise and the market, becomes the organising force of production - in contrast to the case when the production is subordinated to consumption goals.

2) Concerning the labour base of the commodity producing enterprise, Kovách argued that the employment of primarily seasonal labour became more frequent compared to the dominant practice of relying on the labour force of the family and/or various forms of exchange labour;

3) Concerning the features related to enterprise culture, he emphasised that the production becomes driven by rational accounting and calculation in the context of various segments of the market, instead of basing production on habitual practices or non-rationally-adapted group pressures, such as prestige. Furthermore, the economic venturing includes risk-taking; in contrast to seeking economic security;

4) Concerning the secondary features related to the production profile, Kovách argued that the production profile often becomes specialised and concentrated on a few profitable products. This is in contrast to a mixed production profile combining various small-scale production profiles, as well as maintaining adequate production for self-consumption;

Kovách distinguished six categories of household-based agricultural small producers according to the degree to which production units manifested these features. Two types of subsistence producers belong in the first two categories: 1) traditional subsistence producers, and 2) producers on weekend-lots. The first category includes producers around homesteads, which are typically located in rural areas. Nonetheless, such activity was wide-spread even in urban garden areas. In a study carried out by Kovách and Kuczi, 15.2% of small-scale agricultural producers households fell in this group. The typical labourer’s in these units were women. The latter category was not common among the co-operative peasants, and prevailed mostly in the rural weekend residences of urban citizens. Twenty-nine percent of the studied households fell in this group. The typical labourers were men. Neither of these production forms were based on rational accounting, and the affairs of the household and production were not separated.

Kovách described the third group as a peasant-type production unit organised on peasant tradition. The main characteristic of this production type was a mixed pro-
duction profile. The combination of production in various branches— even in specialisation in one or more production profiles, as well as continued subsistence production. The affairs of the household and production were not separated. The production profile was typically formed along traditional or habitual practices. Prevailing production patterns, rather than autonomous rational decision-making guided them. In the referred-to study, 38.8% of the households belonged to this group.

The two following groups represent various forms of households involved in production integrated with the co-operative. Nonetheless, two divergent types evolved: The fourth group included the so-called integrated half-production units, with specialised production profile, to which 5.2% of the households belonged. This type is closest to the so-called putting out, or Verlag system, in which the conditions of production are controlled by the co-operative. This preserved ownership of the product raised as part of the production process of the household-based producers. In the fifth type of production unit, the integration with the co-operative production was realised without abandoning the autonomous functioning of the household-based production unit. The production was specialised. In contrast to the previous group, the household-based producer acted as an entrepreneur, controlling the cooperation as an investor and rationally calculating costs and benefits. Even the employment of wage labour occurs in this form, in which 6.3% of the households fit in the study.

Finally, one finds what Kováč referred to as free-market enterprises, which constituted 5.5% of the households. In contrast to the previous groups, their production was oriented towards the free market, without integrating it with the co-operative. In contrast to the middle-peasant type mixed economy, rational production planning dominated here, and the employment of wage labour was also practised.

Kováč typology differentiates enterprises from traditional peasant production units by evaluating the presence of rational planning and the separation of the affairs of the household from production. Enterprises defined according to these criteria were restricted to 11.8% of the households in the study (Kováč, 1988, pp. 78-84).

4.2.3. Household-based Production Units According to Their Role in Life Strategies

Using a sample of the rural population, Szelényi worked out a typology together with Juhász and Magyar in which they combined indicators on life strategy types and household-based production. They differentiate three main types of strategies: a) proletarian; b) 'peasant-worker' and finally c) entrepreneur.

a) Within the proletarian strategy three subtypes are distinguished: 1) Proletars without household-based production; 2) Proletars producing for their own consumption, but not for sale; 3) Proletars producing for self-consumption, and occasionally for sale. Proletarian households formed 41.9% of the sample.

b) The second, intermediate group is composed of 'peasant-workers', who formed 43.2% of the sample. Peasant-workers invest labour (while entrepreneurs invest capital). They are driven by a kind of 'protestant work ethic', which is nonetheless oriented not towards the accumulation of capital, but rather towards the accumula-
tion of consumer goods (house, cars...) 24. If they use marketing channels, they accept those offered by the co-operative (Szelényi, 1992, p. 110). In the first sub-group 1) belongs those workers who combine their wage labour with not only production for consumption goals, but even regular commodity production. However, the production is characterised by traditional activities and traditional motives (one produces what is expected, what has symbolic value for the peasants, production is typically multi-faceted). 2) In the case of transitory peasant-workers, the monetary value of the products is important for defining production targets.

c) Finally, the group of entrepreneurs constituted 14.9% of the sample. Entrepreneurs invest capital, rather than labour. They do not avoid taking risks and calculating with return cycles (Szelényi, 1992, pp. 97-100). They often engage in specialised production, in contrast to peasant-workers, who often maintain whole production chains (for example producing their own maize for the pigs), and based in part on traditional peasant suspicions against the market25, they cut the production chain and concentrate on the fattening process while they obtain the fodder from the co-operative. They learn from the modern production technology introduced by the co-operative, use high quality fodder, and breeds. Two major sub-groups can be distinguished: 1) Proto-entrepreneurs formed 10.3% of the sample. They followed traditional, middle-peasant production profiles. One typical branch is animal husbandry, where large and properly built stables are a precondition for the enterprise. In leasing arrangements with the co-operative not only the responsibility of feeding the stock, but also even the economic responsibility for the stock, was transferred to the farmers. The first such contractual arrangement was started in 1982. In the case of dairy contracts it meant that the producers would gradually become the owners of the cows, while the co-operative served as the marketing channel (Szelényi, 1988, pp. 100-101). The co-operative typically maintained a crucial integrating function in this type of production. The expansion of these activities was to a large degree limited by the prevailing land monopoly of the state socialist sector. 2) Finally, two types of entrepreneurs proper were distinguished: one specialised on gardening and in the other the industrial skills played a crucial role. These two categories could cut themselves free from the support of the co-operative. The major limiting factor in this latter category is the lack of capital circulation, which forces the expanding producers into the hands of usury capitalists (ibid. p. 115). Both categories are characterised by the intensification of capital investments, which is turned into technological improvements. This entrepreneurial group constituted 4.6% of household-based producers.

4.2.4. Discussion

Embourgeoisment theories emphasised ideological and cultural components in the genesis of entrepreneurship. This bias can be supported by the fact that state socialism for a long time circumscribed the opportunities for capital accumulation in the

24 Szelényi, 1992, p. 95 refers to the association Márkus made between post-peasant working mentality (one should utilise time and not spent in on leisure) and the protestant ethic.

25 Szelényi is not clear about the association of broken production chains and specialised economy with the entrepreneurial type. This combination occurs even if not as pronounced in case of transition type peasant-workers, ibid. 105.
private sphere. As a result, the accumulation of capital and the means of production could not serve as means of social differentiation and transmission of power. However, beyond the importance of mentality types, the embourgeoisement process is described as the development of social relations.

On the one hand Szélényi argues that the emergence of the entrepreneur produces its own exploited stratum (Szélényi, 1992, p. 90), resulting in production relations that characterise capitalistic undertakings. Similarly, his definition of entrepreneurship points out as one of its key elements that the accumulation of capital becomes a goal in and of itself.

On the other hand Szélényi rejects the Leninist interpretation of petty commodity production as providing the seeds for the rebirth of capitalism (Szélényi, 1992, p. 38). Similarly, to Juhász, he rejects viewing the resulting embourgeoisement as driven by a capitalistic seeking after money (Szélényi, 1992, p. 77). Szélényi revitalised the idealisation of a third way development. This strategy, instead of the two alternative ways of proletarianisation, (for example, the communist path, or one built on the import of multinational capital) offers a third. It intends to open opportunity for the broadest layer of society – the opportunity for a free existence, the opportunity for enterprising and embourgeoisement’ (Szélényi, 1992, p. 205). Thus, embourgeoisement in this latter meaning is a ‘petite embourgeoisement’ rather than a capitalistic transition proper. While Szélényi interpreted the evolution of the agrarian entrepreneur (autonomous, risk-taking, rational, capital accumulating) as the basis of national renewal, he attributed revolutionary powers to the emerging new ‘class’.

They carried out an "economic wonder": not the planners, not the reform economists, but these unknown Hungarians on the way to embourgeoisement were those who have invented the agricultural system, which was able, even in the suffocating grip of the kolhoz, to supply the country with food...and renew the rural housing stock. (ibid., p. 208 translated from the Hungarian by IAM).

The essence of this revolution was the evolution of the autonomous, ‘bourgeoisie’ existence, from the shadow of the state socialist proletarianisation.

The peasant-workers on their way to embourgeoisement emerged at the beginning of the seventies in the hidden Hungarian villages. who have already invented at that time, How they could develop an existence – besides-under-above the state socialist economy, which was already from a certain point of view autonomous, from a certain point of view bourgeois in life-style – with foil gardening, intensive animal husbandry, peanut-production of small-size agricultural machines, rural self-construction of houses, with the one and with the other means (ibid., p. 208, translated from the Hungarian by IAM).

Nonetheless, Szélényi saw the inherent goal of capital accumulation as the driving force in the genesis of bourgeois entrepreneurship in Hungary. He explained the appearance of this phenomenon by assuming historical continuity and the intergenerational transmission of the culture of embourgeoisement. He explained it as a silent revolution from beneath that pressed the redistributive elite to compromise and to liberalisation, and finally, he saw the emergence of the rural entrepreneur as the model for a third way of development.
Kovách’s typology shared some key features with Szelényi’s. Their definition of the emerging new entrepreneurs is rather similar. Kovách is more cautious in interpreting the developmental potential of family farming, and does not view it as a source of revival and part of a long-term historical process.

The typology developed by Kovách and by Szelényi et. al. shares in common an evolving ‘new’ producer type. It is conceptualised as the outcome of internal features characterising the producer type and external features setting the preconditions for the successful functioning of the new type of producer. Kovách talked about free enterprise, where the presence of a free market is essential for the functioning of a new entrepreneur. Szelényi et. al., talked about the ‘cutting of the mother ties’ from the co-operative as a necessary criteria of the new venture. The relation between the new venture and the market is conceptualised as unproblematic, if not identical.

My critique in chapter 4 concerned the interpretation of household-based production as a form of production, which takes divergent forms – depending on level of integration and the types of relations between the household-based producers and the dominant social formation. Thus, I argued that the transition of simple commodity producers into capitalist entrepreneurs is not a necessary outcome of the Commoditisation of family farming in a market economy. The equalisation of simple commodity producer family farms with petit bourgeoisie dilutes the specific domain of this term, just as it does the equalisation of simple commodity producers with the proletariat (Vergopoulos, 1978). As was pointed out in the theoretical discussion in Chapters 4 and 5, the household-based production of family farms was conceptualised as a production form differing from the capitalist type of production units. Household-based production as a specific production form was conceptualised both in the Hungarian context (see Ágh’s, 1989 ‘oikos’ concept) and in the international context (Djurfeldt, 1996). In the following section, an alternative interpretative framework is developed on the basis of these latter conceptualisations.

*Figure 7.1. Categorisation of household-based producers by Kovách’s production unit type and Szelényi’s survival strategy models*

<table>
<thead>
<tr>
<th>Kovách’s model</th>
<th>Distribution in percent</th>
<th>Szelényi’s model</th>
<th>Distribution in percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekend lots of wage workers</td>
<td>29.0</td>
<td>Proletars</td>
<td>41.9</td>
</tr>
<tr>
<td>Traditional subsistence</td>
<td>15.2</td>
<td><em>No production</em></td>
<td></td>
</tr>
<tr>
<td>producers</td>
<td></td>
<td><em>Production for self-consumption</em></td>
<td></td>
</tr>
<tr>
<td>Peasant</td>
<td>38.8</td>
<td>*Production for self-consumption and some sale</td>
<td></td>
</tr>
<tr>
<td><em>Mixed</em></td>
<td></td>
<td>Peasant workers</td>
<td>43.2</td>
</tr>
<tr>
<td>Integrated half production</td>
<td>5.2</td>
<td><em>Regular commodity producers</em></td>
<td></td>
</tr>
<tr>
<td>unit</td>
<td></td>
<td>Entrepreneurs</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.3. AN ALTERNATIVE TYPOLOGY

4.3.1. Introduction
Using the typologies presented by Szelényi and Kovách as points of reference, I develop an alternative typology. This typology deviates from the above in the critical points summarised above. Taking the process of the dissolution or transition of the peasantry as point of departure, I distinguish between two paths relevant for the interpretation of the Hungarian case: redistributive and market co-ordinated transition. In the Hungarian agrarian transition, the redistributive path played the dominant role. Meanwhile, the wicket-holes of imperfect markets continued to co-ordinate part of this transition. The overriding importance of the redistributive path and the weakness of market co-ordination are seen to have led to the multiple processes of de-peasantisation. These occurred through proletarianisation and re-peasantisation via continued engagement with subsistence production, as well as the weakness of processes of de-peasantisation through transition to simple commodity production.
Figure 7.2. The paths of de-peasantisation process in systems characterised indirect redistributive and market controlled co-ordination

<table>
<thead>
<tr>
<th>Type of co-ordination in the dominant social formation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of continued reproduction of the unit</td>
</tr>
<tr>
<td>Subsistence production</td>
</tr>
<tr>
<td>Wage labour and subsistence production</td>
</tr>
<tr>
<td>Wage labour</td>
</tr>
<tr>
<td>Wage labour through modified commodity production</td>
</tr>
<tr>
<td>Sale of goods</td>
</tr>
<tr>
<td>Control over capital and assets</td>
</tr>
<tr>
<td>Redistributive</td>
</tr>
<tr>
<td>Worker peasants (wage workers with subsistence produc-</td>
</tr>
<tr>
<td>tion)</td>
</tr>
<tr>
<td>Wage workers (without subsistence production)</td>
</tr>
<tr>
<td>Modified wage workers (wage workers working in the</td>
</tr>
<tr>
<td>putting out system)</td>
</tr>
<tr>
<td>‘Socialist’ commodity producers</td>
</tr>
<tr>
<td>Collective managers</td>
</tr>
<tr>
<td>PEASANTS</td>
</tr>
<tr>
<td>Wage workers</td>
</tr>
<tr>
<td>Wage workers</td>
</tr>
<tr>
<td>Modified wage workers</td>
</tr>
<tr>
<td>Simple commodity producers</td>
</tr>
<tr>
<td>Capitalist enterprises</td>
</tr>
</tbody>
</table>

In the following I summarise the various groups in the table.

4.3.2. Household-based Agricultural Production for Self-consumption

If we consider the family's total revenues, subsistence production in the household sphere of co-operative workers typically evolved as an additional source of revenue – and not as an exclusive source of livelihood. The majority of households which engaged in small-scale agricultural production also produced for self-consumption. The proportion of those producing mainly for self-consumption reached 63.7% in 1967. This group declined to 23.0% by 1977 (see table 7.12). Family subsistence production was oriented towards family consumption, and was carried out by family labour. The purpose of subsistence production was to eliminate expenses that they would have incurred had they been obliged to purchase those goods. Often, such type of production was carried out under significant constraints. In rural areas the retailing network was often missing (Kováč, 1988), or was available only at a greater distance. At the beginning of the co-operative movement, wages were low and insecure (Swain, 1985), hence subsistence produc-
tion provided the necessities for every-day consumption. The presence of excess labour power, and the availability of means of production (such as the 'háztáji' household lot or garden surrounding the residence, and the economic buildings left over from the pre-collectivisation period) provided the necessary preconditions for utilising these resources. Some have emphasised the importance of the peasant’s self-exploiting work ethic and cultural patterns in stimulating small-scale agricultural production. The continued importance of household-based production could also be perceived as part of a life-style\textsuperscript{26}. One could also argue that these household-based producers made a virtue out of a necessity. A typical attitude of a co-operative worker toward family farming is expressed in the following interview:

If we calculated the number of hours I had to work for this, it would become clear, for how little an hourly wage we worked for. But we consider that time would pass even if we were just to sit in an easy chair after working for the collective (Cserkuti, 1975; in Róna Tas, 1991, p. 269.)

In case of subsistence production, the products of labour are consumed without the intermediation of money transfer. Consequently, the products of household production did not go through market evaluation, and fell outside the boundaries of the universal monetary exchange. Subsistence production was carried out in the context of the household. While the value of its production could be measured in comparison to goods available for purchase, this evaluation was not generally carried out. The monetary value of products occurred only in indirect, negative form, i.e. as savings resulting from not having to buy those goods. However, costs and benefits were not rationalised (Kovách, 1988). Since the value of labour was not calculated, the upper limit of these activities was set by the boundaries of physical endurance. One’s own labour time was spent in order to achieve the socially desirable minimum living standard, which the institutionally regulated wages did not cover. Thus, the household-based production of co-operative workers subsidised the co-operative's economic existence by allowing the co-operative to pay lower wages than were required for the reproduction of the labour power of its workers. Consequently, this labour was necessary to recover the labour power of the worker. The degree to which the so-called second economy indeed benefited the state socialist economy at large – and the co-operative in particular – could be debated. Some, like Galasi and Gábor R (1981), argued that working in the second economy in hours after the primary wage labour job meant that the labour potential of the workers diminished in the main job. Furthermore, subsistence production could be carried out on a home-base, without any extensive arrangements with the ‘public’ sphere. Kovách study indicated that labour in the household-based production directed on self-consumption was typically carried out by women\textsuperscript{27}. Time-budget studies show also a tendency that at the formation period of the co-operatives (when household-based production comprised primarily subsistence production), women used the most time to work in household-

\textsuperscript{26} Róna Tas (1991), Márkus, (1980) relates the labour moral to the Calvinist ethic.

\textsuperscript{27} However, Kovách study also indicates that in case of weekend-lots located apart from the main residence of the families, men were the typical agricultural producers. This form is highly unusual in case of co-operative workers (Kovách, 1988).
based production. With the expansion of market production men’s time spent with work in the household-based production unit increased. Women’s subsistence production was interwoven with their reproductive duties. As it was noted in Chapter 5, reproductive duties resulted in the recovery of the labour power of the wage workers. Consequently, women’s reproductive labour fulfilled an important role in the continued existence of the co-operative system. The organisation of reproduction has elementary consequences for the formation of the evolving system of production in the co-operatives. As it was shown in Table 7.2., women spent half of their labour time with reproductive duties in 1962, and this reproductive labour time reached one-third of women’s labour time even in 1986. As will be discussed in Chapter 10, women engaged in reproductive and subsistence agricultural production in the households also served as seasonal labour force for the co-operatives. The value of women’s reproductive labour is not rewarded directly in reference to the product of women’s labour – in the wage paid for the recovered labour power of the wage worker. Thus, women become dependent on wages originating from the wage paid to the main bread-winner. The special dynamic of women’s reproductive work is, that while women provide the unpaid family service of reproducing the labour power of the family members, they themselves are created as a marginal labour (reserve army of labour or seasonal labour force). Since women obtain significantly lower incomes in marginal labour categories, their economic dependence on the main breadwinner becomes purely moderated but not absent. The presence of a gender segregation of labour, – in which women could be assumed to take care of the reproduction of the labour power as well as providing a cheap marginal labour force – played an important role in the possibility that the co-operative as a production organisation came about and could be reproduced. While gender has important analytical value for the understanding of agrarian transition, here I restrain to indicate its impact on the organisation of worker peasant households.

4.3.2. The Collective Proletarianised Wage worker

Households of proletarianised wage workers do not contain a production site. The households obtain the means of their subsistence through the wage work of one or more of the members of the family (or families) residing in the household. As Juhasz figures presented in Table 7.12 indicate, a sizeable proportion (20.1% in 1977) of co-operative workers belonged to this group and their proportion increased somewhat in the period between 1967 and 1977. Time-budget studies indicate that white-collar working women carry out the least amount of household-based production (see time budget surveys from 1962, 1972 and 1982). This indicates that women played an important role in the de-peasantisation process. White-collar jobs provided paths for upward mobility for young middle to high level educated women.

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28 This is more developed in chapter 11.
4.3.3. Various Tendences within Household-based Commodity Production

In the form of production in which the products of family labour were sold, the expansion of the limits of family budgets were realised through some kind of market transmission. Goods were weighed according to their exchange value. In contrast to subsistence production, the production efforts were materialised and evaluated in monetary form, making their value visible. The goods produced had to be wanted on the market, and their quality had to meet market standards. Furthermore, arrangements had to be made for their marketing. In contrast to subsistence production, market arrangements were preconditions for petty commodity production, so the small-scale agricultural producers had to maintain contact with the institutions of the market – or more generally, with the ‘public’ sphere. These arrangements could take various forms reflecting various degrees of dependency relationships with on the market.

Under state socialism market demand was increasing for agricultural products. However, since state socialist enterprises in monopoly positions channelled production from the household-based production sphere, the dominant economic system exercised a strongly limiting role on the expansion of commodity production (Juhász and Magyar, 1984). Despite a gradual liberalisation of the laws limiting household-based production, the dominant position of the state socialist sphere prevailed, even while, from the eighties, onwards an alternative marketing sphere was expanding.

One result of this double effect was that a large number of household-based production units maintained and increased their production of agricultural commodities. This trend was facilitated a the demand for products. On the other hand, the size of the production units remained small – an effect of restrictive state regulations on capital accumulation. Small-scale commodity producers, lacking opportunities for expanding their production profile, typically channelled revenues towards consumption targets (Kovách, 1988). The know-how, the establishment of market contacts as well as the accumulated production potential could provide the preconditions for the expansion of commodity production – and so for the expanded reproduction of the production units. However, such expansion largely depended, beyond the capacities present in the family, on external circumstances – market demand, availability of loans, regulations, the nature of and relation to the dominant economic system, etc.

It was first from the early eighties onwards that opportunities opened for re-channelling resources into productive assets and expanding the reproduction of household-based production.

In the following section the major forms of this market production and the channels of distributing its products are contrasted.

Marketed goods were sold primarily through various state or co-operative-controlled organisations. Their monopolistic position in relation to the small-scale producers strengthened from the early seventies onwards. In 1960 53.7% of incomes from sales originated from sales directly to consumers, or via private channels29. In contrast, by the mid seventies, the major channel of sales was via monopolistic socialist agencies. While in 1975 79.2% of small-scale producers’ incomes from

29 KSH, 1966b, p. 26. The portion of private channels was highest in 1964: 63.1%.
sales was channelled by such, this proportion continued to be similarly high (80.4%) in 1987 (KSH, 1988c, p. 38, KSH, 1984e, p. 44). However, substantial variation according to production types could be found. The proportion of non-state or co-operative-mediated sales was the highest in the case of eggs (68.3%) and poultry (54.0%) sales, while it was lowest for rabbit (12.2%), milk (20.0%) and pork (31.6%) sales. Vegetables and fruits had also been sold primarily via state and co-operative-controlled enterprises (61.1% and 63.3% respectively) (KSH, 1982, Kovách, 1988, p. 76). This monopolistic mediation by state and co-operative-controlled organisations of the sales of small-scale agricultural products separated the producing households from the consumer-markets (Kovách, 1988 emphasised this separation). One early example, in which small producers succeeded in breaking price setting monopolies was the case of egg production, which indicates that the alternative market sector created ‘niches’ where it could circumvent the state socialist monopoly (Juhász and Magyar, 1984).

With the expansion of the integration of household-based agricultural production into the dominant redistributive economy, the practical control of the redistributive sphere over the household sphere varied. On the one extreme we find the household producer, whose activity was integrated into the co-operatives. On the other extreme we find the independent free-market producer, who chooses between the channels of selling products according to the interests of the production unit. Between the two we find family producers who exercise control over the production process, while remaining integrated through the marketing channels into the co-operative.

The putting out system

At one extreme, one could find such contractual relations in which a version of the 'Verlag' or 'putting out' system was adopted. In the typical form of co-operation, the household-based producer provided the means of production, (i.e. buildings, equipment, and labour), while the co-operative contracted out certain phases of its production process into the production unit of the household-based producer. This is reflected in the Hungarian term ‘kihelyezés’ (placing out). The co-operative also provided necessary components to the production process, such as fodder. The arrangement was regulated by a contract, in which the household-based producer obliged the delivery of the contracted quantity and quality produce on an agreed-upon price. The contract served both as a binding obligation towards the co-operative, the quotas were to be delivered if the contractual relation was to continue – and as a guarantee for the producer of a fixed price paid by the co-operative in return for successful delivery. In this latter sense the contractual relation reduced the risk-taking element in the undertaking. Since, the value of products was determined by the prices set by the dominant redistributive sphere, the contractual relation expressed a relation of dependency to the monopoly position enterprises, and through the central regulation of prices a dependency and subordination to the perceived redistributive interests. Thus, it could be argued that contractual arrangements

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30 See Kovách, 1988 on the distinctions between integrated and free market production later in this text.
31 The differences to Western agriculture should not be exaggerated; apart from contractual arrangements concerning deliveries of certain quantities to food-industrial firms being common and even
concern primarily the value of the labour and not directly the value of the product. Household-based producers in such a system typically engaged in a limited aspect of the production process. While, they did not maintain a breeding stock, (the breeding process was controlled by the co-operative), they received the separated piglets, which they raised to slaughter weight.

In this form the co-operative remained the formal owner of the life-stock that was outsourced to the household-based producer for fattening. The co-operative also provided good quality fodder, so that the household-based producer’s main input was labour and the supply of other means of production, for example, stables. This type of co-operation prevented the household-based producer from acting as an independent economic agent. At the same time the co-operative extended the integration of these kinds of production forms by incorporating the labour time spent with work in household-based production into the overall labour time used in the collective sphere of the co-operative. The time used for labour in the household could serve as ground for social benefits, and so the contracts developed an increasingly wage-like character (see more in chapter 2).

The putting-out system clearly benefited the co-operative, since it spared them the costs of investments in means of production, for example, stables. Furthermore, the co-operative did not have to organise the production process, and so also have to recruit the necessary labour. Payments were made after the products were delivered. On the other hand, such contractual production forms had some benefits for the producers also. They could maintain their excess labour force on the homestead, since this kind of job did not require travel to a work-place. The contract provided price guarantees, and so made production a low-risk occupation. However, the value paid for the labour-input in the putting out system was low, and the overall production was worthwhile only if the value of labour was not counted as expense. Thus, due to the vulnerable position of household producers in an putting out system, they did not obtain the proper value for their labour, or meet the cost of reproducing their labour power. The products of their labour are channelled to the market by the transmission of monopolistic enterprises that dictated the conditions of the contracts. As Kovách also pointed out, this kind of production form did not have the potential to evolve into an independent venture by the household-based producer. It was instead the expression of the subordination of small-scale production to the production interests of the co-operative.

Contractual arrangements between the food industry, the agricultural retail branch and petty commodity producers were common even in the context of dominant Western capitalist economies (see in chapter 5 section 5.3.). The putting-out system expressed a higher level of dependence under the conditions of a dominant state socialist economy, since the degree of control of the redistributive sphere over the production in the household sphere was more extensive in this case. Prices of both inputs and outputs were regulated. The latter carried out a limited labour intensive part of the production process. Furthermore, the household producers were deprived

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32 Especially Kovách makes this interpretation.
of entry to the market, since the redistributive contractor provided and often controlled even the conditions of production.

The putting-out system represented a subordinating incorporation of household-based commodity production into the co-operative. The household unit lost control over extensive parts of the production process as well as independence in relation to the market. Preconditions for expansion were determined by the co-operative.

*Commodity production of independent production units*

A common characteristic of household-based small-scale agricultural commodity production (small-scale market production) under the state socialist period was that production was, to a large degree, oriented towards consumption goals. The possibilities for channelling revenues from sales towards increased investment were limited. The achievement of a desired standard of living and the utilisation of excess labour power, knowledge and equipment served as the motivation for continued production. As Kovách pointed out, the production profile was commonly adjusted to the patterns of traditional small-scale mixed-economy, and followed habitual practices rather than rational planning.

The degree of small-scale producers’ investments and financial risk-taking varied. In looser forms of contractual relations, the contract could concern only the delivery of slaughter-ready pigs. In this form, household-based producers themselves laid out the money for, for example the piglets and fodder. This assumed a greater degree of control over the production process, as well as a higher level of sensitivity towards the market. Thus between the extreme of the integrated producer in the putting out system and the risk-taking entrepreneur, we could find a production relationship in which the producer maintained control over the production process, while continuing to be integrated into the co-operative’s sales network.

We can argue that men working in the co-operatives had labour reserves which could be further utilised. The willingness of men to maximise the utilisation of their labour to increase consumption levels could not be satisfied with the demand for labour on the rural labour market. Co-operatives *could capture this labour resource* and utilise it for producing goods in the household-based production sphere, which could not be produced to create profit in the large-scale production sphere. Its not implausible that the production of these goods could expand due to the fact, that the co-operative workers were willing to produce them with returns on labour *below the estimated labour costs* of producing them in the collective sphere. So, for example, the calculated hourly returns for labour in the household-based production sphere could fall below the hourly wages the co-operative would have been forced to pay to a wage worker. Looking at it from the perspective of the household-based producer, he or she would accept this low return on labour so long he or she saw no alternative ways of utilising his or her labour power. Thus, the co-operative could build on this resource only so long as the household-based producer has no better alternatives.

The question remains, to what degree does this arrangement represent an ‘unequal exchange’ situation? Friedmann argued that the utility of the ‘unequal exchange’ concept is restricted to situations without fully developed markets, where producers are as a result, faced with commercial interests in monopoly position. One could argue that the position of household-based producers, in relation to the co-operative as the institution organising the transmission of products from producers to the
markets, constitutes just such a case. The difficulties of establishing value are further complicated by the fact that the co-operatives themselves function within a larger state socialist economic system, in which prices remained to large degree regulated until the eighties. Thus, in the first stage, it could be argued that the co-operatives benefited from the household-based production, since it reduced production costs within the co-operative, the co-operative could derive certain surplus.

 Household-based production and the entrepreneurial spirit

On the other extreme of development potentials in household-based commodity production, possibilities for the expansion of production profiles occurred in the final years of the state socialist era. Especially from the eighties onwards, the opportunities for the sizeable expansion of household-based production increased, allowing it to evolve into a main income source for the households. With the reform-vogue of the eighties, previous obstacles to capital accumulation were removed. Rules regulating employment of labour, as well as limitations on the size of the enterprise were liberalised. Agricultural production was also permitted to become a means of capital accumulation. Capital intensity increased parallel with the increase in the importance of commodity production. Juhász, like Szélényi, emphasised the importance of occupational career and family history in managing the shift towards embourgeoisment.

Kovách juxtaposes traditional small-scale market production with entrepreneurial production. He differentiated the latter with the presence of ‘rational calculation of money and labour inputs’ (Kovách, 1988, p. 82). Another criteria, enterprising, differentiated based on a high degree autonomy from the co-operative, especially in the field of investments, monetary matters, and the organisation of production. Ventures were often specialised – in contrast to the traditional small-scale market production. This specialisation within limited branches of profitable profiles and production was carried out on a larger scale than was common in traditional production forms. The productivity, investment and technological standard was also relatively high. Szélényi also emphasised that in the case of family entrepreneurs, income from production became the main revenue of the family (employment in the redistributive sphere often was maintained purely for certain economic benefits bound to wage labour or simply to gain tax benefits, since independent, primary status entrepreneurs paid a higher rate than those having a private production besides a main income). While consumption goals often served as the original motivation for starting such enterprises, entrepreneurial goals soon led to increased capital accumulation. "The leaders of such units start to act as real entrepreneurs, not as 'wage labourers' striving after the maximisation of their consumption, but bourgeois aiming at the maximisation of their accumulation of capital" (Szélényi, 1992, p. 71). Furthermore, even the employment of labour power beyond the that of the individual family becomes common in these forms.

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33 See on the function of prices and state monopolies under the state socialist system Juhász and Magyar, 1983, Juhász and Mohácsi, 1983.
34 Instead a system of progressive taxation was introduced to channel surplus generated in the private sphere to the state budget.
35 See in more detail in Chapter 4 on the so called theory of 'parking positions'.
Based on the theoretical discussion of Chapter 5, I divide this category of producers into two groups: first into simple commodity producers, and second into capitalist enterprises. Both of these were increasingly integrated into the expanding markets, and this integration accelerated in the eighties. The production was typically guided by rational calculation and capital intensity increased. Nonetheless, so long as this production activity was carried out within the framework of the family – with the utilisation of uncommodified family labour – these production units ought to be considered as simple commodity producers. It is first, when such units evolved, which were dependent on the employment of wage in their production, and for which agriculture was purely one potential area of achieving profits, that we can talk about capitalist enterprises. Such units evolved primarily in the category that Szelényi defined as proper entrepreneurs, and Kováč as free-market enterprise. However, the definition presented is not suitable for estimating the proportion of those households which relied regularly on wage labour.

Applying this analysis to the emerging agrarian ‘entrepreneurs’, one could argue that the spread of rational accounting, risk-taking or increasing capital accumulation cannot, in and of themselves, be seen as profit searching. Within the logic of the capitalist economy, farmers are forced into competition with each other. This forces them to invest in technology that allows them to improve their productivity and to replacement their labour power. This, in turn, forces them to seek loans which in turn force a further rationalisation of production in order to be able to finance these loans. This outside pressure does not by itself mean that the farmers themselves become profit seeking. Rather, it means that the precondition of the reproduction of the farm as an economic unit becomes more and more interconnected with the accumulation of capital. The emergence of the rational farmer in this context is the consequence of the dominant capitalist economy, rather than the capitalist economy coming about as a result of the emergence of the rational farmer.

I see the emergence of the entrepreneurial household-based production as a production form in and of itself as the result of the market socialist transition. The household’s function of reproducing the labour power of its own members remains. However, this primary purpose of reproducing the labour power of the family becomes realised by the reproduction of the household-based production unit as an independent economic entity. Additional sources of income become secondary for the household. However, the conditions of this reproduction become circumscribed by the dominant economic system. This leads to the second part of my critique.

In the beginning of the eighties, agricultural private sphere did not attract great numbers of emerging capitalist entrepreneurs. By capitalist ventures, I mean all activity which is driven for the primary purpose of obtaining profit. Capitalist activity is commonly carried out through the regular employment of wage labour. The search for profit drives the entrepreneur to leave agriculture in the event that profit does not result from the venture. The visible influx of an urban industrial entrepreneur stratum during the late eighties into agricultural production seems to support this alternative. However, this group remained marginal in size and might

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36 This distinction is common in the distinction between peasant versus capitalist type-production in agriculture see Djurfeldt, 1981, 1990.
either assimilate into the reproduction terms of family farms or develop into agrarian-capitalist enterprises.

5. **HOUSEHOLD-BASED PRODUCTION – IN WHOSE INTEREST?**

The functioning and evolution of the household-based production of co-operative workers was presented as one of the survival strategies of co-operative workers. Nonetheless it benefited the redistributive economy in general and the co-operatives in particular. However, as Szelényi and Konrád (1979) argued, the reproduction of the state socialist system served the interests of those in positions of power within the system.

Swain (1985) argued that socialist managers enjoyed flexibility within the individual enterprises to mould production plans, as well as the labour force, according to their own interests. ‘Management does enjoy considerable autonomy in the method of plan fulfilment, and this is manifest mainly in respect of labour’ (ibid., p. 17). According to Swain, management was interested in promoting its group interest in obtaining shares in enterprise bonuses. These were paid from enterprise profits. These bonuses were estimated to make up 30-50% of their salaries, and were considered the major means for management to obtain extra incomes. According to the ‘average wage level’ regulation, companies were to pay extremely high progressive levies, called ‘wage development payments’, if the level of increase of the average wage level in the enterprise increases the planned budget. These payments were deducted from the enterprises’ ‘sharing fund’ – which was also the source of management bonuses. Thus, if such penalties were applied, managerial bonuses were adversely affected. It is in this regulation that Swain finds the core of shared group interest of the managers to manipulate labour.

The essence of ‘socialist wage labour’ is not only that it is in receipt of a wage in an economic system which has ruled out the possibility of unemployment and consequently operates according to a different economic logic from capitalist, free market economies. The cost of ‘socialist wage labour’ must still be entered into enterprise budget calculations. Even if the rationale which underpins a socialist economy does not require labour to be treated as a cost which is just to be minimised in the pursuit of profit maximisation, it remains a factor which is susceptible to manipulation as to price paid and amount purchased by any group within enterprises which might control such decisions. ‘…‘socialist wage labour’ is … an economic category which is capable of manipulation by those who control the method of plan fulfilment, and which is manipulated by management in pursuit of its group self-interest (Swain, 1985, p. 7, p. 20.).

Swain argues that such power was exercised by socialist enterprise management motivated to avoid penalties in order to maximise bonuses. The most common strategy of avoiding penalties was, using Swain’s term, ‘labour force dilution’ (ibid. P. 19). This meant, that excess cheap labour was employed, in order to keep the aver-

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37 The average wage regulation was introduced first in 1957 in order to avoid the inflation of wages and to ensure an egalitarian wage distribution
age wage level low, while making it possible for management to pay higher wages for ‘core’ labour categories of skilled workers.

Thus, socialist policies aiming at avoiding the inflation of wages and competition between enterprises for labour, together with managerial interest to maximise bonus payments, led to the over-employment of low-skilled, cheap labour.

Due to the low wage levels, socialist workers were motivated to substitute wages with household-based production. Consequently, the incentives for family farming were built into the concept of the ‘socialist wage worker’

As it was argued above, management both indirectly and directly benefited from the dual system of ‘socialist wage labour’ and household-based production of ‘socialist workers’. However, it could also be argued that within the framework of the co-operative system, which functioned as an imperative from the dominant state socialist economic formation, management contributed to the arrangement of distribution, and as a result to the possibility that the surplus labour of co-operative workers could be utilised. The privileges drawn from their status (free-of-charge housing, bonuses, company cars, etc.) could be seen as a reasonable reward for their accumulated know-how, albeit at levels much below the rewards enjoyed by compatible level managers in a capitalist economy (Saxonberg, 1997). Thus, while the managers are clearly beneficiaries of the system, their role cannot be perceived as solely exploitative. Nonetheless, the management is seen to have had interest in the reproduction of the co-operative as system. They obtained economic as well as other benefits related to the degree of autonomy and power they possessed.

In the seventies Szélényi and Konrád argued that the technocratic elite was on the way to takeover power from the teleological elite. The latter was forced to compromise its ideological goals and listen to the arguments of the technocratic intelligentsia in the interest of the survival of the system. In the theory of the emerging third way, Szélényi seems to have revised this thesis, and argues that instead of compromising with the technocratic elite, the teleological elite compromised with the emerging petty bourgeoisie (Szélényi, 1992). While, the technocratic elite failed to seize power from the teleological elite on the party and state level (and when it did gain power at the end of the eighties it dissolved its own power base), they did succeed in expanding their power base within the production sphere. The managerial elite in the co-operatives evolved into a stratum which fully utilised its economic possibilities within market socialist regulations. They were the real entrepreneurs who transformed the predominantly agricultural activity base into a mixed base, in which industrial side-activities contributed to half of the revenues. In parallel with the mobilisation of alternative investments to generate resources, they realised the gradual devolution of the collective spheres of production in certain branches, and these were transferred into the household-based production sphere. It is difficult to believe how they could have administered this transfer of capital investments from production spheres functioning with deficit to profit-making branches without having internalised many of the essential characteristics of an entrepreneur. Thus, the role of the co-operative management in administering the shift has been so far undervalued, just as well as they were undervalued by the post-socialist politicians as actors of economic transition.

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38 See more on this in forthcoming work, Asztalos Morell, 1999.
6. SUMMARY DISCUSSION

Household-based agricultural production under state socialism was an economic activity which was by definition, carried out on a part-time basis. This type of income-earning activity served as a secondary source of livelihood in addition to primary employment in wage-earning occupations. Small-scale agricultural producers produced for sale, since the income they received from their wage-earning activity did not cover the costs of reproducing their own and their family's labour power. Consequently, small-scale agricultural production channeled resistance into passive forms. Lacking legitimate political interest organisations of labour resistance which could have advocated for labour interests, workers could compensate for the lack of value of wages by self-production. This production also offered a higher level of autonomy and control over the production process than the industrial production system characterising the collective sphere offered. However, notwithstanding the fact this type of duality of the first and the second economy helped the redistributive system to obtain cheap labour, it was the precondition for its continued reproduction.

As we have reviewed in the theoretical chapter, the emergence of the 'new orthodoxy' centred around the favourable features of family farming as compared to large-scale enterprises employing hired labour within agriculture. Some view the continued reproduction of family-based petty commodity production in the context of the dominant capitalist economy as a consequence of the flexibility of family farming as enterprise. That is to say even under capitalism the survival of family-based production depends on the flexibility of such production units. Family-based production can compete with capitalistic agricultural enterprises due to the fact that the real value of family labour is not accounted for.39 While, some generalised these advantages to all agricultural branches, others, like Chayanov argued that large-scale versus small-scale advantages largely dependent on the branch of production. Others, like Jonsson et al. argued that the prevailing historical context, degree of industrialisation, demographic pressures, cultural traditions, state intervention, etc., influence which combination of large-scale versus small-scale production units prevail. From this it follows that the process by which household-based production in Hungary succeeded in pushing out the large-scale state socialist co-operative sector from certain production branches could be also the result of economic mechanisms. With the expansion of market socialist principles, these mechanisms slowly forced those in charge of the co-operatives and those in positions of political power to ease the ideologically-justified obstacles blocking expansion in this sphere. This is not to suggest that the working culture and creativity of these producers should be neglected.

Advantages of household-based production could be identified even for co-operative leadership: it decreased their organisational duties – not the least the problems with supervision – as well as cutting costs of investments in facilities. On the

39 I.e. according to this view, which draws on Chayanov, profits are not an absolute reproduction requirement for these units. Cf. Djurfeldt, 1990. Modern economists commonly explain the dominance of family farms in advanced capitalist countries by transaction cost analysis - basically, it is argued that transaction costs tend to increase with the use of wage labour, due to partly labour costs and incentive problems, see e.g. Schmitt, 1991 and Pollok, 1985.
other hand, they could rely on the self-interest of the household-based producer to increase its own revenues. From the eighties onwards, the placement ‘kihelyezés’ of production chains (previously cultivated in the collective sphere into the household-based production sphere) was also one means to liberate the budget from the deficit branches, thus improving the performance of the managers. Thus, the expansion of household-based production on behalf of the state socialist sector could be attributed to the functioning of economic mechanisms, put into effect by reforms and which encouraged the managers to improve the profit sensitivity of the enterprises managed by them. While on the one hand the redistributive system was benefiting from small-scale agricultural production, it was also aggravating the characteristic problems of state socialist economy. Kornai described the state socialist economy as resource limited, meaning that the expansion base of the economy relied primarily in expanding the size of the activity, whereas rationalisation and the release of excess labour power was not carried out due to low capital sensitivity. Due to the low productivity levels, the state socialist economy could not pay wages sufficient for the reproduction of the labour of its workers at the accepted social consumption level.

Thus, small-scale agricultural production and other forms of second economy production, indirectly helped cover for and support the inefficiency of the state socialist system.

The nature of small-scale agricultural production under state socialism was marked by the dominance of the redistributive economy. The very limits of family-based production were ideologically and politically impeded. The size of production units, access to investment capital and means of production were limited directly by regulations. Small-scale agricultural commodity production was channelled into agencies representing the central redistributive system. State socialist agricultural enterprises in monopoly positions were able to control large portions of the market through price dictatorship (Juhász and Magyar, 1984). The centrally regulated price scissors between the price level of agricultural and industrial goods functioned as indirect control over small-scale agricultural production. While the given degree of control of the redistributive system varied, they shared the relation of dependency upon the dominant state socialist system.

However, small-scale agricultural production was subordinated to the dominant state socialist mode of production that Swain calls 'the mode of production of the soft budget control' (Swain, 1992). The impact of the dominant capitalist economy on family-based petty commodity production was to inculcate them with capitalist enterprise principles. Small-scale agricultural production under state socialism also bore the hallmarks of the dominant redistributive system. As Kovách pointed out the contractual production relation to various redistributive agencies in monopolistic position not only separated small-scale agricultural producers from the market, but formed an external, protective network. These agencies frequently provided the small producers with supplies as well as assuring the purchase of produce at guaranteed prices. However, regulated as these prices were, the contractual arrangement minimised the risk-taking involved in production. The prevailing limitations on the size of household-based production urged also the practice of restraining the production size and by this the minimising of risks.
The presence of small-scale agricultural production could be seen as symptomatic of the state socialist economy itself. While the expansion of production within the state socialist economy continued to be restricted by labour shortages, excessive labour reserves remained bound to agriculture. The possibility of a dual base of subsistence (wage labour combined with agricultural production) was even seen to re-attract labour to the agricultural sector at the beginning of the eighties (Osváth, 1986). And while internationally, the industrialisation process was combined with a radical reduction of the agrarian population (see e.g. at Dovring, 1965a and b), in Hungary (and in some other state socialist countries to varying degree), the decrease of the agrarian population was much slower, despite extensive industrialisation in these countries 40. While state regulations tried to limit the expansion of household-based production forms, substantial segments of the population continued to be engaged solely with small-scale household-based production at a low level of productivity and capital-intensity. Kovách pointed out the restricting effects of this redistributive monopolistic system - a feature emphasised also by Juhász and Magyár (1983). They also pointed out the impact of the emerging market economy with its alternative sources of financing (i.e. the reality of thriving black market with its terms being based on usury loans on hard terms of return) on the expansion of household-based production. However, this connection between the dominant economic system and household-based production is not thoroughly explored.

Although the appearance of agricultural enterprises aiming at primarily capitalist accumulation cannot be denied, I consider the emphasis on the entrepreneurial features in the expansion of household-based commodity production to be one-sided. It also supposes a kind of indigenous genesis of embourgeoisement out of the inter-generational transmission of the culture of entrepreneurism. Although both Szelényi and Kovách analysed the way state socialism restricted the expansion of household-based production, they do not concentrate on the effects of the unfolding alternative market opportunities and changing structure of the dominant economic system. This embodies the danger of explaining the emergence of the drive after capital mon-causally.

Rather than claiming that the emergence of the self-purpose of capital accumulation became the new alternative driving force behind the expansion of the capital base of household-based production, I point to the need for analysing the reproduction processes of household-based production as a form of production existing in the context and network of a changing dominant economic structure.

I see behind this acceleration the emergence of a new market-based financing and competition structure – a new dominant economy – that contributed to productivity increases and capital accumulation. The reproduction of the household as a production unit changed under the evolving conditions of a growing, alternative, market-based rationality – and reality, with its black usurious, and increasing competition, In contrast to, for example, Szelényi’s third-way evolution, I view the possibility that this form of production would serve as a base for the whole economy as limited, and I also believe the potential circle of emerging real capitalist enterprise within agriculture was also limited.

Furthermore, I want to point to the impact of the reform of the regulation of economic institutions under market socialism. The increase of entrepreneurial autonomy of the co-operatives, as well as the increasing market pressures it was facing with the gradual price deregulation, co-operative leadership was ever more pressed to make decisions on the basis of economic efficiency. Investments within the agricultural sector were increasingly oriented towards industry to form an internal subventioning system, and as a source of revenues for the co-operative as an enterprise. Management became more economically interested as a result of the various revenues they could draw from the profits. Consequently, with the liberalisation of the transition of production branches to the household-based sphere, they utilised the option to be free from non-profit, deficit production branches even more. The institutional conditions, which were the foundations of the transition of whole production branches from collective to household-based production, provided the preconditions for the gradual accumulation of know-how and capital that could be utilised within the household-based production sphere.

Furthermore, the policies allowing private retail activities created early an alternative distribution channel for the products emerging within the household-based production sphere. City food-markets became divided into commercial marketing organisations of state socialist, private enterprise origin, while occasional private persons selling their own products became more marginal in volume of sales. Had alternative market channels not emerged, the opportunity for the detachment of household-based sphere from the mother-ties would have been difficult to imagine. Thus, I would argue that small-scale agricultural production was symptomatic of the weaknesses of the state socialist system. The transition of the state socialist economic system towards market socialism – and the acceleration of this process during the eighties – provided, an institutional framework which both set the limits of the expansion of household-based production and allowed its existence and the accumulation of assets within this sphere. These assets were primarily converted into consumption (Kovách, 1988).

From the point of view of those engaged in small-scale agricultural production, revenues originating from these activities provided the additional income or reduction in expenses required to finance the desired standard of living. However, despite its ties of dependency to the redistributive-bureaucratic system, household-based production provided a source of autonomy. Household-based producers were not entirely dependent economically on their wages. They could expand their means of livelihood based on incomes originating from these activities and stretched the boundaries set by the wage system. The engagement in small-scale agricultural production formed one criteria for being placed in so-called ‘parking’ posts (Szelényi et. al., 1988). The assets and know-how accumulated in this context could serve as basis for entering into private, full-time agricultural production. The openings of such possibilities occurred at the end of the eighties on a small scale, and from the nineties on a large scale. Access to movable assets could be perceived as a favour-

\footnote{In a way the importance of household-based production could be considered as a symptom of the resource limited economy, which was conceptualised by Kornai to expand to the limits of its resources. The availability of free time which the workers were ready to supply for productive work set the limits to which degree this resource could be utilised.}
able precondition for such a shift, although not as a sufficient condition for the embourgeoisement of the second economy’s petty commodity production. This readiness on the side of the producers had to be combined with more permissive economic policy. However, the autonomy enjoyed in the household-based production sphere was also severely limited by the large degree of integration of household-based agricultural production into the co-operative. This, in its typical form, curtailed the autonomy of household-based producers and tied them to the immediate labour process. Both the supply of input goods and the sale of products was under the control of the co-operative. With the destruction of the co-operative as a supporting network after the post-socialist transition, large segments of the former household-based producers totally abandoned household-based production (Kuczi, 1997).

The engagement of the co-operatives with household-based production had divergent consequences. On the one hand, it is clear that the co-operatives subsumed much of the costs related to establishing a thriving commodity production in the household-based production sphere. They transferred the results of the green revolution as well as transmitting their contacts with input industries and product markets. Thus, the co-operatives supplied the framework for the high levels of ‘commodity’ production of household-based production. On the other hand, the co-operatives separated the small producers from the markets (Kovách, 1988). Furthermore, the subsistence base of the co-operatives was not challenged by the reforms of the eighties. The continued land monopoly enjoyed by the co-operatives and the lack of markets of land and agricultural input products meant that the state enforced the conditions for the reproduction of co-operatives. Thus, even if state policies allowed a gradual expansion of the family sphere throughout the state socialist period, the also formed the barriers to further expansion by the end of the eighties (Juhász, 1989, Szelényi, Harcsa, Kovách, 1998). The process of spontaneous privatisation also affected the collective sphere of the co-operatives. In this process co-operatives were drained of their resources, much of which originated from non-agricultural side-activities.

While the established pattern of household-based production of co-operative workers was not fully beneficial for the small producers themselves, its benefits for the co-operative sphere are also ambiguous. On the one hand we saw the advantages of household-based production for the co-operatives, such as allowing lower wage levels, helping in the provision of a seasonal labour force and later permitting the transfer the unprofitable branches to household-based production. On the other hand, household-based production was also repeatedly seen as a threat to the co-operative. Household-based production bound the labour in high-season periods, as well as reducing the labour potential of the workers.

42 See the example of the embourgeoisement of the peasantry between the two world wars (Erdei, 1988)
43 According to the land law of 1988, those who did not ‘voluntarily’ sell their lands to the co-operatives following the consolidation of co-operative land ownership could reclaim their land. By the end of the eighties approximately two third of the land used by the co-operatives was consolidated co-operative property. Only few used the opportunity to reclaim from those privately owned lands which were used by the co-operative, i.e. about one tenth of land used by the co-operatives were reclaimed by the end of the eighties, Asztalos Morell, 1997.
Thus, on the one hand, the co-operative production form did not succeed in subsuming the household and extinguishing its productive functions. On the other hand, the autonomy of the household as an independent production unit was severely restricted. The two spheres evolved in mutual dependency, where the nature of the articulation of the two spheres altered through time.
PART IV

The formation of the Hungarian Gender Regime

Picture 10. Young women obtained skills within feminised branches, such as horticulture: Green-house in a co-operative (sixties)
With agricultural modernisation men obtained the jobs related to the new agricultural technology. Combine harvesting and transport of the yield (sixties)

The new industrial side-activities typically applied semi-skilled women as labour force. Co-operative chicken ‘factory’ in the sixties)
CHAPTER 8

Theoretical Assumptions for the Analysis of Gender Models

1. INTRODUCTION

In view of the emancipatory claims of the state socialist rhetoric regarding women’s emancipation, the underlying aim of the coming chapter is to establish the theoretical framework for the interpretation of the actual gender system in Hungary during the state socialist period. I argue that the terms of realisation of this gender system were interwoven with the evolving economic system. The underlying model used in this thesis is based on ‘dual system’ theories, although other feminist approaches also served important sources of inspirations. Due to the specific features of the state socialist system in practice, the internationally-discussed frameworks of analysis cannot be easily applied.

In this chapter I present my theoretical assumptions. These assumptions lay the ground for my analysis of Hungarian gender model in chapter 9. I differentiate between gender models, gender regimes and gendered systems of production and reproduction. This is reflected in my terminology. I define gender regime to mean, in general terms, state regulations, laws, rights and duties which form the basis for gender-specific citizenship. By gendered systems of production and reproduction, I refer to the gender-specific division of labour. This is realised in the specific context of prevailing forms of economic organisations of production and reproduction. Gender model I define in more general terms a gender system, which, using Hirdmann’s terms differentiates, on the one hand, between men’s and women’s spheres and ranks them on the other hand in a hierarchical fashion.

One of the theoretical aims of this thesis is to develop an analytical framework which allows the adaptation of dual system theory1 to the study of gender relations within state socialism. The thesis argues that women occupied a subordinate posi-

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1 Marxist feminist theories have explained women’s subordination from the needs of capitalism. Women’s unpaid household work secures the reproduction of labour power, see the ‘domestic labour debate’ (Molyneux, 1979). Others emphasise the importance of the social construction of sexuality in a heterosexual matrix for the understanding of gender processes (Lundgren, 1993). According to dual system theories women’s subordination has a dual base in the economic system of capital and patriarchy (cf. Hartmann, 1981). In the given case I interpret women’s subordination to evolve in articulation between the interests of the state socialist economy and patriarchy.
tion in the public sphere (e.g. in the collective labour organisation) as well as in the private sphere (i.e. within the families of co-operative workers). This subordinate position of women is interpreted as the outcome of the articulation of two hegemonic systems: patriarchy and economic systems of domination.

