

Gazdasági növekedés, fogyasztás, életminőség. Magyarország nemzetközi összehasonlításban az első világháborútól napjainkig [Economic Growth, Consumption, and Quality of Life: Hungary in an International Comparative Context, from the First World War to the Present Day]. By Béla Tomka. Budapest: Akadémiai Kiadó, 2011. 306 pp.

In the bibliography of Béla Tomka's book one finds no mention of Jenő Szűcs' essay on the three historical regions of Europe, nor for that matter of other works in which authors attempted, on the basis of older Hungarian historiography and sociology, to put Hungarian society in a larger European comparative context.¹ One finds no mention, for instance, of György Ránki's assessment of the three stages of modernization in Hungary, despite its prominence in the secondary literature on the subject.² Nevertheless, Tomka's book is still best seen in the context of these older works, and indeed at times seems to adopt a polemical stance towards them. Tomka raises anew the questions they address, but he does so from an entirely different perspective and according to an entirely different methodology, arriving for the most part, perhaps not surprisingly, at different conclusions. Tomka analyzes the question that was discussed at the time in essays that one might well characterize as intuitive by historians who to this day are held in high esteem (historians who built on the most outstanding works of historiography of the interwar period or the premises of modernization theory, which came to supersede Marxist approaches), but he does so using the conceptual apparatuses of international scholarly literature, and he marshals a vast amount of data in support of his conclusions. One of the central questions of his inquiry involves the insights to be gleaned from a comparison of the characteristics of Hungarian society and some of its various achievements, whether economic or affecting the quality of life in other ways, with Western European countries. Thus he does not seek to characterize social development in Hungary or Hungary's place in Europe according to the familiar approaches of earlier studies, in other words by constructing a typology of European societies and identifying Hungary's place in this spectrum. In all likelihood this tradition in historiography is no longer viable, for the concepts and terms that earlier were seen as self-evident and beyond question, concepts and terms that served

1 Jenő Szűcs, "The Three Historical Regions of Europe. An Outline," *Acta Historica* 29 (1983): 131–84.

2 György Ránki, "A magyarországi modernizáció történetéhez" [On the History of Modernization in Hungary], *Világosság* no. 10 (1987): 611–21, 611.

as the foundations of historical narrative modes and typologies, have since been interrogated and, more precisely, themselves made the object of historical analyses. This is true of the premises of modernization theory as well, since the essential teleology and normative content of the concept of modernization has now long been a subject of historical scrutiny.

Tomka is addressing questions essentially similar to those raised by an earlier generation of historians, and from this perspective his book is part of the larger tradition of Hungarian historiography. But nonetheless he clearly felt himself compelled to embark down new paths. He seeks to measure Hungary's place, both past and present, in comparison with the countries of Western Europe from the perspectives of economic growth, consumption, and quality of life, where possible on the basis of quantifiable data. The question itself is obviously interdisciplinary in nature, even if in his attempt to offer an answer Tomka can hardly hope for much help from the scholarship on economics or sociology. The secondary literature on theories of growth in principle provides an important pillar of his inquiry, but with regards to the history of the Hungarian economy over the course of the entire twentieth century, economic science offers little in the way of analysis. And while it deals with questions of lifestyle and quality of life, sociology does not provide comprehensive analyses of quality of life itself, and certainly not of changes in quality of life that have taken place over time. Tomka must rely primarily on analyses of economic history, though he can hardly accept the findings that have been reached without qualification, and indeed he often openly disputes the conclusions drawn by some of the authors of the earlier body of literature.

Thus Tomka for the most part is compelled to venture down untrodden paths. He devotes a separate chapter to his discussion of the methodological questions, the problems of the study of economic growth, the kinds of indices that can be used in comparisons, and the manners through which comparisons are drawn (pp.9–34). Following this chapter, the book is divided into three larger blocks. The first examines the process of economic growth. In his analysis of the performance of the Hungarian economy, both in isolation and in an international context, Tomka arrives at conclusions that differ strikingly from the propositions made in the earlier literature. According to Tomka, the Hungarian economy grew between 1920 and 1939 at an average rate of 2.7 percent per year. This is hardly a trifling rate of growth, even if one takes into consideration the fact that production was relatively low in the first year because of the difficulties caused by the war (in other words because of momentary and transitional causes), and

thus the actual rate of growth was somewhat less. Between 1890 and 1913 the average annual rate of growth was 1.6 percent. In other words, if one ignores the effects of 1920, which distort the larger picture, there was no real break in the tendency towards economic growth around the time of the First World War (p.109). Thus the oft made claim according to which the Dualist Era was a remarkable or even unparalleled period of economic growth is simply not true, nor is the contention according to which the country's economic performance in the interwar period was by comparison notably weaker.

