

# **The Evolution and Development of the Hungarian Socialist Party**

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There can be no doubt that the Hungarian Socialist Party (HSP) had an enormously swift and successful metamorphosis on its journey from the reform wing of the former ruling Hungarian Socialist Workers Party (HSWP) to its destination as a socialist party of the new type. The HSP enthusiastically embraced neo-liberal economic policies during its period of government from 1994-98 and fell in behind the new model of social democracy, pioneered by Gonzalez in Spain in the 1980s and reinforced by Blair in Britain in the 1990s. Yet in many respects, the HSP had a head start in their own transition from socialism to capitalism, for social and economic reform were not a new phenomenon in Hungary, even prior to 1989. From 1980-1 the formation of small-scale semi-private businesses was stimulated; in 1982, Hungary joined the IMF and the World Bank and a small capital market began to emerge as enterprises were allowed to offer interest-bearing bonds; in 1988, the HSWP government introduced a Law on Foreign Investment allowing one hundred per cent foreign ownership and favourable rates for repatriation of profits; stock exchange operations were introduced in January 1989 and from the beginning of the same year, the government began to implement legislation to transform state enterprises into joint stock companies.

In other words, even before the Hungarian communists had reformed away their leading constitutional role, they had introduced a considerable amount of the legal and institutional framework necessary for the full introduction of capitalism and western-style parliamentary democracy. The establishment of free civil associations was permitted, and from 1987, organizations that were really emergent de facto opposition parties began to appear, including the Hungarian Democratic Forum, the Alliance of Young Democrats and the Alliance of Free Democrats. From November 1988, former parties from the pre-communist period reconstituted themselves, like the Smallholders Party, the Social Democratic Party and the Christian Democratic

People's Party and in February 1989 multi-party democracy was formally accepted. As Attila Agh observed, "The "old" parliament [1985-90] played a very important role in preparing and managing political change...[it] certainly prepared the way for the new parliament in many ways, and thus continuity in parliamentary affairs in Hungary has been much stronger than in any other ECE country'.<sup>1</sup>

After the suppression of the Hungarian Uprising in 1956, Janos Kadar instituted a comparatively liberal regime, which whilst still repressive, nevertheless made significant improvements in the material quality of people's lives and also relaxed constraints on intellectual and academic freedom, bringing about a reasonable level of satisfaction with the regime amongst both the workers and intellectuals. In particular, the populist intelligentsia, figures like Nemeth and Illyes who had opposed the regime in 1956 and whose constituency was really the rural poor and the provincial lower middle classes, had by the early 1960s decided to support Kadar's new course. Culturally nationalist, the populists were opposed to commercialized mass culture and stood for the eradication of social backwardness and economic injustice. They accepted Kadar's approach as a 'viable national "Third Road" between the equally unpalatable alternatives of Soviet Stalinism and Western capitalism',<sup>2</sup> and proved to be 'indispensable allies' for Kadar's regime. In fact, as Rudolf Tokes points out, it was this informal alliance between the communists and the populists which was, in the late 1980s, to form the basis of the political partnership between the populists and the reform communist Pozsgay which gave rise to the founding of the Hungarian Democratic Forum in 1987.<sup>3</sup>

During the 1980s, Hungary entered a profound economic crisis. Amongst many other economic problems, Hungary had a huge and increasing national debt and by 1986, sixty per cent of hard currency exports went on debt-servicing. By 1982, Hungary had joined the IMF and subsequently undertook a series of austerity measures which further undermined the living standards of the population and eroded