I base my theoretical assumptions concerning economic systems as sources of domination on the concepts developed in earlier chapters on forms of production and reproduction. In coherence with the model specified for the analyses of agricultural forms of production I conceptualised gendered forms of production and reproduction in a dualistic manner. The particular units of production and reproduction are differentiated according to the labour-use criteria, as well as the reproduction criteria defined by Djurfeldt (1995). Applying Polányi’s four co-ordination principles, the organisation of reproduction (as was the case with production) can take four basic forms: household (domestic), redistributive (state), reciprocal (informal systems of exchange) and market based (capitalist).

These specific forms of organisation obtain their concrete forms through their integration with the dominant form(s) of co-ordination. In industrial societies redistribution (state) and the market are the dominant spheres of co-ordination, meanwhile reciprocal relations maintain an informal link between households. Within this broad field, my analysis is restricted to the gender specific relations characterising the family household, the state and the market and interactions between these three spheres.

While the economic systems summarised above are seen as bases for the materialisation of gender-specific forms of citizenship and positions, these economic systems of domination are not seen as sources for the formation and reproduction of gender based hierarchies. Rather, the source of women’s subordination compared to men may be found in the specific relationships between men and women. These relationships gain expression on various levels. My analyses of gender systems of hierarchies is focused on two levels. On the one hand, I focus on the level of the gender regime. Here, I am interested in the construction of gender-specific citizenship – in particular concerning the gender specific construction of reproductive and productive roles. On the other hand, I focus on the level of gender division of labour on the level of particular form of production and reproduction.

Similar to the model used in previous chapters, I lead my analyses from the level of the dominant social formation to the level of the particular forms of production and reproduction.

2. **ECONOMIC AND GENDER BASED SYSTEMS OF DOMINATION**

2.1. **DUAL SYSTEM THEORY**

According to dual system theory, women’s subordination under conditions of industrial capitalism is reproduced as an outcome of the articulation of two systems of domination: capitalism and patriarchy. Under capitalism, (which is defined here as a mode of production in which the surplus produced by the wage labourer is expropriated by a proprietor class) women’s relations to capital were discussed in particular from two perspectives. First, women’s reproductive labour is necessary for the capit-
talist production (women’s unpaid domestic labour, for example, reproduces the labour power of workers in the short run and over generations)\(^2\). In addition, capital needs women’s low-cost labour power to assure a cheap, available marginal labour force. This satisfies the segmented labour demand of companies\(^3\).

However, as critiques of Marxist feminist explanations have emphasised, the needs of capital alone do not explain why women fulfil the above-described two tasks (reproduction of labour power and cheap labour). Instead, they identify men’s independent interest in the oppression of women. Walby identified patriarchy as a system by which men exploit women. I argue that women’s patriarchal subordination has a specific content which is expressed in term of women’s caring and sexual availability (‘omsorgsmässig och sexual tillgänglighet’, Jonasdottir, 1991). In the system of patriarchy women’s reproductive labour as well as sexual availability serves men. In this thesis, the emphasis is on the importance of labour in the construction of gender\(^4\). My interpretation of women’s reproductive labour is closest to the one formulated by Delphy (1984), who uses the expression of domestic mode of production. The emphasis here is placed on the interpretation of the social relation between the person carrying out the reproductive labour and its beneficiary. However, with the increase of women’s labour force participation, the importance of the public sphere increases in ensuring women’s subordination. The interest of capital to reproduce the labour power and of men\(^5\) to reinforce women’s reproductive role was seen by some\(^6\) to coincide with the ‘family wage system’, which was seen to represent a compromise between the interest of capital and working class men, in which working class men are guaranteed higher wages compared to women, enabling men to provide for a family, that is to say for women and children (Hartman, 1986).

Along with Walby and Hartmann, I view the interests of capital and of patriarchy as distinct. Furthermore, I view these two systems as being articulated on all levels of social life:

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\(^2\) For Marxist feminist theories on the role of domestic labour for capital, see Gardiner, 1976, Seccombe, 1975.

\(^3\) Piore, (1975) relates the evolution ‘segmented labour force’ to the need of capital. In the Marxist feminist literature female labour force was also described as a ‘reserve army of labour’ in Connolly, 1978. The reserve army labour concept was used even in the Hungarian context to describe the adverse effects of the introduction of GYES (see later) see Ferge, 1985, Ernst, 1986.

\(^4\) This is not to say that the construction of heterosexual sexuality has no relevance for the construction of gender. The case highlighted in the media of group sexual assaults practised for leisure in South Africa, or the practice of sexual assault as the means of denigrating the enemy in the Bosnian war or under World War II, or on the objectifying picture of women presented in pornography could exemplify some aspects of the social construction of women’s sexual availability as part of women’s patriarchal oppression. See Svalastog, 1997 on the role of women’s sexual responsibility in constructing gender. See for more discussion on the patriarchy concept below.


\(^6\) Here, so called ‘conflict’ theories are summarised. See for an overview including ‘consensus’ theories in Walby, 1986.
... it is the distinctiveness of the social relations of patriarchy and capitalism which is the crucial means of separating them. Patriarchy is distinctive in being a system of interrelated structures through which men exploit women, while capitalism is a system in which capital expropriates wage labourers. It is the mode of exploitation which constitutes the central difference between the two systems. The distinctiveness of the patriarchal system is marked by the social relations which enable men to exploit women... in capitalism it is the social relations which enable capital to expropriate labour. These social relations exist at all levels of the social formation, whether this is characterised as economic, political and ideological, or as economy, civil society and the state or whatever. (Walby, 1986, p 46).

This stands in contrast to those who have argued that patriarchal capitalism constitutes an inseparable union, and to views which see patriarchy and capitalism as complementary systems. These latter theories confine patriarchy to the regulation of private life and reproduction, while they confine capitalism to the relations of production.

While Hartmann emphasised the compromise between the interests of patriarchy and capitalism, I argue, along with Walby, that these interests can collide. Capital’s interest in the expansion of women’s employment was actively fought against by male trade unions. Similarly, in Hungary during the sixties, the state wanted to expand women’s employment. This was hindered by opposition from male workers and managers on the production sites. While, patriarchal and capitalist interests can be analytically dissected, they are manifested in interaction with each other. The existence of workers, (for example, the category of male workers), who are freed from reproductive responsibilities (a result of women’s continued responsibility for domestic work), creates a labour category for capitalism, which can accumulate knowledge and maximise its labour performance. Thus, the prevailing patriarchal relations alter the features of capitalist development and patriarchy becomes an inherent element of the evolving system.

In order to isolate the interest of patriarchy and of capitalism in controlling women’s labour, I separate conceptually an industrial production system, divided by a system of production and reproduction and a patriarchal gender system. In this gender system women’s subordination is secured by the gender segregation of labour in the public sphere, (where men occupy jobs on the top of the hierarchy) as well as in the private sphere (where men’s freedom from reproductive duties is complemented by women’s continued reproductive responsibility, i.e. ‘caring and sexual availability).

2.2. PATRIARCHAL RELATIONS

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7 See Eisenstein (1979), and a critique in Walby (1986) p. 31-32.
8 See e.g. O’Brian (1981). Kuhn (1978) view patriarchy as concerning the area of ideology, culture and sexuality and economy to concern the area of production. See for a summary discussion in Walby (1986), pp. 33-40. Walby’s criticised Delphy, for her claims that the domestic mode of production is the source of women’s subordination, to this group. I agree with Walby’s critique of mono-causal explanation. Nonetheless, I view Delphy’s description of the domestic mode of production to be of value to the understanding of the relations regulating women’s subordination within the family.
9 See for a summary on the debate on suitable jobs for women in Chapter 13.
Feminist theories differ in their identification of the central arena of women’s oppression. On the one hand, women’s oppression is related to the construction of the dominant form of heterosexuality as the institutional means of women’s subordination. In patriarchal relationships, women are sexually subordinated to men in the private spheres (see on rape, Brownmiller, 1986), as well as in the public spheres (see the sexualisation of labour relations, Cockburn, 1991, pornography, Dworkin, 1981). According to Svalastog (1998), through the erotisisation of unsafe sex women’s responsibility for reproduction, for example for undesired pregnancies, is reinforced. While women are expected to be sexually available in heterosexual dating relations, they are expected to bear the consequences of sexual relations (see further in section 3.2.2). On the other hand we find theories which relate women’s subordination primarily to gender inequalities materialised in the gender division of labour either as an expression of the importance of women’s labour for capital (Secombe, 1974) as an expression of men’s control over women’s labour power (Witz, 1986, Cockburn, 1983), or as an outcome of the interaction of the two systems (Hartmann, 1986).

Feminist theories vary in their conceptualisation of the underlying social structures which reproduce women’s subordination. Hartmann argues that the homosociality between men is the basis of men’s ability to oppress women: ”We can usefully define patriarchy as a set of social relations between men, which have a material base and which, though hierarchical, establish or create solidarity among men and enable them to dominate women” (Hartmann, 1979, p. 11). Others also pinpoint the importance of male solidarity for the exclusion of women (Cockburn, 1983).

My position is closest to the one formulated by Walby, who identified capitalist and patriarchal systems of domination as distinct (see earlier). Walby argues that the distinctive feature of patriarchy is that it is a system of interrelated social structures through which men exploit women (Walby, 1986, p 51). She argues that the basis of patriarchal structures allowing women’s exploitation are the social relationships between men and women.

In a later work Walby specified six main structures composed of paid work, domestic work, state, culture, male violence and sexuality (Walby, 1990). In my view Walby’s contribution lies in showing that the explanatory value of theories concerning various types and levels of patriarchal structures are not exclusive. Rather, they could be seen as complementary. This would also imply that the various patriarchal structures involve different types of patriarchal strategies and relations (e.g. women’s personal dependency characterises the domestic relation Delphy, 1984, while exclusion strategies and gender segregation of the labour force characterises patriarchal structures and relations on the labour market, Witz, 1986).

To take Walby’s conceptualisation of patriarchal relations further, I argue that there is a common element in the various patriarchal structures. In various ways, and by means of various concrete social relations, they provide the institutional basis for the reproduction of women’s ‘sexual and caring availability’. The various structures named by Walby (paid work, domestic work, state, culture, male violence and

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10 Feminist theories differ to which degree they emphasise the importance of the social construction of sexuality or the importance of the gender division of labour for the reproduction of patriarchal structures.
sexuality) provide institutions, e.g. gender division of labour, gender-based income inequalities, social organisation of child-care systems, etc., which make possible the reproduction of women’s reproductive responsibility and in varying degrees, women’s sexual availability.

The various elements of this system can have varying importance for the individual, depending on the particular context and concrete life situation. While the patriarchal system of sexuality can play a crucial role during the period of search for partner (Jeffner, 1996) the importance of relations regulating biological reproduction can have crucial role for parents with children in the small-child period. Patriarchal relations in paid work can be of crucial importance in the pursuit of work-career.

Various patriarchal structures can have differing levels of importance for women in specific class positions. However, on some level all these contribute to the ongoing construction of gender identities.

Walby’s spheres of the patriarchal relations of labour (paid labour and domestic labour) are based on the analysis of patriarchal relations within the context of industrial capitalism. Household-based production forms are based on the use of the uncommodified labour of family members. Thus, the dichotomy between paid work and domestic work is not applicable. Therefore, as it was defined in Chapter 5, I refrain from using the paid work versus unpaid work dichotomy. Instead, I apply the distinction of productive versus reproductive labour. Since, as this example indicates, the forms of labour use are bound together with the various production forms, I identify as the location of patriarchal structure the specific form of production and reproduction rather than the specific forms of labour use (such as paid versus unpaid labour) within these.

The closer focus of my analysis is restricted to the patriarchal relations characterising the state, and the various forms of production and reproduction. My specific interest is to develop a framework for the analysis of agricultural production cooperatives (composed of collective and household-based production spheres) and the Hungarian gender regime which provided the overall framework of coordination of the societal organisation of forms of production and reproduction.

2.3. Transition from Private to Public Patriarchy

Walby also emphasised that the relative importance of the elements of the system changes historically. When patriarchal relations articulate with capitalism, the patriarchal relations in paid work gain paramount importance in reproducing women’s subordination. This, in the context of an industrial production organisation becomes the source of women’s dependency on and subordination to men:

"The key sets of patriarchal relations are to be found in domestic work, paid work, the state and male violence and sexuality; while other practices in civil society have a limited significance...the social relations in domestic work should be characterised as a patriarchal mode of production and that this is particularly significant in the determination of gender relations. However,

\[11\] Scott (1988) pinpointed that maternity can play a crucial role in certain life periods for the situation of women, while it can be irrelevant or marginal in substantial parts of women’s adult life. Similarly, those patriarchal structures which characterise the construction of maternity, can be crucial in some and marginal in other periods of women’s lives.
when patriarchy is in articulation with the capitalist rather than other modes of production, then patriarchal relations in paid work are of central importance to the maintenance of the system.” (Walby, 1986, p 50)

I argue that patriarchal relations in paid work have a close connection with patriarchal relations in the home and at the level of state regulations. Historically, exclusion of women from advancing, or from better paid occupations was commonly justified by claims concerning women’s domestic roles as mother and wife. Consequently, rather than highlighting certain elements of the complex system of patriarchy described by Walby, I focus on the articulation of the conditions of reproduction of the industrial production system and the patriarchal system.

The binary systems of domination described in mainstream feminist literature reflect a society in which industrial capitalist relations became all-pervasive and are in articulation with the patriarchal system of domination. The duality of home/unpaid work/private/female and work/paid work/public/male represents the articulation of these two systems. It is in the industrial production system that the sphere of production and reproduction became separated in a dualistic manner. The reproduction of the labour force is primarily organised in the family and is carried out through women’s unpaid work.

Some identify the essence of patriarchal domination to be the subordination of women, by controlling women’s ‘sexual and caring availability’. Caring was identified as women’s sphere even in non-industrial production forms, and was seen as part of a relationship between the sexes, in which the wife’s duty was service to the husband, and was seen to be of lower value than men’s contribution. Nonetheless, it is under the conditions of the industrial organisation of production, that women’s caring work becomes isolated in the private sphere and becomes unpaid work – work without visible market value in an economy characterised by the generalisation of market relations. The sexualisation of the construction of femininity characterises even cultures representing other socio-economic formations than the industrial capitalist one. Liljeström (1995) showed in her analysis of Russian folklore material how the view of women as sexual objects and as means of creating male homosociality characterised peasant society as well. Furthermore, peasant society contained harsh sanctions to support the restriction of women’s sexuality to marriage (chastity, harsh social reinforcement). While women were bound to domestic service even in the peasant family, this service obtained a special context with the separation of a production sphere from the family. It became unpaid service, in a context where wage labour provided the basis for the economic survival of the family. As a result, women became dependent on a main bread-winner.

I argue that there is an interrelation between patriarchal structures in the public and in the private spheres of life. Patriarchal organisation of the system of production has elementary consequences for the patriarchal organisation of reproduction, and vice versa. Furthermore, the institutional frameworks provided by the state for the control of women’s bodies, and for the integration of reproductive rights into labour

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12 See even Wikander (1991) on the transition from private to public patriarchy.
rights, establishes the frameworks for the materialisation of patriarchal relationships in the concrete forms of organising production and reproduction\(^\text{14}\). However, it is important to avoid the externalisation of patriarchy. Not all divisions of labour are patriarchal. Furthermore, discrepancies can be found between gender regimes in the symbolic level and the gender relations on the level of production forms. To illustrate this point I take one example. It concerns the introduction of a law regarding gender-neutral equal inheritance farms in Norway. Here the inheritance of farms continued to evolve along gender differential patterns, even if in weakened form, due to the continued affect of the ‘masculine’ perception of the head of farm position (Haugen, 1990). Thus, while there is value in analysing the patriarchal relations in the various patriarchal structures as Walby identified them, the importance of seeing these as parts of an interrelated systems should also be emphasised. Patriarchal systems of domination within the public sphere (such as the patriarchal organisation of production, which reinforce the lower value of female labour by gender segregation of labour and by favouring workers without reproductive responsibility) are intimately related to patriarchal systems of domination within the private sphere (such as gendered praxis of the division of reproductive responsibilities). The term public sphere involves divergent levels of analysis, from which two spheres are of importance in this thesis: the state and the market. The term private sphere refers to here the family household. In industrialised capitalist countries the gender regime is articulated in the triangular relationship between the state the market and the family.

In an industrial capitalist system, gender relations of labour are expressed in the gender specific features of the wage labour contract. Capital benefits of women’s labour in two ways: as unpaid reproductive workers and as cheap marginal labour force.

With the evolution of the welfare state, the regulatory function of the state expands. State regulations reflect the socially evolved power ‘balance’ between the needs of the prevailing organisation of production and reproduction and the gender system. State regulations enforce the framework for societal reproduction of the dominant economic formation. State regulations provide a balance in the redistribution of resources from the productive sphere to spheres which are necessary for the reproduction of the system. Yet, they do not, by themselves, contribute to the creation of market value which can be extracted as taxes and so directly channelled into the resources to be distributed 15. One of the main functions of the state is to construct the principles of the regulation of reproductive rights and responsibilities. These gendered social constructions of reproductive rights and responsibilities also guide the principles of redistribution of state revenues to the reproductive sphere. The state’s involvement in the reproductive sphere varies according to whether it promotes the socialisation of the activities of the private sphere, (e.g. state subventions to public child-care institutions), or extends the economic responsibility of the state over the private sphere, (such as sick-leaves, child-care subsidies). The way in which the private is constructed in the policies of the state (which is a crucial part of the public sphere) provides the framework for the functioning of the gender system of the private sphere. The public involvement in the private sphere increased due to the expansion of state policies. Yet, the division between public and private domains continue to be structured along the core of women’s continued responsibility for reproductive work, and so for the unpaid work in the private domain. Thus, even if patriarchy has obtained an increasingly public structure, its basis continues to be reproduced in the private domain. The patriarchal systems in the public domain (gender division of labour, welfare dependency, see Hernes, 1987) complements, rather than supersedes the structural basis of women’s dependency in the private sphere. However, the importance of domestic labour for the reproduction of patriarchal relations can vary in time and e.g. according to social groups and the involvement of the state in reproductive duties.

2.4. SOME REFLECTIONS ON DUAL SYSTEM THEORY

As it was argued above, the dichotomy of paid work and unpaid work to describe patriarchal relations reflects the conditions under industrial capitalism. Here, the wage labour relation divides wage workers and unpaid reproductive workers along

15 See on this the decommodification thesis by Esping Andersen, 1989.
the public versus private dichotomy. I argued that this dichotomy cannot describe the conditions of forms of production which are not based on the wage labour relation. Such is the case of household-based production units. My analyses of gender relations follows the model developed concerning the functioning of forms of production within a dominant social formation. According to this analogy, gender relations on the level of forms of production and reproduction (i.e. the various spheres of the co-operative) are seen to have evolved in the context of dominant gender regimes (i.e. gender formations).

Gender systems in industrialised capitalist countries were described with the triangular relationships between the state, the market and the family. As it was shown in Chapter 4 and 5, the form that these relations take depends to large degree on the concerning form of production. If we take family farms, these are not based on the utilisation of wage labour. Consequently, the relation of these farms (if they are not part-time farms) with the market are primarily through marketing and buying products. From the point of view of gender relations, the contacts of the family farm with the market are of relevance if they are reflected in the internal gender division of labour and power within the family (Niskanen, 1998).

As it was also argued in Chapters 4 and 5, in state socialism the market sphere has contracted to wicket-holes while the redistributive state sphere moved into the production organisation. Nonetheless, especially in the sphere of labour, modified market relations (indirect redistributive co-ordination) prevailed. The so-called ‘socialist wage labour’ relationship was influenced by the redistributive mechanisms of the state. This led to the ‘delusion of the labour force’ with cheap, low-skilled labour on the one hand, and low wages resulting in wide-spread activities in the informal (second) economy the on the other hand.

In the following section I am going to discuss these two levels of analysis: first, the level of the dominant gender regime and second, the level of gendered systems of forms of production and reproduction.

3. THE PATRIARCHAL STATE AND GENDER DIFFERENTIAL CITIZENSHIP

3.1. INTRODUCTION

In this section I outline an analytical framework, that I then use in my analysis of the Hungarian gender regime in Chapter 9. Utilising the general framework of dual system theory, I argue that gender regimes are formed along two systems of domination—patriarchal and economic. These are not reducible to each-other, but instead evolve in mutual interaction (articulation) with each other. I first look at how biological and social differences between men and women were utilised in the gender-specific construction of citizenship. Second, these conceptions are concretised in the context of the prevailing economic organisation of society. Here, the prevailing gender division of tasks between production and reproduction is seen to evolve within the context of specific forms of production.

In the Hungarian literature during the state socialist period, women’s policies were seen to reflect the changing economic needs of the state socialist economic system (see Chapter 9). Thus, shift in gender policies were could be explained by changes
in the economy’s demands. In this section I seek to interpret the gender-specific features of evolving state policies as primarily patriarchal in nature. The changing demands of the economy are seen as an ever-changing basis for the materialisation of patriarchal interests, rather than the sources of the gender differentiation of citizenship.

The critique of the role of the state in reproducing gender inequalities occupies an important position in the discussion of gender inequalities in the international debate on gender regimes. The ongoing research on welfare state and gender focuses on the role of the democratic welfare state in underlying and modifying the prevailing relation between men and women in various social categories. These theories analyse the way in which legal systems construct women’s and men’s role in society:

Thus, I interpret gender regimes as policies which regulate the relationship between men and women. State labour policies are viewed as hegemonic means of transferring to society the rules of the prioritised, gender-based societal division of labour. These regulations are grounded in gendered constructions of ‘masculinity’ and ‘femininity’. They regulate and are the means of the social construction of bodily, as well as social functions. However, the analysis emphasises also that these policies are articulated in the context of the prevailing economic and political system, even if they are not determined by these.

Esping-Andersen classified various welfare states into social-democratic, liberal and conservative-corporatist according to targeted versus universalistic programs, the conditions of eligibility, the quality of benefits and services and, perhaps most importantly, the extent to which employment and working life are encompassed in the state’s extension of citizen rights’ (G. Esping-Andersen, 1989, p 20).

In industrialised countries paid wage labour became the major means of subsistence. However, depending on a series of factors, such as the various phases of the life-cycle, one’s family position, the lack of work opportunities, illness etc., various categories of people can be hindered from – or have a reduced capacity to participate in – the labour force. As a result their chances for being able to secure a reasonable economic existence are impeded. In Western industrialised countries social citizenship is bound to the development of the welfare state, and aims at counterbalancing the effects of social inequality within capitalist society 16. Thus, the welfare state evolved to combat the effects of the market, provide assistance for the given country’s citizens is not transmitted through commodity transactions (Esping-Andersen, 1990; O’Connor, 1993, pp. 501-518).

Through the system of taxation the state redistributes resources from paid labour and capital to activities that are considered necessary for the reproduction of social existence (this is called decommodification by Esping-Andersen). Welfare allowances typically contained a mixture of universal rights, which are available to all

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16 The evolution of modern state has close connection with the evolution of the concept of citizenship. The concept of citizenship evolved in various phases. Civil citizenship concern the liberties of the private person and property rights and evolved in the context of the development of the judicial system during the eighteenth century. Political citizenship incorporates the participation in the political life, the right to vote and organise politically and evolved during the nineteenth century. This periodisation comes from Marshall, 1964, pp. 65-122; see also O’Connor, 1993.
citizens, one typical example for this is a base level of schooling, which is in most welfare regimes a universal right. Other rights are restricted according to need, such as social welfare payments. The terms of redistribution can perpetually be contested by conflicting and dominant interests.\(^1\)

The state’s regulatory function reflects the complex relationship between the state as a welfare institution,\(^18\) capital, paid labourers and unpaid reproductive workers. Within this multitude of intertwining and conflicting interests, the interest of capital and labour dominated. The feminist literature sheds new light on the analysis of labour conflict, by viewing it as gendered in nature and emphasised men’s active participation in history in the exclusion of women from advancing labour areas (see Cockburn, 1985, Wikander, et. al. 1995, Wikander, 1991, Witz, 1986).

With the emergence of industrial production systems, unpaid care of the family emerged as a women’s sphere, engaged with the reproduction of everyday life. Men dominated amongst wage workers, even if women’s participation was expanding. Pateman pointed out that the history ‘of the welfare state and citizenship (and the manner in which they have been theorised) is bound up with the history of the development of”employment societies” (Pateman, 1988, p 237, O’Connor, 1993, p 505). Since differences in the integration into paid labour are closely related to gender, the formation of the ideal citizen is also a gender biased phenomenon. The state’s formation of welfare policies is closely bound to the state’s perception of the relation between paid and unpaid labour and the relation between productive and reproductive labour. The rise of the welfare state was stimulated by the efforts to regulate women’s maternal roles (Koven, and Michal, 1993, Skocpol, 1992, Bock, 1991, Sommestad, 1997). Thus welfare policies and their construction of paid and unpaid labour have inevitable relevance for gender (Taylor Gooby, 1991, Lewis, 1992).

In recent studies on the welfare state, Esping-Andersen’s definition was extended in order to aid in the development of a conceptual framework for the analysis of gender regimes. Boje and Cyba define gender regimes in the following way: ‘the ways in which political and institutional solutions affect men’s and women’s actual possibilities to have gainful employment or perform unpaid care work, along with the ways in which both kinds of work open up for entrance to social rights’ (Boje and Cyba, 1997, p 9).

The history of industrial labour organisation can be viewed as a disciplinary process (Marshall, 1982), where the use of family labour was gradually transformed into a labour force based primarily on a primary male breadwinner free from reproductive responsibilities. The regulation of the relationship between the reproductive and the productive sphere turned into the focus of various welfare policies. The introduction of protection laws at the turn of the century assisted the exclusion of women from night work and the limitation of married women’s employment (Karlsson, 1985, Wikander, et. al., 1995). The exclusion of women from technologically advancing areas was actively promoted by male unions (Cockburn, 1983, Witz, 1986).

In contrast, during Stalinism, women were seen as potential labour reserves. However, the influx of women into the labour force required the modification of both the welfare resources at large. In the context of women see Syltevik, 1996.

1 Polányi, 1957 on the welfare resources at large. In the context of women see Syltevik, 1996.

18 Under state socialism the state is both the employer and the provided of social security.
disciplinary features of the production system and of the organisation of reproduction. The state obtained a central function in creating a legal network exploring various alternatives for the integration of reproductive rights into the system of production. Pronatalist laws became the means of promoting pronatalist goals. The complexity of emerging rights and regulations which concern reproduction, whether they relate to reproductive labour per se, such as child-care subsidies, or maternal pension points, or reflect the interfaces of the productive and reproductive systems, such as protection laws, or maternal leaves, will be referred to as reproductive rights and regulations.

The presence of a legally warranted welfare system does not necessarily mean that this opportunity structure is utilised equally. In Sweden both men and women are eligible for child-care subsidies. Nonetheless, women make most use of this benefit (Roman, 1998). Similarly, both men and women have guaranteed political citizenship rights, but women live with the opportunity to influence their own destiny to lesser degree than men19. Thus, rights cannot be equated with power, and economic security does not equal the ability to shape and influence one’s own status. Consequently, for the evaluation of welfare states as gendered institutions it is not sufficient to look at the nature of reproductive rights, but research should be also directed to praxis and utilisation of these rights. However, this does not mean that the analysis of welfare states as legal systems is a futile task. Offering a constructivist critique, O’Connor pointed out that the ‘dominant conception of citizenship implies the subordination of particular identities, not only of class, but also of gender and race’ (O’Connor, 1993, pp. 505). Binary categories suppress the manifestation of alternative forms of social organisation. The post-structuralist application of the linguistic concepts of differentiation can help to illustrate the point:

An important dimension of post-structuralist analyses of language has to do with the concept of difference, the notion … that meaning is made through implicit or explicit contrast, that a positive definition rests on the negation or repression of something represented as antithetical to it. Thus, any unitary concept in fact contains repressed or negated material; it is established in explicit opposition to another term.’ (Scott, 1988, pp. 36-37).

The conception of the ideal citizen is based on the dominant divisions in a given socio-economic system. Welfare states, by forming social citizenship on the relations characterising employment societies, suppress the importance of alternative forms of socio-economic organisations. Below the relevance of some analytical categories are scrutinised.

The analysis of the discussed Western-type welfare regimes, does not attempt to present a full-scale overview. Instead it serves to extract analytical categories, which aid in the understanding of the gender-based formation of the construction of labour20.

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19 On women’s political citizenship see Eduards, 1980, 1997 or women’s representation in politics in an East West comparison see Oláh, 1998.

3.2. **BIOLICAL DIFFERENCE AS A BASE OF GENDER DIFFERENTIAL CITIZENSHIP**

3.2.1. **Introduction**

Although biological differences separate humankind into two fundamental categories from the point of biological reproduction, the difference between male and female reproductive organs cannot, by itself, fundamentally define the hierarchical nature of the social roles between the sexes – or the formation of a societal system of subordination between men and women. ‘One is not born a woman but becomes one’ (de Beauvoir, 1986). In the following the way in which women’s responsibility for social reproduction is socially constructed is explored. It is argued that the reproduction of this responsibility is ensured by the prevailing societal structures and idea-construction.

Different welfare regimes vary according to the degree to which they use the body as an important differentiating factor in the political conception of citizens. Biology is the ultimate basis of legitimisation for example, for determining that men should carry out military service (in some countries even women), or controlling women’s bodies through legislation on abortion or labour protection laws. State socialist protection laws relied on biological differences between men and women as legitimating basis for designating certain jobs as unsuitable for women\(^{21}\). Another group of laws construct women’s citizenship based on the assumption that reproductive roles (biological and social) are women’s roles. These kinds of legitimisation see women’s social roles as determined by the biological reproductive function of their bodies, and see women’s nurturing role as a derivative of a biological essence for example, having a uterus. In contrast, a third type of welfare rights are based on a gender neutrality principle, and do not connect reproductive rights to biological characteristics.

As was discussed above, the frameworks established by the welfare state are seen to provide various types of institutional enforcement for the reproduction of women’s subordination through the gender division of labour. This subchapter explores the importance of biological difference as a basis of citizenship status differentiated by gender. It does so by critically evaluating the explanatory value of the ‘equality’ versus ‘difference’ dichotomy, and by looking at the utility of sex versus gender distinctions for exploring the gender construction of biologically and socially specific reproductive roles in welfare policies.

3.2.2. **The ‘Equality’ versus ‘Difference’ Dichotomy**

As the concept of citizenship emerged in history, women were excluded. To counter this historical exclusion women demanded treatment as men’s ‘equals’. Hannah Arendt analysed the way in which this concept both includes and excludes women at the same time:

> From the beginning the paradox involved in the declaration of inalienable human rights was that it reckoned with an ‘abstract’ human being who seemed to exist nowhere ... This right seemed to contradict nature itself since we in fact

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know ‘human beings’ only in the shape of women and men; and the concept of human being, if conceived in a politically useful way, must necessarily include the plurality of human beings. (Arendt, in Block and James, 1992, p 10).

The neutrality principle implies that the concept of rights is not bound to one sex. Such rights would not impose a role tying their utilisation to one sex (men and women can choose). However, were all laws concerning reproductive rights based on the equality principle, they would deny the fact that certain biological functions and risks are specifically female – potential complications during pregnancy, such as ‘foglossning’ caused by hormone changes, breast-feeding related ‘mjölkstockning’, and certain other conditions simply bound to the functioning of the female organs. Ignoring the distinctions of the female reproductive body would also deny protection. This would hinder discrimination against women, while women’s physical capabilities might be depreciated due to specific functions bound to the female reproductive body.

In contrast, the principle of ‘difference’ claimed special consideration for women based on their distinctive characteristics and activities (Pateman, 1992, p. 17) Basing reproduction rights purely on the ‘difference’ principle and directing them towards women, assumes that women’s specific biological functions are associated with social roles. However, for example, in certain life situations the mother role can be crucial for a person, whereas this role may not at all be relevant in other life situations.

Equality’ based laws raise another kind of problem. The construction of equality versus difference as exclusive terms forces women to choose positions. As Scott notes: ‘When equality and difference are paired dichotomously, they structure an impossible choice. If one opts for equality, one is forced to accept the notion that difference is antithetical to it. If one opts for difference, one admits that equality is unattainable (Scott, 1988, p. 172).

The problematic nature of choosing to use equality versus difference as exclusive categories has been pinpointed from various perspectives. James argues that political equality often rests on the recognition of various forms of difference, while Bock and Offen argue that the principles of equality and difference can prevail in interwoven forms in given historical contexts. The dichotomy also diverts attention from the differences between women (Bock and James, 1992, p 4). Scott argues for abandoning the description of feminist theories in the dichotomy of ‘difference’ versus ‘equality’ all together. The binary construction of these terms places them in exclusive opposition as absolute alternatives to choose certain situations.

While women’s reproductive role is criticised from the perspective of equality – either only the social sphere as in Engels (1972) and Lenin (1978), or in the biological also, as in case of Firestone (1988) the difference perspective emphasises women’s reproductive contribution as the creation of a specific life context (see Prokop, 1981). In both cases, a diluted or an explicit connection (such as in the case of Engels or Firestone) is made between the social ‘feminine’ role and women’s

22 Pateman, 1992, p. 17. See also Scott 1988, pp. 33-50
biological reproductive roles, where, consequently, the social role of women is evaluated as desirable or not.

In the rhetoric of state socialism, based on the classical Marxist interpretation of women’s subjugation, the quest for ‘equality’ was attributed a specific meaning. Women were to be emancipated by means of achieving the standard of men. Women were to be liberated by becoming wage workers, free from reproductive duties. Women’s reproductive duties were to be, to a large degree, socialised, and performed by state-financed institutions. Meanwhile, the ‘masculine’ role was not jeopardised. It was instead pointed to as the goal also to be achieved by women. However, the envisaged large-scale socialisation of the reproductive sphere proved to be an impossible task for the state. Women’s liberation from domestic slavery disappeared from the emancipatory rhetoric. Rather, the state’s interest increased in both the family as a nurturing institution and in women’s reproductive capacities (social and biological). Women’s mothering and nurturing activities were reappraised. However, men’s freedom from reproductive duties remained unchallenged. Since men’s monopoly remained unchallenged and since reproductive rights could not provide an equal economic basis for reproductive compared to wage workers (since the value payments fell way below the income level of the main breadwinner) neither of these policies provided a viable basis for the equalisation of power between men and women. Therefore, the dichotomy of ‘difference’ and ‘equality’ seems problematic both from the point of view sociological analysis and of policy formation.

3.2.3. The Utility of the ‘Sex’ versus ‘Gender’ Distinction

Constructionist theories emphasise the view that heterosexual relations are socially constructed. Thus, the critical focus is oriented against the biological legitimisation of women’s total reproductive responsibility. While refusing that biological sex necessarily determines social gender, some go even further to question the sex/gender distinction altogether. They argue that access to biology is only through gender. Our bodily experiences, and the definitions we give to our body parts and sexual organs, are according to this view transmitted through the meanings attributed to them. Butler looks at sex as realisation of a continuous construction process (Butler, 1993).

According to Kessler and McKenna (1978) both ‘equality’ and ‘difference’-based arguments are locked into the frame of reference of the bipolar heterosexual couple relationship. This is characterised by the male norm (free from reproductive responsibilities, productive, paid labour, supplying, main bread-winner), and the female norm (responsible for reproduction, unpaid work, caring, dependent). Instead, of making the male norm (as does Marxism, for example) or the female norm as desired, they attack the binary gender system and aim at demolishing gender per se.

24 Engels (1972) argued that women’s oppression came about to control women’s sexuality in order to secure inheritance of property, while Firestone (1988) bound women’s oppression to women’s biological reproductive role (Firestone, 1988).

25 See in more details under the discussion of the formation of the state socialist gender system under Stalinism.
They argue that the emancipatory goal would be to release sex from its bondage to reproduction in the compulsive heterosexual matrix.

Taking into account the above constructionist critique, welfare policies could be analysed according to the degree to which they manifest a heterosexual gender matrix. On one hand would be regulations which are constructed along a gender matrix, while on the other hand would be regulations which are constructed in gender neutral terms, without the assumption of a given gender matrix (see Figure 8.2). The neutrality principle could be exemplified with the case of Sweden, where entitlement to childcare subsidy payments is not restricted to mothers. In contrast, the so-called strong male breadwinner models could be identified to assume a specific gender matrix (Lewis, 1992).

Figure 8.2. Welfare state policies on reproductive rights according to assumptions concerning gender differences

<table>
<thead>
<tr>
<th>Constructed in reference to</th>
<th>Assumptions about gender</th>
<th>Differences in biological reproductive functions</th>
<th>Assumptions about social reproductive roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting sharing of reproductive duties</td>
<td>Swedish 10 days father leave in connection with child birth</td>
<td></td>
<td>Swedish child-care subsidy ‘föräldrapenning’ from 1974 onwards</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hungarian GYED after 1982: following age 1 of a child both parents were entitled</td>
</tr>
<tr>
<td>Promoting maternal responsibilities</td>
<td>Swedish ‘havandeskapspenning’; Hungarian maternity leave during the fifties (12 weeks); Hungarian breastfeeding allowance during the fifties;</td>
<td></td>
<td>Hungarian child-care subsidy GYES from 1967 onwards oriented towards mothers; From 1982 GYED restricted to mothers only during the first year of the child’s life</td>
</tr>
</tbody>
</table>

This solution, nonetheless, does not resolve the paradox that in certain life situations, women are bound to their biologically specific reproductive function in a precarious situation and duly deserve protection.

Analysis of the various welfare models has revealed that women’s integration into the labour force has been enhanced by the integration of reproductive rights into labour legislation. Taking the example of maternal leave, the biological functioning of women’s bodies in child delivery and the production of breast-milk limits women’s capacity for full-fledged participation in the production process and the labour force. Even if we deny that the complexity of women’s social reproductive function is the ‘natural’ consequence of the biological characteristics of women’s bodies (as bodies equipped with uterus capable of conceiving a foetus) we need to consider that the ‘reality’ of differences in the biological functions of reproductive

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26 On the historical roots of the Swedish system see Sommestad, 1997:
bodies places limitations on the ongoing construction process. From the moment of conception until the phase of full biological recovery from the physiological impacts of pregnancy, delivery and biological nurturing (such as breast-feeding) the liberty of actors to create the on-going social construction of bodily and social experiences is continuously circumscribed by the ‘reality’ of the differences of reproductive bodies. That is to say, even if the bodily experiences of pregnancy and delivery can differ largely depending on the physiological condition of the body (which is, in large part, the outcome of the way in which norms concerning the proper female body are perceived and constructed, e.g. from the degree of physical training the female body is allowed to experience) or on the social perception and organisation of delivery (for example, whether delivery is perceived and socially organised as a ‘natural’ event, or as a special physiological condition similar to sickness, to be taken care of medical doctors or midwifes, etc. (Heitlinger, 1987, Losonczi, 1988, Romlid, 1998). Nonetheless, the social construction of the bodily experiences proceeds reflexively, in reference to the biological difference of the reproductive bodies. This is not to say that the biological reproductive body is a given, unchangeable substance. Rather, it is perceived as receptive to impulses. However clear it is that access to this biological experience is transferred through the social and through the constructed, one cannot deny that this process proceeds reflexively to the physiological materiality of the biological changes of the body. In this, I do not argue that bodily experiences have priority over social experiences or vice versa. Rather, I argue that the experiences of the differential biological functioning of the reproductive bodies are utilised in the social construction of women’s responsibility for reproduction.

The above-described paradoxes may justify the benefits of differentiating between laws and regulations which are constructed in reference to biologically specific reproductive bodies and those laws which are constructed in reference to socially specific reproductive functions (see Figure 8.2).

Feminist welfare literature pinpoints the essentialist assumptions characterising welfare policies which associate social reproductive roles with women as extensions of women’s biological specificity and make social roles as absolute gendered necessities. The literature on prohibition laws documents the dual effect of labour legislation on the exclusion of married women from certain occupations, which resulted in their exclusion from advancing in economically beneficial areas and reinforced their maternal roles (Wikander, et. al. 1995). While maternity is an elementary category to describe women, for example, in the context of delivery, it has little relevance in constructing women as a category in other contexts, such as women’s ability to carry out intellectual tasks (Scott, 1988).

Certain basic biological functions cannot be defined away from women’s bodies, even if the technological evolution is going to provide more and more refined technological solutions to achieve just this. Therefore, I would argue that those laws that concern the events which are closest to women’s basic biological functions should be separated from those laws that are based on secondary functions bound to women’s social reproductive role. As it was argued above, access to the biological is filtered through gender. The biological events are always contextualised. The border between events which can be considered directly rooted in biological processes (pregnancy, delivery, breast-feeding) and phenomenon in which the role
of biology becomes irrelevant (cooking food for the family, cleaning) for the construction of social behaviour involves a value judgement. In this analysis, I use the term ‘events closest to biological events’ to describe biological reproduction (pregnancy, delivery, breast-feeding).

However, I argue that to discuss the biological effects of maternity on women and the social adjustments necessary to accommodate this transition is not equal with discussing in terms of gender difference or essentialist assumptions. Failure to treat women’s biologically specific situation and its manifestations within the prevailing production system, and the resulting failure to offer special protections tied to women’s biological reproductive role, would be equivalent to punishing women for their biological role – and would serve an openly discriminatory purpose.

I do not argue that laws concerning biologically specific functions are not socially constructed. To the contrary, these reproductive rights and regulations reflect how women’s biologically reproductive functions are allowed to obtain importance within the societal regulation of labour. The labour rights of women in connection with child delivery could also be seen as laws establishing biological reproductive rights in order to prevent women from being discriminated against in the work place – or fired on the grounds of their biological function (see Figure 8.2).

Thus, it is not the existence of protective laws per se, but the way in which they are constructed, that is significant in this instance. Most significant, however, is the way in which they construct women’s bodies and the way women should inhabit these bodies, the way in which these constructions institutionalise control over women’s bodies and the way they should inhabit them, and finally the consequences of their implementation for women, and these will be critically scrutinised.

The above paradox is emphasised in Svalastog’s critique of constructionism. She criticised Butler’s idea that we can liberate ourselves from the all-pervasive gender conception by means of deconstructing it. She argues that such deconstruction raises a danger in that it creates a concept of ‘femininity’ and ‘masculinity’ that floats above a detached bodily substance. Furthermore, she argues that this takes reproduction as given, as a substance in and of itself. As a result, it revives the deterministic sex conception of the ‘equality’ and ‘difference’ perspectives (Svalastog, 1997).

Lundgren and Kroon offer an alternative conception within the constructionist tradition. The concept of the ‘dynamic body’ postulates the body both as an ‘arena’ and as an ‘actor’ of the gender constitution process. As Kroon and Lundgren argue, they want to develop a constructionist concept which balances between ‘Cylla and Karibdra’:

Thus, Lundgren and Kroon develop a conceptualisation of the body which neither takes the body as ‘given’ by nature, or as discursively determined (‘genomträngd’) (Lundgren and Kroon, 1996, p 101). The dichotomous symbolic body is seen as a
the result of a disciplinary process. Along with Foucault (ibid. p101) they argue that:


Applied to the creation of the dichotomous male and female body, Lundgren and Kroon argue that the disciplinary creation of the male body as muscular and the female body as tiny and thin creates a clear symbolic representation of female subordination:

Dikotomiseringen visar sig således vara maktladdad, vilket dessutom tydliggörs av den naksymbolik som ligger integrerad i de idealliska könade symboliska kropparna: den lilla nätta kvinnokroppen och den stora muskulösa manskroppen. Den symboliska kroppen är viktig som ”bevis” på inre åkhet - de ”hela” kvinnan och mannen - och den yttre litenhetssymboliken som underordningssymbolik ger tydliga signaler om vad som räknas som en autentisk kvinnlig identitet (Lundgren and Kroon, 1996, p 103).

The dynamic perception of the body allows Kroon and Lundgren to go further and argue that the body is not passive, from nature given substance, but an agent, which protests and is creative:


I would argue that this dynamic perception of the body as power-loaded and as simultaneously created and creative provides a fruitful concept for the analysis of longitudinal historical transitions in the constructions of women policies – even if Kroon and Lundgren have not applied the concept in this context. In my interpretation, the concept of the dynamic body can contribute to an understanding of the importance of the way in which the biological functions of women’s reproductive bodies are conceptualised in the context of the transforming economic system. This permits one to explore the ways in which laws construct women as workers, possessing biologically specific reproductive bodies, and the ways in which the economic system was forced make adaptations due to the influx of women – with their biologically reproductive bodies and socially reproductive responsibilities – into the labour force.

Svalastog takes the argument about the dynamic body further, emphasising the reality of reproductive bodies. In the construction of gendered images the differential experiences of the reproductive body play a role. Bodies are not separate substances and entities, but parts of the construction process (Svalastog, 1997, p. 150). As already noted in section 2.2. Svalastog argues that the erotisisation of unsafe sex (sex without condoms) by men places the reproductive responsibility on women.
This is the crux of the matter of how women learn to subordinate their sexual priorities to the priorities of men’s sexuality.

Taking this argument a step further to the case of social reproduction, we can argue that by using biological arguments concerning women’s suitability for social reproductive tasks, men liberate themselves ‘by the limitations imposed by their natural features’ from nurturing responsibilities. Furthermore, I would argue that in the context of industrial societies, the articulation of the gender system of nurturing (based on men’s freedom from reproductive responsibilities) with the industrial system of separate spheres for production and reproduction forms the heart of the societal reproduction of women’s subordination. I intend to extend the conclusions which are based on the conceptualisation of gender construction as a dynamic process. I look at how the experiences of the differential reproductive realities of male and female bodies are reflected in the construction of welfare regimes as gendered systems.

Women’s caring and sexual availability is achieved by differentiating men and women, and by hierarchically ordering these categories. Through this ordering men utilise their biological features (having a penis) in the gender construction of ‘masculinities’ to be freed not only from the consequences of biological reproduction but even from social reproductive duties. Due to men’s bodies’ different reproductive functions, they, as a group possessing a penis, can define away the social responsibility for heterosexual intercourse. This is, however, a possible way of utilising the differences in bodily organs and not a necessary consequence of the differences in men’s and women’s reproductive organs. To claim that men’s privilege of being free from reproductive responsibility (sexual and social) is biologically given, is just as essentialist as it is to imply socially fixed reproductive roles to women’s reproductive organs. Liberation is inherent in the possibility of constructing reproductive responsibilities otherwise. The bodily difference is not determined by the gender system, it is a dynamic part of it. The social construction of masculinity can just as easily be transformed, and require, or enable men to share in the responsibility for, and the consequences of biological and social reproduction. This potential is expressed in the neutral versus gender specific categories of welfare regulations.

3.3. Gender regime and the organisation of production and reproduction

3.3.1. Introduction

In this section, my focus is on those rights that regulate the relationship between production and reproduction. The state, with its hegemonic position, prioritises specific ways of organising social life. The binary system of production versus reproduction that serves as the base for welfare policies reflect the industrial production system as it evolved during capitalism. The evolution of this production system is seen as a result of a ‘disciplinary process’ (cfr. Foucoul). The regulation of the interface between production and reproduction is seen as key element of this disciplinary process.

In this work I use the binary expressions of production and reproduction in an operational sense in a similar way, yet not with precisely the same meaning as paid work versus unpaid work. In general terms, production refers to activities through which the supply and thereby cyclical reproduction of the various economic units is secured. Production as it was shown in earlier chapters can take divergent forms, depending on the form of production and its integration with the dominant social formation (peasant subsistence farm, simple commodity production, capitalist farms). In forms fully integrated into commodity markets, the goal of production is to create ‘exchange’ values, whether it be services or goods. Reproduction incorporates those activities which are necessary for the re-creation of the daily subsistence and work capacity of a society’s members. As it was noted, reproductive activities can also be organised in various forms (applying Polanyi’s terms I differentiated state, market, household and reciprocal forms). Reproduction, in its forms integrated into the market, takes the form of producing exchange values realised in reproductive services or goods which replace the labour time otherwise required for carrying out those reproductive duties that these services offer. This distinction is drawn from differences in relations characterising the two spheres, rather than on the differences in the particular labour processes (cleaning, cooking, etc.). As was pointed out in the beginning of this chapter regarding the regulation of ‘paid labour’, maternity rights played an important role in the evolution of social citizenship beyond the reach of institutions based on universal rights (see the evolution of the school-system). In this subchapter the focus is restricted to how participation in reproductive and productive labour is reflected in the construction of gender-based citizenship. Below, I discuss this issue for the purpose of generating concepts, and not to provide a historic account of the evolution of gender citizenship in particular societies. References to concrete cases therefore are strictly illustrative.

3.3.2. Conceptualising production

Under industrial capitalism, the welfare state intervenes both in the regulation of paid labour (see the creation of a legal framework prescribing the conditions of paid labour, holidays, leaves, working hours, etc.) and in the regulation of biological reproduction (such as pre-natal laws including abortion, child-care benefits or child-care subsidies).

Sommestad (1997), among others, emphasised the relation between the evolving welfare models and the dominant model of societal gender division of labour. The cases below exemplify ways in which differential integration into the production organisation served to differentiate access to social rights. Consequently, gender-differentiated integration into labour organisations served as a basis for gender-differentiated redistributive rights.

The boundaries of paid work are circumscribed by institutional regulations. Eligibility for welfare projects is typically bound to certain types of labour contracts, wherein limited contractual work or part-time work does not guarantee access to

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28 The post-structuralist critique of the terms highlighted the problematic features of them. It would divert the focus of the work to provide an overview of these concerns see Beechey, 1988. For operational reasons I apply Gluckmann’s (1995) ‘reconstruction’ of the terms as representing specific social relations.
benefits. Consequently, eligibility for these rights depended on the way the ‘optimal’ wage worker was constructed.

In England, women’s participation in the labour force is to large degree part-time. However, due to short work days, irregular work, most part-time jobs do not qualify to the worker for social security arrangements – which are bound to employment. In contrast, in Sweden, part-time work is typically 75% work, and part-time workers qualify to social security programs bound to employment (Lewis, 1992). The employment of women with small children is common. Here, the proportion of part-time working mothers (working between 20 and 34 hours per week) is similar to those working full time (SOU, 1996 p. 45, even Cyba and Boje, 1997).

Certain economic behaviours fall outside of the formal regulation of labour, while they can be more or less integrated with reproductive labour and have crucial importance for the way in which the gender system is integrated with the prevailing economic system. An example is the informal economy. In Italy, women’s economic dependence on the main breadwinner is weakened by the wide-spread participation of women in the informal economy (Mignione, 1995).

In contrast in Hungary, in an urban context, it was primarily men who benefited economically from participation in the informal economy. In the villages, women contributed to family subsistence through small-scale agricultural production. They combined this activity with their normal caring activities. However, when market production increased in small-scale family-based agriculture, men’s participation superseded women’s (see Chapter 11). The market production of households increased as a result of the increasing integration of marketing into the co-operative. This was also accompanied by the incorporation of labour time in household-based production, into the time counted as the basis of eligibility for social benefits.

All nation-states have an interest in securing the biological and social reproduction of the population and in maintaining social stability. This legitimises the state’s intervention to secure the conditions necessary for reproduction. The evolution of divergent forms of gender regimes is, to a large degree, associated with the preferential organisation of reproduction.

Reproductive rights bound to paid labour have developed most widely in the Scandinavian countries and in the former state socialist countries (Oláh, 1998). The degree to which reproductive rights became part of eligibility connected with paid labour reflect differing historical origins. Sommestad (1995b) argued that comparatively late industrialisation, in combination with women’s large contribution to production in family farms (i.e. that the weak development of the isolated domestic worker model at the time of intensified industrialisation) played an important role in the development of the neutrality principle in the Swedish welfare model. In comparison, in former state socialist countries, women became part of the industrialisation strategy. As Liljestrom pointed out, in the Soviet gender model, the state placed a dual demand on women’s bodies and labour capacities: they were to be mobilised in the service of the industrialisation agenda, while their reproductive capacities were also to be enhanced. However, Liljestrom relates the strong feminisation of the

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reproductive role to patriarchal strategies of male homosociality. While the, historical evolution of industrialisation may have played an important role in the evolution of particular models of integrating reproductive rights into labour rights, the integration of reproductive rights also needs to fill a function for the prevailing gender division of productive and reproductive roles. In both cases (Scandinavian countries and former state socialist countries) women’s participation in the labour force was at the highest level amongst industrialised countries. This high rate of participation evolved in the mutual dependency of heated demand for labour and the household’s supply of labour to ensure living-standards.

3.3.3. Conceptualising Reproduction

Here, the focus is to develop a typology of how reproductive responsibility was shared between the state (redistributive sphere) and the family households. Depending on the intentions of various welfare states to promote increased birthrates, various financial incentive systems emerged, while other regimes left economic responsibility for the family in the hands of the main breadwinner. Paid systems differ largely according to the form of reproduction they prioritise to carry out reproductive work. The Swedish welfare system prioritises organised forms of day-care to care for children older than 1 year of age, while the comparable Hungarian system prioritised the family (with children up to the age of three), and within it, women’s reproductive roles (see in Chapter 9 on the extension of eligibility to men). Thus, the introduction of the welfare system alters the very nature of the binary concepts. Depending on the welfare regime, reproductive work becomes partially paid work and/or partially reproductive work is carried out in organised forms, such as day-care centres (see Figure 8.3).

