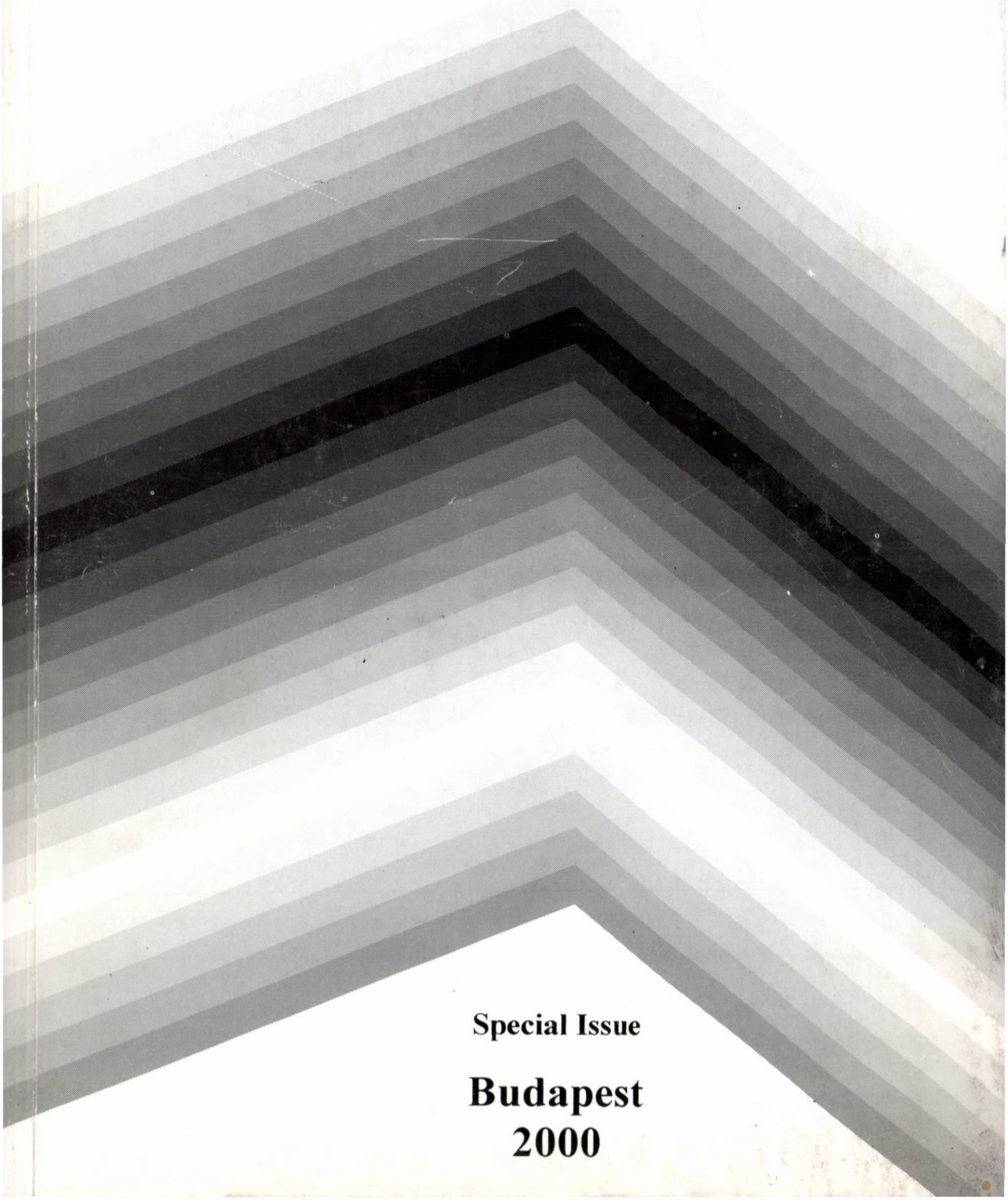
# REVIEW OF SOCIOLOGY



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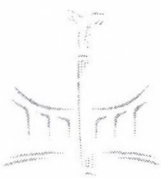

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## STUDIES

*Balog Iván*

# ISTVÁN BIBÓ AND MAX WEBER[1]

In an interview given to Tibor Huszár in 1976, István Bibó[2] made the following somewhat unexpected statement: „Max Weber has had and still has an enormous influence over me" (Litván–S. Varga 1995: 216). This assertion may call our attention to a yet unrevealed potential source of inspiration for Bibó. This paper attempts to answer the following question: can we take Bibó's declaration seriously or not? The answer can corroborate or falsify a longstanding opinion of Bibó's admirers and also his opponents that he was primarily a politician and publicist rather than a social scientist. On the one hand, our task is made the more difficult by the fact that Bibó's writings contain just a handful of direct quotations from Weber, crucial though they might be. On the other hand, there is a relative abundance of illuminating argumentations reflecting, sometimes polemically or through the medium of other authors, the indirect influence of the great German sociologist and also concerning the key issues in Bibó's life-work. As we shall see, Bibó had a high opinion of Weber not least because he held Barna Horváth and István Hajnal in great esteem, too. For my present purposes I shall deal with Weber only inasmuch as it helps to reach a better understanding of Bibó.

Lacking sufficient evidence on Bibó's sources, my method of investigation will primarily be comparison. In the following passages I shall discuss three main areas of intellectual sympathy for Weber: the Protestant ethic, legitimacy and rationality.

[1] I am thankful to Csaba Jónás for supervising the translation of the modified version of my article: Balog Iván: Bibó István és Max Weber. *Szociológiai Szemle*, 2000/2. 38–50.

[2] ISTVÁN BIBÓ (1911–1979), political scientist;...doctor's degree University of Law, Szeged, 1934; postgrad. University of Vienna, 1933–34, Institute of International Studies, Geneva, 1934–35; scholar International Law Academy, The Hague, 1936... Called to bar, 1940; official Hungarian Ministry of Justice, 1938–45; chief of department Ministry Interior, 1945–46; lecturer Szeged University, 1940; professor Political Science, 1946–50; deputy President Eastern European Research Institute, Budapest, 1947–49; librarian Budapest University, 1951–57; minister state, 1956; imprisoned, 1957–63; librarian Central Statistical Office, 1963–71. Member Hungarian Academy of Science, 1946-49. Author: A szankciók kérdése a nemzetközi jogban [The Issue of Sanctions in International Law], 1934; Kényszer, jog, szabadság [Force, Law, Freedom], 1935; A magyar demokrácia válsága [The Crisis of Hungarian Democracy], 1945; A keleteurópai kisnépek nyomorúsága [The Misery of Small Peoples in Eastern Europe], 1946; Zsidókérdés Magyarországon, 1948 [The Jewish Question in Hungary]; The Case of Hungary and the World Situation, 1957; The Paralysis of International Institutions and the Remedies, 1976...(Who's Who in the World 1978–79). Bibó's other publications: see References below.

# I.

Max Weber's Protestant Ethic (1930) played an important role in Bibó's career in two ways. First, it inspired his debut publication (1928). Second, it was the source of the young Bibó's principal ideas in his writings on cultural crisis in modernity.

In the aforementioned interview the author recalls the introductory publication as follows: „...As a youngster in eighth grade, I had to deliver a speech in commemoration of the Reformation and I held this speech on the basis of Max Weber's essay that my father gave me. This was my first encounter with Max Weber..." (Litván–S. Varga 1995: 216). It is worth taking a closer look at the 17-year-old grammar school student's speech because in several aspects it already anticipates the older Bibó.

Bibó suggests that the greatest and most revolutionary thoughts of Reformation are „a return to the basics of the Holly Writs; the rejection of clinging to unalterable dogmas in favour of a free quest of truth; the evaluation of estates and masses replaced by the evaluation of the individual; a rejection of ceremonial formalities promoting salvation in favour of the search for divine grace; contemplative religiosity replaced by active faith" (1928: 2). Relief from magic is a recurrent motive in the article: „As Luther searched for the Christian truth solely in the Holy Scripture, so did they search for the natural sciences in nature itself and likewise for philosophy in the human mind itself..." (1928: 2). It is noteworthy that the principle „things should be explained by their own causes" (1986c: 123) dominates Bibó's thinking throughout his career, in particular his theory on the nature of political hysterias (1986a: 373–380).

The following argumentation taken from the same speech is also of decisive importance in the author's oeuvre, primarily in his essay on the Jewish question, in the paragraph concerning dehumanised relations: „Reformation also renewed the evaluation of man. Mediaeval man was collective. As far as both religion and society are concerned, it was not his individuality but the estate he belonged to that played a key role. His value was determined by his being a churchman or a layman, a knight or a burgher, a seigneur or a vassal" (1928: 2).

The deepest impression that the Protestant Ethic made on Bibó was due to the idea of calling; although this is not yet evident in his 1928 speech, it comes to the fore only later. Earlier Bibó had appreciated Reformation as a current qualified to respond the challenges of the 20th century but 15 years later he already realized that it was in fact instrumental in bringing about the crisis of values. In his essay entitled „Money" he points out that while in modern times Mediaeval elites were dismissed, they were not replaced by competent new elites:

„...The clerical estate ceased to be the only intellectual leader of people who began to lose faith in the inherited privileges of the kingdom and the nobility... For a while, in some parts of the European civilisation, the Mediaeval social value system based on faith and inheritance was successfully replaced by the values of capitalist bourgeoisie who also attempted to solve the problem of the distribution of money. This solution stemmed from the originally simple and deeply religious value system of urban burghers and, as Max Weber pointed out, it was from Protestantism

that it borrowed its special moral character that participated in the ethical foundation of capitalism.

According to the bourgeois value system, wealth is the reward of labour and, on the grounds of the New Testament parable on talents, it is the owner's duty to manage the property entrusted to him. In other words, capital, as the accumulation of talents, came to be ethically evaluated, and the most conspicuous phenomenon of money economy, i.e. interest, which was incompatible with the moral value system of the Middle Ages, was looked upon as the fruit and reward of the faithful and industrious steward...The whole bourgeois value system, however, was only instructive for the petty bourgeois and middle class lifestyle and only in a lucky socio-economic situation in which the excessive affluence of society did not result in antagonistic conflicts because everyone willing to work, even the poorest, had the chance to accumulate capital. Later, however, a contradiction developed between the excessive wealth of capitalists and the poverty of the masses and in this situation wealth no more improved but impaired its moral balance. To reestablish this balance capitalism ought to have produced a group of people who, in possession of significant financial opportunities, conformed to a similar value system and regulated lifestyle that characterised the feudal landlords. However, that would have taken a longer time than was available and the simple moral categories of the bourgeoisie were not adequate for such a purpose either. That is why the value-destroying impact of the one-dimensionality of money was so unscrupulously effective in connection with capitalist big wealth" (1986a: 215–216).

This part in the text is important because it illustrates Bibó's theoretical grounds as an anti-capitalist and a philosopher of crisis which in turn also dominate his review on Karl Mannheim's book, *Diagnosis of Our Time*. In his criticism, opposing Mannheim's interpretation of Weber, Bibó points out that the replacement of *Gesinnungsethik* dominant in liberal capitalism by *Verantwortungsethik,* that is, „awareness is not primarily required by the development of mass society but by crisis that accompanies it. It was, however, not caused but aggravated by the development of mass society because it emerged in an era when social evaluation began to face a crisis..." (1986a: 269). In 1971 Bibó still clings to this line of argument which is Weberian in its origin but runs in a different direction in *The Meaning of European Social Development* (1986c: 65–66), although some accents are modified. After the turning-point of World War II and having read the main work of his master, Guglielmo Ferrero (1942), he, as a „criseologist" began to underline the *political* character of the crisis and, from an anthropological point of view, started to attribute it to fear.

## II.

It is quite clear that the outlook of Bibó's view on legitimacy owes a lot to Ferrero. It has, however, due to the influence of Barna Horváth,[3] some Weberian traits as well. Nevertheless, the relationship is not obvious: Weber's theory of legitimacy did not influence Bibó directly. In Bibó's opinion, legitimacy is synoptical and it is Barna Horváth who has the copyright of the synoptical method, which is built on semi-Weberian bases. his is what we'll discuss first.

The young István Bibó, a member of the so-called Szeged school of Hungarian legal philosophy and Barna Horváth's disciple, was an adherent of the synoptical method, although his understanding of synopsis is slightly different (Bibó 1986a: 5–149; 1937: 623–638). What is the relationship of the Master, Barna Horváth to Weber's sociology? In one of his principal works he mentions Weberianism as the most congenial with the synoptical method: „Experts will not fail to notice the similarity between the synoptical method and idealtypical construction. Namely, the essence of both lies in that the function of the *Is* aiming at the *Ought* is likely to become fixed in the sense that the result of the *Ought* becomes causally adequate. However, this likelihood has to be tested in every historical moment because the existential effect may become norm-adequate as well" (Horváth 1934: 96).

There is a deeper homology between Horváth and Weber that in part affects Bibó as well and is also a basic idea of synopsis: the consequent avoidance of wishful thinking, i.e. the identification of facts with norms (Weber 1949; Horváth 1939). This is a main perspective in Bibó's oeuvre although he is less sensitive to the feeling and to the theoretical insight suggesting that *Sein* and *Sollen* are separated from each other. Consequently, he, as a political thinker, gives more priority to their linkage. Accordingly, in contrast with Weber, he considered sociology a science that is not value-free but one that is partly factual and partly evaluative, although, and this is his point, never both at the same time (AM HAS MS 5116/12: 6).[4]

Let us return to the above mentioned quotation. It continues as follows: „This methodological similarity suggests that among historical and sociological laws examined primarily by Dobretsberger it is the meaning-logical type that is the most significant for synoptical legal sociology" (Horváth 1934: 96; Dobretsberger 1931: 211–221). In fact, it is precisely Weberian *Verstehen* that Dobretsberger refers to and Horváth cites from him the following sentence: „We can only have a hypothesis about an action if we know the aims" (Horváth 1934: 96; Dobretsberger 1931: 218). However, Horváth also criticises Weber: „...ideal-typical construction allows prediction only from the meaning of the *Ought*. This does not, however, satisfy the

[3] BARNA HORVÁTH (1896–1973) Dr. Iuris (Budapest 1920), Bar examination (Budapest 1923), Venia Legendi (Diploma Habilitationis) Philosophy of Law (Szeged 1925), Ethics (Budapest 1926), Professor of Philosophy of Law (Szeged 1929), Kolozsvár (1940); Member, Hungarian Academy of Science (1945). Visiting Professor, The New School for Social Research, Graduate Faculty (New York 1950) [Horváth 1968:35]. His prior publications include inter alia: Rechtssoziologie: Probleme der Gesellschaftslehre und der Geschichtslehre des Rechts (1934); Der Rechtsstreit des Genius: Socrates, Johanna (1942); English Theory of Law (in Hungarian, 1943); The Examination of Public Opinion (1942)...[Horváth 1952:243].

[4] AM HAS. *Archive of Manusripts, Hungarian Academy of Science*

synoptical method because even the anti-rational change of subjective meaning may be subject to laws" (Horváth 1934: 96). It can be seen that Horváth's aim was on the one hand to integrate Weber as a major component into his most significant and theoretical innovation and on the other hand to transcend Weber. He considered Weber's efforts only a partial success because *Verstehen*, applying the idealtype of *Zweckrational* action, suggests that the cause of social action is that the actor considers something valid.

According to Horváth, however, the approach focusing on the causal reason why N. N. considers something valid is also a half-truth: „In our understanding, legal sociology conceptualises the functionality between the *Is* and the *Ought* reciprocally and not unilaterally in favour of the former but as a mutual one... It expects a lot from the sociology of knowledge because it also considers knowledge as something attached to existence. However, sociological existence itself can only be galvanised into life through meaningful relations. Inasmuch as the perceptible *Ought* is a function of the *Is*, the *Is* is also a function of the validity of the *Ought*" (Horváth 1934: 95). Accordingly, syn*opsis* is nothing but two, reciprocally inverse paradigms: that is, Mannheimianism and Weberianism, and not their syn*thesis* but the continuous correction and alternation of the two.

How does Bibó develop his master's semi-Weberianism: the synopsis? In one of his best works in legal philosophy from the pre-war period (1937) he, still as a scientist and not yet a publicist, deals with the most important theoretical problems of his later career and, simultaneously, of any „transitology" (Radnóti 1991): pre-legitimacy and the creation of legitimacy: „Owing to the continuous oscillation between norm and fact, legal force and nullity are always reconsidered. As neither the conformity nor the difference between norm and act mean any essential relation, they are always reconsiderable and reviewable. The reconsideration of »absolutely« irrevocable nullity and legal force situations settled »for ever«, ocuses our attention on the whole treasury of extreme legal situations: *revolution* on the one hand and its counterpart, the *renaissance of legitimacy* on the other. Thus, it is only a psychological state of affairs depending on experience that during such consecutive processes, be it at the second or the tenth occasion, there appears the feeling of infallibility (irrevocability). Fictitiousness does not mean that we should search for the origin of infallibility in logics; quite the contrary, it stems from irrational sources (and as such, in legal sociological terms it is more powerful than the whole construction of juridical logic!). It is fictitious only from the viewpoint of legal dogmatics and legal logics because, due to the strong tension between legal norm and act, it can be explained as fiction" (Bibó 1937:633–634).

In part, this text corroborates the observation of a Bibó-scholar: „In describing and interpreting social phenomena, Bibó always attempts to rely on the basic experience and spontaneous reactions of the members of society. Undoubtedly, this motive indicates a resemblance in Bibó's methodology to that of the Weberian *Verstehen*". However, this observation should be taken with some caution because Bibó's starting-point is not action but experience as his legal philosophical dissertation entitled „Force, Law, Freedom" (1986a: 5–149) shows, and this is not characteristic of Weber. Another key aspect of the above cited passage however points to an evident kinship between Bibó's and Weber's views, namely, that

legitimacy resembles faith, public belief, and consensus in its character (Weber 1968). There are several instances that testify to this kinship in Bibó's writings (Litván–S. Varga 1995: 181–183; Bibó 1986c: 65), and the one I have chosen is embedded in an explicitly Weberian context: „As Max Weber pointed it out..." (Bibó 1990: 301). It can be found in the introductory part of Bibó's great treatise on international law: „In two great cultures, the Graeco-Roman and the Chinese, both rulers and ruled defined the nature of power. In both societies, those in power felt compelled to find a justification for their rule, in addition to merely exercising and administering that power, and consequently, the masses who endured, supported or suspected the power elite were able to question it. Through this the idea of justifying power and of needing legitimacy for power became a decisive factor in these two cultures and a force which deeply affected other societies. Sometimes the ideas were used to justify the existing power, at other times to provoke mass risings and transform society through revolution" (Bibó 1976: 9–10, cf. Weber 1951). Bibó's definition of legitimacy also reflects Weber's influence: „The ultimate basis for a claim to legitimate power is a common conviction that those exercising power are in fact competent to do so. It then follows that the people accept that human attitudes, conditions and commands that are the products of power are, in fact, mandatory and reasonable: and also that the system of power distribution is right and practical. This common conviction is usually expressed in a few general and basic principles" (Bibó 1976: 10).

## III.

Besides direct influence, Weber made an impact on Bibó not only through Horváth but Hajnal[5] as well. Below, we shall demonstrate this intellectual relationship first in Bibó's essay on the Jewish question and later in his university lectures. In both cases, the central issue is rationality.

Among Bibó's writings, it is the second part of the *Jewish Question* that is the most sociologically conceived. In the chapter entitled *Jews and Anti-Semites*, which does not focus specifically on Hungary, Bibó analyses Jews' and non-Jews' interactions in a way very similar to Weberian *Verstehen*, that is, he examines the subjective meaning they ascribe to in-group and out-group actions (Weber 1968). These interactions (Bibó calls them experiences collected about each other) are investigated in three areas: (1) utilisation of social opportunities; (2) relation to social value systems; (3) traumas and compensations. In the case of social opportunities in mediaeval times the ultimate difference between Jews and non-Jews lay in the fact that the former were rational in their attitude, while non-Jews were

[5] ISTVÁN HAJNAL (1892–1956): Doctorate Degree in History (Budapest 1914), Diploma Habilitationis in History (Budapest 1921), Professor of Modern Universal History (Budapest 1930–1950), Member, Hungarian Academy of Science (1928–1950). Author: Le role sociale de l'ecriture et l'evolution Europeenne (1934), Az újkor története [History of the Modern Age] (1936), Történelem és szociológia [History and Sociology] (1939), Vergleichende Schriftproben zur Entwicklung und Verbreitung der Schrift im 12–13. Jahrhundert (1943), Über die Arbeitsgemeinschaft der Geschichtsschreibung kleinen Nationen (1944), Universities and the Development of Writing in the 12th–13th centuries (1954), A propos de l'enseignement de l'ecriture aux universités médiévales (1957). See Lakatos 1996.

traditional. Recast in a quasi-Weberian terminology one could say that when it came to seizing an opportunity the typical Jewish action was *Zweckrational* and non-Jews acted traditionally (Weber 1968). One is reminded of the same parallel as Bibó consciously turns to the means of idealtypical concept-building: „Thus, there developed among Jews an attitude pattern (eventually quite typical) which recognised every new, unexplored, or unnoticed economic or human opening, reacted with a state of constant readiness, quick rational adaptability, the »taking advantage« of new or newly recognized chances, and a conscious high regard for all forms of rational ones, those involving money or the management of money. This attitude pattern became a conditioned reflex, almost a socio-moral duty. This, of course, is not a Jewish invention, but one of the available and widespread methods of approaching human opportunities; it contrasts with the other method, that of handling opportunities in the traditional and usual manner, governed by the precept that people base their existence on certain habitual resources, methods, and forms and, even if they know of alternative possibilities, they are reluctant to exploit them. Actual practices are always located somewhere between these two approaches, because both totally unthinking traditionalism and wholly untested rationalism are unrealistic. The various behaviour patterns differ in how much they approach, or how they combine the two extreme methods" (Bibó 1991: 215–216).

The explanation given as to why this rational mentality became a typically Jewish characteristic hints again at a Weberian influence, although this time Bibó's interpretation of Weber is not the most accurate: „This meant that they were limited to the margins of economic, existential, and human opportunities; the only way for them to survive and become established was to choose endeavours that were yielded to them or were spurned or unnoticed by society" (Bibó 1991: 215). It can be seen that Bibó's argumentation is based on the pariah status of the Jews (cf. Weber 1952), in other words: the moral contempt surrounding them and their consequent exclusion from society from the Middle Ages onwards.

Up to this point Bibó followed Weber. However, his field of interest is not the spirit of capitalism but antisemitism and this explains his wise scepticism towards the dominance of rational spirit: „By contrast, one trait of capitalism and the fledgling money-based economy of the modern period was specifically that it gradually made the rational handling of opportunities one of the basic principles of social and economic life. In the sphere of classical capitalism this took place entirely without the participation of the Jews, demonstrating that developments had nothing to do with Jewish traits but were prompted by social conditions that could have occurred under different circumstances as well. We must not forget, however, that even though we view capitalism as the fundamental principle of modern social organisation its power to transform the entire social organisation was fully developed only in America. When it comes to European work and lifestyle, many of the broad social layers–especially civil servants, craftsmen, some of the merchants, and small landholders–have merely acknowledged the new conditions, and adapted themselves to capitalism only to the extent that they used its means of distribution and mass-produced commodities. In all other respects, they continue to cultivate those forms of human existence that have been in force before the advent of capitalism" (Bibó 1991: 216).

This is no more Weber; this is Hajnal. It is he, Weber's strongly polemical adherent (Hajnal 1936; 1993), through whom Bibó, the equilibrist, corrects the Founding Father of German sociology. Other issues also show Bibó to take an intermediary position between Hajnal and Weber. In his interview given to Tibor Huszár[6] he praises Hajnal for being able to recognise traits of intellectualism in technical activity and even in skilled physical labour. Moreover, Bibó seems to agree with Hajnal's criticism on Weber's Protestant Ethic, which was glorified by him in the thirties. Nevertheless, Bibó rejects Hajnal's senseless anti-rationalism, which motivated Hajnal in criticising Weber:

„B.:– Hajnal's inspiration was very important because he wrote as if it was a programme that people shaping nature are doing an intellectually more valuable work than those administering things...That is, a craftsman who is almost an artist is more valuable than an office clerk...[...] Hajnal's terminology is extremely difficult to understand, complicated almost beyond belief and he also used many basic notions in unusual ways. For example, he considered rationalism evil. [...] In his opinion, the substance of rationalism was that represented by the army: rationally consistent, reasonable utilisation of opportunities for perhaps irrational, wicked purposes. [...]

H.:– Is it correct to say that Hajnal is a key figure in the reception of Max Weber in Hungary?

B.:– One can construct any kind of *Geistesgeschichte* from Weber... Well, it is very easy to make such a turn from what he has pointed out from the impact of Protestantism" (1989: 236–237).

Bibó's casual remark on the rationality of the army leads us to another imaginary debate within the Bibó–Weber–Hajnal triangle. In this case, Bibó's stance demonstrates well what a great social scientist we lost in exchange for a moral genius. To realise this, we have to examine Bibó's lectures on sociology and political science. The latter, reflecting almost wholly Hajnal's sociologically inspired vision about history, also belongs rather to the realm of sociology; moreover, they are arguably among the best among the author's oeuvre (and they are still unpublished!).

In his sociological lectures, Bibó analyses the so-called simple command, which he classifies among social rules: „...The possibility of giving occasional commands is a very significant developmental step... In the most primitive communities...the father and the chief who may punish, severely punish or even kill members of the family and of the tribe may seem to be an absolute commander only for us because in fact there are very strict traditional rules that determine when, how and whom he may punish. In more sophisticated societies, however, certain commanding competences emerge: a certain social division of labour or distribution of powers gives some people the authority to give orders to others as they wish. It is through these discretional commands that social rules began to change from traditionality to rationality. For a long, long time it comes to no one's mind that any powerful person or organ may change traditions inherited from the ancestors by a certain decision from one day to another. Giving orders is the only area in which the commander can

[6] Tibor Huszár (1930–): Hungarian sociologist, former director of the Sociology Department at Eötvös Loránd University in Budapest.

change the commands emitted by him in the same natural way he issued them. It is only from the emergence of the absolute kingdom onwards that rules, in particular legal rules began to be interpreted as the rulers' personal commands and it is only from this time onwards that the discretional modification of social rules, primarily legal rules, becomes usual. This opportunity was taken over from the absolute kingdom by the democratised power organs of society and that is how the public belief and public practice emerged that society [is mostly governed] not by rule originating and developed from ancient times but by rules made by competent organs, rational, reasonable rules that can be made and revoked the same way" (AM HAS MS 5116/12: II. 36–38).

Thus, rationality shows its positive side here: the *Entzauberung* of politics in the Weberian sense of the word. For Bibó, differently from Weber, it is clear that the only system qualified for this purpose is democracy, and this is based on the mature considerations of a theoretician, and not of a political writer, educator or therapist: „Democracy is a form of government in which the creation of state power and authority is not something beyond our reason and view but something clear and reasonable. In democracy people know that power is created through cooperation and consent" (AM HAS MS 5116/20: 9–10). Besides, Bibó drew the lesson from the other diametrical bias of Hajnal that rationality has a Jekyll and Hyde character. If it is only the *Zweckrationalität* of those in power that becomes manifest, the effect on society can only be irrationality.

One source of rationality resulting in irrationality can be the relation between society and the state: „This relation has two marginal cases: one in which society simply depends on the state is characterised by simple conquering power (blind discipline, despotism etc.). This kind of organisation is rational in a bad sense; here, this word means that the higher will needs not cope with any irrational resistance but it can command things" (AM HAS MS 5116/19: 24). „...At the same time when the conquering, imperative, rational state is omnipotent, it is unbearably hollow inside. The contribution of the individual in the functioning of the state is limited to the fulfilment of commands... If such a state goes through a crisis, it is overthrown quite easily..." (AM HAS MS 5116/19: 27). It is instructive to observe how Bibó views the achievements of the European economy and bureaucracy from a position between Weber and Hajnal- one of whom attributes these achievements to calculative rationality and the other to the „irrational" professionalism of guilds: „The European organisation of the state... vigorously intervenes into the web of society and is able to exert its effects but the whole system is based on the refined detail work of the small units of society. The European state can make accurate accounts and reports not because it kept society under a strict discipline but because it was built on small units that had already constructed the methods of correctness, managerialism and professionalism for their own use. The state organisation was constructed to use the union, guild and other bureaucracies" (AM HAS MS 5116/19: 26).

The connection between the withdrawal of *Entzauberung* and the unlimited power of *Zweckrationalität* is based on a lack of the distribution of power as well: „Although Hitler came to power in a republic, it would be false to claim that he exerted his power in a rational state because the magical respect for the Führer was

very important... Rough articulation was a very conspicuous feature of the Hitlerian state organisation... The difference here can be formulated as the contrast between merely *Zweckrational* states and states somehow deeply articulated by long-established customs. The Hitlerian state was a brutally *Zweckrational* state limited by no consideration (piety, humanity etc.). To find a similarly inarticulate state organisation one would have to go back to the Turkish and Tartarian states that were controlled by a rigid and *ad hoc Zweckrationalität* and each function is fitted to the *ad hoc* needs of an actual conquest, of the Party, of those in power etc..." (AM HAS MS 5116/20: 10–11).

## IV.

To what extent is the comparison with Weber suitable to test Bibó's merit as a scientist? While compared to Ferrero, another great expert of legitimacy, Bibó's admiration for his late master from Geneva reminds us of Petőfi's idolatry toward Béranger (that is, when the original and talented Hungarian author adores his mediocre but better-known Western colleague), the case of Weber is the reverse. Here, the Hungarian Bibó „fans" may have the feeling of the underdeveloped: „we are late for everything". Unfortunately, history and Bibó's aspirations oriented him away from the course his abilities seemed to prescribe.

In one respect, the two authors are *both* late: they are the children of the 20th century, of course, not chronologically (1900–2000) but historically (1914–1989). Both Weber's (Somlai 1999) and Bibó's work was conceived in the framework of modernisation and rationalisation but post-modernity revised both narratives and exceeded both agendas. This can be a challenging state of affairs for the guardians of Bibó's heritage because it demonstrates an increasing outdatedness that is the logical result of a natural process and not of an unwillingness to face our past.

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# CONTINUOUS CHANGES – DIFFERENT VARIATIONS

## Income distribution and income dynamics in three societies*

The study of income distribution and income dynamics can hardly be seen as the stepchild of sociological, economic and „transitological" research. The use of the Gini coefficient, decile ratios, or poverty head counts became obligatory scientific exercise in works studying the character of transformation from state socialism to market economies. Undoubtedly, many of these analyses use other, more subtle, indices as well, giving a more detailed account of the story of the past few years (Medgyesi et al. 1998). Although there is an ongoing debate about which East European country experienced the highest increase in income inequality, but the fact that there is such an increase is beyond question. (World Bank 1996; Andorka et al. 1997). In the first part of our study we carry out the above-mentioned „obligatory" exercises. The novelty of our analysis, thus, lies not in the manner we treat the question, but in the selection of countries (Hungary, the Western and the Eastern halves of Germany),[1] and in the attempt to (also) use (graphic) approaches as yet not applied in this field. We hope that the comparisons and new approaches will contribute to a more subtle understanding of the meanings of income inequalities.

The topic we discuss next – how income dynamics changed between earlier and later dates of the transition – is much less commonly made the focus of investigations. Although the presentation of the development of real income is unavoidable, and it is also true that in countries – as in Hungary – where longitudinal panel surveys have been carried out the dynamics shown by the results of the transition matrix calculations, just as the frequency of changes of income positions, caused unanimous astonishment (Kolosi et al. 1996; Spéder 1996), yet we cannot say that we have an accurate idea of the temporal changes in income distribution. In the second part of our study we would like to describe and interpret this aspect of income dynamics with the help of as yet infrequently used methods.