If one examines not simply economic growth in Hungary, but also the level of economic output in a comparative international context, the picture is essentially the same. Tomka compares the growth in per capita GDP in Hungary with the Western European average, or more precisely bases his comparison on standardized data that takes into consideration the differences between West European countries. According to Tomka, in the decades leading up to the First World War Hungary approached, if perhaps slowly, West European levels. This means that at the time of the outbreak of the First World War the per capita GDP in Hungary was 60 percent of the West European average (p.62). The First World War caused a more drastic economic decline in Hungary than it did in Western Europe, but thanks to the upswing that began in the 1920s, by 1929 the Hungarian per capita GDP had returned to almost three-fifths of the Western European average (57 percent), and by 1939, in spite of the effects of the global economic crisis, this percentage had grown a little bit. The Second World War, however, altered this trend. Though the timing of the beginnings of this reversal of fortunes varies depending on whether one takes into consideration simply the Western European average or the standardized data, the tendency is nonetheless clear: the per capita GDP in Hungary continuously fell behind the per capita GDP of Western European countries. Even in the immediate aftermath of the war, the Hungarian per capita GDP was less than half the Western European average, and from then on it continued to fall, until it reached roughly 40 percent towards the end of the 1980s. Following the crisis of transformation that took place at the time of the change of regimes, the Hungarian GDP fell even more drastically in comparison with Western Europe. Only as of the middle of the 1990s did Hungary slowly begin to catch up, a process that one can see reflected in the data until 2005.

Having examined the history of economic growth in Hungary in the twentieth century, Tomka turns his attention to the development of trends in consumption over the past 100 years. Here he often has far fewer earlier sources

on which to draw than in his discussion of economic history. According to his conclusions, levels of consumption in Hungary in the interwar period did not fall as far behind Western European averages as levels of economic output, which was possible because of a more pronounced tendency to stockpile and store in Western Europe. Following the Second World War, this changed, because high levels of investment lowered the level of consumption, bringing it below than the levels actually made possible by economic output. In a manner that might seem almost paradoxical, the high level of investment did not contribute to growth in the GDP later either (which would have brought the Hungarian GDP close to the Western average), nor did it do much to increase consumption. Although in comparison with other states of the Eastern Bloc the supply of goods in Hungary could be considered relatively good (a peculiarity of Hungarian society that was made possible in the second half of the socialist era in large part through loans), nonetheless society suffered from a dearth of specific services, products, and a general lack of selection, thus one cannot really speak of consumer choice or freedom in comparison with western standards. In Tomka's view, the use of the term "consumer socialism" as a characterization of the Kádár era is therefore not really justified. If levels of consumption in Hungary lagged behind levels of consumption in the West throughout the dearth of specific services century, the structure of consumption nonetheless essentially followed patterns similar to those in Western European societies, whether one is speaking of the emerging economic phenomenon of leisure time pursuits or the inner workings of household expenditures, though the peculiarities of the socialist system distorted these as well for a time.

The third section of the book deals with quality of life, again comparing tendencies in Hungary with trends in Western Europe. Remaining true to his methodology, Tomka again basis the comparison on quantifiable factors. He offers an examination of the numbers of various relevant indices before deciding in favor of the Human Development Index (HDI, also used by the United Nations), which is a composite statistic based on life expectancy, education, and GDP at purchasing power parity per capita. Naturally this index also has shortcomings, since it is based on averages. In other words it fails to take social inequalities or differences in quality of life at different levels of society into consideration, and these differences can be significant. The HDI is nonetheless a far more sensitive indicator than a simple comparison of GDP would be, and GDP and HDI do not always move in parallel in individual countries. Indeed in some cases growth in economic output can be accompanied by a decline in