their support for the regime. The overall economic and social crisis which Hungary was undergoing led to a breakdown in the relationship between the regime and the intelligentsia. In addition, much of the party's own intellectual strata and a number of leading members of the HSWP were now looking to more radical economic and political solutions. In 1986 a large number of economists, encouraged by reformer Imre Pozsgay, produced what proved to be the key economic reform document of the period, entitled 'Turn and Reform'.<sup>4</sup> The article argued for 'a radical turnabout in economic policy and in the direction of the economy'. Previous reforms, the article argued, had been ineffective because, 'the rise and fall of firms was based on bureaucratic selection rather than market selection, governmental direction was substituted for the selection of the market'. The article recommended marketization, private property ownership and radical political reforms incorporating decentralization and democratization - although multi-party democracy was not mentioned at this point. The original document was suppressed for some months by the Central Committee, but was eventually published in June 1987. In fact, there were no economic alternatives put forward for the solution of Hungary's problems and there was no real conflict in the top leadership about Hungary's economic path towards the free market. There was, however, a political conflict between the party reformers and the party establishment. Kadar, refusing to recognise there was a crisis, remained in office until May 1988 when his position was taken by Karoly Grosz. The two leading reformers, Pozsgay, who tended towards the populist and Rezso Nyers, who had originally been a social democrat, became members of the politburo and pushed the more orthodox Grosz down a more reformist and ultimately social democratic path. Pozsgay continued to help promote the populist Hungarian Democratic Forum as an opposition movement presumably with the intention of power sharing. At the same time, the urban-based dissident intellectuals formed the Network of Free Initiatives, which was later to become the Alliance of Free Democrats, the most openly pro-western, pro-bourgeois party in Hungary, encouraged into existence by the US Ambassador.<sup>5</sup>

Grosz tried to preserve the political status quo, stalling on discussions with the Opposition Round Table and attempting to maintain the one party framework, but was unable to do so. In November 1988, Grosz resigned as Prime Minister whilst retaining the position of party general secretary, and was succeeded by the reformer Miklos Nemeth, but shortly after, Grosz stated that the reform process had gone too far, and warned of a 'white terror'. Grosz later admitted that he had prepared a stand-by plan for the imposition of martial law,<sup>6</sup> but that it went no further than that because he could secure the support of neither the Ministry of the Interior nor the army. Clearly, in this regard, the impact of the changes in the Soviet Union strengthened the hand of the reformers, as did a number of historically-related events which further undermined the HSWP. In January 1989, Pozsgay declared that the events of 1956 had been a 'national uprising' rather than a counter-revolution, and public opinion pulled behind him over the following weeks. The rehabilitation and reburial of Imre Nagy turned into a huge demonstration against the regime, even though Nagy himself had been a communist.

The left within the leadership was also for reform - and indeed, under Kadar, had pioneered it for decades - and it was now identified only really by its desire to maintain the one party system, and once that was lost, to maintain the strength of the party, including workplace branches and the Workers' Militia. After Kadar's resignation, the leading left figures were Grosz, Janos Berecz and the more extreme left Robert Ribanszki, all of which had significant bases in the county and local party apparatus. A number of platforms or groupings of more orthodox members had also been set up since the autumn of 1988: for example, the Ferenc Munnich Society, the Marxist-Leninist Unity Platform under the leadership of Ribanszki and the Union for Renewal of the HSWP under Berecz.<sup>7</sup> The most significant of these organizations was the Ferenc Munnich Society, named after a leader of the state security services in 1956 and after, which had between ten and twelve thousand members and was

closely linked to the sixty thousand member Workers' Militia, set up in 1957 to defend the party and its role in society. The Workers' Militia and workplace party organizations were abolished following a referendum on their continued existence in November 1989. Less than quarter of a million votes were polled for their continued existence with over four million votes cast for their abolition.<sup>8</sup>

At the party congress in October 1989, there was effectively a split in the HSWP. The reformers launched the Hungarian Socialist Party, whilst the HSWP maintained Kadarist positions. Of the 800,000 members of the ruling HSWP in the summer of 1989, some one hundred thousand, including Karoly Grosz, rejoined the orthodox HSWP and around thirty thousand had joined the HSP by the beginning of 1990. The HSP membership remained stable around this number, being around 34,000 in June 1997.<sup>9</sup>