That this introduction is in some ways technical in character may suggest that our article is methodologically motivated. We do not deny that one aspect of our investigation was to make as much use as we could of the possibilities granted by our longitudinal panel data. This decision derives from our ambition to join the endeavours that aim to restructure and revise the system of social indicators (Noll–Zapf 1994; Zapf 1989). Nonetheless, throughout our investigation we were careful not to lose sight of the initial question of our research, which is as follows: *What do*

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[1] We regard the two parts of Germany as two different societies, thus henceforth we will be speaking of East and West Germany.

*the changes of income inequalities and the curve of income dynamics tell us about the first decade of the transition?* In other words, *we want to grasp the characteristics of transformation through the interrelations of structural shifts and the dynamics of a chosen dimension (which, in our case, is income[2]).*

It is important to call attention to how the two points of view – *the structural and the dynamic* – differ. In following the changes of structure, what we measure is the *net* change between the selected points of time (the increase in the Gini coefficient), while the dynamic aspect summarises the *gross* change (what proportions of the population experienced income increase and decrease). Dynamics throws light on the processes by which new structures are created. This means a shift both in terms of analysis and in terms of understanding: a shift from structural figures towards processes. In other words, we focus first on structural changes, and then on the mobility among changing structures. The dynamic approach – especially mobility at the household and the individual level characterising the entire period – has rarely been applied (Machtwig–Habich 1997; Müller–Frick 1996). Although very valuable descriptions have been produced of the patterns of household and individual mobility (Kolosi–Sági 1998), the temporal characteristics of the transition can be revealed only by analysing and understanding the alterations that take place year by year and throughout the entire period. The approach taken in the present paper applies this method.

Our analyses are in line with the system Zapf has worked out for social change in general, and for transformation[3] in particular (Zapf 1994). While measuring it, he reduces social change to its components, and differentiates between its units (its structures and institutions), levels (macro- meso and micro levels), and dimensions (pace, depth, aims, and controllability) (Zapf 1994, 14ff.). In our analyses we will be able to formulate assertions concerning the last group of factors, because – in our opinion – the indices of income dynamics may be interpreted as the valid measurements of the pace and depth of social change. The levels of change must also be mentioned, since measuring inequality and dynamics also reveals the differences between macro- and micro-level approaches. We will, however, bracket the first component, the structural and institutional factors, because we ignore political, economic, legal, and institutional changes, and do not deal with the interests and motivations of individuals, even if we are aware of the fact that income inequalities may be regarded as resulting from these structures. Yet even so, we hope to be able to present new aspects of the system changes that occurred in the nineties.

[2] We should note that income is not simply one of several indicators, but the most important one of them all. Because equivalent income is the most widely used and perhaps the most accurate indicator in measuring economic well-being, throughout our study, we use the concept as an indicator of economic well being. In order to take into consideration the economies of scale in household consumption we use the 0.73 elasticity.

[3] For Zapf, the reconstruction of West Germany and Italy after 1945, or Spain's and Portugal's transition from dictatorship into democracy are just as much a cases of transformation as is the changing of the system in the beginning of the nineties in ex-socialist countries.

The advantages of a *comparative* study are obvious (Atkinson–Micklewright 1992; van den Bosch et al. 1996; Förster–Tóth 1997; Immerfall 1995). Comparing the societies of Hungary and East Germany highlights the general and the particular (country-specific) features of the process of transition. West Germany serves as a point of reference, since it can be regarded a case of normal social change occurring in a modern industrial society. This helps to reveal what significant differences exist between usual social change and processes associated with transformation.

We begin by presenting some figures for income development, using structural (static) income-inequality indicators.[4] Then follows a more detailed description of data for individual mobility over time. The interconnections revealed by the analysis of dynamics allow us to formulate some assertions and hypotheses concerning the features of social change. After the discussion of change in society as a whole, the focus shifts to the level of the individual.

## *Income distribution and income inequality in the 1990s*

As mentioned before, it is a widely shared opinion that income inequality increases in the process of transformation (Förster–Tóth 1997). The changes that have taken place are not uniform; several different types of transformation have occurred, which we will not detail here; it will suffice to list some of those phenomena mentioned by other studies on the transition (Kornai 1993; Offe 1994; Zapf 1995). New markets replaced redistribution in income regulation; new firms have been established; state property has been privatised; the labour market has shrunk and has been restructured; as a consequence, unemployment has emerged; efforts have been made to strengthen the means-tested character of welfare programmes, etc. The focus here is on the *consequences these changes have for income inequality* in transformation societies. The worst of these are commonly agreed to be rising poverty and mounting inequalities. The account of the transition provided by the commonly used inequality indices, and the ways in which the new types of income-trend indicators introduced here can contribute to these accounts, will presently be shown; precisely this is the purpose of the present section of the paper.

The distribution of income can be reshaped in a number of different ways. One possibility is that the rich become richer and the poor become poorer. Another – the view that is more commonly held in the Hungarian scientific community – is that the increase of inequality is a result of the fall of the middle income classes. Which hypothesis offers a more accurate description of the development taking place in countries under transition? Or should the analysis impel us to work out a new hypothesis? Are we witnessing the same developments in Hungary and in East Germany in the first place, and can we confidently state that in the western part of unified Germany no changes occurred in the period under investigation?

[4] The investigation is based on the German Socio-Economic Panel (henceforth GSOEP) and the Hungarian Household Panel (henceforth HHP). These two data bases are identical or very similar in terms of their crtiteria of representatives and the structuring and contents of their questionnaires. For further details on the German panel, cf. Hanefled 1987; Wagner et al. 1994. On the Hungarian HHP, see the annual reports: Sik–Tóth 1992, 1993, 1995, 1996, 1997; Tóth 1994.

Before moving on to the details of the analysis, it must be mentioned that real incomes in East Germany increased enormously, mainly as a result of West German state transfers (Hauser et. al. 1996), and that the equivalent incomes in West Germany also increased, but on a much lower scale. Conversely, in Hungary, where „transformational recession" (Kornai) occurred without any international subsidies, consumer opportunities decreased.

*Table 1* shows the developments between 1990 and 1996 reflected by two commonly used indices, P90/P10 and the Gini Coefficient.[5] Both indices indicate clear differences, whichever year we look at, income inequality being *highest in Hungary and lowest in East Germany*.[6] In West Germany, that is in a well functioning developed market economy, inequalities are lower than in Hungary at the beginning of the transformation process.[7] In terms of the levels of inequality, the Gini Coefficient and the more sensitive P90/P10 ratio produce almost the same picture. However, if we consider changes of income, it seems that transformation does create a more intensive change in income distribution in the countries in transition. It is especially the P90/P10 ratios that indicate increase in income inequality. This index shows evident increase in Hungary, and until 1995 also in East Germany. (Whether this increase can be deemed high or not is a relative question.) The Gini shows no changes in East Germany, which suggests that the West German welfare system has played an important role in the East German transition by blocking some of the negative effects. As we have anticipated, income inequality has barely altered in West Germany: here society seems to have been unaffected by the transformation and reunification.

[5] For Hungary we only have data from after 1992.

[6] For a detailed analysis of income inequality in the former socialist countries, see Fleming and Micklewright 1997, and Förster and Tóth 1997.

[7] This is in keeping with the data of Förster et al. 1998, which tell us that income inequaity observed in Hungary is higher than in many other developed industrial countries of Europe. Considering the 1987 income surveys of HCSO, we can conclude that increase of income inequality was most intensive at the end of the eighties and at the beginning of the nineties, since according to these data, the Gini was around 0.23, and the P90/P10 around 2.7 (cf. Spéder 1998). Unfortunately, the HCSO income surveys and the HHP survey are not entirely compatible, but it is fair to suppose that the trends are not misleading.

**Table 1** **Inequality indicators for West Germany, East Germany, and Hungary.**

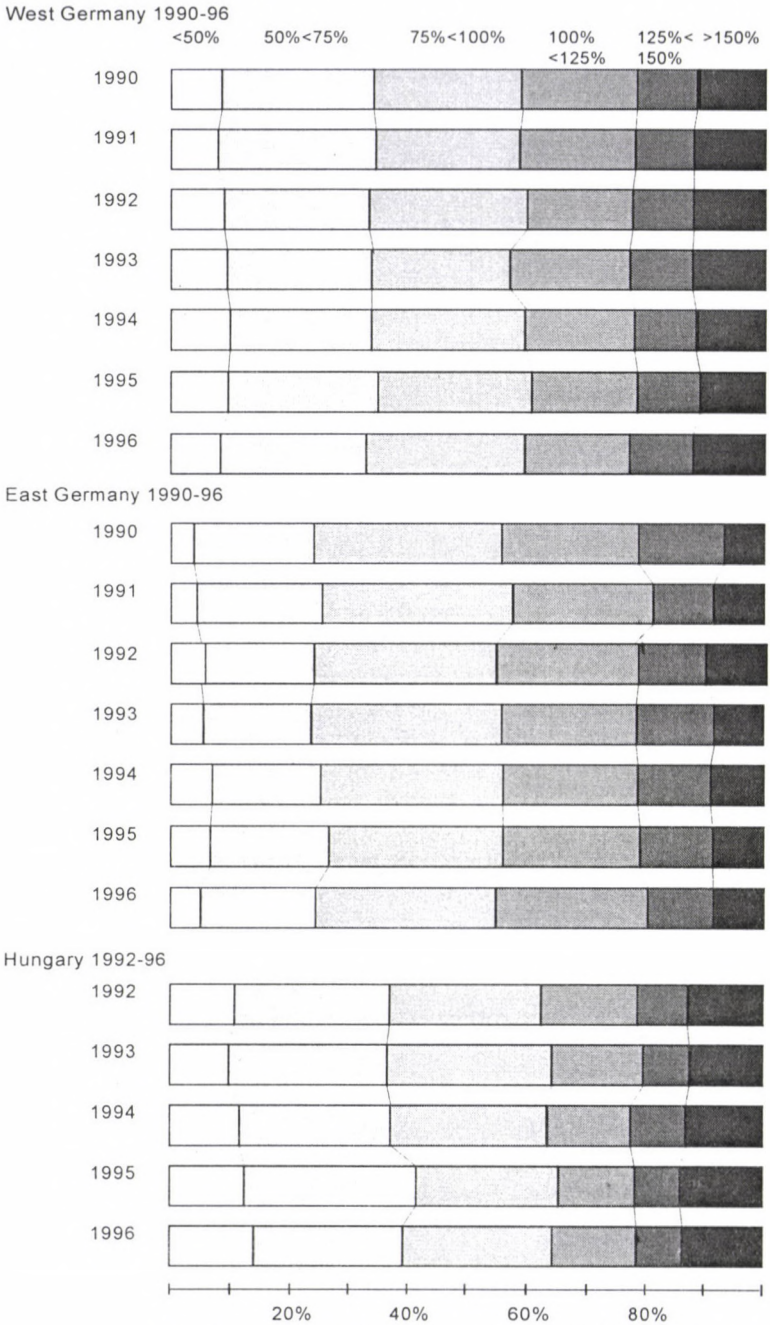
| Year | P90/P10 | | | Gini Coefficient | | |
|---|---|---|---|---|---|---|
| | West Germany | East Germany | Hungary | West Germany | East Germany | Hungary |
| 1990 | 3.01 | 2.49 | | 0.25 | 0.18 | |
| 1991 | 3.08 | 2.44 | | 0.25 | 0.20 | |
| 1992 | 3.02 | 2.53 | 3.36 | 0.25 | 0.20 | 0.28 |
| 1993 | 3.03 | 2.50 | 3.25 | 0.25 | 0.20 | 0.28 |
| 1994 | 3.08 | 2.50 | 3.48 | 0.25 | 0.20 | 0.29 |
| 1995 | 3.05 | 2.65 | 3.63 | 0.26 | 0.20 | 0.30 |
| 1996 | 3.09 | 2.47 | 3.62 | 0.24 | 0.19 | 0.30 |

(Note: Equivalent household net income; e: 0.73; individual level, children included.
Data base: GSEP, 1990–96, and HHP 1992–6. Authors' calculations.)

The indices used above are well known indicators of income inequality, but it is worth looking at some other structural measures as well. Another classic measure is the distribution of individuals among income categories (classes). We created six relative income categories for each country and each year based on annual mean equivalent net household income. Those in the bottom category – the group whose members we regard to be the poor – receive less than 50 per cent of the mean equivalent income. The second poorest category has incomes between 50 and 75 per cent of the mean. The next group contains those whose income is between 75 per cent of the mean and the mean itself. This is followed by groups reaching 125, and than 150 per cent of the mean. Thus, those who belong to the richest category receive one and a half times the mean income. For the sake of clarity, we present the distribution of the population among these categories graphically.

Looking at the results of *Figure 1*, our first impression is similar to the one obtained from *Table 1*. The differences among the three societies are clear, as is the relative stability of income distribution over time. Closer examination shows that the increase in income inequality in Hungary results from mounting poverty and from the rising proportion of the rich in the population. At the same time, the middle income category is shrinking, which phenomenon is especially conspicuous by comparison with Germany.

*Figure 1. Relative income positions, 1990–96*




Database: German Socio-Economic Panel 1990-96; Hungarian Household Panel 1992-96. Own calculations.

Which of our initial hypotheses is supported by the above distribution measures? The first hypothesis was that *the rich are becoming richer and the poor poorer*. If this is the case, the position of those in the middle will be relatively stable, and changes will be confined to the extremes of the income distribution: we will observe falling incomes of the poor and rising incomes of the rich. The other hypothesis is that Hungary has a *shrinking middle category*. Here mounting inequality will result from shifts that cause households in a middle-class position to slip into poverty and/or to become rich. As already mentioned, *Figure 1* seems to suggest that the second case applies to Hungary. Further evidence for deciding between the two hypotheses is provided by trends observed in the so-called poverty gap. This parameter describes the distance between the income of the poor and the poverty-line. Poverty deepens when this distance grows. The analysis of the data from the HHP failed to reveal any noticeable increase in the poverty gap (Andorka et al. 1995; Szívós and Tóth 1998), that is, there is no increase in the gap between the average and the poor. So far, thus, our evidence supports the thesis of a shrinking middle income class in Hungary; we will return to the above two hypotheses after analysing the mobility between the income categories.

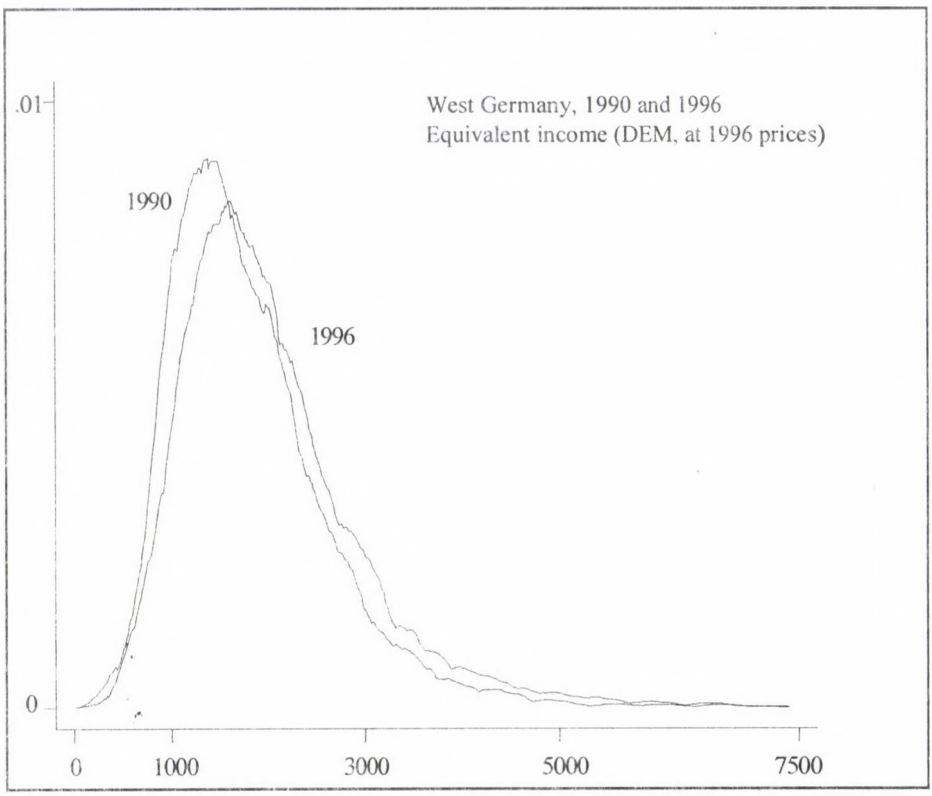
We also have to note, however, that the shifts we have observed are somewhat less intensive than we have anticipated. Although the differences can be seen more clearly through observing income categories than by studying the Gini Coefficient, the picture remains very similar, especially with regards to developments over time. Let us now look at a final structural indicator, the *Kernel Density Estimate* (Cowell et al. 1994; Becker and Hauser 1997). This is a very simple method, for all we have to do is to estimate the function which best approximates the density estimate of our empirical data. The result we get shows what proportion of the population falls into a given income position when we have a given empirical distribution.[8] In the case of the three countries under consideration, we used equivalent incomes deflated by inflation rates. We, however, have not converted German and Hungarian incomes, the estimate-functions thus are to be interpreted within each country. The results speak for themselves, telling a different story than did the results obtained from the analysis of the Gini Coefficient and the income categories (*Figures 2-4*).

East and West Germany clearly experienced a real income increase in the general income level during the period of the survey (the curves shift to the right), while Hungary saw a decrease in the income level (a shift to the left). With respect to the question posed in the present article, it is even more interesting to observe the relatively large alteration in the shape of the curves (if we compare the shape of the curves for the first and the last years investigated in each country). It is the two West German curves that seem to resemble each other the most, and it is the East German curves where the biggest differences can be observed. In East Germany the mountain has shrunk into a hill in six short years. In Hungary the shift is just the opposite, with the income-distribution mountain becoming higher and steeper. Furthermore, there is a longer slope on the right, and a steeper one on the left. What

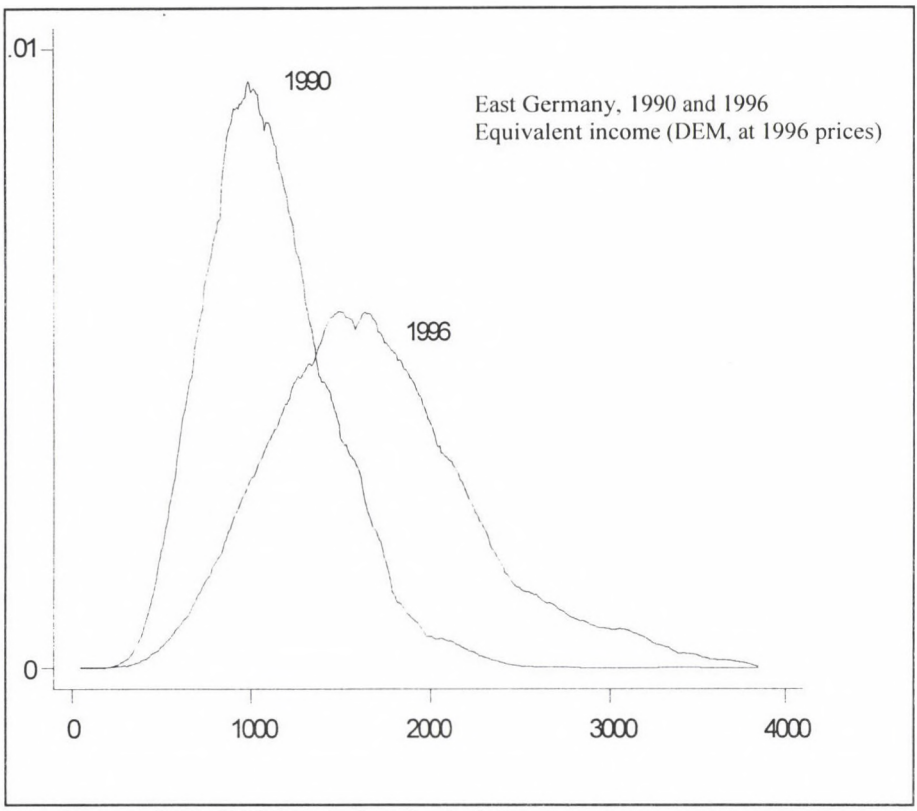
[8] On this method and on its use in analysing income inequality, see the study by Cowell et al. 1994, referred to above.

do the changes in the shapes of the curves suggest, especially with respect to East Germany and Hungary?

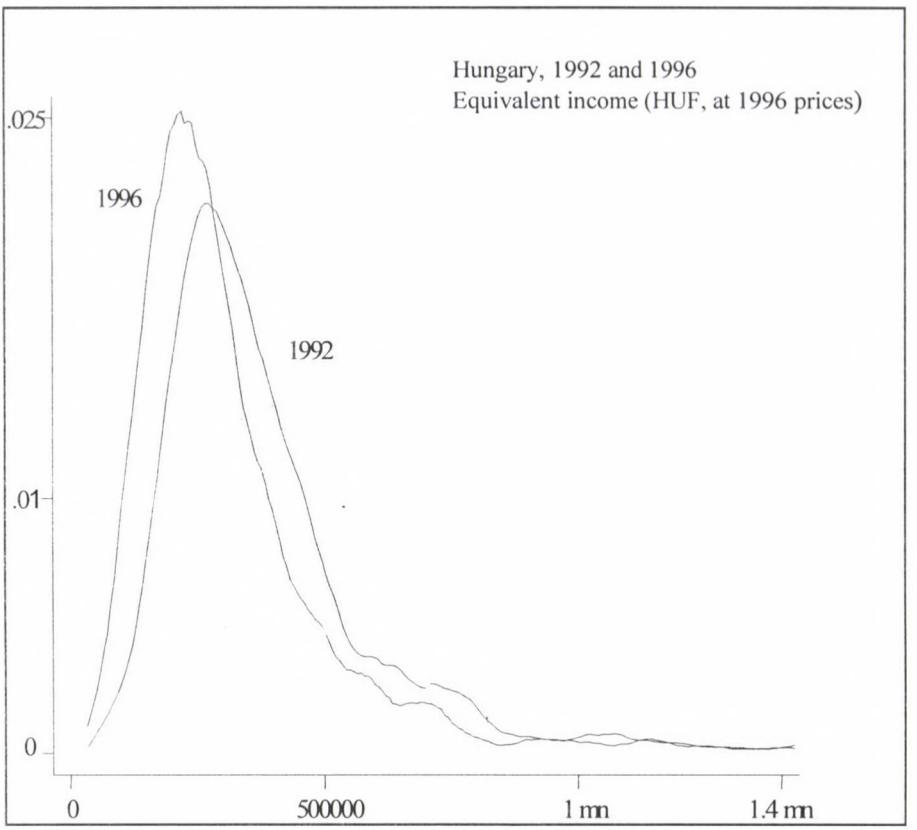
*Figures 2-4. Kernel density estimates*




*Data base: GSEP, 1990–96. Authors' calculations.*




*Data base: GSEP, 1990-96. Authors' calculations.*




*Data base: HHP 1992–96. Authors' calculations.*

A great majority of *Hungarian* society has moved closer to the mode of the income distribution and to each other (*Figure 4*). If we considered only the (bottom) four-fifths of the society, we could perhaps register a decrease over a five year period in income differences. However, if we also consider that the income position of those in the upper-middle and upper income categories have barely deteriorated, what is more, at one point of the distribution an interval was found where real income had even increased, then the nature of the increase in inequality in Hungary becomes readily visible. The increasing Gini Coefficients and P90/P10 ratios in Hungary thus are explained by both of the two different shifts.

Meanwhile individuals in *East German* society have tended to diverge from the mode income (they have „spurted"). Two low peaks have appeared in the middle, that is, the distribution has two modes. The height of the hill is barely larger than half the height of the mountain of 1990. The two slopes of the curve are quite similar, and smoother than they were before. At the same time, a considerable number of individuals were found on the right slope of the income distribution (this perhaps is the upper-middle income category). The evening and lengthening of the

curve also tells us that members of the society are distributed on a larger income scale, which coincides with a wider *real income distance* among families. That is, if we assumed that the same order of income categories could be set up in 1996 as in 1990 – which, as we will see, is not the case, although the constancy of the Gini-index allows such a assumption – then we could conclude that the distance between the neighbouring families has grown. (In contrast, considering the large majority, real income distances have narrowed in Hungary.) In general it is surprising that behind the quite stable Gini measures we found such a large difference in the Kernel density income distribution.

The shape of the curve has also changed in the case of West Germany. There is a slight decrease in its height, as well as in the density around the mode income. At the same time, steepness has decreased on the left, while increased on the right side. The figure suggests the assumption that – although the stability of the Gini Coefficient hides this – West Germany has also experienced a minor transformation: those above the average have moved closer to the mode, while the poor have moved away from it (*Figure 2*).

According to the above figures one may say that the Kernel density estimates narrate „a new chapter of the transition story", with a new meaning. It tells us that the greatest changes took place in East Germany. This is where the greatest increase in mean income occurred (shift to the left), and the Kernel density describing income distribution completely modified. One possible sociological interpretation is that the distance between East German families has grown. Hungarian and West German changes – as compared to each other – occurred in the opposite direction. However, the Hungarian data show that while a significant part of the society (two-thirds, four-fifth?) has moved closer to each other, we can find condensations on the right side of the curve as well. We suppose that this is where those upper-middle and upper class individuals can be found whose income has deteriorated to a lesser degree than the average has, or even improved in absolute terms. This (small) group of society has moved further away from the middle (the average) and the distance between its members has also grown.

An evident methodological lesson to be learned from the foregoing discussion is that it is worth approaching the same problem from various directions, because this leads to a more subtle – and sometimes more contradictory – account of the subject of research. On the basis of these considerations – and in order to continue our „income story" – we will observe the components of the structural changes described above. The question to answer now is what individual and group-movements led to the occurrence of these changes, or put differently: What shifts in income trends can be found behind the structural changes.

### *Change at the micro level between two points of time: year-to-year mobility*

Authors analysing panel data usually observe that the movements and fluctuations of households between income categories frequently explains the relative stability of income distribution (Duncan 1984; Hauser and Wagner 1995; Headey, Habich and Krause 1994a, and 1994b). Before analysing our data with this in mind, it is a good idea to formulate, through invoking some well-known theoretical models, our own

hypotheses regarding *the dynamics of income inequality and the pace of social change*. Our point of departure is modernisation theory (Zapf 1994a). We start with the assumption that the pace of social change and the dynamics of income-position movements are very different in the three societies. (As mentioned earlier, the West German pattern basically served as a reference category.) We accepted as a fact that in industrial societies continuous social changes are taking place as a result of the operation of the labour market, ongoing innovations in other spheres of life, as well as the fluctuations of family cycles. Because we have assumed „stable dynamics" in developed industrial societies, we expected to find that there would be changes among income positions, but that the dynamics of these changes (the mobility pattern) would remain unaltered. In contrast, a much stronger mobility was anticipated for the countries in transition than for West Germany. We also expected to find differences between the two former socialist countries. The dynamics of change should be influenced by the different paths of transformation, including the strategies involved in changing the regime, the rebuilding of institutions, and the recovery of the economy (Balcerowicz 1995; Offe 1994; Stark 1992). We expected to see that mobility in the beginning will be higher, and that it will then slow down earlier in East Germany than in Hungary.[9] We have also worked out an alternative hypothesis concerning the degree of the transition completion. If it is true that the transition (and change of regime) is a special type of change that is quicker and more comprehensive than those normally observed, then it must also be present in micro level dynamics. Transition may be regarded as accomplished when dynamics comes to a rest.

One simple method of showing this is the use of a transition matrix to analyse the turnover from one year to the next, or from the starting to the closing date.[10] The ratios of the transition matrix show whether people retain their income position over time, or whether they move upwards or downwards. *Table 2* presents the movements of individuals between income categories from an *outflow* perspective.[11] Income categories featured in this table are identical with the ones we have used earlier (see *Figure 1*). As an example, let us take a closer look at one of the income categories, and at the outflow from that category.[12]

[9] We note here that in our research we have regarded the degree of mobility as a valid measure for the quality of social change.

[10] The datum relating to the whole of the period indicates the income position at the end of the period gained by individuals who belonged to a certain income category at the beginning of the period.

[11] In principle, transition matrices can be analysed from two points of view. The outflow perspective gives information about movements from the beginning to the end of the period. The inflow perspective looks specifically at the pattern of recruitment of current income positions.

[12] The distribution if the transition matrix also depends on the length of the period considered. This means that we will have to analyse periods of the same length. In the case of Hungary, we have looked at the period between 1992–96, and in the case of Germany, we analysed the years between 1990–94 – a decision based on considerations mentioned above.

**Table 2** **Distribution of individuals among income categories, by former income position (outflow perspective)**

| Income categories | Income categories 1994/1996 | | | | | | |
|---|---|---|---|---|---|---|---|
| | West Germany 1990–94 | | | | | | |
| 1990 | <50% | 50-75% | 75-100% | 100-125% | 125-150% | >150% | Total |
| <50% | 49.7 | 29 | 11.6 | 7.0 | 1.9 | 0.8 | 8.3 |
| 50-75% | 14.6 | 50.2 | 24.9 | 6.6 | 2.1 | 1.5 | 25.7 |
| 75-100% | 4 | 21.3 | 43.9 | 20.6 | 6.1 | 4 | 25.2 |
| 100-125% | 3.8 | 10.4 | 29 | 33.8 | 14.7 | 8.3 | 19.2 |
| 125-150% | 0.9 | 7.1 | 11.7 | 28.4 | 32.9 | 19.1 | 10.4 |
| >150% | 0.9 | 3.8 | 8.8 | 11.8 | 16.5 | 58.1 | 11.2 |
| N | 869 | 2112 | 2320 | 1616 | 916 | 1022 | 8856 |
| % | 9.8 | 23.9 | 26.2 | 18.2 | 10.3 | 11.5 | 100 |
| | East Germany 1990–94 | | | | | | |
| <50% | 29.6 | 36.9 | 21.1 | 7.9 | 1.8 | 2.8 | 3.8 |
| 50-75% | 11.8 | 31.5 | 31.1 | 17.9 | 6.4 | 1.3 | 20.2 |
| 75-100% | 6.3 | 20 | 40.4 | 22.3 | 7.6 | 3.3 | 31.9 |
| 100-125% | 3.3 | 12 | 33.2 | 25.6 | 19.5 | 6.5 | 22.8 |
| 125-150% | 3.7 | 8 | 17.5 | 28.6 | 19.5 | 22.7 | 14.5 |
| >150% | 0.6 | 4.6 | 11.8 | 19.5 | 24.3 | 39.2 | 6.8 |
| N | 176 | 471 | 792 | 574 | 327 | 229 | 2569 |
| % | 6.9 | 18.3 | 30.9 | 22.3 | 12.7 | 8.9 | 100 |
| | Hungary 1992–96 | | | | | | |
| <50% | 45.5 | 28.8 | 14.8 | 5 | 2.1 | 3.7 | 9.4 |
| 50-75% | 16.7 | 43.5 | 25.4 | 9.6 | 1.9 | 2.9 | 24.8 |
| 75-100% | 9.8 | 27.7 | 39.3 | 12.7 | 3.2 | 7.2 | 25.6 |
| 100-125% | 4.2 | 17.8 | 24.5 | 23.5 | 15.2 | 14.9 | 17.9 |
| 125-150% | 6 | 11 | 18.2 | 19.8 | 20.7 | 24.4 | 8.6 |
| >150% | 6.6 | 6.1 | 11.4 | 15.6 | 16.7 | 43.5 | 14.1 |
| N | 565 | 1101 | 1088 | 609 | 357 | 593 | 4314 |
| % | 13.1 | 25.5 | 25.2 | 14.1 | 8.3 | 13.7 | 100 |

Data base: GSOEP, 1990–96 and HHP 1992–96. Authors' calculations.