**Figure 8.3. Alternative models of the social construction of reproduction**

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Nurturing</th>
<th>Socially organised</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic</strong></td>
<td>Family household</td>
<td></td>
</tr>
<tr>
<td><strong>Family household</strong></td>
<td>main breadwinner model: working husband and domestic worker wife</td>
<td>modified main breadwinner model: privatised childcare expansion of consumer industry in England</td>
</tr>
<tr>
<td><strong>Socialised</strong></td>
<td>weak main breadwinner model: childcare for children up to 3 years of age on childcare subsidy following 1968</td>
<td>Weak main breadwinner model: Childcare for children beyond three years of age in day-cares in Hungary</td>
</tr>
<tr>
<td>dual earner family</td>
<td></td>
<td>dual earner family</td>
</tr>
</tbody>
</table>

With women’s increasing economic contribution toward the costs of reproduction, women’s personal dependency on the main breadwinner weakens. Hernes (1987) argued that this dependency is replaced by women’s welfare dependency. In general
terms, women dominate as nurturers in all forms of reproduction. However, in socialised forms, they carry out this work as wage workers. Personal economic dependency of the reproductive worker weakens even if the family remains the form of reproduction. However, these models strengthen women’s reproductive responsibilities (Ferge, 1972).

### 3.3.5. Types of Welfare Regimes

The performance of both productive and reproductive duties is seen as essential for the reproduction of human existence. However, the particular duties that are organised in the form of an industrial capitalist production organisation, a redistributive economy or a family system are historically determined. As Gluckmann’s (1995) study pointed out, the increased influx of women into the labour force in England, went hand in hand with the increasing shift of certain reproductive activities (previously performed in the family) into the consumer industry. Thus, families which previously were self-supplying in certain consumption needs became buyers of consumer services. This allowed the reduction of women’s labour time in the home and allowed the increase of their labour force participation. In comparison, in state socialist countries, women’s increased labour force participation was paralleled by the increase of child-care services and extension of some services, such as subsidised supply of meals by companies. These cases shed light on the presence of a systemic relationship between the organisations of production and reproduction, and how the shifts in the composition of the paid labour force interact with and are conditioned by the prevailing organisation of production and reproduction. This interaction and preconditioning extends to the transformation of the prevailing distribution of labour between productive and reproductive spheres.

Welfare policies congruent with various gender regimes form distinct patterns, which are based on assumptions concerning the preferred gender division of labour between systems of production and reproduction, and by which these create gender differential opportunities for participation in the societal division of labour. Lewis classified gender regimes according to the strength of the male breadwinner model (Lewis, 1992). She illustrated the strong male breadwinner model with Britain and Ireland. The modified male breadwinner model was based on the French model, where historically parental support evolved in relation to the size of the family and was to promote fertility. Finally, she presented the case of Sweden as weak male breadwinner country.

Lewis’s categorisations focus on the realised forms of gender regimes – how labour forms construct part of gender relations. Other categorisations focus on differences in the political principles of citizenship. The latter could be illustrated by O’Connor’s (1993) typology along political regimes (liberal, conservative-corporatist, social democratic) and Langan and Ostner’s (1991) typology of (Scandinavian ‘modern’, Bismarckian ‘institutional’, Anglo-Saxon ‘residual’, and Latin Rim ‘rudimentary’ welfare regimes).

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30 See Germany, (Langan and Ostner, 1991) US (Sonnestad, 1997) for other examples of male breadwinner countries.

The concept of neutral alternatively universal welfare models is also used to distinguish according to the principles of entitlements between the various gender regimes. The Swedish model could exemplify the gender neutral case (Cyba, and Boje, 1997, Florin and Nilsson, 1997, Sommestad, 1997, while Langan and Ostner, 1991 uses the term universalistic).

My intention here is not to give an account of these various alternative models. Above I distinguished between various gender regime models according to the degree to which they apply the gender differences in the biological, compared to the social reproductive roles as a basis of social citizenship rights. In my analysis of the evolution of the Hungarian gender model in Chapter 9, I apply these two dimensions, -- the gender constructions of reproductive roles on the one hand and the forms of organisation of reproductive duties on the other hand -- as analytical tools for my analysis.

3.4. SUMMARY AND SPECIFICATION OF THE RESEARCH QUESTION

The various forms of organising reproductive labour and the various degrees to which the state takes over economic responsibility for reproductive duties is associated with the type of integration of women into the labour force. One of the research questions derived from the above statement is to see how the influx of women (as a category charged with reproductive duties) into the labour force is reflected in the incorporation of reproductive rights into the social construction of wage-workers. Furthermore, I also explore the ways in which the integration of workers with reproductive responsibilities influenced the evolution of the production organisation forms and the regulation of the interface between the production sphere and the reproductive sphere.

Above, the conceptualisation of the state as a gender regime was analysed from two perspectives. The first task was to identify the dimensions along which the principles for the eligibility to reproductive rights were formed. Laws were differentiated along the following dimensions: the first dimension was constructed around whether a law assumes a gender-specific matrix or was based on a gender neutral principle. The second dimension differentiated rights based on whether a law was constructed in reference to biologically specific functions of the female body as its basis of legitimacy, or contained rights which implied essentialist assumptions derived from biological differences, to women’s social roles. Thus, these dimensions help to explore the way in which the body is used in the gender construction of citizenship. Secondly, state policies were scrutinised as constructions interacting with the differentiation of the organisations of production and reproduction. This division evolved with the industrial production system and only partially fits the organisation of agricultural production co-operatives. The way in which labour is divided and organised between the spheres of production and reproduction, the dominant forms of production and reproduction, and further, the degree to which these two systems can integrate with one-other is regulated by and is reflected in state policies. These, in turn, reflect and regulate the prevailing gender division of labour between the two spheres.

These two elements are used to analyse the evolving Hungarian gender regime, which establishes the institutional framework for the evolution of the co-operative as a gender specific production form.
4. GENDER SYSTEM AND FORMS OF PRODUCTION

4.1. INTRODUCTION
As I indicated in the beginning of this chapter, the evolution of gender regimes was conceptualised as occurring in the triangular relationship between the state, the market and the family. In this section, I turn my attention to the analysis of the relationship between the market and the family. I accordance with the dual system theory approach discussed above, gender-based inequalities are interpreted as the outcome of the interaction between gender and economic systems of domination. In this way, gender inequalities gain expression in the context of the prevailing system of economic domination.

In the following, I start by comparing the interaction of the gender system in industrial capitalism with household-based production forms. Finally, this section is concluded with reflections on the potential for overcoming patriarchal structures.

4.2. THE GENDER DIVISION OF LABOUR IN THE FOCUS

4.2.1. Introduction
The relations between the state, the market and the family took different shapes in the various production forms. In the case of industrialised capitalist societies, the dominant system of co-ordination was market based. In wage labour societies functioning according to the industrial production organisation, capital divided society into a production apparatus, in which production was performed by the help of wage labour, and reproductive system, which (not considering the alterations caused by the expansion of the state) was to start, with performed by the families of wage workers. This split labour into a paid labour form component (wage labour) and an unpaid form, performed in the domestic (household) sphere. In comparison, household-based production forms utilised an uncommodified labour form. The household remain a unit of production, consumption and kinship. The relations between the household and the market evolved as a result of the production of commodities. Thus, the households themselves were divided between subsistence (reproduction oriented) and commodity producing activities. The question is, how did these divergent structures provide the grounds for materialising gender inequalities?

4.2.2. The Industrial Labour Organisation and the Gender System
Women’s reproductive responsibility under the conditions of an industrial production system meant an engagement in unpaid labour within the family. Lacking any independent source of economic existence, women became dependent on a main breadwinner. This full dependency is modified, for example, when women’s wage earning activity increases, or when women can generate incomes from the informal economy. Alternatively, women’s dependency becomes altered by the expansion of the economic and institutional responsibility of the welfare state for reproductive
duties. These alterations commonly result in a modified, nonetheless, continued dependency, since the income differentials between men’s and women’s activities persist. In the private sphere this dependency serves as a means for women’s subordination. In industrialised societies gender segregation of labour became the means of reproducing a gender-based subordination system. This process was characterised as a transition from private to public patriarchy. In the case of private patriarchy, women’s reproductive work is performed in a relationship of personal dependency on men. In public patriarchy, women become integrated into the labour force, but on unequal terms. Thus, women’s subordinate position in the labour market, together with their continued reproductive role in the family constitute dual systems, both of which reproduce women’s subordination.

4.2.3. Family Farms as Gender Systems

As was discussed in earlier chapters, despite the generalisation of markets, family farming remained the dominant production form in agriculture. Following Niskanen (1998) I will highlight three spheres through which the unequal power relationship between men and women gained expression in the agrarian context: the gender-based division of labour, the gender-based formation of ‘masculinities’ and ‘femininities’, and the gender-based inheritance customs.

Gender division of labour

The division of labour in family farms was characterised by complementarity. This complementarity took varying forms. A typical pattern occurred in a simplified manner in which women took charge of the reproductive sphere, while men’s participation was lacking. Meanwhile, women also participated beyond their reproductive work as a flexible labour resource in various areas of production work (Andersson Flygare, 1998). Typical female production areas were dairy, poultry, gardening (Niskanen, 1998). Often these areas were not considered core ‘production’ spheres. With the modernisation and commodification of production, changes occurred in the relative importance and meaning of various labour types. A gender pattern is of crucial importance even here. According to Sommestad’s summary:

När männen drogs ut i marknadens offentlighet, skulle den kvinnliga hemsfären stå för andra värden än de ekonomiska, så som omtanke, altruism och solidaritet. Tillspetsat uttryckt var det kvinnornas ansvar att värna om stabilitet, kontinuitet och familjens trygghet, medan det var männens sak att urifrån den ekonomiska rationalitetens kriterier ta risker i marknadens offentlighet. (Sommestad, 1998, p. 127)

Sogner (1998) comes to similar conclusions when she attributes a crucial position for women in the modernisation and commodification of agriculture. She argued

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32 See for the relation between the expansion of women’s labour force participation and the role of welfare state, see Langan and Ostner, 1991 and Hernes, 1987 and for the impact of women’s economic contribution in the informal sphere, see Mignione, 1995.

33 On incomes from informal economy see the case of Italy (Mignione, 1995), on the expansion of women’s labour force participation and the gender division of labour see Lewis, 1992.

that women formed a ‘flexible labour force - outside as inside - that was bound to the farm’ (ibid. p. 20). Thus, women’s work provided a basis which ‘liberated’ the male labour force for other inputs. This has decreased the risk-taking with experimenting with new production forms - which is critical during fundamental changes in agricultural production’ (ibid. pp. 21-22). What Sogner’s analysis implies is that women had a crucial importance in the transition to commodity production, as well as in the process of agricultural modernisation. In this, roughly put, women’s input was the continued engagement in subsistence production, while men could experiment with production forms that involved risk-taking on the market. In some cases engagement with the market meant wage labour of various forms.

Another important area which influenced the gender division of labour in family farms was the technological modernisation of agricultural production. The relationship between technological change and the gender-based division of labour was interpreted in various ways. According to one view, technological change had a negative relationship to women’s contribution to agricultural production. Historically, women’s economic roles in agriculture narrowed with the introduction of the plough. Men monopolised the new technology, which increased productivity, while women’s production stagnated (Boserup, 1970). Boserup’s thesis was seen to fit even the case of industrial countries. Despite the fact that in the majority of the cases, mechanisation eased the physical burden of labour by making work tasks less demanding and less dependent on sheer physical power, women’s participation declined parallel to the mechanisation of agriculture. However, it appears that it is not the feature of the new technology per se that is responsible for women’s declining participation in agriculture. Women’s participation in agricultural production was lower in nations dominated by large-scale market-oriented farming (Dixon, 1983). In regions of Europe with low capital-intensive agriculture, farming is highly feminised. In contrast, in capital-intensive agriculture women’s economic importance declined (Orolin, 1974). Where small-sized farms dominate, or where agriculture is on a low technological level, the proportion of female labour in agriculture is higher. These various elements that are associated with variations in women’s participation rate in agriculture, such as land concentration, capital intensity and market orientation are closely related – as much to one-another as to the level of mechanisation.

Mechanisation occurs in the context of agrarian transformation. It was argued that the pull of labour by industrial expansion resulted in the disappearance of abundant agricultural labour reserves, and in turn stimulated the mechanisation of agriculture. Mechanisation aimed at moderating the seasonal work peaks, increasing output and above, all labour productivity. The process of agricultural mechanisation, which, in most of the industrial countries reached its peak in the second half of this century, was accompanied by a radical transformation of the nature of agricultural production. Capital intensity and land-concentration increased, the output became nar-

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35 A similar historical shift was in harvesting technology from scythe to cycle. While both men and women are noted as harvesters in cultures of scythe harvesting, with the adaptation of the cycle, men become the harvesters, while women perform the subordinated duties of the binder, see Balassa, 1985.
rowed in to a small number of products, while the number of required "operators" diminished rapidly.

Wilson argued that it was not the increasing capital intensity of agriculture per se, that changed the gender division of labour within agriculture, but the prevailing social relation between men and women (Wilson, 1984, p. 16).

Thus, agricultural modernisation is not purely a sequential process of changing technology and productivity measures. While technological innovations challenge the prevailing gender division of labour, these challenges are resolved in the context of the prevailing distribution of control over resources and as part of an overall developmental pattern. A given level of technology can set limitations on the transcendence of gender barriers in the division of labour. However, these limitations often reflect dominant cultural images of gender norms rather than being the outcomes of unchangeable physiological boundaries.

Consequently, women’s participation in agricultural development should be analysed in the context of agricultural transformation. The most important transformation in the industrialised countries was the increase in capital concentration of agriculture. The reproduction of the production base for a declining agrarian population required the increasing concentration of capital resources. Thus, women’s exclusion from technological advancement is also a question of exclusion from the control over resources of increasing size.

There seem to be reasons to be sceptical about a direct relationship between technological change and gender division of labour. Technological change evolved in parallel with complex changes in the labour supply and labour resources of family farms. For example in Sweden, male farmhands largely left agriculture in the 1940’s and 1950’s to be replaced by machine power and farm family women in peak seasons. Women’s farm family workload in the productive sphere probably increased and became more diversified, but it largely had the character of supply of reserve, seasonal labour or "helping hands" – without much control and independent responsibility (Morell, 1983, Morell, 1996 and Andersson Flygare, 1999). In recent years in the family farms of industrialised countries the potential for the ‘empowerment’ of farm-women, – a trend opposite to the one just described – came into the spotlight. This process was associated with changes on various levels of the agrarian field, such as legal changes in inheritance (see below), professionalisation of women farmers, change in the evaluation of women’s and men’s roles in farming (Haugen, 1990). The influence of women farmers interest organisations were seen to have played important roles (Brandt and Haugen, 1997, Shortall, 1994).

**Inheritance**

From a gender perspective, inheritance patterns were seen to play a key role in the construction of masculinity and femininity. As Niskanen (1998) summarised: ‘The construction of ‘masculinities’ and ‘femininities’ has direct impact on the economic conditions for generational change, since they affect which property is distributed between male and female inheritors’ (ibid. p. 6.). In this respect, two levels ought to

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36 In the Swedish dairy industry women dominated while the labour requirements were physically demanding. Following mechanisation, despite of the fact that the work tasks became less demanding, men replaced women in the occupation (see Sommestad, 1992).
be separated. The level of rights and legal regulation of inheritance, and that of the praxis of transfer of property. In the Scandinavian context, daughters and sons obtained legal equity in their inheritance by the second half of the nineteenth century. However, in Niskanen’s view ‘men and women entered property relations on different conditions’ (ibid., p. 7). The ideological goal of keeping family property together led in family customs to practices, which typically favoured the oldest son in taking over the family farm.

The social construction of ‘masculinities’ and ‘femininities’

The expressions of a gender-based system were discussed above in their various ‘structural’ conditions, such as the division of labour or the division of power within the agrarian context. However, these conditions are seen as materialisations of symbolic rank-ordering of gender relations. These materialisations come about through active agency and an ongoing construction process. In very general terms, in the ongoing construction process a hegemonic position is taken by those who have power to define reality. Considering the case of gender inequalities, it was argued that the gender construction of power resulted in a gender-biased definition of reality. In the agrarian context, the source of power was the head of family status. The construction of a farmer is a gender construction. The basis of patriarchal power within the family farm was bound to the control over the production assets and to economic power. The gender-differentiated division of tasks and power equipped men with various social and cultural assets that were preconditions to perform the farmer role. With the modernisation of agriculture, technological know-how also reached such an important position.

In the international literature on the impact of agricultural modernisation on gender inequality, I would highlight two interpretation patterns. According to Osterud’s study, modernisation contributed to the strengthening of inequalities. As Niskanen summarised:

…män vi och genom moderniseringsprocessen omformade sin kollektiva, agrara identitet och tillägnade sig en mer individorierad, med marknadsekonomi och företagsamhet förknippad självbild. Kvinnlighet däremot var även försiktigt knuten till familjen och lokalsamhällets sociala organisationer (Niskanen, 1998, p. 6).

Men’s alleged monopolisation of the advances of technological modernisation in agriculture was assured by the gender construction of technology. While average men have larger muscle strength than average women, are on average longer than women, etc. the creation of technology that takes the male bodies physiological conditions as the norm, leads to physiological difficulties for women to cope with labour tasks (Sachs, 1983, in a general none-agrarian context see, Christenson, 1999).

The maintenance of gender boundaries that influence access to know-how, socialisation and training for the acquisition of such know-how, is to large degree transmitted through the gender specific construction of ‘masculinities’ and ‘femininities’, – the desirable social attributes of gender identities. Studies on the gender division of labour in dairy production showed that dealing with milk prior to the modernisation
of the labour process had a very strong association with ‘femininity’. In Sweden, Sommestad’s (1992) study showed that the processing of milk was a ‘feminine’ occupation. Women carried out the physically demanding work tasks. With the modernisation of milk processing, a complex process came about which included the introduction of machines. This eased the physical burden of the work and promoted professionalisation of the work. Parallel to this transition, the gender coding of the occupation was reversed. Thus, the formation of gender identities evolves in a reflexive relation with cultural, economic and technological transition.

In traditional societies, folk-culture obtains a crucial symbolic value in the creation of identities (Liljeström, 1995), while in contemporary societies the media gains an important symbolic value in the construction of identities (Brandth and Haugen, 1998).

As the review on inheritance customs pointed out, the state gender ideologies reflected in legal regulations may deviate from prevailing praxis. With the state socialist transition, the alleged emancipatory goals of the state served as the basis for legislative practise. However, as it was shown, common praxis deviated from the legislative edict (Tárkány Szücs, 1981). A similar example is presented in the Scandinavian context by Haugen (1990, p. 198). While equal succession rights were introduced in 1974, the proportion of daughters who plan to take over the farm is below the proportion of son’s, according to a 1986 survey.

In the state socialist context the hegemonic position of state legislation was strong. Nonetheless, as the analysis of the discourse on ‘suitable’ jobs for women will illustrate in Chapter 9, the materialisation of emancipatory goals and policies was filtered through the discursive creation of ‘masculinities’ and ‘femininities’ in the state socialist praxis as well.

The ‘masculinities’ and ‘femininities’ terms are used in plural, since, as for example, the Hungarian literature indicated, there were multiple ‘masculinities’ and ‘femininities’ depending, not the least on the social rank of the family and the internal position within the family compared to the head of the household within the agrarian families. This historical background might indicate that gender identities are not fully locked up in some kind of eternal pattern of inequality. This also gives the perspective of the potential ‘empowerment’ of women (Brandth and Haugen, 1998, Shortall, 1994).

Above, two ways of breaking with the prevailing constructions of ‘masculinities’ and ‘femininities’ were named: one from above (by means of legislation) and the other from below (via grass-route organisations and pattern-breaking individual praxis). This study looks at the construction of gender identities on two levels. In harmony with the analytical model utilised in the analysis of production forms, I argue that the prevailing gender relations are formed in the interrelationship between the features of the dominant gender system, which are expressed in the legal regulations of the state, and the prevailing gender relations and interest structures characterising the level of analysis (family, organisations, etc).

4.2.4. Summary

At the beginning of this section the dependency relationship between the sexes was analysed primarily through the structural foundations of the reproduction of inequalities between the sexes. Within industrial societies, the gender division of la-
bour plays a key role in the reproduction of women’s personal dependency. This included, on the one hand, women’s *unpaid reproductive labour* and *men’s freedom from reproductive duties*; and on the other hand the *gender segregation of labour in the public domain*. The latter concentrates wage-earner women in the low-prestige and low-income sector of the labour organisation hierarchy. Meanwhile, in family-based production forms, the internal division of labour within the families divides men’s and women’s spheres. An important dimension of this gender division of tasks was women’s responsibility for subsistence production and domestic duties, as well as the provision of flexible labour force. As a result, men were made free to engage on the market and take risks. Through this latter force, the gender division of labour served as an important dynamic element of agrarian transition.

However, the reproduction of the inequalities between the sexes cannot be purely explained by the analysis of material conditions, because the hierarchical relations between the sexes are reproduced through the *ideologies* concerning the gender roles. The state socialist policies concerning women formulated the ideological basis for the reproduction of the system. The state socialist ideology concerning women reflected the economic and social interest bound to the reproduction of the system. The laws concerning women attempt to make women’s reproductive (biological and social) role compatible with women’s labour force participation. By the policies concerning women continued to serve as a means of reproducing the images concerning the relation between the sexes and the power relations given in society.

Under the conditions of an industrial production system (based on the duality of wage labour and unpaid reproductive labour) a gender division of labour necessarily leads to the reproduction of women’s subordination via personal economic dependency. This subordination is realised on the basis of the complementary constructions of women’s and men’s spheres of labour in which proper ‘femininity’ is combined with reproductive duties and proper ‘masculinity’ is combined with freedom from them.

The gender construction of ‘masculinities’ and ‘femininities’ served the symbolic means of ensuring gender inequalities also in family farms. These images conceived the farmer as the male head of the household, while the farm-wife occupied a complementary and subordinated role. Ideologies concerning the head of the enterprise

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37 Men typically are seen as having an economic responsibility for subsistence of the family, or are expected to provide economic contribution to child-care.

38 While, I do not question the role that the dominant form of heterosexual sexuality has in the transmission of male superiority, I chose within this study to analyse women’s subordination in the context of institutions reproducing women’s subordination within labour.

39 Some question that structural analysis can be applied at all, and emphasise the formation of the ideology transmitting women’s subordination, Sommestad, 1992.

40 See Hirdman’s, 1990 model inspired by Habermas, which articulates the relationship between ideology and structure.

41 In state socialist systems it is of primary importance to separate the role of the state as employer and as a welfare state guaranteeing the organisation of the social security system. The need of this separation became all the more sharply formulated in the state socialist politics during the eighties, see Kolosi, 1989. See for a feminist critique of the welfare state Hernes, 1987, and for a feminist critique of the state Pateman, 1985. For a feminist critique of the state socialist ideology, see Liljestrom, 1995, and Goldman, 1993. In Hungarian context see Ernst, 1986 and Ferge, 1979.
status are, however, not unchangeable (Haugen, 1990). In this respect state policies and local praxis could deviate.

4.3. THE REPRODUCTION OF GENDER-BASED INEQUALITIES AND CONCEPTUALISATION OF TRANSITION

Hirdman argued that a prevailing gender contract can be renegotiated. Critical historical circumstances can provide opportunity for these renegotiations. In periods when an economy’s demand for labour changes drastically, for example, during wars or in periods of strong economic expansion, a shortage of male labour can mobilise women’s labour resources and can open opportunities to ‘re-negotiate’ the contract. Thus, Hirdman referred primarily to alterations in the gender contract that are initiated by shifts in the economic system. The case of flat organisations could be taken as example for how changes in the economic structures can provide opportunity for change in the gender structures. Flat organisations (in which managerial hierarchies are cut down and where individual achievements could easily be compared) provided better chances for women’s advancement compared to hierarchical organisations, where individual achievements were not as easy to compare (Blomquist, 1994, Roman, 1994).

Sommestad (1997) directed the attention to the importance of changes in the reproductive system for the evolution of given patterns of gender relations. Comparing the development of the rudimentary U.S. and Swedish welfare states, she argued that differences in reproductive investments and reproductive challenges experienced in these societies contributed to the strengthening of the male breadwinner model in the US, but to the evolution of the dual-earner model in Sweden. The term reproductive investments is used to describe the differences in the per capita income levels, which determined the opportunities for families to ‘invest’ in a private family life. Levels of reproductive investments differed according to whether or not the income of the head of the household could support a family. Low wage levels were seen to encourage the wife’s wage labour. The term reproductive challenges is used to refer to the supply of labour power in demographic terms, i.e. the question is whether or not the fertility of a population is sufficient to ensure the supply of a productive population required for caring for the aged of the future. Reproductive challenges are seen also as disturbances in the provision of labour. If the given male labour force is not sufficient to provide for the labour need of the society, women’s participation is also encouraged. Thus, the concepts suggested by Sommestad are indeed reflexive concepts, and implicitly assume a relationship between the needs of the production apparatus and of the reproductive system.

At the beginning of this chapter I argued that the reproduction of the industrial economic system assumed the existence of both an organisation of production and of reproduction. Combining both Hirdman’s and Sommestad’s argument, challenges both in the productive and reproductive systems, respectively, can be seen to stimulate adjustments in the prevailing gender system. To take examples from Hungary, the increased demand for labour during the extensive industrialisation during the early phase of state socialism facilitated the employment of women. This mobilisation was further enhanced due to the lack of available male labour reserves. Consider the period following the introduction of GYES (the childcare subsidy) in 1967. Ferge argued that women’s reproductive roles were brought in to the limelight fol-
lowing the shift in economic policies in the sixties. These aimed at intensifying the use of given labour resources rather than the expansion of the labour force. The introduction of the GYES was also seen by some as the outcome of a low fertility rate.

However, the dynamics of the economic system per se, are not sufficient to explain the reproduction of patriarchal systems of differentiation. *Neither the demands of the economy nor the challenges presented by the reproductive system can explain the evolution of the gender distribution of duties between the productive and the reproductive sphere and the evolving gender system of hierarchies.* The economic and reproductive challenges discussed above provide the boundaries of the system, but not the reasons for the gender division of labour. Women’s march into the labour force during the state socialist period could not have been achieved without the constant demand by the economy for additional labour – and the characteristic low per capita income produced by the economy. However, the concrete realisation of women’s gender-specific integration into the labour force throughout the state socialist period cannot be understood without analysing the forces contributing to the enforcement of gender systems of hierarchies in the context of the ongoing challenges to its reproduction. The vivid discourse around the definition of ‘suitable’ jobs for women at the beginning of the sixties, when the push to integrate women into previously male jobs was most forceful, illustrates this point (see Chapter 9).

In the specific context of the gender segregation of labour, Wikander argued that equalisation would require, beyond large-scale economic and societal changes, the active agency of agents and organisations:

> For gender integration at work to become a reality in an overall societal perspective, at least three factors seem crucial. The first is a more general economic and societal change, which lays the foundation for dramatic changes in mentality and societal co-motions in which traditions are abandoned or re-evaluated. ... Then there have to be agents and organisations which push politically and economically for gender integration (Wikander, 1995b, p 148).

This leads to the importance of the discursive creation of norms of ‘femininity’ and ‘masculinity’ for the evolving gender segregation of labour that was emphasised, for example, in an earlier work by Sommestad (1992), as well as by Wikander: ‘The engendering of technology is thus very much a matter of timing; it may have to do with the historical stage of a special technique. But it may equally be connected to the historical period and its conventional judgement of women’s work.’ (Wikander, 1995b, p. 147)\(^2\). The importance of the discursive creation of norms of ‘masculinity’ and ‘femininity’ to the evolution of gender segregation of labour supports the argument that gender hierarchies evolve according to a logic autonomous from the logic of the demands of the economy.

I view the relationship between the needs of the economy and of the gender system to be reflexive. In periods when large-scale economic changes shake up the prevailing power balance within the gender system, the latter goes through a process of discursive renegotiation. The importance of the changing perceptions of ‘femininity’

\(^2\) As Wikander claims: ‘The increase and decrease of ...possibilities [for equal work with men (my addition)] were culturally and socially constructed over time.’ (Wikander, 1995b, p. 135).
for the gender division of labour in the co-operatives is analysed in the context of the evolving state regulations regarding reproductive and labour rights in Chapter 9. Focusing the discussion of ‘femininities’ and ‘masculinities’ on the area of state regulations does not, however, mean that these conceptions are determined one-sidedly from above, nor that state regulations would be the only spheres for creating such images (see Brandth and Haugen, 1998 on the creation of gender images in the agrarian context). Despite the ‘totalitarian’ features of state socialism, such all-pervasive hegemonic creation of gendered images could not be conceived of in Hungary (see on civil society and women’s issues under state socialism in Hungary, Gál, 1998).

Walby (1997) showed that the historical transformation of the gender division of labour evolves along tendencies toward segregation and integration. Wikander (1995b) argued that while the tendencies of segregation dominate over time, integrative processes can also be identified which, nonetheless, typically alternate with periods of segregation. In her analysis of the Gustavsberg porcelain factory during the period between 1880 and 1980, she identified five types of integration tendencies, in which women were integrated into male jobs. Three of these processes were bound to such kinds of changes in the labour process, which could be interpreted as containing transformation in the hierarchical position of particular jobs. The first case referred to specific employer strategies to use female labour to counterbalance male workers. The second included jobs which were on their way of becoming obsolete, and the third was related to the restructuring of the jobs in a way that women obtained the work areas involving a subordinate position in the work process. Thus, these integrative processes meant, in reality, the re-creation of women’s subordinate status in a new technological context. In contrast, the two last cases in which gender integration occurred implied no kind of shifts in the overall status of the jobs (ibid. pp. 145-146).

More attention has been paid to the analysis of segregation processes. Cockburn emphasised the active role of male-dominated unions in the exclusion of women from advancing areas (Cockburn, 1983, Wikander, 1991, 1995b). Witz argued that patriarchal strategies of ‘exclusion’… may be identified as those in which exclusionary practices are directed against actual or potential women practitioners or employees; they seek to create women as a class of ‘ineligibles’ (Witz, 1986, p. 17), and patriarchal strategies of ‘demarcation’… relate to those aspects of occupational control that extend beyond the sphere of control over the supply of an occupational group’s own labour, and are concerned with the creation and control of occupational boundaries, attempting where possible to subordinate related or adjacent labour and occupations” (Witz, 1986, pp. 14-35). This has been used to assure women’s subordination in the labour market and in labour organisations. The patriarchal strategies identified by Witz allow the reflexive recreation of gender-based hierarchies, which adapt to the changing economic importance of given labour areas. Thus, while in the domestic sphere the reproduction of men’s freedom from reproductive responsibilities was pinpointed as the heart of patriarchal domination, in the public sphere, the source of patriarchal domination is based on acquiring control over key resources (whether it be capital or knowledge leading to key positions within the labour market). Thus, I analyse the transition of the gender division of labour within the co-operatives with a focus on how access to key resources is gendered, and how the
transformation of key resources can be related to the transformation of the gender division of labour.

Furthermore, I argue that the relation between economic and gender systems of domination are mutual. The analyses of prevailing gender systems of hierarchies can contribute to the understanding of dynamics in the economic system. My analysis aims at showing the reflexive relations between the modernisation of agriculture in the specific context of the developmental model of Hungarian agricultural production co-operatives, and the evolving gender system. As it is discussed below, this modernisation is seen as a complex phenomena, which includes the analysis of the organisational transition, technological change and changing production profile of the co-operative’s collective sector as well as changes in the importance of the household-based production sphere (see Chapters 10 and 11). Thus, similar to Wikander, I intend to analyse changes in the gender division of labour in the context of the changing economic importance of the specific work areas. However, I am also interested in seeing how the prevailing gender hierarchies contributed to the active formation of the organisation of reproduction and production in the economic sphere.

5. ‘STRUCTURE’ VERSUS ‘SUBJECT’? THE GENDER SYSTEM AND THE MECHANISMS OF SYSTEM MAINTENANCE

Inspired by Liljeström’s (1995) analytical discussion, I describe three alternative approaches (patriarchy, social construction of gender and gender system) of importance for the explanatory model used to conceptualise women’s subordination in this analysis. These models focus, in varying degrees, on the importance of limitations posed by prevailing dominant social relations and social and economic structures based on these relations on the one hand, and on the importance of the process and ways in which the gendering process is socially constructed on the other.

Hartmann’s patriarchy concept analyses women’s subordination as a social relationship:

We can usefully define patriarchy as a set of social relations between men and women, which have a material base, and which, though hierarchical, establish or create interdependence and solidarity among men that enable them to dominate women. The material base upon which patriarchy rests lies most fundamentally in men’s control over women’s labour power. Men maintain this control by excluding women from access to some essential productive resources... and by restricting women’s sexuality (Hartmann, 1981, pp. 14-15).

Furthermore, Hartmann assumed that women’s caring role is in the dual interest of the prevailing dominant economic system (let it be capitalism or state socialism) and patriarchy, which provides the given historical context for the materialisation of the concrete form of women’s subordination.

The patriarchy concept was criticised by some for being deterministic, reductionist and for assuming the universality of subordination. Thus, some expressed a fear of conceiving patriarchy as a universal, ahistorical term. Gayle Rubin argued that: ‘sex/gender system ... is a neutral term which refers to the domain and indicates that
oppression is not inevitable in that domain, but is the product of specific social relations which organise it’ (Rubin, 1975, p. 168, in Liljeström, 1995, p. 26).

Constructionist formulations of women’s subordination aimed to supersede the structuralist bias and emphasise the active social creation of gender differences. The differentiation between sex and gender has the capacity to emphasise that the biological raw-material – the perception of biologically given differences between men and women – are socially transmitted. The proper conception of ‘femaleness’ and ‘maleness’ in bodily and social terms is the product of an ongoing process of creation (see also Sommestad, 1992). As Liljeström summarised:


While, constructionist theories highlight the dynamic nature of the creation of gender identities, the dilution of the term patriarchy can involve the danger of relativism. By this the importance of institutions, through which the products of ongoing creation of gender identities are materialised can be neglected. Thus, the shift of emphasis from the creation of gender identities to the analysis of the systems reproducing these identities is warranted:

...is an analytical tool for describing the genealogy ... and consequences of female and male sexual character. The concept is aimed at clarifying the profound cultural and socio-historical process that forces the world’s two existing types of people into their respective gender - into the linguistic conventions of “male” or “masculine” and “female” and “feminine” and everything attached to it. The gender system thus refers to the concept underlying a social organisation that arranges the sexes into he and she... (Hirdmann, 1987, p. 3).

Gender system focuses on the whole relationship between men and women, rather than on a ‘lopsided’ power relationship between men and women. The gender sys-
tem is time and space–specific. Nonetheless, its historically specific form is achieved by the operating of two general rules: firstly, the separation of the categories of she and he into a female sphere, described by the terms of ‘indoors/home/private/ work associated by the home’ and a male sphere, described by the categories of ‘outdoors/market square/public/ work connected to the market square’ (Hirdmann, 1987, pp. 4-5)\textsuperscript{44}; and second, the rule of the male norm, i.e. things done by men are assigned a higher value. Thus, a gender system is a kind of contract: ‘acceptance of “his” outside status with all the resulting duties and responsibilities that fall to gentlemen, and acceptance of ”her” inside status.’ (Hirdmann, 1987, p. 8).

As Liljeström argued, the concept of system allows us also to view the relationship between men and women dynamically:


Based on my reading of Hirdman, I think of a gender system as one that is not necessarily patriarchal. Gender system refers to a system where activities are systematically associated with ‘male’ or ‘female’ gender categories. In comparison, a gender system is seen as patriarchal if the ‘female’ and ‘male’ spheres are systematically placed into a hierarchical order, where ‘male’ activities occupy positions on the top of the hierarchy, or where the actions and autonomy of those in the ‘female’ positions are limited or depend on the actions of those in the ‘male’ positions. Furthermore, Hirdmann suggest three levels of analysis: symbolic, which includes the archetypal, ideological images of proper men and women; an institutional level, which includes the structural conditions of work, politics and culture, and an individual level, which concentrated on how the gender contract functions on the level of heterosexual couple-relations.

6. SUMMARY

This chapter sought to provide a theoretical framework for the analyses of production forms as gender systems. Dual-system theories served the theoretical starting point for the presentation. According to the derived model, the relationship between men and women is formed in the dual context of economic and gender based inequalities. Though these are not reducible to each other, they are, nonetheless, what I call in mutual articulation with each other. From the diverse patriarchal structures identified by Walby (paid work, domestic work, state, culture, male violence and sexuality) my analysis was restricted to the analysis of the division of labour, the

\textsuperscript{44} The applicability of this binary system to the case of Hungarian agricultural production cooperatives is going to be scrutinised later.
state and some aspects of culture. I argued that the dichotomy of paid work and domestic work was derived from the industrial production organisation and cannot be adopted to the study of family labour based systems. Therefore, instead of this dichotomy I use the level of form of productions as the unit of my analysis for the materialisation of gender relations. From the various forms of economic co-ordination laying ground for the various forms of production (state, market, household and reciprocity) my analysis was restricted to the exploration of gender relations which evolved in the triangular set of relationships between the state, the market and the family households.

In the next section, I focused on the construction of gender-based citizenship in the so-called gender regimes. In accordance with the dual system approach, gender regimes were analysed as formed on the one hand along the gender construction of ‘masculinities’ and ‘femininities’ as the base of citizenship. Here, the question was: how was the gender-specific citizenship of men and women formed in reference to the differences between men and women in biological, as well as social reproductive functions? On the other hand, the gender regimes evolved in the context of the prevailing organisation of production and reproduction. Here the presentation was restricted to an analysis of how state regulations conceived the integration of reproductive rights into rights derived from ‘employment societies’ (Pateman, 1988), as well as the way in which state regulations constructed the state’s responsibility for biological and social reproduction.

Furthermore, patriarchal structures in industrial wage labour societies and in family farms were investigated. In case of the latter, patriarchal structures were seen to be manifested on three levels (division of labour, inheritance and the construction of ‘masculinities’ and ‘femininities’).

Finally, the relationship between symbolic and structural levels of patriarchal relations is reflected upon in order to identify the subject for continued analysis.
CHAPTER 9

The Evolution of the Hungarian State Socialist Gender Regime (1945-1989)

INTRODUCTION

In this chapter I focus on the evolution of the Hungarian state socialist gender regime. The emphasis is on how men’s and women’s citizenship was constructed with reference to their working abilities (in production and reproduction) and their rights and duties concerning these abilities. Under state socialism the state had a dual function, serving as both employer and as the provider of welfare institutions. In Chapter 4 the state’s role in the creation of the state socialist social formation and tolerated forms of production was analysed. Here the focus is on the state’s functions as a welfare institution (more specifically as a system of laws, welfare institutions, provisions and the underlying ideological justification of these), and its role in creating and reinforcing gender-specific citizenship. Gender-differentiated rights and duties served as the institutional framework for the reproduction of the gender division of labour, and through this, the gender-differentiated access to means of subsistence.

The analytical model presented in the previous chapter had its roots in dual system theories. These theories were developed from an analysis of industrial capitalist societies. The Hungarian case under scrutiny deviates from this case in some key features, while it also has underlying similarities with these societies. In the previous chapter the triangular relationship between the state, the market and the family was used as point of orientation in the analysis. Here, I summarise the specific features of the state socialist gender regime with the state as the focal point. According to my interpretation of dual system theory, presented in chapter 8, gender inequalities have their basis in patriarchal structures, which are rooted in the gender-differentiated constructions of ‘masculinities’ and ‘femininities’ and their materialisation in patriarchal relations. These patriarchal relations gain their ‘articulation’ within the prevailing systems of economic dominance. Consequently, my analysis has a dual focus.

As will be shown below, the state socialist emancipation ideology had a crucial importance for the evolution of the state socialist gender regime. This aimed at ‘liberating’ women from ‘domestic slavery’ by socialising reproductive duties and mobilising women for the purpose of the socialist industrialisation project. Wage
labour, in contrast to domestic labour, was perceived to have a humanising potential. Thus, women were to be ‘freed’ by assimilating Nitto the ‘masculine’ norm, while men’s privileged freedom from reproductive duties were not challenged. This chapter investigates the various ways in which the norms of ‘masculinities’ and ‘femininities’ evolved in the context of the changing demands of the economy. As it was analysed in chapters 3 and 4, in Hungary, the transition to ‘indirect redistributive co-ordination’ laid the groundwork for the so-called ‘resource-limited’ features of the economy, which among other things, led to the endemic labour shortage of the economy. This also laid the groundwork for the excessive mobilisation of female labour reserves. ‘Labour delusion’ strategies allowed for management to pay higher wages for ‘core’ labour categories on behalf of intensifying the internal wage differentiation and the low income levels of marginal labour categories. Stimulated by the low wage levels characterising the ‘socialist wage labour relation’, wage workers relied on a dual base of subsistence and combined household-based production forms with wages. Patriarchal and economic systems of domination are not seen to be reducible to each other, and the interests of these structures are not seen as necessarily coinciding with each other. Nonetheless, they are seen as mutually influencing each other. The state socialist system has been described as a redistributive system, where principles of human solidarity and justice were to penetrate all levels of society (Ferge, 1979, 1980). Thus this ‘redistributive justice’ was to penetrate all levels of the state’s spheres under state socialism, and consequently, even the economic sphere. Central regulation of wages, prices and redistribution of resources between the various sectors of the state’s activity as a complex system were to partially mediate those principles which the correction mechanisms of the Western welfare states perform in more rudimentary forms (expressed in the term ‘decommodification’ see Esping Andersen, 1990, in the Hungarian case see Swain, 1992, and in comparative terms in Polányi, 1957). The power paradox of redistributive forms of control lies in the different access to control over the terms of redistribution of resources. Thus, while the principles of access to the redistributed common wealth were decommodified even in capitalist welfare states, the redistributive power of those in control over these resources creates a power vacuum in both capitalist and state socialist systems. The channels of influence of civil societies over redistributive power differed fundamentally in these two systems. However, due to the presence of a power vacuum, the laws and regulations of the state (and through their redistributive power those ‘empowered’ to influence these regulations) gain a hegemonic position in relation to those over whom these regulations rule. Thus, as much as the state can be conceived off as a ‘benevolent’ institution, one can also conceive of it as a hegemonic institution. It is these hegemonic features of the state that I take as points of departure for the analyses of gender regimes. Women’s labour force participation increased dramatically during the state socialist period in Hungary. The rate of women’s economic activity most closely approached
the level of men amongst industrialised countries. Nonetheless, women’s increased economic activity was not paralleled by men’s increased participation in the reproductive duties which were carried out traditionally by women. Women continued to carry out most of the unpaid reproductive work in the families. Parallel to women’s increased labour force participation, the overall amount of unpaid, reproductive work also declined drastically. While a series of structural changes could contribute to the decline in domestic work, such as the improvements in households technology or the depreciation of the standard of domestic work due to pressures created by the double work-load of women, an undoubtedly important change was the partial transfer of reproductive duties from the household to the state sector. One of the main features of the state socialist emancipation project could be highlighted in the following paradox: supported by the principles of the state socialist doctrine of women’s emancipation on the one hand, the state expanded its involvement in the reproductive sphere, and reproductive labour was emphasised as labour of societal importance. On the other hand, reproductive duties remained gendered, women’s responsibility in the family and in the socialised reproductive sphere prevailed and these conditions were legitimated with biological rhetoric (Liljeström, 1995). Thus, while women’s personal dependency on the male main breadwinner weakened as a result of women’s increased labour force participation, it did not disappear. Women occupied the low-pay segment of the labour force, and the reduced personal dependency on the main breadwinner was replaced by a dependency on the state institutions.

The importance of state welfare policies in enforcing the boundaries of a gender system of labour segregation has recently moved in to the spotlight of welfare feminist research. This research highlights the divergent ways in which various welfare regimes deal with the regulation of the gender division of paid and unpaid work. The impact of emancipatory state ideology and policy on the evolving gender regime in the Soviet Union became the focus of sovietological women’s studies. State policies concerning women were critically evaluated even in Hungary. Using the insights of feminist research on welfare, sovietological women’s studies and Hungarian sociological writings on women, the intention of this chapter is to place the Hungarian state socialist regulation of the ‘women’s question’ in the conceptual context of the gender regime literature. With the starting point in the international

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1 Frey, 1995 provides a comparative analysis, where the rank-order of various countries according to women’s economic activity rate varies somewhat depending on the operationalisation of economic activity rate.

2 The expansion of water pipelines, central heating, and electricity simplified a series of household duties. Nonetheless, the improvement of household technology did not, as expected, cut down in the domestic labour time universally, since the level of expectations increased, see Nyberg, 1989.

3 Women were forced to accommodate their domestic labour time to the demands of paid labour. Women’s total time spent with labour expanded, which forced women to cut down on time used in the household, see Chapter 12.

4 Here primarily the expansion of day-care facilities, subsidised food service on the jobs are to be mentioned.

5 In Western comparison this was called welfare dependency, Lewis, 1992. Hernes, 1987. On the relation between welfare dependency and feminine poverty in a Scandinavian perspective, see Syltevik, 1996.
literature, the more specific research question examines *how the gendered expectations about productive and reproductive behaviour were constructed in the context of state socialist emancipation rhetoric and political praxis.*

2. **The Origins of Soviet Type Gender Regimes**

2.1. **Introduction**

The formation of the Hungarian post-World War II gender regime was an outcome of an interplay between the implemented soviet ‘emancipatory’ model and a series of specifically Hungarian conditions. Soviet emancipatory ideology saw women’s unpaid domestic work as the source of women’s dependence on men – and consequently the source of their subordination. The state socialist emancipation ideology envisaged women’s mass labour force participation as the means of their liberation. Women’s reproductive duties were to be transferred into the public sphere and socialised. Following the Stalinist revision, the institution of the socialist family strengthened, and the state placed a dual demand on women – as labour force and as mothers. State socialist systems were indeed successful in stimulating women’s labour force participation, and the rate of women’s economic activity in the state socialist countries exceeded that of other industrialised countries.

To develop a critical approach to the origins of the Soviet type gender regime goes beyond the focus of this study. Therefore, in the following analysis, I restrict myself to providing a concise summary of the main features of this evolving system in the light of sovietological women’s studies. Three periods are discussed: the origins in classical Marxist theory; the post-revolutionary period; and the Stalinist period. The post-Stalin period is not highlighted in the context of the Soviet Union. Here, the evolution is followed only in case of Hungary, even if modifications also occurred in the Soviet system (Liljeström, 1995).

2.2. **The Classical Marxist Theory of Women’s Subjugation**

Scott (1974) and Lapidus (1978), among others, appraised the impact of the end of the nineteenth century social democratic movement and Marxism on the evolution of the classical Marxist theory of women’s emancipation. The classical vogue of Marxism explained women’s subordination under industrial capitalism as a result of their responsibility for reproduction and of their exclusion from productive labour (Engels, 1978, Bebel, 1971). They perceived the household as a backward institution, where reproductive labour has low effectiveness, and which ought to be superseded by more effective labour organisation forms. According to Engels the function of the family and bourgeois marriage is the transfer of property. In contrast to the contemporary liberal feminist ideas, they argued that the revolutionary transformation of society is necessary for the emancipation of women. Classical Marxist thought treats biological differences in a somewhat contradictory manner. Engels claims that the social reason for women’s subjugation is to be found in the appearance of private property. While he emphasised the social origins of women’s subjugation, this was nonetheless necessitated by women’s different biological functions. The role of the family in the transfer of inheritance of private property necessitated
the control of women’s sexuality. In the bourgeois family, women’s exclusion from production led to women’s ‘prostitution’ within marriage. At the onset of industrial capitalism, peasant and working class women have participated in ‘productive’ labour. Industrial labour organisation separated the production sphere from the family. Women’s role in biological and social reproduction could be only partially synchronised with the demands of industrial organisation. Marxism assumed the superiority of the industrial labour organisation and production. Engels recommended the help of the state and society as the solution to the problem of proletarian mothers with ‘breasts dripping of milk’ and of their children growing up without care on the streets (Engels, 1957). He argued that the solution of the noncommensurate features of women’s biological maternal, and maternal caring functions with industrial organisation was to build up an institutional system by the state which would take over women’s reproductive responsibilities. The foundations of the state socialist ideology were the interpretation of women’s subordination according to the first wave of Marxism. The preconditions for women’s emancipation were: women’s participation in productive labour, the extension of the state’s responsibility for reproductive labour (leading to the withering away of the family and of the household) and the socialist transformation of society altogether. The child-care institutions and the socialisation of the household were to replace women’s reproductive labour. Critics of Marxist analysis of women’s subjugation criticised both Marxism’s neglect of treating the relationships between men and women as part of a system with an independent logic, and its overemphasis of labour as means of women’s subordination (Jaggar, 1983). On the other hand, Marxism was criticised for the neglect of the importance of the family as a social institution transferring non-commodified values, offering an alternative to the totalitarian attempts of the state and economy (Elshtain, 1981). From a constructionist side, it was argued that Marxism made the ‘masculine’ norm the ideal for women to achieve. Within the Marxist conception, the ‘social norm of masculinity’ (i.e. wage labour, identification with the demands of the rational, effective labour sphere formed by market mechanisms, and the freedom from reproductive labour), showed the goal of women’s emancipation. From this point of view women’s reproductive labour was devalued.

2.3. THE POST-REVOLUTIONARY PERIOD 1917-1922
Women’s reproductive labour was viewed by the early soviet ideology not only as the institution of women’s subjugation but increasingly also as the means of women’s ‘stupidification’. This diminution of women’s intellect was also seen as the power holding back men’s revolutionary spirit. Lenin writes the following in his work ‘Soviet power and women’s status:

Notwithstanding all the laws emancipating woman, she continues to be a domestic slave, because petty housework crushes, strangles, stultifies and degrades her, chains her to the kitchen and the nursery, and she wastes her labour on barbarously unproductive, petty, nerve-racking, stultifying and crushing

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6 Here, the ‘norm of masculinity’ was defined purely from the aspect of labour.
drudgery. The real emancipation of women, real communism, will begin only where and when an all-out struggle begins... against petty housekeeping, or rather when its whole-sale transformation into a large-scale socialist economy begins (Lenin, in: Mahowald, 1978, p. 228).

Thus, women’s labour force participation and participation in productive labour was seen also as lifting up women from the stupefying context of the household. The social norms represented by men became norm-giving for women as well. The values nurtured by women within the family and household became devalued. According to Goldman (1993) the majority envisaged that through the generalisation of socialist conditions and by women’s labour force participation, women’s emancipation would be accomplished. One radical minority claimed that the victory of socialism and women’s labour force participation meant only one step towards women’s emancipation. Women’s full emancipation was also preconditioned on the revolutionary transformation of sexuality. According to Kollontai, women’s sexual oppression is not purely the consequence of women’s economic oppression, consequently, the system of sexuality ought to be transformed in a revolutionary manner in order to liberate women. The way of this liberation is the expansion of the social responsibility over children, the liberalisation of women’s sexuality, and the extinction of the double standard. This ideal involved also the expansion of men’s assumed sexual privileges, or the assumed ‘masculine norm’ of sexuality to women. This involved the refusal of the value system that was assumed to represent the ‘female norm’ of familiarity7. The path to women’s sexual liberation was envisage in the withering away of the family as an institution, and the expansion of the responsibility of society – especially male society – for the growing generations8.

2.4. STALINISM AND THE DUAL DEMAND ON WOMEN AS WORKERS AND MOTHERS (1922-1953)

As it was pinpointed by sovietological women studies (Lapidus, 1977, 1978, Goldman, 1993, Brodsky Farnsworth, 1977, Liljeström, 1995, Heitlinger, 1979, 1987), by the time of Stalinism the institution of the family had been re-evaluated. The strengthening state socialist system had a double interest in women’s labour power. On the one hand, women were to be mobilised as the reserve army of industrialisation. Women became part of an industrialisation strategy, which, as far as urban female labour was concerned, was cheaper than the employment of rural male labour, since accommodations had to be provided for the latter. Urban women already formed part of a family9. On the other hand the contribution of women’s reproductive role to the reproduction of the state socialist system became all the more clear. As Goldmann emphasised, with the expansion of social problems, such as the phenomenon of orphans, or homeless children’s gangs, the lack of economic resources, which resulted in the failure to build up the social institutions envisaged in the...

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8 Lenin, 1978, in contrast was in favour of the socialist family ideal.

9 Lapidus, 1978, pp. 100-102; and Szélényi, 1988 on the low urbanisation rate as a feature of state socialist development strategy.
emancipation ideology, all led to the revaluation of the institutions of the family, and of the household, during Stalinism (Goldmann, 1993). The state retreated from the pursuit of the total socialisation of the family and household sphere. The state socialist system was forced to acknowledge the need to maintain the institutions of the family and household. The ideal of the bourgeoisie family was replaced by the ideal of the socialist family. The family was re-evaluated as an institution that strengthened social stability. It emerged as the medium socialising the hierarchical world-view, and as the institution of the reproduction of labour power which was the cheapest for the state budget. The family became idealised as the microcosm of socialist society at large. As Trotsky argued: ‘...the most compelling motive of the present cult of the family is undoubtedly the need of the bureaucracy for a stable hierarchy of relations and for the disciplining of youth by means of 40 million points of support for authority and power’.

Makarenko’s views reflected also the revival of the patriarchal family ideal:

In our country the duty of a father toward his children is a particular form of his duty towards society ... In handing over to you a certain measure of social authority, the Soviet state demands from you correct upbringing of future soviet citizens.

Thus, women’s continued responsibility for child-rearing and household was not brought into question, but instead crystallised into the ideal of socialist motherhood. The women-ideal of Stalinism built on the duality of the working woman and the socialist mother. In contrast to the early socialist ideology, which besides liberating women from household work, also sought after the full integration of women into the economic and political life on level similar to that of men, Stalinism claimed that women’s biological and social mother role can be matched with women’s participation in productive labour, in which complementarity is the criteria of full ‘femininity’. As a female hero of labour expressed during a visit in the Kremlin:

"Our feminine hearts are overflowing with emotions ... and of these love is paramount. Yet a wife should also be a happy mother and create a serene home atmosphere, without, however, abandoning work for the common welfare. She should know how to combine all these things while also matching here husband’s performance on the job.” "Right!” Said Stalin. (Lapidus, 1978, p. 115).