The HSP has, since its inception, combined different political groupings into one organization, including what can be described as the 'pragmatic technocrats'<sup>10</sup> or apparatus members who were prepared to shift their political positions to go along with the pro-capitalist reformers, and also democratic socialists, who were initially organized within the HSWP as the People's Democracy Platform. This grouping sought a non-statist democratic socialist alternative, in the tradition of the workers' councils and rejected both the previous state socialist system and the restoration of capitalism. At the HSWP's final congress, the People's Democracy spokesman, historian Tamas Krausz, attacked the HSWP as a party of 'cadres and careerists', and condemned both the 'liberal extremists' and conservatives in the party. He called for 'the formation of a true party of the peoples that would lay the foundation for a political and economic "third road" based on the experiences neither of the East nor of the West'.<sup>11</sup> This grouping has maintained a home within the HSP as the Left Platform. These two somewhat incompatible groupings formed the basis for the HSP. As Laszlo Andor has observed: 'In effect, the right and the left opposition of

the Kadarists formed a new party together.<sup>12</sup>

It is basically these three trends which have constituted the left in Hungary since 1989: firstly, the dominant trend within the HSP - the group which reformed away the state socialist system and sought to replace it with the political structures of liberal parliamentary democracy and the economic structures of free market capitalism. The second trend is the grouping which coalesces around both the Left Platform within the HSP and the Association of the Left Alternative - an umbrella organization drawing together a number of groupings and individuals, which defined itself on foundation in 1988 not as a party but as 'a social organization building a democratic society based on workers' property, self-management and self-governmental organizations'.<sup>13</sup> The third trend is the other successor party to the HSWP, at first retaining the same name but subsequently renaming itself as the Hungarian Workers' Party. This party does not manage to translate its numerical largeness - probably the largest party in Hungary - into popular support. It regularly secures around four per cent of the vote and is therefore excluded from parliament by the five per cent threshold. Faced now with charting an anti-capitalist path without its previous material and ideological moorings, the Workers' Party is politically more akin to the Communist Party of Bohemia and Moravia than it is to the HSP or to the main successor party in Poland.

The historic Hungarian Social Democratic Party (HSDP) had merged with the Hungarian Communist Party in 1948, made a brief re-emergence in 1956 and was then reformed as a separate party in 1988 under the leadership of the veteran social democrat, Andras Revesz. It did not recapture its popular working class support from former times, however, and has not broken through the five per cent barrier to achieve representation in parliament. In its early refoundation phase it suffered a split, where Revesz led an Independent Social Democratic Party to the polls against the 'official' HSDP. It was divided between the 'historic platform' which wished to

redevelop its traditional role as a marxist class-based party, and the younger 'renewal platform' which thought that the party should be bourgeois democratic, based on justice and equality within the framework of capitalism, but with no reference to marxism.<sup>14</sup> However, the HSDP's earlier absorption into the ruling party and the active participation of many of its members within the system during the communist period meant that it was not identified as an oppositional force. Few of its members participated in the democratic opposition which arose from the late 1970s, and the orientation of the intelligentsia was towards either the bourgeois opposition forces in the form of the Alliance of Free Democrats or the populist opposition forces in the form of the Hungarian Democratic Forum. In a sense, the HSDP fell between two stools. It is also the case, as the historian Gyorgy Foldes, elected chair of the national council of the HSP after the election defeat in 1998, has observed that 'this period was also characterized by the conservative wave, the strengthening of the monetarist economic philosophy and the disappearance of the Keynesian ideas. The Hungarian opposition did not think about revival in the framework of Social Democratic ideas and values'.<sup>15</sup> Nevertheless, the HSDP was welcomed as a member of the Socialist International in 1990 - although this was later adjusted to observer status - and it was assumed for a brief period that it would be the vehicle for the reemergence of social democracy in Hungary. This assumption was rapidly overturned, and in 1996, the HSP was welcomed as a full member of the Socialist International. Led since 1994 by Laszlo Kapolyi, who was minister of industry in the 1980s, the position of the HSDP remains a traditional social democratic one, and is situated politically between the HSP and the Workers' Party. The main support of both of these parties is drawn from elderly left-wingers.<sup>16</sup>

The development of the HSP during the 1990s and its future development following its electoral defeat in 1998, is a matter of considerable significance for the Hungarian left both inside and outside the HSP. Whilst the left has been dissatisfied with the party leadership's political orientation - implementing IMF policies, pursuing EU and

NATO membership and so on - there has been no real electoral alternative to the HSP and although there is a plethora of minute leftist grouplets and parties, there is no real alternative political home for left-wingers.