In West Germany, 44 per cent of those who in 1990 belonged to the lower middle income category (75–100 per cent of the mean) remained in the same income category in 1994. The others changed their relative income positions in the course of five years: about 25 per cent slipped downwards and the remaining 30 per cent improved their position. About a twentieth of those who in 1990 belonged to this lower middle income category became rich by 1994 (*Table 2*). Comparing the same categories in East Germany and Hungary we can observe that 40 per cent of the respondents retained their income position. In terms of mobility, mobility downward was higher in Hungary than in East Germany, while a higher number of people were capable of improving their relative income position in East Germany than in Hungary.

It is not easy to compare the transition matrices of the different countries, because the relations between the countries are not identical in the case of each cell of the matrix. Comparison becomes somewhat easier if we consider only the cells in the *diagonal*. In this case we compare the proportion of those individuals who belonged to the same income category at both the observed points in time (the beginning and the end of the period).[13] According to our data, this proportion is the highest in the income categories in West Germany. In comparing East Germany and Hungary, the results do not always correspond. The proportion of those leaving the lower income categories was higher in East Germany, while with regards to average and above-average income categories the distributions vary.

How can these changes be interpreted with our initial questions in mind? After studying the figures it seems to be evident that *the societies undergoing transformation contain a far higher number of people whose relative income position has changed over time than does West Germany.* Behind the macro-structure of income distribution and income inequality that changes only very slowly we found an unexpectedly intensive and unceasing shift in income positions. It seems that the transformation is a more dynamic process than the „normal" changes taking place in modern industrial societies. The comparison of Hungary and East Germany shows that the latter country has a somewhat higher income mobility. This seems to contradict the results provided by the classic inequality indicators, but ties in with what the changes in the shape of the income distribution drawn by the Kernel Density Estimate suggested. We would also like to call attention to the fact that this flow also takes place under relatively stable economic and social conditions. Regarding theories of modernisation or social change, this is clear evidence for *continuous social change* in modern industrial societies (Hauser and Fabig 1998).

We have seen that transition matrices are not easy to handle and that they disregard structural changes. To resolve these problems, we have constructed what is known as the Glass/Prais Mobility Index, which serves to characterise the outflow from certain income categories (Machtwig–Habich 1997; Müller–Frick 1996). The Glass/Prais Index measures how mobility observed in a given income category in a given period of time relates to total (the whole of possible)[14] mobility.[15] Its value can be between 0 and 1, and the higher it is in an income category, the higher year-to-year mobility is in that category. This is a good way of illustrating change in mobility-stability patterns.

For the sake of greater clarity, we present the Glass/Prais Index graphically. In comparison with the shifts in the transition matrices, we have altered our procedure inasmuch as we here calculate and show the Glass/Prais Mobility Index for all the *year-to-year* periods. For the sake of arriving at conclusions in terms of contents, we here do not confine ourselves to characterising each country only by the four figures

[13] We disregard the distances of the movements.

[14] As if the final position were independent of initial group positions.

[15] Ways of computing the Glass/Prais index are detailed by Machtwig–Habich 1997: 28ff. This index, as far as we can tell was used to measure the tempo of social change for the first time in the mentioned study.

within the five year period. With all these considerations in mind, we can now expand the comparison between the countries. Thus we hope to be able to better compare

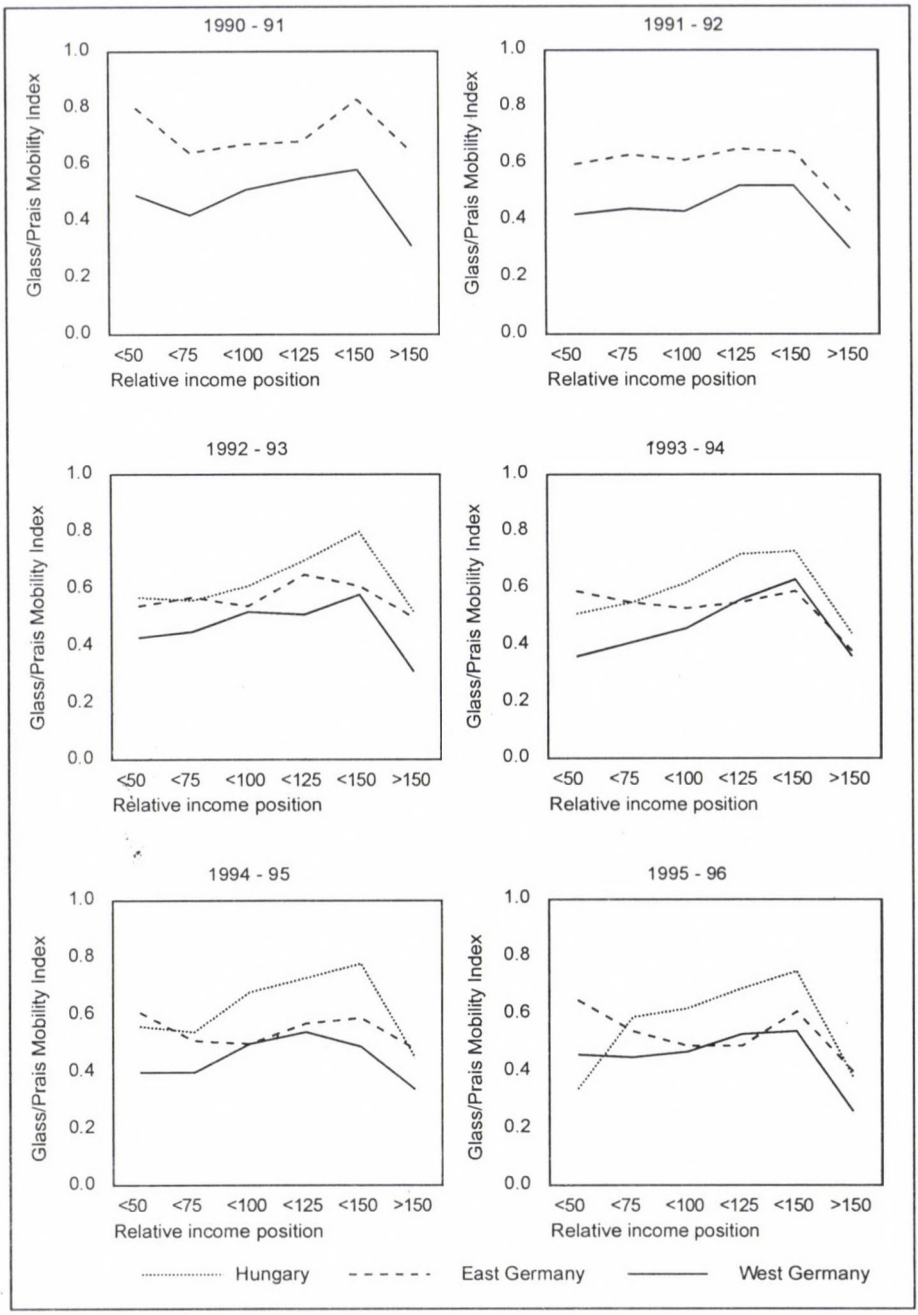
– the changes the selected societies have undergone between two points of the year-to-year period;

– whether there occurs a change with the passing of time in the curves of the studied societies, in other words, if there were changes in dynamics („the changes of changes");

– whether there are similarities or dissimilarities in the changes of the mobility patterns.

What are the most interesting results obtained from the Glass/Prais Mobility Index?

*Figure 5. Measuring the pace of social change using the Glass/Prais index*




*Source: GSOEP 1990–1996 and HHP 1992–1996. Author's calculation*

The degree of income mobility in *West Germany*, a country not in transition, was quite high. Looking at the various income categories, there was not much change in the mobility *pattern* over the period investigated: the pattern in 1990 was very similar to the pattern six years later. The mobility was somewhat higher in the middle categories, partly because those at the ends of the scale had the chance to move only in one direction.

In *East Germany*, we find much higher mobility rates, which are confined to the very beginning of the transformation. According to the income-mobility patterns, the transformation *slowed down to West German* levels around 1993. In the ensuing years we can observe one special feature: the two bottom categories, the poor and the almost poor, had much better chances of escaping from poverty than the same categories did in West Germany. From this we can conclude that the *segmentation of the population into poor and not poor was less sharp in East Germany than it was in West Germany.*

Mobility in *Hungary* was higher than in East Germany (and of course also higher than in West Germany) in each of the four periods under investigation. However, if we observe the first periods we have data for in each country (1990–91 in Germany and 1992–93 in Hungary), a very similar pattern emerges in the two transitional countries. On the one hand, we know that the increase in inequality started at the very beginning of the 90s, that is, before the time for which we have longitudinal data in Hungary. We can thus conjecture that mobility in the earliest times of the transition must have been even more intensive than in the first period we have here investigated (1992–93). On the other hand, unemployment emerged in 1992, and the differentiating effect of the labour market probably became stronger in the period we have analysed. On these grounds, we have to assume that in the period when transition began in Hungary, and for which we have no panel data, income-position mobility probably was no higher than that observed in 1992. *What we can state with certainty is that the period of transformation was characterised by very high income mobility in every income category.*

In *Hungary* we cannot observe the same process of slowing down that characterises East Germany. This phenomenon leaves room for differing hypothesis about the Hungarian development. It can be assumed that in Hungary the transformation lasted somewhat longer than in East Germany, and has not yet finished in 1996,[16] but it can also be postulated that the „normal" mobility pattern of Hungary may be different from that of Germany, and that it will also be higher than Germany's in the future. It is worthwhile to quote at this point some of the results of the study of Hauser and Fabig (Hauser–Fabig 1998:4). They state, drawing on comparative studies, that income dynamics are very similar, in fact almost identical, in societies with as dissimilar welfare regimes and labour market systems as those of the USA and West Germany. In our case, the higher Hungarian mobility pattern is an indication of ongoing transformation.

[16] We are aware that this is in contradiction with the views of several researchers involved in the HHP project, but in our case, it is the stabilising of mobility patterns that means the completion of the process.

Clear differences between the countries become apparent in terms of *income categories*, if the curves for the last period are considered. While the upper-income categories show the highest degree of stability in each country, with regard to the poorest, in Hungary stability seems greater than in Germany. The middle-income categories, on the other hand, show very high mobility. These observations suggest that the nature of transformation differs in these countries. In Hungary, in comparison with other countries, the poor seem to have become a strongly disadvantaged group in the last year. However, it is not impossible that this is due to a „one-off" instance of hardship, caused by the Bokros package of stabilisation measures introduced in 1995. By contrast, the West German welfare system seems to have functioned efficiently in East Germany, where people had the best chance of escaping poverty.[17]

High mobility rates in the middle categories in Hungary indicate that this category was „volatile" – not a place of „arrival", but one of „departure". Although the direction of movement was usually downward, there were paths leading upward as well.

### *Income dynamics during the whole period: overall income mobility pattern*

We are still trying to understand income dynamics/mobility, but we would like to be able to treat year-to-year periods and the whole period simultaneously. We now want to illustrate and sum up the overall mobility patterns between 1990 and 1994 (in Germany) and between 1992 and 1996 (in Hungary). For this, it is necessary to modify both the analytical strategy and the methodological perspective and we have to introduce yet another method. For this reason, we have divided individuals' income careers into annual units of observation, and we have based our analyses on these units (observations). The tables that follow present the results of analysis of all „observations", which means that they report at an analytical level on „person-years"[18], This angle allows us to examine in more detail whether or not total mobility in the three societies differed significantly.

Let us look more closely at the mobility and stability of all income-category positions across the period of transformation (first step). The unit is „person-years" observed. The findings of *Table 3* are to be understood as referring to the distribution and the stability/mobility pattern of the relative income positions over time, as follows:

[17] This apparently contradicts the statements of Hauser and Fabig, who conclude that German welfare and tax system had the effect of decreasing mobility. However, they used an aggregate, and not an income-category-specific index.

[18] This change of perspective is to be noted. The level of analysis here is not the individual, but the sum of all yearly „events" happening to the individual.

**Table 3 Income positions over time: breakdown of proportions (percentage)[+]**

| Income positions | Proportion of all observations in total time in income category („overall") | | | Proportion of persons experiencing income category („between") | | | Proportion of the time a given person remains in the same income category („within") | | |
|---|---|---|---|---|---|---|---|---|---|
| | West Germany | East Germany | Hungary | West Germany | East Germany | Hungary | West Germany | East Germany | Hungary |
| <50 | 8 | 5 | 9 | 17 | 15 | 24 | 63 | 41 | 56 |
| 50-75 | 25 | 19 | 25 | 47 | 47 | 54 | 69 | 53 | 61 |
| 75-100 | 25 | 32 | 25 | 53 | 71 | 60 | 62 | 57 | 55 |
| 100-125 | 19 | 23 | 15 | 43 | 59 | 44 | 57 | 50 | 45 |
| 125-150 | 11 | 12 | 9 | 28 | 35 | 29 | 51 | 44 | 40 |
| >150 | 12 | 8 | 16 | 22 | 20 | 32 | 73 | 55 | 68 |
| Overall[++] | | | | 210 | 247 | 242 | | | |

Notes:
[+] „Overall": distribution of all *observations* (person-years) in each income category;
„between": proportion of *persons* found at least once in a particular income position;
„within": proportion of *observations per person* in the given income category (fraction of time).
[++] „Overall between": the sum of the „between" percentages
Data base: GSOEP 1990-94; HHP, 1992-96. Authors' calculations.

a) The „overall" percentage sheds light on the total distribution of all person-years – all yearly income class experiences of all the individuals – in the income position concerned. This could be regarded as a generalisation of the annual distributions.[19] These three columns are significant, because they show how many times individuals have been classified in certain income categories over the whole period.

b) The next three columns again regard individuals as points of reference. The „between" percentage shows the proportion of all persons who have ever been – regardless of duration – in the income position in question. In other words, we learn what proportion of persons experienced a certain income position at least once.

c) The „overall between" in the bottom row of the three middle columns is a measure that can be interpreted as contrasting overall mobility over the whole period between the countries. The higher the value, the higher the proportion of the population involved in total mobility is.

d) The last three columns report on how many times (for how long) individuals stayed in a particular income category. These „within" percentages denote the fraction of time as compared to the whole period – five years – which a person has spent in a specific position. If only the same people belonged to a given income category in every observed year, then we would have 100 here.

To make things clearer, let us take an example. We assume that in the three societies the proportions of all observations which fall either into the underprivileged or into the privileged positions vary. This expectation is confirmed when we see that in West Germany only 8 per cent of observations fell into the lowest

[19] A way of summing up the distribution tares indicated in the diagrams of the first figure.

income category (poverty), while in East Germany this proportion was about 5, and in Hungary about 9 per cent. As for the wealthiest category, the proportions were 12 per cent for West Germans, 8 per cent for East Germans and 16 per cent for Hungarians. However, these different figures tell only parts of the story.

Let us see what we can learn from the proportions in the „between" category. These percentages add to our discussion by documenting the proportion of people involved – at any time and for any duration – in the lowest and highest income categories. In West Germany 17 per cent of the total population fell at least once into poverty position. The equivalent proportion for East Germans was around 15 per cent, while in Hungary it was 24 per cent. The relative figures for the wealthiest position were very similar to these, only at a different level.

This picture, however, is incomplete without considering the „duration" of the state of poverty and wealth. This is supplied by the „within" percentage, which denotes the number of observations of a person in a certain income category, as compared to the whole period. This figure is a measure of the stability of income classes. If we compare the two extreme positions, we find that the top (the privileged) position seems more stable than the bottom one (that of poverty). Put differently: poverty proved to be less stable than wealth.

What do these figures and proportions then mean with respect to the particular counties? The point to note from this analytical framework is that there were different chances and risks associated with winning or losing a specific income position in the course of time.

In general, it seems clear that in Hungary the lower and the top positions were more stable than the others. The second highest position (125 to 150 per cent) was the most precarious. A very low percentage of all observations and only a minority of people fell into this category, and they had a relatively small chance of remaining there over time. Perhaps one could interpret this as the presence of a new, unstable, Hungarian upper-middle class. When the various documented indicators are compared, a segmentation of income positions seems to have begun. The stability patterns („within") lead us to suppose – especially when compared to the proportions in the two parts of Germany – that in Hungary the position of the lowest and the topmost income categories have stabilised, almost to the same degree that we find in West Germany.

In East Germany we find a different story. Here the figures do not indicate that borders between income categories would be becoming rigid. Unlike in Hungary, the overall East German trend seems to be towards the average. We find a higher number of person-years around the mean income category than we do in West Germany. A vast majority of East Germans (>75 per cent) have at some point in time occupied lower-middle income position.

As already mentioned, even in the reference case of West Germany there was much greater fluctuation than could have been anticipated. We, therefore, want to stress again that societies undergoing „usual" social change display processes of considerable mobility at the micro level and stable income distribution at the macro level.

All in all, we have eventually come up with further evidence showing that total income mobility in East Germany and in Hungary was higher (240 per cent) than in

West Germany (210 per cent). Furthermore, behind proportions of mobility almost identical in the two former socialist countries we found different patterns in income position mobility: in Hungary – in comparison with East Germany – a very high number of people experienced lower income categories, and have stayed there for much longer spans of time.

As a last step – and only for the sake of completing the picture since we do not expect to get different results – let us examine the *generalised probability matrices*. This differs from the previously presented matrix in that here there is a „generalisation" of year-to-year transitions. In other words, this method filters the undulations of the yearly eventualities which the Glass/Prais index made visible for the countries in transition. The matrix presents chances for transitions relative to the whole of the period. The probabilities can be interpreted as the proportion of individuals remaining in a given position (diagonally) in each year, and as the chances for someone to move from one income category into another. Let us look once more at an example.

*Table 4* illustrates the probability of transition between income categories. The line for West Germany shows that the population in poverty has an „annual risk" of 59 per cent of remaining poor in each of the following years, and a 41 per cent chance for escaping poverty. Chances of moving to the neighbouring income category (into the 50–75 per cent category) are 32 per cent, and there is no chance for jumping into, for example, the income category of the wealthiest.

**Table 4 Transition probabilities between income positions, 1990–94/96**

| Initial income category | Final income category | | | | | |
|---|---|---|---|---|---|---|
| | Lowest | 2 | 3 | 4 | 5 | Highest |
| | Transition probabilities | | | | | |
| | West Germany 1990–96 | | | | | |
| Lowest | 59 | 32 | 6 | 2 | 1 | 0 |
| 2 | 9 | 66 | 20 | 4 | 1 | 1 |
| 3 | 2 | 18 | 59 | 17 | 3 | 1 |
| 4 | 1 | 5 | 21 | 52 | 16 | 5 |
| 5 | 1 | 3 | 7 | 24 | 45 | 21 |
| Highest | 1 | 1 | 3 | 8 | 16 | 71 |
| | East Germany 1990–96 | | | | | |
| Lowest | 35 | 44 | 16 | 3 | 1 | 1 |
| 2 | 10 | 50 | 31 | 7 | 1 | 1 |
| 3 | 3 | 18 | 53 | 21 | 4 | 1 |
| 4 | 1 | 7 | 26 | 46 | 16 | 5 |
| 5 | 1 | 2 | 9 | 31 | 38 | 19 |
| Highest | 1 | 2 | 5 | 11 | 25 | 56 |
| | Hungary 1992–96 | | | | | |
| Lowest | 50 | 32 | 11 | 3 | 1 | 3 |
| 2 | 14 | 53 | 26 | 6 | 1 | 1 |
| 3 | 4 | 26 | 46 | 16 | 4 | 4 |
| 4 | 2 | 9 | 28 | 34 | 16 | 11 |
| 5 | 1 | 5 | 13 | 27 | 27 | 28 |
| Highest | 1 | 3 | 6 | 9 | 16 | 65 |

Data base: GSOEP, 1990–94 and HHP, 1992–96. Authors' calculations.

As we have indicated, no surprising novelties are to be found in *Table 4*. But some of its results are worth repeating. One is that in the two countries in transition the numbers in the diagonal – the probability of staying in the income class in question – are always lower than in West Germany. Another feature that emerges here is that there are differing outflow probabilities in the two countries in transition. When these two countries are compared, we find that in East Germany there is a greater chance of outflow in the case of those who are in the two bottom (the poor) and in the topmost (the wealthy) categories. At the same time, in Hungary the probability of staying in a category is the lowest in the middle and the upper-middle positions.

In our concluding remarks to this section we would like to suggest a new possibility for interpreting transition matrices. The fact of mobility processes and their empirical patterns could, in a theoretical sense, be seen as valid *indicators of the „openness" of a society.* These data reveal whether or not borders exist between certain income positions, between certain conditions of material well-being, and if they do, how easily they can be crossed. Do people living at a certain level of wealth have a future chance of finding themselves in more favourable circumstances? The case of West Germany – especially if we also consider the fact that researchers have

found quite similar outflow probabilities in the rather different social structure of the U.S.A. (Hauser–Fabig 1998) – shows us the degree of „openness" and the kind of income mobility „pattern" that characterise developed industrial countries, „open" societies. Upward leaps are not impossible, but the most probable mobility pattern in each income category is a transition to the neighbouring category. It is important to state this because as a result of the transformation in the former socialist countries the opportunities for changing income categories in a given period of time have opened up to an even greater degree than is common in Western societies. In the proceeding period – although we do not have empirical data for substantiating this assumption – these countries were most likely characterised by lower mobility dynamics than modern industrial societies.[20] The point is, however, that the income mobility patterns in the two countries in transition are different from those of a stable Western capitalist society.

## Summary

Here we restrict ourselves to the summary of some of our findings about social change in general, and of those made specifically about the transformation of systems, while we also call attention to some unresolved problems.

(1) The literature on inequality (Atkinson–Micklewright 1992; Becker–Hauser 1997; Förster–Tóth 1997) confirms that according to commonly used inequality indicators (Gini coefficient and/or decile distribution) the rate of change is rather moderate. The data of our study have also confirmed this view. At the same time, these data have also clearly demonstrated that there are very frequent shifts of individual positions underlying the stability of macro-social distribution. This is in keeping with the present authors' understanding of social change and with their everyday experiences. The pertinent theory of social change holds that modern industrial societies may be characterised by constant modifications taking place in the economy and in social life (Zapf 1994). Consider such background factors as the dynamics of the labour market (entrance, exit, career), or planned and unforeseen changes in family life and family cycle (birth of children, moving in and out, divorce, death). The role of innovation in the economy and society should not be forgotten either (Zapf 1994d). The macro level stability of developed industrial societies – as for instance that of West Germany – is the result of this constant micro level mobility.

(2) The post-socialist societies we examined are countries in transition, which show significantly *higher mobility* than does West Germany. This statement has been verified both by using Glass/Prais mobility indices and by applying the index of total mobility. This high degree of dynamics is motivated partly by structural and institutional changes (economic, political, legal, institutional transformations)

[20] At this point it is a valid objection that the income mobility analysed in our article is connected to social mobility, which describes the restructuring of social status and the individual and group movements between them. To reflect on this problem even on the level of mentioning it in passing would have led us far beyond the scope of the present study.

typical of the system change, which we did not treat in this paper, and also by the fact that as a result of the transformation, micro level processes characteristic of modern industrial societies emerged and began to operate.

(3) The similarities and differences between mobility in Hungary and in East Germany provide grounds for the formulation of a new hypothesis. Bearing in mind the entire income mobility of the two countries, one may say that *the dynamics of changes in income positions – the circulation within the income distribution system – is just as characteristic of the transformation as the increase of income inequality.*

(4) Clear differences were found in the pace of transformation in the two post-socialist countries. East Germany showed very fast change only in the first two years of transformation, while in Hungary a higher degree of mobility lasted longer. It can be assumed that the „unification effect" on East Germany was to some extent responsible for high mobility (Müller–Frick 1996), and consequently the effect of transformation has been weaker than in Hungary.

(5) The analysis shows that using traditional inequality measures we find no difference between West and East Germany concerning the trends, but variation emerged in the shape of the income distribution and the pattern of individual mobility. Thus, *the invariance of income distribution may have resulted from very different individual mobility regimes.*

(6) Over the whole period, there was less chance to escape poverty in Hungary than in East Germany, where we also find higher stability among the rich. East Germany's adoption of the West German social system – heavy taxation for the rich and the support for the poor – seems to have been effective in avoiding breaches in society.

(7) In East Germany, a robust middle-income category seems to have emerged. In contrast, in Hungary a process of polarisation seems to have taken place. The middle-category is very „fragile" in Hungary.

(8) We have also noted the possibility of an interpretation that naturally needs to be substantiated by further research. We have suggested that the indices measuring the dynamics and patterns of income mobility could be regarded as indicators of the „openness" of a society. Of course, we do not believe that there are „closed" societies where nobody changes his/her position, or that there would be societies which are entirely open, where an individual's position in the next year is a matter of pure chance. What we do hypothesise, however, is that the differences in the dynamics of societies may be constant, which may indicate the degree of openness of a given society.

We conclude this summary by acknowledging that our analyses must by no means be regarded as complete. It is our opinion that both the relative stability at the macro level and the steady dynamics at the micro level are interrelated in ways that require further explanatory investigations.

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# NATIONAL SENTIMENTS AND ATTITUDES TOWARD MINORITIES

## Introduction

There are numerous investigational approaches to the phenomenon of Nationalism in the relevant literature of political science, international relations or sociology, all dealing with various aspects of the problem. Conceptualisations of nationalism cover aspects of political ideology and political movement as well as the process of nation-building and also the particular political orientation of individuals.

### *Purpose of the study*

The purpose of the work presented in this paper was to examine the structure of attitudes organised around the notion of the nation and explore the structural relationship between national sentiments and attitudes toward cohabitant minority groups connected to the concept of nation. The present work is an attempt to study the structure and interrelatedness of attitudes toward one's own dominant national group and attitudinal strategies toward cohabitant minority groups.

Among the few empirical investigations focused on nationalism as a political orientation the work of H. Dekker and D. Malova (1997) stands out. According to their approach national attitudes can be conceptualized as a set of attitudes toward one's people and country, differing in strength and affect. Nationalism is merely one of the component attitudes of the set. Empirical research has shown that the component attitudes of the model (National Feeling, National Liking, National Pride, National Preference, National Superiority and Nationalism) are discrete sentiments organised into a cumulative hierarchy.

Although this model is focused on attitudes related to the concept of the nation, it is plausible that these attitudes are closely connected to opinions about issues concerning the relationship between the national majority and minority groups. Therefore, the aim of the present work was twofold. First, we set out to test the Dekker–Malova model on a Hungarian sample, to show that in spite of the fact that the applied scale contains several items with highly country-specific connotations the model itself is valid in the Hungarian context as well. The second aim was to reveal the structural relationships between the above mentioned national attitudes of the model and certain attitudes toward minority groups.

## *Definitions and Hypotheses*

Historians, sociologist, political scientists and social psychologists have proposed several definitions for the concept of a „minority". One approach is to find relatively objective, observable criteria, analysing cultural, historical or physical characteristics (see e.g. Kővágó 1983) emphasizing the numerical disadvantage of the minority group. Other definitions (see e.g. Wagley and Harris, quoted by Simpson and Yinger 1985: 17) are less concerned with objective differences but include aspects of minority existence, which arise from the disadvantageous social position of minorities, from the majority-minority relations and from attitudes toward the minority group. In this paper we use a minority definition (in the context of examining respondents' attitudes towards minority groups) which is closest to the approach of Tajfel: „[minority is] a category of people... at the receiving end of certain attitudes and treatment from the »outside«" (Tajfel 1981).

Simpson and Yinger (1985) describe majority policies toward minorities as belonging to three main clusters: the acceptance or even support of multiculturalism, the attempt to eliminate the minority group and in between the two extremities is assimilation or – contrary to that – a parasitic exploitation of a subordinate group deliberately restrained to this position. Translated to the level of individual attitudes of the members of a majority group we might also find the corresponding three general attitudinal stances toward minority groups, namely tolerance, assimilationist, and discriminatory or exclusionist tendencies.

*Hypothesis 1.* Attitudes are expressions or manifestations of representations of complex interpersonal/intergroup relations, in the present case the relations between a dominant majority group and minorities. In a number of respects attitudes toward out-groups can reveal the preferred „strategy" toward these groups and therefore *can be arranged on a continuum ranging from tolerance through assimilationist tendencies to discrimination/exclusion.*

*Hypothesis 2.* Intergroup relations are determined by several factors – historical, societal, economic and psychological – and therefore attitudes toward specific groups in a society show great intergroup variation. However a *regular pattern determining the direction of the attitudes can be detected that reveals a generally preferred strategy toward minorities, a „meta-attitude", that is not specific to the actual minority group in question but a general disposition characteristic of a person.*

Definitions of minorities inherently relate this concept to the concept of the nation the minority group belongs to, since the concept of the minority is meaningful only in relation to the latter. Based on theories of cognitive consistency (see e.g. Abelson et al. 1968) it is reasonable to assume that these concepts are similarly related in the attitude structure of the cognitive organisation. We proposed a model where the concepts of the minorities and the nation as well as the associated attitudes and emotions are inseparably interwoven in the representational structure of the mind.

*Hypothesis 3.* A regular relationship can be detected between attitudes toward one's nation and preferred strategies toward minorities – operationalised as the

relationship between the component attitudes of the hierarchical model of nationalism formulated by Dekker and Malova on one hand, and attitudes toward minorities organised on the tolerance-exclusion dimension on the other.

*Method*

In order to test the above hypotheses we first use largely unanalysed data from two surveys conducted in 1994 and 1995 on the topic of ethnic attitudes. Both surveys used representative samples of the population. Based partly on the results of this first phase, we developed a questionnaire which targeted our hypotheses more precisely.

This questionnaire was employed in a non-representative, self-administered survey consisting of 405 secondary school students. The respondents were students of seven secondary schools in Budapest, 62 per cent in academic secondary schools (or „grammar schools") and 38 per cent in vocational schools. The target age group was the 17–18 years old (grade 3 and 4); this age section made up 85 per cent of the sample, however, the total range of the age of the respondents varied between years of 16–21. The gender representation was not totally balanced – the sample consisted of 55 per cent females and 45 per cent males.

**The Questionnaire**. The questionnaire consisted of 5 sections and a total of 108 items. The sections were related to the following five topics. One section included 34 items related to attitudes toward the Roma population in Hungary, another section was similar but related to the Hungarian Jewry. These two sections were presented at the beginning of the questionnaire; in order to filter out the sequential effect we have varied the order of the two sections – half of the respondents received a version where the Jewish section was followed by the Roma one and the other half an inverse version. These two sections consisted of items assumed to be related to the three attitudinal stances of Hypothesis 1 – namely assimilation, discrimination and tolerance.

The third section was a revised version of the Nationalism questionnaire constructed by Dekker and Malova consisting of nineteen items related to various forms of national affiliations. That was followed by a nine-item section, included in order to investigate in more detail the concept of the nation held by the respondents, and finally seventeen items related to socio-economic variables.

*Preparatory analysis*

The first phase of the research involved the secondary analysis of databases provided by two sociological surveys conducted in 1994 and 1995 on topics of ethnic attitudes.[1] The purpose of this phase was to carry out a preliminary test of

[1] The 1994 survey has been conducted by Ferenc Erős, Zsolt Enyedi, Zoltán Fleck and Zoltán Fábián on attitudes toward the Roma, anti-Semitism, attitudes toward various outgroups and Authoritarianism; the 1995 survey has been conducted by András Kovács primarily on anti-Semitism but also involving a few attitude items related to the Roma.

Hypotheses 1 and 2 in order to gain some knowledge regarding the assumed attitude structure prior to the construction and fielding of our questionnaire.

The item analysis of the data offered by the 1995 anti-Semitism research revealed that attitudes towards Jews in Hungary with regards to strategies of cohabitation are indeed arranged into the three main hypothesised clusters. A similar analysis conducted on the data of the 1994 survey – containing items related to the Roma and the Jews as well – further validated this hypothesis. This survey contained enough items related to the Roma to give a preliminary picture of the three main clusters in both contexts. These results gave a firm base for Hypothesis 1 concerning the existence of the three main attitudinal stances – namely assimilation, discrimination and tolerance – for the consecutive phases of research.