quality of life (this is shown more clearly by another indicator of quality of life, the so-called Index of Sustainable Economic Welfare, which also takes the value of household work, environmental risks and damages, and social inequalities into consideration, though the calculations are significantly less reliable (pp.182–183). In the comparison of international HDI values, differences in the scale of change are more important than the absolute numbers themselves (Table 4.2 p.192). This comparison shows that in 1913 Hungary was at the level of Western European States with the lowest HDI values, such as Italy and Finland, but in the interwar period the rate of growth according to the HDI exceeded the Western European average, and indeed was so high that it was only surpassed by the rate of growth in Finland, which developed with remarkable rapidity and consistency. However, in the period that followed the Second World War, in other words from 1950 to 1990, the pace of growth as measured according to the HDI slowed considerably, only to rise again rapidly in the period between 1990 and 2005. Following the comparative examination based on the HDI, Tomka offers a discussion of several demographic indicators, since in his view (and he refers here to the ideas of Amartya Sen, the Nobel Prize winning economist who helped to create the HDI) life expectancy data comprise numerous factors regarding quality of life that are otherwise difficult to assess and, in particular, difficult to measure or compare in quantifiable terms. From the perspective of quality of life, naturally one cannot simply consider raw data concerning life expectancy, since these data depend to a great extent on the demographic makeup of individual societies. Thus a comparison of these data would yield misleading results at best. Rather one must consider infant mortality or anticipated life expectancy at birth. From the perspective of anticipated life expectancy, in 1913 (again the year taken as the starting point) Hungary fell behind all of the countries of Western Europe, and from the perspective of infant mortality it was among the countries with the worst rates. In the interwar period, however, the infant mortality rate dropped rapidly and anticipated life expectancy grew—if perhaps from an admittedly low point of departure—more rapidly than in any of the countries of Western Europe. This suggests that Hungary had a significant capacity to modernize. Following the Second World War, however, this trend, as measured by these demographic indicators and others, was reversed. In spite of improvements in infant mortality Hungary still did not approach European averages. In 1990 the infant mortality rate in Hungary was twice the Western European average. This difference is even more striking from the perspective of anticipated life expectancy, for in the case of

life expectancy not only did Hungary not manage to catch up with Western averages, but the difference actually grew dramatically, and not simply because the anticipated life expectancy in Western European countries grew faster than it did in Hungary. In Hungary anticipated life expectancy actually declined under socialism. In no other country in Western Europe—or for that matter in the world—did anticipated life expectancy for men decline between 1960 and 1990. In 1990 average life expectancy for men in Hungary was five years less than the worst national average in Western Europe, and differences of seven years were also not uncommon, and indeed in comparison with the figure for some countries the difference was more than eight years. Average life expectancy for men in Hungary was 9.8 years less than in Norway and 9.7 years less than in Sweden.

The presentation in quantifiable terms of macro-trends in economic growth, consumption and quality of life naturally leaves numerous questions unanswered. While the data may appear to show a clear tendency, the various causes and forces that lie behind the data vary from period to period. Causes of economic growth and external circumstances that contribute to or conversely limit growth often change, even in a period as relatively short as the Horthy era in Hungary. In the case of Hungary in the interwar period, these included inflationary economic activity, the withdrawal of foreign capital, internal financing following the onset of the global economic crisis, and the economic activity that began with the outbreak of war at the end of the 1930s. In other words the causes of growth varied over time. But this does not change the fact that the Hungarian economy, or rather Hungarian economic policy, in general managed to adapt to the circumstances of the moment and find a path to growth in the interwar era. One cannot say this of the period following 1950. Data concerning consumption and the quality of life in the long term reveal little or nothing regarding how the acquisition of goods was experienced and assessed by members of society, or for that matter how the dearth of goods or changes in living conditions were perceived. Tomka's work has to some extent laid the foundations for further study of these questions.

If, having read Tomka's analyses, one returns to the fundamental questions of the older secondary literature on Hungary's place in Europe and the nature in general of the attainments of various periods in the process of modernization, the answer seems simple. Hungary follows patterns of social and economic development similar to those in Western Europe, and essentially constitutes merely a variation of these models. Even if from many perspectives it lagged

behind these countries, in the first half of the twentieth century it gradually caught up. The economic model of the socialist era, under which investments were not accompanied by any corresponding rise in productivity and the accumulation of capital remained low (while in Western Europe the amount of capital that actually went to employees grew considerably), made it impossible not only to approach Western European levels, but even to keep pace with Western development. Hungary also fell further behind Western Europe in other areas related to the quality of life in the socialist era, such as education and health care. One could hardly claim that the socialist era was an attempt at modernization. On the contrary, the political structure of state socialism essentially did away with the economic and social institutional frameworks that would have ensured progress from the perspectives of modernization and quality of life (p.220). Following the change of regimes, according to numerous signs until 2005 Hungary again began to approach Western European levels, without reaching them, however. Rapid growth in some indices, for instance life expectancy and the proportion of the population taking part in higher education, clearly seem to indicate that Hungary was making up for time lost during the socialist era. This suggests that social development in Hungary fundamentally should still be understood as a variant of Western European models, and the period of socialism represents a detour that was forced on the country.

Translated by Thomas Cooper.

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