In the period prior to the first free elections in March 1990, the HSP characterized itself as a party 'with roots in Marxism establishing a synthesis of socialist and communist basic values'<sup>17</sup> but attempts by the leadership to establish the HSP as a democratic socialist party did not last longer than the subsequent election defeat, after which the Left Platform, 'important but not dominant', was the only organized force which consistently argued for a democratic socialist alternative.<sup>18</sup>

At the first free elections, in March/April 1990, the HSP came fourth, with 8.55 per cent of seats, behind the HDF with 42.49 per cent, the AFD with 23.83 per cent and the Independent Smallholders Party (ISP) with 11.40 per cent. The HDF formed a 'christian-national' coalition with the ISP and the Christian Democratic People's Party which had secured 5.44 per cent of the seats. By this point, the HDF had moved from its earlier position as a kind of centre-ground between communists and the more radical opposition groups; it had distanced itself from its more populist positions and had built up a Christian-democratic image. Korosenyi credits this shift to Jozsef Antall who was to lead the coalition government in its early years: '[Antall] shaped the Forum to be the Hungarian counterpart of the German CDU/CSU and the Austrian Volkspartei'.<sup>19</sup>

The Antall government focused more on political systemic change than on economic reform, which is to some extent due to the fact that, as Nigel Swain has observed, Hungarian conservatism is interventionist. Privatization legislation was also delayed partly because of the conflict of interests over restitution between the two smaller members of the coalition government sharing power with the HDF: the ISP for peasant land, and the CDPP for church property. By the summer of 1992, a decision

had been made in favour of partial recompensation versus reprivatization in kind, except for particular church properties.<sup>20</sup> Indeed, the Antall and (after his death) Boross governments were subject to criticism for their laggardly approach to 'modernization' and for their '...ideological commitment to the traditional values of "Hungarianness", to the "Hungarian Golden Age That Never Was". This has led to the dominance of laws of restoration over laws of modernization.<sup>21</sup> However, the United States and the IMF put enormous pressure on the government to depart from this line - in much the same way as they later forced the economically nationalist and protectionist government of Iliescu in Romania to change its policies - and in spite of their reluctance they were forced to comply with free-market policies.

This shift in economic policy by the Antall and Boross governments did not bring popularity or economic success, however. The Hungarian economy entered its deepest depression since the 1930s during the Antall/Boross governments, with the impact of IMF conditionality and World Bank structural adjustment policies being compounded by the winding up of the CMEA, the east European economic and trading organization. Taking 1989 as 100, by 1993 Hungarian Gross Domestic Product had fallen to 70-75; industrial production had fallen to around 65 and agriculture to around 60-65. Inflation was rising between 23 and 35 per cent each year and unemployment rose from around one per cent in 1989 to almost fifteen per cent in 1993.

During the four years of the Antall/Boross governments, and its complete isolation from the government coalition and the liberal opposition parties, the HSP set about redefining itself. It was in a favourable situation in so far as it was the only parliamentary party of the left and could therefore gain support as the economic impact of the system change began to affect people's living standards. At its second party Congress in May 1990, the HSP was redefined as a 'social democratic party without a dogmatic commitment to Marxism',<sup>22</sup> which was organizationally

developed within the party by the foundation of a social democratic platform. Gyula Horn replaced Rezso Nyers as party chairman and new leadership was introduced at all levels of the party. The HSP now reorientated itself towards the development of the image of a democratic, modern, left-wing party.<sup>23</sup>