A further analysis aimed to gain some insight into the place of the above described attitude clusters in different contexts, that is to test Hypothesis 2 concerning a general preferred strategy toward minorities. Although the two surveys serving as bases for the present investigation were constructed for hypotheses considerably different from ours and therefore contained only a fraction of the items that would have been necessary for a thorough testing, the results quite clearly disproved Hypothesis 2.

The 1995 anti-Semitism survey contained only three items related to the Roma, all three of highly discriminatory tone. The correlation of these three items with exclusionist attitude toward the Jews was significant but low (values in the range of .126 – .172, $p<.001$). The 1995 survey allowed a comparison between the three attitude clusters toward the Roma and tolerant and exclusionist attitude toward Jews, revealing the following relationships.

**Table 1.**

| Roma Context / Jewish Context | Assimilationist | Exclusionist | Tolerant |
|---|---|---|---|
| Exclusionist | .219** | .500**[2] | –.121* |
| Tolerant | .145* | .014 | .163** |

*p<.01 **p<.001

The above results point to the conclusion that attitudes toward Jews and the Roma are interrelated but not equivalent, therefore, the assumption concerning one „meta-attitude" independent of the actual target of the attitude is not justified.

As a conclusion we opted to include in the questionnaire attitude items about the Roma and the Jews separately but not including ones about minorities in general. The reason behind choosing these two groups to be investigated originated in the concept of the minority given by Tajfel at the beginning of this section. The Jews

[2] Since both surveys focused principally on hostile attitudes toward the investigated groups the exclusionist cluster was the most refined and that fact probably contributed to the relatively high correlation of these clusters.

and the Roma were the groups most often „at the receiving end of certain attitudes" and therefore examination of these attitudes is more than reasonable.

## Nation and nationalism

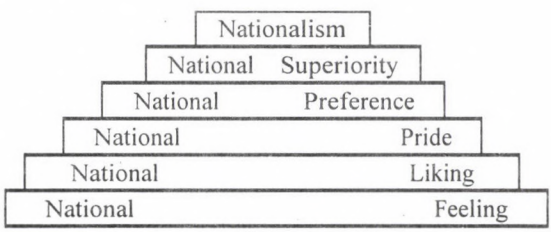
### *The Dekker–Malova Model of Nationalism*

The concept of nationalism used in the present paper had been developed by Dekker (1997) and his colleagues. They argued that in the field of nationalism research poorly defined conceptualisations are the largest obstacle for research and showed that the concept of nationalism is used in the literature to cover four main categories, often in a rather confusing way. Nationalism in some contexts means a political ideology or a political movement, for others it indicates the process of nation-building and finally in other contexts it stands for a particular political orientation of individuals.

Focusing on the fourth category – on individual political orientation – they pointed out that the concept of nationalism in this sense is frequently used as if it were identical to a number of different national orientations such as national consciousness or national feeling, national identity, loyalty to the nation, patriotism, and also as an „umbrella concept" intermingling separate dimensions such as belief in kinship or blood-tie, the desire for separation, the wish for pure or homogenous nations, ethnocentrism and so on.

In order to further clarify the concept of nationalism – as an attitude of certain individuals – Dekker and Malova introduced a complex structural model of national attitudes of which nationalism is one of the building blocks. They hypothesised – and empirically validated – six main attitudes related to the concept of one's own country and people. The six attitudes differ in the kind of affect (positive, negative or neutral) and in the strength of the feeling. The most basic one – national feeling – is neutral and denotes the feeling of being part of the nation. The five others are assumed to be positive in the basic model although trajectories for negative attitudes are hypothesizsd as „escape routes" for subjects with a negative identification pattern. The five positive attitudes are national liking, national pride, national preference, national superiority and nationalism.

The above mentioned attitudes are arranged into a cumulative hierarchy, that is, they indicate separate and hierarchically arranged stages of attitude development in the context of the nation. Each stage requires its fulfilment before the next can be developed that embeds all the lower levels.



The model had been empirically tested and verified on student samples in the Netherlands, in Slovakia and in the Basque Autonomous Community in Spain. The results confirm both the existence of the hypothesized six attitudes and their structural relationships.

The procedure had been repeated in our survey in order to test the validity of the model in Hungary on one hand and also to use it as a reference model in determining the relation of national orientations and attitudinal stances toward minorities.

The nationalism scale has been constructed by selecting and translating 19 relevant items from the 1995 Dutch survey and also from the questionnaire used in Slovakia in 1995/1996.

**Table 2. National attitudes in Hungary**

| Score | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| **National feeling** α=.83 | | | | | |
| 1. I feel I am Hungarian | 1 | 3 | 12 | 20 | 64 |
| 2. I feel Hungary is my country | 2 | 3 | 7 | 17 | 71 |
| **National liking** α=.776 | | | | | |
| 3. I like the Hungarian language | 1 | 2 | 4 | 19 | 74 |
| 4. I like Hungary | 1 | 4 | 11 | 24 | 60 |
| 5. It is good to be a Hungarian | 3 | 8 | 20 | 30 | 39 |
| 6. In general I like Hungarian people | 0 | 3 | 22 | 37 | 38 |
| **National pride** α=.788 | | | | | |
| 7. I am proud of Hungary | 4 | 12 | 23 | 28 | 33 |
| 8. I am proud to be Hungarian | 3 | 7 | 21 | 27 | 42 |
| 9. I am proud of what the Hungarian people achieved | 4 | 7 | 27 | 27 | 35 |
| **National preference** α=.552 | | | | | |
| 10. In general I prefer to have Hungarian people as my personal contacts than people from other countries | 20 | 14 | 32 | 17 | 17 |
| 11. I prefer to live most of my life in Hungary than in any other country | 11 | 15 | 31 | 17 | 26 |
| **National superiority** α=.65 | | | | | |
| 12. In general I like Hungarian people more than people from other countries | 18 | 18 | 31 | 20 | 13 |
| 13. In general Hungarian people are better than their nationalities | 35 | 18 | 25 | 14 | 8 |
| 14. Hungary is the best country to live in | 30 | 20 | 30 | 10 | 10 |
| **Nationalism**α=.759 | | | | | |
| 15. I feel I share common roots, common origins with other Hungarians | 15 | 18 | 25 | 20 | 22 |
| 16. I feel all Hungarians are members of a big family which I also belong to | 19 | 24 | 26 | 17 | 14 |
| 17. I think all Hungarian people should live in Hungary | 33 | 24 | 20 | 9 | 14 |
| 18. Hungarians should not mix with other nations | 49 | 18 | 14 | 8 | 11 |
| 19. People of other than Hungarian nationality should leave the country | 45 | 15 | 16 | 8 | 16 |

(percentage of respondents; score 1=strongly disagree, 5=strongly agree)

The survey confirmed that the scale was suitable for our sample as well – yielding similar results as the previous studies conducted in three other countries. The whole national attitude scale proved to be highly reliable (Crombach $\alpha$=. 856 for all nineteen items) as well as most of the subscales, yielding Cronbach alfas ranging from .83 to .65 with the exception of the National Preference scale with a low alfa of .552.

These results – proving that the model works in several countries and languages regardless of the fact that various items have substantially different connotations in the different national contexts – further contribute to the strength of the validity of the model. The particular patterns of support the various items received in different countries are comparable but significant local variances do show up. For example, the item that received by far the highest support in Hungary – in contrast to all the surveys done in other countries – was item 3 (I like the Hungarian language) pointing to a special role language plays in the Hungarian national consciousness.

Investigating the other end of the distribution pattern we find statements with very low support, items that required a more or less objective comparison between Hungary or the Hungarians and other countries or nations – items 13 and 14 of the National Superiority subscale. While the respondents showed considerably stronger preference for Hungary or the Hungarian people where their emotional identification was concerned – see especially item 10 – they clearly do not think their country or their compatriots stand the test of international comparison.

Next we test the hypothesis that the structure of this attitude group is arranged into a cumulative hierarchy. To do this, we first measured the level of support for each attitude group represented by the six subscales by computing the average of the cumulative percentages of ratings 4 and 5 (agreement and strong agreement).

**Table 3. Support for the six attitudes**

| | |
|---|---|
| Nationalism | 28 |
| National Superiority | 25 |
| National Preference | 39 |
| National Pride | 64 |
| National Liking | 80 |
| National Feeling | 88 |

(percentage of respondents scoring 4-5 on the subscales)

The results show indeed a gradual decline of support for the attitudes positioned higher in the hierarchy except for the last two levels – National Superiority and Nationalism – where the distance is smaller. The fact that Nationalism scores somewhat higher than National Superiority – as opposed to the prediction of the model – probably arises from the above mentioned difference between emotional identification with certain concepts related to the nation and the evaluation of the same issues. While Hungarians strongly identify with their country as expressed by certain items of National Preference and Nationalism they do not think their country is the best or their compatriots are better than other nations – therefore their feeling of National Superiority is too weak to form the fifth stage of the Pyramid.

The next test to validate the hypothesis was to investigate the correlations between the subscales. The correlations were in the moderate range, varying from .35 to .72, none of them exceeding .80, which justified the separate but interrelated treatment of the subscales.

Assuming that the previously confirmed hierarchy is a cumulative one – that is each stage must be reached before the next can be developed – would ideally mean that differences between attitudes at the shortest distance are lower than those between attitudes at a larger distance in the hierarchy. Computing the dissimilarity of the attitudes represented by the subscales was very successful in proving the hypothesised structure of the hierarchy – the larger the assumed distance between the levels, the more dissimilar the attitudes are. These results appear in the dissimilarity matrix below as a pattern where figures become higher reading the matrix from top to bottom and from right to left.

**Table 4. Euclidean dissimilarity coefficient matrix of the national attitude subscales**

| | 1. National Feeling | 2. National Liking | 3. National Pride | 4. National Preference | 5. National Superiority |
|---|---|---|---|---|---|
| 1. National Feeling | | | | | |
| 2. National Liking | 13.0 | | | | |
| 3. National Pride | 20.0 | 14.9 | | | |
| 4. National Preference | 33.8 | 29.0 | 25.4 | | |
| 5. National Superiority | 41.4 | 36.6 | 30.8 | 18.8 | |
| 6. Nationalism | 41.3 | 37.2 | 31.4 | 22.5 | 17.2 |

To sum up, we have successfully validated the Dekker–Malova model of Nationalism on a Hungarian sample. Despite the differences in the amount of support expressed in relation to some of the items of the scale in different countries the model in itself proved to be applicable in Hungary, exhibiting similar structural characteristics as those formulated in the original theory.

## *The concept of the nation*

One of the most important intercultural problems of the Central-Eastern European region is the disparity of national and ethnic boundaries, the often ambiguous relationship between ethnic/national affiliation and citizenship and the conflicts arising from these two aspects of national identification. One element of the above described phenomenon is the ambiguous perception of the concepts such as nation, state and nationality. In order to reveal in detail the attitude structure organised around the notion of the nation in the next phase of the research we investigated how the respondents perceive concepts such as nation, state and nationality. Empirical investigations have been conducted in that area since the early seventies in Hungary revealing an ambiguous and inconsistent comprehension of these notions. This ambiguity can be detected both in relation to the defining criteria of the nation as people – i.e. what criteria one has to meet in order to be considered Hungarian – and also in the definition of the nation in cultural versus political terms as captured by

the perception of the role of the minorities in relation to the nation, that is whether different ethnic groups in Hungary and Hungarian minorities outside the borders of the country are considered to be members of the Hungarian nation.

As regards to the cultural versus political concept of the nation a series of surveys starting from 1973 revealed the dominance of the political nation-concept in the seventies (for a summary see Lázár 1996). At the same time the studies conducted by Hunyadi and his colleagues (1974, 1975) investigated the defining criteria of the nation. Their analysis revealed two main types of definitions: one segment of the respondents considered „Hungarianness" as a natural or ascribed attribute, defined by birthplace or mother language, while others regarded it rather as something that can be achieved by learning or chosen by self-definition.

The past 25 years brought the gradual strengthening of a cultural-linguistic-ethnic concept beside the still existing political one, reflected in the increasing portion of the population considering Hungarians living in other countries belonging to the nation while ethnic-national groups living in Hungary are also still regarded as part of the Hungarian nation.

We have repeated the procedure in our survey with the same set of categories used in earlier studies to clarify the concept of the nation held by the respondents in our study.

**Table 5. The role of minorities in the definition of the nation**

| | |
|---|---|
| Hungarians living in West-European countries | 72 |
| Hungarians living in neighbouring countries | 82 |
| Nationalities living in Hungary | 47 |
| Jews living in Hungary | 68 |
| Gypsies living in Hungary | 46 |

(percentage of respondents indicating that he or she considers one or more groups out of the above five to be constituent of the nation)

Our results indicate the dominance of the ethnic-cultural concept of the nation among the respondents. Around three quarter of the respondents considered Hungarians living in other countries belonging to the Hungarian nation while less than half of them think the same way about national minorities and Gypsies living in Hungary. Altogether 25 per cent of the respondents considered only Hungarians living outside Hungary part of the nation but no members of other minorities – thus revealing a purely ethnic-cultural concept of the nation.

The results also show a relatively strong tendency to exclude Gypsies from being an integral part of the nation but not considerably more so than other ethnic groups. Although a .56 correlation between considering Gypsies or other national minorities as part of the nation indicates that there might be different acceptance patterns behind the similar numbers. Jews are somewhat in the middle, around two-thirds of the respondents considered them to be a part of the nation, a result that might imply the highly assimilated-integrated status of Jews and also the ambiguity of their perception as an ethnic group.

Parallel to the shift from a political to a cultural conceptualisation of the nation, in the past 30 years a similar transformation process went on concerning the key criterion for membership in a nation. According to the above cited investigations being Hungarian was mostly defined as some sort of attachment to the country in the early seventies while in the next twenty years more and more people considered linguistic-cultural attachment and self-definition also important elements. In our sample the results were the followings.

**Table 6. Defining criteria of being Hungarian**

| | |
|---|---|
| Those born in Hungary | 38 |
| Hungarian citizens | 39 |
| Whose mother tongue is Hungarian | 60 |
| Who considers him/herself Hungarian | 78 |

(percentage of respondents indicating that he/she considers one or more of these groups Hungarian)

These results are consistent with that of the previous section: the defining criteria for being Hungarian also reflect a cultural rather than a political conceptualisation of the nation, with an even stronger emphasis on self-definition. These results are in accordance with the outcome of an 1985 survey by Lázár and Dobossy revealing a rank order of importance of defining factors „indicating that the criteria of being considered Hungarian are arranged in the minds of people according to the degree of conscious choice, of the identification with being Hungarian versus the outcome of chance" (Lázár 1996: 57). Looking at the data in a more detailed analysis supports these results: according to 23 per cent of the sample self-definition in itself is an adequate criterion while another 16 per cent considered self-definition coupled with mother tongue to be a sufficient basis for accepting someone as Hungarian.

Investigating the interrelation of the two nation-concepts we found that those who only accept self-definition combined with language – strong cultural criteria – as the basis for belonging to the nation actually do have a cultural rather than a political concept of the nation, expressed in a lower-than-average acceptance of ethnic and national minorities and above-average recognition of Hungarians living outside the borders. On the other hand indicating all four items – self-definition, language, place of birth and citizenship – as defining criteria implies a tolerant rather than constraining attitude expressed by an above-average acceptance rate for all five minority categories.

Having the two nation-concepts defined on the sample as a whole we tested the assumption that respondents of different levels of national identification might hold different concepts about the nation. In other words, we investigated whether different scores achieved on the nationalism scale correspond to differences in the views concerning the defining criteria and conceptualization of the nation.

**Table 7. The changing concept of the nation by degree of nationalism**

| | Sample average | Scores on the Nationalism scale | | | | |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| Hungarians living in West-European countries | 72 | 63 | 77 | 68 | 71 | 76 |
| Hungarians living in neighbouring countries | 82 | 74 | 83 | 82 | 84 | 86 |
| Nationalities living in Hungary | 47 | 72 | 54 | 44 | 22 | 9 |
| Jews living in Hungary | 68 | 96 | 79 | 60 | 40 | 9 |
| Gypsies living in Hungary | 46 | 75 | 59 | 40 | 14 | 0 |

(percentage of respondents; score 1=refusal of all nationalistic items, 5=acceptance of nationalistic items)

The results show that respondents who completely refuse nationalistic views have a relatively strong political concept of the nation as compared to the sample average. This is indicated in a relatively lower acceptance rate for Hungarian minorities living outside the borders of Hungary as part of the nation but a very high acceptance level – 72–96 per cent – for ethnic and national minorities within the country. As identification with nationalistic attitudes increases we see an abrupt decrease of acceptance concerning minorities in Hungary – resulting in less than 10 percent for Jews and national minorities and zero (!) for Gypsies – indicating an almost total rejection of a political definition of the nation but largely accepting it in ethnic terms as a correlate of strong nationalistic attitudes. Overall the transformation of the nation-concepts parallel to the strengthening of nationalistic attitudes is very clear in the case of the vanishing political concept of the nation but less so in the case of the increasing ethnic-cultural concept.

In terms of the defining criteria of who is considered Hungarian, the picture is less clear. The first variable – being born in Hungary – is basically accepted by roughly a third of the respondents in all subgroups and in the whole sample as well. Citizenship is given a decreasing emphasise with growing nationalism, a process which is consistent with the simultaneous decline of the political nation-concept. Self-definition gets clearly limited as national affiliation increases and is most probably going also through a transformation of connotations. While people with non-nationalistic attitudes consider self-definition as an option to be chosen or not by minorities, nationalists expect certain groups, namely Hungarians living outside Hungary, to define themselves as Hungarians.

**Table 8. Acceptance of the various defining criteria of being Hungarian by degree of nationalism**

| | Sample average | Scores on the Nationalism scale | | | | |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| Those born in Hungary | 38 | 35 | 37 | 43 | 38 | 38 |
| Hungarian citizens | 39 | 44 | 48 | 31 | 25 | 29 |
| Whose mother tongue is Hungarian | 60 | 51 | 68 | 56 | 53 | 67 |
| Who considers him/herself Hungarian | 78 | 84 | 86 | 72 | 67 | 67 |

(percentage of respondents; score 1=refusal of all nationalistic items, 5=acceptance of all nationalistic items)

The Dekker–Malova model of Nationalism focused on the process of developing and strengthening national attitudes culminating at the level of Nationalism. The above described investigation gave us some insight into the parallel processes as well: the changes in the meaning of some of the concepts and in the association of these views and the attitudes under study.

The above results further establish the hypothesis which posits systematic relationships between various national orientations and attitudes toward cohabitant minority groups. We have seen that strong identification with nationalistic attitudes correlates with an ethnic rather than political conceptualisation of the nation. That in itself indicates a strong obstacle to attempts for assimilation on the part of minority group members since such view emphasises the ascribed nature of the nation and does not leave much space for self-categorisation. Therefore, part of the original hypothesis can be refined: we can assume that assimilationist views of the majority group are decreasing as national affiliations gather strength. On the other hand, we still do not know what stage one has to achieve with respect to national affiliations to support discrimination toward these non-assimilated groups rather than to tolerate their being an ethnically-culturally different fraction of the society.

## Attitudes toward minorities

### *Attitudes toward the Roma*

The survey questionnaire contained 34 items related to majority attitudes toward the Roma population in Hungary. A factor analysis conducted on these items revealed four main clusters of attitudes: beside the originally hypothesised assimilationist, tolerant and discriminationist dispositions there was a fourth one expressing antiracist, positive discriminatory opinions.

**Table 9. Assimilationist attitudes toward the Roma**

| Assimilationist scale (Cronbach α=.698) | 1 | 2 | 3 | 4 | 5 | Mean score | |
|---|---|---|---|---|---|---|---|
| 1. Gypsies should be forced to live like others | 15 | 16 | 22 | 18 | 29 | 3.3 | |
| 2. Gypsies should be totally Magyarised | 43 | 27 | 19 | 7 | 4 | 2.02 | |
| 3. Intermarriages between Gypsies and a non-Gypsies can only be lasting if the Gypsy partner completely conforms to the other | 38 | 15 | 27 | 9 | 11 | 2.39 | |
| 4. There are decent Gypsies but the majority of them are not so | 6 | 11 | 17 | 22 | 44 | 3.87 | FACTOR I. |
| 5. Although there are many poor people among Gypsies and non-Gypsies as well, but Gypsies do much less to help their situation | 7 | 8 | 15 | 26 | 44 | 3.92 | |
| 6. Gypsies should be primarily blamed for the aversions toward them | 3 | 10 | 21 | 25 | 41 | 3.92 | |
| 7. The problems of the Gypsies would be solved if they finally started to work | 7 | 14 | 23 | 27 | 29 | 3.57 | |
| 8. Rich Gypsies should support the poor ones | 8 | 4 | 22 | 21 | 45 | 3.93 | |
| 9. The main obstacle in the way of the Roma integration is their low level of education, the lack of professional training | 8 | 9 | 16 | 26 | 41 | 3.83 | FACTOR II. |
| 10. Gypsies can best integrate into the society if they live dispersed and not in closed communities | 10 | 10 | 30 | 27 | 23 | 3.41 | |
| 11. The basic problem of the Gypsies arises from their lack of a home country | 24 | 12 | 19 | 20 | 25 | 3.07 | FACTOR III. |
| **Total**[3] | **0** | **9** | **47** | **42** | **2** | **3.37** | |

Assimilationist attitudes toward the Roma can be grouped into three further subcategories according to a supplementary factor analysis performed on the eleven items of the scale. The largest factor consists of items – the first six in the above table – expressing very strong, even aggressive assimilationist claims coupled with the view that blames exclusively the Roma for their disadvantageous situation. The distribution of the answers shows that the latter element – the „blame" – received high agreement, while forced assimilation is supported only concerning life-style differences and the respondents would not accept total assimilation.

The second group of attitudes – numbered seven to ten in the above table – consists of opinions related to more or less objective factors influencing the life of the Roma, such as lack of education, segregation and economical factors that hinder integration. Generally these statements received strong agreement. The one which received the least support was related to the question of segregation, an issue that

[3] Total score has been calculated by the following procedure. First the scores given for the individual items had been summed, then ranges of these numbers recoded, whereby score of 1 to 1.5 were recoded into score 1, scores between 1.6–2.5 were recoded into score 2 and so on to produce a 5 point scale again for comparison.

roused heated debates in several towns and villages in Hungary in the past few years.

Finally, a third factor emerged consisting of the single item related to the lack of a home country for the Roma, an item that had the lowest factor score on the assimilationist factor in the first analysis and one that could not elicit a marked rating pattern.

Distribution of the total scores shows that assimilationist attitudes were largely accepted, nonetheless, only a very small fraction of the sample supported them wholeheartedly. The mean score of the scale for the whole sample is 3.37, the highest result among the four scales[4].

**Table 10. Tolerant attitudes toward the Roma**

| Tolerance scale (Cronbach $\alpha$=.854) | 1 | 2 | 3 | 4 | 5 | Mean score |
|---|---|---|---|---|---|---|
| 1. Gypsies should be allowed to live their life according to their own customs and culture until it does not disturb others | 2 | 3 | 11 | 21 | 63 | 4.37 |
| 2. The art of the Gypsies enriches Hungarian culture | 19 | 16 | 22 | 21 | 22 | 3.11 |
| 3. Gypsies must not abandon their traditions | 10 | 12 | 24 | 25 | 29 | 3.51 |
| 4. Gypsies should be supported in their efforts to maintain their traditions, language and culture | 17 | 15 | 28 | 20 | 20 | 3.14 |
| 5. There should be a choice of schools for Gypsies to send their children to, teaching in Roma language or in Hungarian | 21 | 11 | 24 | 21 | 23 | 3.13 |
| 6. Gypsy children should be able to learn also in their mother-tongue in the school | 19 | 16 | 28 | 19 | 18 | 3.02 |
| 7. Gypsies should be enabled to manage their affairs by themselves | 15 | 15 | 29 | 24 | 17 | 3.11 |
| 8. Gypsies are prepared in every way to pass decisions concerning their own affairs | 18 | 21 | 22 | 22 | 17 | 2.98 |
| 9. There is nothing wrong with teenage childbirth for example if this is all right according to their customs | 41 | 16 | 17 | 12 | 14 | 2.42 |
| **Total** | **5** | **19** | **38** | **32** | **6** | **3.14** |

Results related to the first item of the tolerance scale might suggest that our respondents would demonstrate a very high level of tolerance, at least in principle, were the differences between the way of life of the Roma and the others not so disturbing. However, the sudden drop of support shown for items related to any specific differences indicates that the reality is somewhat different.

Cultural differences are largely tolerated while autonomy is questioned and the different lifestyle is clearly refused. Respondents supported the maintenance of Roma culture and traditions but did not really consider it part of the colourful cultural life of the country and were even less willing to support it.

As regards to statements concerning the education of Roma children in their mother tongue, these are neither really supported nor rejected and both are significantly and negatively correlated with the highly supported statement about segregated schools (see item 6 of the Discrimination scale, $r=-.319$ and $r=-.226$ with item 5 and item 6 of the Tolerance scale, $p<.001$). This result implies that according

[4] All means differ significantly ($p<.01$) except in the case of tolerance and discrimination.

to the view of a large proportion of our respondents Roma children should go to separate schools but what and how they learn there bears not much importance.

The strong refusal of teenage childbirth among the Roma clearly expresses an intolerance toward a markedly different life style but significant negative correlation with item 8 of the Discrimination scale ($r=-282$, $p<.001$) implies that it is a not so subtle expression of fear of the increasing proportion of Roma in the population of the country.

The general attitude the results of the above two scales reveals can be described as a strong inclination on the part of members of the majority society to push the Roma in the direction of loosing their distinct attributes – primarily those that are in contrast with the way non-Roma people conduct their lives. The emphasis is not on cultural assimilation as regards to language usage or cultural traditions but on removing factors that hinder their absorption into mainstream society. The realisation of the assimilation process is largely seen as being the task of the Roma community coupled with the view that unsuccessful assimilation originates there too.

**Table 11. Discriminationist attitudes toward the Roma**

| Discrimination scale (Cronbach $\alpha=.923$) | 1 | 2 | 3 | 4 | 5 | Mean score |
|---|---|---|---|---|---|---|
| 1. The customs of the Gypsies and the non-Gypsies differ so much that intermarriages cannot be lasting | 32 | 23 | 22 | 12 | 11 | 2.48 |
| 2. Gypsies will never integrate into Hungarian society | 9 | 13 | 24 | 23 | 31 | 3.57 |
| 3. Gypsies do not deserve support | 31 | 20 | 22 | 9 | 18 | 2.66 |
| 4. Gypsies should be totally separated from the rest of society as they are incapable of coexistence | 40 | 17 | 14 | 10 | 19 | 2.52 |
| 5. It is laudable that there are still public places where Gypsies are not welcome | 24 | 16 | 16 | 13 | 31 | 3.16 |
| 6. Everyone has the right to send their children to schools where there are no Gypsy children | 13 | 12 | 17 | 11 | 47 | 3.67 |
| 7. Residents of villages and towns in Hungary should have the option to chose whether to let Gypsies to settle there | 23 | 18 | 16 | 16 | 27 | 3.1 |
| 8. The increase in the number of Gypsy population threatens the security of the society | 7 | 14 | 22 | 21 | 36 | 3.69 |
| 9. Criminal inclination is in the blood of the Gypsies | 23 | 19 | 16 | 18 | 24 | 3.03 |
| 10. Policemen should have greater freedom of action against Gypsy than non-Gypsy criminals | 51 | 13 | 13 | 8 | 15 | 2.26 |
| **Total** | **8** | **33** | **26** | **21** | **12** | **2.97** |

The peaceful coexistence of Roma and non-Roma individuals in the private sphere seems possible in the views of the respondents as expressed in the strong rejection of the first item as opposed to their opinion about social integration – see item 2 – which is rather pessimistic. While the two items are closely related ($r=.447$, $p<.001$), the rating patterns elicited by the two are mirror images.

The majority of the respondents accept the need for social support for the Roma but very strongly refuse positive discrimination, as shown in the case of item 2 of the anti-racist scale.

Segregation in various contexts receives different amounts of support. Segregation in schools is highly advocated, a result that is more weighty given that these ratings are given by secondary school students. This result differs from those

produced by adult samples where items measuring inclination for social distancing also often include a statement about the mixed education of Roma and non-Roma children but there it is usually rather easily accepted (see e.g. Tomka 1979). Tomka (1991) summarizing the results of surveys conducted between 1978 and 1989 in this topic concludes that support for segregation in different contexts largely depends on the extent to which the issue in question concerns the respondents personally. Therefore, adults see Gypsies moving into their neighborhood as much less acceptable than integrated schooling or mixed marriage – the latter is highly unlikely to occur, therefore not threatening – while in our sample of students the question of segregated schooling was of high personal involvement and received one of the highest agreement rate[5].

Total social segregation is rather strongly rejected but at the same time acceptance of Gypsy inhabitants in neighborhoods is seen as a matter of decision to be made by the residents – that is implicitly a vote for settlement segregation. Issues concerning separation in public places are evaluated ambiguously yielding rather high frequencies of total rejection and total agreement as well.

Statements implying racial discrimination receive different degrees of support. One of the items receiving the highest agreement (mean=3.66) is the one related to the threat posed by the growing number of the Roma population – an opinion that inherently connects the Roma with criminality. On the other hand the statement about Gypsy criminality being „genetic" – the most racist item – yields a „U" shape rating profile and a mean of 3.00. Finally negative discrimination concerning police conduct is very strongly rejected. However, a discriminate analysis of the interrelations of these three items reveals that a racist disposition does influence views on Roma criminality. Investigating the answer patterns of respondents giving a score of five on item 9 – strong racist diposition – yields the following results: each such respondent (100 per cent) gave a score of four or five on item 8 – related to the threat to security of society – and 62 percent rated item 10 – different behaviour by the police – with a score of 4 or 5.

**Table 12. Anti-racist attitudes toward the Roma**

| Anti-racist, positive discriminatory scale (Cronbach $\alpha$=.923) | 1 | 2 | 3 | 4 | 5 | Mean score |
|---|---|---|---|---|---|---|
| 1. The Hungarian government should do more in favour of the Roma | 31 | 18 | 30 | 11 | 10 | 2.51 |
| 2. Gypsies should receive more help than non-Gypsies | 64 | 17 | 12 | 5 | 2 | 1.65 |
| 3. The greatest obstacle for Gypsies in their integration efforts into Hungarian society is people's aversion to Gypsies | 20 | 19 | 20 | 20 | 21 | 3.03 |
| 4. The Gypsy question is the result of racism | 25 | 16 | 25 | 17 | 17 | 2.84 |
| **Total** | **18** | **38** | **33** | **10** | **1** | **2.38** |

[5] These results seriously question the overall applicability of the Bogardus scale but support the view that the items of the scale might have different connotations relative to the context.

The last factor of the Roma-related attitudes is the collection of explicitly anti-racist and positive discriminatory statements that received the lowest level of agreement among the four factors. Positive discriminatory actions are clearly rejected, the more explicitly they involve financial action, the more so. Although the negative role of anti-Gypsy attitudes in the integration process of the Roma are acknowledged by a considerable fraction of the respondents, the roots of the Roma problems seem to be found elsewhere.

*Attitudes toward the Jews*

The questionnaire involved 28 items related to attitudes toward Jews in Hungary. Factor analysis revealed that twenty-one of these belong to the three hypothesised attitudinal stances, namely assimilationist, tolerant and discriminationist directions while the remaining seven items either did not appear on these three factors with interpretable factor scores or belonged to two very small, further factors. The three scales presented below are products of the factor analysis; a consecutive item analysis had been conducted in addition on the items of the tolerance scale in order to create a scale with acceptable reliability measures.