Liljestrom argued that the evolving soviet gender regime placed a dual pressure on women. On the one hand they were to meet men’s heroism on the job and evolve into androgynous beings. On the other they were destined, supported by biologically deterministic argumentation, to reproductive roles and were to perform as gentle mothers and home-keepers:

I intend to show who the new regulating norms constructed the category woman. This came by on the one hand on the basis of a homologisation and androgynisation, i.e. according to criteria which advocated an expansion of

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the so called male characteristics even to women, and on the other hand on a
sex-based difference principle, which had its base in a biological determinism.
This sex-construction placed contradictory demands on women’s sexuality and
their bodies: the so-called female attributes should at the same time be de-
stroyed or hidden and preserved. (Liljeström, 1995, p. 229).

3. THE EVOLUTION OF THE HUNGARIAN GENDER REGIME

3.1. INTRODUCTION
While, the commonness of the state socialist system provided some underlying
similarities between Eastern block countries (Oláh, 1998), the various East-block
countries had national dissimilarities from the main model (McIntyre, 1985). As was
discussed in Chapter 3, Hungary’s incorporation was completed following 1948, the
year of turn. The 1956 uprising constituted the end of the Stalinist period. Due to
the 1956 events and the subsequent compromise era in Hungary, the evolving new
phase was articulated in reference to – and in opposition to, the Stalinist period.
This is very apparent in case of the discourse on suitable jobs for women during the
sixties. The following part of this chapter deals with the presentation of the evol-
ution of the Hungarian gender system.

3.2. STALINISM AND THE IMPLEMENTATION OF THE SOVIET ‘EMANCIPATORY’ PROJECT TO HUNGARY
Women’s labour force participation was organised according to the labour needs of
the evolving socialist production system. Thus, women’s labour was put into the
service of a social economic transformation. Meanwhile, according to the emancipa-
tory rhetoric, women’s mass labour force participation was seen as the means of
women’s emancipation. In the context of agriculture, women’s labour force partic-
ipation symbolised the fall of a peasant patriarchal production system, and women’s
liberation from the patriarchal bondage of the family. As a quotation from Stalin’s
speech to peasant women that was used in a Hungarian propaganda book in 1952
illustrates: “The kolhoz liberated women with the labour unit. It made her indepen-
dent. She ceased to work for her father, as a girl, or for her husband as a woman, but
came to work primarily for herself” (MNDSZ, 1952, p. 52).

In Hungary the Stalinist female ideal evolved during the so called Rákosi period.
According to a speech by Rákosi in 1952:

We are glad to see that women occupy day by day new working areas... the
first female locomotive-driver started to work again a male fortress, which
women successfully occupied (MNDSZ, 1952, p. 131) (my italics).

Women’s labour contribution was to be evaluated with the same standard as men’s
In practical terms, this meant with standard determined by men. In Stalin’s words:
‘From the point of view of the labour unit everybody is the same: women like men’
(Stalin, MNDSZ, 1952, p. 51). Thus, women’s ‘liberation’ was identified with
women’s reaching up to a male standard. This evoked not only the sense that
women should aspire to reach men’s performance levels at work, but also made
demands on women’s bodily images. The female ideal of Stalinism was the physically strong woman.  

Women’s integration was to be forwarded not only into conventional female areas but into formerly male occupations:

In order to cover the increasing labour demand of the economy it should be made possible that women can live with their rights guaranteed by our people’s republic for them and make possible for them to find employment in substantially larger proportions in even such occupations where up till now only very few women were employed (1.011/1951 (V.19) decree of the Ministerial Council)

According to the same decree, women’s proportion was to be increased to 30% in the machine industry and to 21% in the building industry by means of quotas applied in hiring. In order to secure the conditions for the employment of women with nursery age children, companies in which the number of women employed in one shift was higher than 250 were obliged to provide nursery accommodations for the children of breastfeeding mothers (1.011/1951 (V.19) decree of the Ministerial Council). Other decrees ordered the expansion of local nursery and day-care networks to provide the preconditions for women’s labour force participation (3025/1952. General Machine-industrial Ministry decree).

However, women as workers were subject to specific regulations, which were to protect their abilities to perform maternal duties. These protection laws were not to hinder, but rather to make it possible for women to become wage workers:

The Hungarian People’s Republic protects the working woman’s maternity and forwards the increased labour force participation of women by means of proper assignment of the work conditions for working women and the expansion of a broad network of childcare institutions. She secures that the working woman should be emancipated from her century long oppression and should become an equal member of the socialist society’ (§ 93 of the 1953 Decree of the Ministerial Council of the Hungarian Peoples Republic on the Protection of Working Women and Juveniles) (my italics).

Meanwhile, women’s reproductive role strengthened and was reformulated by the focus on the socialist family ideal. The Stalinist period reacted to falling fertility figures with the introduction of pro pronatalist regulations. The falling birth-rate was to be turned by decree. The introduction of the prohibition of abortion, against the previous liberal regulations, and the new focus on women’s biological reproductive roles in the context of women’s labour force participation expressed this concern.

Women’s biologically reproductive role gained crucial importance in the redefinition of women’s integration into the world of labour. Women’s reproductive capacity was seen from the point of view of labour and the rule of wage labour as an abnormality that was to be corrected. The deviance of women’s labour power from the

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12 In international context see for the shift in women’s physiological characteristics in the context of the shift in women’s economic role in Bradley, 1989 and Sommestad, 1992, or on the physiological features of the Soviet women, in Lilljeström, 1995.
rules of an economy built on the social norms of ‘masculinity’ was to be compensated for by the women’s political laws.

Women protection laws were formed with the dual purpose of protecting working women as potential mothers as well as working women who are effectively mothers, (pregnant women as well as women and their born children).

Women as potential mothers were to be protected primarily by prohibiting the employment of women in occupations which were seen to damage women’s health – and more specifically women’s reproductive capacity.

The creation of lists of occupations where women’s employment was prohibited was legitimated by women’s biologically-rooted differences. These laws took the physical characteristics of the male workers as norm. Instead of regulating the technological development in a direction which would have been suitable for the female biological features also”, female labour force participation was simply prohibited in areas in which the existing technology was judged as harmful to the female organism. This meant that women were effectively excluded from the main, ‘masculine’ norm – an exclusion justified by women’s biological features deviating from men’s.

However, these biologically grounded deviations often relied on alleged, rather than real differences.

The prohibition laws also contained some general prohibitions on the employment of all women. Some of these prohibitions could also be justified by biological differences (such as the prohibition of dealing with materials such as leased), while other could be seen to originate from some kind of ideal of ‘femininity’, and were based on fabricated, rather than real reasons (such as well-digging, land moving work, horse-shoe fitting) (see the 34/1953 Ministry of Agriculture decree).

However, some of the prohibitions were specific to pregnant women. In the case of agricultural occupations, the 34/1953 FM (Ministry of Agriculture) decree prohibited employment in certain occupations during pregnancy, and so on the basis of justified biological features (e.g. in ploughing, tractor and combined harvester driving, spraying of chemicals, and from the fourth month of pregnancy even in certain characteristically ‘female’ occupations (such as binding or fruit picking). These prohibitions were legitimated by protecting pregnant women from specific sorts of threats, such as chemical poisoning, lifting excessive weight, infections, or occupations requiring functioning balance (1/1953 Minister of Interior decree).

Thus, this latter category of protection laws applied to effective mothers and took their departure in the satisfaction of the biological needs bound closest to childbirth. Women were to be protected by special laws during the period of pregnancy. While women’s employment could not be denied on the basis of their pregnancy, they received different rights. Pregnant women were not to be employed in occupations

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13 Heitlinger pinpoints also that the women’s protection laws were legitimated by ‘women’s physiological and psychological differences’ (Heitlinger, 1987, p. 55), i.e. differences from the ‘masculine’ norm.

14 In this context the justification is partially granted, that under the technological conditions of the state socialist industry, and the limited nature of the resources available for the improvement of work conditions, the prohibition laws did provide real protection for women, see interview with Ibolya Kövári, chair at the Magyar Nők Tanácsa (Hungarian Women’s Council) in 1992.
dangerous for their health. The list of such occupations was to be worked out by each ministry (for agriculture see below).

Pregnant women from the fourth month of pregnancy to the sixth month of breastfeeding were not to be employed in heavy physical work or on nightshifts. In areas with changing shifts, they should preferably be employed in the morning shifts (1953. Decree of the Ministerial Council, Chapter 9: On the protection of working women and juveniles § 95).

Working women were entitled to 12 months delivery leave (szülési szabadság), of which 6 weeks were to be taken out prior to, and 6 weeks following delivery. Working women were entitled (beyond maternity aid (anyasági segély) and a free-of-charge nursery kit allotment, (csecsemőkelengye juttatás) which non-working women were also entitled to receive), to pregnancy and delivery assistance (terhességi és gyermekágyi segély) in the value of 12 months wages (1.004/1953. (II.8.) Ministerial Council Decree on the Protection of mothers and children, also in: 1953, § 95 Book of Labour Rights). These regulations sought to compensate for the estimated time-loss in wage labour connected to the fulfilment of women’s biological reproductive role. Reproductive responsibility for the new-born beyond the needs connected to the biological reproductive role was to be provided by the child-care institutions, and a certain easing of work rules was secured for women to promote the breastfeeding of the child:

If the working mother breastfeeds her baby in the company nursery, nearby communal nursery or in her nearby home, she is entitled to breastfeeding leave in the duration of half an hour, twice daily during the first six months, and following this up till the ninth month of the child, half an hour, once per day. This time is to be counted as labour time and average wage is to be paid for it.... If nursing the child cannot be secured in the above way, the employer is obliged to provide up to maximum of three months unpaid leave (1.004/1953. (II.8.) Ministerial Council Decree on the Protection of mothers and children, also in: 1953, § 95 Book of Labour Rights)

According to the same decree, working women were also entitled to paid sickness leave to take care of their sick children up to the age of one, while for their children between one and six years, they were entitled to take out unpaid leave of up to a maximum of 30 days per year.

While, the conditions provided by the Stalinist period for the combination of motherhood and paid work were harsh, repressive pronatalist measures were introduced to secure fertility. In Hungary Rákosi ordered a prohibition against abortion in 1953 with the following legitimisation: ‘(abortion) ...threatens seriously the health of the mothers and of the whole nation, it affects destructively morality and family life’ (1.004/1953. (II.8.) Ministerial Council Decree on the Protection of mothers and children). The same decree introduced a penalty taxation at the value of 4% of the income of men and women without children.

Thus, as Liljeström pointed out, concerning the Soviet case, Stalinism placed contradictory demands on women, women were to both match men on the labour front and be destined to child-rearing and home-keeping (Liljeström, 1995).

The gender construction of the Stalinist period not only created contradictory claims on women’s features (i.e. on women’s bodily and character related features) but on
women’s social roles. The expansion of the ‘redistributive’ spheres involvement with childcare was accompanied by the increase in women’s labour force participation. As a consequence, the socially available time for women available for maternal duties in the framework of the family was narrowed. Women’s maternal roles were disciplined into the frameworks permitted by maternal ‘rights’ available for working women. The obvious limitations which the fulfilment of their maternal roles placed on their integration into the production system, clearly determined their deviant integration into the labour force, which historically evolved from the assumption of a (male) worker free from reproductive responsibilities.

In contrast, Stalinism left untouched men’s privileges originating from the social norm of ‘masculinity’. While women’s nurturing role was enforced as mothers, men’s freedom from participation in nurturing roles was not called into question. Instead, men’s responsibility to provide economically for raising children was enforced. Regulations urged the establishment of paternity confirming men’s economic responsibility related to child rearing:

1. The executive committee of the local councils should provide sufficient assistance to achieve that the father of a child which is born or to be born outside of wedlock, should marry with the child’s mother, or if this is not possible, make him acknowledge the child, with a full-power declaration, as his. 2. At the same time the Ministerial Council issues a decree to an intensified insurance of child rearing (gyerek tartás) and provision for the birth-giving mother, furthermore for the juridical protection of children and mothers. In case of future paternal support (tartási dij) applications, the sum of the paternal support is to be evaluate so that it reaches at least 20% of the average income of the person responsible for its payment (7/1953 (II.8.) decree for the increased juridical support of children and mothers).

3.3. The Search for Suitable Jobs for Women (1956-1967)

3.3.1. The ‘Re-gendering’ of the Labour Force during the Post-Stalinist Period

In Hungary, the post-Stalinist, post-1956 revolution period created in many ways, a new context for the evaluation of the role of women’s labour. Due to the large-scale industrialisation of the country, combined with the features of socialist economic development male labour reserves were exhausted and male economic activity rate reached its limit, while the release of agricultural surplus labour would only partially satisfy the labour demands of the economy. The major labour reserves were women. Between 1949 and 1965, the labour force increased by 800,000 workers, of which 700,000 were women. Thus, the proportion of women amongst all wage earners increased from 29% to 39%. A large part of the increase was in industrial occupations, where the proportion of women increased from 21.7% in 1949 to 39.6% in 1965 (Jenovay, 1966, X, p. 368).

By the early sixties a shortage in male labour became general in the economy. Men’s employment was seen to have reached its upper limit by 1961. The shortage

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15 See Kornai’s theory of the resource limited economic development.

16 See, e.g., Szoboszlai, 1964, No 7, p. 27-28 argues that this shortage is especially prevalent in heavy physical semi-skilled and transport jobs.
of available male labour characterising large sectors of industry created the necessity for women’s employment – even in areas formerly dominated by men. Thus, the need for the expansion of the labour force required a return to the intensification of the mobilisation of female labour reserves between 1961- and 1966 (Berettyán, 1966, p. 84). Women’s labour force participation increased sizeably during the sixties.

Women’s integration occurred as a gender specific category. Women were already seen as a labour force with responsibility for biological and social reproduction. Women’s integration into paid labour was to be enhanced in ways that would not hurt their abilities to combine paid labour with reproductive duties. To achieve this, positive and negative sanctions were applied. As is shown below, protection laws sanctioned women’s labour rights negatively, in connection with the women’s protection laws. While prohibition laws sanctioned the relation between women’s reproductive roles and wage labour in a negative way, through exclusion, positive sanctioning of women’s reproductive rights, enabled women to combine reproductive and productive duties. Reproductive rights allowed the deviation from the norm of productive labour which was based on men’s lack of responsibility for reproductive duties.

The scope of rewards of system of reproductive rights expanded somewhat. The changes during the early sixties largely reflected the economy’s need to cope with maladjustment problems related to the influx into the labour force of women with caring responsibility for babies and small children. The main extensions were the extension of unpaid maternity leave to 20 weeks, the introduction of breast-feeding allowance and the right to stay home from work for taking care of sick children. This reflected a change in women’s employment pattern from having two high points (i.e. one prior to acquiring children and one after the small child period, when women returned into paid labour) to a more permanent employment curve, where women remain in the labour force during the period in which a child was small (Koncz, 1987).

The expansion of day-care facilities proceeded more slowly. By the middle of the sixties, it became more and more clear that the further mobilisation of female labour reserves was impossible without the further expansion of the child-care system. Furthermore, the poor fit between women’s reproductive roles and the requirements of the productive system based on the assumption of a work-force free from reproductive duties, created further obstacles and tensions for the expansion of women’s employment.

Parallel to the large-scale expansion of women’s employment, an excess female labour reserve had difficulties finding employment (Szoboszlai, 1964, p. 28) since the remaining reserves contained those categories of female labour that were previously difficult to mobilise, such as women with small children. Women’s efforts to obtain employment were increasingly characterised by the social problems families with children. Consequently, the integration of female labour into industry could not occur without the re-negotiation of the prevailing gender division of labour.

During the Stalinist period in Hungary, i.e. during the late forties and early fifties, women were expected to take over heavy physical work. This enhanced integration of women into male jobs, such as work in the mines, tractor-driving, locomotive driving. Such attempts of the fifties were highlighted in the sixties as threatening
examples of extremes. According to the emerging view in the sixties, women’s integration into male jobs was to be preceded by the cautious evaluation of the suitability of these jobs for transforming them into ‘female’ jobs. The political goal was to find suitable areas where women could take over men’s jobs. In this way, male labour power could be freed for jobs which were seen as not suitable for women, yet struggling with labour shortages. Labour resource policies argued clearly in gendered terms. This is reflected in what I called the discourse on suitable jobs for women.

Prepared in the discourse on suitable jobs, women’s protection laws were strengthened in the new regulations of 1966. This law changed former praxis by dividing occupations into two categories. In the case of a few occupations, general prohibitions were issued, while for a broader group of occupations, decision-making on which occupations should be involved in the prohibition list was decentralised to the company level. Here, decisions were to be formed on the basis of general principles issued in the decree. In practise, the regulations broadened the circle of occupations in which the employment of women was prohibited based on their biological reproductive roles. In certain occupations prohibition was extended to all women, rather than specific groups of women, such as pregnant women (tractor and lorry-driving and spraying of chemicals became generally prohibited occupations). These prohibition decrees served as guiding principles in hunting for ‘suitable’ occupations for women. While, women were to be moved into previously male jobs, to ease the shortage of male labour, this influx was to come about in the context of a refined gender code regulating the definition of ‘suitable’ jobs for women.

The debate on suitable jobs for women was carried out in special journals of the ministry of labour. Below eight articles on this topic published in Munkaügyi Szemle (Labour Review) between 1960 and 1968 are analysed.

A key feature of the definition of suitability for women was the lack of physical strength required for a job. The female ideal constructed in the suitability debate, which was based in the prohibition laws, was weak. While, during the Stalinist regulations even some traditionally female occupations were registered as prohibited, for example, during pregnancy, now the focus was to identify those traditionally male occupations which were not suitable for women, and therefore in which no women should be employed. This concern about suitability was obviously motivated by the threat to male occupations posed by the forced influx of women into formerly male occupations. As a consequence of these decrees women’s employment was effectively stopped in many of those occupations which were bound to the modernisation of agriculture.

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17 The employment of women in these occupations is taken as frightening examples for ‘exaggerations’ against the true female working qualities, see Jenovay, 1966, p. 368.

18 On the prohibition of women’s employment on tractors over 30 horse-power and lorries over 3 tonnes see 4/1966 (X.21.) MűM decree. The prohibition on driving tractors was renewed despite the improving technological level with modified border values in 1982, see 6/1982 (VI.12) EüM decree.
3.3.2. The Discourse on Suitable Jobs for Women and the Re-gendering of the Labour Force

Is the mobilisation of female labour reserves necessary?

The economic development model of the fifties and early sixties, the so-called command economy was based on an ‘extensive’ developmental strategy (expansion by the increase of workplaces), combined with management responding to central directives. By the sixties this strategy seemed to fail, since the labour resources of male labour became exhausted. The labour shortage was somewhat further aggravated by the gradual decrease of the labour time during the early sixties, which was typically compensated for by the increase of workers rather than by increasing productivity (Timár and Pirityi, 1962, p. 39).

In the debate reviewed from the early sixties, the expansion of the labour force was seen as the primary means for coping with the economy’s labour shortage — which was seen as necessary for the continued expansion of the economy. The continued demand for labour led to a ‘necessity to discover labour reserves’. Policies basing economic growth on the expansion of labour reserves were forced to come to grips with the fact that the male labour reserves were nearly exhausted by the sixties. Consequently, women remained the only available reserve. As one argument follows: ‘The objective need of the national economy necessarily demands the increase of the female economic activity rate’ (Jenovay, 1966, p. 369).

Alternative ways to combat labour shortages also emerged in these discourses. These alternative strategies argued for the intensification of production via labour rationalisation and technological improvement as means of decreasing the economy’s labour demand. These ideas gained central importance in the 1968 economic reforms (see Chapter 3).

However, while women were treated as a labour reserve, the labour shortages characterised those developing heavy industrial branches of the state socialist economy which were primarily employing male labour. Thus the demand for labour was highest in traditionally male occupations. While the service sector was also developing, in part, as a consequence of the expansion of women’s labour force participation, since tasks traditionally performed in the households were now moved into the public sphere (day-care, food supply, laundries, etc.), the industrial sector developed the most. Thus the integration of the mobilised female labour force involved a fundamental challenge to the prevailing gender segregation of labour force. As it is documented in the analysed articles, the influx of women into previously male occupations met varying degrees of opposition on the shop-floor, as well as on the level of company management. In economic branches which had shown some level of feminisation historically, for example, in the case of the postal service, women’s integration met with less opposition. In case of the heavy industrial branches with traditionally low participation of female labour, however, the opposition was stronger. Some argued that women’s employment in former male occupations was

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19 The number of workers employed in the industrial sector increased by 485 thousand between 1960 and 1970. Out of this 318 thousand were women. Meanwhile, the number of workers in the trade and services sector increased by 97 thousand, out of which 86 thousand were women, see KSH, 1984, Népszámlálás, Vol. 36, p. 372.
less contested in situations in which there were opportunities for men to move upwards. We shall return to this soon.

Thus, since women’s integration into previously male-dominated areas could not proceed ‘spontaneously’ it had to be encouraged by systematic political and economic pressure. The political discourse encouraging women’s integration distanced itself from the discourse of the fifties, when women’s emancipation via labour force participation and women’s march into previously male occupations formed the cornerstones of the day’s rhetoric. Instead, it turned now to initiate women’s integration into ‘suitable’ occupations. The practical management of women’s influx required the active re-gendering of occupations:

…the further intensification of the integration of women in the labour force is a necessity, not the least to enhance the chances that even such occupations could be filled, which can only be performed by men, using the female labour resources properly by means of internal labour force regroupings. The question is, whether there are sizeable labour areas beyond those workplaces which already today are filled to rather high degree with women, where women could be employed (Jenovay, 1966, pp. 369-370) (my emphasis).

Is the expansion of women’s labour force participation feasible for the national economy?

During the sixties an alternative strategy, emphasising the increase of efficiency, was also emerging. This new discourse turned towards an ‘intensive’ phase in development strategy – even if women’s labour force participation continued to be actively encouraged (Timár-Pirityi, 1962, p. 39).

In the context of this discourse, the increase of women’s employment rate was analysed from the point of view of its economic feasibility: how much does it cost for the society to expand its services which would replace women’s labour in the household compared to the expected value of surplus created by women in the labour force? Supporters of the expansion of women’s labour force participation claimed that the contribution of the extra female labour to the production of GDP would exceed about three times the expected costs of the expansion of the required service sector. They also claimed that the increase in the size of the labour reserve made available for the economy at large would also exceed about threefold the increase in the number of newly employed replacing women’s domestic labour by socially organised services. (Timár-Pirityi, 1962, p. 39).

The required transformations of the reproductive sphere should seek to decrease women’s total labour time: by mechanisation, societal organisation, services, childcare institutions and city planning of housing and services to make access easier (Timár-Pirityi, 1962, p. 39).

The problematic nature of the mobilisation of female labour is that due to the extensive development of industrialisation, and low technological advance of the early industrialisation, the areas with large labour shortages were typically low skill, heavy physical jobs, or skilled technical jobs, areas where women had traditionally not been employed. Since women were not employed in these areas, the influx of women created strains on the organisation of these industries. Thus in the context of the emerging alternative discourse of ‘rational labour-use’ leading to the 1968
reforms, the expansion of female labour was interpreted as potentially uneconomic. The unfeasibility of the extensive labour policy evolved not the least from the critique of the maximisation of female employment:

One can expect the potential decrease of demand for labour in case of individual enterprises or given labour areas as a result of the all the more intensifying perspective of rational labour-use in enterprise management, which intensified especially following the modification of the economic management system (i.e. of the plan economy), especially during the first phase of the discovery of internal labour reserves, or that with the consideration of economic feasibility, even the increase of female labour force participation per se can appear as potentially economically less feasible (Jenovay, 1966, p. 369).

More concretely, the economic feasibility of the expansion of female labour was seen as limited by the new indirect expenses that would be incurred due to the need to assume some of women’s reproductive responsibilities:

- the economic costs of the further incorporation of women are sizeable due to the expenses bound to the development of child-care institutions, or that one part of the potentially mobilised labour force is going to be bound to the excess staff demand (such as child-care personal, food servicing personal, etc.) originating from the employment of female labour force. (Jenovay, 1966, p. 369).

Women’s employment was seen as problematic even from the point of view of expenses directly related to the employment of women. Such added expenses were pointed out in the cost of building child-care institutions, as well as other derived costs, such as the expenses of separate wash-rooms, change-rooms and buying working clothes make female labour cost more’ (Jenovay, 1966, p. 372).

New argument against seeing women as an expensive labour force claimed simply that if the economy needs women’s labour, then it is going to create those circumstances that are required for women’s employment. Here the East-German example was referred to, where labour shortages occurred earlier, and the strategies to fight these shortages included both demand to increase the effectivity and to the increase of women’s incorporation (Jenovay, 1966, p. 369). Jenovay’s argument fits into the framework elaborated by him. He, in tune with the rhetoric of the 1968 reforms, pleaded for the decentralisation of decision making concerning the feasibility of the extension of the employment female labour to the company level.

Thus, during the sixties, two discourses ran parallel: one for the mobilisation of female labour reserves and one pleading for alternative labour-saving strategies. It was the latter, that gained support in the introduction of the 1968 New Economic Mechanism (see Chapter 3) and the Childcare Subsidy System in 1966.

The role of the emancipatory rhetoric

The ‘equality discourse’ occupied a rather ‘shy’ position in the debate of the early sixties. ‘Real equality could be reached only through the full participation – in which fullness is naturally to be interpreted ‘realistically’- in the societal division of labour’ (Jenovay, 1966, p. 369). This claim echoes the classical Marxist terms, where participation in the labour force (i.e. the meaning of full participation in the
societal division of labour) was seen as a precondition of women’s emancipation. Thus for the generation of growing girls it was important to demonstrate a belief in the goal ‘to prepare themselves to become working members of society’ (Jenovay, 1966, p. 369). These formulations implicitly state that only wage labour is proper labour, and that household-based reproductive labour cannot be considered as entitlement for emancipated status, i.e. full social citizenship (my term).

The management of women’s mobilisation

While, women’s employment was to be encouraged (due to the prevailing labour shortage) it was not to expand at the expense of women’s reproductive capacities. Within the framework of the planned economy, labour management was a central political concern. Women’s employment was further regulated in the 4/1962. (IV.5.) MüM decree. This broadened the circle of occupations within which women’s employment was prohibited. Women’s employment was to be simultaneously encouraged in occupations defined as suitable for women. The institutional method for enhancing the improvement of labour management of enterprises was ensured by the decree requesting the compilation of enterprise executive plans (vállalati intézkedési terv). These plans were to be delivered to the (felügyeleti szerv) supervisory bodies of state enterprises. These were the Labour departments of the local or country level councils. These plans were to account for the yearly expected demand for labour and the available reserves, and further outline ways in which labour could be saved or regrouped to release hidden reserves (Horváth, 1965, p. 91-92).

During the sixties the critique of the command economy increased. One such critique was oriented towards human resource management strategies. As it was argued human resources cannot be ‘managed’ as instruments, materials, energy:

The object of economising is not dead material, but the living person, with its instinctive and conscious desires, aims and acts. Therefore, the labour resource management…solutions cannot be based on a system of administrative and forced arrangements. (Timár and Pirityi, 1962, p. 38).

Instead, labour resource management ought to build on a balance of plan and voluntarism:

…create such circumstances by means of the complexity (intézkedés) of wide-ranging, complex regulations which involve arrangements corresponding with each-other in a planned fashion, which allow that the reproduction and division of the labour force fulfilling the demands of the society, as the result of the conscious acts of individuals based on voluntary decisions. (Timár and Pirityi, 1962, p. 38) (my italics).

The study of local work conditions and the principle of voluntarism, rather than the realisation of central quotas, was to guide the integration of women into the labour force also:

…the economic structure, the occupational structure within the given economic branch, and the transformation of work-places and work-conditions
play an important role” for the evolution of women’s employment. (Timár, 1962, p. 38).

As part of the shift in economic policy towards the decentralisation of decision making – a key feature of the 1968 reforms (see Chapter 3) – decisions concerning the implementation of labour policies were moved to the company level:

The essence of the new regulation (1966) is that it … dictates the principles for under which circumstances the employment of women should be prohibited, and it prescribes central general prohibition only in a small number of occupations, which should be prohibited in all enterprises. In contrast, it makes it the responsibility of individual companies to compile a list of prohibited occupations, which should take into consideration the principles of the prohibition laws and the conditions of the given workplaces at the company. The companies are obliged to involve in the preparation of the list the representatives of the trade union and health organisations. (Jenovay, 1966, p. 372) (my italics).

Thus, beyond the limited circle of occupations with general prohibitions, the laws was to serve as a set of guidelines, rather than as a directive:

The following can be of help ‘… for the analysis of work areas not considered traditionally female … the guidelines, (which were worked out by the Ministry of Labour Affairs, Trade Union (SZOT) and the Hungarian Women’s National Council (MNOT)) and the 4/1966 (X.21.) decree of the Minister of Labour Affairs on women’s suitable employment and the intensified protection of their health and bodily (épség) safety, combined with the aim to increase of women’s employment) (Ercsényi, 1966, p. 434) (my italics).

The increase of local authority in deciding the suitability of particular jobs for women was to fulfil a dual purpose. It was to avoid unnecessary limitations on women’s employment, by basing prohibitions on the study of concrete shop-floor conditions, meanwhile assuring that women were not to be employed in prohibited areas, which are defined as unsuitable:

By this a regulation emerges which can fulfil two demands: women’s protection should be realised to the utmost in areas, where it is needed. On the other hand, unjustified limitations should not hinder the expansion of women’s employment, rather, this regulation should fit flexibly to the prevailing local conditions, technological development, and shift in the work conditions. The regulation in principle places the right of decision making into the hand of the companies (Jenovay, 1966, p. 372). The Trade Union-Hungarian Women’s Council and Ministry of Labour guidelines….while giving the direction of tasks, they strengthen the ambitions of the enterprise economic managers and the social organisations. (Jenovay, 1966, p. 372).

The role of the local councils also changed. Instead of supervisory functions, they were to focus on creating the preconditions, such as day-cares and services, for the increase of women’s employment:

To carry out the yearly plans, the decrees and guidelines issued by the central, or supervisory organs, assign the actual tasks to be applied to the management
of individual enterprises. The duties bound to the extension of women’s employment are included within these. The increase of the inputs of local councils into labour power management and labour power transmission duties is increasingly directed towards the solution of the employment problems of women (Jenovay, 1966, p. 371).

These modifications did not mean the abolition of protection laws. Rather, they meant the harmonising of protection laws with the principles of the 1968 economic reforms by decentralising decision making from central regulations to company and shop floor-level arbitration.

**Obstacles to the realisation of governmental directives**

The dual intention of governmental regulations – to enhance women’s employment in suitable areas, while prohibiting their employment in ‘dangerous’ areas – met two kinds of obstacles on the company level. On the one hand, companies suffering from acute labour shortages were eager to employ new workers, and could neglect restrictions on women’s employment in unsuitable jobs:

> The enforcement of legal decrees and protecting regulations justly limiting women’s physical burden can cause difficulties, especially in old and small staff workshops. The equipment and simple machines required to ease the heavy physical work and to move goods is missing…. The enforcement of the maximum border of 20 kg lift for women is still an unsolved problem despite a series of attempts (Koszó, 1970, p. 356).

Another kind of obstacle also endangered the increase of women’s employment. This obstacle was the resistance of local workers and management against the influx of women into previously male jobs. In the first stage, suitable jobs were to be identified by the leadership, which could then employ women. In this stage, the problem revolved around how one could define the kinds of jobs that could be re-gendered and could be seen as suitable even for women. Gradual filling up of vacancies were recommended, however, more radical, group re-gendering also occurred. Meanwhile, the concerns of suitable jobs for women revolved around women’s suitability to jobs – or the suitability of jobs to women. The underlying problem of realising such re-gendering plans surfaced in the next stage, where these plans were to be implemented, since the opposition of male workers and male leaders had to be overcome. Here two kinds of concerns developed: the resistance of male workers and leadership to the proposed change, and the problems of directing the male labour force from the newly feminised areas towards alternative occupations.

**Arguments against the employment of women**

a) **Women’s primary features as labour force**

One source of resistance against the employment of women in male-dominated areas referred to alleged features of women which made their employment less desirable. The authors refer to the existence of a general view that ‘women can in general carry out only light and less complex, low responsibility jobs’ (Jenovay, 1966, p. 372). While the existence of differences between men and women in abilities are
acknowledged, one of the authors also takes a critical position towards views generalising such differences into the evaluation of women as a category with decreased labour capacity. In the market socialist discourse, such differences were made relative, similar to the relativisation of the suitability of occupations as was shown earlier:

women’s average physical capacity is less than men’s average. Similarly, features of the nerve-system also show differences. (much of work performed by women) are not at all light physically…Work conditions can deviate largely…. there are individual differences between women (Jenovay, 1966, p. 373) (my italics).

‘Suitability’ in the given literature was most commonly discussed in relation to how women could acquire occupations previously considered as ‘male’. While male occupations requiring physical strength were generally enforced as not-suited for women, some occupations traditionally conceived as male were, in contrast, reconsidered as suitable for women. In the market socialist relativist discourse, the traditional view that women are not suited to technological occupations per se, is argued against. Jenovay argued, to the contrary, that women’s reproductive duties develop just those features which are crucial in technical occupations:

Those opinions are not true either, which consider that women lack ‘technological skills’. At most we can claim that women are underrepresented in amongst those possessing these type of skills. The technological, mechanical features dominate those domestic tasks, which are traditionally carried out by women (cleaning, cooking, baking), just like in many of the industrial work areas (Jenovay, 1966, p. 373).

One discussion was initiated by the challenge posed by trying to redefine as suitable for women, certain occupations previously seen as male. Another discussion arises in those areas which are to be seen as particularly suitable for women. These occupations are recommended from the point of view of alleged female characteristics. ‘…there are occupations which women are more suited to carry out. This refers especially to occupations or jobs which require more precision, patience and humanity’ (Jenovay, 1966, p. 373).

b) Women’s lack of skills

It seems that jobs which were defined as ‘suitable’ according to the discourse of the early sixties, showed large regional variation in their degree of feminisation. Some explained women’s lack of participation in technologically advancing areas as attributable to women’s lack of skills. Even if certain areas would be suitable ‘essentially’ for women as inhabitors of female bodies, or as persons with certain alleged mental and psychological characteristics, women’s (compared to these ‘essential’ features) secondary characteristics, (such as acquired skills), would hinder women from moving into these occupations:

Even within the post there are areas which are already feminised, and areas which could be suitable for women, yet they are filled by men. In the latter ar-
eas the major problem seems to be the lack of skills (technician, treasurer) (Ercsényi, 1966)

The recommended strategy extracted from this model was to improve women’s skills and encourage women’s movement into technical education. However, the question of skills is discussed not purely as a problem of quantity (for example, the differential distribution of a quality between the male and the female populations) and so as a phenomena which could be simply improved by the increase of the frequency of this certain quality in the disadvantaged population. Certain underlying difficulties emerge also in the discourse. Due to the silent resistance against the extension of availability of certain occupations requiring skills to women, training places (including dormitory places) were frequently not offered to girls. In contrast, some criticised women’s attitudes for not seeking technical education, despite the introduction of minimum quotas is training programmes (Jenovay, 1966, p. 373).

c) Arguments concerning the conflicts between women’s roles in the labour force and in the reproductive sphere

Arguments against the expansion of women’s employment on the company level revolved most frequently around frustrations originating from women’s dual roles. These frustrations created organisational difficulties for management. They were also seen to have caused deficits in production. As this common complain was summarised: ‘women’s frequent absence due to family and health reasons, limited or lower loadability, provides organisational problems, large losses and deficit in the production’ (Jenovay, 1966, p. 372) Unplanned sick leaves to take care of children put employers under pressure to find suitable replacements, which were argued to have caused hardships especially in rural, smaller work units (Ercsényi, 1966)

In another article, female labour was seen as unreliable due to women’s special rights to interrupt labour. Women were seen as problematic for management, who in turn were pressed to accomplish state plans and deliver production figures which were to indicate increased efficiency of labour in the workshops. Employers experienced frustration in connection with women’s special rights, such as:

the increase of the period of the allowed maternity leave^{20}, the right to take three year long unpaid leave for child-care, the prohibition of employment on the night shift, the utilisation of breast-feeding leave, etc ... The problems start exactly here. The newly introduced system of technological staff norms, increase of efficiency figures was accompanied by the reduction of the number of workers... Thus management typically react to such measures by trying to fulfil the norms maximally by male labour. (Szoboszlai, 1964, p. 27)

d) The impact of women’s dual burden on their personality features as labour force

In some cases, women’s frequent absenteeism was seen not as an undesirable necessity originating from women’s dual responsibilities, but as a personality trait of women. An article describing the situation in the Duna Vasmű (steel-works) may

^{20} Paid maternity leave was increased to 20 weeks at the beginning of the sixties.
illustrate this point (Remenyár, 1964, pp. 28-29). Female labourers were treated conspicuously, due to alleged bad work morals. Women entering from domestic work, were seen to prioritise domestic labour, where they refrain from reducing their workload. Instead, they are accused by trying to recuperate during wage labour time. They often use sick-leaves and try to move to one-shift, easy work tasks. Thus, women are accused of not having proper working attitudes.

In the literature discussed, reproductive duties emerge as an assumed female responsibility. Consequently, they can be interpreted as considering reproductive duties as a part of the female essence.

While the hierarchical nature of the gender division of labour is apparent through the whole discourse, women’s low representation in leading positions is explained by women’s lack of interest in getting involved in duties stretching beyond normal working time or requiring additional training, due to women’s reproductive responsibilities. The reference to women’s reproductive duties occurs even in the context of women’s integration into physical labour. Women, according to this view, seek those jobs which can be combined with reproductive duties, for example, they seek to avoid night work and changing shifts.

Employer strategies to counterbalance the problematic features of the employment of women

a) Coping with the opposition of male workers and managers

As the articles indicated, women’s employment in formerly male occupations was hampered by the opposition of male workers. In contrast to the ideal of Stalinism, where women were to meet and compete with men in any work, women’s integration into formerly male arenas was now to proceed according to a carefully orchestrated, hierarchical plan.

Work conditions were to be improved by technological change to make workplaces suitable for women:

In the DDR social committees were formed, which analyse the workplaces yearly to see in which way could be work still performed by men made suitable for women by means of technological and other arrangements. Following the shifts, the male labour force is to be regrouped (Balázs, 1965, 89-90).

Consequently, beyond establishing suitable jobs, the leadership was obliged to cope with the apparent resistance against the employment of women in previously male-dominated areas. Men, who were released in the areas which could be considered as suitable for women, were to be moved ‘upwards’ in the internal hierarchy of labour, and placed primarily in the newly opening workshops with improved technological standards: ‘…we intend to employ the released male labour power in occupations requiring further skills and training, where we can ensure increased wages for them’ (Remenyár, 1963, p. 29).

Another strategy, which utilised the hierarchical differentiation of occupations, made use of women’s differential position in the hierarchy. Women who were already in the work-force occupied typically feminised, low-pay positions. These
workers were seen to have internalised the required work ethic. These women were to be moved ‘upwards’ into responsible former male jobs:

Female workers who were employed as cleaning staff, gardeners, etc… during a series of years, and who proved themselves to possess appropriate working morals, were transferred in order to release male labour power. These women were in turn, replaced by newly employed women in cleaning jobs etc.. (Remenyár, 1963, p. 29) (my italics)

Suitability of female workers was also to be enhanced by prioritising the employment of the wives of workers who had engaged with housing projects subsidised by the company. These housing projects formed part of a strategy to bind a skilled ‘core’ labour force to the companies. Such workers were considered to be ‘stable’ and ‘reliable’. The employment of wives of ‘core’ workers was promoted to guarantee the recruitment of reliable female labourers. The employment of wives and other family-member female workers was also seen as part of a developmental strategy by which costs of housing could be kept down. These women lived in their respective families, in contrast to male workers coming from the country-side, without additional housing. The employment of family member women made also women’s acceptance by male workers easier and these women, due to their contact through their husbands were also seen as a more reliable labour force.

The increase of women’s employment was enhanced by the permission given to certain workshops and company units to employ such women, whose husbands or other relatives were working at the company unit or workshop and the woman’s social or other family problems were known. By this step the attitude of the workers at the company unit could be turned towards the goals… and change the opinion of leaders positively, not the least by their own workers. (Remenyár, 1963, p. 29) (my emphasis).

b)Coping with the maladjustments in the systems of production and reproduction

As was pinpointed earlier, one of the most debated factors that provoked the opposition of management and male workers against the employment of women were related to the maladjustment to the competing demands of women’s reproductive and productive roles:

With the increase of the proportion of female workers the amount of days on leave from the job or on which replacement work-force have to be employed increases. In the case of female workers the number of days on sick-leave is higher than in case of men, since women are obliged to care for sick children. The increase of the proportion of women is going also to be followed by increased maternity leaves, and the number of days on leaves without payment (Ercsényi, 1966, p. 432-433).

This absenteeism associated with the employment of female workers was contrasted with the demands of the labour organisation: ‘The majority of postal work areas requires reliability, exact service and professional know-how. Thus frequent short time replacements can cause difficulty in delivering the same level of service’ (Erc-
This can cause difficulties especially for postal offices with small number of employees.

The difficulties arise especially from the situation that mothers take leaves at unexpected times and for periods of unforeseeable length. In such cases, even the employment of untrained replacements can be difficult (Ercsényi, 1966, p. 433).

Alternative strategies to cope with this maladjustment were encouraging to take a ‘realistic’ position to women’s features as labour force. ‘Realistic’ was used in the meaning to count on and take into consideration women’s reproductive responsibilities:

‘...we have to acknowledge that women take care of substantially more of the duties of family upbringing and domestic work, and that the most of these tasks fall on women. The realistic evaluation of this problem and the forming of a correct viewpoint would significantly facilitate the employment of the female labour force in larger numbers in the workshops and in productive work. (Szoboszlai, 1964, p. 28) (my italics).

Recommended coping mechanisms involved both adjustments of the production organisation and of the organisation of reproduction (see for similar argument in Ercsényi, 1966, p. 433). Various forms of accommodating the deviant features of female labour were recommended. The employment of internal labour reserves, which could be mobilised in case of such emergencies, could be one example for adjustments made in the production organisation in order to maintain service in highly feminised areas. Another recommendation argued for deflating the value of female labour:

‘... the leadership could decrease the planned value in the measurement of the production value per capita’ (Szoboszlai, 64, p. 28)\textsuperscript{21}. This proposal implied the further incorporation of the ‘special’, deviating conditions bound to the combination of reproductive and productive duties into the organisation of production. Such adjustment would circumvent the potential ‘punishment’ of managers employing female labour for not complying with the plan.

On the other hand, adjustments of the reproductive sphere were also recommended. Women’s situation could be improved by easing their reproductive responsibilities. The solutions recommended in the selected articles suggest, without exception, the expansion of socialised service system. Thus, such adjustments that did not aim at changing the gender division of labour within the families. One alternative suggested the improvement of child-care services internally, for example, developing and maintaining day-care on the company site. The other alternative was the improvement of such services on a national level: The increase of the number of child-care institutions, the increase and improvement of services. A further solution was the improved mechanisation of the household. All these aimed at decreasing the

\textsuperscript{21} Prior to the 1968 economic reforms a tight Central Planning policy guided the management of production on enterprise levels. Managers were obliged to deliver planned efficiency figures per capita. In order to show the leadership their advance in the fulfillment of the production goals specified in the central plan.
time spent by women with responsibilities within the family’ (Ercsényi, 1966, p. 434).

The decrease of the number of women in the household (háztartásbeli) can be stimulated by the socialisation (social organisation) of child-care and domestic work. This work, even if in a slow grade, nonetheless decreases gradually the volume of work to carried out within the household (Berettyán, 1965, p. 85).

c) Coping with conflicts between women’s alleged and existing characteristics as labour force and occupational demands

As was shown above, the suitability debate tackled the problems of defining women’s features as labour force and how women with these features could be recruited into areas previously considered as suited for men. Consequently, the debate to large degree addressed the issue of how the threatened boundaries between male and female labour spheres could be redefined, in view of the likelihood that increasing numbers of women would enter previously male occupations.

Having accomplished the enforcement of new boundaries for the features of women as labour force, alternative strategies emerged to widen the areas of women’s employment. These focussed, on the one hand, on the improvement of women’s capacity to meet the requirements. On the other hand, they focused on the adjustment of labour conditions and production profiles to fit better women’s alleged abilities.

In terms of the improvement of women’s capabilities, the improvement of women’s motivation and women’s qualifications were focused upon:

Women’s disinterest (idegenkedés) in leading jobs requiring technological skills is primarily related to the requirement of further regular education and activities beyond normal work time’ …’women’s interest is to be raised more intensively and regularly towards technological topics and towards the importance of technological area (Ercsényi, 1966, p. 434)

Women’s training could improve their participation only in occupations which were defined as suitable. The ‘suitability’ of a given occupation was assumed in the discourse to be the result of scientifically established facts. With the exception of one article in the sample, the ‘suitability’ criteria is taken for granted. I argue that in this way, they assumed that there are occupations which are essentially fitted and essentially not fitted for women. As we have seen earlier ‘suitability’ was often discussed in reference to the prohibition laws. One of the major referred criteria was physical suitability. The only way of promoting women’s participation in these areas was seen to come about by the improvement of technology: ‘The increase of women’s employment could be achieved by the mechanisation of heavy physical work, and creation of work-places suitable for women’ (Berettyán, 1965, p. 83).

It was further argued that the development of the very industrial structure could be modified in a direction that would take into consideration the features of the female labour supply: ‘the gradual transformation of the industrial structure and the creation of such workplaces, which could employ primarily women’ (Berettyán, 1965, p. 83).
These two arguments seem to make use of the prevailing gender system from another strategic position than the prohibition laws. Prohibition laws made use of the prevailing gender system by sanctioning the *exclusion* of women from jobs seen as not suitable. In contrast, the above suggestions implied the ‘*adaptation*’ of the industrial structure to the prevailing definition of suitability of jobs for women through technological improvement and through the development of branches suitable for women. However, even this view leaves the ‘suitability’ discourse untouched.

*Restructuring and the primacy of male labour*

The demands of the economy and the opportunities, first of all, for men to seek employment, determine women’s chances to obtain employment in those areas which otherwise would be ‘suitable’ for them. One argument raised to explain the regional differences in the degree of feminisation within postal service claimed that it depended on the alternatives for male workers in other branches of the economy. In the cities, where men could find easily alternatives in industry the rate of feminisation is higher than in the country-side, where alternative employment was not as abundant (Ercsényi, 1966, p. 432). In more general terms this argument was summarised in the following:

> Even if, the industrial structure fundamentally determines the characteristic, extreme” - (i.e. regional) - ‘differences in the proportions of wage earning women, the general employment situation of the given area can modify these proportion in a considerable degree. In those counties where there was a labour surplus for several decades or during the last years, the proportion of women is low, even if the industrial structure otherwise would be very favourable for women....The proportion of women is the highest in those counties where men’s employment opportunities have been favourable for a while in other economic branches, especially industry (Berettyán, 1965, pp. 83-84).

A development strategy is recommended for areas with low male reserves to invest primarily in the development of economic branches that can utilise the excess female labour: The primacy of the interest of men’s employment was not only recognised as an observed tendency, but was recommended also as a principle to follow in regional development policies:

> …in these industrial counties the goal should be to increase primarily female labour, and to invest only in a very restricted grade into branches requiring free male labour. If the improvement of the utilisation of natural resources would, despite everything, require such investments, transfers of labour between suitable branches and regions ought to be planned ahead of time... In contrast, in dominantly agricultural counties, industrial development strategies should increase not only branches suitable for women but even for men …due to the expected release of surplus male labour force from agriculture (Berettyán, 1965, p. 86).

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22 This strategy was put into practise in the expansion of co-operative side-activities, where to large degree the excess female rural reserve was mobilised in areas ‘suitable’ for women.
Summary discussion

In the above presentation of the discourse on suitable jobs for women, the key features of the functioning of a gender system can be summarised. While, the economy’s needs urged the mobilisation of female labour reserves, the realisation of this goal conflicted with the interests of prevailing gender contract (Hirdman 1990). The boundaries of the gender contract were threatened from various positions. Here the following are highlighted: the securing of the separation of male and female labour areas, which involved the seeking after and maintaining gender-based boundaries in the societal division of productive and reproductive tasks; the securing of the hierarchical rank-order of male and female labour areas.

First of all, the principle legitimacy of the discourse relied on an acceptance of the idea that certain jobs are inherently suitable – while other are inherently not suitable – for women. The debate revolved around the criteria for establishing suitability, rather than bringing the idea itself into question. Thus, the preoccupation of the debate was how to redefine the gender boundaries, which were challenged by the economy’s need to mobilise female labour to be employed in previously male jobs.

Furthermore, men’s and women’s duties were clearly assumed as separate in the reproductive sphere also. Women were not only solely responsible for domestically performed reproductive duties, but were assumed and expected to be so by the productive environment. While the image of the normative wage worker was built upon the idea of a male worker free from reproductive duties, the influx of women into the industrial labour process disturbed the normal functioning of enterprises. Thus, women became integrated as a deviant labour category. Maladjustments in the integration of the female wage workers with reproductive responsibilities into the labour force precipitated the problems related to the incapacity of the preceding gender contract in regulating the interface between the system of production and the system of reproduction. Women’s increased labour force participation triggered the modification of the organisation of reproduction (increase of child-care institutions, subsidised dining facilities, etc) as well as of the organisation of production (integration of reproductive rights). However, reproductive rights became integrated as maternal rights. Consequently, they served mostly to reinforce the segregation between male and female labour areas.

The hierarchical conception of the relation between male and female jobs comes through most clearly in discussing the alternative ways in which male workers resistance against the employment of women could be harnessed. Women were to come in at the lower end of the job hierarchy. Meanwhile men from these areas were to move upwards and be retrained into technologically advancing areas. The lesser value and reliability of female labour was explained by women’s reproductive duties and lack of familiarity with performing wage labour as well as the alleged secondary characteristics, such as a weaker work ethic and a tendency toward avoiding demanding tasks.

The ‘suitability’ debate can be interpreted in yet another context. As was discussed in the context of Stalinism’s women’s ideal, there was an ambiguity in the ideal of the soviet woman. As Liljeström pointed out: the demand on women to perform on equal terms with men in the labour force created the expectations for women’s bodies to be able perform heavy physical work. On the other hand women were to be mothers and their bodies as potential bearers of children were to be protected.
against dangers. The suitability debate was triggered in reference to – and in contrast with – the ambiguity present in Stalinism’s demand on women’s bodies and social roles. Women’s bodies were to be disciplined back into a fragile contour, where women’s reproductive duties and abilities (circumscribed by the definitions of their physical features) were to dictate the methods of their integration into the labour force.

The 1966 labour regulation reflected the spirit of the 1968 NEM reform. A substantial part of decision making concerning the list of prohibited occupations was decentralised to the company level. This, however, did not mean that the issue of suitability resolved. Rather, the decision making power was simply moved from ministries to the company level. In neither case was women’s impact on the decision making process guaranteed institutionally.

3.4. THE STRENGTHENING OF MATERNAL CARE AS A NURTURING INSTITUTION (1967-1979)

3.4.1. The Introduction of GYES in 1967

Beyond the legal sanctioning of women’s biological reproductive role, the development of the child-care support systems incorporated women’s social reproductive function as well. The most important stage in this was the introduction of the childcare subsidy system (GYES) in 1967 (by the No. 3/1967. (I.29.) Governmental decree). This was to compensate for women’s social reproductive work during the small-child period, without questioning the priority of women’s labour force participation. GYES was also considered as a ‘soft’ version of the state socialist pronatalist measures, since it intended to increase fertility with indirect methods of economic incentives rather than by repressive measures, such as prohibiting abortion.

As a result, the social and legal construction of the female reproductive role, seen as stupefying and subordinating, was transformed into society-maintaining, caring activity.

The common element of the fifties and of the post-Stalinist period was that men’s privileges originating from the norm of ‘masculinity’ remained untouched. That part of reproductive work attached to the reproduction of everyday life which the state could not take over, remained women’s duty. Although the GYES contributed to the societal acknowledgement of women’s social reproductive work, its introduction nonetheless legitimated the prevailing division of labour between the sexes. Thus, it has also frozen the opportunity for the re-negotiation of the relation between the

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23 See Heitlinger, 1976. In other socialist countries, such as in Romania, the prohibition against abortion, a direct pronatalist measure and typically practised during the Stalinism in most East-European countries, prevailed until the fall of the state socialist system (see McIntyre, in: Wolchyk, et al (eds.), 1985). As was shown above, prohibition against abortion was applied in Hungary also during the early fifties as pronatalist measure.

24 Thus, the shift characterising Western feminism in the evaluation of the female role, from seeing femininity as stupefying, subordinating to seeing it as the creator of a culture of caring necessary for the reproduction of mankind) can also be seen within the ideological conceptions of state socialism.

25 This critique was most explicitly expressed in the writings of Ferge and Turgonyi, see Turgonyi, 1973, and Ferge and Turgonyi, 1969 see later in this chapter under the equality debate, also in Chapter 9.
sexes on a societal level and closed in men in the iron cage of income-earning – and women into the dependency relationship of the caring-nurturing role.

As, among others, Sándorné Dr. Horváth’s analysis pinpointed, the introduction of the GYES was motivated by socio-economic concerns. At the end of the sixties the estimates of future labour power projected a surplus (Sándorné, 1986, pp. 15-16). This was partially due to the influx of the large generation of the fifties into the labour market. At the same time, there were worries concerning the extremely low fertility rates. Meanwhile, the integration of women with nursery age children into the labour force created not only maladjustments, as was discussed above, but had also budgetary consequences. Women’s frequent absenteeism related to the care of children was to be compensated by sick leave payments etc. As Sándorné pointed out, the budgetary costs of the introduction of GYES could be partially covered by saving expenses on sick-leaves and from expected costs related to the establishment and running of nurseries for those children who were to be supplied by their mothers rather than by nurseries (Sándorné, 1986, p. 45).