One of the key issues that concerned the HSP leadership in the early period after 1990 was what stance to take towards the system change, which would determine what type of oppositional role it would play. In fact, this was resolved by the new self-identification as social democratic, which was perceived during this oppositional phase in the traditional sense. The HSP could no doubt have acquired some popular support by criticizing the structural transformation and the resulting social differentiation, but in fact the HSP opted against this approach. The HSP actively campaigned on specific legislation but did not engage in ideological criticism of the overall framework. The leadership did not wish to identify solely with the losers from the regime change - they did not want this to be their only constituency. As Gyorgy Foldes has observed '...immediate and wholesale criticism would have expressed only the mood and the interests of those in the worst conditions and of those social groups which had lost their former power and social positions. Responsible Socialists saw clearly that their party should not become the political protector of only the losers, it needed a much wider support'.<sup>24</sup> Although this approach was criticized by elements within the HSP who would have preferred a more confrontational approach, this 'moderate' approach was pursued, and in fact, the image of modernizing professional competence, committed to national reconciliation, contrasted favourably with the rather more vengeful and moralistic attitudes of the HDF coalition. In the run up to the general election of 1994, the HSP promised improved living standards and social provision for the mass of Hungarians.

In the general election of 1994, helped by both the severe economic problems and divisions within the ruling coalition, the HSP received a third of the votes, which

under the electoral system translated into 54 per cent of the seats in parliament. In spite of their overall majority, the HSP decided to form a coalition with the liberal Alliance of Free Democrats, which has been described by Hungarian economist Laszlo Andor as 'with very little exaggeration the political wing of the IMF in Hungary'.<sup>25</sup> Andor argues that this numerically unnecessary alliance was the result of the HSP's desire to allay any western concern about the return of post-communist parties to power in eastern Europe, as well as the desire to share responsibility for the proposed macro-economic austerity policies. The concern of the HSP to demonstrate its full political transformation was also shown through its attempts to secure membership of the Socialist International, which it eventually achieved in 1996.<sup>26</sup> The coalition included three liberal ministers, for interior affairs, transportation and communication, and culture and education. The socialist ministers represented different political positions from within the party, but the most significant position - that of finance - was held by Laszlo Bekesi, who although having held the same post in the government from 1989-90 was undoubtedly to the right, not only of the socialists, but also of many of the liberals as well. 'Bekesi represented the commitment of [HSP] to austerity, and that was why his ministership, and the unchallenged acceptance of the so-called Bekesi programme was an elementary precondition for [AFD] to make a coalition with [HSP].'<sup>27</sup>

Although Bekesi resigned in January 1995, he was succeeded by Lajos Bokros, President of Budapest Bank and of the Stock Exchange Council, and also committed to neo-liberal economic policies. He launched a controversial austerity programme in March 1995 which abolished numerous entitlements to benefits, such as family allowance and child care benefits, free higher education and so on. He was clear about the party's purpose: 'The historic task of the Socialist government is to roll back the frontiers of the welfare state.'<sup>28</sup> The social and economic hardship that followed in the wake of the Bokros programme was the first of two major blows that led to the loss of 300,000 votes that cost them the election in 1998. The second was

the deeply damaging revelations in the autumn of 1996 of HSP corruption regarding privatization revenues. The HSP lost significant sections of support at both of these points, in 1995 to the Independent Smallholders Party and in 1996 to FIDESZ.<sup>29</sup>

Much of the HSP's backing for the election in 1994 had come from the organized labour movement, but as living conditions continued to deteriorate and the HSP pursued a punitive approach towards the public sector, strike waves occurred and dissatisfaction increased amongst a significant sector of the HSP's electoral base. As Robinson and Marsh commented in 1995: 'Civil servants, teachers, health workers and other public sector workers have seen their incomes fall since the collapse of socialism...Crucially, it was their votes which brought the socialists back to power in 1994.'<sup>30</sup>

The HSP has no formal relationship with the trade union movement - membership is on an individual rather than collective basis - but a number of cooperation agreements have operated: these ensured that where unions supported the HSP in the elections, their leaders or nominees would secure places on the party's electoral lists and have indeed sat on the HSP benches in parliament as a result. The trade union leaderships did not on the whole take firm action against the HSP austerity programme, in spite of the hardship suffered by their members, presumably because they were drawn into the electoral process by the HSP leadership. Left opposition to the policies of the HSP government, therefore, came primarily from two sources, from the Left Platform within the HSP, and from the Workers' Party.