**Table 13. Discrinationist attitudes toward the Jews**

| Discrimination scale (Cronbach $\alpha$=.856) | 1 | 2 | 3 | 4 | 5 | Mean Score |
|---|---|---|---|---|---|---|
| 1. Jewish emigration from Hungary should be encouraged | 61 | 13 | 11 | 4 | 11 | 1.92 |
| 2. Jews should better live in their own state, in Israel | 32 | 22 | 19 | 10 | 17 | 2.56 |
| 3. Jews disintegrate and weaken nations that assimilate them | 46 | 21 | 14 | 8 | 11 | 2.15 |
| 4. The number of Jews should be limited in certain professions | 56 | 10 | 12 | 8 | 14 | 2.15 |
| 5. The interest of Jews in Hungary often differ from that of non-Jews | 16 | 17 | 30 | 17 | 20 | 3.09 |
| 6. Jews still have to change considerably for their differences to disappear | 30 | 19 | 24 | 11 | 16 | 2.62 |
| 7. Jews are not really willing to integrate into the Hungarian society | 29 | 22 | 28 | 14 | 7 | 2.5 |
| 8. Jews are primarily to be blamed for the aversion toward them | 42 | 21 | 18 | 5 | 14 | 2.28 |
| **Total** | **26** | **35** | **23** | **12** | **4** | **2.34** |

Statements on the discrimination scale which questioned the relationship between the Hungarian Jewry and the nation generally received strong disapproval but we found some variation among the three items (see items 1-3 in the above table). While the majority of the respondents did not identify with ideas that deeply questioned the place of Jews among the population of the country, only over half of them rejected (gave a score of 1 or 2) the statement that said that Jews should live in Israel. Since this latter item correlates very strongly with the items supporting emigration ($r=.69$ with item 1., $p<.001$) and regarding Jews as a threat to the nation ($r=.66$ with item 3., $p<.001$), we can conclude that it is not an expression of support for Jewish nationalism but it belongs to the attitude group expressing ecxlusionist opinions, although in a subtler form.

Restrictions concerning the number of Jews in certain fields of professions would be acceptable for a quarter of the respondents while it is refused by two third of them.

As regard to differences or distance perceived between Jews and others, half of the respondents do not see Jews considerably different from the rest of society and see no problem with their integration efforts. Respondents' views regarding the issue of potential interest conflict is rather neutral.

Finally almost three-quarters of the respondents would not blame the Jews for the negative attitudes directed against them.

**Table 14. Assimilationist attitudes toward the Jews**

| Assimilationist scale Cronbach α=.832) | 1 | 2 | 3 | 4 | 5 | Mean score |
|---|---|---|---|---|---|---|
| 1. Intermarriage between a Jew and a non-Jew is only acceptable if the Jewish partner converts to Christianity | 59 | 16 | 10 | 6 | 9 | 1.89 |
| 2. Intermarriages between Jews and non-Jews are not good for any of the partners | 62 | 13 | 14 | 5 | 6 | 1.79 |
| 3. The customs of Jews and non-Jews differ so much that intermarriages cannot be lasting | 48 | 23 | 18 | 5 | 6 | 2.0 |
| 4. Children of intermarriages should not be told that one of their parents is Jewish | 73 | 8 | 7 | 3 | 9 | 1.68 |
| 5. Mixed marriages can only be lasting if the Jewish partner completely conforms to the other | 46 | 21 | 19 | 6 | 8 | 2.07 |
| **Total** | **46** | **30** | **14** | **8** | **2** | **1.88** |

Items that fall into the factor of assimilation seem to center around the issue of mixed marriages and concern various aspects of intermarriage that are relevant in the context of assimilation. Generally speaking all these items were strongly rejected, assuming that potentially perceived differences between Jews and others are not identified as obstacles in this respect and also expressing the view that intermarriages are not seen as tools for assimilation. This latter view is further reinforced by the fact that an item supporting more mixed marriages (see item 2 of the next table) received strong negative factor score on the assimilation factor but clearly belonged to the tolerance scale.

Altogether the mean total score of the assimilation scale is by far the lowest not only in the Jewish context but among all the six scales including the Roma context as well. That fact most probably resulted from the highly assimilated status of Hungarian Jewry.

**Table. 15. Tolerant attitudes toward the Jews**

| Tolerance scale (Cronbach α=.739) | 1 | 2 | 3 | 4 | 5 | Mean score | |
|---|---|---|---|---|---|---|---|
| 1. It is not interesting any more whether someone is Jewish or not nowadays in Hungary | 19 | 18 | 19 | 22 | 22 | 3.10 | Factor I. |
| 2. More intermarriages between Jews and non-Jews would be preferable | 24 | 16 | 46 | 9 | 5 | 2.56 | |
| 3. There is nothing wrong with the fact that someone feels and declares him/herself Jewish in one situation and Hungarian in others | 26 | 10 | 20 | 17 | 27 | 3.09 | |
| 4. Jews belong to the Hungarian nation | 13 | 11 | 16 | 20 | 40 | 3.58 | |
| 5. Being Jewish or not has no significance concerning marriage | 14 | 9 | 14 | 16 | 47 | 3.73 | |
| 6. Jewish integration into Hungarian society is primarily hindered by anti-Semitism | 14 | 15 | 25 | 25 | 21 | 3.22 | Factor II. |
| 7. It is inconceivable why Jews are hated | 14 | 10 | 19 | 18 | 39 | 3.22 | |
| 8. The Jewish question was invented by the anti-Semites | 20 | 11 | 29 | 17 | 23 | 3.24 | |
| **Total** | **4** | **15** | **43** | **37** | **1** | **3.18** | |

According to a further factor analysis conducted on the items of the tolerance scale attitudes expressing a tolerant disposition toward Jews can be grouped into two further subcategories. The first five statements in the above table express the view that differentiation between Jews and others is not relevant or interesting while the last three items are related to negative attitudes toward Jews which still create differences and hinder integration.

Altogether we can conclude that attitudes expressing tolerance toward Jews in Hungary received the highest rate of agreement, discriminationist views meet some disapproval, while assimilationist dispositions are the least supported by our respondents.

In this section we have examined the main clusters of attitudes articulated toward the Jews and the Roma in Hungary. The results further disproved our initial hypothesis related to the existence of a generally preferred attitudinal strategy toward all minorities – irrespective of the actual nature of the group in question. We could see that support for the three main strategies – assimilation, discrimination and tolerance – differ considerably regarding the two minority groups we investigated. These results are in accordance with other comparative studies concerning national and ethnic minorities in Hungary, which were summarised by Lázár as follows: "[A]cceptance of minorities depends less on the cultural level... of the recipient but more on the cultural distance of the recipients and the accepted, that is the cultural... level of the accepted" (Lázár 1996: 54). Our findings of considerably different dispositions toward the two groups elicited from a sample which was relatively homogenous in terms of cultural level thus underline Lázár's argument that the determining factor in this context is the perceived distance of the minority group from mainstream society.

Comparing the relative support for the three main strategies in relation to the two groups we studied we see an inverse pattern. Regarding the Jews tolerant attitudes proved to be the strongest, a result which can be attributed to the high cultural level

of this group that makes acceptance relatively easy. Discriminationist attitudes were located in the middle while assimilationist strategies received very low support – probably due to the highly assimilated status of the Hungarian Jewry.

The same analysis revealed the opposite distribution of agreement concerning the Roma. In their case assimilation received significantly higher support than tolerance and discrimination, the two latter clusters yielding similar acceptance levels. These results can be accounted for, on one hand, by the fact that the content of negative prejudices concerning the Roma expresses mostly conflicts arising from the differences in the way of life of the Roma and the non-Roma. Respondents seem to think that to solve the problem, the differences between the Roma and non-Roma must be eradicated mostly through the Roma adapting a non-Roma life-style, a process many believe can be accelerated by forced assimilation. On the other hand, the Roma are often accepted as an ethnic group with distinct cultural traditions, the maintenance of which is supported and cultural assimilation to this extent is perceived as unnecessary, which is a factor which increases tolerance.

## Investigation of Hypothesis 3 – the structural relation of national orientations and attitudes toward the minorities

Lázár (1996) investigated various factors behind the different attitudes in relation to the problems of the Roma and found that the concept of the nation held by the respondent was the main determinant beside socio-economic variables.

Assuming that the relationship we found between the understanding of the notion of the nation and attitudes toward a minority group is of high significance that can be further refined we investigated the relation of national affiliation with attitudinal stances toward the Roma and the Jews. We have examined how the position achieved on the six levels of national affiliation and the strength of support displayed on the three main attitude scales are related. The table below shows the correlations between the six Nationalism subscales and the three minority attitude scales – separately for the Jewish and the Roma context.

**Table 16. Correlation of national orientations and attitudinal stances toward the Roma**

| | Discrimination | Assimilation | Tolerance |
|---|---|---|---|
| National Feeling | .2079** | .2463** | –.1009 |
| National Liking | .0989 | .2103** | –.0089 |
| National Pride | .1673* | .2403** | –.0583 |
| National Preference | .3098** | .2973** | –.2236** |
| National Superiority | .4298** | .3360** | –.2898** |
| Nationalism | .5434** | .4112** | –.4490** |

*p<.01 **p<.001

**Table 17. Correlation of national orientations and attitudinal stances toward the Jews**

| | Discrimination | Assimilation | Tolerance |
|---|---|---|---|
| National Feeling | .197** | .161* | –.152* |
| National Liking | .148 | 145* | –.130 |
| National Pride | .199** | 174* | –.169* |
| National Preference | .270** | .280** | –.154* |
| National Superiority | .373** | .374** | –247** |
| Nationalism | .529** | .546** | –.385** |

* p<.01 ** p<.001

At the first glance we see marked general directions in the interdependence of the examined variables in the tables above: Except for some fluctuation at the first three stages[6], we found a close-to-linear increase in discriminationist and assimilationist attitudes as national affiliations became more pronounced and as tolerance decreased. The fact that there is a vast gap between the level of National Pride and Preference in almost all the six cases might imply that attitudes making up the levels of the Nationalism Pyramid not only increase in strength from the bottom of the pyramid to the top but there might be a qualitative change between the level of National Pride and Preference. It is from the level of National Preference and onward where attachment to the nation involves some sort of comparison between one's own nation and others, an association that might strongly interfere with attitudes toward groups not unambiguously constituting the core of the nation.

The first pattern of relations obvious from both tables is that none of the nationalism subscales have a positive relationship with tolerance. In the case of the Roma the first three stages – from national feeling to national pride – have no significant relation with tolerance while the top three levels – from national preference to nationalism – show highly significant, strong negative correlations. The same connections are even more marked in the case of Jews where all levels of national affiliations but national liking are significantly and negatively correlated with tolerance. These results imply that tolerance toward the Jews – the most supported strategy in the sample in general – declines as soon as one enters the Pyramid of Nationalism with the exception of the stage of National Liking, while in the case of the Roma tolerance starts to decrease with the appearance of National

[6] Factor analysis conducted on the items of the Nationalism scale did not separate the items of National Feeling and National Liking. Therefore we attempted to solve the irregularity experienced at the first three levels by combining the six items of National Feeling and Liking. Correlations of this combined subscale with the attitudes toward the minorities fit into the structure of the assumed pyramid much better than the original two separate subscales.

| | Assimilationist | Discriminationist | Tolerant | Assimilationist | Discriminationist | Tolerant |
|---|---|---|---|---|---|---|
| | attitude toward the Roma | | | attitude toward the Jews | | |
| National Feeling +Liking combined | .243** | .148* | –.049 | .164* | .177** | –.148* |

* p<.01, **p<.001

Preference. The difference between the attitudes toward the two minorities in this case might be attributed to the difference between the symbolic functions of anti-Semitism closely associated with national sentiments and the rather ethnocentric attitudes toward the Roma.

The negative correlation between National Feeling and Tolerance challenges the assumption of the neutrality of the attitude of National Feeling hypothesized by Dekker and Malova. In a wider context it also raises the question – far beyond the scope of the present work – whether we can postulate national affiliation or national identity which is neutral in affect, thus is unrelated to prejudices toward minorities.

As regards to assimilation and discrimination related to the Jews, we find a similar and very strong increase in both cases with the ascending in the hierarchy of national attitudes. However, in the case of the Roma we can observe an interesting pattern of correlations: both assimilation and discrimination increase as national affiliations strengthen but while assimilation gains more strength in the first three levels, discrimination wins from the level of National Preference and onward. This result combined with the finding that negative correlation between national affiliations and tolerance turns significant from the level of National Preference further supports the assumption that the gap between National Pride and Preference is of greater significance than other steps in the Pyramid.

The second major step in the development of the attitude pyramid is the last one from the level of National Superiority to the level of Nationalism where again all the above described tendencies gain significant strength.

Summing up the above results, we found ample support for the systematic interrelatedness of the attitudes assumed in *Hypotheses 3*. On the other hand an interesting contradiction also appeared. Toward the end of the second section we pointed out the connection between identification with nationalism and the dominance of an ethnic conceptualization of the nation, a category where national affiliation is seen to be a matter of ascription rather than achievement. We refined *Hypothesis 3* in the light of these results since this approach to the concept of the nation does not leave much space for the assimilationist attempts of the minorities. Now we can see that the cognitive structuring of this collection of attitudes does not follow such a strict logic, since the assimilationist expectation gains strength – almost parallel to the discriminationist strategy – with the development of stronger national affiliations.

## Conclusion

The study presented above investigated attitudes organised around the notion of the nation, attitudes toward the Roma and the Jewish minority in Hungary and explored the structural relationship between the two clusters of dispositions.

The investigation tested three hypotheses about these relationship through the use of a questionnaire given to a non-representative sample of secondary school students in Budapest. The data yielded by our survey provided a firm base for two of the hypotheses while a third one was rejected. We could prove that the representational

structure of attitudes toward minorities is indeed organised into three main clusters or strategies: assimilation, discrimination and tolerance. We tested the validity of the Dekker–Malova Nationalism Model in Hungary and found support for a systematic relationship between the stages of national orientation and attitudinal strategies toward minorities. However we had to reject the hypotheses regarding the existence of one dominant strategy toward minorities in general, regardless of the actual group in question.

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# MEASURING LATENT ANTI-SEMITISM

One of the greatest problems of empirical research on prejudice is that we must draw conclusions about the prejudices of members of a surveyed groups on the basis of opinions that prejudiced people in particular may be reluctant to express openly under certain social conditions.

As Róbert Angelusz has shown in his analyses of latent public opinion (Angelusz 1996a: 9–39), the main factor determining whether opinions are hidden or clearly manifested is the political and social system, operating mainly through the structure of the public sphere. On the one hand, opinions may be hard to measure in the course of research because certain members of the society don't readily form opinions about relevant subjects. On the other hand, the difficulty may stem from the fact that some individuals hide their opinions on account of „a refined attempt to seek psychological advantage, ... existential dependence, or a fear of harder social consequences" (Angelusz 1996a: 21). Even in advanced democratic societies with well-functioning public spheres, racial, religious, and other group prejudices belong in a category of opinions that are often kept hidden because their public expression would amount to an open breach of the consensus rejecting such views. As in the case of any other form of illegitimate public behaviour, this would give rise to psychological conflicts and possibly even personal disadvantage.

Research on prejudice, and on anti-Semitism in particular, has revealed a strong latency pressure (Latenzdruck) among respondents: they consider it risky to express anti-Jewish opinions. For example, in the course of a survey performed in Austria in the summer of 1991, 27 percent of respondents avoided making a response when they were asked whether the number of Jews in influential positions should be limited, while 31 percent refused to take a position on whether a law should regulate the amount of property or land obtainable by Austrian Jews (Karmasin 1992: 31–34). In Germany, in 1989, 20 percent of respondents in a survey of a representative sample of the adult population agreed with the statement „if I am talking about Jews, I am always very careful, because it is very easy to get your fingers burnt", while 15 percent stated that „I don't tell just anybody what I think about Jews" (Bergmann–Erb 1991: 280). This same statement was accepted by 25 percent of respondents in a 1993 survey of Hungarian university students, while 52 percent of the same students thought that „if you say something bad about Jews, you are immediately branded an anti-Semite" (Kovács 1997: 58).

Of course, for researchers concerned with measuring anti-Semitism, the most important issue is whether or not the feeling of latency pressures induces respondents to hide their real opinions in the course of the interviews. Obviously this will depend on whether respondents consider the sociological interview to be public discourse (in which case they might tend to express socially approved, conformist opinions) or a form of communication that is similar to a private discussion (in

which case they might tend to say what they really think even about sensitive issues). There is no general theoretical answer to this question. In the course of their research in Germany, Bergmann and Erb concluded that while about one-quarter of respondents strongly felt latency pressure, it was primarily anti-Semites – those who otherwise did not hide their opinions in the course of the survey – who considered the expression of anti-Jewish views to be risky. According to Bergmann and Erb, who found that 12 percent of the whole population was very anti-Semitic and 7 percent extremely anti-Semitic, at most a further 4 percent of the surveyed population could be hidden or latent anti-Semites (Bergmann–Erb 1991: 282).

The 1993 survey of a representative sample of Hungarian university and college students produced similar results. It was shown that those who gave anti-Semitic answers in the course of the interview felt the strongest latency pressure, and that this did not stop them from openly expressing their opinions in the interview-situation. On the basis of the results of the survey, I calculated that 7.5 percent of the students were extremely anti-Semitic, 18 percent were anti-Semitic, and a further maximum 9 percent (but probably less) were latent anti-Semites (Kovács 1997: 59; 62). Róbert Angelusz, on the other hand, discovered higher levels of latent anti-Semitism following a national survey of a representative sample: over and above the 12 percent of openly anti-Semitic respondents, he identified a further 12 percent as latent anti-Semites (Angelusz 1996b: 211).

The different results may perhaps be explained by the fact that different questions were asked. But another point to consider is the extent to which the three groups – West-German respondents, Hungarian university students, and members of the representative sample of Hungarian society – considered the sociological interview to be an anonymous and non-public situation. One could well argue that members of the last group were the least confident, and that this explains their tendency to hide their opinions. Thus, when attempting to form an impression of the strength and incidence of anti-Semitic prejudice in Hungary, we should definitely examine whether – owing to the fact that a significant number of respondents conceal their real opinions – it is necessary to adjust results obtained on the basis of opinions openly expressed in the course of the interviews.

In March 1995, we conducted interviews lasting about sixty minutes with 1500 individuals. Overall the respondents were representative of the total adult Hungarian population (over 18 years of age) in terms of gender, age, place of residence, and educational qualifications.[1] In order to measure anti-Semitism based on one of the most widely employed versions of the prejudice theories, we elaborated three independent scales. We created independent measurements of the content of anti-Jewish prejudice, the emotional saturation of prejudice, and the tendency to discriminate against Jews. On the basis of their scores on the three scales, we then

[1] The survey was performed by the Gallup/Hungary Public Opinion Research Institute. The research was funded by OTKA (Hungarian National Research Foundation), the Soros Foundation, Ministry of Culture and Education, Budapest local government, Budapest Bank and the American Jewish Committee. Support in processing the data was provided by The Vidal Sasson International Center for the Study of Anti-Semitism, Jerusalem and Szeszlér and Partner, Lawyers' Office. I am indebted to Mária Székelyi (ELTE Institute of Sociology) for her participation in the analysis of the data.

classified respondents into three groups of differing levels of prejudice. The results of our procedure are shown in table 1.[2]

**Table 1. The current proportion of anti-Semites in the adult Hungarian population**

| | N | Percentage |
|---|---|---|
| Non-anti-Semite | 420 | 29 |
| Stereotyper | 478 | 32 |
| Anti-Semite | 246 | 17 |
| Extreme anti-Semite | 116 | 8 |
| Unclassifiable | 213 | 14 |
| **Total** | **1473** | **100** |

The results indicate that 29 percent of the adult Hungarian population is non-anti-Semitic, 25 percent is anti-Semitic, while 32 percent accept the centuries-old economic stereotypes about Jews without displaying any particular anti-Semitic feeling.[3] The attitudes of a further 14 percent of the population cannot be measured because of the large number of non-responses. Given their lack of any attitudes, this group may also be placed among the non-anti-Semites.

The above results indicate that one-quarter of the adult population of present day Hungary may be classed as anti-Semitic. The question is, however, whether we must adjust this measured result because some of the respondents concealed their real opinions when answering the factor questions.

Using Luhman's definition (Luhmann 1984: 458), scholars concerned with the problem of latency distinguish between two forms it may take. They speak of conscious or factual latency where a respondent has no developed opinions about the issues under examination, and of communicative or functional latency where participants in the communication hide their real opinions (Bergmann–Erb 1986, 1991; Bellers 1990). Opinions may be concealed in two ways: it may be that respondents avoid responding to questions even though they do hold opinions; but it is also possible that they declare views that are not their real ones.

For our examination of latency, we used a group of questions that had already been used in three other surveys. The first group of questions measures the extent to which latency pressure is felt, and allows us to examine where individuals inclining to latency are placed on the anti-Semitism scale. The second group of questions indicate how strong various respondents consider anti-Semitism to be in society, and, on the basis of their position on the anti-Semitism scale, whether they see themselves belonging to what they consider to be the majority or the minority. This

[2] For the methods and procedures of measurement, see Kovács, 1999b.

[3] Respondents placed in the stereotypers' group received a high score on the stereotype-scale on the basis of their significantly greater acceptance of five stereotypes – *cunning, greedy, materialistic, pushy, rapacious*. They were not inclined, however, to accept three other stereotypes on the factor – *vengeful, supercilious, aggressive*. Apart from the traditional Shylock stereotypes, members of this group were unlikely to accept the other anti-Semitic stereotypes; indeed, more often than not, they rejected anti-Semitic statements. Apart from the above five stereotypes, the opinions expressed by the group on the sclae-questions were more or less the same as the opinions of the non-anti-Semites, and therefore this group may be classified as non-anti-Semitic rather than anti-Semitic.

analysis is important if we wish to estimate latency, because previous research has shown that certain groups react to latency pressure by projecting their real opinions onto other people, in particular onto „the majority of society" (Angelusz 1996b: 205). Finally, we assessed whether individual respondents consider a series of statements expressing varying degrees of anti-Semitic views to be anti-Semitic or not. We may consider negative responses to indicate latency, because respondents may be able to dissolve the cognitive dissonance stemming from the illegitimate nature of their suppressed anti-Semitic views by declaring these views to be non-anti-Semitic (i.e. legitimate). As a next step indices were prepared from the responses to the three groups of questions which were then used as indicators of latency. The distribution of responses and the indices are shown in the following six tables.

**Table 2. The feeling of latency pressure (percentage)**

| | True | False | Don't know/no response |
|---|---|---|---|
| ...I don't tell just anyone what I think about Jews | 29 | 62 | 9 |
| ...I think many people don't dare say openly what they think about Jews | 54 | 35 | 11 |
| ...If you say something bad about Jews, you are immediately branded an anti-Semite | 44 | 41 | 15 |

**Table 3. Latency-index (percentage)**

| | |
|---|---|
| None of the statements is true | 29 |
| One of the statements is true | 29 |
| Two of the statements are true | 29 |
| All three statements are true | 13 |

**Table 4. Estimates of the strength of anti-Semitism (percentage)**

| | Very many (4) | Many (3) | Few (2) | Very few (1) | DK/NR (0) |
|---|---|---|---|---|---|
| In Hungary today, how many people do you think are hostile to the Jews? | 2 | 23 | 48 | 16 | 11 |
| And how many people might want to limit the influence of Jews in the country? | 2 | 23 | 46 | 16 | 13 |
| And how many people think it would be better if Jews were to emigrate? | 1 | 17 | 44 | 24 | 14 |

**Table 5. Estimate-index based on the sum of responses to the three questions (percentage)**

| | |
|---|---|
| There are very few anti-Semites (1–3 points) | 15 |
| There are few anti-Semites (4–6 points) | 48 |
| There are many anti-Semites (7–8 points) | 14 |
| There are very many anti-Semites (9–12 points) | 14 |
| Unable to guess (0 points) | 9 |

**Table 6. Are people anti-Semites if they ...(percentage)**

| | anti-Semite | non-anti-Semite | DK/NR |
|---|---|---|---|
| ...Always seek to know who is Jewish in their surrounding | 23 | 66 | 11 |
| ...Don't consider Jews living in Hungary to be Hungarians | 57 | 31 | 12 |
| ...Wouldn't marry a Jew | 52 | 36 | 12 |
| ...Want to limit the number of Jews in certain professions | 67 | 22 | 11 |
| ...Think that Jews can never become full Hungarians whatever the conditions | 60 | 28 | 12 |
| ...Think that Jews have recognisable features | 19 | 70 | 11 |
| ...Think that the murder of Christ is the unforgivable sin of the Jews | 37 | 42 | 21 |
| ...Think that Jews should be encouraged to emigrate from Hungary | 77 | 13 | 10 |
| ...Think that the interests of Jews in Hungary are very different from the interests of non-Jews | 35 | 50 | 15 |
| ...Think that Jews are no longer capable of integrating into Hungarian society | 48 | 38 | 14 |
| ...Think that the crimes committed against the Jews were no greater than those against the victims of Communism | 30 | 51 | 19 |
| ...Think that Jews are responsible for the period of Communist rule in Hungary | 45 | 34 | 21 |
| ...Think that Jews divide and weaken nations that accept them | 65 | 21 | 14 |
| ...Think that Jews are hostile to the Christian faith | 42 | 39 | 19 |

**Table 7. Index of denial of anti-Semitism (percentage)**

| | |
|---|---|
| 0–3 statements were anti-Semitic | 23 |
| 4–6 statements were anti-Semitic | 25 |
| 7–9 statements were anti-Semitic | 28 |
| 10–14 statements were anti-Semitic | 24 |

Thus, in the surveyed population, there are two groups whom we may suspect of concealing their real opinions in the course of the interviews or of not expressing their real attitudes. The first group are those respondents who gave no real answers to a great number of the questions, i.e. those who did not answer or who selected the „don't know" response. The second group comprises of respondents who perhaps did not say what they were really thinking and responded to the questions raised with answers they considered to be appropriate or legitimate.

Two types of motivation may explain why a respondent avoids answering questions. Some people simply may not have developed opinions about the issues raised; perhaps the problems of the survey are of no interest to them. But it is also possible that the refusal to give a full answer is a means of hiding opinions. Using Luhman's categories, the first group is characterised by factual latency, and the second group by communication latency. Gilljam and Granberg call the former „real

nonattitudes or true negatives", and the latter „pseudo-nonattitudes or false negatives" (Gilljam–Granberg 1993: 349). Our analysis should concentrate primarily on this second group.

We examined the group of respondents who regularly avoided answering with the help of the questions we had used to divide the respondents into groups according to the strength of anti-Semitism. The share of no responses to the 25 questions used to form the anti-Semitism scale was the following:

**Table 8. The proportion of no response (NR) and don't know (DK) answers to the 25 scale questions (percentage)**

| | |
|---|---|
| Zero DK/NR | 43 |
| Less than 10 percent DK/NR | 19 |
| 10-20 percent DK/NR | 16 |
| 20-30 percent DK/NR | 6 |
| 30-40 percent DK/NR | 6 |
| More than 40 percent DK/NR | 10 |

Thus, 22 percent of respondents gave no answer to at least six questions, which means in effect that they gave no full answers to the questions about the strength of anti-Semitic prejudice. In this group, respondents who avoided answering more than ten questions (40 percent) form the only clearly identifiable subgroup: in this group there are significantly higher than average numbers of village inhabitants, poorly educated people, people with low status, and poor people – all of whom also often failed to give full responses to the questions examining general economic and political attitudes. Also of interest is the fact that women are slightly more inclined to avoid answering, while a higher propensity to respond is characteristic of Budapest residents. We also examined whether we could identify differences between the various groups (classified according to their propensity to avoid responding) in terms of the strength of xenophobia, anomie, and conservatism – that is, on the basis of three attitudes which, according to the results of our previous survey, give rise to anti-Semitism (Kovács 1999: 413). Our examination did not reveal any significant differences. This result again indicates that refusal of response usually reflects a lack of attitudes rather than latency.

This impression is strengthened by the analysis carried out with the help of the latency-index and the estimate-index. The suspicion of latency arises above all in connection with those who failed to give full responses to a great number of questions but who, on the other hand, were placed in relatively high positions on the latency and estimate indices. An analysis of the responses revealed that 73 of those 321 persons (22 percent of the total surveyed population) who gave no response to more than 20 percent of the scale questions (i.e. to more than five questions) agreed with at least two of the statements forming the latency index, while forty of them thought that anti-Semites are very numerous in Hungary, and sixteen of them featured in the group with high scores on both indices. Based on these results, we may state that between 5 percent and 25 percent of those who avoided giving full responses may, in doing so, have concealed their anti-Semitic prejudice. This makes between 1 percent and 5 percent of the full sample.

Closer study of the group revealed once again that in a large majority of cases the refusal of response was more likely to indicate non-attitude or factual latency. When, for instance, we examined whether, within the group of non-anti-Semites, there were any differences between those suspected of latency and the others in terms of the strength of attitudes such as xenophobia, anomie, and conservatism (all of which have a proven causal role in the formation of anti-Semitic prejudice), we found no significant differences. Thus, employing Gilljam and Granberg's category, we may classify this group as „real nonattitudes or true negatives". This means that, when measuring anti-Semitism, we were right not to regard the group of unclassifiables (i.e. those with a large number of no responses) as anti-Semites.

Of course, the suspicion of latency does not only arise in the case of those who avoided answering many questions. It is also possible that some respondents gave misleading answers rather than answering what they really thought. If a large number of the respondents reacted to the feeling of latency pressure by giving conformist answers, and on the basis of these answers were placed among the non-anti-Semites, then we must definitely adjust our estimate of the proportion of anti-Semites. Thus, we have to examine whether the group that was placed among the non-anti-Semites on the basis of its answers but received high scores on the latent scale, is in reality anti-Semitic.

Among non-anti-Semites there was a fairly large group of those who felt latency pressure. Of 897 non-anti-Semites 239 individuals (27 percent) felt that there are many anti-Semites in the country and 386 (43 percent) agreed with at least two of the latency index statements. The number of non-anti-Semites who received high scores on both indices, i.e. who agreed with at least two of the latency index statements and who were also of the view that there are many anti-Semites in the country, was 112, which is more than 12 percent of the non-anti-Semites' group.

A more detailed examination revealed that in the first group – the group that is non-anti-Semitic but supposes a high number of anti-Semites – there were significantly higher than average numbers of young people (18–29 age group), residents of Budapest, the better educated, and middle class people. This result corresponds with the findings of Róbert Angelusz, who also concluded that highly educated and young Budapest residents belong in this group (Angelusz 1996b: 207). In terms of the strength of attitudes that give rise to anti-Semitism, however, the group suspected of latency was no different from the other non-anti-Semitic groups.

The group that is non-anti-Semitic but feels a strong latency pressure hardly differed from the other non-anti-Semitic groups with regard to most social and demographic indices. However, there were significantly more women, fewer young people, and more people with higher educational qualifications or belonging to the upper middle-class in the group. In terms of attitudes that give rise to anti-Semitic prejudice, there were a few small differences between non-anti-Semites suspected of latency and other non-anti-Semites: among the former group the feeling of anomie was significantly stronger than among the latter group, which indicates that anti-Semites may be hiding in this group.

The third indicator used to measure latency is the denial of the anti-Semitic nature of anti-Semitic statements. As we have seen (table 6), 48 percent of respondents considered at most six of fourteen of the statements to be anti-Semitic. Even if we

take into account the fact that 10 percent of those interviewed gave „don't know" responses to at least 8 questions, the suspicion may still arise in connection with almost 40 percent of the respondents that they did not confess what they really thought when they were asked about anti-Semitism. Naturally, the denial of the anti-Semite content of anti-Semite statements does not have to be a manifestation of latency; it is possible that a respondent does not perceive the meaning of what are consensually considered to be anti-Semitic statements, or that he or she is uncertain about judging the statements and therefore gives arbitrary responses. For these reasons, the suspicion of latency is strongest in connection with those who received high scores on all three indices measuring latency and who were placed in one of the non-anti-Semitic groups when anti-Semitism was being measured.

