

## **Foundations of the ‘agricultural miracle’ in communist Hungary**

**Review of the book: Varga Z. The Hungarian Agricultural Miracle? Sovietization and Americanization in a Communist Country. Transl. by F. T. Zsigó. Lexington Books, Lanham et al. 2021, xxix, 323 pp.**

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Among the socialist states, only Hungary showed some impressive success in increasing agricultural production. After Hungarian agricultural production cooperatives were released from the state patronage in 1967, they could freely develop their production and start non-agricultural activities (P. 187–195). In the early 1970s, they got access to the highly productive Western machines and technologies, which significantly increased production in animal husbandry, and yields per hectare of maize, wheat and sugar beet skyrocketed. The second reason for success was the integration of small-scale private production into agricultural production cooperatives (P. 240–264). The study by Zsuzanna Varga on the *Hungarian Agricultural Miracle* provides detailed information on the features of this model of agricultural development.

Varga rightly puts the question mark on the title — to stress the economic and moral limits of the ‘agricultural miracle’. In Hungary, large-scale ‘socialist’ agricultural production fell into a cost trap in the 1980s, just like in all other socialist-bloc countries, due to the extreme increase in the cost of industrial inputs and to the political limitations of market-based freedoms (P. 221–234). Since they were applied only to the agricultural sector, they exacerbated internal contradictions of the state command economy. Agricultural production cooperatives made large profits with non-agricultural goods and paid higher wages, which attracted skilled workers from the ‘socialist’ industry. The ‘industrial lobby’ and dogmatic forces opposed their outflow from industry to agriculture by making a fuss about ‘private enrichment’ and group interests, thus, getting broad support not only in the media, but also in the party leadership. Therefore, the actions of the successful agricultural-production cooperatives’ chairmen were

criminalized — Varga mentions show trials of a thousand of them in the 1970s (P. 232–241, 282f). When the real system transformation to the market economy began in 1989, Hungary had no starting advantages (P. 264), since “the accumulated experience of this specific hybrid, Sovietized and Americanized agriculture, had been devalued” (P. 283).

Varga strives to reconstruct this synthesis in the Hungarian socialist agriculture from 1949 to 1989 (P. vii). Methodologically, the book claims to present a historical-comparative approach (P. xif), which would certainly have required an approximately equivalent knowledge about the Soviet Union and the USA. However, the author’s knowledge is limited to Hungary, and, instead of asking how and whether the collective farm really functioned in the Soviet Union, Varga derives all her statements about the peculiarities of Hungary from the Collective Farm Statute of 1935, which is a no less distorted reality than the Stalin Constitution of 1936; in addition, Varga uncritically adopts Stalin’s statements about the peasants (P. 5–7).

The book is structured chronologically — from the first collectivization campaign in 1949 to the end of the People’s Democracy in 1989 — and is based on the Communist Party’s decisions (P. xxi), although the real turning points of agricultural policy were determined by the death of Joseph Stalin in March 1953 and the replacement of Nikita Khrushchev in October 1964. In the first chapter, the author aims at presenting the Hungarian case in a broader context (P. 1–36); however, the initial situation in the Soviet Union is considered on the basis of the long-outdated works (especially Nove, 1975). There are more recent works in the references, but their arguments are not given. Chapters 2 to 4 (P. 37–145) focus on the collectivization in Hungary, which consisted of three stages until 1961. Chapter 2 describes Stalin’s collectivization campaign. Chapter 3 explains how in June 1953, the new Party leadership in Moscow dictated the ‘New Course’ and the rehabilitation of Imre Nagy to the Hungarian delegation, which at first determined a completely different approach to collectivization (P. 70f) — before Khrushchev forced the further collectivization in 1955, thus, causing the Hungarian uprising in October 1956. Chapter 4 provides a review of new questions to collectivization and explains the forced by Moscow decision in 1958 to complete it (P. 107–135). Varga goes into detail about the controversial debate about the continuation of collectivization and mentions the ‘agricultural lobby’ around Lajos Fehér, who continued the course of Nagy in the *Politburo*. In July 1957, according to Varga, the ‘agrarian theses’ became the basis of the Hungarian agricultural policy after the resumption of collectivization, which was enforced by conservative forces in 1958 and had no convincing success. In search of a new agricultural policy, the agricultural lobby emphasized the importance of increasing agricultural production and in 1958 studied the experience of other countries (P. 114–122). Fehér proposed to follow such success-

ful practices as paying rent for land and taking in *kulaks*. The Soviet Union also introduced some innovations and gave collective farms more freedom (P. 121f).

Chapter 5 (P. 147–181) considers the stabilization of agricultural production cooperatives and the first successful transfer of the Western technology to the industrial poultry production in the state farm Bobolna (P. 162–167). Chapter 6 (P. 183–220) describes the successful transfer of the closed production systems. In the run-up to the introduction of the 'New Economic Mechanism' in 1968 (which was abandoned under the Soviet pressure), the fundamental agrarian reform succeeded. Agricultural production cooperatives became real cooperatives, in which members freely made their decisions by secret ballot (Cooperative Law of 1967, P. 187–195). When taking over the production systems, state farms became 'mediators of transfer' (P. 281f) as partners of Western companies. Agricultural production cooperatives could choose production systems to join. They succeeded in "integrating the highly developed industrial-style production models of capitalist agriculture". Chapter 7 (P. 221–276) shows the limits of this agricultural miracle: in addition to the moral condemnation of private 'greed for profit', the agricultural policy determined economic distress (P. 245–252).