The most comprehensive statement on the Left Platform's positions was made in its submission of a Declaration of Principles for debate at the HSP Congress in November 1995. This document outlined the Platform's position on: the transformation of the world system and the left; the reasons for the collapse of state socialism and the lessons to be learnt; socialist identity; the systemic change and its

consequences; and possible political demands. It describes itself as 'the only political current which has consistently represented the mixed economy, cooperatives and workers ownership.'<sup>31</sup>

The HSP it describes in the following way:

'The HSP is the most characteristic organization of the building up of the bourgeois system, inasmuch as within it one can find the political representatives of almost all the social groups in Hungary (and this can be compared with the old Hungarian Socialist Workers Party). Bank capital, trade unions, workers, entrepreneurs, intellectuals and pensioners - all have their specific position in the HSP. However, bourgeois interests play an overwhelming role.'<sup>32</sup>

The basic economic argument of the Left Platform is that capitalism in Hungary means the domination of multinational capital, and that this could be restricted by the government to the benefit of the Hungarian population, rather than progressing as it is, and constructing a semi-periphery form of capitalism. Essentially arguing for a left social-democratic approach, the document states that 'within the growing capitalist system the socialist party should first of all, and above all else, represent the interests of workers, the unemployed, small producers, disadvantaged women and young people starting out in life - in short, they should represent eighty per cent of society. Thus the political struggle should extend the representation of the special political interests of the workers in cooperation with the trade unions and other self-organising communities.'<sup>33</sup>

The document concluded by suggesting that unless the HSP expresses the interests of the mass of the people, then it could easily be swept away at the 1998 general election by nationalist populism - an assessment which proved to be basically correct. The proposals, presented to the Congress by Left Platform spokesman Tamas Krausz, were fairly well-received, but overall the Congress was a triumph for

Horn and Bokros, the latter receiving a huge ovation for his economic approach.<sup>34</sup>

The intelligentsia-based Left Alternative, which some of the Left Platform participate in outside of the HSP, has made numerous attempts to forge links with the west European left, usually through conferences, for example in 1991, 1994 and most recently in November 1997. The 1997 conference, held in Budapest, focused on alternatives to neo-liberal economic policies and attempted to link up with new European left parties, with participation from the French Communist Party and the Swedish Left Party amongst others.

It cannot be said, however, that the Left Platform has a very powerful direct impact on Hungarian politics, and it was, in fact, the Workers Party which proved to be the greatest thorn in the side of the HSP government, over the issue of NATO membership. In the summer of 1995, the Workers' Party began a campaign to collect 100,000 signatures on a nationwide petition against Hungarian membership of NATO. By the end of the year they had collected 140,000. Under the Hungarian constitution, the collection of over 100,000 signatures on a petition necessitates a referendum. It was on the basis of this campaign that the government was eventually required to hold a referendum on NATO membership in November 1997. The turnout was 49.24 per cent of qualified voters, of which 85.33 per cent voted yes to NATO, giving 41.5 per cent of qualified voters in favour - sufficient under the legislation to constitute a legally-binding decision.<sup>35</sup> Whilst, the referendum found a majority for NATO membership, the Workers' Party was, nevertheless, demonstrated to have campaigning and mobilizing capacity and found a role for itself for the first time since the system change. The Left Platform was not united in its opposition to NATO and so allowed a conscience vote in the referendum. The Left Alternative's position, however, was against NATO membership.