The aim of the introduction of GYES was to allow working women to stay home with their nursery age children, while they could preserve their rights bound to employment and the right to return to their jobs. The governmental decree formed in this spirit originally entitled only employed mothers to GYES:

the working woman is entitled to GYES up till the age of 2 and a half of the child, if she was continuously employed during the 12 months preceding delivery, or if she was at least for 12 months employed under the preceding 1 and a half year. The female member of agricultural production co-operatives are entitled to receive GYES, if she worked at least 120 workdays in the collective production during the 12 months preceding delivery (Governmental Decree No. 3/1967. (I. 29.).)

The value of GYES was set to monthly 600 forints, and 500 forints in case of cooperative member women. This constituted around 40% of an average wage for young working women (Sándorné Horváth, 1986, p. 31). The length of the eligible period was soon after extended to 3 years, while grounds of eligibility were also gradually extended.

Thus, it aimed at softening the problems, which arose in response to the competing demands of the organisation of production and reproduction. These originated from the deviation of women as workers (charged with reproductive duties) from the dominant ‘masculine’ norm (a worker without reproductive responsibilities), which laid the groundwork for the disciplinary features of work prior to the mass influx of women in to the labour market. Thus, labour norms were historically shaped around a ‘masculine’ norm of being free from reproductive duties.

As was shown above, in the labour economic literature working mothers were often described in terms of handicapped, disadvantaged labour force. In contrast, GYES was to create working mothers as a base of an alternative ‘feminine’ norm. The compensation given for women’s caring work with small children depended on women’s labour force participation, and consequently the conditions of the working

26 See the IXth congress of the Hungarian Socialist Workers’ Party (MSZMP) in 1967, Kossuth, p. 52.
life defined by the ‘male norm’ was its departure point. By this the female labourer was constructed as a worker deviating from the expectations of the prevailing work organisation defined with reference to the ‘masculine’ norm. Thus, the invincibility of the masculine norm was recreated. The ‘masculine’ norm was equated with the freedom from reproductive duties, with the main bread-winner role in the family and with the free control over labour time in reference to working life.

In contrast, the alternative ‘norm’ for the female worker was constructed as a secondary wage-earner, responsible for reproductive duties, and as a worker, periodically disabled by reproductive duties. Thus, the maladjustment that came about as a result of women’s increased labour force participation during the small-child period between the organisation of production and reproduction was solved in a gendered fashion. It had the consequence that the stratification of the labour force into a category free from reproductive duties and a category charged with reproductive duties was reinforced. The consequences of this stratification were apparent not only for the gender system but even for the evolution of the organisation of production (see more on this in Chapter 10).

The starting point for the state socialist women’s ideology is the ‘masculine norm’. The goal of women’s emancipation was women’s assimilation to the ‘masculine norm’. Society was to take over the responsibility for women’s socially ‘crippling’ reproductive role with the socialisation of child-rearing and domestic work. Many searching for the reasons for the failure of the state socialist emancipation attempt, and its failure to deliver on its promises in regard to the socialisation of reproductive duties, find the cause of that failure in the lack of economic resources. In my view the state socialist emancipation ideology reflected the ‘masculine’ bias prevalent in Marxist analysis. This bias permitted a devaluing of the societal function of women’s reproductive labour, considered the reproductive sphere as displaceable and socialisable. Thus, the official ideology of emancipation blocked the renegotiation and raising into the public sphere, the discussion of the inequalities between the sexes within the private sphere.

### 3.4.2. Prohibition Laws and Agricultural Development

The late fifties and early sixties were still characterised by the ‘extensive’ developmental strategy, building on the expansion of labour resources. From the early sixties onwards an alternative, so called ‘intensive’ developmental strategy emerged, which aimed at intensification of production by increasing productivity and efficiency. This was to be achieved by technological modernisation as well as by rationalisation of labour. This strategy was formed into government policy with 1968 New Economic Mechanism. Part of this shift was also the decentralisation of decision making. In terms of the state regulations concerning the gender system, the revision of Prohibition laws in 1966 marked the shift towards decentralisation (see above). With the exception of some general prohibitions, the ‘suitability’ of a job for women was to be established on the basis of central principles (e.g. maximum

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27 See for comparison Hernes, 1987 the various principles of compensating for women’s role as caretakers for small children.

28 See for the emergence of the supporting discourse above in this chapter.
weight to lift) at the company level. Lists of prohibited occupations were to be compiled at the individual enterprises.

As it is presented in Chapter 10, women’s integration into the agricultural labour force proceeded within a gendered structure. In this structure women were excluded from key occupations related to the modernised technology. Women’s exclusion came about partly as a spontaneous continuation of the traditional peasant gender division of labour, as it presented in Chapter 10. In the pre-war period women’s tasks were defined and re-established by the tradition-bearing community. In the cooperatives, women’s exclusion from certain types of occupations, notably from jobs related to modernised agriculture became formalised in a series of statutes (in 1962, 1966 and 1982) regulating women’s employment. These statutes were called upon to “protect” women’s health by forbidding their employment in a series of occupations which were considered "hazardous” for their health. These prohibitions form a part of a series of "women’s protection” laws. These regulated women’s special rights as workers. Anti-discrimination laws, delivery and pregnancy leave, as well as special labour rights during pregnancy, paid nursing leave, or child-care subsidy could be mentioned. The authenticity of the expressed intention of the prohibition laws – namely the desire to protect women from labour related hazards – cannot be simply brought in question. Health hazards for women related to the new agricultural technology and chemicalisation of cultivation processes were discussed in non-state socialist countries also. It is also beyond doubt that the specificity of women’s reproductive organs and potential to bare children can be subject to undesirable damage from technology and chemicals. However, these impacts imply dangers also for men. Furthermore, the specificity of women’s reproductive organs places women into sensitive position only in a well-defined period of women’s life-cycles. By comparison, protection laws have adverse affects on women in general, since the implementation of family laws has in practise codified women’s exclusion from occupations related to the new technology. The protection laws functioned as a hegemonic means of the state to define dominant perceptions of femininity.29

According to the 1966 statute, the listed potential occupational dangers qualifying for prohibition were labour that involved intensified physical or mental pressure, exposure to intensified shaking, heat, cold, wetness, air pressure, or work with poisonous materials. The 1982 statute reduced the general prohibition of jobs posing the above dangers, and applied them only to pregnant women. However, it made exceptions for the danger of intensive heat, shaking, pressure, for labour underground and for poisonous materials beyond a given concentration. Such work was prohibited for all women. Regulations on agricultural occupations were not changed substantially. Women were not to be employed as tractor or truck-drivers, with exceptions of tractors under 18 horse power, or trucks under 1.5 tons (by 1982 the

29 The statutes were issued by the Ministry of Labour (MüM 4/1962 IV.5; MüM, 4/1966 X.21) and the Ministry of Health (EüM 6/1982 VI.12.) and applied to all branches of the economy. Their application was rendered to the economic units, which were obliged to attach a list of occupations determined as hazardous for women’s health into the company’s collective labour settlement protocol. The statutes were issued on the request of the Ministry of Labour in co-ordination with the Ministry of Health and the Labour Union. The company director with the agreement of the labour union representatives and the company or regional doctor was responsible for the application of the statutes. They also had the right to expand the list with occupations that they would consider as dangerous for women’s health.
limits were raised to about double). The prohibitions also include agricultural tasks involving the immediate use of pesticides. The 1982 statute also applied the prohibition to occupations connected to the storage and transport of pesticides. All of the above statutes name the potential dangers to the female body as reason for treating women differentially. Hence, women’s (and according to the 1962 and 1982 statute young peoples) different biology would seem to require the necessity of protection. This suggests that women’s bodies are perceived as more sensitive and weaker compared to men. The 1982 statute differentiates as a reason women’s capacity as bearers of the foetus. In this sense women need special protection for their child-bearing role. Finally, a third group of arguments refer to women’s potential to harm or endanger the health of other people while carrying out certain tasks. This implies women’s biologically determined lack of competence to perform certain tasks.

The relationship between biology and labour is an ignored area. Erdélyi pointed out the lack of professional analysis behind the applied criteria related to prohibition laws (Erdélyi, 1985, p. 111). The reasons behind prohibition are often openly controversial.

On the one hand, one could ask if other jobs normally defined as female jobs would not be just as dangerous for women’s health? The protection laws fail to provide an inclusive list of occupations which create health hazards for women\(^{30}\). The justification given to the prohibition of women’s employment as bus, truck or tractor drivers is the shaking that the body would be exposed to. But why then are women allowed to drive trams – or is there any logic in the 18 horse-power limit for tractors, given modern, comfortable large tractors?

On the other hand, it is also questionable that women would require special treatment. One could wonder if these jobs are not dangerous for men also? In Sweden, instead of separating out women, labour protection laws within industry established the tolerable standards at levels which were considered acceptable for the female body – and applied them to both men and women (Blomquist, 1994). The dangers caused by shaking in agricultural machines were also considered. The Swedish Agricultural Technical Institute did carry out a series of studies in this area in the fifties and sixties. These studies led to the specification of acceptable standards, and led to the gradual improvement of the technological level of the machines – tractors and the like were to be equipped with a protective booth and appropriate shock absorbers (Moberg, 1989). Thus, in this case the management of the prevailing labour hazards bound to the given technological level led to technological improvement instead of labelling a category of workers, (i.e. women), as illegitimate. Technological development was not subordinated to the features of human resources, rather human resources were categorised according to the level of technology.

Third, one could ask also if it should in deed be considered a differential treatment of women to adjust technological standards to women’s bodies. Cockburn (1986)

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\(^{30}\) Hoeing and picking of berries have been traditionally predominantly female activities. The permanent bending position can do serious labour related damage, and can be especially risky during pregnancy. Despite its effects on the body, there were no regulations to protect women’s health in these positions.
argued that industrial technology was formed after the male body as norm. Since, the average female body compared to the average male body differs in its strength, height and general ergonometric features, the utilisation of the male body as a norm puts women at a disadvantage. In Cockburn’s words: “The appropriation of muscle, capability, tools and machinery by men is an important source of women’s subordination, indeed it is part of the process by which females are constituted as women’ (ibid. 98). A recent study of various occupational groups in Sweden showed the relationship between the ergonometric features of work conditions and equipment as means of reinforcing occupational gender segregation (Christenson, 1999). Sachs (1983) attributed some of the difficulty experienced by female farmers in handling agricultural machinery to its adjustment to the male muscle strength. According to this interpretation, protection laws can be seen as a hegemonic means of enforcing women’s exclusion from technologically advancing areas.

Fourth, one could wonder if these jobs can be equally dangerous for all women, or would child-bearing women require special treatment? A protection that seems justified for pregnant women (as a protection of the foetus) can be fully unreasonable for women beyond child-bearing age. Some improvement was made in this direction in the 1982 modification of prohibition laws. Nonetheless, it was all too little for agriculture. As a consequence, the ‘mother-woman’ was taken as the norm for all women, which meant the discriminated treatment of women in differing life-cycles as well as women who have never become mothers. Furthermore, rather than formulating protection laws as rights, which women could utilise in relevant life-cycles, these laws left the decisive power with the state, whose power concerning a series of occupations was decentralised to the level of company leadership in connection with the 1968 NEM reforms. As such, it could be perceived as hegemonic exercise of patriarchal power over the disciplinary process of women’s bodies.

Protection laws have also been used as means of women’s exclusion from improving labour areas in industrialised countries (Karlsson, 1995, Wikander, 1988), even if their prime period was prior to the sixties (Walby, 1990). Male labour unions took an active role in their introduction. Their goal was bound together with the demand of a ‘family wage’ and the protection of the family’s integrity. In the state socialist protection laws women’s biological reproductive role provides the main basis of legitimacy. Protection laws formed a part of pronatalist measures. Through these laws the state intended to guarantee a compromise between women’s role as labourers and as mothers. In reality they expressed a strengthening conservatism concerning the family and women’s reproductive role. The protection laws turned the prevailing incompatibility between the level of technological development and women’s reproductive health to the disadvantage of women by excluding women from technological development, rather than sanctioning technological development to extinguish health hazards. It seems just as appropriate to assume that at least in the case of agriculture, the prohibitions have codified women’s prevailing relation to technology as well as to the prevailing conception of femininity. Occupations created by the new technology often corresponded to male tasks in the traditional, manual labour division, such as tractor driver versus the leader of a horse-team. Hence, the gender labelling of the new technology took over the labels of the division of labour fitted to the manual and animal assisted technology. Protection laws
focused on the new technology, since it was here that the preconceived images of ‘femininity’ needed to be affirmed in the new context.

3.4.3. The Emergence of the Equality Debate during the Seventies

During the vogue of writings critical of the system at the end of the sixties and seventies, the claims of state socialist rhetoric on women’s emancipation were also mirrored in the light of Marxist analysis. Heller claimed that due to the perpetuation of private inheritance of property, the possessive hold on women’s reproductive bodies is reproduced even in state socialism.

The suppression of radical critique was followed by a ‘liberalisation process’ which adhered to Kádár’s slogan: ‘those who are not against us are with us’. This policy encouraged a reform process from within the system. Thus, a series of reform ideologists participated in a process whereby the aim was to reform society to achieve humanising goals which could be justified by Marxist rhetoric. Thus the emerging equality debate in the seventies took as its starting point the Marxist emancipatory claims, and reaffirmed that women’s emancipation is to occur through participation in wage labour. It is work that makes one human. Work was to mean in the first instance, wage labour.

The equality question was formulated from various aspects. For some, the goal of equality was to approach a 50-50 stand with men. However, this could not be reached by administrative goals. Turgonyi argues that the improvement of the sex ratio could be enhanced by the improvement of women’s training level. In the trade schools training should approach the demographic proportions of the sexes (Turgonyi, 1974, p. 64). The criteria of suitability for women’s employment in an occupations, which was so crucial in the debate of the early sixties is also questioned. Perlai criticises the limiting impact of ‘traditions’ concerning proper occupations for women.

There are heavy and light jobs, but there are both strong women and weak men! Women for instance cannot be television mechanics because the protection laws prohibit the employment of women, in occupations where they need to lift more than 50 kg. But do they indeed not lift higher weights at home in the household?

The adverse effects of the child-care subsidy on women’s labour force participation were also criticised. Turgonyi argued that GYES reaffirms women’s domestic role. The aim of GYES was to support women’s caring work for children and not to turn them into domestic workers. Ferge argued that GYES also contributed to the shrinking opportunities and real choices for women with small children. The child-care network was not developed due to the expectation that children up to three years should stay at home. GYES also caused interruption in women’s work careers (Turgonyi, 1983, p. 65). Furthermore, equality was raised as a question of equal wages for work of equal value, which acknowledged the prevailing gender differentiation.

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31 Keseru, Jánosné, minister of light industry, 1974, 1, p. 65
32 Perlai, Béla, chief of the State’s Occupational Advising Bureau, 1974, 1, p. 62. He criticised also the gender typing of advising literature issued by the Ministry of Labour concerning occupational choice for youth into materials targeted only for girls, primarily for girls both for girls and boys, even for girls.
of labour, but nonetheless aimed to equalise rewards for work of equal value. This equal value is however, difficult to establish since the wage system openly prioritised heavy physical work and skilled work over monotonous work and light, administrative work. This was a dichotomy which corresponded to male and female dominated work areas.

The main concern of the equality debate of the seventies was the evaluation of women’s conditions compared to the emancipatory aims of formulated in the Marxist tradition. Thus, women’s emancipation continued to be seen to be achievable through women’s full-scale participation in the societal division of labour, or more specifically in wage labour. The introduction of GYES threatened this process, since it reinforced women’s traditional reproductive roles. The positive features of GYES, even if it was seen to constitute a backlash in the short term in women’s emancipation, was that it helped women to maintain association with working life and guaranteed their return to employment after childcare leave, (see Ferge, 1976, p. 211). Thus, the main emphasis of the equality debate was on how women’s conditions could be improved, and how women’s conditions were effected by societal change. Less criticism and examination was oriented towards men’s roles. Such critique emphasised the impact of GYES on men’s reaffirmed expectations towards women’s traditional reproductive roles (Turgonyi, 1973). However, the vision of the democratic family, placed only very carefully formulated demands on the change of men’s privileges. The emancipating visions were formulated in reference to the Marxist idea of improving women’s choices between socialised care for children and GYES (Ferge, 1972)

3.5. THE CONTINUED REFORM OF THE CHILD CARE SUBSIDY SYSTEM (1979-1989)

3.5.1. The Extension of GYES to Parental care

Eligibility for GYES was increasingly contested during the period following its introduction. As a response, the child-care subsidy system was gradually expanded, and included broader and broader social categories. At first only full-time workers qualified. The extension up to the end of the seventies concerned part-time workers, students, free intellectuals and ‘socialist’ entrepreneurs paying taxes were included. During the seventies GYES was criticised for strengthening traditional female roles and for causing a backlash against women’s emancipation. Meanwhile, the number of men who applied for GYES increased by the end of the seventies. In 1978 there were about 100 fathers, while in 1980 there were 170 applying for GYES. They were granted access based on the principle of reasonability (méltányosság). From 1982, the eligibility was extended to men, with restrictions that the first year could be taken out only by the mother, with the exception of fathers raising their children alone:

Following the child’s one year birthday, the father, living in the same household with the mother, can also receive GYES instead of the mother, if they both fulfil the eligibility requirements for the subsidy (§ 4 in the No. 10/1982. (IV.16.) decree of the Ministerial Council)
It would be the subject of a separate study, to account for the forces which contributed to the introduction of the extension of GYES to men. I would argue, that beyond the above mentioned factors even the impact of the general constitutional liberalising process, that was on the way from the early eighties onwards, needs to be considered on the extension of the eligibility to men. The state socialist social benefit system was inherently built on universalistic principles (Ferge, 1989). The expansion of eligibility of the GYES exemplifies these universalistic trends to make social benefits into citizenship rights (see e.g. Sándorné, 1986, p. 97).

An other extension of GYES was the introduction of GYED (gyermekgondozási díj) (1985 year first law on social security). The basis of the economic compensation paid in GYED was the level of lost income. Introduced in 1985, it guaranteed an income up to the first year of the child’s life that equalled a value between 65% and 75% of the income level counted for social security payments. In 1986 it was extended to one and a half year (No. 5/1986. (II. 17.) Ministerial Council decree). Working mothers and fathers raising their children alone were also entitled.

3.5.2. The Polarisation of the Debate on the Future of Women’s Societal Integration
From the debates of the eighties concerning the gender system, I would emphasise two trends. On the one hand, the major critique of the state socialist emancipatory project was formulated from the ‘difference’ position. This position criticised the state socialist system for the ‘over-employment’ of women. This phenomenon was seen as a symptom of the state socialist economy’s resource limited development and excessive labour demand. The consequence of this over-employment was that even those women who were economically less useful, due to their reproductive responsibilities, were pulled into the labour market. Reform visions, based on this line of critique demanded the introduction of flexible labour forms, such as part-time work or putting out system to allow for the moderation of labour demands for women with reproductive responsibilities (see Kutás and Ungár, 1983, Orolin, 1983, 1986, Molnárné and Orolin, 1982). This argument aimed at enabling the ‘feminine condition’ by suggesting more flexible labour forms that would allow women to combine their reproductive duties with wage work easier.

An alternative vision to the solution of this dilemma was offered by Frey (1984). She saw the potential in the introduction of flexible labour forms for the democratisation of family relations. Consequently, her vision broke out of the gender determinism present in the previous model. A similar concern is formulated in the reform visions presented by Sándorné for the transformation of GYES into a citizenship right (Sándorné, 1986, p. 97).

3.6. In whose interest? Hungarian Writings during the State Socialist Period on the Origins of Women’s Subordination
How did Hungarian literature look upon patriarchal versus economic forces promoting women’s continued subordination? On one hand, some emphasised the ways in which the state benefited from women’s labour (Kulcsár, 1971, Ferge, 1982). On the other hand some pointed at men as the main beneficiary of the inequality between men and women. (Turgonyi, 1973). However, these two lines of reasoning
were not contrasted with each other in an exclusive way, and were also present side by side with each other (see both in the case of Turgonyi, 1973 and Ferge, 1982). Perhaps it is somewhat surprising that the former position (the position that identified the state as the main beneficiary of the reproduction of women’s subordination) was the most elaborated upon in the Hungarian discourse on women’s labour. Considering those who criticised the ‘traditional feminine’ role, the critique of the state was triggered by the introduction of the childcare subsidy plan in 1967. They argued that women served a dual function for the state. On the one hand they provided cheap labour, and so helped to ease the labour demands of the economy. On the other hand the state was interested in maintaining women’s biological as well as social reproductive capacity. The concerns of women’s emancipation could come to surface only in the event it coincided with the interest of the state. During the period of extensive economic development, these two goals did coincide (Kulcsár, 1972, Ferge, 1982). In contrast, during the late sixties the launching of the ‘intensive’ developmental strategy, the primacy of women’s emancipation (which was envisaged to come about by women’s increasing integration into the labour force on equal terms to men) was revoked. Ferge summarised the transforming relationship between emancipatory claims and the changing demands of the economy during the reform process:

...female employment was influenced by the economy’s demands. ... Hence, a strong pressure was built for the reorientation of women into the household. At the same time the social-political demand for women’s equality was still in effect. GYES, in 1967 was a result of this interest and value conflict (Ferge, 1982, p. 150).

Thus, in this view the duality of the economic interests of the state in female labour (i.e. the state’s interest in women as labour force and as reproducers of the labour force) was seen to impact the state’s ‘welfare’ policies. These in turn either forwarded or counter-acted the perceived emancipatory goals. However, state policies were seen to reinforce the state’s economic interests, rather than patriarchal interests per se. Even if Ferge argued that the state’s emancipatory concerns were compromised by the introduction of GYES, the compromise was between the economic interests of the state and the interests of emancipation – and not between patriarchal interests and that of emancipation (Ferge, 1982).

A similar argument is developed by Ernst in her critique of the introduction of GYES (Ernst, 1986). The introduction of the child-care subsidy programme provided an alternative from various aspects: a) it was cheaper than the extension of child-care facilities; b) it was cheaper than the predicted costs of an unemployment insurance payment; c) it could withdraw a sizeable group from the labour market without social and political tension; d) the introduction of unemployment would confront fundamentally the official ideological system, whereas the child subsidy system could be ‘justified’ by societal interests, such as the well-being of the child, or demographic necessity. While the child-care subsidy program could be easily packaged into demographic and family political arguments, the timing of its introduction indicates clearly that the primary motivation behind it was economic.

Turgo nya developed similar arguments in explaining the introduction of GYES in 1967:
The GYES is a ‘women’s right’... It was introduced in 1967 to resolve certain contradictions of social origin. It was justified by: the surfacing of a large labour force surplus, which was the consequence of the fact that the generation of those born between 1953 and 1955, (i.e. during the period of prohibition against abortion) wereg on the way to enter the labour force and by this inflated the supply of labour”; the problems related to the low nativity in the sixties causing a low demographic cycle and the lacking supply of nursery places (Turgonyi, 1973, p. 31).

While contrasting the state’s economic interests with the interests of emancipation, the state’s interests are perceived as gender neutral. When policies are introduced which confront the perceived interests of women’s emancipation, then the concerning state policies act in response to incentives coming from reproductive needs of the economy, rather than as reactions to defend the interests of the reproduction of patriarchal relations. Thus the interest of the state and of the economy were perceived as gender neutral.

In contrast, during the eighties, the state socialist economy was criticised for being resource limited. Due to this feature the economy was seen to have incorporated even ‘handicapped’ labour force, such as women carrying a dual burden (Orolin, 1983). Based on Kornai’s concept of ‘resource limited development’, some labour analysts argued that women’s extensive incorporation into the labour force was one characteristic feature of the state socialist economy:

By means of full employment such labour categories (primarily mothers with small children) have in addition entered the employed, the majority of which, due to their biological preconditions, health conditions or family circumstances, have lower labour productivity capacities, labour capacity and work loadability, than workers already employed. .... The mechanism, in which the economy became interested in the employment of even that labour power, which was not able to produce the costs of its being employed, or which was not able to produce enough goods to cover the costs of its employment, made the labour demand unlimited (Frey, 1987, p. 27).

It was the state socialist economy, which evoked the over-employment of women and as a consequence women’s excessive labour burdens (see on this position even Koncz, 1987, p. 339).

The main difference between these two positions undoubtedly concerns the perception of the ‘feminine’ role. While according to the latter view the socially ‘feminine’ role is unexamined, according to the former view, the ‘feminine’ role is to be altered in order to approach the socially ‘male’ role. State policies are seen either as promoting the equalisation of the conditions between men and women (as was during the period of extensive industrialisation) or as reinforcing the traditional division of labour between men and women, and therefore sacrificing the goal of emancipation (as was seen during the period of intensive economic development policies).

The second kind of reasoning referred to above, which identified men as the main beneficiary of women’s reproductive labour was less developed in explicit terms.

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Turgonyi refers to the fact that the voluminous generation of those born between 1950-1953 were entering the labour force during the late sixties and early seventies.

In contrast e.g. Pateman (1988) talks about a patriarchal welfare state.
and was articulated typically in the context of a concomitant critique of the state socialist system. However, men were identified as beneficiary primarily in the position, which is critical of the ‘feminine’ role. Most explicitly critical of men as beneficiary of women’s domestic labour was Turgonyi (see Turgonyi, 1973). She was critical of men’s privilege of being free from reproductive duties. Turgonyi’s critique was directed against the private organisation of domestic work. As a result her long-term aim was to socialise domestic work. From this long-term perspective the re-organisation of internal sharing of domestic work was considered as a detour. The aim was to expand the socialisation of reproductive responsibilities. As a result men’s privileges were not to be hurt. Meanwhile, Turgonyi criticised men as beneficiary of women’s domestic labour, she considered that this behaviour was a remnant of the bourgeois family structure and as such incomprehensive with the socialist system (Turgonyi, 1975):

... the very desire to have the possibility to choose is determined by the current development of the conditions of our economy and consciousness. That is to say that it evolved at a time when the possibility and increasing need to take paid employment still coexisted with the partial presence of those habits, morals and ideals, which consider women’s labour force participation unnatural, and saw the bourgeois family (the domestic wife) as desirable and not as rejectable. (Turgonyi, 1973, p. 38, my italics).

By this men’s benefits were not seen as rooted in an underlying gender inequality (i.e. in the hierarchical relation between the sexes), but as a remnant of the bourgeois system. The concept of cultural lag was used in some of the literature to explain the discrepancy between the alleged achievements of the goals of women’s emancipation and the continued presence of inequalities between men and women. Culture lag referred to traditional attitudes, which were seen to have their roots in exploitative social relations characterising the pre-socialist society. However, according to this orthodox Marxist line of reasoning, the sphere of ‘super-structures’ reflects on the changes in the material base structures of society, so that culture lags behind the material conditions, which have primacy. Thus, the presence of inequalities between the sexes could be acknowledged and discussed without, having also to put into question the emancipatory efforts and achievements of the state. As Ferge summarised:

...the delays between the various reproduction cycles of the economy show their effects. The objective economic demand for women’s employment, which was in connection with the given process of economic development, changes comparatively quick. The objective precondition system assisting this employment ... has not kept up with it. Even more has fallen behind, and expectably is going to change only slowly even in the future, is the system of customs, habits, attitudes, expectations in relation to women’s traditional family roles (Ferge, 1982, p. 155).

Duba (1980) criticised the bureaucratic management of the emancipatory goals and argued that the realisation of emancipatory goals is lost in the process of transferring party recommendations to governmental ordinances to company action plans. However, again the reason for the lack of realisation of emancipatory aims was concep-
tualised as an outcome of a lack of interest rather than the manifestation of interests contrary to the goals declared in emancipatory policies.

Consequently, even some of those approaches which formulated a critique of men as beneficiary of women’s labour did not succeed in breaking out of the Marxist paradigm. Conspicuously, it was more tolerated under state socialism in Hungary to criticise the system, than to criticise men’s power over women.

The conceptualisation of H. Sas could be considered to have stepped beyond the above-stated formulation to the degree that she attributed a special status to relations regulating the relationship between men and women:

Disadvantages likewise apparent in schooling, occupation or positions pronounce the fact that women’s large-scale labour participation can be only a first step in the realisation of equality between the sexes. However, this step has not modified fundamentally the discrimination between men and women and has not changed the historically developed relation between men and women. Women’s large-scale labour force participation has not altered fundamentally the larger or smaller authority, the smaller or larger participation in decision making, lesser or stronger responsibility for social production or differences in more or less intellectual requirements (H. Sas, 1988, p. 104, my italics).

She goes further on this track and pinpoints the source of inequalities specific to the realisation of the state socialist emancipation ideas: ‘...those privileges that were attached to men previously become weaker, they can be attributed to women as well. However, men do not get the traditionally female attributes’ (H. Sas, 1988, p. 148). While she identifies the differing expectations bound with ‘masculinity’ and ‘femininity’ as detrimental to women, she reorients the examination to the evaluation of women’s contribution to society. It is not enough that women’s roles in society change. The norms regulating the evaluation of women’s contribution need to change also (H. Sas, 1988, p. 179, see also H. Sas, 1976):

The important others transfer new norm requirements related to the sexes towards the individual, only, if the social and economic needs change - if the participation of the sexes in the social division of labour changes compared to the traditional - and as a result of this both men and women obtain new roles (H.Sas, 1988, p. 239).

Those approaches which explained gender inequalities by the impact of the state’s dual interest in women’s labour, could not provide a satisfactory explanation of why the state policies did enforce the given gender division of labour. Furthermore, they assumed that the state and the state socialist economy’s labour demand emerged in a non-gendered form. In contrast, I argue that such non-gendered force can be separated only conceptually. In reality the labour demand is articulated in a gendered form. Similarly, the patriarchal nature of women’s subordination materialised in the gender division of labour, can be conceptually separated from the nonegendered forces of subordination. It, nonetheless, is materialised in its articulation with the state socialist system. This relation is summarised by McDonough and Harrison: ‘the precise character of the operation of patriarchal relations is shaped within the historical concreteness of a mode of production’ (McDonough and Harrison, 1978, pp. 11-12). In contrast, some of those who examined women’s unequal situation as a
consequence of men’s privileges (such as Turgonyi), saw the latter as a concomitant feature of the bourgeois marriage, and as such alien to the socialist family. Viewing it as not alien, incomprehensive to the socialist system, these theories were forced to explain the continued praxis of domestic labour as an outcome of a ‘culture lag’.

4. CONCLUDING REMARKS ON THE HUNGARIAN GENDER REGIME

Emerging state socialist policies worked out a compromise between patriarchal interests and the economy’s dual interest in women’s labour. These policies ensured the continued reproduction of women’s reproductive role. In state socialism women’s labour force participation became close to full participation, and women’s subordination was reproduced in the context of the gender segregation of the labour force. Meanwhile, the division of labour within the heterosexual couple relationship was not altered, and the socialisation of reproductive labour did not approach the promised level. Thus, state socialism did not succeed in radically undermining the material basis of patriarchy it did not succeed in resolving the conflict between women’s reproductive responsibility and men’s privileges, which were bound to their lack of participation in these duties. Neither did it resolve women’s integration into the labour force on terms subordinate to men’s.

Under state socialism, the state had a dual interest in women’s labour: women served as labour force, while simultaneously assuring the biological and social reproduction of the labour force. The large-scale expansion of women’s labour force participation proceeded in parallel with the expansion of the economy. Women were integrated into the labour force according to the segmented, stratified labour demand of the economy. While certain occupational branches were feminised, a domino effect prevailed in areas employing both men and women: men moved upwards to technologically advancing areas, while they allowed women to move into the technologically backward areas being vacated (Koncz, 1987). Thus, the gender segregation of labour became one of the main institutional means of the reproduction of the unequal relationship between the sexes even under state socialism. The state fulfils both the role of employer and of a welfare institution under state socialism.

The emancipation policy urging women’s labour force participation coincided with the expanding labour demands of the economy. One precondition for the increase of women’s labour force participation was the expansion of child-care institutions. The goals of emancipation could be approached most effectively in this area. Meanwhile, emancipation goals, not directly serving the interest of the economy remained on the level of political jargons, such as the principle of ‘equal wage for equal work’ (Turgonyi, 1973). Parallel to the evolution of market socialism, the demands of rationalising labour and the cutting down on excess labour was formulated. The re-evaluation of women’s societal reproductive role and the introduction of GYES coincided with the announcement of the new state socialist policy aiming at rationalising and cutting down on excess labour. Even if later GYES was extended to apply to men also, its primarily goal was to promote the combination of wage work and maternal responsibilities. In parallel, it strengthened the role of maternity in the
social construction of ‘femininity’, – the association of the caring role to ‘femininity’.

Similarly to industrial capitalism, in which women’s subordination is formed in the duality of the value system of patriarchy and capitalism, the entrepreneurial interest of the state and patriarchy regulate the relations reproducing women’s subordination under state socialism.\textsuperscript{35} At the beginning of this chapter the patriarchal features of the state were illustrated using the gender regime concept. Here, the state’s functions in affirming or mediating the gender organisation of reproduction and production, as well as the state’s function in constructing the hegemonic perceptions of femininity were discussed. The ‘dynamic body’ concept was utilised to analyse the gender construction of female reproductive bodies in state socialist women policies. The mass influx of women into the industrial world during the state socialist industrialisation project can illustrate this point.

Stalinism aimed to push women into the labour force as live ammunition for the heavy industrialisation project. The strong, muscular woman became the ideal of the emancipated socialist woman (Sándorné, 1986). Meanwhile an alternative demand on women’s bodies strengthened during the Stalinist period. While women were to match men at work, they, as possessors of female reproductive bodies, were also to adhere to pronatalist goals. Women, were to fulfil the maternal and care-taking roles for which they were destined ‘by nature’. However, the industrial disciplinary process adjacent to women’s integration into the production sphere showed maladjustments to the physiological and social demands of reproduction. Women revolted through their bodies, and fertility declined. In the Soviet Stalinist period the response was the insurance of fertility by repressive measures, as the reintroduction of prohibition against abortion in 1936 illustrates (Goldman, 1993, Lapidus, 1977).

In Hungary, a new women’s ideal evolved during the sixties in opposition to the Stalinist period’s ‘muscular’ female ideal. This propagated the ‘working woman’ employed in occupations ‘suitable’ to women. Women’s bodies were to be disciplined back into the feminine domain. Protection laws defined the proper bodily boundaries of suitable jobs for women, so for example, women were prohibited from being employed in heavy physical work. The prohibition of women’s employment in jobs requiring heavy physical labour was explained with the dangers of such labour on women’s reproductive organs and on the foetus. The debate on suitable jobs for women during the sixties constructed women’s bodies as fragile. Suitable jobs were also defined as jobs which were seen to originate from women’s social reproductive duties.

The ‘poor fit’ between the productive and reproductive systems initiated further corrections. With the introduction of the child-care subsidy system in 1967, women were given the right and opportunity to combine working life with motherhood. Mothers were guaranteed paid leave during the first three years following the birth of a child, And women were now reaffirmed in their reproductive roles. However, the ‘bodies’ and ‘spirits’ of women of the child-care subsidy generation were protesting anew. The so-called ‘child-care subsidy psychos’ became a debated issue in

\textsuperscript{35} This does not conflict the fact, that the interest of state socialism have partially contributed to the creation of such an institutional system, such as the childcare institutions, the achievement of which belongs to the goals of the Western feminist demands.
psychological literature, which was initiated by the high abuse of psychopharmacological drugs by women on child-care subsidy (Sándorné, 1986). While the social importance of family based child-rearing was rehabilitated it was also defined as a ‘mothers’ sphere. The expanded reproduction rights were restricted to mothers. In parallel, the implementation of protection laws changed. In contrast to the fifties and sixties, when the suitability of jobs was to be decided by central ministerial decrees, from 1967 onwards the power to decide over lists of most prohibited occupations was moved down to the company managerial level. Women’s participation as political actors constructing these policies was marginal. Meanwhile, policies were not formed as rights by which women could live (if women as economic actors were to define their application as necessary), but as means of exclusive praxis, which was to be applied, if necessary against the wish and self-defined interest of women.

From the seventies onwards, the emerging equality debate interwoven with the constitutional reform process, which expanded from the eighties onwards, succeeded in activating the issue of redefining eligibility. The child-care subsidy was made available even for men. The centralised approach of regulating the functions of women’s reproductive bodies by state socialist women policies exemplifies the political importance of the body as a power-loaded arena. Meanwhile, the concept of the body as creative and created at the same time can allow us to explore the historical construction of female and male bodies as a dynamic process.

The various stages of the evolution of the Hungarian gender regime corresponded to the transition periods of the socio-economic system at large. The emerging laws and regulations were seen as hegemonic systems providing effective means of redistributing societal wealth between productive and reproductive spheres, and were also means of transferring images of ‘femininity’ and ‘masculinity’. It was also argued that the presence of laws and regulations are not equal to practise.

In the next chapters I turn to a study of praxis in the context of agricultural production co-operatives. In the next two chapters the focus is on the analysis of the conditions for reproduction of the agricultural production co-operative as a gendered form of production. The system of laws and regulations has set the effective boundaries of gendered types of rights and duties, which are in this manner treated as external conditions for the reproduction of the co-operative. The internal conditions for this reproduction are bound to the reproduction of gendered types of social relations of production and reproduction characterising the co-operative. It is these relationships that will be scrutinised.
CHAPTER 10

Gender Segregation of Labour in the Collective Sphere

1. INTRODUCTION

In this chapter the gender segregation of labour within the collective sphere of the co-operatives is analysed. This part interprets the interaction of the gender system with the co-operative as a production form. As it was discussed in Chapters 6 and 7 the reproduction of the co-operative as a production form depended internally on the relationship between the collective and the household sphere. The organisation of production and reproduction in the co-operatives evolved within these two spheres in the following way: the collective sphere was a production organisation utilising wage labour. The households contained beyond basic reproductive functions even a limited production site. Applying the assumptions of dual system theory, the gender system characterising agricultural production co-operatives evolved in the interaction between two systems: the patriarchal and the state socialist. The forms of production and reproduction in the co-operatives evolved within the broader external conditions of state socialism as a dominant economic system and the state socialist gender regime as dominant gender model. Thus, the conditions for the reproduction of the co-operative and of the gender system were seen as interwoven. The three spheres of labour, which were considered as elementary for the reproduction of the co-operative as a production form (wage labour in the collective sphere, household-based agricultural production and domestic labour in the family household) are used as the basis for the analysis of the gender segregation of labour also. The gender division of labour is considered as the material base of the relations of production and reproduction, which secured the reproduction of the patriarchal system within the state socialist production organisation. The reproduction of the gender-based subordination system was ideologically based on the prevailing norms of ‘masculinity’ and ‘femininity’. The state’s ideology concerning women constituted a hegemonic formulation of these norms. The laws and regulations formulated on the basis
of the state socialist ideology are seen as the broader framework defining the legitimate limits of interpreting gender roles.

In this thesis, the evolution of the production organisation of the collective sphere of the co-operatives is seen as a result of a disciplinary process, which led to the gradual expansion of the industrial production organisation. Within this process, peasants were ‘transformed’ into semi-proletarian wage workers (Swain, 1985, Szélényi, 1988, see also Chapter 7).

The underlying research problem in the coming chapter is to first answer the question: to what degree was the gender segregation of labour a precondition for the reproduction of the agricultural production co-operative as a form of production (or broadly the state socialist production organisation)? Secondly, it analyses the degree to which the gender segregation of labour within the three spheres of labour can be explained by the presence of a compromise between the interests of the reproduction of the co-operative production form and of patriarchy. In reality the system of the economy and of patriarchy exist in an interwoven form, integrated into each other. The hypothetical separation of the hegemonic systems of the economy and of patriarchy allows the analysis of the dynamism in the interaction between the two systems. Third, this chapter examines how ‘challenges’ originating from changes in the organisation of production and reproduction provided opportunities for change in the gender system, and vice versa.

Moving from the general level to a more operational level, I sum up the principles of analysing the gender characteristics of the collective as a hierarchical organisation.

Within the state socialist system at large, and in the co-operatives in particular, the relations organising the control over the means of production, the production process and the redistribution of produced assets, became the foundations of socio-economic inequalities rather than the private ownership of capital. Similarly, the reproduction of gender inequalities in access to control over key resources is also seen to be secured by gender differences. Thus, the first aspect of the analysis of the collective sphere looks at how the described separation of the ‘head’ and the ‘hand’ and the subsequent professionalisation of management (see Chapter 6) evolved as a gender process.

While on the one hand the separation of the ‘head’ and the ‘hand’ meant the empowerment of those in managerial positions, it meant on the other hand the loss of autonomy by the peasants who were ‘transformed’ into wage workers. The next question examines the way the transformation of the collective labour organisation contributed progressively to the loss of autonomy over the labour process, how this

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1 In some cases, such as maternity leave, these prescribe potential options, however the utilisation of these rights cannot be enforced. In other cases, such is the case of prohibition laws, these laws enforce the prevailing legal perception on the employers and through them they directly impinge on the gender segregation of the labour market see chapter 9.

2 Such dynamism includes, for example, the interrelationship between the changed economic role of household-based agricultural production and the system of gender segregation of labour.

3 See the stratification theories Ferge, 1969, Kolosi, 1988. In relation to agriculture Juhász, 1975, Swain, 1985. Szélényi, 1988 modelled the state socialist society as a pyramid-formed hierarchy, which is complemented by an alternative (also pyramid-like) social stratification organised along the second economy.
process was connected to the changing conditions of the reproduction of the labour force and how gender inequalities were materialised in the differential integration of men and women into the labour force.

In chapter 6 the hierarchical features of the collective labour organisation were analysed along ‘core’ and ‘marginal’ dimensions. The agricultural modernisation process proceeded in the context of the co-operative production form. As it was argued in chapter 8, there is no agreement about the effects of agricultural modernisation on women’s participation in agricultural production. What there is a basic agreement about, is that it is not the introduction of certain technologies per se, but the social and economic relations bound to the introduction of a technology that have been of crucial importance for the gender specific outcome of modernisation.

In the next section I analyse the gender specific outcome of the transformations in the collective production organisation during the various historical phases of its development. Have changes in technology, production profiles, organisation forms provide opportunities for change in the gender system?

The key aspects of investigation concern: the organisational integration of various labour categories, the stratification according to skills and the impact of changing production profiles and mechanisation on the occupational distribution of the collectives.

Gender differences in the distribution of co-operative workers along core and marginal categories of the various dimensions of the stratification of the labour force are analysed by the use of measurements of occupational feminisation versus masculinisation and concentration of female versus male workers\(^4\). Furthermore, the level of feminisation versus masculinisation of labour is analysed as measures of the degree of gender integration and segregation. Those occupations where the level of feminisation or masculinisation reached between 40% and 60% will be defined as integrated, while occupations where the proportion of women or men is beyond 60% are defined as segregated. The degree to which the tendencies of gender integration or segregation predominate in the given dimension of labour force stratification is used as measure of occupational gender segregation.

2. Gender Division of Labour and Authority in Pre-collective Agrarian Societies

As it was noted in chapter 8, the main patriarchal relations in agrarian societies were the gender division of labour within the family farms, gender specific inheritance structures, decision-making authority and the constructions of ‘masculinities’ and ‘femininities’. In the following section I provide a concise description of the pre-collective agrarian gender system in Hungary.

While gender division of labour was an overriding principle of the pre-collective agrarian labour organisation in Hungary, it was nonetheless not the only principle. Ethnographic research also showed considerable variation according to regions.

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\(^4\) The two key concepts used to measure gender differences are: a) the level of feminisation: the proportion of women within a given occupation; and b) level of concentration: the proportion of women (or men) from all women (or men) in the given occupation (see Koncz, 1987).
production branches and the various layers of the agrarian population. The work organisation of the peasant family farm had to adapt to the reproductive cycles of the family in its efforts to maintain and forward the family economy. Peasant family household types varied historically and showed an association with the social rank of the family. While the extended family was common in the middle and upper layers of the landed peasantry, the nuclear family characterised the lower layers of the agrarian society (Fél, 1959).

Fél (1936) defined the minimum size in 10 hold (5 hectares) of a farm that was required for the formation of extended families in the 1930's in Kocs. The extended family could be composed strictly along the patriarchal line, i.e. the joint economy of married sons and their families under the leadership of their father, and his wife. Such was the case in Körögy (Penevin, w.y.). In other areas, like in Kocs and Tiszaigár (Fél, 1936, Fél, 1959) sons-in-law were also allowed to move into extended families, especially if the family had no sons.

In Körögy a strict gender-based labour segregation prevailed. However, the individual's actual position within the division of labour depended just as much on his or her relative status (such as distance from the head of the household according to family ties and age) within the family.

Within the general framework of gender-specific tasks, the actual division of labour was formed in respect to additional status differences. The head of the household, "gazda" was responsible for the organisation and supervision of labour, and kept the family's savings. He himself did not take part of the labour on the fields. Whereas tasks had a seasonal variation, certain jobs were allocated to given persons depending on the demographic composition of the extended family, such was the cart-driver (kocsis), the persons responsible for the feeding of horses, cows, and pigs (kanázs), the caretaker of the wine-yard (csösz), another took care of the fruit garden, and the fishermen (halász, pákász). One person was always responsible for grinding the daily wheat, and corn, etc.

Amongst women, the wife of the head (gazdaasszony) was the leader of female tasks, at the same time she transmitted the orders of the head of the household to the family's female members. She was responsible for the family's food, although she herself rarely took part in the actual cooking, she organised it, and had the key to the food-chamber. She served the food, and ordered the washing and mangling. She did the preserving of fruits, vegetables, milk with the help of other women members of the household. She paired and stuffed the poultry, as well as taking the lead in the flax work and weaving. As amongst men, there was a division of permanent tasks: there was a cook, who was also responsible for cleaning the house (redusa, fözőasszony), a woman responsible for the poultry, a milking woman (usually older), the youngest daughter-in-law did the dishes, carried in the drinking water, and cleaned the shoes and feet and hair of the head-of-household. Older women took care of the children, younger women could stay home from the field for a couple of months after delivery. She had to nurse and give milk to the other babies as well.

As it was shown earlier, the pre-World War II Hungarian estates had a dual labour force: the year round labour force of manorial workers 'cseléd' and that of various seasonal workers. The work teams of paid agricultural workers were also characterised by a gender-specific differentiation.
In manorial estates the permanent labour force was composed of a series of exclusively male occupations, and a year-round permanent general agricultural labour force. The contracting person was the male head of the household. Female family members of those hired were to fill in as general farm-hands (Tóth, 1977).

The division of labour was strictly gender-based (Györffy, 1959) in the various forms of paid agricultural labour. Harvesting teams were hired during the peak season. The nucleus of these teams was a two person group, which consisted of a scythe-harvester and a binder. The former was always a man, whereas the latter a woman. The team was paid in share of the harvest. Whereas the harvester received a full-share, the binder got only a half-share. This was the case despite the apparently more demanding nature of the binder’s work, which required a tiresome body position during binding, as well as requiring physical strength in making and tightening the rope. The scythe harvesters set the pace for the work, while the binders had to keep up, often foregoing rest. Györffy argued that the binders job became substantially harder after the introduction of the steam-thresher, which required a tighter binding of the crop. Such tight binding had been unnecessary in case of the previous practice of horse-threshing. In the process of threshing, 16 men and 7 half-share women constituted the work-team. Here also women’s work was physically and psychologically more demanding, despite the lower payment. Women’s tasks were also more dangerous, since they worked along the open drum of the machine, where deadly accidents have been reported. Balassa (1985) comes to similar results concerning the physically demanding nature of women’s labour among the ‘summás’ labour team and the lower-remunerated women.

Amongst historical structures that contributed to the reproduction of the lower value of women’s contribution, inheritance structures played a key role. In Hungary men and women gained equal parity in inheritance in 1848, when the new laws break with the feudal (ösiség) grounded system of inheritance. While, the feudal system differentiated between patrimonial and matrimonial line of inheritance, the new law abolished this differentiation. However, according to Tárkány Szücs, (1988) the legal customs and praxis deviated from this. Based on studies conducted at the turn of the century he found that the praxis of ‘legal inheritance order’ dominated (formed over 50% of the cases in the sample) in 41 out of 43 of the counties. Beyond equal inheritance, patrimonial line of inheritance was practised, which meant the prioritised inheritance of sons, in over 25 % of the studied cases in 17 out of the 43 counties. The praxis of primogeniture was marginal, it reached over 10 % of cases only in 5 counties. These counties contained a sizeable German minority (ibid. p. 761).

In cases of patrimonial division, daughters were to take out their share at marriage in the form of a dowry. Depending on familial customs, this could include, beyond the ‘kelengye’ (women’s assets, such as household items and textiles), animals or some land commonly valued less than the share of the sons. Sons were to take over the farm gradually following their marriage and founding of a new household. If the parents had not already started to transfer property during their lives (‘levetközés’) they inherited it after the death of the parents. According to the praxis of patrimonial residence, sons were to stay on the property and continue to work it. The differential share between sons and daughters was justified by the larger labour contribution of sons to the household. This was especially the case if the son stayed in the family
The raising of daughters was also in some cases seen as more expensive, due to the preparation of the dowry (Tárkány Szűcs, 1988, p. 761). However, sons in some positions also received so-called ‘daughter’s share’. For example, sons who were educated by the family were typically expected to receive a reduced share of the property (ibid.). Similar was the treatment of son-in-laws marrying into the father-in-law’s family.

Women's position was especially weak in the extended families due to the prevailing system of patrilocality, in which women moved in with their men’s family, and came on the one hand, under the orders of the in-law family, and on the other hand, were treated as an outsider in the new family. In Köcs, for example, girls did not inherit from their own parents until 1863 (Fél, 1936, p. 102). Even after 1863, they were not, as a rule, able to receive an equal share of the heritage. Despite their extensive labour contribution to the household of the in-law family, the status of married in daughter-in-laws was typically low and subordinated, since they had not brought a sizeable dowry.

As the above description might indicate, inheritance customs and their gendered feature had a paramount impact on the formation of the agrarian production system. However, the legal customs showed large variation according to region, ethnicity and social layer of the peasantry.

Gender differential participation in the division of labour was associated with gender differentiated power position within the family. The strength of patriarchal power was described as having varied according to the social layers of the agrarian society.

Extended families of the middle and higher peasantry (see groups in Chapter 3) were commonly led by the senior male person, the father, who had total authority in deciding about the farm. He was the main organiser of activities ("rőndöközés") (Fél, 1936, Penavin, w.y.) In the peasant family, the ‘father’ – the male head of the household – had the last word in issues concerning production within the household. On the other hand the authority of the wife was concentrated around the ‘inside’ spheres of the household. Wives had also certain ‘production’ areas, which they disposed over. Such was the production for the immediate consumption (e.g. vegetables, potatoes), as well as she had certain economic spheres as her own. The poultry and egg money was such a typical area. She might have also brought with her a cow into the marriage, and so could derive independent resources. However, these were minor sources of independence within the overriding integration of these spheres upon the husband’s premises (Morvay, 1956).

Men and women also had separate spheres of contact with the outside markets. These spheres corresponded with the prevailing gender division of participation in production. Women also appeared on urban markets. Some, so called ‘kofa’ women even specialised in selling the surplus products of gardening on markets, such as dairy and poultry products. However, the scope of women’s economic activity was limited to areas which were considered feminine.

The farmer’s wife ("gazdaasszony"), presided over the organisation of domestic duties, and was the mediator between the head of household ("gazda") and the female folk of the household. The ‘gazdaasszony’ also decided over the female people in the household. This involved the organisation of female tasks. Thus, there was a variation between the different positions within the family and the level of power
deprivation. The position of daughter-in-laws being the most vulnerable, being dependent not only on their own husband’s but also on their father-in-law’s and mother-in-law’s good will (Morvay, 1959).

It was in fact, largely amongst the small or landless peasants, that women’s status appeared strongest (H Sas, 1976, p. 25). In small-holder families, men may have expected patriarchal authority, but in the daily matters they shared the decision-making with their wives. Women’s influence was conceived as strongest amongst the landless agrarian labourers. Women’s contribution to the family’s subsistence in various forms (such as agricultural subsistence production, paid labour, etc) was a crucial addition to the husband’s meagre wages. As Illyés describes the society of the manorial servants: “In this pressed, ancient world... women ruled, the mothers in every family-bush.” (Illyés, 1967, pp. 35-36).

Kovács (1935) analysis of the household economy and nourishment of manorial servants during the thirties showed that the remuneration the manorial servants received (monetary and in naturalia) did not cover the measured calorie needs of the manorial servants performing various types of heavy physical work. It was the household plot of manorial servants that could have supplied the additional protein needs of the families. To keep poultry and labour in the small lot was women’s task. However, due to the worsening depression of the thirties, when the monetary incomes of men did not cover the costs of clothing, women were forced to take the products of the household to the local markets. In this way they could secure the money required for buying the basic clothing items for the family. The crucial importance of women’s economic contribution for the subsistence of the family can provide grounding for women’s alleged influence in manorial servant families. However, whereas women’s position was seen to have been strong within the family, their status towards the outside world seemed weaker, as is indicated in the lower value of female labour.

3. COLLECTIVISATION AND THE NEW INSTITUTIONAL BASE OF GENDER INEQUALITIES

During the period from the re-organisation of co-operatives after 1956 up-to the early seventies collectivisation followed a more ‘voluntary’ trend, allowing for certain self-selection of leaders at the local collective level. This allowed the transfer of certain aspects of traditional peasant role models into the co-operative structure. However, as it was argued in Chapter 3, this ‘voluntarism’ was an acknowledgement of the zero alternative situation, rather than a kind of genuine engagement. What collectivisation meant was the disciplinary integration of former peasants into the collective production organisation patterns. A key aspect of this disciplinary process was ‘deskilling’ of the autonomous peasant producers into wage workers. In this process some positions became ‘upgraded’, such as the case of managerial positions.

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5 See e.g. Medve Alfonz, documentary Film by Juhász Pál, 1983.
6 As noted in chapter 4, Juhász argues for the importance of the cultural patterns of the large estates in the formation of the co-operative labour organisation. This would hold even in the case of the gender patterns. In the estates work-leaders, managers were exclusively men.
From the point of view of gender process, ‘deskilling’ meant also a ‘demasculinisation’ of the status attributes of the former head of the household ‘gazda’. As it was shown, such attributes were based on patriarchal structures, such as gender division of labour, inheritance, decision power and the construction of ‘masculinities’ and ‘femininities’.