Thus, as a first step, we examined how many of the respondents who were placed among the non-anti-Semites (i.e. in the non-anti-Semitic or stereotyping groups) when anti-Semitism was being measured but who agree with at least two of the statements measuring latency, feel that there were many anti-Semites living in the country and, furthermore, do not regard at least eight anti-Semitic statements as anti-Semitic. The result of this calculation may be considered to be the minimum estimate of latency. In the sample (N = 1473) we found 39 such individuals. This means that we must adjust the measured proportion of anti-Semites by at least 3 percent, so that the figure for the whole of the sample may be put at 28 percent.

To calculate the maximum estimate of latency, we created a new index by combining the three latency indices. The maximum possible score on the index was 11, which respondents reached if they agreed with all three statements measuring latency, were of the opinion that there were many anti-Semites in the country, and considered at most three of the anti-Semitic statements to be anti-Semitic.[4]

**Table 9. Combined latency index**

| | Percentage | N |
|---|---|---|
| Non-latent (index score of 2-5) | 45 | 661 |
| Somewhat latent (index score of 6-7) | 36 | 521 |
| Latent (index score of 8-11) | 19 | 277 |

**Table 10. Latency and anti-Semitism (percentage)**

| | Non-latent | Somewhat latent | Latent |
|---|---|---|---|
| Non-anti-Semite | 52 | 34 | 14 |
| Stereotyper | 49 | 38 | 13 |
| Anti-Semite | 12 | 30 | 58 |
| Extreme anti-Semite | 12 | 30 | 58 |
| Unclassifiable | 64 | 25 | 11 |

[4] Possible scores on the latent-index: 0 (none of the statements is true) – 3 (all three statements are true); possible scores on the estimate-index: 1 (there are very few anti-Semites) – 4 (there are very many anti-Semites); possible scores on the denial-index: 1 (7–14 statements are anti-Semitic) – 4 (0–3 statements are anti-Semitic)

As shown in the table, anti-Semites experience latency pressure much more strongly than non-anti-Semites, and yet in the course of the interviews most of them did not conceal their views and thus, on the basis of their responses, were placed in the anti-Semitic group. This result coincides with the findings of other surveys and confirms the validity of our measurement – at least as regards to the low significance of the distorting effect of respondents who concealed their views. Nevertheless, one should also note that out of the group displaying strong latency on the combined latency index (N = 277) 140 individuals, i.e. about half of the group, showed up as non-anti-Semites in the course of the measurement procedure – that is, were placed among the non-anti-Semites, stereotypers, or unclassifiables. It is these two groups that must be compared in order to find out whether latency disguises a tendency to prejudice. *The comparison of the groups of non-anti-Semites with low and high scores on the latency index showed that non-anti-Semites with high scores differ from those with low scores in just the same dimensions as those which generally distinguish anti-Semites from non-anti-Semites.* With regard to the social and demographic indicators, among members of the group displaying high latency, there were significantly greater numbers of inhabitant of Budapest and those who were born in Budapest, relatively highly educated people, and those whose parents were from Budapest (in each case $chi^2 < .04$). Those with high latency scores are more similar in terms of their attitudes to anti-Semites rather than to the non-anti-Semites who were placed in the same group on the anti-Semitism scale: among the former group xenophobia and anomie are significantly stronger than among the latter (Sig.F = .000 or .04). With regard to the various cluster groups formed on the basis of attitudes, the fact that high scorers on the latency index were significantly more numerous among the „left-wing and frustrated" cluster group than among other cluster groups is of particular interest and serves to confirm the suspicion that the group may contain a good number of latent anti-Semites.[5] This phenomenon may be easily explained: it was electors of parties rejecting anti-Semitism in their public ideology (Hungarian Socialist Party/MSZP, Workers' Party/Munkáspárt) who formed the majority of the „left-wing frustrated", a group of people who achieved higher than average scores on the scalesmeasuring personal frustration, distrust of politics and the democratic institutions of the state, social distress and the loss of norms, as well as nostalgia for the communist past.[6]

Finally, therefore, we may conclude that in this group of 140 individuals – which amounts to almost 10 percent of the complete sample – numerous hidden anti-

[5] In the course of the survey we distinguished two frustrated groups on the basis of a combination of various attitudes. The „right-wing frustrated" comprised respondents who – when we asked them about the state of things after 1990 – agreed with opinions revealing high levels of personal frustration and strong feelings of anomie, and who were also characterised by strong national and religious sentiments and a conservative outlook on life. The „left-wing frustrated" comprised respondents with high levels of personal frustration and anomie who strongly rejected national and religious sentiments, See Kovács 1999b: 221.

[6] Our observation coincides with the findings of Enyedi, Erős and Fábián who – in the course of an empirical study on authoritarianism in 1994 – measured relatively high F-scale scores among voters on the left of the political spectrum, which had a causal relationship with the level of anti-Semitic prejudice (Enyedi–Erős–Fábián 1997).

Semites may be present. Thus, based on the results of the measurement of latency, we should adjust our estimate of the size of the anti-Semitic groups by a minimum of 2 percent and a maximum of 10 percent. This means that the proportion of anti-Semites in contemporary Hungarian society could be between one-quarter and one-third of the total adult population.

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# DOUBLE OR QUITS: SHOULD MONEY FOUND BE RISKED?

## An attempt to measure attitudes towards risk using survey methods[1]

This article examines social attitudes towards risk-preference and risk-aversion. First, we briefly discuss the theoretical approach to the analysis of risk-preference and risk-aversion that was developed within rational choice theory. Next, we present an approach to operationalise risk-preference using survey data. Our measurement of attitudes towards risk follows the usual strategy: respondents are asked to choose between a small amount of money they get for sure, and a large but risky amount. Drawing on the theoretical models and earlier empirical research, we formulate hypotheses about the social factors that have an impact on actual decision making in the situations under study. The hypotheses are tested using survey data. The article ends with a brief discussion. The novelty of our paper is that – to the best of our knowledge – neither previous Hungarian nor international research has attempted to examine attitudes towards risk using data from large-scale surveys.

## The analysis of attitudes towards risk

### *Certainty, uncertainty, and risk*

Rational choice theory makes a distinction between perfect and imperfect information about the states of the world that are relevant in decision making situations, and thereby about the outcomes that will follow from alternative courses of action (Elster 1986: 5). When, for example, a farmer must choose between two grain varieties he or she should bear in mind that the size of the crop next year will depend on future weather conditions, which, however, cannot be predicted with

[1] This article is a revised version of a paper that was presented at the workshop *Action Theory and Social Research [Cselekvéselmélet és társadalomkutatás]* (27–28 November 1998, Budapest), which was dedicated to the memory of László Csontos. Both authors are indebted to Csontos, who taught us both professional and human values. The basic questions of this paper goes back to the idea he developed with one of the authors to examine the relationship between attitudes towards risk and attitudes towards the reform of welfare systems, as a follow-up to the research project *The state and its citizens [Az állam és polgárai]* (Csontos–Kornai–Tóth 1996; Csontos–Tóth 1998). The survey questions analysed in our paper were suggested by László Csontos. Our work was financially supported by the National Science and Research Foundation (OTKA) (research grant F 022195).
Comments and suggestions are welcome. Please direct correspondence to: zoltan.szanto@soc.bke.hu and toth@tarki.hu. We are grateful to Róbert Iván Gál for his helpful comments on an earlier version of this paper, and to Tamás Bartus for the translation of this article.

certainty. Virtually all actual situations are of this kind but some of them approximate very closely the extreme case of certainty. We have certainty when decision-makers know which of the possible states of the world will occur, and thereby which of the possible consequences will ensue: one of the states of the world occurs with probability one, and the other states of the world occur with probability zero.

Consider our farmer who must choose between two grain varieties, *A* and *B* (Elster 1995: 34–35; 1986: 6). There are two possible weather conditions (states of the world), *good* and *bad*. Using available information, our farmer assumes that both conditions have an equal probability of occurring (50–50 per cent). The income of the farmer and the utility of the respective incomes in the various cases are shown in *Table 1*. Utilities reflect the decreasing marginal utility of money: the utility of one additional dollar falls with the number of dollars.

**Table 1. Outcomes in situations involving risk**

| Weather | Grain *A* | | Grain *B* | |
|---|---|---|---|---|
| | income (in US dollar) | utility *(U)* | income (in US dollar) | utility *(U)* |
| Good | 30,000 | 47 | 50,000 | 50 |
| Bad | 25,000 | 42 | 15,000 | 33 |
| Average | 27,500 | 45 | 32,500 | 48 |

Choice situations where available information is incomplete may be characterised by risk or by certainty. Broadly speaking, we have certainty when actors know which of the states of the world can occur. Risk refers to situations where actors are able to attach – either objective or subjective – probabilities to the states of the world. Uncertainty refers to situations where actors do not know these probabilities.

There is considerable disagreement between classical and Bayesian decision theories about whether or not all situations of uncertainty can be represented in terms of risk. Recent developments point towards the acceptance of the Bayesian view. As Bayesian scholars argue (Hirshleifer–Riley 1992: 9–11), rational actors are *always* able to assign – to some extent reliable – probabilities to the states of the world on the basis of available information. Additionally, all probabilities are subjective. The distinction between uncertainty and risk disappears: rational decision-makers should choose the act which maximises the (subjective) expected utility. The expected utility of an act is the weighted sum of the utilities of the consequences, where the weights are the probabilities with which the consequences occur.

### *Risk-aversion, risk-neutrality, risk-preference*

To analyse attitudes towards risk, let us consider *Table 1* again. Clearly, crop *B* has the highest expected yield. It need not, however, have the highest expected utility and hence need not be the one which a rational agent would choose. If an income of $20,000 is required for subsistence, our farmer would be foolish to prefer a course of action that gave him a 50 per cent chance of starving to death. This is a special case of the more general fact that money has a decreasing marginal utility, which implies

that *the utility of expected income is larger than the expected utility of income* (Elster 1986; Varian 1991). In our example,

$$U[(50\,000/2+15\,000)/2]>[U(50\,000)+U(15\,000)]/2 = 48>41.5.$$

Rationality dictates the choice of the act with the largest expected utility, and this need not be the option with the largest expected income – even when all utility is derived from income. This phenomenon is referred to as *risk-aversion*.[2]

To generalsze this example, consider the following situation (Hirshleifer–Riley 1992: 16–19; Morrow 1994: 36–37). A decision-maker can choose between $A$ and $B$. If $A$ is chosen then he or she receives the intermediate outcome $C$ for sure. If $B$ is chosen then he or she gets the best outcome $H$ with probability $p$ or the worst outcome $L$ with probability $(1–p)$. To be more concrete, imagine the following scenario. Option $A$ is receiving 1000 dollars for sure. Option $B$ is receiving 2000 dollars with probability $p$ and receiving nothing with probability $(1–p)$. Clearly, the choice between $A$ and $B$ depends on the value of $p$. If it is close to 1 then $B$ will be chosen, and if $p$ is close to zero then $A$ will be chosen. Between the two extremes there must be a value $p^*$ where the decision-maker is indifferent between $A$ and $B$. It can be proven that $p^*$ is the cardinal utility of outcome $C$[3]: $U(C) = p^*$. Imagine that our decision-maker is indifferent between $A$ and $B$ if $p^*=3/4$. This decision-maker is said to be risk-averse. A person is risk-averse if he or she strictly prefers a certain consequence to any risky prospect whose mathematical expectation of consequences equals that certainty. If his or her preferences go the other way he or she is a risk-preferrer. And if he or she is indifferent between the certain consequence and the risky prospect he or she is risk-neutral (Hirshleifer–Riley 1992: 23).

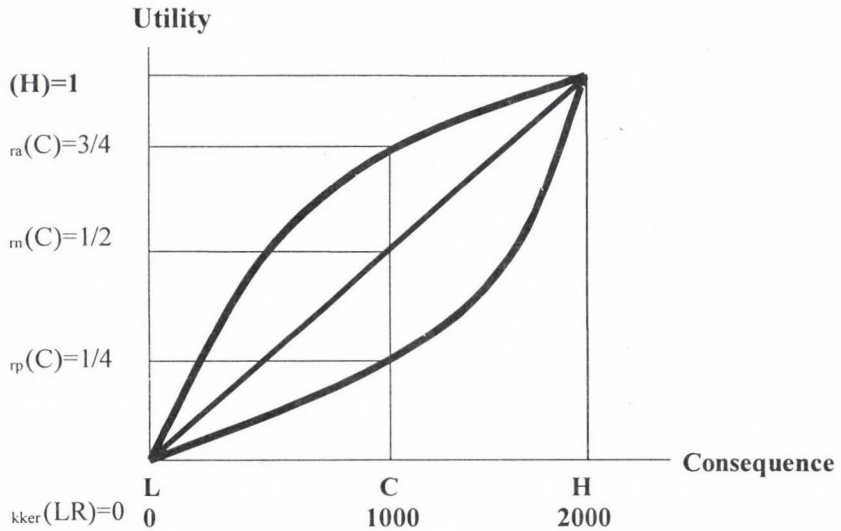
*Figure 1* displays three elementary utility functions: $U_{ra}$ would apply to a risk-averse individual, $U_{rn}$ to someone who is risk-neutral, and $U_{rp}$ to a risk-preferrer. Consequences and their utilities are on the vertical and horizontal axes, respectively. The risk-averse, the risk-neutral and the risk-preferrer individuals attach the same utilities to the worst and to the best outcomes. In our example, the risk-neutral person is indifferent between $A$ and $B$ if $p^*=1/2$. For risk-neutral persons the utility function, $U_{rn}$ is linear because the expected utility of consequences equals the utility of expected consequences. The risk-averse person is indifferent between $A$ and $B$ if $1/2<p^*<1$ depending on the extent to which he or she avoids risk. In case of risk-aversion, the elementary utility function, $U_{ra}$ is concave because the expected utility of consequences is less than the utility of expected consequences. The risk-preferrer

[2] Here, risk-aversion is assumed to be a consequence of decreasing marginal utility. It could also, however, derive from a cautious, conservative attitude towards risk-preference (Elster 1986: 29; note 16.).

[3] It is important to realise that the argument assumes the preference-scaling (or elementary utility) function defined over consequences, and not the utility function defined over actions. Neglecting this distinction leads to misunderstandings and fruitless debates (see Hirshleifer–Riley 1992: 13–15; 19). Note that the preference-scaling function assumes a cardinal scale, while the utility function defined over alternatives assumes only an ordinal scale. The requirement that the preference-scaling function must be cardinal is a necessary condition for the applicability of the expected utility rule. The usual method to establish such a cardinal scale is the reference-lottery technique (ibid. 16.).

individual is indifferent between $A$ and $B$ if $0<p^*<1/2$ depending on the extent to which he or she likes risks. For risk-preference the elementary utility function, $U_{rp}$ is convex because the expected utility of consequences is larger than the utility of expected consequences.[4]

**Figure 1.**
**Preference-scaling functions for risk-aversion, risk-neutrality, and risk-preference[5]**




## The empirical model of attitudes towards risk

### *General framework*

Our study tries to identify the determinants of attitudes towards risk. The main research question is which social, demographic, and other factors have an impact on risk-preference. Our model postulates that attitudes towards risk depend on the size

[4] Mathematically, the first derivatives of these three utility functions are positive: the function is rising, the marginal utility of consequences is positive. This means that more income is preferred to less. The second derivative of the preference function is zero for the risk-neutral case, it is negative for risk-averse people, and it is positive for risk-preferrer individuals. In other words, the function increases at a constant, decreasing, and increasing rate, respectively. Among the three cases, risk-aversion is considered to be the normal case because only it reflects the principle of decreasing marginal utility. Another justification is that people typically hold diversified portfolios (Hirshleifer–Riley 1992: 25).

[5] The standard model we presented assumes that individual preferences and decisions are independent of the endowment of decision-makers. For relaxing this assumption, and for the constructive criticism of the expected utility rule, see the famous prospect theory (Kahneman and Tversky 1979, 1981), and the review presented in Thaler (1987). See also Csontos (1995) and Thaler and Johnson (1990).

of the expected gain/loss, on the one hand, and on the income, occupation, education, age, and gender of the respondent, on the other hand:

$$ATR = f(VGL, INC, OCC, EDU, AGE, SEX),$$

where

*ATR:* attitudes toward risk,
*VGL:* value of gains/losses,
*INC:* income of the respondents,
*OCC*: occupation/labour-market status of respondents,
*EDU:* educational level of respondents.

The empirical analyses are based on the assumption that among these variables only income and the value of gains/losses are perceived as decision parameters since gains and losses modify income. In contrast, variables like occupation, education, age, and sex are assumed to be factors which have an impact on preferences.

## *Data and methods*

*Measurement.* The measurement of attitudes towards risk follows the common strategy of previous research. Respondents are asked to choose between two options: between a „gift" they receive for sure and a gamble which yields twice as much as the gift with a probability of 50 per cent, and yields nothing with a probability of 50 per cent. Three questions were repeated after each other. The questions were the same with the important exception that the amount of the gift was raised. The structure of the questions is summarised in *Table 2.*

**Table 2. The structure of survey questions**

| Item | Option *A*: gift | | Option *B*: gamble | |
|---|---|---|---|---|
| | Gain (Forints) | Probability (per cent) | Gain (Forints) | Probability (per cent) |
| 1. | 1000 | 100 | 2000 | 50 |
| | | | 0 | 50 |
| 2. | 100,000 | 100 | 200,000 | 50 |
| | | | 0 | 50 |
| 3. | 1,000,000 | 100 | 2,000,000 | 50 |
| | | | 0 | 50 |

*Data.* Data come from two surveys of the Social Research Centre (TÁRKI), which were held in October 1996 and January 1997, respectively. The questions described above were included in the questionnaire in both surveys. The wording of the questions was identical. Both surveys represent the population above 18 years of age. A stratified multi-stage probability sampling design was used, and registered interviewers conducted the interviews. The sample size is 1,500 in both surveys. Since the samples were representative of the Hungarian adult population along the most important social and demographic dimensions, weighting was not necessary.

Because of the similarities of the surveys – they contained the same key questions with identical wording, they were close to each other in time, and they both

represent the Hungarian adult population –, we decided to merge the two data sets. Pooling them was necessary to increase the sample size and thereby to enable more refined analyses. The subsequent analyses will use 3,000 cases. We can be 95 per cent confident that the results from our sample deviate only by around 1.5–2 per cent from the value we would have obtained had we included the whole population in the survey.

*Interview context.* The questions about risk-preference were first embedded in a block of questions about the reform of the pension system, and second in an ISSP[6] module about attitudes towards the role of government and attitudes towards work. At the end of each survey, there was a detailed module about politics. Our questions, however, were always followed by biographical information, mostly about the respondents' labour-market position, and by questions about the respondents' knowledge about and attitudes towards the reform of the pension system.

## *Hypotheses*

Before we formulate concrete hypotheses, we turn again to our analytical model. The dependent variable in the model is attitudes towards risk. First, we must measure risk-aversion, risk-neutrality, and risk-preference. The survey question was worded as follows: „Would you choose the sure gain or the gamble?" Following the expected utility paradigm, the expected values of both options are considered as equal: the expected values are 1000, 100,000,and 1,000,000 Forints in each round, respectively. In this case, if the respondents had been offered the option of indifference those who are risk-neutral might have chosen this option. This alternative, however, was not included. Hypotheses can be developed for the extent to which the population of people choosing either option differs. If the respondents were indifferent but were forced to make a choice, half of them would choose the gift and half of them would choose the larger but uncertain gain. However, the standard literature about decision-making suggests that in such situations risk-aversion is the typical attitude. Keeping expected value constant, risk-averse individuals prefer sure gifts to gambles, which is consistent with the definition of risk-aversion given above. Thus, our first hypothesis is:

*Hypothesis 1. (H1.):* In decision situations involving risky gains, risk-aversion is the typical attitude towards risk.

This hypothesis is supported if the number of people choosing the gift is significantly larger than the number of people choosing the gamble. The hypothesis clearly follows from the theoretical model and it is supported by a vast number of empirical studies that were mainly carried out in experimental settings.[7]

Modelling the decision situation can be refined if we attribute the following reasoning to the respondents: „Giving an answer to the question means having one

[6] *International Social Survey Programme.* Since 1985, when the program started, TÁRKI is the official partner of the program. The survey questions analysed here were not included in the ISSP module.

[7] The experimental results of Kahneman and Tversky clearly support the hypothesis that risk-aversion is common when outcomes are gains. See for example Kahneman and Tversky 1981.

thousand Forints. If I risk this amount I either win twice as much or I loose what I had." What is interesting in this reasoning is not that it shows that people are risk-averse, but that it shows that there are people who would risk – on a double or quits basis – a sure gift. Thus, *hypothesis 1* is not exclusive. Although risk-aversion is typical for gains, there are decision-makers who display risk-preference.[8] This insight can be considered an extension to *hypothesis 1*.

*Hypothesis 1a (H1.a):* In decision-making situations involving risks, we can find risk-preference along with risk-aversion.

This extension claims only that there are people who display risk-preference. The extension has a theoretical significance: it makes explicit that different attitudes towards risk exist at the same time, thus it is possible to resolve the standard assumption of economics that actors have identical preferences (utility functions).[9]

In the following, we examine the factors which determine the attitudes specified in hypotheses 1 and 1a. We start with the most apparent factor, the size of the gain. In the decision situations under study, we have two outcomes: the sure gift (1000) and the risky prize (2000). Correspondingly, we can move along two dimensions. On the one hand, assuming that the risk-free gift, is fixed, increases in the prize should increase risk-preference. On the other hand, when taking the risky outcome fixed, we may assume that increases in risk-free gift are likely to reduce risk-preference.

Given the survey questions, a hypothesis can be formulated which takes both the sure and the risky outcomes simultaneously into account. The frequency of risk-preference will depend on the expected values of gambles:

*Hypothesis 2. (H2.):* the higher the expected values of the options, the smaller the likelihood of displaying risk-preference.

The reasons are the same as in case of hypothesis 1*a*: the larger the risk-free gift, the lower the willingness to incur a risk. This effect is expected to be stronger than the effect of the increases in the value of the gain.

Next, we formulate hypotheses about the relationship between socio-economic characteristics and attitudes towards risk. Obviously, the income of the respondent is expected to play a special role. Including income as an independent variable is motivated by the principle of decreasing marginal utility of money. To put it simply, one additional dollar has a relatively small utility for those who have a relatively large income. This would be especially the case if the costs of producing the income were also taken into account. If the assumption of the decreasing marginal utility of money is correct then we have the following hypothesis:

*Hypothesis 3 (H3.):* Keeping other factors constant, risk-preference increases with income.

[8] According to prospect theory, risk-preference is the typical attitudes when outcomes are losses. We do not formulate hypotheses about losses since our study is restricted to gains.

[9] The programmatic statement can be found in Becker and Stigler (1977). Later, Becker (1996) argued that utility functions are the same for different people, and they are stable over time. For a criticism, see Elster (1995): „Most social scientists, however, believe that people differ in their desires as well as in their opportunities [...]" (p. 15.)

This hypothesis says only that if a person's income increases then the value of the lost gift becomes less significant when choosing the gamble.[10]

We have intuitive rather than well-founded reasons for the assumed impacts of socio-economic characteristics that are expected to have on attitudes towards risk. We formulated three additional hypotheses. We believe that the factors specified in the hypotheses have an indirect effect on attitudes towards money, spending, and risk directly and by composition effects as well.

*Hypothesis 4 (H4.):* the likelihood of displaying risk-preference increases with education.

*Hypothesis 5 (H5.):* the likelihood of displaying risk-preference decreases with age.

*Hypothesis 6 (H6.):* men are more likely to display risk-preference than women.[11]

Later we will argue that experimental situations like this often produce sterile results. Using available data, it is worthwhile to examine the empirical relationship between attitudes towards risk, as defined in an experimental situation, and actual behavior, like having insurance or having savings as preparation for old age. Occupation is very likely to be one of the factors that determine risk-preference. The following hypothesis seems to be plausible:

*Hypothesis 7 (H7.):* Occupational status has a direct impact on risk-preference, which cannot be attributed to compositional factors. More precisely, we believe that occupation has an aspect which is independent of other attributes, like education, sex, age, and income. This aspect may be attributed to freedom of command and autonomy when practicing a job.

## Analyses

### *Risk-preference: descriptive statistics*

We begin our analyses by examining the proportion of people who have chosen the gamble at different *levels of gains/losses*. The results are shown in *Table 3*.

[10] Previous research produced other hypotheses. For example, Hirshleifer and Riley (1992: 26–28.) claim that risk-aversion is typical among the poor and the rich, and risk-preference is the typical attitude for people having an intermediate income. This claim contradicts our hypotheses and intuition. In the following, we restrict the analyses to our more plausible hypothesis, which is consistent with the assumption of the decreasing marginal utility of money.

[11] Previous research found that young men very often display risk-preference (cf. Hirshleifer and Riley 1992: 28). Our hypotheses *H5.* and *H6.* are consistent with these findings.

**Table 3. Proportion of respondents choosing the gamble as a percentage of all respondents**

| | Gain (in HUF) | Sample 1996 | 1997 | Pooled data |
|---|---|---|---|---|
| Small | (1,000) | 36.3 | 31.6 | 34.0 |
| Intermediate | (100,000) | 18.3 | 16.4 | 17.4 |
| Large | (1,000,000) | 7.8 | 7.4 | 7.6 |

Comparing the two samples reveals that the results from the two samples are very similar. There is no significant difference in the proportion of people choosing either gamble between the two samples (note that for a sample size of 1500 the sampling error is around 2.5–3 per cent).[12]

This is not the only result. The gamble is chosen by 34, 17, and 7.6 per cent of the respondents if the prize is small, intermediate, and large, respectively. It is easy to see that the number of people choosing the gamble is about one-third of the population even when the prize is the smallest. The fact that more than the half of the respondents avoid any risk shows in an indirect way that people are rather risk-averse (see *hypothesis 1*). Nevertheless, one in 12-13 people would risk even the highest price for the gamble (see *hypothesis 1a*).

We can go further if we examine the decisions individuals made in each subsequent round. *Table 4* displays the proportion of people choosing either the gift or the gamble for each level of gain. The cells contain the distribution of people choosing these options. Bold numbers and numbers in italics are the proportion of those who have chosen the gamble and the gift, respectively. The next cell shows the same distribution in the next round. For example, the number in the upper left cell indicates that 66.2 per cent of respondents have chosen the risk-free gift in the first round. After rising the prize, 97.5 per cent keeps choosing the gift, and only 1.1 per cent chooses the gamble in the last round.

The inspection of data leads to the following conclusions. People who have chosen the gift in the first round keep choosing it in subsequent rounds as well. Those people, however, who undertook a risk in the first round, were less likely to incur a risk in the subsequent rounds. Among those who choose the gamble in the first round, 54 per cent chooses the gift in the second round, and 97 per cent choose it in the last round.

[12] This analysis is important because it supports indirectly our decision to stack the samples. The samples are similar not only with respect to the most important socio-economic factors but also with respect to the distribution of the dependent variable.

**Table 4. The probability of choosing the gamble conditional on choosing or rejecting the gamble in the previous round: the distribution of respondents choosing the gamble (number in italics) and of those choosing the gift (bold number)**

| Small gain (1,000 HUF) | Intermediate gain (100,000 HUF) | Large gain (1,000,000 HUF) |
|---|---|---|
| | **97.5** | **98.9** |
| **66.2** | | *1.1* |
| | *2.5* | **66.0** |
| | | *34.0* |
| | **54.1** | **97.1** |
| | | *2.9* |
| *33.8* | *45.9* | **64.0** |
| | | *36.0* |

These results support hypothesis 2. There is a clear tendency towards a decrease in the proportion of people choosing the gamble as the size of the gain increases.

A simple bivariate analysis of the data revealed a J-shaped relationship between *income* and risk-preference.[13] Risk-preference relatively often occurs in the low-income regions, then it becomes less frequent, and finally, it increases in high-income regions. We also found that the effect of income on risk-preference is smaller for high prizes than for small prizes (these results refine rather than fully support *hypothesis* 3.) Risk-preference decreases with age, as expected on the basis of *hypothesis 5*, but it increases with education (*hypothesis 4*). More precisely, risk-preference occurs less often among people with primary education than among people with secondary or higher education. Finally, men are more likely to display risk-preference than women (*hypothesis 6*).

It can, however, be the case that these results are due to compositional effects. For example, the difference in risk-preference between men and women might be explained in terms of differences in income, education and age rather than in terms of differences in socialization or „genetics". Similarly, differences between educational levels might disappear if we control for other variables. Therefore, we examine which of the variables specified earlier have a significant effect on risk-preference with a multivariate technique.

Logistic regression is appropriate for this purpose. Logistic regression applies to situations where the dependent variable is binary (dummy variable), while the independent variables may be categorical, ordinal or interval. Furthermore, contrary to other methods, it does not require that strong assumptions about the distribution of variables. Logistic regression predicts the probability of occurrence of certain events. In case of many variables, the probability of events is modelled using the following equation:

[13] These analyses are not reported in detail here.

$$\text{Prob(event)}=1/(1+e^{-Z}),$$

where

$e$ is the basis of natural logarithm, approximately 2.718,
$Z$ is the linear combination of variables and parameters. Z can be written as

$$Z=B_0+B_1X_1+B_2X_2+ \ldots B_kX_k,$$

where

$X_1$, $X_2$, ... $X_k$ are the explanatory variables, $B_0$ is the constant, and $B_1$, ... $B_k$ are the respective parameters.

In our model, the *dependent variable* is the attitude towards risk, measured as choosing the gamble in each round *(*$GAMBLE_1$, $GAMBLE_2$ and $GAMBLE_3$, choosing the gamble = 1, choosing the sure gift = 0).

The *independent variables* are defined as follows:

*LG10INC* = 10 base logarithm of household income (we use the log transformation because incomes are log-normally distributed and the logarithmic specification is expected to yield higher explanatory power).

*AGE* = age of the respondents grouped into 6 cohorts (–29, 30–39, 40–49, 50–59, 60–69 and 70-),

$EDU_i$= highest educational level of respondents ($i$ = 1: primary education or less, $i$ = 2: secondary education, and $i$ = 3: tertiary education),

*SEX* = sex of the respondents (0= female, 1= male),

*SELFEMP* = employment status of respondents (1=self-employed, 0= otherwise)

We estimated three models that reflect choices in the three rounds. The first model contains only these variables. Modelling the second and the third round also takes into account whether the respondents choose the gamble in the previous round(s). Thus, our models are as follows:

$$\text{prob}(GAMBLE_i) = 1/(1+e^{-Z}),$$

where

$$Z=B_0+B_1*LG10INC+B_2*AGE+B_3*EDU+B_4*SEX+B_5*SELFEMP.$$

Estimation results for these three models are summarised in *Table 5*. All independent variables were entered simultaneously *(METHOD=ENTER)*. The second column shows the parameter estimates. The columns *Wald* and *Significance* display the Wald-statistics and the respective significance levels. These columns tell us the level at which we can be confident that the observed difference of parameters from zero is a result of chance only. Bold numbers and numbers in italics are the variables which have a significant effect at $p<0.05$ and $p<0.1$ levels, respectively. Numbers not marked in either way are the coefficients which do not represent significant effects at these levels. The reason behind finding no significant effects is either the absence of any causal effect or the fact that there is an effect, but it is

suppressed or not linear. The last column of the table displays odds ratios. Odds ratios indicate how much the odds of the dependent variable increases if the value of the independent variable under study increases by one unit.