The core of the problem facing the HSP government from 1994-98 is well

summarized by Foldes, '...neither the necessity of managing the economic crisis nor the tasks regarding the economic transformation offer good opportunities for a government policy based on social democratic principles. In the absence of a strong middle class and domestic bourgeoisie the costs of the crisis and transformation are paid by the salaried and the self-employed.'<sup>36</sup> There was an obvious contradiction between the traditional social democratic agenda on the basis of which the HSP was elected, and the transformational and austerity programmes that it actually followed, or as Ziblatt puts it: '...the HSP...has followed a narrow path between being the social democratic protector of the welfare state as well as its most avid dismantler.'<sup>37</sup> This contradiction resulted in the loss of 300,000 votes at the general election in 1998 and was sufficient to lose the HSP its dominant role.

Many foreign observers were surprised by the HSP's defeat at the polls, for the economic record of the socialist-led government had been highly-praised by western financial institutions. The *Financial Times* described Hungary as the country 'with the strongest economic fundamentals of any post-communist country in the region'.<sup>38</sup> Net foreign debt was almost halved between 1994 and August 1997, from \$18.9 billion to \$10.9 billion. The public sector deficit was cut from 9.6 per cent of GDP in 1995 to about 5 per cent in 1997. Annual growth in GDP was about 4-5 per cent. There was a forty per cent growth in exports in the first nine months of 1997 as against a 23 per cent rise in imports. Clearly a number of economic indicators looked good for the HSP, but many others, however, acted against them. There was a fifteen per cent cut in real incomes between 1995 and 1997; forty per cent of children in Hungary were living in poverty; unemployment was around half a million in a country of just over ten million; tuition fees were introduced in universities and colleges; mass privatizations weakened the trade union movement and homelessness became a significant social problem.

In rejecting the effects of the HSP's neo-liberal economic policies, however, the

electorate made a significant turn to the right. FIDESZ-Hungarian Civic Party (FIDESZ-HCP) under the leadership of Viktor Orban, constructed a coalition with the ISP led by the populist demagogue Joseph Torgyan and the Hungarian Democratic Forum, who led the ruling coalition from 1990-94 but were reduced to only seventeen seats in 1998. The coalition had a small but workable majority of 213 seats out of a total of 386. This revival of the right led Tamas Krausz, one of the leaders of the Left Platform to observe: 'The new coalition is centre-right in alliance with the far right: in fact, FIDESZ is a Trojan horse for the far right. Instability is the key word in Hungary.'<sup>39</sup> To compound the right turn, the neo-fascist Hungarian Party of Justice and Life led by Istvan Csurka gained five per cent of the vote and therefore parliamentary representation with fourteen seats - the first time the extreme right has entered the Hungarian parliament since 1989.

FIDESZ-HCP, the new coalition leader, was founded in 1988 as an autonomous youth movement, the Alliance of Young Democrats. In 1989 it played a significant part in the opposition round table which negotiated the system change. Since then, it has moved steadily to the right, taking up the ground vacated by fragmenting conservative forces like the HDF, and has now emerged as the major conservative force in Hungary. FIDESZ-HCP campaigned on a forty-point programme which attacked the socialist-liberal coalition government from both left and right - for example, for the abolition of higher education fees.

With more than a third of the seats in parliament, the HSP is well-placed to conduct a strong opposition to the new government's policies over the next four years, but one of the leadership's key tasks will be to decide which orientation the HSP should pursue. There will be pressure from the Left Platform to shift the party to the left, as doubtless there will be others who think the party should shift even further into the centre ground. This would, of course, vacate an even greater space to the left of the HSP, which, if it is not filled, will lead to greater support for the far right, for there is

nothing to indicate that Hungary's social and economic problems will be ameliorated in the foreseeable future.

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*Hungary on the Road to the European Union*

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<sup>20</sup> Agh, A. op.cit., p.75

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<sup>33</sup> Ibid., p.8

<sup>34</sup> *Eastern Europe Newsletter*, 9, 24, (1995) p.6

<sup>35</sup> Hungarian Ministry of the Interior Website, op.cit

<sup>36</sup> Foldes, G. op.cit

<sup>37</sup> Ziblatt, D F. op.cit., p.135

<sup>38</sup> *Financial Times*, 9 December 1997

<sup>39</sup> Interview with Left Platform leader Tamas Krausz, May 1998