Out of these key spheres collectivisation destroyed the structuration affects of gender differential inheritance. Due to the socialisation of major means of production, inheritance of property (land and assets) lost its economic importance. Meanwhile, the inheritance of the homestead and consumer goods remained important. Similarly, the patriarchal power base of the head of the household’s (gazda) decision making power in household affairs was also severely cut back. The production site basis of the independent farm dissolved. Meanwhile, men were disciplined into the collective forms of production, where they to an increasing degree, lost autonomy over not only what they were to produce, but even over the own labour process. Finally, with the economic hardships caused by the compulsory delivery system during the Stalinist period and by the transition to collective production forms throughout the transition period, the head of household’s ability to provide for the subsistence needs of the family was jeopardised. As it was noted in Chapter 7, household-based-production of co-operative workers was tolerated due to its importance in securing the subsistence of the families.

As it was noted in Chapter 9, during the Stalinist period even the last ‘resort’ of patriarchal status differences was called into question. Women were to take over men’s work tasks. Gender differentiated ‘masculinities’ and ‘femininities’ expressed in the gender division of labour were challenged. The ‘absurdity’ of the Stalinist period was expressed in the retrospective eyes of the seventies by the symbolic value of the propaganda figure of the ‘female tractorist’.

What was changed in the post 1956 collectivisation tactic was the willingness to incorporate elements of the peasant rank-order system. A key such area was the strict rank-order according to gender. The main institutions of the emerging gender structure in the co-operatives were: men’s monopolisation of management positions, gender division of labour in the collective and women’s continued reproductive responsibilities. I argue that women’s lack of integration into the co-operatives as ‘political’ actors was filtered through this traditional pattern, which at the onset of collectivisation blocked the ways for women’s entry to positions involving public economic leadership, such as co-operative leadership positions. Those, who became ‘empowered’ to leadership positions were drawn from the former head of households (gazda) of successful middle peasant farms. In this early period, the good, successful farmer was accepted as the ideal for a co-operative manager.


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7 As it was shown earlier it was the continued existence of private property of housing and other tangible assets that Heller (1976) considered as the material basis of women’s continued subordination in the realised socialist countries.

8 As it was noted earlier, the focus of this thesis is on inequalities in the field of gender division of labour. This is not to say that labour was the only field of gender inequalities.
4.1. INTRODUCTION

With collectivisation, the separation of the leadership function also brought with it the growth of white collar positions servicing the managerial group. In the following I turn to analyse how white collar positions were stratified along gender. Furthermore, I examine how changes in the organisational structure of the co-operatives and in the recruitment principles affected the gender hierarchy in white-collar jobs.

4.2. GENDER DIVISION OF LABOUR IN WHITE COLLAR OCCUPATIONS

Control over redistribution of collective assets and over productive resources was considered to be the main source of power differences under the state socialist period. Even the degree of control over one’s own labour process was seen to imply hierarchical differences between occupations (see Chapter 7). The so-called white-collar occupations within the co-operatives were in various ways related to the management of production. According to the various levels of control associated with white collar positions, these occupations can be ranked into a hierarchical order. The position of women within the hierarchy of control was disadvantageous compared to men. The majority of women were in white-collar jobs servicing management – jobs such as administrative workers, with no control over the production process and with limited autonomy over their own labour process. The proportion of women in jobs on the higher levels of the hierarchy was marginal. Consequently, women’s impact in higher levels of the decision-making process was limited in the co-operatives.

While the level of feminisation within white-collar occupations was increasing steadily, the increase was uneven over the different levels of the hierarchy. The proportion of women within certain occupations was inversely correlated to the hierarchical position of the jobs. In 1971 women constituted 70.6% of administrative workers (“beosztott ugyviteli dolgozo”), but they formed only 6.6% of the higher level management. Furthermore, the proportion of women was lowest on the top level of management. In 1971 despite the overwhelming state socialist emancipatory ideology, there were only 6 women co-operative presidents out of 6,507. The proportion of women amongst deputy presidents (elnokhelyettes) was somewhat higher (9.3%). While at mid level management (Manager level I) the proportion of women dropped to 3.8%, the highest proportion of women was in lower management (Manager level II) positions (9.5%). The proportion of women was even lower amongst production supervisors (4.8%). And although women constituted the majority of administrative workers (70.6%), their proportion amongst administrative supervisors was lower (48.3%).

The uneven level of occupational feminisation resulted in a gender-segmented labour force. The degree of gender segregation of the labour force is seen to be high in case of the concentration of women in gender-segregated occupations. In 1971 the majority (63.8%) of white-collar female workers were employed as administrative workers without managerial or supervisory

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9 The gender segregation of the labour force is seen to be high in case of the concentration of women in highly feminised occupations.

10 The concentration of women in a given occupation is to measure the proportion of women within a given occupation from all women employed within the given enterprise.
functions – in jobs servicing the positions of control (see table 10.1.). At the same
time, only one-tenth (10.5%) of men were located in such positions. The concentra-
tion of women in these clerical-service jobs had slightly decreased by 1982 from
63.8% to 59.8%, parallel with an increased feminisation of these occupations.
Whereas in 1971 70.6% of the clerical workers were women, by 1981 the occupa-
tion was almost entirely taken over by women (92.7%).
The second largest concentration of women was amongst administrative supervi-
sors, where the proportion of women was the second highest. According to the de-
inition provided above, this occupation can be seen as gender integrated. One-fourth
of women (24.4% in 1971 and 25.2% in 1982) worked in these positions. The con-
centration of men was lower in this category (10.3% and 15.0% respectively). The de-
gree of feminisation of these occupations rose from 48.3% to 51.9% between
1971 and 1982. These positions provided the major avenue for women to achieve
supervisor status. In contrast, in 1982 only 7.2% of women were production supre-
visors compared to 50.4% of men.
In 1982, similar to 1971, only a minor portion of white-collar female workers were
employed in managerial positions. Only 7.7% of female white-collar workers were
managers compared to 31.4% of men.
Consequently, the majority of women were concentrated in highly feminised jobs at
the bottom of the hierarchy. About two third of white-collar women (63.8% in 1971
and 59.8% in 1982) worked in occupations where over 70% of the employees were
women. In contrast, the majority of men were production supervisors (46.2% and
50.4% respectively). The next largest concentration of men was in the various levels
of managerial positions (32.9% and 31.4% respectively). Both production supervi-
sors and managerial positions were highly masculinised.
In summary, in 1971 89.7% of white collar men and 75.6% of white collar women
worked in gender-segregated jobs (see table 10.1.). These figures did not change
substantially by 1982 and reached 85.0% for men and 76.8% for women). In con-
trast, in 1971 10.3% of white collar men and 24.4% of women worked on gender
integrated positions stratified according to differential levels of the managerial
hierarchically. The proportion of those working in integrated positions increased
only slightly by 1982 to 15% for men and 23.2% for women. As was indicated
above, the only integrated position along the hierarchy of white collar occupations
was that of administrative supervisors.

Table 10.1. The distribution of white-collar workers according to occupational
status degree of feminisation and concentration by sex in 1971 and 1982

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Degree of feminisation</th>
<th>Concentration of white-collar workers (%)**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(%)* (%)*</td>
<td>Men Wome n Men Wome n</td>
</tr>
<tr>
<td>President and vice president</td>
<td>6.5 8.0</td>
<td>-4.8 16.7 3.0 8.3 1.1</td>
</tr>
</tbody>
</table>
With the mergers of co-operatives from the seventies onwards, the absolute number of co-operatives decreased, and along with it the absolute number of presidents. Instead, positions in lower and middle level of management increased in proportion. These lower and middle-level managerial jobs became increasingly specialised, with special educational requirements, such as agricultural, technical, economic, legal or cultural. The increasing professionalisation meant also that these positions could no longer be filled purely on the basis of local evaluation of a person’s competence. The recruitment of the new professional stratum became detached from the local community, and turned towards the national labour market for candidates with proper educational credentials. These two shifts opened up an opportunity for change in the gender composition of the managerial stratum. Despite the overall trend (according to which men’s dominance in leading positions remained overwhelming), a distinct pattern of change can also be identified. The proportion of women amongst lower managerial categories increased significantly from 9.5% in 1971 to 21.4% in 1982.

4.3. ORGANISATIONAL CHANGE AND GENDER SEGREGATION IN MANAGERIAL POSITIONS AND WITHIN WHITE COLLAR OCCUPATIONS

Did the change in the organisational structure of the co-operatives provide an opportunity for the alteration of gender segregation in white collar occupations? As was shown in Chapter 3, co-operative land became increasingly concentrated due to the ongoing merger campaign during the seventies. The managerial coordinating tasks increased substantially in the co-operatives, largely due to difficulties related to the integration of previously independent entities that were also diverse in terms of region and production. The increased complexity of the co-
operative organisation was accompanied by an overall increase of white-collar occupations – both in numbers and in their proportion within the labour force. This increase continued despite the fact that the size of the co-operative labour force at large was steadily declining. While the majority of white-collar workers held jobs in various levels of management, servicing and clerical jobs also increased significantly. In this process, the proportion of female workers in white collar areas grew, and some white-collar occupations experienced a gradual feminisation. The rate of growth of white-collar women exceeded that of men over the period between 1971 and 1982 and was 87.6% compared to 9.1% for men (see table 10.2.). Consequently, the proportion of women among white-collar workers rose from 28.3% in 1971 to 40.5% by 1982.

The demographic composition of white-collar workers indicated that the feminisation process among white-collar workers was strongest in the younger age groups. Accordingly, the proportion of women among white-collar workers was highest in the younger generations. Women formed only 8.6%-17.3% of the two oldest age-groups of co-operative white-collar workers compared to 50.2%-70.9% of the two youngest age groups. The opposite tendency can be observed in case of blue-collar workers.

The increase in the overall proportion of white-collar women between 1971 and 1982, affected occupations on all levels of the hierarchy to some degree. However, growth was most significant on the lowest level of the hierarchy, which area was already substantially feminised. In occupations on the higher levels of the hierarchy, where women constituted only a very marginal part of the labour force in 1971, the proportion of female workers did not change dramatically over the 11 year period. Although by 1982 the number of female managers rose to 244.4% of the 1971 level (see table 10.2.) women remained a small (16.6% in 1971 and 14.3% in 1982), but increasing minority of managers.

The increase varied according to the level of management. The absolute number of women increased sizeably amongst the middle and low-level managerial strata, whereas, it decreased amongst top-level managers. The decrease in the number of co-operative presidents reflected the concentration of co-operatives into larger production units. As discussed earlier, this process resulted in a decrease of the number of co-operatives, and thereby, in the demand for top-level executives. Since the proportion of women was marginal in this category (6.5%) the reorganisation of the co-operatives affected men (only 4.8% of the decrease were women) more substantially. Consequently, the relative proportion of women rose somewhat to 8.0% despite the decrease in the absolute number of women.

In the mid-level management, the number of women doubled compared to the 1971 level. This meant that 23.0% of the increment was constituted by women in this category, and resulted in the increase of the proportion of women from 3.8% to 6.7%. The increase was the most sizeable on the lowest level of management. The number of women increased by five times, constituting 30.7% of the increase in the occupation, and resulted in the increase of the level of feminisation from 9.5% to 21.4%. Thus, the expansion of the proportion of low-level managerial positions contributed to a sizeable increase in the proportion of women.
Table 10.2. Development of number of White collar Co-operative Workers by Occupation, 1971-1982, in percent, Index, 1971=100

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1975</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men n</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women n</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>President and vice president</td>
<td>73</td>
<td>75</td>
</tr>
<tr>
<td>Technological, marketing transportation and economic manager I</td>
<td>112</td>
<td>143</td>
</tr>
<tr>
<td>Technological, marketing transportation and economic manager II</td>
<td>133</td>
<td>262</td>
</tr>
<tr>
<td>Total Manager</td>
<td>97</td>
<td>151</td>
</tr>
<tr>
<td>Production supervisor</td>
<td>111</td>
<td>130</td>
</tr>
<tr>
<td>Administrative supervisor</td>
<td>111</td>
<td>100</td>
</tr>
<tr>
<td>Administrative worker (secretary)</td>
<td>104</td>
<td>142</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>134</td>
</tr>
</tbody>
</table>


The number of women amongst production supervisors more than doubled by 1982 as compared to the 1971 level. One fourth (25.7%) of the growth was composed of women, causing a change in the feminisation level from 4.8% to 8.9%.

The two categories in which women formed a substantial part of the labour force were administrative supervisors and administrative workers. The number of female administrative supervisors doubled between 1971 and 1982, constituting 60.1% of the increase in the occupation. However, although a substantial portion of administrative supervisors were women already in 1971 (48.3%), their proportion did not rise dramatically over the 11-year period, and reached only 53.3% in 1982. In the case of administrative workers, the rise in the number of women (to 175.8% of the 1971 level) was accompanied with a dramatic drop in male employees – to one third (33.1%). Consequently, the feminisation level rose from 70.6% in 1971 to 92.7% in 1982.

In summary, the overall increase of the level of feminisation of white-collar occupations has not been distributed evenly amongst positions on the various levels in the hierarchy. The slow influx of women into primarily low-level managerial and administrative supervisory positions did not upset the dominance of men in positions of control. As the analysis of the gender composition of the increment indicated, the disadvantage of women was substantially smaller amongst newly employed workers than amongst white collar worker employed prior to 1971. In the gender composition of newly-employed white collar workers women constituted a sizeable minority of workers on all levels of the hierarchy of occupations, including managers and production supervisors (see table 10.1.). However, as the gender composition of the labour force in 1982 indicates, this was not a sufficient contribution to the labour force to reverse the overwhelming disadvantages of women in managerial positions that were inherited from the formation period.

4.4. The Shift from Traditional to Professional Management Principles and the Evolution of Gender Differences

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The nature of women's participation, for example, their non-participation in "gatekeeping" positions, can be a simple reflection of their overall standing in an institution, but can also work as means of reinforcing their exclusion from power. Consequently, beyond the simple constitution of the fact that women are excluded or under-represented in management, it is important to study the actual processes shaping the concept of management, and its consequences for gender. In the following, the impact of change in the recruitment principles of managers (from traditional to professional criteria) is analysed along the lines of the gender-differentiated participation in management.

4.4.1. The Professionalisation of Management and the Gender Segregation of Recruitment

As was described in Chapter 7, state socialist modernisation was accompanied by the strengthening of the positions of technocratic leaders. ‘White-collar’, administrative opportunities which were created by evolving co-operative management model provided work primarily for young, middle-level, educated women. Tendencies for segregation increased within white-collar occupations between 1971 and 1982. At the same time, the leading positions of the co-operatives were occupied by men. With the professionalisation of management, the proportion of women increased somewhat within all leading positions. Despite the increase in women’s representation in managerial positions however, these positions remained overwhelmingly dominated by men.

Recruitment into managerial positions was promoted via informal and formal channels regulating the access to power. Due to the prevailing power shifts, the control over defining the characteristics of suitable management were shifted from the co-operatives into higher levels of regional and national organisations. Here, the focus is on how the professionalisation of the recruitment base of management influenced women's access to managerial positions. In which ways did these new principles provide a new context of the reproduction of gender inequalities?

From the seventies onwards the definition of the suitable manager was substantially altered. First of all, external pressure from national regulations and regional party and government sources undermined the credibility of the traditional leadership. As referred to earlier, the regulation passed in 1974 (TRGYH, 19/1974 (VII.18.) MEM) defined a triple suitability criteria for managers: educational qualification; political reliability; and fitness for management. The reinforcement of these criteria intended to increase the uniformity between co-operatives and state enterprises on the one hand, and to increase the political reliability and allegiance of co-operative management. Due to the incorporation of these political criteria, co-operative managers became increasingly integrated within the local-regional political establishment. This shift, in and of itself, was gender-neutral. However, women’s ability to utilise the opportunities inherent in the detachment of recruitment criteria from traditional patterns depended on the gender stratification of educational backgrounds. Women were left at a disadvantage according to most of the prerequisites set by the triple criteria. Women formed a minority among the graduates of the

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11 KSH, MgAdattár, III, pp. 122-123, KSH, MgStatEk, 1985, p. 33.
newly-required fields of competence (such as within technical fields of qualifications) as well as amongst the party "graduates" (i.e. those who obtained qualifications within party political universities). They were also less active politically within the party. In contrast, women’s qualifications prepared them for jobs in the accounting, economic and marketing areas.

The importance of educational attainment increased amongst white collar workers at large (see table 10.3.). The majority of white collar workers possessed middle to higher-level education (84.3% of men and 83.3% of women). Male white collar workers had more favourable educational background than women, since the proportion of university graduates was high, 33.6% by 1980, while this ratio was only 8% amongst women.

Table 10.3. *The distribution of white-collar workers according to sex and highest level of education in 1972 and 1980*

<table>
<thead>
<tr>
<th>Type of highest education</th>
<th>1972</th>
<th></th>
<th>1980</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>University</td>
<td>25.5</td>
<td>5.6</td>
<td>33.6</td>
<td>8.0</td>
</tr>
<tr>
<td>Gymnasium</td>
<td>4.3</td>
<td>22.2</td>
<td>6.0</td>
<td>24.4</td>
</tr>
<tr>
<td>Agr., econ. or techn. high-school</td>
<td>25.2</td>
<td>25.8</td>
<td>33.5</td>
<td>31.8</td>
</tr>
<tr>
<td>Agricultural trade school</td>
<td>13.9</td>
<td>2.7</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>Accounting trade school</td>
<td>5.1</td>
<td>23.7</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>Together trade school</td>
<td>19.0</td>
<td>26.4</td>
<td>12.1</td>
<td>19.1</td>
</tr>
<tr>
<td>Only basic level education</td>
<td>26.1</td>
<td>20.0</td>
<td>15.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Number</td>
<td>43,073</td>
<td>21,314</td>
<td>52,054</td>
<td>32,934</td>
</tr>
</tbody>
</table>


*Note:* Gymnasium denotes middle level education of general humanistic or science character rendering no trade exam. Agricultural, economical or technical high school denotes middle level education rendering a trade exam.

The proportion of university graduates was even higher within the higher grades of the managerial hierarchy. In 1983, 65.9% of presidents and 58.5% of upper and middle level managers had university education of some sort. Only 4% of presidents with university education and only 11.1% of middle to higher level managers were women (see table 10.4.). In the overall pattern men’s overwhelming dominance amongst managers was reproduced over time (see table 10.1. above.).

Table 10.4. *Professionals with university education out of all with university or middle level education according to occupational status and type of education and sex amongst white collar workers in agricultural production co-operatives, 1983, September 30*  

| The proportion of those with university education according to occupation, thereof the proportion of women |
The majority in managerial positions had agricultural education (64.1% of presidents and 58.1% of middle and low level managers) (see table 10.5.). Economic and technical education was the second most important educational path for top management categories. In contrast, the proportion of those without middle level education was sizeable both amongst production supervisors (35.5%), administrative supervisors (25.1%) and administrative workers (40.3%). While educated production supervisors had typically agricultural or technical background, the proportion of those with agricultural, economic and gymnasium education was similar amongst administrative supervisors. Educated administrative workers had typically economic or gymnasium training.

The gender differences within educational background corresponded to the gender differences in occupational distribution. The proportion of women amongst qualified white collar workers was highest in the following educational areas: economy and accounting (79%), trade and marketing (65.6%) and health care (88%). The proportion of women amongst those who had university-level education in these fields was also the highest (48.5%, 39.2% and 57.1% respectively)\(^1\). The proportion of women was also relatively high amongst university graduates within law (26.2%) and social sciences (32.6%), while it was low amongst candidates within agriculture (12.1%) and technology (9.4%). These figures indicate that educational attainment served both as a gatekeeper criterion for women seeking entry into managerial positions, and as a limiting factor, due to the gender-based differentiation of educational attainment\(^1\).

12 Calculated from KSH: A munkaerő összetétele és iskolai végzettség az állami gazdaságokban, kombinátokban, és a mezőgazdasági termelőszövetkezetekben, 1984, p. 29.

13 However, this data does not allow to analyse whether men and women had differential chances to utilise their educational qualifications.
Table 10.5. *The distribution of white collar co-operative workers according to occupational status, and type of education and sex in agricultural production co-operatives, 1983, September 30*

<table>
<thead>
<tr>
<th>Occupation</th>
<th>President Women</th>
<th>Manager and II Women</th>
<th>Production supervisor Women</th>
<th>Administrative supervisor Women</th>
<th>Administrative worker Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Attainment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural university or high school</td>
<td>64.1</td>
<td>3.0</td>
<td>58.1</td>
<td>8.4</td>
<td>39.0</td>
</tr>
<tr>
<td>Technical university or high school</td>
<td>2.1</td>
<td>2.2</td>
<td>13.9</td>
<td>4.4</td>
<td>13.1</td>
</tr>
<tr>
<td>Economical university or high school</td>
<td>15.3</td>
<td>24.1</td>
<td>7.9</td>
<td>4.2</td>
<td>2.8</td>
</tr>
<tr>
<td>Other university or high school</td>
<td>5.6</td>
<td>7.7</td>
<td>7.3</td>
<td>19.6</td>
<td>3.2</td>
</tr>
<tr>
<td>Gymnasium</td>
<td>6.1</td>
<td>26.0</td>
<td>5.9</td>
<td>39.5</td>
<td>6.4</td>
</tr>
<tr>
<td>No middle level education</td>
<td>6.8</td>
<td>9.2</td>
<td>6.9</td>
<td>26.6</td>
<td>35.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>24.7</td>
<td>100.0</td>
<td>10.5</td>
</tr>
</tbody>
</table>


*Note:* See note to table 10.3. for definitions.

### 4.4.2. Gender Segregation between Various White Collar Occupations

The rate of increase of white-collar occupations during the seventies was stronger for women (35.9%) than for men (15.8%). However, the effects were disproportionate for men and women in the various occupations. Since not all white-collar occupations provide equal opportunities for career advancement in management, the unequal representation of women in the various categories can contribute to their under-representation in management roles.

As was discussed earlier, one important aspect of management change was the increased importance of *professionals*. The split of managerial and labour functions
was followed by the professionalisation of co-operative management. Strengthened by legal regulations, professionals have increasingly monopolised management. The following will concentrate on women's role within this technocratic stratum.

The number of white-collar workers increased by 23.5% during the period between 1975 and 1982 (see table 10.6.). The occupational expansion related to the professionalisation of management increased the demands primarily in technical occupations related to agricultural modernisation. According to the partitioning of the numerical increase in the white-collar labour-force between 1975 and 1982, the largest portion of the increases in positions was composed of the group of technical occupations (74.4% of the total increment). The increased organisational duties, originating from the impact of the merger movement, also increased the demand for juridical, economic and market-related occupational qualifications. This group had the second largest proportion of the increase (20.0% of the increase between 1975 and 1982), in addition to accounting, banking, financial, and administrative occupational qualifications, which formed a more modest portion of the increment. The increased enterprise size also effected the demand for social and cultural services provided by the co-operatives. However, the health care and cultural occupations constituted the smallest part of the increment (0.8%).


<table>
<thead>
<tr>
<th>Occupation</th>
<th>1982 Men</th>
<th>1982 Women</th>
<th>1982 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical</td>
<td>139.6</td>
<td>260.0</td>
<td>145.6</td>
</tr>
<tr>
<td>Economic &amp; jurisdiction</td>
<td>96.1</td>
<td>255.7</td>
<td>121.9</td>
</tr>
<tr>
<td>Health-care &amp; culture</td>
<td>151.3</td>
<td>141.5</td>
<td>146.7</td>
</tr>
<tr>
<td>Accounting &amp; clerical</td>
<td>46.5</td>
<td>115.9</td>
<td>102.9</td>
</tr>
<tr>
<td>All together</td>
<td>115.8</td>
<td>135.9</td>
<td>123.5</td>
</tr>
</tbody>
</table>


The majority of women were concentrated in accounting and financial/clerical occupations both in 1975 (85.3%) and in 1982 (72.8%). An area with increasing proportion of women was occupations with juridical, economic and marketing expertise. Here, the proportion of women increased from 9.1% to 17.1%. In contrast, occupations with technical expertise remained almost exclusively dominated by men (95% of workers in technical occupations in 1975 and 91% in 1985 were men) (see table 10.7.).

The concentration of workers into the integrated occupations with specialisation in health and culture was insignificant, only 0.3% of men and 0.5% of women worked within 1975. The rest of the labour force was concentrated into segregated occupational areas. Juridical and economic occupations showed a tendency towards integration, and the proportion of women increased from 16.2% in 1975 to 34.0% in 1982. As a result, the concentration of women increased from 9.1% to 17.1%. Thus, the high level of gender segregation of the labour force became somewhat moderated. Nonetheless, the overwhelming majority of both the males (85.6%) and females (82.4%) in white-collar occupations remained in highly segregated categories.
Table 10.7. The feminisation and concentration of white collar women according to type of occupation in 1975 and 1982

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of occupation</th>
<th>Degree of feminisation, per cent</th>
<th>Concentration of workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technical</td>
<td>5.0</td>
<td>9.0</td>
</tr>
<tr>
<td></td>
<td>Jurisdictional, eco</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health care and cultural</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>Accounting and administrative</td>
<td>12.0</td>
<td>85.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>38.1</td>
<td>41.9</td>
</tr>
</tbody>
</table>

Note: For terms ‘concentration’ and ‘Degree of feminisation’, see note to table 10.1.

In 1975, the feminisation level was highest in the two groups within white-collar occupations with the least career opportunities: accounting, administrative, etc. (81.3% of workers), and health and culture (46.4%) related areas (see table 10.5.). The lowest was the proportion of women in the technical fields (5.0%). Women’s ratio was somewhat higher in economic, juridical, marketing, etc. (16.2%) related jobs.

There was a trend towards an increase in the level of occupational feminisation in most white-collar areas, with the only exception being health and culture-related jobs. Although this process resulted in a corresponding decrease in male domination in most occupations, this trend did not upset the pre-existing gender balance of labour in a meaningful way – in men dominated areas in which changes were moderate, whereas in previously highly feminised areas the increase of the percentage of women resulted in further feminisation of the occupation. In such areas, the continued increase in occupational feminisation occurred in conjunction with sizeable decreases not only in the proportion of men, but also in their absolute number. The level of feminisation remained the highest in occupations with the fewest career opportunities.

Such was the case in the previously most-feminised groups – accounting, banking, administration, etc. – where the degree of feminisation further increased due to the rapid decrease in the number of men (to 46.5% of the 1975 level) accompanying the continuing influx of female labour (115.9% of the previous level) (see table 10.7). In these groups, the degree of feminisation shifted from the already high level of 81.3% to 91.6%. In the category of health and cultural occupations the rate of increase of male workers (151.3%) slightly superseded the rate of increase for women (141.5%). However, it resulted only in a minor decrease in the proportion of women from 46.4% to 44.7%. On the other hand no significant change in feminisation oc-
curred in technical occupations. The number of women increased within the technical fields and became 2.6 times larger between 1975 and 1982. This meant that 17.6% of the growth in the occupation was constituted by women. However, the level of feminisation rose only moderately, from 5.0% to 9.0% of the workers in this field.

There was a somewhat different situation in economic, juridical, marketing, and similar jobs, which grew to 255.7% of the previous level. Here the majority of the increment were women (88.4%). These professions exhibited a strong increase in the proportion of women (from 16.2% to 34.0%). Consequently, there seems to have been a minor breakthrough in this occupational group, indicating one possible occupational career pattern for women, leading towards (typically medium level) management positions.

In general, female labour showed a large degree of concentration into certain white-collar occupations. In 1975 the overwhelming majority of women (85.3%) were concentrated in accounting, banking, financial, and administration-related occupations. These were also the most extensively feminised occupations (81.3% of the workers were women). The remaining portion of women spread between jurisdictional, economic, marketing, etc. (9.1%) technical (5.1%) and cultural, health care (0.5%) occupations. With the overall increase of female white-collar labour, the degree of female labour concentration became somewhat more moderate. Whereas the accounting, administrative, and similar occupations became even more feminised between 1975 and 1982, the concentration of women in these fields decreased from 85.3% of all white-collar women to 72.8%. This was the result of the expansion of the number of women in juridical, marketing, etc. (from 9.1% to 17.1%) and in technical (from 5.1% of female white collar labour to 9.7%) occupations.

While the concentration of women decreased, the reverse process was true for men. In 1975 58.7% of all male white-collar workers were employed in the most male dominated technical occupations. Their share rose to 70.8% by 1982. This was partly the result of the dynamically increasing demand for these occupations during the period, but also due to the rapid decrease of men in the occupations within increasing proportions of women (such as accounting, banking, etc.).

In 1975 87.6% of men worked in occupations with over 80% men, 58.7% of men were engaged in jobs where over 90% of the workers were men (see table 10.8). In comparison 85.3% of women were engaged in occupations where over 80% of the workers were female. By 1982 the level of feminisation increased in the areas with the highest concentration of women, and as a consequence 72.8% of women worked in occupations with over 90% of female workers. Similarly, the proportion of men increased in occupations with the highest concentration of male white collar workers. This process resulted in 70.8% of men working in areas where over 90% of the workers were men. Hence, despite the overall increase in the number of female white-collar workers, the increase in the overall level of feminisation in white-collar occupations, and the increase in the concentration of female labour into gender integrated positions, the gender segmentation of labour remained at a high level, since the level of gender segregation within the gender segregated positions increased.
Table 10.8. Degree of Occupational Segregation in White-collar Labour in 1975 and in 1982 in percent.

<table>
<thead>
<tr>
<th>Percentage of given sex within given occupational group</th>
<th>1975</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feminisation over 60%</td>
<td>85.3</td>
<td>72.8</td>
</tr>
<tr>
<td>Feminisation over 80%</td>
<td>85.3</td>
<td>72.8</td>
</tr>
<tr>
<td>Feminisation over 90%</td>
<td>0.0</td>
<td>72.8</td>
</tr>
<tr>
<td>Masculinisation over 60%</td>
<td>87.6</td>
<td>70.8</td>
</tr>
<tr>
<td>Masculinisation over 80%</td>
<td>87.6</td>
<td>70.8</td>
</tr>
<tr>
<td>Masculinisation over 90%</td>
<td>58.7</td>
<td>70.8</td>
</tr>
<tr>
<td>Integrated occupations (% of women between 40-60%)</td>
<td>14.7</td>
<td>27.2</td>
</tr>
</tbody>
</table>


Note: Percentage of women employed in occupations where women constitute more than 80 (90)% of the labour force and percentage of men employed in occupations where men constitute more than 80 (90)% of the labour force

4.5. SUMMARY

In co-operative management women were represented at a level much below their overall proportion within the labour force. The moderate increases in women's participation in management were not an outcome of an overall process of decreasing occupational gender segregation. To the contrary, the increased participation of women in positions of power occurred on newly evolving shields of gender segregation. Women's gain of new career channels occurred in areas distinct from men's career patterns. And while women remained differentially represented on the various levels of power, they also moved on different career channels. Hence, it appears that even while the wall barring the acknowledgement of women's management competence seemed to be slowly eroding, new walls of segregation arose. Men and women continued to be engaged in different occupational areas. The shifts in the power base of managerial positions from traditional to technocratic principles were followed with a moderate increase in women's participation in management. However, this change was accompanied by means of increased occupational segregation within white-collar occupations.

The impetus provided by structural changes\(^\text{14}\) (such as the changes related to mergers and professionalisation of recruitment criteria) to promote a transformation in the gender division of labour was not sufficient to challenge the underlying patterns of gender inequality in white-collar labour. A gradual improvement could come about as a consequence of the continued recycling of the labour force through its ongoing generational change. However, even the new generations of co-operative workers were not free from gender-based inequalities. Due to gender differences in the educational composition of the new generations of workers, inequalities were reproduced even in the context of structural changes.

\(^{14}\) See the discussion of mechanisms of changes in the gender system and Hirdman’s ideas in this context in Chapter 9.
5. Reproductive Challenges and Transformations of the Collective Production Organisation

5.1. Introduction

As was discussed in Chapter 6, subsequent changes in labour organisation forms contributed to the gradual transition from peasants to wage workers. One of the key factors in the transition from peasants to wage workers was the gradual loss of autonomy over the labour process. This process was seen as having gone through three stages in the transformation of co-operative labour organisation: 1) family as labour organisational unit; 2) complex brigades (proto-industrial organisation); 3) independent workers controlled by the central labour planning of the co-operative according to the labour demand of various sectors (industrial labour organisation).

During the three stages of co-operative development these three forms varied in importance. During the consolidation period (up to the late sixties) family cultivation and complex brigades dominated. The expansion of industrial production organisation occurred during the period of the evolving balance (seventies), while industrial methods prevailed during the period of changing balance (eighties). During the latter part of the eighties a post-modern phase developed, with a renaissance of models like share-cropping and complex brigades. In the following section the impact of labour organisation changes on the gender segregation of labour is discussed.

Furthermore, I explore below the connection between the organisation of reproduction and production. How did the co-operative utilise the gender-differentiated division of labour inherited from the pre-collective period? And how did this organisation fit to the co-operative’s segmented labour demand?

5.2. The Family as a Production Unit

Due to the low level of mechanisation the labour demand exhibited strong seasonal variation during the consolidation period. As was discussed earlier, co-operatives coped with this seasonal variation by dividing the labour force into year-round and seasonal labour categories. This was reflected in the official differentiation between active ‘co-operative members’ (working regularly in the labour organisation) and ‘helping family members’ (working only seasonally). In the formation period the integration of helping family members was enhanced by the use of the family as a labour organisational unit. Co-operative members contracted to perform a production task, which was to be carried out by the help of their helping family members. Remuneration was paid as a share of the final product. It was argued that the application of the family as an organisational unit encouraged the participation of helping family members:
A higher degree of involvement of family members can be achieved in the
case of the application of appropriate organisational forms. In those cooperatives, where the land (of course primarily the land cultivated in hoeculture) was contracted for individual cultivation, the experience shows that
the labour participation of family members is higher. The reason is that family
members can carry out the necessary labour tasks according to their own time
schedules (naturally with respect to given agri-technological requirements).
This allows them the possibility to satisfy other duties as well. (Kalocsay,
1962, p. 28.)
During the sixties many co-operatives experienced difficulties in securing the labour
force required to carry out production plans. Shortages prevailed primarily during
the labour-intensive seasons. As was shown in Chapter 6, the co-operatives could
use various strategies to combat labour shortages, such as mechanisation, chemical
treatment, individual assignments, agitation, incentives, discipline and by employing
alternative labour categories, such as soldiers or students (see Fekete, 1961, pp. 2123.). Lacking resources for mechanisation individual assignments were often used to
assure production. In the case of individual assignments, the contracting cooperative worker could mobilise his family members to carry out the task. Familybased share-cropping remained an important form of cultivation throughout the
sixties. In 1969 more than one third (24 million labour days out of totally 69 million
labour days) of the labour time used within the plant-growing branches of the collective sphere of the co-operatives was carried out in family-based share-cropping
In an analysis of 20 co-operatives, Filla (1969) found that women prioritised the
plant-growing branch. He explained this preference with the following argument:
The main reason for this, is that these co-operatives contract for the cultivation
of labour-intensive hoe-plants in family form, and the horticultural cultures are
contracted in a percentage share cultivation to the workers. In the case of this
cultivation form the bondage of women to regular daily labour time is dissolved and they are enabled to carry out their domestic duties even in addition to labour carried out in the collective sphere, and they become increasingly enabled to influence their yearly incomes effectively. In contrast, the majority of men joining the co-operatives seek employment15with machines, carts,
animals and in the workshops and auxiliary workshops (Filla, 1969, p.141,
my italics).
Benda‟s study showed also that many of the co-operatives used this organisational
form as a compromise. The majority of these co-operatives had low wage-levels and
low levels of mechanisation. The majority of new employees in these co-operatives
were women (295 out of 500). In contrast, the collective cultivation method dominated in the case of co-operatives with higher levels of mechanisation. These paid
higher average wages and had a more stable labour force. The number of new employees was limited.
Thus, labour shortages and the lack of resources to mechanise, forced co-operatives
to adapt to the prevailing patterns of gender segregation of labour of co-operative
15

Out of 250 female new employed 211 became employed in the plant-growing branch, while out of
349 men 181 was employed in agricultural branches other than plant-growing, see Filla, 1969, p. 141.

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worker families. The application of family cultivation was specifically applied to allow women to combine domestic, household and collective duties. Consequently, even if we assume that the co-operative production form’s segmented labour demand was gender neutral, it is obvious that the gender-segregated labour supply of the dissolving peasant family satisfied this demand. The destruction of the gendered system of subordination that characterised the peasant labour organisation was not necessary for the reproduction of the co-operative labour organisation. Rather, the conditions and the model-forming role of the historically evolved inequalities between the sexes constituted the foundations for the evolution of the co-operative production form.

5.3. THE PROTO-INDUSTRIAL WORK ORGANISATION: THE COMPLEX BRIGADES
As was described in Chapter 6, the prime period for complex brigades was reached between 1962 and 1976. The seasonal variation of the labour demand was highest in case of plant-growing occupations. As Figure 2.1. indicated, helping family members were counted as regular complementary labour source even within plant-growing work brigades. Co-operatives were encouraged to mobilise family members, typically women, in the peak seasons as seasonal workers. The remuneration of participants within a brigade was decided internally. In brigades where both men and women were employed, male and female labour was often differentially evaluated. In wine-cultivating brigade ‘infantry’ (the Hungarian term ‘gyalog’, walking, originating from a military analogy) worker men’s wage constituted the norm. ‘Infantry’ worker women received 95% of the men’s wage, while tractor driver men received 105% of infantry men’s (Matus, 1966, p. 318). Other observers claimed that women received typically between 90 and 95% of men’s wages. Nonetheless, while differential remuneration was allowed, not all brigades practised this option (Mohácsi and Tőszegi, 1969, p. 73).

However, as was indicated above, the application of ‘collective’ production organisations, in contrast to family cultivation methods, made participation less favourable for women. As a study of co-operative workers from 1966 indicated 57% (238,000) of male co-operative members carried out more than 2,500 work hours during a year, while only 9% (21,000) of female co-operative members reached this level (Benda, 1969, p. 437).

Women’s lower participation was seen as a disciplinary issue by some co-operatives which applied primarily collective production methods. They chose to intensify the political ‘education’ of women:

"Educational work is also necessary. ... Co-operative leaders (my addition) aim at intensifying and improving the political work between women. There is a clear relation amongst some married women’s repeated absence from work and such views like ‘I have signed the entrance agreement only for two years and wait to see if the co-operative fits me.’ (Fekete, 1961, p. 22)."

Even in these cases, women’s reluctance to accept binding positions was seen to originate from the lack of flexibility of collective labour organisational forms to the accommodation of women’s domestic and household duties. Contractual forms of production were seen to adapt to women’s situation better. With the introduction of brigade system, the transition from peasants into wage workers took a further step
forward. The introduction of collective production forms meant the introduction of rudimentary segmentation of the labour force. The nature of this segmentation is discussed in the next subchapter.

5.4. THE INTRODUCTION OF TAYLORIAN MEASURES OF INDUSTRIAL TYPE LABOUR ORGANISATION

Up to the second half of sixties in Hungary economic expansion was based to large degree on an expanding labour force. But by the sixties, expectations that agricultural collectivisation would release satisfactorily high levels of surplus labour had become rather frustrated. Labour reserves were drying out, and labour shortage became a pressing problem in all sectors of the economy. In industry the attention was turned towards re-gendering jobs as a means of utilising previously untapped female labour reserves. As was discussed in Chapter 9, the so called ‘suitable jobs for women’ discourse carefully avoided the ‘mistakes’ of the fifties, when women were to move into all sorts of male jobs – even those requiring strong physical input. Re-gendered jobs were to take into consideration the ‘deviation’ of the female reproductive body from that of the male worker. Thus, male workers were identified as the norm.

Similarly to the case of industry, labour shortages occurred even in agriculture. And there were attempts to combat these labour shortages with the increase of women’s participation in agriculture. While agricultural labour organisation was to become increasingly similar to the industrial model (which was seen as superior), women’s labour participation was to increase.

Today the majority of the co-operative membership is composed of old workers with decreased work capacity, of women, whose working status was previously only helping family member. The ageing of male workers is intensified in the co-operatives. The replacement of the aged male workers with young male workers cannot be ensured. (Benda, 1969, p. 438).

As was seen above, the introduction of industrial production organisation during the consolidation period (1956-1968) was challenged by women’s reproductive responsibilities. By the seventies women’s reproductive responsibilities could not challenge the expansion of industrial labour organisation. As chapter 11 indicates, women’s time spent in the labour force increased during the period of ‘evolving symbiosis’ (1968-1979). On the one hand this improvement could be attributed to ongoing changes in society, such as the increase of state and co-operative services – which replaced family responsibility over some reproductive duties, the ageing of the labour force and the influx of young, mid-level educated women into white-collar jobs. The increasing consumption demands and declining real value of wages encouraged families to adapt to the dual wage-earner model – and increase women’s labour force participation.

On the other hand these changes were actively facilitated by co-operative agitation and policy measures. The use of regulatory measures, such as the specification of minimum labour requirement for entitlement to social benefits was introduced to intensify women’s participation. While, men’s minimum was established at 150, women’s was set at 100 ten hour work-days (Benda, 1969, p. 437). Women’s participation was to be encouraged by incentives. One example was that women with
family responsibility were allowed free Saturdays as soon as the late sixties (Benda, 1969, p. 438). In this way the collective forms of labour organisation (non-family based) made certain adaptations to women’s specific (i.e. reproductive) responsibilities. Thus, the adjustments of the collective production system to requirements of the reproductive, family system, were made by reinforcing women’s responsibility for the latter. In this way, these measures contributed to the construction of the female worker as one responsible for reproductive duties, and who, as a result, would also have a lower capacity to contribute to collective forms of production.

However, beginning in the late sixties, the release of agricultural labour reserves was to be speeded up primarily by the intensification of the modernisation process. From the late sixties onwards, modernisation was increasingly seen as the essential means for the reproduction and survival of the state socialist system at large, in the context of the competition and economic dominance of the international world market. As was discussed in Chapter 3, the New Economic Mechanism, a new management principle, came into effect in 1968, allowing greater managerial freedom and accountability to companies, and so to co-operatives. Among other things it aimed at reducing the labour demand and working hours through the rationalisation of production by means of technological improvement and better labour organisation.

5.5. SUMMARY
The expansion of industrial production methods surfaced early as a primary ideological goal of collectivisation. According to this vision of modernity the spheres of production and reproduction were seen as separate. Production was to be carried out by wage workers, while reproductive duties were to be either socialised or carried out in the family. In reality, during the consolidation period, women did not appear as full-time wage labour. The lack of socialisation of reproductive duties provided reproductive challenges (see Chapter 9) to the envisaged industrial production organisation.

On the one hand women’s limited labour supply fit the seasonal variation in the labour demand, since women were to rely on the economic security of the family assuming a main male breadwinner. Women’s integration into the labour force would also satisfy the demands of the emancipation propaganda which encouraged women’s labour force participation. On the other hand, women’s reproductive responsibilities came into conflict with the co-operative’s demand for female labour. Co-operatives were forced to make compromises and adjustments of the labour organisation to accommodate women’s reproductive duties. An example of such accommodation was the introduction of the family as a production organisation. This labour organisational form prevailed throughout the consolidation period (1956-1968). Thus, reproductive challenges were met by adjustments of the organisation of labour in a way that strengthened the prevailing gendered allocation of duties, and consequently strengthened the gender system. One could also argue that the prevailing gendered allocation of reproductive duties contributed to the formation of the collective organisation of production.

From the seventies onwards, along with the intensification of agricultural modernisation, industrial labour organisation expanded. Reproductive challenges were met in ways that did not challenge the industrial labour organisation. The regularity and duration of women’s labour force participation increased, corresponding with an
increase in the state and co-operative’s responsibility for child-care and reproductive tasks. Due to increasing economic pressures, families were ever more pressed to rely on two wages. Women’s participation in the labour force became increasingly generalised, thus, while the co-operatives’ labour demands became less and less seasonal, women were also more and more ready to take regular positions.

6. GENDER SPECIFIC ORGANISATIONAL INTEGRATION OF CO-OPERATIVE WORKERS

6.1. INTRODUCTION
The continued reproduction of the co-operative form of production presupposed the satisfaction of the co-operative’s segmented labour demand. This segmented labour demand was to be matched by a segmented labour supply, in which one of the segments searched for jobs providing regular income and advancement within the co-operative production organisation, while other segments would be satisfied with marginal positions within the labour market.

Core and marginal positions evolved within various levels of integration into the co-operative organisation. These levels were accompanied by differences in the regularity of labour. According to a 1966 study of agricultural production co-operatives, men worked an average of 6.6 hours with wage labour on an average winter day, while women worked only 1.6 hours. Even during summer, women’s labour participation reached only (daily 5.3 hours) about half of men’s (10.1 hours daily) labour time. At the onset of collectivisation, the gender differences regarding the regularity of labour corresponded with occupational status differences.

6.2. “CORE” LABOUR CATEGORIES
During the formation period of the co-operatives, co-operative members formed the backbone of the labour organisation. Co-operative members not only formed the most stable labour force (they worked the most) but they also had the most formal rights to influence policy matters. Among all workers receiving salaries in the co-operatives, they formed the most sizeable group; 58.5% of all workers in 1970. Women were underrepresented amongst members. The proportion of women was 32.7% amongst members—a figure which stayed rather stable up to 1990 despite the overall decline in the proportion of members in the labour force at large (see table 10.9). This figure was somewhat below the figures for the proportion of women in the co-operatives at large (37.1%) (See table 10.9). Seeing it from the point of view of concentration of workers, the ratio of member workers was higher among men (60.8%) than among women (54.2%).

In contrast to the declining numbers of co-operative members, the number of workers with employee status was on the rise. As a consequence, the proportion of employees within the co-operative labour force was increasing. But women were un-

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16 KSH, 1965, A nap 24 órája (The days 24 hours), p. 25.
17 Data discussed here represents co-operative members who have participated in the collective labour in the given year, i.e. passive members (e.g. retired) are not counted. KSH, Népszámlálás, 1980, p. 316
derrepresented even in this expanding core category. The proportion of women was 22.2% amongst employees in 1970, and this proportion was also lower than that within the labour force at large.

Table 10.9. Distribution of active earners in the agricultural sector according to employment status and proportion of women (1960-1990) in percentage*

<table>
<thead>
<tr>
<th>Employment status</th>
<th>Distribution of workers</th>
<th>Proportion of women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-op member</td>
<td>28.7</td>
<td>58.7</td>
</tr>
<tr>
<td>Co-op member’s helping family</td>
<td>3.0</td>
<td>8.1</td>
</tr>
<tr>
<td>family member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>16.8</td>
<td>26.6</td>
</tr>
<tr>
<td>Socialist sector combined</td>
<td>48.5</td>
<td>93.3</td>
</tr>
<tr>
<td>Private farmer and helping</td>
<td>51.5</td>
<td>6.7</td>
</tr>
<tr>
<td>family member</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100.</td>
<td>100.</td>
</tr>
</tbody>
</table>


Note * Figures calculated from data provided by individual citizens

Co-operative workers’ labour was based on ten-hour work days. In order to qualify for co-operative benefits men and women had to fulfil a different number of work days. The various categories of workers differed according to the average number of ten-hour work days completed during the year. Consequently, the differentiation according to the various levels of integration into the co-operative structure not only reflected the fact that distinct categories of workers differed in the degree of the regularity of their employment, but also meant differential access to co-operative rights and benefits in addition to differential wages.

The highest average number of work days was completed by co-operative members (225 days) in 1970. The number of full days worked by permanent employees (197 work days) most closely approximated the level of co-operative members. The wage level of these two categories was also the highest (89 Ft respectively 104 Ft per day). (See table 10.10.).

Table 10.10. The distribution of the number of workers, number of complete 10-hour work days and income per day in various categories of co-operative workers by sex in 1970*.

<table>
<thead>
<tr>
<th>Employment category</th>
<th>Number of workers (in thousands)</th>
<th>Number of 10 hour work days</th>
<th>Income per day (Ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Wo-</td>
<td>Total Men</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>men</td>
<td>Total men</td>
</tr>
</tbody>
</table>

19 From 1968 onwards women were to fulfil a minimum 100 and men a minimum 150 workdays to qualify for social benefits. Benda interpreted the regulation as one passed to increase women’s participation in the collective work organisation, Benda, 1969, p. 437. See also later in Subchapter 2.4.
Active members 424 206 630 252 171 225 93 77 89
Retired members 109 34 143 115 63 102 65 65 65
Total members 533 240 773 224 155 203 90 77 87
Helping family members 42 86 128 49 50 50 69 70 70
Permanent employees 91 26 117 203 177 197 109 83 104
Seasonal employees 31 28 59 86 84 85 89 74 82

Note: * data collected from information provided by the co-operatives

Not only was the proportion of women low amongst both traditional (members) and new (employee) core labour categories, women in these categories worked, on average, much less than men. In 1970 the number of work days completed by cooperative member women was substantially lower (67.9%) than men's. Women's yearly work days approached men's somewhat more closely among permanent employees (87.2%, see table 10.11.).
Table 10.11. Distribution of Co-operative Workers According to Occupational Status, 1970 (those engaged in the communal production during the given year)*

<table>
<thead>
<tr>
<th>Occupational status</th>
<th>Concentration of workers</th>
<th>Feminisation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>All working members</td>
<td>76.5</td>
<td>63.2</td>
</tr>
<tr>
<td>Active co-op members</td>
<td>60.8</td>
<td>54.2</td>
</tr>
<tr>
<td>Retired co-op members</td>
<td>15.6</td>
<td>8.9</td>
</tr>
<tr>
<td>Helping family members</td>
<td>6.0</td>
<td>22.6</td>
</tr>
<tr>
<td>All employees</td>
<td>17.5</td>
<td>14.2</td>
</tr>
<tr>
<td>Permanent</td>
<td>13.1</td>
<td>6.8</td>
</tr>
<tr>
<td>Seasonal</td>
<td>4.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Note: * Data provided by the co-operatives. Concentration is used as a proportion of women working in a given occupation within all working women; Feminisation is used as a proportion of women working within a given occupation from all workers in that occupation.

6.3. “RESERVE” LABOUR CATEGORIES

During the formation period, women were used to large degree as a reserve labour force. Even though the majority of women was in the regular labour force (active members and permanent employees formed 73.1% of the female labour force), even these categories of women were to a larger extent than men, used as reserve labour force. A representative study of co-operatives from 1966 illustrates this tendency. The monthly variation of utilisation of labour resources indicates that the utilisation of women’s labour force had a much larger seasonal variation than men’s, even among co-operative members. While co-operative member women’s utilisation rates fell to 30% during the winter period, co-operative men’s stayed up around 80%. While member men’s summer activity rate was above 90%, women’s did not reach 80% even in top seasons. Similarly, amongst helping family members the utilisation rate of women fell much below men’s within the same category, and showed more seasonable variation.

The use of women’s labour force as a reserve is also revealed by the seasonal variation of the gender composition of the labour force. During the low season (the winter months), the proportion of effectively employed (working) women was between 19 % and 25 % of full utilisation, while during the summer high-season (from April to October) it moved to between 37.0 % and 42.9% (ibid., p. 279). These figures indicate clearly that the female labour reserves served a crucial role in the fulfilment of the seasonally varying labour demand of the co-operatives. This special function of the female labour force can help to explain why a higher proportion of the female labour force than that of the male, is amongst the various seasonal labour categories.

While even member and employee women's employment showed seasonal variations, women were also a majority amongst those labour categories, which constituted the formal reserves: helping family members, working retired co-operative members and other seasonal employees. The wage levels of reserve category workers fell also substantially below those in the core categories.

The number of work days completed by these workers were substantially lower than was the case in the two core categories. The largest number of work days amongst reserve workers were contributed by retired co-operative members (45.3% of member's work days) and "other" employees (37.8% of member's work days), whereas the lowest average number of work days were completed by helping family members (22.2% of co-operative member's work days). The size of the seasonal labour force and the number of work hours utilised by such labour categories were declining.

The three below-described categories of seasonal workers formed a substantial part of the co-operative labour force. In 1970 their ratio was 30.7%, taking into account all categories of co-operative workers. However, the concentration of workers into seasonal labour was sizeably higher among female co-operative workers (38.9%), than among men (25.6%).

*Helping family members* constituted a sizeable proportion of the co-operative labour force (11.9% in 1970). This group of workers was affected most profoundly by the agricultural modernisation process. The number of helping family members had decreased to 69.5% of the 1970 level by 1974. As a result their proportion within the entire labour force declined to 9.5% by 1974. This category of workers had the highest level of feminisation. In 1970, 67.2% of helping family members were women. Furthermore, the concentration of workers in this category was substantially higher among female (22.6%) than male (6.0%) co-operative workers. Despite the declining absolute numbers of helping family members, women continued to dominate this category.

*Retired co-operative member* workers constituted a transient category between co-operative members and seasonal workers proper, and formed the most sizeable group of the seasonal labour force. Their proportion amongst all co-operative workers in 1970, was 13.3%. The concentration of male workers within this category was higher (15.6% in 1970) than of the female labour force (8.9%). In 1970 only 23.8% of retired co-operative member workers were female. The low representation of women in this category also reflects that women initially constituted a smaller portion of the members category as compared to men. In the case of seasonal workers women's average yearly work days were the lowest (compared to men) among working retired member women (54.8%).

21 By 1974 the average number of work days completed decreased within all categories of "reserve" labour, but stayed steady for the two "core" groups of co-operative members and permanent employees. The number of work hours completed by members increased to 107.1% of the 1970 level, whereas in case of permanent employees the level of work days fulfilled stayed at the same level (100.5%) as in 1970. In the three categories of seasonal workers the degree of decrease in the average number of work days completed varied between a decline to 74.0% and 94.1% compared to the 1970 levels. The deepest was the decline among working family members, whereas the lowest level of change was reached among "other" employees.
The smallest number of co-operative workers belonged to the other seasonal workers category. Their proportion was 5.5% in 1970. The level of feminisation was the second highest amongst "other" seasonal workers from all categories of workers reaching 47.5% in 1970. Similarly, the concentration of the female labour force into this category was higher (7.4%) than of the male workers (4.4%).