In 1976, the Hungarian party leadership reacted to the cost trap by giving up its fixation to the 'socialist' large-scale agricultural enterprise and started to promote private small-scale production as well. This was the beginning of its successful integration in cooperatives. "While the large-scale farms showed good results in the highly mechanized branches of arable crop cultivation, household plots specialized in labor-intensive vegetables and fruits, poultry and pig farming" (P. 282). The private agricultural small-scale production of non-cooperative members also developed (P. 253). Under the economic crisis of the 1980s, the superiority of the 'socialist large-scale agricultural enterprise' was questioned. In order to reduce costs, large farms began to transfer certain branches of production to families or groups (P. 247–264). The crisis of the socialist large-scale agricultural enterprise in the 1980s put its superiority over small-scale production not only in Hungary in question. All socialist states again focused on the private small-scale production as inexpensive for the state due to the 'self-exploitation' of the family labor force (P. 253f).

Varga's ignorance of the real situation in the Soviet Union and other socialist-bloc countries leads to some serious misjudgments. Thus, the *kolkhoz* form of production described by the Statute of 1935 never existed in the Soviet Union and, therefore, could not be 'transferred'. The daily-work distribution together with the 'residual principle' meant that the collective-farm members under Stalin were usually not paid for their forced labor at their place of origin. In the mid-1950s, this problem was studied by the young agrarian sociologist Tatyana Zaslavskaya in her dissertation. She found out that the

work of the collective farm members was deprived of the value of the final product: the price paid by the state was lower than production costs due to ignoring the members' labor input. Varga describes this problem with the term 'inner colony'. Thereby, under Stalin, collective farms could not be consolidated, and every year the state had to use coercive measures to keep members in them. Although the fictitious collective farm statute of 1935 was presented as a model for the 'Sovietization' of the agricultural economy in Central-Eastern Europe, mentions of the real Soviet practices were tabooed. After Stalin's death, the collective farm was to be redesigned in all socialist-bloc countries to find a form of remuneration that would provide its members with work incentives.

Varga does not pay attention to the special features of the collective farm. Despite the ideological demands, the charter prescribed the retention of a private plot. Such a combination of the large agricultural enterprise, which the state could (but did not have to) exploit at will, with the private, small, peasant production, which ensured a minimum food supply for the family, determined the growing importance and flexibility of this form of production. Only private plots allowed Stalin to ruthlessly dispose of the collective farm's production. The decisive change in the collective-farm statute was made already in March 1930 in response to the spreading women peasant uprisings (*bab'i bunty*) against the 'expropriation of the cow'. Stalin considered this a threat to his power and made a decisive concession in the *Pravda*: the Charter, published together with his article on March 2, allowed the collective-farm members to keep a small plot and a cow in private ownership.

Contrary to what Varga claims (P. 278), the lack of the peasant private-property tradition did not facilitate collectivization in the Soviet Union since the peasants managed their land independently. The legal 'property title' seemed irrelevant to them as they believed that land belonged to those who cultivated it. The peasant resistance to collectivization was fierce as a fight for survival. The peasant women's uprisings against 'expropriation of the cow' had a lasting impact on the collective farm's form of production. Stalin ordered to include the private plot in the agricultural production cooperatives' statutes in Central Eastern Europe. The fact that collectivization was taking longer in most countries of Central and Eastern Europe was determined by the temporary questioning of the collectivization course after Stalin's death and by the start of the 'New Course'. At that time, collective farms, just like later the People's communes in China, could be dissolved with the stroke of a pen.

I do not agree with Varga's idea that Sovietization and Americanization were processes on the same level. Only with regard to the operational structure of collective farms (not the charter), one can speak of a transfer. The adoption of this farm structure under Sovietization had a profound impact on the peasants' life. Under Americanization,

only the highly efficient technology was adopted, but the operational structure was hardly influenced. Using Hungary as an example, Varga shows primarily how flexible the basic structure of the collective farm and agricultural production cooperative was in practice. However, the focus on the dogmatic concept 'collective farm statute of 1935' blocks her understanding of the real transfer and of the many common measures which the communist-bloc states and the Soviet Union took to overcome the shortcomings of Stalin's collective farms.

Varga's work is important as a description of the Hungarian case based on solid knowledge and disabusing the reader of the notion of the 'Hungarian agricultural miracle'. The author's approach to the study of the influence of groups on policy making helps to clarify the situation with management bodies' different positions and fluctuating assertiveness. Although in the 'agricultural lobby' the key persons were named, the author's term 'industrial lobby' remains rather vague and dogmatic. There were 'agricultural lobbies' in other countries too, for instance, in the Soviet Union and in the GDR. In Hungary, such a lobby was only temporarily stronger, and agricultural production cooperatives were freed from the state patronage. Thus, Varga's work proves that an interdisciplinary study of 'socialization of agriculture' in East-Central Europe remains an urgent desideratum.

Nove A. (1975). *An Economic History of the U. S.S.R.*, London: Penguin Books

### **Основания «сельскохозяйственного чуда» в коммунистической Венгрии**

**Рецензия на книгу: Варга З. Венгерское сельскохозяйственное чудо? Советизация и американизация в одной коммунистической стране / Пер. Ф. Т. Жтиго.**

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