In the first round *(GAMBLE$_1$)*, income *(LG10INC)* and education *(EDU)* have a positive and significant effect on risk-preference. The effect of *AGE* is significant at this level, as well, but its overall effect is negative. The effect of sex is substantially weaker, and employment status *(SELFEMP)* has no effect at all. The income variable has an odds ratio of 2.4, which means that the odds of choosing the gamble increases by a factor of 2.4 if the logarithm of income increases by 1 unit (or income itself increases by a factor of 10). Imagine a person whose income is 100 thousands Forints. Keeping all other factors constant, if the probability of the gamble is 30 per cent for an income of 10 thousands Forints (the corresponding odds is 3/7 = 0.42), our person chooses the gamble with an estimated probability of 50-51 per cent (the corresponding odds is 3×2.4/7 = 1.03).

In the second round *(GAMBLE$_2$)*, all independent variables have a significant effect at the $p<0.05$ level except education and sex which are significant only at $p<0.1$ level. The effect of *AGE* is substantially weaker than it was in the first round. The variables which have stronger effects on risk-preference are employment status *(SELFEMP)* and choosing the gamble in the first round.

**Table 5. Logistic regressions of choosing the gamble in each round: all independent variables entered simultaneously**

| Variable | Coefficient | Standard error | Wald | Significance | *R* | Odds ratio: exp(*B*) |
|---|---|---|---|---|---|---|
| | | *Gain: 1000 Forints (GAMBLE$_1$)* | | | | |
| ***LG10INC*** | **0.8897** | **0.2261** | **15.4899** | **0.0001** | **0.0684** | **2.4344** |
| ***AGE*** | **–0.2397** | **0.0311** | **59.5491** | **0.0000** | **–0.1412** | **0.7869** |
| ***EDU*** | **0.2404** | **0.0802** | **8.9806** | **0.0027** | **0.0492** | **1.2718** |
| *SEX* | *0.1645* | *0.0929* | *3.1380* | *0.0765* | *0.0199* | *1.1788* |
| SELFEMP | -0.1335 | 0.1972 | 0.4580 | 0.4985 | 0.0000 | 0.8751 |
| Constant | -4.6227 | 1.0125 | 20.8463 | 0,0000 | | |
| | | *Gain: 100,000 Forints (GAMBLE$_2$)* | | | | |
| ***LG10INC*** | **0.8088** | **0.3315** | **5.9522** | **0.0147** | **0.0442** | **2.2453** |
| ***AGE*** | **–0.0936** | **0.0473** | **3.9211** | **0.0477** | **–0.0308** | **0.9106** |
| *EDU* | *0.2378* | *0.1236* | *3.7044* | *0.0543* | *0.0290* | *1.2685* |
| *SEX* | *0.2491* | *0.1385* | *3.2362* | *0.0720* | *0.0247* | *1.2829* |
| ***SELFEMP*** | **0.7679** | **0.2777** | **7.6453** | **0.0057** | **0.0528** | **2.1553** |
| ***GAMBLE$_1$*** | **3.3653** | **0.1815** | **343.929** | **0.0000** | **0.4112** | **28.9410** |
| Constant | –7.7045 | 1.5014 | 26.3312 | 0.0000 | | |
| | | *Gain: 1,000,000 Forints (GAMBLE$_3$)* | | | | |
| ***LG10INC*** | **–0.8691** | **0.4258** | **4.1658** | **0.0412** | **–0.0435** | **0.4193** |
| *AGE* | 0.0727 | 0.0660 | 1.2121 | 0.2709 | 0.0000 | 1.0754 |
| *EDU* | 0.0457 | 0.1726 | 0.0702 | 0.7910 | 0.0000 | 1.0468 |
| *SEX* | -0.0698 | 0.1916 | 0.1329 | 0.7154 | 0.0000 | 0.9325 |
| *SELFEMP* | 0.0524 | 0.3545 | 0.0218 | 0.8825 | 0.0000 | 1.0538 |
| *GAMBLE1* | 0.3305 | 0.2863 | 1.3327 | 0.2483 | 0.0000 | 1.3917 |
| ***GAMBLE$_2$*** | **3.4064** | **0.2882** | **139.683** | **0.0000** | **0.3468** | **30.1563** |
| Constant | –0.5330 | 1.9001 | 0.0787 | 0.7791 | | |

When the prize is the highest *(GAMBLE$_3$)*, there are only two variables which have a significant effect on risk-preference: household income *(LG10INC)* and, more importantly, choosing the gamble in the second round *(GAMBLE$_2$)*. Note that the coefficient of income *(LG10INC)* is negative, which means that keeping other factors constant, a rise in income decreases the likelihood of displaying risk-preference.

The regressions were also run using the *backstep* procedure. This means that after entering all independent variables, we removed the variables which were not significant, and we re-estimated the models using only the significant variables. The resulting models include only variables with actual explanatory power. The results are displayed in *Table 6.*

**Table 6. Logistic regressions of choosing the gamble in each round using the backstep procedure**

| Variable | Gain (in HUF) 1000 *(GAMBLE$_1$)* | 100,000 *(GAMBLE$_2$)* | 1,000,000 *(GAMBLE$_3$)* |
|---|---|---|---|
| Constant | -4.5669 | -7.7045 | -0.1523 |
| *Lg10JOV* | **0.8762** | **0.8088** | **-0.869** |
| *AGE* | **-0.2391** | **-0.0936** | n.s. |
| *EDU* | **0.2398** | *0.2378* | n.s. |
| *SEX* | *0.1600* | *0.2491* | n.s. |
| *SELFEMP* | n.s. | **0.7679** | n.s. |
| *GAMBLE$_1$* | | **3.3653** | n.s. |
| *GAMBLE$_2$* | | | **3.5797** |
| Degrees of freedom | 4 | 6 | 2 |
| Model $\chi^2$ | 144.672 | 693.180 | 362.276 |
| Significance | 0.0000 | 0.0000 | 0.0000 |
| per cent of correct classification | 68.59 | 85.95 | 93.2 |

Using the coefficients in *Table 6*, we can predict the probability of displaying risk-preference as a function of the significant variables. Consider, for example, a male respondent (*SEX* = 1) aged 29 (*AGE* = 1) who has a university education ($EDU_3$ = 3) and who lives in a household where the household income is 40 thousands Forints per person. The probability that he chooses the gamble in the first round can be calculated as follows:

Since $lg_{10}$ (40 000)=4.61,

$$Z = -4.5669+0.8762\times4.61-0.2391\times1+0.2398\times3+0.1600\times1=0.1127,$$

and hence, prob(*GAMBLE$_1$*)=$1/(1+2.718^{-0.1127})$ = 0.5281,

thus our respondent with the above defined characteristics chooses the gamble with an estimated probability of 53 per cent.

Consider now a women (*SEX* = 0) aged above 70 (*AGE* = 6) who has only elementary education (*EDU* = 1) and who lives in a family where household income is 15 thousands Forints per person. Her probability of choosing the gamble in the first round is given by

$$\text{prob(GAMBLE1)}=1/(1+2.718^{-(-2.099)})=0.1092$$

where

$$Z = -4.5669+0.8762\times4.18-0.2391\times6+0.2398\times1+0.1600\times0 = -2.099,$$

and the number $4.18 = \lg_{10}(15\ 000)$

In short, she will choose the gamble with an estimated probability of around 11 per cent.

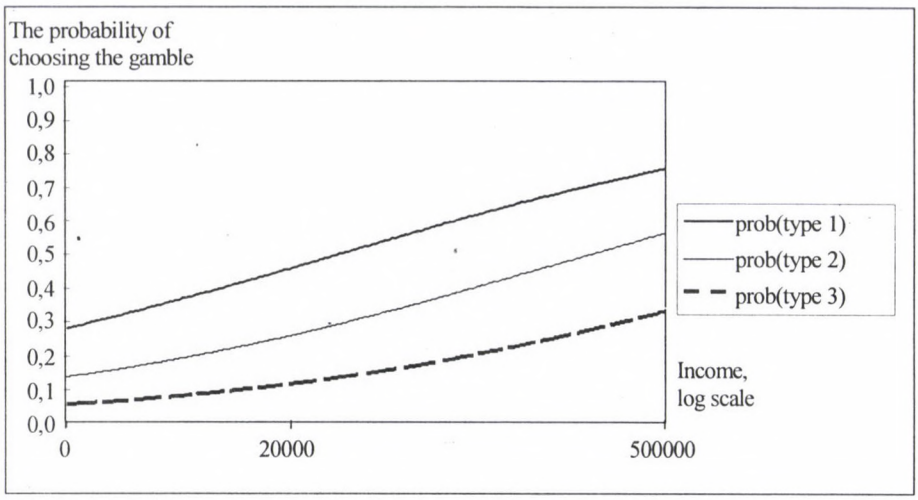
To develop a more general and transparent interpretation of the results, we set the significant explanatory variables to certain values and we calculate the probability of displaying risk-preference for the defined values. The values we chose reflect typical demographic and social situations. Our aim here is to show how the probability of choosing the gamble varies with income for each socio-economic type.

For the first round (model $GAMBLE_1$), the following types are defined:

1. male below 29 years of age with tertiary education (type 1),
2. female aged 40–59 with secondary education (type 2),
3. female over 70 with primary education (type 3).

The risk-preference functions calculated for these typical cases are displayed in *Figure* 2. The functions are calculated separately for the three rounds. First, consider the model $GAMBLE_1$. The probability of displaying risk-preference increases with income for each typical case. It is the 29 years old male who is most likely to display risk-preference. This probability is the lowest if the 70 years old woman is considered. Note that risk-preference rises with income somewhat steeper for the later case than for the former one if income is high.

**Figure 2.**
**The probability of choosing the gamble with expected value 1000 Forints as a function of income, for typical combinations of social-economic characteristics**




For the model $GAMBLE_2$, where the expected value is 100 thousands Forints, the typical cases are as follows:

1. male below 29 years of age with tertiary education who is self-employed and who chose the risky option in $GAMBLE_1$ (type 1),

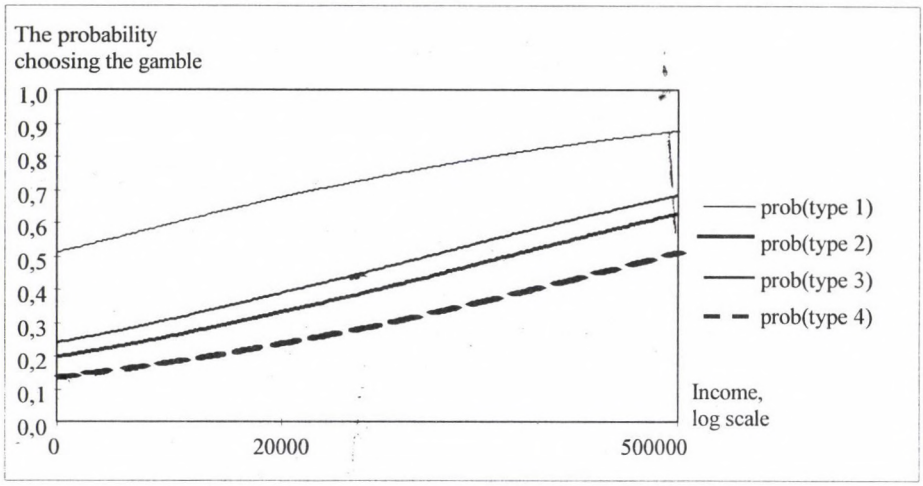
2. female aged 40–49 with secondary education who is employee and who chose the risky option in $GAMBLE_1$ (type 2),

3. male aged 40–49 with secondary education who is employee and who chose the risky option in $GAMBLE_1$ (type 3),

4. female over 70 years old with primary education who is employee and who chose the risky option in $GAMBLE_1$ (type 4),

The income–$GAMBLE_2$ function is displayed in *Figure* 3.

**Figure 3.**
**The probability of choosing the gamble with expected value 100,000 Forints as a function of income for typical combinations of social-economic characteristics**




The dispersion of probabilities of risk-preference is larger than that was in $GAMBLE_1$. This is not surprising since the explanatory power of each variable is higher than in the first round. Again, we find that the probability of risk-preference increases more steeply *with high gains* among those who are unlikely to take a risk *if the prize is low* than among those who are likely to incur a risk already in the first round.

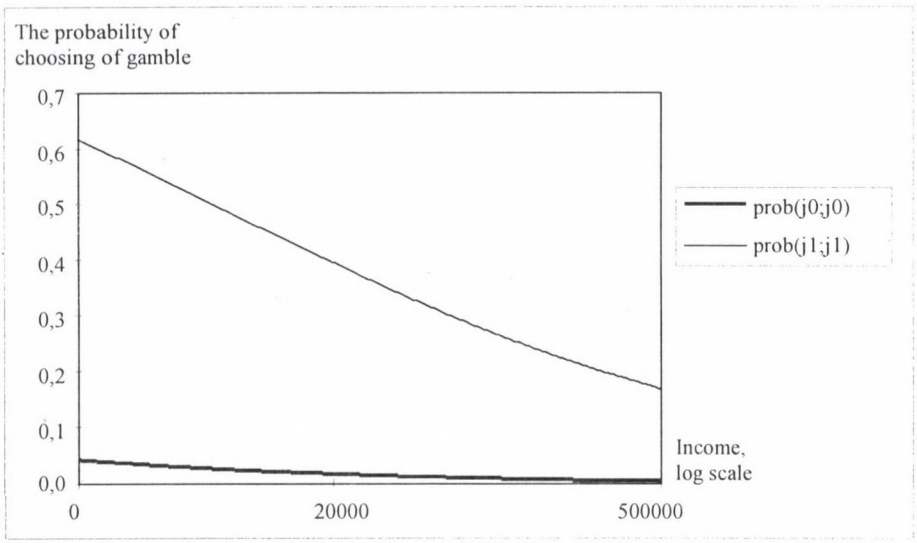
Finally, two typical cases were defined to interpret model $GAMBLE_3$ (expected value was 1 million Forints):

1. a person who chose the risky gamble neither in the first nor in the second round;

2. a person who chose the risky gamble both in the first and in the second round.

The income-$GAMBLE_3$ functions are displayed in *Figure 4*. The falling shape of the curves reflects the negative sign of the income variable in the third round. The figure clearly shows that those who chose the gamble in the first two rounds are likely to choose the third gamble too. This means that if the prize is large, like 1 million Forints, only those are likely to incur a risk who have relatively small income and who are fond of gambling anyway (choosing the gamble in the previous rounds).

**Figure 4.**
**The probability of choosing the gamble with expected value 1,000,000 Forints as a function of income depending on participation in earlier gambling**




*Examining non-linear relationships.* Earlier in this paper when we examined *hypothesis 3*, we found a J-shaped relationship between income and the probability of choosing the gamble. Since logistic regression assumes a linear relationship between the probability of the event and the independent variables, we must cope with this problem. The bivariate analyses showed that the cutoff point for the J-shaped relationship is close to half of the median income. Below and above this point the relationships seem to be linear. Correspondingly, we can examine the relationship between risk-preference and income separately in two groups: among those who have less, and those who have more income than half the median. The results are summarised in *Table 7*.

**Table 7. Logistic regressions predicting choice of gamble in each round using the backstep procedure; models estimated separately for the poor, for the non-poor, and for all respondents.**

| | 1000 Forints | | | 100,000 Forints | | | 1,000,000 Forints | | |
|---|---|---|---|---|---|---|---|---|---|
| Variables | All R. | non-poor | poor | All R. | non-poor | poor | All R. | non-poor | poor |
| Constant | –4.5669 | –6.4153 | –2.2366 | –7.7045 | –9.6719 | –6.3241 | –0.1523 | 0.0487 | –4.0099 |
| *Lg10JOV* | 0.8762 | 1.3101 | n.s. | 0.8088 | 1.3558 | n.s. | –0.869 | –0.9255 | n.s. |
| *AGE* | –0.2391 | –0.2555 | n.s. | –0.0936 | –0.0881 | n.s. | n.s. | n.s. | n.s. |
| *EDU* | 0.2398 | 0.1985 | 0.4734 | 0.2378 | n.s. | 1.1218 | n.s. | n.s. | n.s. |
| *SEX* | 0.16 | n.s. | 0.7203 | 0.2491 | n.s. | n.s. | n.s. | n.s. | n.s. |
| *SELFEMP* | n.s. | n.s. | n.s. | 0.7679 | 0.8102 | n.s. | n.s. | n.s. | 2.5347 |
| $GAMBLE_1$ | – | – | – | 3.3653 | 3.327 | 3.995 | n.s. | n.s. | n.s. |
| $GAMBLE_2$ | – | – | – | – | – | – | 3.5797 | 3.6618 | 3.4972 |
| Model $\chi^2$ | 144.67 | 132.91 | 7.92 | 693.18 | 612.22 | 60.90 | 362.28 | 332.41 | 30.93 |
| Degrees of freedom | 4 | 3 | 2 | 6 | 4 | 2 | 2 | 2 | 2 |
| Significance | 0.0000 | 0.0000 | 0.0191 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| per cent correctly classified | 68.59 | 67.8 | 78.63 | 85.95 | 84.89 | 91.06 | 93.2 | 93.05 | 95.08 |

Clearly, separating relatively poor and non-poor people somewhat modifies the results. In the first round, income and age have significant effects only among the non-poor. Contrary to this, income and age are not significant among the poor, but education and sex have a stronger effect. Employment status does not have any impact in either groups. Similarly to earlier analyses, the independent variables have practically no significant effect on choosing the gamble in the third round. Among the poor, the only significant difference is due to employment status. Among the non-poor, risk-preference decreases with income.

Again, our results show that taking the income distribution in Hungary into account, it is the sum of 100 thousands Forints which offers the opportunity to analyse attitudes towards risk along various dimensions. Among the poor, only having chosen the gamble in the first round and education make a difference. Among the non-poor, neither education nor sex plays any role; displaying risk-preference in the second round depends on income, age, employment status, and having chosen the gamble in the first round.

Similarly to Figures 2-4, figures 5-7 display the probability of risk-preference as a function of income for various typical cases. These results are based on the regression results which were run separately among the poor and the non-poor.

**Figure 5.**
**The probability of choosing the gamble with expected value 1000 Forints as a function of income; probabilities calculated for women aged 40–49 with secondary education on the basis of regressions estimated separately for the poor and the non-poor.**

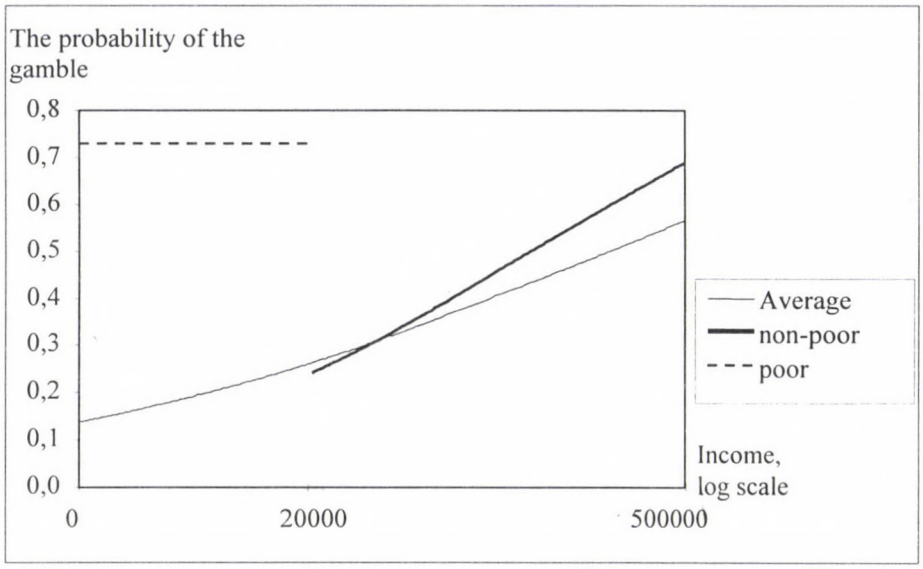



*Figure 5* shows that a poor woman with secondary education, aged 40–49, incurs a risk with an estimated probability of more than 70 per cent. This probability is independent of the exact value of her income. Among the non-poor, a woman with the same characteristics chooses the gamble with a probability of higher than 50 per cent if her income is higher than about 140 thousands Forints. It also can be seen that the explanatory power of income is higher among the non-poor than among the poor if these groups are analysed separately.

*Figure 6* displays risk-preference for the same individual when the expected gain is 100 thousands Forints. Compared to the average, the sign of change is similar to the previous case with two exceptions. First, risk-preference among the poor is below 50 per cent, and it is independent of income. Second, the income value below which the probability of risk-preference does not exceed the value of 50 per cent becomes lower; it is about 80 thousands Forints.

**Figure 6.**
**The probability of choosing the gamble with expected value 100,00 Forints as a function of income; probabilities calculated for women aged 40-49 with secondary education having chosen the gamble in the first round, on the basis of regressions estimated separately for the poor and the non-poor**

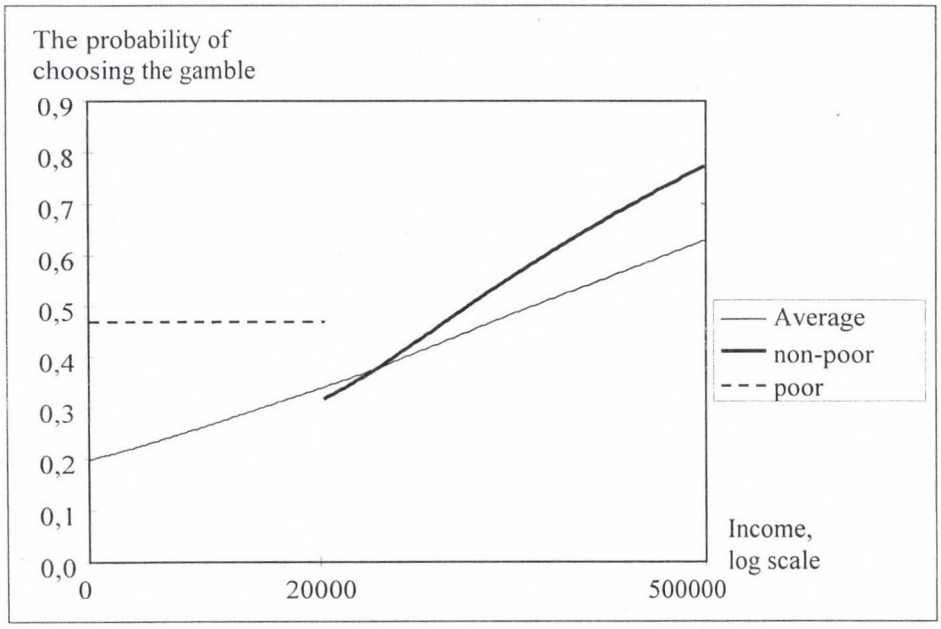
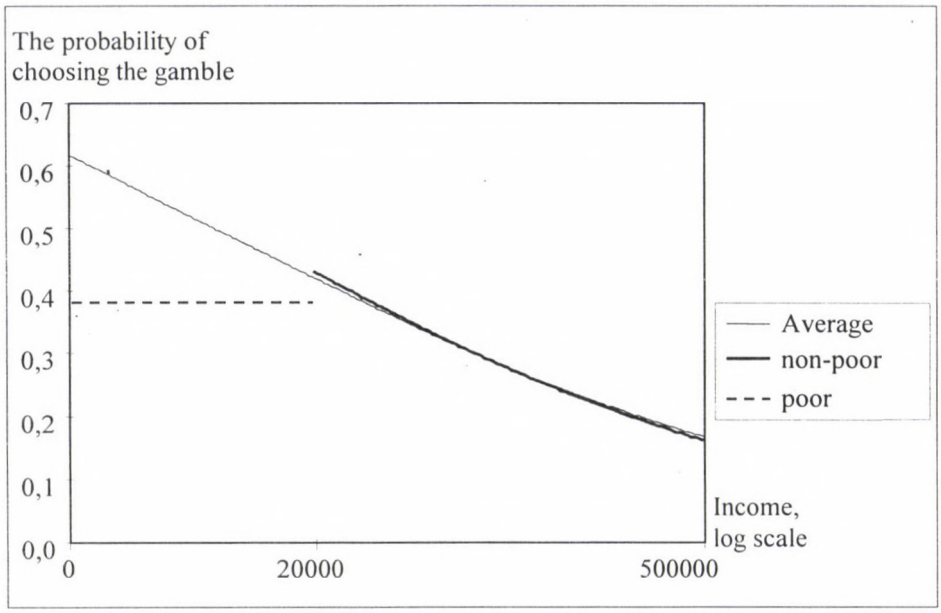



*Figure 7* shows risk-preference for the highest prize. The typical cases are defined in terms of choosing the gamble in the first two rounds because other independent variables were not significant. Our typical individuals chose the gamble with an estimated probability which is clearly less than 50 per cent. Note, moreover, that this probability strongly falls with income among the rich.

**Figure 7.**
**The probability of choosing the gamble with expected value 1,000,000 Forints as a function of income; probabilities calculated for a person who chose the gamble both in the first and the second round, on the basis of regressions estimated separately for the poor and the non-poor.**




## Conclusions

In this paper, we made an attempt to examine attitudes towards risk. Our arguments were based on the concepts and analytical models of rational choice theory. We discussed the distinction between certainty, uncertainty, and risk, then we defined three basic types of attitudes towards risk: risk-aversion, risk-neutrality, and risk-preference. After this, however, our arguments became independent of the main questions of rational choice theory. We were not interested in questions like what is the *optimal* level of risk-preference, or what is the level of risk which *should* be chosen by a perfectly rational decision-maker. Rather, we were interested in exploring the main types and the socio-economic determinants of attitudes towards risk using available but relatively limited survey data. Rational choice theory was mainly used to clarify concepts and to develop hypotheses. Some hypotheses – those about typical attitudes, and the relationship between risk-preference, on the one hand, and prizes and income, on the other hand – derive from these theoretical models. The other hypotheses were motivated by earlier empirical results and intuition.

We began the empirical test of hypotheses with relatively simple statistical techniques. The data supported our most fundamental hypotheses that the typical form of attitudes towards risk is risk-aversion. Results also highlighted that risk-preference occurs even when possible losses are relatively large. The hypothesis about the relationship of risk-aversion and gains was also supported: risk-preference is less likely displayed with an increase in gains. At this point, it also turned out that the initial hypothesis about the relationship between income and risk-aversion needs further refinements. First, gains and incomes together constitute the factors that were perceived as changes attributed to income level. Hence, our analysis should take into account both gains and incomes. Second, the effect of income on risk-preference displays a J-shaped rather than a linear pattern: risk-preference is somewhat more likely in situations implying a small change in income than in situations implying a large change in income. Attitudes towards risk also depend on socio-economic factors. Age and sex seemed to have a clear effect, while the effects of education and employment status are restricted. These results, however, cannot be accepted without reservations since they might be due to further composition effects. Therefore, we considered it necessary to analyse our data with multivariate techniques, in general, and with logistic regression, in particular.

According to the multivariate results, income and education have significant positive effects on risk-preference if prizes are small. If gains are intermediary, all variables have significant effects. The effect is strong for income, age, self-employment and having chosen the gamble in the first round; relatively small effects were found for education and sex. Choosing the gamble in the last round when gains are the highest is significantly affected by only two variables: income and having chosen the gamble in the second round (note that the sign of the income effect turned into negative). To make the results more transparent, we refined the fit of the models and defined decision-makers we found to be interesting cases, as well as examined how income affected their risk-preference. We found that risk-preference becomes more likely with income if the gain is either small or medium, while the opposite is true in case of the highest gain. These refinements led us to the conclusion that taking the income distribution in Hungary into account, the results concerning the intermediary gain are the most plausible.

We believe that there are basically two lines of research that will produce fruitful further results. First, following the mainstream of empirical research on attitudes towards risk, we intend to improve the measurement of risk-aversion using more refined experimental questions. We are interested not only in the distribution of the population by the basic categories of attitudes towards risk but also in developing a more refined measure of the extent to which people are risk-averse. Second, we plan to examine natural rather than experimental decisions – like insurances, investments – using a similar methodology, and to compare these results to those coming from experimental design. Data about natural decisions are appropriate to enrich and eventually to correct conclusions based on experimental data.

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# BOOK REVIEWS

*Mária Székelyi*

## BOOK REVIEW: *THOUGHTS AND DATA* BY FERENC MOKSONY

When turning the pages of Ferenc Moksony's work, the reader holds a methodological book in his hands which departs from the traditional genre. This book is innovative for several reasons. Maybe its most important feature is that it is not boring. Suspense dominates its pages which is appreciable and palpable even for young readers who were raised on crime stories – the suspense of consequent and logical thinking. Through discussing common and simple problems the author describes how inadequate and useless experience in mathematical statistics is if it does not go along with a knowledge of model-construction rules and a critical attitude, which facilitates discovery.

The in-depth study of this book can provide training for prospective researchers (or those who currently conduct empirical social research with certain methodological hiatuses). The questions which organise the chapters require independent thinking, and the exercises at the end of each chapter simulate the problems which can emerge in „live" situations and efficiently develop the critical potential in the reader.

The structure of the book is also new. Traditional methodological works usually discuss a given method in depth first; sometimes in a less exact way in order not to frighten off prospective researchers who get anxious at the sight of a double sigma notation, or sometimes present ideas in an absolutely correct way in terms of mathematical statistics, but do not show the slightest empathy toward the reader who did not take at least ten semesters of mathematics in college. After giving an exhaustive discussion of the method, these traditional books describe a specific problem for the social sciences, upon which that method is applicable. Of course, everyone knows that you do not seek a topic for a specific method, but seek a method to solve a certain problem. Therefore, the structure of Ferenc Moksony's book guides the reader through the process of reasoning, pointing to the conclusion that we have to take the four steps in theory construction: hypothesis construction – operationalisation testing – conclusion not once but several times if we seek an adequate answer. While guiding readers through these grades, the author warns of the dangers of false steps and teaches, almost unnoticeably, the essence of Lazarsfeld's paradigm, the logic of hypothesis testing, the basics of linear regression analysis and, most importantly, reveals the clear beauty of logical thinking.

The book consists of five chapters. The first chapter describes a simplified version of Lazarsfeld's paradigm, without assuming that the reader previously studied mathematics or statistics. Through a simple example, seeking an answer to the question of why women are more likely to be neurotic than men, it illustrates that two-dimensional thinking misleads us. The introduction of the concept of alternative answers takes the reader closer to understanding the logic of hypothesis testing, which is discussed in details later. Further examples in this chapter (Alzheimer's disease and social differences in higher educational opportunities) illustrate the problem of selecting empirical consequences and the process of successfully executing the critical experiment. Since a phenomenon can be explained in many ways, and the conditions established for accepting or rejecting an explanation is a key issue in the construction of explanatory models, the author also focuses on this problem throughout the second chapter. Describing Durkheim's thinking strategy in accepting or rejecting potential explanations for suicide he emphasises, again, that you do not seek answers to „why's" through testing the validity of *one* potential explanation; instead, you try to choose from a multitude of potential explanations the one/ones which have a „real" role in the development of that phenomenon.

In the third chapter the author focuses on a standard concept in empirical social sciences: the measures of association between variables. This chapter describes linear regression models rather than covering all indicators of associations. Ferenc Moksony distinguishes two types of effects an independent variable can have on an outcome: unconditional and interaction effects. In the traditional methodological approach the concept of interaction is related to multivariate analyses of variance, which means that an independent variable can have different effects on a variable to be explained when its impact differs across various categories of another independent variable. This reciprocal effect is called interaction.

Understanding the concept of interaction is a very important element of handling explanatory models. Perhaps it would have been more helpful if the reader had not encountered the numerical expression of the interaction effects in a regression analysis first, or at least the author had not consider it evident that the new variable, defined as a product of two independent variables, was applicable to distinguish the interaction effect.