The characteristics of female labour amongst working retired co-operative members follows more closely that of the traditional and new "core" labour groups (i.e. members and employees). Here, women formed a minority in numbers as well as in the regularity of their labour participation.

In contrast, women formed the majority of the two other "reserve" labour categories (i.e. of working family members and of seasonal employees). In both of these "reserve" groups the pattern of women's labour force participation conformed to the "norm" of the group, and women's work hours reached a level similar to that of men: among working family members they fulfilled 102.0%, and among "other" seasonal workers 97.7% of the work days completed by men. Women's wage levels fell below men's among seasonal employees (83.1%). In contrast, working family member women and men, as well as retired men and women earned similar average daily wages.

6.4. A COMPARISON OF 'CORE' AND 'RESERVE' CATEGORIES

In summary, the level of feminisation was the highest in two "reserve" labour categories: working family members and seasonal employees. In contrast, the proportion of women was the lowest in the two "core" labour categories: co-operative members and permanent employees. Women's proportion was also low amongst working retired members. However, the low level of feminisation here is an attribute of women's lower representation amongst members, rather than of the reserve characteristics of this labour category. Women not only had a higher proportion within seasonal labourers than men, but they also completed a lower number of work days throughout the year than men in most of the categories discussed above. This underscores the tendency that women's integration into the co-operative labour force had a more marginal nature than men's.

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22 There was a substantial decrease in the number of seasonal workers in this category as well, resulting in a decline to 84.7% of the 1970 level by 1974. However, due to the overall decline in the size of the co-operative labour force the proportion of "other" seasonal workers remained at a similar (5.4%) level to the 1970 conditions.

23 The rate of decline in the number of "other" seasonal workers was similar for men (83.9%) and women (85.7%), and coincided for both sexes with the overall rate of decline in the agricultural labour force. Consequently, neither the level of feminisation (48.0%), nor the differences in the concentration of male (4.2%) and female (7.6%) workers into this "other" seasonal worker category changed substantially over the four year period.

24 The completed work days of women compared to men became lower by 1974 in all but two categories of workers. Among co-operative member women there was a small increase in the proportion of work days completed by women compared to men (women fulfilled 70.7% of the work time reached by men). Women's number of work hours compared to men also increased among working family members (women completed 111.4% of the work days carried out by men). However, in the three other categories of workers women's work hours compared to men have further decreased by 1974 compared to the 1970 level.

25 Amongst permanent employees women's wage level reached only to 76.1% of men's.
Due to the transformation of the co-operative structure following the modernisation of agriculture the proportion of employees increased at the expense of the number of members. Furthermore, the proportion of permanent workers increased while the proportion of seasonal workers decreased. Both trends point towards a change in the co-operative’s overall structure – a weakening of the original model, which was constituted by a backbone of members, combined with sizeable marginal groups of seasonal workers, composed of their family members and retired co-operative members.

However, along with the overall decline in the need for seasonal labour the proportion of women within these "marginal" groups of the co-operative labour force was also declining. Despite the moderation of dissimilarities in men’s and women’s integration into the co-operative structure, women’s participation and integration remained more marginal in nature than men’s. This was reflected even in terms of the regularity of their labour force participation, since women continued to complete a lower number of work days than men in most categories of workers. Women’s marginalisation was reinforced in other dimensions of labour stratification.

As table 10.11 indicated, in 1970 the majority of the labour force worked in segregated occupational status positions (men dominated amongst members and employees, while women amongst helping family members). Only a minor group was gender integrated (seasonal workers). As table 11.1 shows for the period between 1960 and 1990, in the key group of members, the proportion of women remained around one third, while in the employee group there was a slow increase in the proportion of women from one-fourth to one-third of the workers. However, the socialist sphere of agriculture at large remained dominated by men. Women’s proportion increased between 1960 and 1970, only to decline again between 1970, 1980 and 1990.

7. GENDER-DIFFERENTIATED PARTICIPATION IN AGRICULTURAL MODERNISATION

7.1. INTRODUCTION

The transformation of former peasants into wage workers can be perceived as a disciplinary process. As part of this process, the new co-operative workers were assigned specific labour tasks within the collective labour organisational forms. Through this assignment, a rudimentary segmentation of labour tasks could be found already during the formation period. Subchapter 7.2. describes the implication on the gender division of labour of this rudimentary division, while subchapter 7.3. discusses the ways in which the further modernisation of the labour process contributed to the transition of the gender division of labour. Did the modernisation process provide chances for the breaking down of the gender pattern or were hierarchical gender relations reinforced in the context of new technologies?

7.2. TRANSITION FROM PEASANT TO CO-OPERATIVE WORKER

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26 The total number of co-operative workers (összes foglalkoztatott) decreased from 819 thousand from 1970 to 533 thousand in 1988. This meant that the number co-operative members decreased from 613 thousand to 347 thousand while the number of permanent employed increased from 92 thousand to 174 thousand.
Juhász (1975) argued that certain forms of continuity can be traced down from the rank and status system of the peasant society to the internal stratification of the co-operative collective labour organisation. Members of the old landholder peasantry oriented themselves to the more prestigious occupations of cart driver, team leader, gardener and field-worker with horses. Their children often received training, which helped them to move into more skilled occupations, such as tractor driver, storage chief, or accountants. They also dominated amongst the first leaders of cooperatives (Juhász, 1983b). According to Szelenyi (1988) the middle peasantry moved towards occupations with autonomy (see Chapter 4 on ‘parking positions’). Certain occupations maintained an association with the past servant or day-labourer life. Families from servant and proletarian background moved commonly into jobs in general plant-growing, gardening or animal husbandry.

According to some theories, the principle of hierarchical labour organisation and leadership and the combination of family and collective features in the evolving co-operative labour organisation had significant similarities and therefore, can be seen as revivals of the labour organisational model of the estates27. The hierarchical labour organisation of the co-operative merged the rank and gender-stratified division of labour characterising the peasant household and the estate organisations28. Women and men obtained positions within the co-operative which corresponded to their role in the peasant labour organisation – or which resembled the gender division of labour of the former estates. Men typically obtained jobs dealing with large animals, transport and work carried out by animal or machine power within plant-growing. These, in addition to the higher status within the peasant value-system29, also provided year-round labour within the new work organisation. Women became manual workers in plant growing, in which labour demands varied seasonally. These jobs were characterised by hard physical work and low pay, and had the association of the day-labourer status of estates30. At the same time, women also entered some occupations which provided more stable work opportunities, such as certain areas within animal husbandry, such as poultry raising and milking (see table 10.12).

Table 10.12. *The proportion of women within various occupational groups in agricultural production co-operatives (1960-1990) (percentage)*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant-growing</td>
<td>39.5</td>
<td>62.2</td>
<td>66.6</td>
<td>51.9</td>
</tr>
<tr>
<td>Animal husbandry</td>
<td>9.9</td>
<td>22.0</td>
<td>39.8</td>
<td>30.3</td>
</tr>
<tr>
<td>Forestry</td>
<td>27.5</td>
<td>30.5</td>
<td>22.6</td>
<td>25.4</td>
</tr>
<tr>
<td>Tractor-driver</td>
<td>..</td>
<td>0.2</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Coach-driver</td>
<td>0.2</td>
<td>0.2</td>
<td>0.3</td>
<td>0.5</td>
</tr>
</tbody>
</table>

27 Juhász, 1975 and 1983. Here the period following the second wave of collectivisation (i.e. after 1957) is analysed.
28 In the mixed sex labour units men had the leading role, even if women carried out the physically more demanding labour task, e.g. the team of the harvester and binder, see Balassa, 1985. In contrast the first wave of collectivisation in the fifties offered an alternative women’s ideal, which was best symbolised by the tractorist woman.
29 M. A. thesis in ethnography by Ildikó Asztalos, 1981.
30 Own field work in 1980 supported also by personal information by Juhász, in 1988.
All agricultural physical
Out of which
Skilled
Semi-skilled
Unskilled

28.8 43.3 41.6 27.5
5.8 9.0 10.4 10.7
0.2 0.6 39.4 34.4
39.1 51.3 37.5 26.2


Note: * For a detailed description of calculation leading to the numbers presented in this table go to appendix on methodology; ** 1960 the figures of helping family members of co-operative workers was counted as unskilled plant-growing agricultural physical workers; tractor drivers were added to the summary figures and counted into skilled and semi-skilled physical workers according to the distribution between skilled and semi-skilled workers in 1970.

The gender division of labour inherited from peasant farming adapted to the new technology. Dealing with horses and oxen, as well as driving carts were typical male tasks in the peasant household. This male preoccupation with horses and horse-assisted cultivation processes is continued in men’s monopolisation of machine-assisted cultivation. Thus, the co-operatives institutionalised the gender division of labour, which became the basis for unequal reward.

7.3. TECHNOLOGICAL MODERNISATION AND GENDER SEGREGATION OF LABOUR

Following the spread of the industrial production system and the shift of power to the technocratic stratum, the segmentation of labour force increased. The labour demands of the co-operative became further stratified according to the demand for labour within the various skill and rank levels of the divided labour organisation. The mechanisation of agriculture increased the capital intensity and land concentration of farming, and decreased the labour demand of agriculture rapidly. While agricultural labour demand was declining, the labour opportunities bound to the modernisation of agriculture were mostly enjoyed by men. Acquiring the control over the new production technology within agricultural production co-operatives also meant the monopolisation of jobs providing higher income opportunities – or occupations transferable between various branches of the economy. Here, the impact of technological change on the gender segregation of labour is analysed.

Mechanisation led to the restructuring of labour demand. At first, the increase in total capacity largely meant an increase in the number of machines. Following 1970, total capacity increased primarily by improvement in the capacity and complexity of the machines. This was accompanied by a decrease in the number of machines (KSH, 1980, p. 234-236). The restructuring of the labour force also followed two

\[31\] According to Boserup (1970) agricultural modernisation meant world wide the decline of women’s participation in agricultural production.

\[32\] Mechanisation unfolded unevenly, e.g. wheat harvesting was fully mechanised by 1968, whereas maize only in 1977. Potato lifting became close to fully mechanised by 1978, whereas the loading phase reached this level only in 1984. In case of most fruits and vegetables the level of mechanisation of harvesting remained very low (KSH, 1980, p. 2).
trends: First, new occupational possibilities came about which were related to the new technology. The new labour demand associated with mechanisation increased up until the late 1960’s. After this, the general decrease in agricultural jobs applied to these occupations as well. Secondly, the demand for traditional manual and animal-assisted occupations decreased in varying degrees, depending on the given input coming from the new technology.

As an overall outcome of mechanisation, the number of agricultural workers within the co-operatives decreased – both in absolute terms and in relation to other occupational categories (see table 10.13). There was a proportionately larger decrease in female than male agricultural labour force. Consequently, the portion of women in these occupations decreased from 43.3% in 1970 to 41.6% in 1980 and to 27.5% in 1990 (see table 10.12). The decline between 1970 and 1980 was modest, since labour intensive cultivation, which employed large parts of the female labour force, remained within the collective’s cultivation during this period. In contrast, the shift of labour-intensive vegetable cultivation into the household-based production sphere intensified from the early eighties onwards (see table 7.8; table 7.9 and table 7.10.).

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue-collar</td>
<td>87.8</td>
<td>86.8</td>
<td>86.8</td>
<td>79.1</td>
<td>86.6</td>
<td>75.6</td>
</tr>
<tr>
<td>Agricultural</td>
<td>51.0</td>
<td>64.9</td>
<td>35.1</td>
<td>31.5</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>Non-agricultural</td>
<td>36.8</td>
<td>21.9</td>
<td>51.7</td>
<td>47.6</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>White-collar</td>
<td>12.2</td>
<td>13.2</td>
<td>13.2</td>
<td>20.9</td>
<td>13.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Based on data delivered by the co-operatives.

Due to mechanisation and increased chemical inputs, the importance of traditional manual and animal-assisted labour processes decreased. This affected areas dominated by women and men alike. In contrast, the work opportunities which were created by the new technology were utilised primarily by men. Labour-intensive branches (such as vegetable and fruit growing) continued to employ many women. From the eighties onwards these branches were gradually taken over by household-based production, which meant a further decline in the demand for female agricultural labour (see table 10.13).

There were two parallel processes: men monopolised the technologically advancing occupations within and outside agriculture, while the opportunities opening for

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33 See about men’s control over technology in Hungarian agriculture Asztalos Morell, 1997a. Here the role of state ideology is also discussed.
women were primarily outside of agriculture, partially in low skill (semi-skilled) jobs and partially in jobs on the bottom of the hierarchy of white-collar occupations. In the following section the focus is on analysing how the shifting demand for labour following agricultural modernisation effected the gender composition of labour in the ‘core’ of agricultural occupations – amongst skilled workers. Data from 1972, 1982 and 1987 is compared (see table 10.14).

Technological change brought with it the increased importance of highly mechanised occupations. The new jobs created by technological change partly corresponded to previous labour processes. For example, tractor driven carts and later, trucks took over the tasks of horse-driven transportation. In certain cases the introduction of a machine replaced a complex labour process, such as where combine-harvesters replaced the manual labour team of the male scythe-harvester and the female binder (reaper-binders were rarely used), as well as the complex male-female threshing team. Both cases resulted in the disappearance of traditional labour processes. The appearance of motor driven machines decreased the physical demand of the task, and so ought to have made the task more suitable for women. However, with the exception of a short period in the early 1950’s, when female tractor drivers became a symbol of female emancipation (Ferge, 1985), women were excluded from the machine-assisted occupations due to the Prohibition Laws. These laws sought to protect women from participating in jobs not suitable for their bodies and so theoretically avoiding potential hazards to women’s health (see Chapter 9).

The new jobs created by modernisation can be grouped into three major categories: 1) agricultural machine operators and technicians, such as tractor drivers, or operators of loading and drying machines; 2) jobs in plant-protection involving the use of pesticides; 3) occupations in transporting goods.

Men succeeded in monopolising these occupations – partly by spontaneously transferring the gender label from the manual or animal-assisted occupations. However, the main means of assuring women’s exclusion was the introduction of the protection laws. This meant the application of ‘exclusion’ strategies. In this way, women were blocked from both employment and education in highly mechanised occupations.

Agricultural modernisation brought with it changes in all production areas. The gender stratification of occupations shifted as a result of modernisation even in areas with low levels of mechanisation. Many of these occupations were mixed in gender, with either male or female domination. The modernisation process altered the long-term prospects for demand for labour independently from the gender label in many of the various categories. Those occupations that could provide relatively stable work conditions and prospects became "attractive" irrespective of their traditional gender labels, whereas jobs with unfavourable prospects became less attractive, despite their traditional high status. The restructuring process was accompanied by shifts in the gender division of labour.

The proportion of women increased in the ‘declining’ occupations. It increased substantially amongst vegetable-, fruit- and grape-growers from 40.9% to 56.2% in

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34 Those occupations, which required skills of primarily technical nature are grouped here.
35 Occupations where the required skills were primarily not technical in nature were grouped into this category.
1982, whereas the increase was negligible in forestry occupations (from 0.9% to 3.1%) where the decrease in labour demand was somewhat milder in nature. The increase in the proportion of women stopped by 1987, even though the decrease in the number of skilled workers continued.

Labour demand in some agricultural occupations was not affected profoundly by the modernisation process. This was either because these particular labour processes were not powerfully transformed during the given period, such as was the case with live-stock breeding (in 1982 the number of skilled workers was 104.3% of the 1972 level) and ornamental plant-growing (91.7% of the 1972 level), or, because the decrease in labour demand was counter-balanced by an expansion in production, such as in poultry raising (100.5% of the 1972 level). In these ‘stagnating’ occupations the number of women decreased, whereas there was an increase in the number of men. This increase was highest in the two most female-dominated occupations. Poultry-raising was an occupation dominated by women in 1972, when 92.2% of the skilled workers were women. By 1982 the proportion of women declined to 86.1%.

The proportion of women amongst skilled ornamental plant growers was 68.9% in 1972, which decreased to 56.3%. By 1982 the proportion of women decreased from 22.1% to 20.7% amongst life-stock breeders. After 1982 the decrease in the number of women did not continue in case of ornamental plant growers and small animal raisers. However, since the deviation was beyond 5% and the time period was only the half of the previous it does not necessarily negate the interpretation of trends.

Women dominated (were over 60% of the employed) only amongst small animal (poultry) raisers. The gender division was equal (between 40 and 60%) amongst ornamental plant-growers. Thus, women moved into ‘core’ jobs along restricted paths. The proportion of women was lower amongst skilled workers than amongst semi-skilled workers belonging to the same occupation in 1982. This was the case in all out of 13 agricultural occupations listed in 1982.36

Table 10.14. The Change in the Number of Workers and the Proportion of Women in Agricultural Skilled Occupations 1972, 1982, 1987

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOW LEVEL OF MECHANISATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Declining</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant-grower</td>
<td><strong>73.2</strong></td>
<td><strong>35.3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vegetable, Fruit and Grape-</td>
<td>60.3</td>
<td>120.5</td>
<td>0.9</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>grower</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forestry</td>
<td>60.3</td>
<td>120.5</td>
<td>0.9</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Stagnating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ornamental plant-grower</td>
<td>91.7</td>
<td>90.2</td>
<td>68.9</td>
<td>56.3</td>
<td>59.7</td>
</tr>
<tr>
<td>Small animal raiser</td>
<td>100.5</td>
<td>90.2</td>
<td>92.2</td>
<td>86.1</td>
<td>86.7</td>
</tr>
</tbody>
</table>

36 The difference was less than 5% in five cases, between 5 and 10% in four cases and over 10% in four cases (KSH, 1982, pp. 43-44).
Animal breeder
HIGHLY MECHANISED
Declining
Plant-growing technician 45.2 95.8 0.3 0.0 0.0
Agricultural machine operator 38.9 90.1 0.0 0.0 0.0
Plant-protector ** 81.0 ** 0.5 0.3
Expanding
Truck-driver 125.2 96.9 0.0 0.0 0.0

Sources: KSH, Mezőgazdasági Adatok, 1973/I, p. 60; KSH, Mezőgazdasági Statisztikai Évkönyv, 1982, pp. 43-44; KSH, Foglalkoztatottság és kereseti arányok, 1987, p. 102, 140 (data for 1987 includes all co-operatives, while the data for 1972 and 1982 includes only agricultural production co-operatives).

Note: * The data refers to the conditions in December; ** The data refers to the conditions in September; *** No data available for given year.

The previously-discussed data on the gender segregation of management is relevant even here, and shows that proportion of women was also marginal (5.6% in 1975, KSH, 1980, p. 130) amongst lower level production leaders assigned to the immediate production processes. This indicates the practice of ‘demarcation’ strategies, in which women’s labour becomes subordinated to men’s supervision. The analysis of the trends shown in table 10.12 would seem not to fit Boserup’s thesis. Women’s overall participation in agricultural occupations increased between 1960 and 1980, which was the key period of technological modernisation. In contrast the proportion of women declined significantly between 1980 and 1990, when the technological development stagnated in the collective sphere. These occupational figures would seem to suggest a relationship to the shift in economic policy. As it was noted in Chapter 6, up until the second half of the eighties, companies worked under soft budget controls, and cheap female labour was utilised as one of the wage dilution tactics employed by management. These budgetary constraints were strengthened by the end of the eighties. However, a closer look at the impact of technological renewal on gender shows Boserup’s thesis to have some relevance. The new occupations related to modernisation were monopolised by men, and women acquired skills in feminised branches. Thus, the gender specific participation in modernisation contributed to the maintenance of gender boundaries.

7.4. Industrial Production Organisation and the Increased Importance of Skills as Labour Stratifying Factors
Various aspects of modernisation resulted in the transformation of the co-operative’s labour demand, as well as the co-operative’s internal labour stratification. During the consolidation period both members and permanent employees, which were dominantly men, constituted the ‘core’ of the co-operative labour force, while seasonal workers and helping family members - the latter were dominantly

37 Women’s proportion was 7.3% within the various categories of management altogether. The lowest was amongst co-operative presidents, i.e. 6 out of 1585 in 1975 (KSH, 1980, p. 130).
women - formed the ‘margins’ of the labour force. This was well-suited the strong seasonal variation of the labour demand of the co-operatives.

With the introduction of proto-industrial production organisation, peasant labour lost its autonomous character. The autonomous labour base of the peasant family farming was demolished, becoming unskilled physical labour. Labour tasks were divided into units better suited to the industrial-style organisation of agricultural production.

The industrial labour organisation further extended the specialisation of labour tasks and was accompanied by two parallel processes: the ‘deskilling’ process continued, and later on, following the dissolution of the complex brigades, working groups lost their remaining control over the labour process. On the other hand, an ‘upgrading’ complemented the deskilling of workers, wherein the requirement for skills increased for a limited group of occupations. These new occupations, bound to the advancing technology, provided relative advantages and autonomy over the labour process. These upgraded occupations often became monopolised by men.

Skilled workers, who were predominantly men formed the new ‘core’ of the labour force. The engagement of co-operatives in non-agricultural production types increased the demand for semi-skilled conveyor-belt jobs. These primarily occupied the cheaply available female labour. The proportion of women was typically higher among semi-skilled workers than skilled workers even within the same occupation. Technological change resulted in an increase in the importance of skills in the composition of the core of the co-operative labour force, where skills related to the new technology of modern agriculture obtained a key role. Men constituted over 90% of skilled workers among all blue-collar workers, even though women were in the majority in some of the agricultural occupations (see table 10.15.).

Table 10.15. The proportion of women within various blue collar (both agricultural and non-agricultural) occupational groups in the labour force of agricultural production co-operatives (1960-1990) in percent

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled</td>
<td>3.9</td>
<td>5.2</td>
<td>4.7</td>
<td>6.9</td>
</tr>
<tr>
<td>Semi-skilled</td>
<td>23.7</td>
<td>32.1</td>
<td>41.4</td>
<td>44.9</td>
</tr>
<tr>
<td>Unskilled</td>
<td>31.4</td>
<td>42.0</td>
<td>35.0</td>
<td>32.5</td>
</tr>
<tr>
<td>All physical</td>
<td>38.6</td>
<td>39.0</td>
<td>35.7</td>
<td>28.0</td>
</tr>
<tr>
<td>White collar</td>
<td>22.6</td>
<td>32.4</td>
<td>39.2</td>
<td>46.2</td>
</tr>
<tr>
<td><strong>All co-operative</strong></td>
<td><strong>38.2</strong></td>
<td><strong>38.5</strong></td>
<td><strong>36.1</strong></td>
<td><strong>32.2</strong></td>
</tr>
</tbody>
</table>


38Within the industrial production organisation this process was described as ‘deskilling’, while the opposite trends was called ‘upgrading’, see Bravermann, 1974. In relation to agriculture within production co-operatives.

39The model of the industrial production organisation for agriculture was already established in the agronomic literature see Szabó, 1963, Tószegi, 1961. It was through the training of professional agrarian experts that these models were put into reality in the co-operatives. The take-over of co-operative managerial positions proceeded from the sixties onwards.
7.5. **The Expansion of Non-agricultural Side-activities and the Gender Division of Labour**

Occupational change unfolded unevenly in the different branches of co-operative production. From the seventies onwards, agricultural production co-operatives increased their engagement in non-agricultural ‘side-activities’. These ventures were based primarily on cheap, semi-skilled female labour, even if they also provided work for male skilled workers. While in 1976, the proportion of women employed in non-agricultural occupations within all blue-collar women was 54.7%, this proportion reached 71.4% by 1985 (amongst men the increase was from 57.7% to 61.2%)\(^\text{40}\).

8. **Gender Inequalities in Incomes**

The differential distribution of male and female workers within the hierarchy of occupations meant not only that men and women had varying degrees of autonomy over their labour, and had varying levels of control over the production plans and their realisation. It also resulted in gender-driven differences in the income levels. Gender differences of wage levels can be attributed to a wide array of factors, such as gender-differentiated educational background, demographic composition or labour time. The effects of gender discrimination were even discussed in the literature. This section does not aim to discuss the complexity of factors contributing the gender differences in wage levels. Nonetheless, men’s and women’s differential position within the managerial hierarchy of occupations is seen as one of the major contributors to white-collar women’s substantially lower wage levels as compared to men (see table 10.16.).

<table>
<thead>
<tr>
<th>Employment status</th>
<th>Income level</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>Members</td>
<td>9.5</td>
<td>41.5</td>
<td>49.0</td>
</tr>
<tr>
<td>Men</td>
<td>55.5</td>
<td>36.2</td>
<td>8.3</td>
</tr>
<tr>
<td>Total</td>
<td>24.2</td>
<td>39.8</td>
<td>35.9</td>
</tr>
<tr>
<td>Employees</td>
<td>15.2</td>
<td>39.2</td>
<td>45.6</td>
</tr>
<tr>
<td>Men</td>
<td>67.7</td>
<td>26.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Total</td>
<td>37.2</td>
<td>33.7</td>
<td>29.1</td>
</tr>
</tbody>
</table>

*Source: KSH, Mezőgazdasági Adattár III, p. 126.*

While in the peasant family, gender inequalities were reproduced within the private sphere by the gender division of labour, as a result of the institutionalisation of the gender division of labour, this private base of inequalities was transferred into the public sphere. The institutionalisation of a hierarchical gender division of labour

also became the basis for unequal reward. Within agricultural occupations in the co-operative labour force, women concentrated in occupations with lower wage levels. In 1971, approximately one-third of skilled women had occupations with a monthly average income in the lowest and two-thirds in the medium category. In contrast, two-thirds of men were in the highest wage category, with one-third in the medium (see table 10.17).

Table 10.17. Distribution of male and female skilled agricultural workers in agricultural production co-operatives according to occupations with high, medium and low monthly average wages for respective sex in percent, 1971.

<table>
<thead>
<tr>
<th>Income category (in Forints)</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low (under 1,699)</td>
<td>0.0</td>
<td>32.2</td>
</tr>
<tr>
<td>Medium (Between 1,700-2,229)</td>
<td>31.0</td>
<td>67.8</td>
</tr>
<tr>
<td>High (Over 2,300)</td>
<td>69.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Women’s concentration into lower wage level occupations continued throughout the state socialist period. Despite the political goal of equal wages for equal work, women were not only clustered in lower income level jobs compared to men, but received lower wages even within the same occupational and skill categories.

9. **Summary**

In the agricultural sociological literature of the socialist period in Hungary, the gender division of labour within the co-operatives was described as unequal. The distribution of women’s jobs was concentrated on the lower level of the co-operative hierarchy in terms of power, skills, and income, while men’s remained on the higher levels (Lengyel, 1979, Orolin, 1974, 1976). With the modernisation of agriculture, women were seen to follow a gender-differentiated pattern. Participation in agricultural trade schools showed strong gender-segregated patterns (Kulcsár and Lengyel, 1979). Women’s disadvantageous position in the hierarchy was seen to have its roots in the pre-socialist period, where ‘traditional’ values kept alive the differential value of male and female labour. According to H. Sas (1976) the lower appreciation and social reward for women’s paid work contributed to women’s prioritising the household-based subsistence production rather than wage labour. According to the interpretation presented in this thesis, gender inequalities might have had their roots in the pre-collective period, but they could not have survived under the state socialist period had they not been the structural basis of patriarchal relations even under state socialism. In this context, the formation of the co-

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41 In 1971 in the majority of agricultural occupations skilled women obtained between 70.2% and 78.3% of the average wage of men in the same occupational category (counted from data KSH, 1971, p92). However, in some occupations the cleavage was sizeable larger, e.g. women’s wages reached only 47.7% of the wage of men amongst forestry workers.
operative production organisation meant the conversion of private forms of division of labour into public forms, in which both the gender division of labour of the peasant family farms and of the estates stood as underlying formative forming principles. Gender hierarchies, however, formed an integral part of co-operative structures as well.

Collectivisation meant the destruction of the economic foundations of independent peasant existence. The deskilling process characterising the transition from peasants to wage workers was also interpreted as a demasculinisation process. Meanwhile, this demasculinisation was counterbalanced on the one hand by remaining patriarchal structures, such as women’s continued and men’s lack of responsibility for reproductive duties, and on the other hand, by the rise of new structures of gender inequality. Such structures included men’s monopolisation of managerial positions and the gender division of labour in the collective sphere which laid foundations for the formation of new types of masculinities and femininities.

In the distribution of the overall co-operative labour force, women dominated amongst the marginal labour categories of the co-operative labour organisation, whereas men concentrated in the "core" of the labour force. These differences further increased by women's lower regularity of labour.

In the evolving occupational gender segregation, men obtained positions with higher prestige and more regular character. Men’s dominance was exclusive in highly mechanised occupations. As a reflection of the changing labour demand, re-gendering tendencies could be observed in occupations with low levels of mechanisation. In the latter group, the proportion of women increased in occupations with declining prosperity, while the proportion of women was declining in occupations with relative stability over time. Men’s more dynamic behaviour in the context of occupational restructuring can be interpreted as the outcome of patriarchal control strategies 42, which can explain why and how men’s dominance in agricultural occupations was reproduced in the ongoing process of agricultural modernisation.

However, within the collective organisation at large, some women, such as managers, occupied positions above the average co-operative worker men. Furthermore, there were low-skilled men who were just as deprived in their positions as women at the bottom of the co-operative hierarchy. White-collar women’s positions might illustrate this paradox. White-collar women were more highly educated and occupied more prestigious positions than average blue-collar worker men. However, in their labour they were subordinated to men in managerial positions and possessed little autonomy over their own labour process.

According to the traditional division of labour of the peasant family, reproductive duties were performed by women. The introduction of the co-operative as a form of production did not challenge men’s lack of involvement in the reproductive sphere. Child-care facilities were to be expanded, and the co-operative gradually took over parts of domestic functions, such as organised subsidised meals. However, during the formation phase these services were rudimentary. As time-budget studies indicate, women maintained the responsibility for the daily reproduction of the labour power, while men’s privileges were not jeopardised (see Chapter 11).

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42 'Exclusion' and 'demarcation' were identified as the chief patriarchal strategies enforcing women’s subordination in the labour force.
Furthermore, women’s time used in household-based production superseded men’s during the formation period. This gender division of tasks, discussed in more detail in the next chapter, allowed women to function as a seasonal labour force, which could retreat into the household sphere in dead seasons. However, women’s function as a reserve labour force does not mean that they had excess labour to offer just during the summer period. Summer was the same period in which household-based production most demanded their labour. The connection is most valid in the sense that the economy of the households could absorb the seasonal female labour force during the idle season.
CHAPTER 11

The Gender Division of Labour Within Co-operative Worker Households

1. INTRODUCTION

In Chapter 7 the household-based production of co-operative workers was analysed as a form of production integrated into the dominant social formation in general and in specific terms with the co-operative. While the role of the household-based production of co-operative workers was discussed in connection to its importance for the continued reproduction of the co-operative, this production form was viewed as one with distinct characteristics. The specific features were connected to the use of family labour. The household’s combined production, consumption and kinship functions and its family labour base were seen to explain the orientation of household-based production towards the fulfilment of consumption needs. From the seventies onwards, commodity production of the households intensified, and this production was increasingly channelled through the co-operative.

The aim here is to explore the ways in which gender relations were expressed in the context of economic transformation. This question could be further specified. On the one hand I intend to investigate whether and how gender can provide an independent analytical power in explaining the process of commodification of household-based production. On the other hand I intend to explore the ways in which the changing economic content of household-based production altered the context within which gender relations were to gain expression. These questions are the focus of Subchapter 2. Furthermore, despite the emancipatory goals of transferring reproduction duties to the socialised (redistributive) sphere, the majority of reproductive duties continued to be carried out in the domestic sphere, (in the domestic form of reproduction – see Chapter 5). The question is, how did gender relations gain expression in the domestic form of reproduction of co-operative workers? How can shifts in the integration between production and reproduction spheres provide new conditions for the articulation of gender relations? And what is the analytical power of gender in the understanding of production forms?
2. Gender Segregation of Labour in Household-based Production

During the beginning of the sixties, when subsistence production dominated within household-based production (see Table 7.12), the majority of labour in household-based production was carried out by women. The proportion women’s time of the total time spent engaged in household-based production by co-operative workers was 73.3% (see Table 11.1). By the end of the seventies, the gender division of labour changed within household-based production.

Table 11.1. The gender division of labour within labour carried out in household-based production in households of workers in agricultural production co-operatives* in 1962 (calculated for an average day of the year)

<table>
<thead>
<tr>
<th>Occupational status</th>
<th>Co-op workers</th>
<th>Women’s work</th>
<th>Average time (hour)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>% of all</td>
</tr>
<tr>
<td>Co-op members</td>
<td>79</td>
<td>21</td>
<td>34.2</td>
</tr>
<tr>
<td>Other co-op workers and helping family members</td>
<td>5</td>
<td>56</td>
<td>96.7</td>
</tr>
<tr>
<td>Dependents</td>
<td>2</td>
<td>16</td>
<td>89.2</td>
</tr>
<tr>
<td>Blue-collar and white-collar workers</td>
<td>14</td>
<td>7</td>
<td>41.2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>73.3</td>
</tr>
</tbody>
</table>

Note: * : households of workers in agricultural production co-operatives and such households where the head of the household is co-operative member

Source: KSH, 1965, A nap 24 órája (24 hours of the day), 1965/8, p. 27 Átlagos munkaidő a háztáji gazdaságban (óra)

Men’s labour input increased in household-based production parallel to the increase of market production and the improving organisational integration of household production. From the seventies onwards, men’s participation in household-based production superseded women’s participation level. In 1976/77 men carried out the majority of labour within household-based production. Men’s average labour time superseded women’s amongst plant-growers (2.5:2.1), animal breeders (1.6:1.1) and amongst helping family members and independent farmers (5.5:4.0)(KSH, 1978a). Men’s participation in household-based production had increased further by 1986. The average time spent with labour in the household production exceeded 1.3 times the level of women. Similarly, in the case of the rural population at large, men’s average labour in household production exceeded 1.4 times the level of women. Men’s average labour time exceeded women’s amongst helping family members also. However, the overwhelming majority of helping family members were women. Consequently, women’s labour dominated within the total amount of labour time in this category also. While in 1963, women carried out 96.7% of labour within the helping family member category, this proportion remained high (85.7%) even in 1977 (see Table 11.1. and 11.2.).

1 KSH, 1990b, pp 92-94. This trend continued during the nineties as well following the destruction of the socialist agricultural model, see Asztalos Morell, 1999.
Table 11.2. Gender differences in household-based agricultural production amongst helping family members and agricultural physical workers (1963, 1977, 1986) calculated for an average day of the year

<table>
<thead>
<tr>
<th>Year</th>
<th>Helping family member</th>
<th>Agricultural physical worker</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>1963</td>
<td>3.7</td>
<td>3.0</td>
</tr>
<tr>
<td>1977*</td>
<td>5.5</td>
<td>4.0</td>
</tr>
<tr>
<td>1986</td>
<td>2.3</td>
<td>1.8</td>
</tr>
</tbody>
</table>

* In 1977 the helping family member category includes even independent farmers


The question is what kind of role did the changing gender division of labour within household-based production have in the reproduction of women’s subordination? I interpret this data from the above-emphasised assumption that the source of power is based in differences in the decision making rights over goods and production resources. Within wage labour, the utilisation of advantageous work opportunities bound to the transformation of the economy, or the exclusion from such opportunities constituted the source of power differences. Men’s increasing involvement in the household-based production sphere allowed the reproduction of men’s main breadwinner role in the context of the transforming economic conditions for agriculture. Household-based production transformed from primarily ‘reproductive’ to a ‘productive’ sphere, which became the source of important revenues, accumulation of know-how and contacts. From the eighties onwards this accumulation of know-how played an important role in the evolution of family farming as an alternative production form. In this sense, household-based family farming had an important preparatory role in the evolution of gender differences during the post-socialist transition. Thus I interpret the decline in women’s labour input in household-based production (which became on the one hand increasingly integrated into the socialist production system, while on the other hand its advanced forms could be interpreted as the seed of evolving family farming proper), as one of the material means by which the reproduction of gender inequalities was assured. This occurred within the context of the changing economic organisations reflecting the transition towards market socialism. Or more concisely, as a new interaction between patriarchy and the transforming socialist economic system.

Pahl (1984), in his studies on the informal economy in England, found that the size of benefits of participating within the informal economy were positively related to

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3 In the Hungarian context, the term two and a half wage earner family is introduced two describe the situation where men are obliged to take second economy jobs on top of first economy employment, while women combine wage labour with reproductive work Sziráczki, et. al, 1989.
the position occupied within the first economy\(^4\). A similar connection can be assumed in the case of the relationship between positions in collective agriculture and the benefits received from participation in household-based production. The economic positions which men utilised in the first economy within occupations bound to the technologically advancing areas allowed the accumulation of cultural capital, which could be utilised in the evolving production structure in the household sphere. Gender-based inequalities in the collective sphere could contribute to gender-based differentiation in the participation in the household-based production sphere. In the following I discuss how the articulation between the two spheres changed over time. During the ‘consolidation period’ (1956-1968) the proportion of women in the agricultural labour force was somewhat below one third (see Table 10.1.). For many women the primary motivation to join the co-operative was to gain entitlement to the household lot for family household cultivation. The precondition of this was the fulfilment of the minimum work day requirement. Later the entitlement for pension and other social benefits came into the picture.

In this period household production primarily fulfilled the function of subsistence production, and women’s labour contribution to it was higher than men’s\(^5\). Household plots were characterised by low level of capital concentration and mechanisation.

In the period of the ‘evolving symbiosis’ (1968-1979) household-based production became increasingly integrated into the collective sphere of production. Due to the practice of household-based agricultural production, the families could adopt a dual survival strategy. The expansion of household production allowed the minimisation of labour costs for the co-operative. From the seventies onwards co-operatives could increasingly rationalise their production profiles and move the labour-intensive production profiles into the household sphere. This meant that the overall production increased in the household sector, which in turn became increasingly engaged in market production. Production costs increased also, while the households took over certain production profiles from the co-operative sphere.

With increased market production women’s contribution to household farming decreased, while men’s increased (see table 11.2 also supported by occupational data, see KSH, 1992). One reasonable interpretation of this could be that men’s know-how and skills gained in the formal sector were easier to transfer into small-scale agricultural production with expanding market orientation than women’s. However, men’s participation in household-based production increased substantially only when household production turned significantly towards market production, allowing the contribution of monetary resources to the expansion of the family’s standard of living. This indicates that commodification, per se, played an important role in men’s increasing involvement.

Similar interpretations found in the international literature were discussed in Chapter 8 (see Sommestad, 1998 and Sogner, 1998). As was shown in Chapter 7, com-

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\(^4\) Hungarian economists considered also the skills and positions in the first economy as resources to be utilised in the second economy, See Galasi., 1981.

\(^5\) In a time-budget study from 1962 co-operative member men worked 1.3 hours per day compared to co-operative member women, who worked 1.6 hours per day in the small-scale agricultural production (KSH, 1965, p. 59.)
modification of household-based production of co-operative workers differed from the commodification process described in the above literature. It involved risk-taking only to a limited degree, and was instead integrated with the co-operatives to a large degree. Consequently, the duality indicated in the international literature between the risk-taking farmer and the subsistence providing wife is not fully adequate. I see the background for men’s expanding engagement in the commodity form of production (i.e. in its monetary value) in its contribution to the means required for the safeguarding of the family household’s reproduction. Thus, men’s engagement in household-based production increased their position as main breadwinners. As a result, it had an important role for the continued reproduction and strengthening of the material grounds of the modified main breadwinner model. Thus, one could also argue that the expansion of household-based production was motivated by patriarchal interests. Through this, men found a medium for countering the demasculinisation resulting from the collectivisation efforts and succeeded in safeguarding their main breadwinner status.

In contrast, women’s small-scale agricultural production was often carried out as an extension of – and as an organic part of – their household duties. Small-scale agricultural production was crucial for the economic existence of the family. In the period of ‘changing balance’ (1979-1989) from the eighties onwards, household-based production units became polarised. Beyond subsistence production and commodity production integrated into the collective sphere, a dynamic strata of market producers surfaced. In these units capital accumulation increased. One typical area was greenhouse production. Success in this area required a combination of various skills. Technical skills played a superior role in the expansion of this sphere. Thus, the typical entrepreneurs in this group were men equipped with technical skills.

As it is discussed above in chapter 10, the proportion of women amongst skilled workers was marginal in the co-operatives – and they were excluded from the ‘core’ occupations related to modernised agriculture. However, through intergenerational change⁶, a younger generation of middle-level, educated women entered the co-operative labour force with skills adequate for the feminised branches of the economy: horticulture, poultry-raising and white-collar jobs. Thus, the younger generations of women possessed increasingly gender-specific skills, which were also convertible to household-based production. In the case of horticulture, women could provide complementary know-how in the advancing gardening enterprises. As it was discussed in Chapter 7, the transfer of the horticultural branches to the households intensified during the eighties. Szelényi identified the intensive horticultural producers as one key group of agrarian entrepreneurs. If we jump ahead in time into the post-socialist period, we find that capital intensity as well as the employment of labour was highest in case of this in numbers small group in 1994⁷. However, beyond horticultural knowledge and familiarity with accounting, successful horticul-

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⁶ On the impact of intergenerational change in family farming in the Norwegian context, see Haugen, 1990. In the Swedish context see Andersson Flygare, 1999. In this thesis I could not explore intergenerational change to its full merits. However, the comparison of three epochs: ‘consolidation’, ‘evolving symbiosis’ and ‘changing balance’ indicates indirectly the ongoing shift in the agricultural population.

⁷ More then half of those employed by private farms (‘egyéni gazdálkodó’) were employed in units below 1 hectare, KSH, 1995, p. 150.
tural enterprises were based also on solid technological know-how. In 1997 I interviewed the owners of a flower producing enterprise, with assets reaching 3 million SEK at the time in a Southern Hungarian village. This enterprise was initiated in the latter part of the eighties:

The husband was of small town origin and had a trade school degree as a locksmith (lakatos). They married in the early eighties. His wife was a local resident and worked in a white-collar administrative position of the co-operative as assistant accountant. She originated from a family which has been engaged with greenhouse production through several generations. Her husband obtained a job in the co-operative, however, they soon started with greenhouse production on their own. They started with two big foil tents and were producing flowers for the city markets. During the transition period (after 1989) they further expanded the cultivation of flowers and invested in the extension of the greenhouses. In 1997 they had 30 large greenhouses, for which the technical work was carried out by the husband. By manufacturing the green-houses and the plumbing work in the greenhouses themselves they could save considerable resources. In 1996 they invested in computer control production technology. The application of new technology was necessary in order to stay in competition with EC producers entering the Hungarian markets. They employed, with seasonal variation, around 6 people, the help of which was especially needed in the winter season, when the large coal heated furnaces had to be fed.

As the above example indicates, women’s expertise in the administrative as well as in the horticultural area (in this latter case the horticultural expertise originated from know-how gained in the household sphere and outside the collective labour organisation) could contribute to the evolution of agrarian enterprises. This case illustrates also that former training and position in the co-operative hierarchy were not the only sources of transmitting know-how. The continued presence of household-based agricultural production during the socialist period preserved the household’s role in the socialisation of agrarian roles. However, also exemplified with the above case, it was the husbands skills as locksmith that had a crucial capital-saving function for the enterprise. He constructed the greenhouses as well as managed the operation of computerised nutrition system in the greenhouses.

A similar trend was shown in a study on evolving family farms in the post-socialist period. Women in the households of the largest farm categories possessed, on average, higher educational and training levels than the overall rural average (Asztalos Morell and Kovách, 1997). However, their labour contribution to family farms was not rewarded by the ‘farmer’ status and they were typically registered as helping family members or dependants, despite the indicated labour participation in the family farm. Women’s contribution to agricultural production does not contradict the overall trend. From the segmented base of knowledge of the collective labour force, the possession of technical knowledge played the superior role in launching family-based enterprises.

Despite the entrepreneurial expansion of a dynamic strata of producers already apparent during the late eighties, the majority of household-based production remained within the frameworks of the co-operative. The evolving household-based production became the new sphere for the evolving gender inequalities. Gender
differences in the formal, collective sphere strengthened and reinforced the inequalities in the informal (household-based production sphere).
As it was noted in chapter 7, within family incomes, the proportion of income from household-based production increased during the eighties. This trend ran parallel to the increasing commodification of production. This tendency also coincided with the continued increase in men’s – and further decrease in women’s participation in household-based production. The coincidence of these three processes further supports the argument that men’s increased participation in household-based production was a means for the strengthening of men’s main breadwinner role.

3. The Importance of Domestic Labour for the Reproduction of Agricultural Production Co-operatives and the Gender Segregation of Labour in the Domestic Sphere

3.1. The Importance of Reproductive Labour for the Reproduction of the State Socialist Agricultural Production Model
In Chapter 5, I differentiated between four forms of reproduction: domestic, reciprocal, redistributive and market. In Chapter 9 I argued that under state socialism the redistributive sphere took over an increasingly large portion of the economic and organisational responsibilities of reproductive work. Meanwhile, the actual commercialisation of reproductive duties was weak. In the context of the co-operatives, the bulk of reproductive economic responsibility, as well as the bulk of reproductive duties, were delegated and carried out within the household sphere. However, with women’s increased labour force participation (as it was shown in Chapter 10) the involvement of the state (in form of child-care institutions, child-support payments, or reproductive rights) and of the co-operatives (in form of subsidised canteens or elderly care) increased8 (see also table 7.1).
In Chapter 10, I showed how women’s unpaid reproductive work in the household (which I describe as domestic labour), contributed to the reproduction of the co-operative: First, by reproducing the labour power of the wage worker; secondly, through continued household-based production, which allowed co-operatives to pay low wages, so that women’s labour contributed to the costs of reproducing the labour power of the wage worker; and finally, by providing a cheap reserve labour force.
Here, I focus on the organisation of reproductive duties from the point of view of the household. In the peasant or household-based economy it is difficult to delineate reproductive labour from household-based ‘productive’ labour, which is also carried out by family labour. It is particularly difficult to differentiate from the subsistence production of household-based producers, for both household-based production and domestic labour contributes to the reproduction of the labour power.
From the point of view of the household, the productive and reproductive spheres were separated in the following ways: production was seen as activities oriented

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8 The proportion of social benefits within the family budgets increased from 2.5% in 1960 to 18.1% in 1982 to decline to 13.9% again by 1987 (see table 7.1).
towards the securing of the means of subsistence for the unit. In comparison reproduction was seen as activities which transform these means into consumable goods. While there is no eternally valid list of activities which delineate domestic duties (most of reproductive activities can be commercialised or socialised depending on the given socio-cultural context), domestic duties were defined as those duties which take non-market form, were related to personal consumption and were the nearest to the recreation of every-day life. The final products of domestic labour are goods and services for personal consumption, and the labour is carried out in the ‘intimate’, ‘private’, ‘nearest’ sphere of family life\(^9\). In this way, the reproductive sphere is a channel of specific human values, such as love, nurturing, and self-sacrifice, which are not available as goods transferred through the market\(^10\). Paradoxically, this caring also becomes the source of women’s personal dependency (Jonasdottir, 1991).

On an operational level, I accepted the terms used by the time budget studies and included into reproductive (domestic) duties the following activities: cooking, cleaning, washing, ironing, sawing, shopping, heating, carrying fire-wood and water, cleaning the garden surrounding the house, and childcare (KSH, 1965).

This is not to deny that domestic labour does not have economic importance. However, due to the unpaid form of domestic labour, the value of this labour remains hidden. This invisible contribution of domestic labour is also reflected in the official household statistics. While the value of subsistence production is estimated in the statistical resources (with the compatible value of consumed goods had they been paid for) the value of reproductive activities (i.e. what would it cost of all those activities had to be paid for) is not reflected upon.

According to the 1962 time budget survey, women co-operative workers’ time spent on domestic labour largely exceeded men’s time spent with it. At the same time, large fluctuations occurred, depending on women’s occupational status. The comparison of women in three different occupational categories revealed that those women who spent the greatest amount of time with reproductive labour were those women who also spent the largest amount of time with household-based production – and the least amount of time on wage labour. Subsistence production increased the amount of time required for the preparation of goods for consumption. While in the case of subsistence production, the products are to be prepared for consumption, in the case of market production the products do not become raw-material for household consumption. Thus, conceptually, the production relations of commodity production are more clearly differentiated from reproductive labour than is the case with the differentiation between domestic labour and subsistence production. The product of subsistence production, like the product of domestic work, is not transferred through the workings of the market.

\(^9\) Márkus (1976) described the family as the centre of personal life and intimate contacts. She pointed to this as the spontaneous source of resistance against the socialisation of the household. Szalai gave a similar interpretation of the state socialist family in a presentation at the ESA conference in Budapest in 1995.

\(^10\) Two views meet here. I maintain, that the relations currently regulating domestic labour have a subordinating nature (see e.g. Jonasdottir, 1991). However, I do not accept the devaluing view of Marxism. I perceive the household and the family to be an autonomous, value-creating organisation (see, e.g. Prokop, 1981).
Women’s labour force participation increased throughout the state socialist period. But despite sizeable improvements, the state only partially fulfilled its promises regarding the socialisation of family and household duties.

The service of childcare institutions expanded from covering 29.8% of the children of childcare age (between 3 and 6) in day-cares in 1960, to 88.9% in 1985 (KSH, 1986a p. 49). In 1983, nursery places covered only 17% of the eligible (up to 3 years of age) children. Meanwhile, village networks were worse off. Facilities covered only 6.7% of nursery age children. The number of day-care age children who applied but were refused placement was five times higher in the villages than in the capital (Simon, 1977, Műv.Min, 1986, EgÜgyMin, 1984).

Families remained responsible for the reproduction of the labour power of workers and the reproduction of daily life. The question is whether or not women’s responsibility concerning reproductive duties changed. According to time budget studies the increase in the time spent on wage labour was realised, in part by an increase in women’s overall work time. The greater the amount of time spent in wage labour, the greater was the total amount of time these women spent working. In the case of white collar workers it was 12.2 hours, 11.7 for agricultural physical and 11.2 hours for helping family member women (KSH,1965). On the other hand, working women were also forced to cut back substantially on the time spent with domestic duties and household-based production. White collar women, compared to other categories of women spent the longest time with wage labour (7.8 hours) spent the longest total labour time (12.2 hours). Their long day in paid employment was combined with a shorter time spent with household-based production (0.5 hours) and domestic duties (3.9 hours), compared to other co-operative worker women. In contrast helping family member women, who spent the shortest time with wage labour (0.7 hours) spent 11.2 hours working during an average day. In contrast to white collar women they spent the most time with domestic labour (7.5 hours) and with household-based production (3.0 hours) (see Table 11.3.).

Table 11.3. Gender division of labour in three categories of co-operative workers: white-collar workers, agricultural physical worker, and helping family member on an average day of the year in 1962

<table>
<thead>
<tr>
<th>Type of labour</th>
<th>White collar</th>
<th>Agricultural physical</th>
<th>Helping member</th>
<th>family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Wage labour</td>
<td>10.5</td>
<td>7.8</td>
<td>9.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Household-based production</td>
<td>0.5</td>
<td>0.5</td>
<td>1.4</td>
<td>2.0</td>
</tr>
<tr>
<td>Domestic</td>
<td>0.8</td>
<td>3.9</td>
<td>1.4</td>
<td>5.9</td>
</tr>
<tr>
<td>Total</td>
<td>11.8</td>
<td>12.2</td>
<td>11.8</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Source: KSH, 1965, A nap 24 órája (24 hours of the day), p. 116,120
Note: * there were only 4 observed cases in this category. The high level of domestic labour is to the most due to the time spent on keeping the garden and baring wood and to a lesser degree to the size of the time spent on cooking food.

Concentrating on the case of agricultural physical workers through time, we find that the increase of women’s time spent with wage labour (from 3.8 hours in 1962 to 420
4.7 hours in 1977 and finally to 4.9 hours in 1986) was accompanied by a parallel decrease in the time spent on domestic labour (from 5.9 hours in 1962, to 4.5 hours in 1977 and to 4.1 hours in 1986). Meanwhile their overall time spent working remained at a high level (11.7 hours in 1962, 11.4 hours in 1977 and 11.3 hours in 1986). The decrease in women’s time spent performing domestic labour was not accompanied by a parallel increase in men’s work time spent within the domestic area. Women’s coming closer to the ‘masculine’ productive norm (i.e. women’s increased participation in the productive sphere) did not draw with it men’s assimilation towards the ‘feminine’ reproductive norm\(^{11}\) (see Table 11.4).

Table 11.4. The use of labour time of agricultural physical workers by sex on an average day of the year, 1962, 1977, 1986

| Type of labour      | Men  |  | Women |  |  |
|---------------------|------|  | ------|  |  |
| Wage earning activity | 9.0  | 7.1  | 6.6   | 3.8  | 4.7  | 4.9  |
| Household production | 1.4  | 2.2  | 2.3   | 2.0  | 2.0  | 1.8  |
| All productive      | 10.3 | 9.3  | 8.9   | 5.8  | 6.9  | 7.1  |
| All Reproductive    | 1.4  | 1.2  | 1.3   | 5.9  | 4.5  | 4.1  |
| All labour          | 11.7 | 10.5 | 10.2  | 11.7 | 11.4 | 11.3 |


Domestic labour played an inevitable role in the reproduction of labour power – and of the co-operative form of production. However, the role that domestic labour fulfilled in the reproduction of the co-operative form of production alone, neither explains the gender segregation of domestic labour, nor accounts for the gender-based dependency relationships which constitute the basis for domestic labour. These dependency relationships are the materialisations of a prevailing gender system, which cannot be attributed to the economy’s labour demands.

3.2. Collectivisation and the Terms of Integrating Women into the Labour Force

The groups of co-operative worker women described above represent different stages in the transformation process from family producers to wage workers. From the point of view of women, the transition from family production to wage labour was carried out with a substantial decrease in the time spent in both reproductive labour and household-based agricultural production. Both white collar women and non-agricultural worker co-operative member women performed full-time work.

\(^{11}\) Falussy and Vukovich, 1996 p. 79 drew other conclusions about the small size increase in men’s domestic labour. Men’s time spent with cooking food, cleaning and washing has increased indeed by 10 minutes daily. However this constituted only a small part of the total decline in the time which women spent there. Men’s labour in the domestic sphere increased in typically male areas, i.e. in cleaning and repairing the farm and time spent on services.
hours in wage labour. Despite the substantially smaller amount of time spent with reproductive duties and household-based agricultural production by white collar women, they could combine a triple labour burden only with a significantly longer average workday compared to women not working full-time in the collective. The difference between the average workday of white collar women and helping family members was a whole hour.

However, the substantially smaller amount of time spent by full-time working women compared to part-time working women on reproductive duties needs to be explained by some additional factors beyond women’s increasing wage labour time. In the following I attempt to explore some potential reasons for this phenomenon.

First, one might wonder if these women received help with their reproductive duties from their husbands? Unfortunately, the published data does not allow an accurate answer to this question. An earlier time budget survey from 1960 on blue-collar and white-collar worker households outside the agricultural sphere indicated that out of all working women, 29.5% received help that reached over 50% of the time spent with reproductive duties (KSH, 1962b, p.31). Furthermore, it indicated that husbands helped in the domestic tasks in about 35% of the households where women were engaged with wage work, (ibid. p.34). In contrast, only 15% of men helped in households where women were not working. The sample also indicated a high level of assistance provided by grandmothers in the households of working women (41.4% of the time contributed by helpers in those households receiving help). In contrast, according to the time budget survey from 1963, co-operative member husbands of wage earning women helped with 0.3 hours less than husbands of home-maker women (KSH, 1965, , p. 31). Even if this information does not compare various co-operative categories, it may offer a weak support to the hypothesis that white-collar full-time working women received also more ‘reciprocal’ and intra-familial help compared to seasonal worker women. In contrast, the data on all co-operative member working women indicates that this help was unlikely to originate from their husbands.

Second, one could wonder whether full-time worker women succeeded in transferring some of their duties to the redistributive or market spheres? The comparison of the composition of reproductive duties indicates that white-collar women’s ‘savings’ were largest in time spent on cooking. Considering the expansion of collective subsidised canteens, the use of these services could, with good reason, be assumed as an important part of the explanation behind these time savings. Meanwhile, according to the 1963 Time Budget Survey the replacement of reproductive services by paid services was seen as negligible.

Third, the smaller amount of labour time spent on reproductive duties could be related to improvements in domestic technology. The second largest area of labour savings of white-collar women was in washing and ironing, and lastly in cleaning. The improvement of domestic technology is most commonly not seen to contribute to the reduction in labour time, since the increased technological standard is typically followed by an increase of demands (Nyberg, 1989, KSH, 1965). According to Nyberg the improvement of technology is seen to contribute to the easing of labour tasks rather than time saving. However, Andersson Flygare (1999) argues that with the spread, for example, of washing machines in Swedish farm households, the amount of labour time that was available without disruption for productive tasks
increased. As a result, it increased women’s opportunities for participation in production. According to the 1962 household survey, white collar households were best equipped with washing machines, while peasant households were the worse off. Only 17 out 100 peasant households had one, while 33% out of dual earner families did (KSH, 1966b, p. 125).

Finally, an alternative explanation can be drawn from the relationship between household-based agricultural production and reproductive labour. These two were associated with each other. In groups with low wage labour participation the amount of time spent with both household-based production and reproductive work was higher, whereas in groups with high wage labour time, the amount of time in both reproductive labour and household-based agricultural production was lower. There seems to be a systematic relationship between the latter two.

As pointed out in chapter 7, small-scale agricultural production took more labour intensive forms in the household compared to the collective spheres of production. During the consolidation period household-based agricultural production, even in households that also produced for sale, incorporated subsistence production to a large extent (see Table 7.12). A large variety of activities characterised such households, which would be largely self-sufficient in vegetables, poultry-products and meat-products. This would mean that the more extensive such an activity was, the larger was the portion of self-produced goods. This could be assumed to have also increased the time required for their preparation for consumption.

It is also impossible to expect a time budget survey to distinguish between small-scale production and domestic labour. For example, in the process of cooking a chicken: is it cooking to cut the chickens throat, and pluck its feathers, or is it still small-scale agriculture? Due to the increased amount of "unprepared" products originating from small-scale production, the overall time required for domestic labour can be somewhat inflated.

The existence and the intensity of small-scale agricultural production gives domestic labour a special meaning. Small-scale agriculture in its subsistence economy form concerns the survival of the family – the provision for the family's consumption needs. Domestic labour shares common qualities with subsistence production in that it is not rewarded by wages and it cannot be accumulated, since its results are consumed piece by piece in the process of repeated daily routines. What women achieved with their domestic labour combined with subsistence production was the safeguarding of the foundations of the family's survival.

In co-operative worker households, reproductive duties appeared to be strongly gender coded as female tasks. Thus, given women’s reproductive responsibility within the household, women’s labour strategy was limited to a 'choice' between a labour strategy based on wage-earning on household-based agricultural production. The first would result in the minimisation of domestic duties together with the increase of cash-incomes for the households. The latter would be based on an increased activity not only in small-scale production but also in reproductive labour.

Full-time, white collar women were obliged to decrease the time they spent with domestic duties, and minimise their participation in household-based production. However, the extent of the decrease in reproductive duties was not equal to the increase of their wage labour time. That women’s contribution in the household (even if only subsistence production of agricultural products is concerned) was
crucial was indicated in Chapter 7 in the analysis of household budgets. The analyses of the integration of women in the collective showed women’s hesitation, or sometimes open opposition, against the collective leadership’s efforts to increase their labour input in the collective. The comparative data on the division of labour of full-time, compared to part-time working women indicated that full-time labour force participation was not necessarily an advance in the life-conditions of white collar women during the early sixties. Full-time working women were burdened with longer overall working hours as compared with part-time working women. Women’s economic contribution to the reproduction of the co-operative as a production form – or to the continued existence of the household – is not to be undervalued. However, their participation in unpaid domestic labour was also the source of their dependency on a main breadwinner.

As was shown earlier, household-based production became increasingly more commodified from the seventies onwards. In contrast to the subsistence form of production, in the case of commodity production, the above connection between household-based agricultural production and domestic labour transformed. Specialisation on a smaller number of products, for example poultry or pigs, does not inflate the necessary domestic labour time.

3.3. **WOMEN AS FLEXIBLE LABOUR RESOURCE**

As it was shown in Chapter 10, women were utilised to a large degree as flexible labour resources by the collective, both as agricultural physical worker members and as helping family members. During the consolidation period, women’s labour power was made use of to cover the seasonal variations of labour demand. Even men’s labour participation was effected by this seasonal variation. However, women’s participation was not only substantially lower, but showed also larger variation according to these seasonal demands. This is reflected in differences between winter and summer time budgets of men and women. Women used, on average, between 1.3 and 3.8 hours more total labour time in the summer than in the winter. Meanwhile men’s surplus time in the summer varied between 1.2 and 2.9 hours in the various occupational categories (see Tables 11.5 and 11.6).

Table 11.5. **Use of time by various categories of co-operative worker women according to type of activity in 1963**

<table>
<thead>
<tr>
<th>Women</th>
<th>Wage labour</th>
<th>Household-based production</th>
<th>Reproductive work</th>
<th>Total socially necessary labour time</th>
</tr>
</thead>
<tbody>
<tr>
<td>White collar</td>
<td>Summer</td>
<td>Winter</td>
<td>Summer</td>
<td>Winter</td>
</tr>
<tr>
<td></td>
<td>8.6</td>
<td>6.9</td>
<td>0.8</td>
<td>0.2</td>
</tr>
<tr>
<td>Non-agricultural blue collar</td>
<td>9.1</td>
<td>5.5</td>
<td>1.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Agricultural physical</td>
<td>5.9</td>
<td>1.6</td>
<td>2.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Helping family member</td>
<td>2.5</td>
<td>0.2</td>
<td>4.2</td>
<td>2.0</td>
</tr>
</tbody>
</table>

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The increasing labour demand during the summer was compensated for by both men and women with a decrease in their engagement in reproductive duties. However, in order to cope with this seasonal variation, women economised to a larger degree with their reproductive duties. While summer duties resulted in shifts between 0.7 to 3.1 hours difference in the reproductive work time of women, the size of this difference varied to a lesser degree (between 0.4 and 1.1 hours) for men. Consequently, women were obliged to adjust their labour time to a larger degree than men to the seasonal variation in demands in collective and household-based agricultural production.

3.4. **Domestic Labour and Gender Inequalities**

Due to the economic features of the state socialist system discussed in Chapter 7 (see Swain’s, 1985 definition of the ‘socialist wage worker’) the *main breadwinner* of the family was forced to engage in double work in the productive sphere. This also placed men under a dual pressure. Both women’s and men’s total labour time reached high levels. Thus the time available for the equalisation of the gender division of labour remained limited. Barrett (1986) described the evolution of the institution of ‘family wage’ as a historical ‘ideology creation’ process. She criticises feminism for one-sidedness in viewing the ‘family wage’ system as the institution of women’s oppression alone. She pointed out that the system of patriarchy is damaging even for men, since it closes in them into the framework of the wage system. In Hungary men’s total labour time was also high. Nonetheless, women’s labour time both in the cities and in the villages was much higher than men’s (1999) Women’s total working time was higher than men’s, both amongst agricultural physical workers and amongst the socially more diverse village residents at large.

### Table 11.6. Use of time by various categories of co-operative worker men according to type of activity in 1963

<table>
<thead>
<tr>
<th></th>
<th>Wage labour</th>
<th>Household-based production</th>
<th>Reproductive work</th>
<th>Total socially necessary labour time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Summer</td>
<td>Winter</td>
<td>Summer</td>
<td>Winter</td>
</tr>
<tr>
<td>White collar</td>
<td>11.1</td>
<td>9.9</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>None-agricultural blue collar</td>
<td>10.7</td>
<td>7.8</td>
<td>1.0</td>
<td>0.9</td>
</tr>
<tr>
<td>Agricultural physical</td>
<td>11.1</td>
<td>6.9</td>
<td>1.3</td>
<td>1.5</td>
</tr>
<tr>
<td>Helping family member</td>
<td>5.4</td>
<td>2.7</td>
<td>2.7</td>
<td>4.8</td>
</tr>
<tr>
<td>Other</td>
<td>9.7</td>
<td>6.5</td>
<td>1.2</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Table 11.7. The use of time spent with labour of village residents by sex on an average day of the year, 1962, 1977, 1986

<table>
<thead>
<tr>
<th>Type of labour</th>
<th>Men</th>
<th></th>
<th></th>
<th>Wome</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage labour</td>
<td>3.1</td>
<td>5.9</td>
<td>5.2</td>
<td>0.2</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Household production</td>
<td>1.6</td>
<td>1.6</td>
<td>1.9</td>
<td>1.4</td>
<td>1.5</td>
<td>1.4</td>
</tr>
<tr>
<td>Productive together</td>
<td>4.7</td>
<td>7.5</td>
<td>7.1</td>
<td>1.6</td>
<td>4.8</td>
<td>4.4</td>
</tr>
<tr>
<td>Domestic</td>
<td>2.5</td>
<td>1.5</td>
<td>1.4</td>
<td>7.2</td>
<td>4.6</td>
<td>4.3</td>
</tr>
<tr>
<td>Child-care</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.9</td>
<td>0.4</td>
<td>0.6</td>
</tr>
<tr>
<td>Reproductive together</td>
<td>2.7</td>
<td>1.6</td>
<td>1.6</td>
<td>8.1</td>
<td>5.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Total</td>
<td>7.2</td>
<td>9.2</td>
<td>8.7</td>
<td>9.7</td>
<td>9.8</td>
<td>9.3</td>
</tr>
</tbody>
</table>

Source: KSH, A nap 24 órája (24 hours of the day); KSH, A magyar társadalom életmódjának változásai az 1976/77. évi és az 1986/87. évi idömérleg felvételek alapján. (Changes of the life-style of the Hungarian population according to the time budget surveys of 1976/77 and 1986/87), pp 92-94.

The gender division of reproductive tasks showed a clear association with the various survival strategies of the households. The features of the Hungarian ‘socialist wage worker’ (its reliance on dual base of subsistence) was clearly reflected in the division of labour time between wage labour, household-based production and reproductive activities. However, the demand of the economy cannot alone explain the gender division of labour. As it was argued, the specific features of the relationship between reproduction and subsistence production could be interpreted as means of reproducing women’s economic dependency within the modified main breadwinner system. Increased commodification was accompanied by the strengthening of men’s main breadwinner roles.

4. The Relationship Between Productive and Reproductive Work and Gender Inequalities

The number of workers employed as agricultural physical workers in the cooperatives decreased substantially between the early sixties to the late eighties. At the same time, as is reflected in the data from 1962 and 1986, the average time spent by women at wage labour closely approached men’s time spent with wage labour. While the absolute number of wage workers in agricultural occupations decreased, the average time spent by co-operative worker women with wage labour in agricultural occupations increased, while co-operative worker men’s decreased\(^{12}\). As a result, women’s time spent with labour in agricultural occupations moved closer to

\(^{12}\) The mechanisation of agriculture had different impact on working men than on women. The labour time of men occupied to large degree in mechanised activities declined. The concentration of women was highest in seasonal labour areas. Mechanisation decreased the seasonal labour demand, while the labour demand in the feminised occupations not directly effected by mechanisation remained steady, such as in poultry-raising (see chapter 10). This, of course, does not explain why the gender division of labour evolved in this way.
that of men. The difference decreased between men and women even in time spent on reproductive work. This was not a result of the increase of men’s participation in reproductive work, but resulted from the fact that women’s time spent on reproductive work declined more than men’s. Agricultural physical worker men utilised the decrease of wage labour time partially to increase their time spent with household-based production and partially to increase their leisure time. In the case of women, the large-scale decrease of domestic labour time was accompanied by a significant increase of wage labour time. While women’s long work day during the sixties remained similarly long until the end of the eighties, men’s long work day had already decreased by one hour by the middle of the seventies. While in 1962 agricultural physical worker women’s labour day was approximately as long as men’s in the same professions, by 1977 women worked 0.9 hours more, and in 1986, 1.1 hours more than men in similar occupations (see Table 11.8).
Table 11.8. Differences in women’s labour time compared to men amongst agricultural physical workers and village residents on an average day of the year (in hours)

<table>
<thead>
<tr>
<th>Type of labour</th>
<th>Agricultural workers</th>
<th></th>
<th>Economically active and inactive village residents</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Productive work</td>
<td>-5.2</td>
<td>-2.4</td>
<td>-1.7</td>
<td>-3.1</td>
</tr>
<tr>
<td>Reproductive work</td>
<td>+4.5</td>
<td>+3.3</td>
<td>+2.7</td>
<td>+5.4</td>
</tr>
<tr>
<td>Total useful work</td>
<td>+0.0</td>
<td>+0.9</td>
<td>+1.1</td>
<td>+2.5</td>
</tr>
</tbody>
</table>


If we compare agricultural physical workers with all those living in villages as a control group we find a similar situation in the relation between time spent on domestic work and household production, even if certain details may differ. Rural men’s time spent on wage labour increased a great deal between 1962 and 1977. This can be related to the increased labour demand of industry attracting rural labour reserves during this period. However, between 1977 and 1986, this trend was reversed and the time spent with wage labour declined. The time rural men spent on domestic labour declined largely between 1962 and 1977, in contrast to the time spent on household production, which increased throughout the period. Rural women’s time spent on wage labour followed a trend similar to men’s, even if it continued to stay far below men’s. Rural women’s participation within household-based agricultural production remained steady during the period. Due to men’s increased involvement from the seventies onwards, women’s labour time in the household-based production sphere fell far below men’s by 1986. At the same time, women’s domestic labour declined dramatically, especially between 1962 and 1977. All in all, women’s total labour exceeded men’s. This difference decreased substantially (with 1.9 hours) between 1962 and 1977, which could be largely attributed to men’s substantially increased wage labour time. However, women’s work days continued to be, on average, 0.6 hours longer than men’s work days.

The common tendency in both samples was that the diminishing differences between men and women’s time spent on domestic labour was not due to the increase of men’s participation, but to the overall general decline in the amount of time spent on domestic labour. Men’s time spent on household-based production increased (in case of agricultural physical workers already by the seventies while in case of rural residents only by the eighties), while women’s participation declined or stagnated. This coincided with the increased market production of household-based producers. Women were to carve out the extra time required to cover their increased labour force participation, at the expense of domestic labour time. At the same time, women’s total labour time significantly exceeded men’s total labour time in both samples during the examined period (with the exception of agricultural physical workers in 1962, in which men and women spent the same amount of time). Thus the expansion of women’s wage labour was accompanied by a triple pressure on women’s labour time.

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5. **Summary**

The analytical value of gender in case of the studied co-operatives could be summarised in the following: through the gender division of labour women’s labour tasks were differentiated in a way that their total labour contribution was devaluated compared to men. This can be seen to gain expression in the higher level of women’s total labour time, the larger flexibility required from women’s labour input, as well as in women’s higher level of engagement with labour forms which are unpaid, and in an economic context where labour took on an increasingly commodified form. Within these general trends there was a sizeable variation between various categories of women.

In contrast, men’s engagement with household-based production increased in parallel to the increased commodification of the sphere. Since this production was carried out within the larger context of the co-operative, it meant, in general terms, that there was also not as much risk-taking as one found on none-regulated markets. The importance of the commodification of household-based production (compared to subsistence production) was that its products obtained a commodity form and by this contributed with monetary incomes to the household. On the one hand, this made the economic contribution in this area measurable. On the other hand, it made a measurable contribution to the means required for the family household’s subsis
To secure the consumption of the family and to eat well were crucial for the family households. Women sorting grapes for export
CHAPTER 12

Summary

The underlying aim of this study was to develop an interpretational framework, which would assist in an analysis of the formation and development of the agricultural production co-operative as a gendered form of production. My interpretational framework grew out of the analysis of key theoretical perspectives, with dual system theory as my overriding analytical framework. According to my reading of this framework gender inequalities evolve along economic and gender-based systems of domination. In this interplay the evolving gender inequalities cannot be reduced to the effects of the needs of the economic system. Patriarchal domination is rooted in patriarchal relations. Thus, while patriarchal structures were not seen to be reducible to the effects of economic systems of domination, economic systems of domination provide the grounds for the articulation of patriarchal structures. Furthermore, neither can the development of economic systems of domination be reduced to the effect of gender systems. Nonetheless, economic systems of domination utilise and integrated elements of the gender system. The interest of the two systems are not identical, they can have competing demands on, for example women’s labour capacities.

One of my research objectives in this thesis was to explore the relation between changes in these two systems. How did changes in the economic system provide opportunities for changes in the gender system – and how did changes in the gender system provide opportunities for change in the economic system? Answering these questions required the development of a firm theoretical base in interpreting both the economic systems of domination and the gender systems of domination.

The emergence of agricultural production co-operatives

The thesis started with a presentation of agricultural production co-operatives. Co-operatives were described as state socialist production organisations, which aimed at introducing industrial production organisation to agriculture. Nonetheless, Hungarian agricultural production co-operatives had specific and unique features. The key features were: first, co-operatives enjoyed enterprise freedom, which meant a somewhat larger degree of flexibility (compared to state industrial enterprises) in adjusting production plans according to demand and supply, while co-operatives formed part of the system of indirect redistributive co-ordination. Secondly, as an outcome of this relative ‘flexibility’ co-operatives restructured their production profiles. Through these restructurings, the proportion of non-agricultural production
increased and labour-intensive production branches were moved into the household-based production sphere. Finally, co-operatives evolved a pluralistic production organisation. Household-based agricultural production was at first tolerated as a sphere contributing with subsistence production to the household budgets of co-operative workers, and later this activity became increasingly integrated into the collective’s production organisation.

In chapter 3 the emergence of the co-operative model is described. Following the radical land reform in 1945, which destroyed the skewed land distribution of the pre-World War II period, peasant farming enjoyed a short-lived renaissance. Diverse forms of co-operatives in this transitory period offered possible alternatives for overcoming the economic difficulties of the newly started farm units. These pivotal forms of co-operation were initiated on the basis of family farms as the basic production units. Following the definitive incorporation of Hungary into the Soviet interest zone, the grassroots formation of diverse forms of co-operation was halted by decree, and collectivisation along the soviet model proceeded by coercive methods. Large sections of the peasantry succeeded in resisting the collectivisation pressure throughout the fifties, and this resistance culminated in the 1956 uprising. It was first after the Soviet occupation following 1956, that the peasantry at large gave up their resistance and accepted the collectivisation agenda.

Agricultural production co-operative as a form of production

My interpretation of the structuration processes of co-operative agriculture merged elements of several different perspectives. My interest was initiated by Hungarian embourgeoisment and oikos theories. These, together with different content conceptualised the expanding household-based production as a ‘silent revolution’ – the revolution of the household. Rather than interpreting the expansion of commodification of household-based production as a path towards bourgeois development, I argue that household-based agricultural production is a specific form of production. Forms of production were differentiated according to the labour use criteria and according to the reproduction criteria. While capitalist enterprises depend on the utilisation of paid labour, household-based production units utilise unpaid family labour. While the condition for the continued reproduction of a capitalist enterprise is its ability to create profits, the aim of household-based production units is to reproduce the family household.

Neither of these definitions fit socialist enterprises. In contrast to the profit-oriented capitalist market enterprise, socialist enterprises had no similar hard budget control, and thanks to state subventions they could continue to operate even if they did not realise profits.

Furthermore, the form of production concepts implied that these production units are seen to function within the context of a dominant social formation. Household-based production units functioning within imperfect markets were seen as peasant households, where production is carried out in a more traditional, dictated way. In contrast, those household-based producers which function within generalised markets are typically drawn into the economic cycles of the market and depend on the production of commodities for their subsistence. These are identified as simple commodity producers.
Agricultural production co-operatives formed a specific form of production systems. Internally, they were divided into a collective and household sphere. The collective utilised wage labour and adapted industrial production forms. Consequently, the internal structuration of the collective sphere was similar to the industrial production organisations. The main dimensions described evolved, on the one hand, along the differentiation of the management function from labour. On the other hand, they evolved along the core and marginal categories of labour. Various positions within the hierarchy implied differing levels of control over resources, as well as diminishing control over their own labour process. The co-operative model in general, and the collective sphere in particular came about – and was reproduced by – the state socialist system. During the studied period this dominant system was on its way towards a market socialist transformation. This meant that the command economy gave way to the integration principles of indirect bureaucratic co-ordination. Thus, the enterprise features of the co-operatives strengthened. The transition to market socialism brought with it internal changes, such as the professionalisation of management, wide-spread, large-scale mergers and the spread of industrial production organisation.

In contrast, the household lot (which served the production site for household-based production) was allotted on the condition that certain labour requirements in the collective sphere were fulfilled. In this way, it was typically a semi-proletarian undertaking. Production in the household sphere was increasingly commodified. Commodification was accompanied by a growing integration of the household into the co-operative. However, on the analogy of simple commodity producers this activity is not considered as base for capitalist transition of the household-based production units. The overwhelming majority of household channelled their incomes from commodity production into meeting their own consumption goals.

The Hungarian Gender Regime

As it was argued above, economic systems of domination are seen to serve as the materialisation grounds for gender relations. The gender system, nonetheless, is not reducible to demands arising from economic structures. Out of the various patriarchal structures, such as the patriarchal structures in wage labour, unpaid labour, state policies, culture, sexuality and male violence against women, my analytical focus was on the first three areas, and to a lesser degree on the symbolic field. I argued that patriarchal structures of paid and unpaid work evolved in the specific context of industrial capitalist labour relations. In agrarian production structures, the dichotomy between paid and unpaid labour is not as effective. In family farms three key historical patriarchal structures were identified: division of labour, inheritance and the construction of masculinities and femininities in farming. Due to the divergent foundation of patriarchal structure in the two systems I argued that patriarchal structures ought to be specified on the level of specific forms of production.

In identifying patriarchal structures on the level of form of production, the prevailing forms of reproduction must also be taken into consideration. In the analogy of forms of production I differentiated market, household and redistributive and reciprocal forms of reproduction. While the social organisation of productive and reproductive duties and the interface between the two spheres is a characteristic feature of
specific forms of production and reproduction, the gender-based construction of these spheres forms the distinctive feature of gender systems.

Gender systems, just like economic systems were thought of on two levels in this thesis. On the general level is the dominant social (gender) formation, which I called gender regime, and on the level of the specific I distinguish forms of production and reproduction. Thus, the gender system of the co-operative society is seen to have evolved in the context of the dominant state socialist gender regime. Gender regime as a concept refers to the way citizenship obtains (or not) a gender specific content. Thus, gender regimes differ depending on the ways in which citizenship rights and duties are formulated by them as based (or not based) in the biological and social differences between men and women.

In interpreting gender regimes, as well as in interpreting specific forms of production and reproduction I think in terms of a dual system theory. The changing demands placed by the economic system on productive and reproductive labour, set the framework within which gender relations were to be articulated. The evolving gender division of labour is however, not determined by the economic cycles. The prevailing gender division of labour reflects the relationship between men and women, and the gender specific constructions of femininity and masculinity. In the formation of the Hungarian gender regime, the varying labour demand of the economy played a crucial role. This created the economic preconditions for the generalisation of women’s labour force participation. However, the way in which women were integrated into the labour force – and the terms of this integration – evolved on the basis of the prevailing and renegotiated gender contracts.

In the construction of the ideology of women’s emancipation, Marxist and Leninist ideas stood as sources of inspiration. According to these ideas, women’s subordination was the outcome of their domestic slavery and dependency on the main breadwinner. Women’s liberation was to proceed by raising women into the humanising world of wage labour and participation in the socially organised sphere of labour. This implied that wage labour was humanising, while domestic labour was dehumanising. Tedious, time-consuming domestic labour was to be rationalised and brought into industrialised production forms, and child-care was to be moved into the hands of professionals. Women, therefore, could be made free for participation in the humanised world of work. This perception of women’s liberation left the masculine norm of being free from reproductive duties untouched. Women were to aspire to the masculine norm and ideal.

During the Stalinist period of forced collectivisation the Stalinist emancipatory ideal was also launched in Hungary. The Stalinist rhetoric, rooted in Marxist and Leninist emancipatory ideas placed dual demands on women’s bodies and labour. On the one hand women were to be liberated through participation in the socialist modernisation project as live ammunition in the form of mobilised labour reserves. At the same time, women’s bodies were to be protected to nurture and raise the future generation of socialist workers. Meanwhile, men were to serve the modernisation project through their engagement in the socialist labour force and through political solidarity with the system. The Stalinist, as well as the Marxist and Leninist emancipatory rhetoric was rooted in the detrimental perception of women’s domestic slavery. They identified the roots of women’s subordination in the domestic labour relationship. Meanwhile, they left men’s freedom from reproductive responsibilities unchal-
lenged. Thus, it was the masculine economic role that was constituted as norm-giving. Women’s emancipation was to strive reach this norm. Furthermore, the social and economic importance of the reproductive sphere and its household-based organisation was neglected and seen as backward. On the symbolic level, women were to obtain the attributes of masculinites (such as a muscular body), and meet men on all levels of labour. In contrast, men were not expected to move towards the feminine condition.

In the late sixties women’s reproductive rights and responsibilities were strengthened with the introduction of GYES. GYES was conceived as a women’s right. Its great achievement was to provide institutional means to stay at home during the small child period. As a result, women’s societal contribution in the reproductive sphere gained public acknowledgement. However, since it was introduced as a women’s right it also fixed women in the maternal role. Thus, it has also strengthened men in their masculine roles as main breadwinners without responsibilities for reproductive duties. Despite changes in the content of femininity, the norm of masculinity, based on freedom from reproductive duties, stood unchanged.

Agricultural production co-operative as a gender system

As was noted above, following 1956, in the midst of the reality of Soviet occupation, collectivisation took more ‘voluntaristic’ forms. This ‘voluntarism’ was accompanied with symbolic compromises. On an economic level, the collectivisation was to be based on the know-how and prestige of the middle peasantry, rather than on former agricultural wage workers. Co-operatives were to be guided with the use of economic incentives rather than delivery quotas. Furthermore, co-operative members were to receive household plots, by this they could preserve some autonomy from dependence on the iron rule of wages. In the evolution of collective forms of production organisation the family continued to play an important role.

Collectivisation undermined some of the key patriarchal structures of peasant society: the gender differentiated role attribution within the peasant family. In these patriarchal structures men’s role was identified as a farmer. He was the economic head of the family farm as well as the head of the production organisation of the farm. During the pre-collective period, landed property had, in varying degrees, a role in the transmission of gender-differentiated structures through the continued practise of gender-based inheritance customs. Due to collectivisation, property ceased to transmit social inequalities. Furthermore, collectivisation meant the integration of men, as well as women, into organisation framework of the co-operative. This brought with it the separation of the head and the hand, as well as the progressive loss of autonomy over one’s own labour process. This ‘deskilling’ process was also called in the thesis a ‘demasculinisation’ process, since it represented the weakening of the economic basis of male authority.

Collectivisation was to alter the role of the household. It’s primary aim was to destroy the productive function of the households, since peasant farms were seen as seeds of capitalist enterprises. By undercutting the production base of family farms the base for potential political unrest was also to be undermined. The family’s reproductive functions were also to be decreased, and the state was to expand its service system to assume some of those functions. However, in practise, the realisation of these ideas foundered against economic limitations. Due to the effects of the
transition to collective production organisation, at the beginning of the consolidation period the co-operatives could not assure steady incomes for their members, and the supply of city markets with food would also be threatened if household-based production were to vanish by decree. Furthermore, the resources were not sufficient to develop the service system that would have replaced women’s reproductive work. As a compromise, households were allowed to continue to produce and market their goods on city markets. However, the condition for receiving the lots, which served the basis for this production was the participation in the collective production.

The core labour force upon which both the collectivisation and the heavy industrialisation project of the state was based was male labour power. In the case of agriculture, the fact that the household could maintain some of its productive functions could be related to the gender-differentiated labour demand of the co-operatives. The core of the co-operative’s labour force was male members. They were integrated into the year-round, and more prestigious positions of large-animal breeders and cart-drivers. If women engaged in year-round occupations, the positions available to them were formed in the gender division of labour in former peasant farms. They became poultry raisers or dairy workers. However, a key function of female labour during this consolidation period was to help meet the seasonal labour demand of the co-operatives.

At the same time, women’s engagement in the family households could be perceived as complementary to their roles in the collective sphere. During this consolidation period women carried out the most of the labour within household-based production, which was oriented primarily for own consumption, even if the households were allowed to produce foods for sale on urban food markets.

Women’s integration into the labour force was also regulated by both prohibition laws and laws concerning ‘women’s’ reproductive rights. In contrast to the earlier, Stalinist conception of femininity, now women’s integration into the labour force was to proceed according to certain ‘suitability’ criteria. Women’s bodies were to be disciplined into a fragile framework in order to protect their biological reproductive capacities. Conspicuously, this protection concerned primarily the areas of technological advancement, while it did not extend to women’s traditional hard physical labour areas.

Consequently, the process whereby the traditional basis of men’s masculine power surplus was undercut by collectivisation, was counterbalanced by the formation of a new basis for gender identification. Through the adaptation of the division of labour of the peasant farms according to gender and rank-order, men acquired the positions of higher prestige, more regularity and higher returns compared to women.

All in all, the consolidation period meant not only a shaking up of the economic basis of agrarian production forms, but also of the gender structures. In collectivisation the material basis of some key patriarchal structures were challenged. In return, the establishment of gender differential integration of men and women into the labour force created new basis of patriarchal structures. Meanwhile, the household maintained restricted production responsibilities, which nonetheless played an important role in the survival strategies and supply of means for the reproduction of the family-household unit. Even if men occupied key positions in the labour force, wages could not provide meaningful security during the consolidation period. Com-
bined with women’s overwhelming involvement with household-based production, men’s role as the main breadwinner of the family was undercut. However, the evening out of the power imbalance was not the outcome of the men’s and women’s differential integration into the collective labour force. Rather it could be related to the relative position of the two production systems (i.e. the collective and the household) to each other and their contribution to the family-household’s subsistence.

With the ongoing modernisation of agricultural production the characteristics of the co-operative’s labour demand changed. The seasonal variation decreased, while the new technologies required trained workers. As it was shown men monopolised key technological positions, such as machine operators. Working with agricultural machines became a new area in which masculinities were constructed. The symbolic content of men’s occupation with animals and machine-assisted labour processes in the peasant division of labour was revived in men’s monopolisation of the new technology. This was further reinforced by the protection laws.

Meanwhile, a coming younger generations of women moved towards feminised areas. Those with middle-level education sought employment in white-collar jobs, while those with agricultural training moved into poultry raising, dairy and horticultural occupations. Women without formal education filled the labour demand of the new non-agricultural side-activities or served as unskilled agricultural labour. Due to the labour dilution tactics of management, women were often employed in low-pay unskilled jobs. In contrast, the core jobs with high wage levels were typically occupied by men. However, due to the complexity of the collective labour organisation there were some feminised occupational groups, which obtained higher position in prestige than some of the typically male occupations. Nonetheless, on the top of the managerial hierarchy stood almost exclusively men. Women moved into feminised managerial positions, typically in accounting.

While, in the collective sphere the production relations moved all the more close towards the industry, the conditions of the household turned away from the industrial model. Household-based production was increasingly commodified. This commodity production was increasingly integrated into the co-operative. This commodification had a clear connection with men’s increasing participation in household-based production. With the additional incomes originating from commodity production, men’s monetary contribution to family subsistence grew strengthening their main breadwinner role. The autonomous character of labouring in the household compared to the collective labour organisation formed also part of the importance of this activity for the transforming masculine role.

The symbolic importance of femininity changed also. On the one hand women’s labour force participation increased. On the other hand expectations placed on women’s reproductive roles also were strengthened. GYES was introduced as a women’s right, and aimed to allow women to combine wage labour with reproductive duties in the small-child period. In turn GYES strengthened men’s freedom from participation in reproductive duties and strengthened their role as main breadwinner.

Thus, by the seventies a model evolved in which men’s main breadwinner role again strengthened. This came about due to their comparatively higher position in the co-operative occupational hierarchy on the one hand and due to their involvement with
income generating commodity production in the household-based production sphere on the other hand. Meanwhile, women’s subordination increased due to the more marginal nature of their integration into the labour force, and because of the strengthening of their reproductive responsibilities. These inequalities increased further through the eighties, when household-based production’s contribution to family incomes increased.

Summary
In the collectivisation process both men’s and women’s roles were transformed. In the evolving new system, new grounds were to be found for the articulation of the relationship between men and women. Characteristic of the co-operative as production form was the duality of the collective and household spheres, in which the household has not ceased to maintain some important production functions. This system was also characterised by the duality of the collective and household spheres. On the one hand we saw how the formation of this dual system assumed prevailing gender structures. The co-operative was formed with the assumption that women were to carry out all reproductive labour in addition to supplying the seasonal labour force as helping family members. We saw also examples of how men’s interest in expanding their income-generating capacities could be found in the background of the expansion of commodity production within the household-based sphere. On the other hand, the ever changing demands of the economy established the context within which gender relations were to be realised.

tence. Men’s increased participation was interpreted to have contributed to the strengthening of men’s main breadwinner role. To turn this argument around, one could also claim that men realised the potentials in household-based production to secure material grounds for the strengthening of their main bread-winner roles.
APPENDIX

Methodological remarks

The main contribution of this thesis is on the theoretical level. I sought to develop analytical models to interpret the formation and development of the Hungarian model for agriculture and gender. I pursued this aim by contrasting Hungarian and international conceptualisations. Hungarian conceptualisations evolved in reference to the specific features of Hungarian conditions. As such, they have also ideahistorical importance. Meanwhile, I argue that the combination of these ideas with some aspects of the international debate on family farms, as well as with the conceptualisations of gender, has contributed to and enriched both the Hungarian and the international debate.

In my analysis of the Hungarian literature, I utilised sources in two different ways. On the one hand, some of the writings were used in the process of developing my analytical model. Such was the case with my analysis of the embourgeoisement debate in Chapter 4, or Hungarian equality debate in Chapter 9. Another group of literature is utilised more in an idea-historical context. This way of using the literature could be best represented by my analysis of the suitability discourse in Chapter 9. In my ‘selection’ of relevant literature I prioritised writings from the state socialist period. This choice is motivated by the idea-historical value of these as well as by the fact that they form part of the context of transition. They reflect on ways these issues were conceptualised and constructed in the contemporary literature. I aimed at obtaining a representative coverage of the Hungarian debates in both cases. To obtain full coverage of the sociological debates I used various bibliographic resources as well as the repertoire of key journals: Szociológia, Társadalmi Szemle, Statisztikai Szemle, Közgazdasági Szemle, Társadalom és Kutatás, Gazdaság, Századvég, Medvetánc.

The articles published in the journal of the Ministry of Labour (Munkaügyi Szemle) were used to represent the views of those professionals who were influential in the formation of labour policies during the period concerned (sixties). All articles published during the sixties, which discussed the issue of gender differences in the labour force in some way or on other were selected. The concepts guiding the analyses were pulled from the context of the texts. The aim was to map the ways in which the various ‘topics’ were discussed. Thus, in this example these texts were used as research objects, which contributed to the process through which I formed my interpretation concerning labour policies of the period.
In the next stage, these theoretical models were applied to described the various phases of transition. I did not use the data to verify my theories in a strict positivist meaning. I instead confront the statistical data with the evolved theories to make a judgement about whether or not these theories provide a reasonable interpretation of the events. In some cases the interpretations grew out of the analysis. Such process characterised the analysis of protection laws as well as the analysis of the discourse on suitable jobs in chapter 9.

In this analytical process, I relied on partly primary sources and secondary material. Amongst the primary sources were articles published in government journals. These were analysed for idea-historical purposes. Furthermore, government decrees and laws were used to explore the construction of co-operative and women laws. The Kerki repertoire for laws and government decrees was searched through to collect the relevant regulations.

Amongst secondary sources I utilised to large degree published statistics from the Central Statistical Bureau in Hungary (Központi Statisztikai Hivatal). The publications covered a wide scope of topics and a wide scope of data collection methods. Here I summarise the main types of these.

First, I used the agricultural statistical yearbooks (Statisztikai Időszaki Füzetek and Mezőgazdasági es Élelmiszeripari Évkönyv). These were collected on the basis of the yearly reports of agricultural enterprises and local councils. Since the source of information was not sample-based, these served a good basis for the analysis of occupational as well as production structures. The methodological problems encountered while using this material concerned the possibilities for using the figures in comparisons through time (see more later). The Bureau had not resources for working out all the data; therefore, they prioritised what they published year after year. In this, process data on some categories are not continued over time. From time to time, the statistical terms were revised, creating problems with incompatibility through time.

Second, information based from the above sources covering a longer period was also published in so-called compendium form (Mezőgazdasági Adattár). The advantage with these publications is that they are coherent in terminology in tables showing changes through time.

Third, yearly reviews were published even regarding the occupational composition of the country at large (Foglalkoztatási és Jövedelmi Adatok later Munkaerő felmérés). Similar to the agricultural statistical publications these were also based on annual reports from the companies. These were useful to gain an overview on data concerning distribution according to age, sex, occupation, and branch of the economy and income.

Fourth, in terms of long-term social processes the Hungarian Census (Népszámlálási Adatok) data was also of great importance. These were gathered data on the population at-large in a wide-range of topics. This data was used in particular, to cover long-term transition in the composition of the population according to sex, age, occupation, place of residence, branch of economy etc.... Data in the census material is self-reported. Consequently, there can be some deviation between the occupational distribution published on the basis of the Census and on the basis of the reports from enterprises and local councils).
Fifth, KSH carried out in 5-year interval data collection on household-based agricultural production. In 1972 and 1982 these were expanded into general agricultural surveys, which covered all production units. In connection with these general surveys, even time-budget studies were carried out on a representative sample of those engaged with household-based agricultural production.

Sixth, the Statistical Central Bureau had own survey data. Amongst these were the Household Survey and the Survey on the Consumption of the Population. These were designed in order to monitor the yearly evolution of the standard of living. These were collected on the basis of representative samples, where the various population groups were the basis of the sample.

Seventhly, another area where KSH carried out repeated surveys was in the field of time budget studies. From 1963 onwards there were a series of time-budget studies utilising representative samples on key social groups. Amongst those engaged with time-budget studies were Andorka, Ferge, Falussy beside others the driving forces. Hungarian sociologist Szalai was also an initiator of international comparative time-budget studies. These studies were utilised in order to analyse the differences in the use of time according to differences in sex, occupation. Time budget studies are also important sources to explore how wide spread household-based agricultural production was in the Hungarian population, which layers were most active, how did the engagement differ according to key variables.

Encountering the above listed types of secondary empirical material raised some methodological concerns. Here, some examples are reviewed, which aim to illustrate the cumbersome process of deriving useable data from secondary statistical material. Statistical categories are social constructions. They are constructed in order to allow the systematic organisation of information on society. As such, they bare the bias of the period they are constructed in. One such statistical category could illustrate this bias. During the state socialist period occupational data was conventionally published according to the two classes one strata model. The two fundamental classes of state socialism were the co-operative peasantry and the working class, while the intelligentsia was seen as a strata, which is not in antagonistic relation to the two main classes. Due to this class construction, workers in agricultural production co-operatives became divided along these two categories. Agricultural physical worker co-operative members were sorted into the co-operative peasantry, while blue-collar workers in employee status (so well agricultural as non-agricultural occupations) were seen to belong to the working class. Similarly, white-collar workers in the co-operatives were grouped together with white-collar workers in the economy at large. Some of the statistical tables cross-tabulated occupation with economic sector. This way one could separate those blue and white-collar workers in non-agricultural occupations employed in the agricultural sector from those employed in the secondary and tertiary sectors of the economy. However, these would still group together white collar and blue collar workers in the state farms with those in the co-operative farms.

In some cases, those working in the agricultural sector are further divided according to employment status. By this, co-operative workers in employee status were counted together with the employees of state farms, while figures on the co-operatives included only figures on members.
One most time-consuming part of the analysis of published statistical material was to ensure that comparing changes through time make sure that the compared groups were generated according to the same principles. In order to achieve this compatibility none-compatible sources were excluded.

Distribution of agricultural workers according to sex

One important question for the study was to measure the impact of agricultural modernisation on women’s participation in agricultural occupations. The shortcomings of the above named class categories were obvious in this case. Instead, I chose to compile my data from occupational statistics. These categories contain also bias, since they include both agricultural workers in the state and in the co-operative sector. This bias was evaluated to be smaller than if all employee status workers were taken away from the comparisons. Below I review how occupational statistics were cleaned for remaining potential sources of bias.

Table 13.1. The distribution of active earners in agricultural occupations in the agricultural sector according to sex between 1960-1990

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
<th>Proportion of women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>1064478</td>
<td>684280</td>
<td>1748758</td>
<td>39.1</td>
</tr>
<tr>
<td>1970</td>
<td>504005</td>
<td>407280</td>
<td>911285</td>
<td>44.7</td>
</tr>
<tr>
<td>1980</td>
<td>280974</td>
<td>224515</td>
<td>505489</td>
<td>44.4</td>
</tr>
<tr>
<td>1990</td>
<td>197692</td>
<td>75339</td>
<td>273031</td>
<td>27.6</td>
</tr>
</tbody>
</table>


These figures cover all those with agricultural occupations in the national economy. This means that agricultural workers in all sectors of the economy are included. The inclusion of independent family farmers and their helping family members or the helping family members of none-agricultural blue-collar workers, who are by occupation agricultural workers constitutes a larger bias in the data for 1960 than it does in the later years. In 1960 the transition from family farming to socialist forms of agriculture has not been completed, and to up to half of the land was still in family farm cultivation. Since it was argued in the text that family versus industrial organisation of production effects women’s ability to participate in agriculture, especially during the formation years, it would be mistaken to use these figures to describe the proportion of women in the socialist sphere of agriculture.

In order to establish comparability, it was necessary to search for data concerning the number of family farmers and their helping members.
Table 13.2. The distribution of family farmers and their helping family members between 1960-1990 according to sex

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
<th>Proportion of women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>491225</td>
<td>452640</td>
<td>943865</td>
<td>48.0</td>
</tr>
<tr>
<td>1970</td>
<td>33260</td>
<td>47753</td>
<td>81013</td>
<td>58.3</td>
</tr>
<tr>
<td>1980</td>
<td>20902</td>
<td>38972</td>
<td>59874</td>
<td>65.1</td>
</tr>
<tr>
<td>1990</td>
<td>37075</td>
<td>14341</td>
<td>51416</td>
<td>27.9</td>
</tr>
</tbody>
</table>


With the deduction of the figures for individual family farmers and their helping family members we can arrive to figures which represent those workers in agricultural occupations which were employed in the socialist sphere. Even these figures cover both those working in state farms and those working in agricultural cooperatives. Unfortunately, the available statistical resources do not allow the separation of only co-operative worker agricultural workers.

Table 13.3. Distribution of agricultural workers in the socialist sphere of agriculture according to sex between 1960 and 1990

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
<th>Total</th>
<th>Proportion of women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>573253</td>
<td>231640</td>
<td>804893</td>
<td>28.8</td>
</tr>
<tr>
<td>1970</td>
<td>470745</td>
<td>359257</td>
<td>829572</td>
<td>43.3</td>
</tr>
<tr>
<td>1980</td>
<td>260072</td>
<td>185543</td>
<td>445615</td>
<td>41.6</td>
</tr>
<tr>
<td>1990</td>
<td>160617</td>
<td>60998</td>
<td>221615</td>
<td>27.5</td>
</tr>
</tbody>
</table>

Source: see Table 1 and 2

Time budget studies

As it was noted, this thesis is limited to the analysis of the patterns of time use of men and women within the co-operative labour force. The unit of analysis in reviewing occupational data was to be individual co-operative worker. However, in the analysis of the household-based production the household at large was the unit of analysis, as in the case of household budget data. Unfortunately, the time budget data does not use the household as the unit of its analysis. It is also based, as is the occupational data, on the individual as the unit of analysis.

In 1977, there were 481,590 active co-operative workers that were also engaged in small-scale agricultural production. Out of these 24.3% formed families with workers outside the agricultural sector, and a further 7.2% formed families with white-collar workers employed outside the agricultural sector. The majority, 68.5% of co-operative workers lived in so-called peasant families, in which none of the family members had occupation outside agriculture. Since the units of data collection were the individual family members, it is not possible to take into consideration the ef-

1 KSH, A háztáji és kisegítő gazdaságok összefoglaló adatok., Budapest, 1977. augusztus 11. pp 82
fects of the composition of the households within which the various co-operative workers lived. The spouses of commuting workers could be expected to have a larger burden of household-based production tasks than spouses of those working part-time in the co-operative.


Whereas the sample of the first three surveys was taken from the whole population, the sample of the latter two sources was derived only from the population of those households, which were engaged in small-scale agricultural production. The data concerning co-operative workers reflects this bias. The average amount of time spent with agricultural activities should be higher for the latter type of surveys. Since, one of the purposes of the analysis of data on the use of time is to provide ‘time series’, which allow the comparison of trends through time, I aimed at achieving compatible categories. Since, the time budget studies of the 1971 and 1981 agricultural census were selected out of only those engaged with household-based production, the comparison of this data set with the two three other sources would have shown bias, I chose to leave out these from the analysis of changes through time.

Looking at the remaining time budgets studies from 1963, 1976/77 and 1986/87, further dissimilarities were found in the type of categories used in their publication. Such dissimilarities included the categories of workers used as units of publication; the inclusiveness and types of studied daily activities; the time of the data collection, the published detail concerning variations in season and type of days, and the precision concerning the average time-use compared to the time-use of those participating in certain events.

The use of secondary data limits the analysis to the available categories of workers. In the analysis of the co-operative labour force divisions according to 1) occupational and 2) membership characteristics, provided socially meaningful categories of co-operative workers. Data on co-operative workers is customarily published in three major occupational groups: white-collar workers and two categories of blue-collar workers: agricultural and non-agricultural (See Table 1).

Three main categories: co-operative members and employees, and helping family members of co-operative members can be differentiated according to the membership principal. Members can be further divided into subgroups of active co-operative members and working retired members. There are two sub-groups of employees: seasonal and permanent (see Chapter 6 and 10).

The categorisation of workers is the most complete in the 1962 National Time-Budget Survey. In this survey, data on “termelőszövetkezeti tagok” (co-operative members) is published according to main occupational groups, i.e. “szellemi” (white-collar), “mezőgazdasági fizikai dolgozó” (agricultural physical) and “nem mezőgazdasági fizikai” (none-agricultural physical worker). Cooperative member is defined as: “those who are member of an agricultural production co-operative and carried
out work in collective production during the previous year". Furthermore, data is summarised for "egyéb termelőszövetkezeti dolgozó" (other cooperative workers), which includes employees in all occupations, and a separate group for "segítő családtag" (helping family members). The letter is defined in the following way: "helping members are those family members who work regularly in the household plot of agricultural co-operative members, other workers or independent producers, who do not receive payment in return for their work".

The Time-Budget Survey of 1976/77 was published in several volumes. The classification varies somewhat in the various volumes. Relevant categories are the following: "szövetkezeti parasztság" (cooperative peasantry). The term is defined as, "Such physical worker and foremen co-operative members and co-operative helping family members that work in the agricultural production co-operatives...". This definition incompletely combines the two principles of division: the one according to occupation and the other according to membership status.

A later volume publishing data from the 1976/77 survey defines the same term somewhat differently: "blue-collar workers and employees with either agricultural and none-agricultural type of occupation within the agricultural production co-operatives". This differs from the former in two points: it includes also employees, and it narrows the definition to only agricultural production co-operatives. Nonetheless, in this volume data for this category is available only in summary form.

A further category introduced in this volume is "mezőgazdasági fizikai munkát végző" (agricultural blue-collar worker). This category is built along the occupational dimension. It includes both cooperative members and employees. Furthermore, agricultural workers outside the co-operatives fall also into this category. Such would be agricultural workers of the state farms. Consequently, this category cannot be used without special precautions (elővigyázatosság). Its application may be required in any case, due to the lack of other categories easily compatible with later data. Another advantage of this term is that it is published with a further subdivision, according to "növénytermesztő és egyéb" (plant-growing), "állattenyésztő" (animal husbandry) and "gépkezelő" (machine operator) occupations. A further subdivision is according to age of the worker.

The above categorisation is used also in the 1982 edition. As a complement these volumes publish figures for "Önálló és segítő családtag: mezőgazdasági" (private

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2 KSH, A nap 24 órája, Budapest, 1965/8, pp 149.
3 KSH, A nap 24 órája, Budapest, 1965/8, pp 150, categories are presented also under pp 111-120
5 KSH, Idömérleg, 1980, pp 76
6 KSH, Idömérleg, 1980, pp 31
7 KSH, Idömérleg I-II, 1982, pp 794
8 KSH, Idömérleg I-II, 1982, pp 23-29
9 KSH, Idömérleg, 1980, pp 79
10 KSH, Idömérleg, 1980, pp 122
11 KSH, Idömérleg, 1980, pp 152
farmers and helping family members). This category serves as ground for comparison with the division of labour within private farming.

"Mezőgazdasági fizikai" (agricultural blue-collar worker) is also a category in the 1983 edition. Data referring to village workers is published according to various types of agricultural small-scale production. Furthermore, similar data is published for the "mezőgazdasági önálló" (agricultural independent income earner) category. These, and the other main occupational categories are available for the village population only.

A further useful category is that of "községekben lakók" (village inhabitants), especially its subcategories regarding the inactive population: "inaktiv kereső: GYES-en levő nő" (inactive income earner: Woman on childcare subsidy), "eltartott: háztartásbeli nő" (supported: domestic woman). These two categories provide a group with which to compare women in the labour force.

Data for 1976/77 is also published for "termelőszövetkezeti tag" (cooperative members) only. This is available also for 1963.

Data is also available for different categories of all those engaged in small-scale agricultural activities "művelt földterülettel rendelkező háztartás" (households with cultivated land) and "kisgazdasági állattartással rendelkező háztartás" (households with small-scale animal husbandry) independently of occupation.

There is comparative data available for 1977 and spring, 1986 covering the following groups of people: "községi népesség" (village inhabitants), "aktiv kereső vidéki népesség" (village active workers), active agricultural physical workers, categorized according to occupation "mezőgazdasági fizikai foglalkozásu" (in agricultural physical occupation), and according to social group "mezőgazdasági fizikai munkát végző" (agricultural physical worker). Two categories of inactive workers are also represented here: "háztartásbeli" (domestic) women in the household, and "GYES" women on childcare subsidy.

Amongst the data for the 1986/87 time-budget survey the following groups are published: "mezőgazdasági foglalkozásu" agricultural occupations derived according to labour activities and labour market groups, "községi népesség" (village inhabitants), this group is published also according to age-groups. Activities carried out by village inhabitants are also published according to the time of the day. Pensioner’s activities are presented as an independent category.

Unfortunately, the 1986/87 data was the most restrictive in its published categories. Therefore, in selected the tables for comparisons through time, I was forced to restrict the comparisons to the categories of agricultural occupations "mezőgaz-

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12 KSH, Idömérleg, 1982, pp 395-579
13 KSH, A háztáji és kisegítő gazdaság szerepe az életmód alakulásában, 1983, pp 208, pp 224
14 KSH, Idömérleg, 1980, pp 80; pp 150; Data is also available in the 1982 edition on the two latter aspects. KSH; 1982, pp 130 and pp 300.
16 KSH, Idömérleg I-II, 1982, pp 354, pp 368
18 KSH, Idógazdálkodás és munkatevékenységek, az 1986/87. évi idömérleg felvétel adatai, Budapest, 1989. First data is published according to labour activities, pp 66, 137, 217, 231. Later the groups are done according to labour forms, i.e household work, wage earning labour pp 249, 303.
"dasági fizikai" (agricultural physical) and village residents "közsegí népesség" (village inhabitants) (see Chapter 11). The analyses of other occupational groups were carried out in more detail only in the case of the 1963 survey.
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