Necessarily, in this chapter the reader can find formulas and derivations, but their complexity never exceeds the required degree, while figures and explanations provide for relatively easy understanding. It is very useful to „allow" non-numerical, i. e., not interval- or ratio-indicating measurement level, independent variables in the regression model. The clear presentation of both dummy and effect coding helps us understand how independent variables of at lower levels of measurement can be included. Perhaps an additional aspect of the phenomenon could also have been useful to describe for those who wish to apply regression analysis in practice: to show, for instance, how you can use an occupation variable which consists of 18 categories as an independent variable, and what kinds of difficulties may emerge during the interpretation of such a model which contains 17 dummy variables, as well as a related analysis of residuals through transferring unexplained heterogeneity into a model which tolerates categorical variables.

As to regression, the author discards the bad reflexes and thoughtlessness common in many analyses triggered by the „I enter the variables into the SPSS, then just describe the output" approach. The potential interpretations of *B* vs. *beta* coefficients, as well as the coefficient of determination are useful for drawing attention again to the fact that even the most complex multivariate analysis cannot be a substitute for logical thinking. However, readers who have no experience in regression analysis have to have a closer look at the analytical logic criticised by the author, and decide to use and interpret various indicators depending on the specific question raised.

The appendix at the end of this chapter took on a difficult task, making an attempt to introduce the reader to the basics of using the software package SPSS for Windows. If the aim is to allow the reader who has never seen SPSS to use the program, then the author assumes really ardent readers – for the section which describes the use of SPSS brings up a number of procedures and parameters (skewness and shape of distributions, quintiles and cross-tabulations) which were not discussed in previous chapters. If, however, the appendix has the sole function of helping users to run regression analysis, then the basic information on the software package is superfluous.

The fourth chapter discusses the last two components of the quartet of hypothesis construction – operationalisation – hypothesis testing – conclusion. The author clearly describes the logic of hypothesis testing (the definitions of a null hypothesis, type 1 errors and significance level), although it would have been worth guiding the reader through the logical chain of alternative explanations – type 2 errors – and type 1 errors again for didactical reasons. In addition, it is not practical to define the more generic notions of the null hypothesis and the P-value within the terminology of regression analysis only in the *Glossary* at the end of the book so it may easily mislead the inexperienced reader. The last chapter is entitled *Suppressor Effects.* Earl Babbie, in his book *Survey Research Methods* (Belmont: Wadsworth Publishing Company, Inc., 1973: 293), defines the notion of suppressor and distorter variables in relation to Lazarsfeld's paradigm. In Babbie's terms a suppressor variable conceals a relationship between variables, while the distorter variable switches the sign of a relationship between two variables. Ferenc Moksony is essentially right when describing this sign switch between the two original variables as a variant of the suppressor effect, but perhaps he could have added the terminology of Babbie's work, which serves as a textbook in one of the social sciences, sociology, at several universities. This observation does not at all mean that this chapter has little value. Like previous ones, the last chapter of the book teaches us to reason in multiple dimensions and the importance of scrutinising the validity of findings.

A logical flow and personalised questions popping up in the chapters encourage independent thinking and make this book even more outstanding within the series of works available on model construction and data management. I would recommend reading this book cover to cover to every newcomer in the social sciences.

*Katalin Kelemen*

# ECONOMIC ACTORS AND THE LOCAL SOCIETY. ABOUT MAGDOLNA LEVELEKI'S WRITINGS IN ECONOMIC SOCIOLOGY

*A bomlás virágai. Gazdaságszociológiai írások (1988–1998)*
[The flowers of disintegration. Writings in economic sociology].
(Veszprémi Egyetemi Kiadó, Veszprém 1999: 108)

Anyone concerned with economic sociology in Hungary today is in an attractive, and at the same time, difficult position. The position is attractive because, applying the way of thinking of sociology in exploring the social conditions apart from the market environment, he or she can pose ever newer problems and question. And it is hard because he or she faces the challenge of finding the path between universal explanations and historicism under rapidly changing social and economic conditions, having to join the micro and macro levels, elaborating a high degree of incidentalness as well (Granovetter 1994).

Magdolna Leveleki's writings confirm that she is aware of this challenge and possesses the required perceptivity to the problems.

The title already shows that the crop of ten years is presented in the book – offering an insight into the events of a far from ordinary decade. It is not static shots side by side, but dynamic analyses. The author seems to be intrigued by the changes and the responses given by the economic actors to the changes, especially by those who had to face serious challenges. Thus, as will be seen, the writings are connected in a process, not only in space.

Another major feature, and value, of the studies is regionality, that is, the investigation of actors embedded in the local society and economy. The later the study, the more emphatic the role of the local environment and the more sharply defined the various dimensions of the local environment.

This has special significance because she dissects and refines the process called growing regional differentiation in post-socialist Hungary. The well-known rift is the east-west axis the relative position along which well defines the growing differences in economic performance, income, unemployment and other indicators of the level of development (Cséfalvay 1993). All this can be interpreted as the outcome of complex processes. Following the collapse of the redistributive mechanisms and the structural crisis, the advantage of the western regions is increasing, caused in part by the proximity of the European markets and other, e.g. infrastructural, institutional and cultural advantages rooted in part in the stage of economic development. The advance of foreign companies is determined by the geographical position apart from the training level of employees.

Narrowing the focus, however – and that's where Magdolna Leveleki's „stories" begin – the processes of different „western" regions and the behavioral patterns of different actors of one and the same region, can be learnt. In her close-ups, even a single economic actor's different roles can be recognised. The interrelation between a large company and small-scale enterprises, and the large company as employer

expose various sections. Magdolna Leveleki has stopped a large gap by outlining the tableau of a local society – Székesfehérvár and its vicinity.

In two of her studies written in the late '80s – analysing the launching of the careers of chemical engineers in different generations and the difficulties of the profession of technical engineers as against expectations, the socialist state-owned large company still looms large as the environment of the studied economic actors. (*The permanence of the structure and the structure of permanence; Employment or underemployment.*)

The two writings dated 1991 are concerned with the emergence of the private sector.

Using the concepts of acting strategy, habitus and capital as defined by Bourdieu, she creates a theoretical frame in her *Awakening of capitals. Conception for a research into entrepreneurship* to study questions such as: Where do successful entrepreneurs grow, or, which social strata can go into entrepreneurship as a real alternative? What composition of capitals makes the success of an enterprise probable? What individual and collective prerequisites are needed to become an entrepreneur? On the soil of what past investment can the entrepreneurial habitus be produced or reproduced? What social learning processes take place when the size of the entrepreneurial stratum is growing?

*Entrepreneurial lifepaths in Hungary in the '80s: Traditional and modern entrepreneurs* seeks answers to the question what elements of a personal lifepath predestine the individual to become an entrepreneur, and what correlations are possible between the lifepath and the entrepreneurial mentality and behaviour.

The studies written after 1993 – taking up some two-thirds of the volume – are closely connected to the Székesfehérvár region, giving diverse sections of local society and economy.

Perhaps the best-known work of the author, *The Flowers of Disintegration,* is about the organisation of the small-scale economic associations born parallel with the decay of the large state-owned electronic industrial complex in Fehérvár. How are relations reshuffled and certain roles exchanged between large company and small enterprises, what forms of competition and co-operation evolve in the market?

In the '80s, Videoton (the large enterprise) gladly contacted small private subcontractors because the performance was obtained cheaper (not for wages) while the subcontractors got extra income. At the turn of the '80s and '90s, not only subcontracting disappeared with the disintegration of Videoton, but the status of employees also became shaky. That was when the „flowers of disintegration" began to sprout, meaning the small electronic ventures with their supplies (aerials, intercoms, amplifiers, etc.); they were still connected to the large enterprise using its semi-finished products and certain services.

Returning six years later, in 1997, to the scene, the author examined (*Market relations of small enterprises in a changed economic environment*) how the small firms of 1991 were going on, what forms, in which areas, remained viable. How did their connections in the markets of acquisition and sale change? Did any co-operation remain between the small and large enterprises, and if yes, what was it like?

What competition was there on the labour market, how did small-scale enterprises try to retain their labour resources in a deflating environment?

The transformation of Videoton substantially changed the position of small ventures earlier partly dependent on it. With the appearance of foreign capital,

Videoton itself became the subcontractor of multinationals, and as a result, it ceased to be the source of acquisitions for small firms. This went parallel with the tightening competition and saturation of the sales markets.

After the fundamental reorganisation of circumstances, will the earlier studied small ventures be found „alive"? If yes, how have their activities been modified? The answer can be got from Magdolna Leveleki.

Another section of the large enterprises can be found in the study entitled. *The Paradise of wage labour. What do employers offer in Fejér county?* which is concerned with reviving local large industry seen from the angle of employment. The author differentiates and describes the labour policies of firms settled at various dates in terms of what they offer to the employees and what social groups find employment in the offered jobs.

Apart from small entrepreneurs and large enterprises, groups of other economic actors are also investigated. The study addressing itself to the unemployed (*From liberation to compulsion. Changes in being unemployed*) describes various types of workers dismissed in Fehérvár with the strategies connected to these types.

*Rural Romas in the sphere of attraction of an industrial town* (co-author: József Albert) defines the structuring of the Roma society living in the agglomeration of Székesfehérvár, embarking on the extent to which the economic and social changes of the '90s, the collapse of large industry in Fehérvár, the expansion of the private sector, and the revival of large industry in the city affected various strata and groups of the Roma society. What techniques of subsistence and survival do they devise in the state of unemployment?

The scholar does not forget about the local institution most deeply influencing the local economy: the local governments (*Role variants of local governments in the early nineties* – co-author: József Albert).

Reading the studies of Magdolna Leveleki one feels that the she is an excellent practitioner of the method of interviews and case studies. This genre needs a researcher with empathy who does not wish to impose theories on reality, who does not squeeze her interviewees into the boundaries of prefabricated questions, who can weigh the received information and can see beyond the incidental features of the answers. That is how the outcome will be natural and self-evident – as it is in Magdolna Leveleki's economic sociological writings.

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# IN MEMORIAM ANDRÁS HEGEDÜS

*Gyula Rézler*

## BEGINNING OF A CAREER IN SOCIOLOGY

I recall from a distance of 55 years my first meeting with Hegedüs, the first steps he took in the area of sociological research and my role therein. During a short but eventful period of my life did our path crossed. Hegedüs did not forget either about our transitory relationship. When, shortly before his untimely death, he sent me a copy of his book, „The Spell of History and Power" he included this dedication: „To Rézler Gyula with thanks for the start you gave me".

I first met András Hegedüs during the summer of 1943. At that time, with the co-operation of László Szabó, I was in the process of setting up the Hungarian Institute of Labour Relations. In order to carry out our research plans, a need for competent research arose. Among others, the director of the Györffy College, an organisation of progressive students was contacted for recommending qualified graduate students in social sciences. András Hegedüs and Ferenc Szűcs were sent for an interview. Both László Szabó and myself were impressed by their competency and their interest in the problems of industrial workers. We decided that these features plus their analytical approach qualified them to assist us in our research activities.

We agreed that they will participate in the initial research project of the Institute that attempted to investigate and measure, on the basis of a sample, amounting to 40,000 industrial workers, the social and economic situation of the Hungarian industrial work force of 600,000 (retrospectively, I fully realise that, in view of the contemporary statistical methods, a much smaller sample would have been sufficient to obtain the same results).

The project in which Hegedüs and Szűcs were to be involved, was described in a publication of the Institute that contained its mission and programmes, in the following manner: „We cannot find a more urgent and important task than to unveil the real conditions of the industrial work force in Hungary. Therefore, in its first research project, the Institute will initiate a representative data collection based on a sample of 40,000 workers. The purpose of this project is to learn about the social, economic and cultural conditions on the industrial workers' population. Emphasis will be placed on the unit workers defined by their place of employment rather than the location of their housing. This approach was decided because one should not disregard the impact of the work environment on the workers which can only be observed within the confines of the plant and particularly in the workshop, within which they perform their job daily".

In the first phase of the above project, Hegedüs and his colleagues attended meetings where the methodology and procedures of the planned research were first discussed and later defined. On the basis of the criteria agreed upon, an interview

guide was constructed. In the course of the discussion, I had ample opportunity to observe Hegedüs' mind in work and to recognise his analytical thought process and his approach to problem solving.

In the next phase of the research project, Hegedüs and Szűcs were charged to visit selected industrial sites in order to interview non-supervisory employees. Unfortunately, they could not conclude their job because the operation of the Institute was adversely affected by the invasion of Hungary by the German army. The Institute's research activity slowed down gradually until it was limited to a trickle due to the fact that its officers and employees chose to get involved in the anti-nazi resistance movement in one way or another.

During the summer, Hegedüs was arrested for his illegal activities in the „Peace" Party by the political police in his Institute office. I succeeded in warning Szűcs in time who was also engaged in similar political action. Thus, he avoided the ordeal Hegedüs went through until his successful escape from a moving train.

Needless to say, the collection of data was suspended. The interview logs were stored in the cellar of the Institute. When the district wherein the Institute was located was occupied by the advancing Soviet troops, the billeted soldiers used the archives for heating purposes.

However, the project that involved Hegedüs until his capture, gave him the opportunity to familiarise himself with the experimental methodology of sociological research and, perhaps such experience contributed somewhat to his subsequent career in this discipline.

Hegedüs recalled his short tenure in the Institute in the following manner: „During the spring of 1943, I was invited to present a lecture on the industrial workers in the college. Approximately, at the same time, I started working for Gyula Rézler who intended to continue writing his book on the history of the Hungarian labour movement the first volume of which covered the period ending with World War I. My lecture was primarily motivated by Rézler's publication. I recall that, before my presentation, I took a walk in the hills of Buda and hiding myself behind the bushes, read loudly the text of my lecture several times. Notwithstanding, I still experienced a great deal of stage-fever" (The Spell of History and Power, 1993: 51–52).

Due to the arrest of Hegedüs, our relationship was permanently severed. When I later learnt about his lucky escape from a speedy train that would have taken him to Sopronkőhida, where political detainees were executed, through a mutual friend I offered him the payment of his salary. I am not sure if he had ever received my message as it was left unanswered.

Our paths diverged sharply in the coming years. He made a rapid ascendancy in the hierarchy of the Communist Party, culminating with his appointment as prime minister of Communist Hungary. On the other hand, I was forced by circumstances to illegally leave the country. However, I learnt later with a grudging respect about his brave opposition to the leaders of the ruling Communist Party in a way that resembled to the conversion of the St. Paul on the road to Damascus. His change of heart enabled him to restart his career in sociology. To my best knowledge, the fruits of his extensive research resulted in a number of acclaimed books and essays.

I believe that it is not my task to evaluate his contribution to the discipline of sociology. Only those contemporaries of Hegedüs who witnessed his work are in the position and qualified to evaluate his performance.

*Iván Szelényi*

# ROAD FROM STALINIST OFFICAL TO THEORIST OF REFORM COMMUNISM

András Hegedüs was one of the most important social theorists during the era of reform communism in Hungary. Through his death we lost someone who contributed as much as any other social scientist to make life livable for millions of Hungarians during the last decades of communism. We lost a socialist who never betrayed his faith in social justice and equality, a humanist who cared for ordinary people, a man of courage and moral integrity who was able to break with his Stalinist past and was willing to challenge powers, communist and post-communist alike for causes he believed in and was ready to take risks for standing by his beliefs.

I first met him in 1962. I was in charge of the foreign language journal collection of the Library of the Central Statistical Office and Hegedüs was appointed that year to become the Vice President of the Statistical Office.

Hegedüs just returned from his emigration from the Soviet Union. He escaped from Hungary during late October 1956 with other Stalinist officials. Hegedüs joined the communist movement early in life. He was active in underground political activities during the war years, and rose in the ranks of the party and state bureaucracy fast after 1945. Hungarian communist party chief, Mátyás Rákosi liked him a lot – Hegedüs even looked a little like Rákosi and for a while many Hungarians believed him to be Rákosi's illegitimate son. In 1952, at the age of thirty he was appointed Minister of Agriculture, in 1953 he became deputy prime minister in the first Imre Nagy government. When Nagy was removed he took over first as acting prime minister, later as prime minister. The October revolution found him in this position. He was among the signatories of the document, which requested the Red Army to crack down on the revolution, which at that time he called counter-revolution. He had thus good reason to escape Hungary during the revolution to seek asylum in the USSR. In 1957 he was still a firm believer in Stalinism and from Moscow he tried to persuade the Soviets to sack Kádár and bring the „old guard" back. But during his Moscow emigration he soon gave up politics and began to read sociology and by the time he returned to Hungary during the early 1960s he had a basic grasp of the sociological literature. It was not quite clear where he was heading politically and whether or not he still had political ambitions. In 1962-63 the Kádár regime was searching for a new identity and orientation and it was seriously considering that former Stalinists, like Hegedüs may be brought back to important positions. Offering Hegedüs the Vice-Presidency in the Central Statistical Office was a step in this direction. We all believed it will be only the first step and he will keep rising in the party or state hierarchy.

The rank-and-file clerks at the Central Statistical Office – including myself – were frightened by the news of the Hegedüs appointment. We believed this to be a sign of the return of Stalinism, and in retrospect, before 1963 it was indeed not obvious whether the Kádár regime will return to full scale Stalinism, or it will enter the reform communist trajectory, it eventually followed. Soon our opinions changed, however. Hegedüs did not behave like a Stalinist cadre at all. He presented himself as a smart, thoughtful and modest colleague and did not play the role of the communist boss. This was in sharp contrast with the style of the President. At the time the President of the Statistical Office was György Péter, an able economists, who was one of the early proponents of market reform. Péter's style of leadership, however, was a rather distant one. He had a cold, aristocratic style of management. He went home for lunch in his chauffeur driven car, did not return the greetings of his subordinates in the corridors but if someone did not greet him they had to face the consequences. Hegedüs presented himself as a very different person. He joined us for lunch in the cafeteria, insisted, that he stand in line, came to the library in person if he needed a book or a journal issue. He soon became known for his excellent skills of chairing meetings. He let people talk, listened carefully and concluded the meeting with picking the right ideas presented at the meeting, even if his knowledge of the subject matter was limited or nil. We did not like him, but we learned to respect him.

In 1963 Hegedüs faced an important choice. The government wanted to remove Péter from his position. The regime disliked him, since he was his own man and according to rumours I heard in the Statistical Office he was known to fire whoever was recruited by the secret police to be their informants. Now they wanted to offer the job to Hegedüs. In the same year it was also decided that the Hungarian Academy of Sciences would set up a tiny Sociological Research Group. Until then sociology was regarded as a „bourgeois pseudo-science". They were also searching for a director of the research group. Hegedüs opted for the directorship of the tiny research group, and turned down the offer to become president of the Statistical Office, which would have guaranteed him a seat in the Council of Ministers. On March 15, 1963 he left the Central Statistical office and assumed the position of Director, Sociological Research Group at the Hungarian Academy of Sciences.

There were quite a few of us who wanted a position in this research group. There were at that time about a dozen young men and women – just like me – who began to read sociological literature and train ourselves as sociologists. We were also dreaming about a research job in the Academy of Sciences, which at that time was a prestigious position.

But the Research Group started as a small venture. As far as I remember on March 15 1963 only Ferenc Nemes, Mária Márkus, Károly Varga and András Szesztay were full time researchers in the Research Group, with Hegedüs as full time director. During the next year or two Ágnes Heller, Ágnes Losonczy, András Gyenes, Pál Lőcsei joined the Group as well. In 1963 I got a part-time position and had to wait for years to be appointed full time.

The next few years were spectacularly successful for Hegedüs as a social theorist. Overnight he managed to become the agenda setter for all the major debates of the time. I remember four major debates; each initiated by Hegedüs and shaped by him.

The first major debate dealt with the question of social structure. Hegedüs wrote a short book on the subject matter and that turned the theoretical debates about class and stratification around and paved to road to empirical research on social stratification and mobility, which became one of the strongest fields in Hungarian sociology. In the book Hegedüs rejected the orthodox two-class-one-stratum model of social structure advocated by Stalinist historical materialism. This theory claimed that there are two fundamental classes of socialism: the working class (state ownership) and the peasantry (co-operative property) based on differences in forms of ownership, with the intellectuals as a middle stratum (since they cannot be clearly identified with either of the forms of ownership). Hegedüs suggested that the basis of social inequality in socialism is derived from the position in the division of labour rather than from forms of ownership. Hegedüs himself did not conduct much empirical research – his mind worked too fast, he just could not do all the nitty-gritty work of empirical investigation and he even despised us a little for crunching numbers. Still, without Hegedüs it would have been unimaginable that the kind of rigorous empirical research work on stratification, mobility and poverty, which was soon carried out by Zsuzsa Ferge first and by István Kemény and Rudolf Andorka later (and by Tamás Kolosi much later). The work I conducted with György Konrád on social inequality would have been also impossible without the opening Hegedüs initiated.

The second big debate, which was kicked off with an essay by Hegedüs focused on the question of bureaucracy. Marxist orthodoxy claimed that bureaucracy is alien to socialism. Kálmán Kulcsár, who was close to the Kádárist regime was aware that socialism is a bureaucratic society, but he coined the term „administration" to be able to write about the subject safely (Kulcsár was a great coiner of such „neutral" terms – I gather he was the one who invented the term „people in multiple disadvantages" to write about „poverty"). Kulcsár also emphasised that no complex society was imaginable without administration. Hegedüs, like Kulcsár acknowledged that bureaucracy was a necessary phenomenon in modern societies and he did not share the program of the „anti-bureaucratic" revolution of Leon Trostky. Hegedüs, however, unlike Kulcsár and other status quo theorists, called for social control over the bureaucracy. He did not imply a multi-party system. He did not believe that a multi-party system was a realistic program in the 1960s in the Soviet block and even later he retained his reservations about „bourgeois democracy" as too formalistic a system. (Around this time and even much later I shared Hegedüs's skepticism about multi-party democracy. Once in the 1970s or early 1980s I wrote: "[O]ne party is one too many". Hegedüs believed in direct democracy, he was searching to find an alternative between formal bourgeois democracy and Kádárist paternalistic bureaucratism.

The third debate focused on economic reform. Since 1963 Hegedüs was a committed economic reformer and eventually became one of the leading figures in the Hungarian reform movement. But his contribution to the reform debate was quite original. He did understand that market reform was inevitable, but he wanted to draw attention to the contradictions of „humanization and optimalization."

Hegedüs saw it with more clarity than market reformers of his time that there was an inevitable trade-off between social equity and economic efficiency. As a committed socialist he did not want to sacrifice the ideal of equality and was searching for some reasonable compromise between equity and efficiency.

Finally, Hegedüs initiated the debate, which lasts until this very day in Hungarian social sciences,about „critical sociology." Hegedüs found „socio-technic" or „social engineering" boring. Fashionable social science of the time saw it its task to give advice to the government and the party about how to exercise power more effectively. In Hegedüs' view the vocation of a social researcher was to be a critical analyst. In his approach that implied that the social scientists will confront the realities of actually existing socialism with its ideals.

One could argue that there was nothing really new in Hegedüs' articles and books. His „theories" were only interesting, when one contrasted them with the stupidity of the Stalinist doctrine. Since Weber it is well known that a position in the division of labour is an important determinant of social status. Weber a few months after the October Revolution warned socialists that the new system, which was in the making in Soviet Russia, would be even more bureaucratic than the „iron cage" of capitalism. Milton Friedman was well aware of the contradictions between equality and efficiency. Lukács, Marcuse and Adorno wrote eloquently about the necessity of critical theory. Still, the Hegedüs oeuvre, which appeared in print between 1963 and 1968 is extraordinary. No one had the courage of Hegedüs to bring these sensitive questions out into the open. No one could formulate these important problems with greater lucidity; no one could translate these rather abstract theoretical propositions into concerns, which became subjects of public discourse.

Just 2-3 years after its birth the new Hungarian sociology constituted the intellectually most exciting „scientific field" and it attracted the attention and even admiration of leading social scientist from all over the world. Parsons, Etzioni, Polanyi, Elihu Katz, Herbert Gans, Ferrarotti and many other leading sociologists of the time visited Hungary and were impressed. I acted as the translator for Talcott Parsons. When he departed he wrote a letter to me and expressed his astonishment and admiration for the quality of ideas he found in Hungary. (He was careful enough to put in the letter: I don't mean your own work, I mean the work of your institute.... Just to make sure I don't start applying for jobs with his letters of thanks...). This was all the accomplishment of Hegedüs. After he was removed from his position of director of the Institute of Sociology, Hungarian sociology rapidly fell into mediocrity and boredom.

During most of the sixties my relationship with Hegedüs was rather cold, occasionally almost hostile. For Hegedüs – a populist deep in his heart – I was the bourgeois boy from the Buda Hills. He was reluctant to give me a full time position and it was only several years after the Institute of Sociology was established that he called upon me – out of necessity since he needed a scientific secretary and I was the only person around with some administrative skills and talent. Not that I liked him all that much. For a long time I looked at him as the prime minister of Mátyás Rákosi, the person who invited the Red Army to invade the country. Still, I was the one who began to change my mind about him and see him as an ally rather than as enemy. During the early-mid 1960s he was the chief editor of the progressive social

science monthly journal, Valóság. Given the progressive line the journal followed under his editorship he was sacked, if I recall correctly sometime around 1965. I remember clearly, I had a discussion about the firing of Hegedüs from this position with Rudi Andorka, who at the time was a close friend of mine. Rudi believed, and told me in so many words, that this was not our business, let the communists fight it out amongst each other. This may have been the beginning of the cooling of my friendship with Andorka and my first step on the road to become a political dissident. From that day onward I became the ally of those, like Hegedüs, who wanted to take the regime on and I began to distance myself gradually from those, who opted for the strategy of „passive resistance."

My difference with Hegedüs was not simply one of human „habitus." We approached some of the basic questions of the discipline differently. First and foremost: I was and remained to this very day an empirical sociologist. Hegedüs never thought much of my scholarly work, he did not like, did not value empirical, data driven social research.

We did not think the same way about the question of economic reform either.

I did understand and appreciate the insights Hegedüs offered with his distinction between „humanization and optimalisation", but unlike him, I was more committed to market reform and even believed that more reform would increase social equality in socialist redistributive economies. Our views also differed about the nature of critical social science. In this respect Hegedüs followed Lukács's line and in my judgment he and the members of the Lukács-school offered „an ideological critique" of socialism.

The critical analysis I practiced was instead a „critique of ideology." In my view the problem with socialism was not that it did not live up to „the ideals of socialism" as Hegedüs and the Lukács-school suggested. The problem was that actually existing socialism was too close to its ideals. The ideal version of socialism was simply the ideology of socialist social order, which legitimated inequalities and injustices of the system.

Hegedüs finally offered me a tenured, full time job in the Institute only around 1966. Even at that time he did this only reluctantly. Ferenc Nemes, who was the scientific secretary of the Institute between 1963 and 1966 was appointed Chair of the new sociology department at Karl Marx University of Economics and Hegedüs needed a secretary. I was the only available person who appeared to have the administrative skills and imagination (he needed help in this respect, he was a lousy administration in day-to-day management). We worked together for two years, during this time our relationship become friendlier. We often traveled abroad and we drank gallons of wine together. (During those years we both drank more than we should have.)

In 1968 our road could have been separated. In August 1968 Ágnes Heller and Mária Márkus – during the days of the Soviet invasion of Czechoslovakia – were at a conference in Yugoslavia and they signed the „Korcula declaration", which opposed, in no uncertain terms, the invasion. Upon their return the party organisation of the Institute of Sociology – Mária Márkus was party secretary – also issued a statement of protest.

I was not a member of the Communist Party, but was asked by some friends to sign the protest statement as well. I refused. I did not see what the point was. I had predicted the invasion weeks before it happened. As an analyst I believed that the Russians would have little choice but to intervene if they wanted to keep the Empire together. While I supported the ideals of the Prague Spring I believed that the protest movement couldn't achieve its purposes, so I decided to stay out of it altogether.

The leadership of the Hungarian Communist Party was outraged. Hegedüs was removed as director of the institute and disciplinary action was taken against those who signed the declaration. From one day to the next I became the favorite sociologist of the regime. They not only rewarded me for staying out of the protest movement, but they also decided to change their science policy. Empirical sociology was supported; critical social analysis of the sort Hegedüs and his colleagues stood for was repressed. The party leadership decided to rely on me for this transition. The new director, Kálmán Kulcsár (I was actively involved in picking him as the replacement of Hegedüs) not only kept me on as scientific secretary, but he also sought my advice and for a while even followed it.

Nevertheless, after 1968 my relationship with Hegedüs and the members of the prosecuted Lukács School (Ferenc Fehér, Ágnes Heller, György Márkus, Mária Márkus) did not deteriorate at all, on the contrary, we became friends. I attempted to manage the transition from the Hegedüs to the Kulcsár „regime" without negating, or rejecting the earlier achievements of Hungarian sociology. My aim was to promote a kind of sociology, which was based on a close integration of empirical research and social theory. I tried to keep Hegedüs and his colleagues in Hungarian social science and defended them against attacks. By the early 1970s I had to realize I failed as a science politician. I resigned from my administrative position, entered a collision course with the Kádár regime and in 1975 I was expelled from Hungary. I was not allowed to return until 1982 and during the past 25 years I met Hegedüs only a couple of times.

After 1968 Hegedüs was quickly marginalised. He wrote no major work after he lost his position as director. Even dissidents turned against him. They forgot the important role he played as a critic and reformer during the 1960s and he was only remembered as the prime minister of Mátyás Rákosi.

His „autobiography" (edited by Zoltán Zsille) created big a controversy. Hegedüs just loved Zsille and he shared his innermost thoughts with him. The most controversial section of the book reports on the events which took place on October 23-25, 1956. Hegedüs claimed that he was not particularly responsible for inviting the Soviet troupes to invade Hungary. This was the decision of Gerő, then first secretary of the Communist Party. He had to take responsibility for this decision only to the extent that Imre Nagy should take it as well. According to Hegedüs during the late afternoon, early evening he was sitting in the office of Gerő with Imre Nagy and others. Gerő did the talking and they did the listening. Gerő said, „Comrades, we have no alternative but to ask the Soviet comrades to help us in this situation." He picked up the phone and made the tragic phone call, which later legitimated the Soviet action (there is little doubt the Russians would have invaded Hungary anyway and may have already been on their way to Budapest when the

phone call arrived). Hegedüs claims neither he, nor Nagy said a word. He also claimed that by that time he believed Nagy replaced him as prime minister anyway.

Those who are familiar with the events of 1956 usually accuse Hegedüs of falsifying history and trying to put the blame on Nagy. I don't know. I was not in Gerő's office on October 23, 1956. But the Hegedüs I knew was no liar.

Nevertheless, for the rest of his life, 1956 remained an unbearable burden. October 23, 1956 was a „Greek" tragedy in his life, much like it was a tragedy for János Kádár. Kádár died the day Imre Nagy was officially rehabilitated by the Hungarian courts. Hegedüs died on October 23, 1999. A coincidence? For sure, but symbolic too.

He lived in horrendous times and he was no saint, he made mistakes in his life. But is there any one among us who lived in this epoch and remained faultless?

He was a modest and smart man. With his essays, written in the 1960s, he created single handedly the new Hungarian sociology and it would have been better for the profession if sociology in Hungary had remained on the road opened up by Hegedüs. The time may come when another generation of social scientists will re-read his work and will be inspired by his critical spirit. That would be the appropriate way to remember him and his legacy.

*Mária Márkus*

# ON THE DEATH OF MY FRIEND

For almost forty years András Hegedüs has been one of my closest friends. It is thus the loss of a friend that I mourn and so my grief is a private affair, and is of no concern to anyone else.

András Hegedüs was, however, a public figure and not just on the political arena. He was also one of the most significant Hungarian sociologists. In this context, his loss is already a public affair, or at least a cause for common sorrow for the community of sociologists. I am sure that this sorrow and feeling of a genuine loss is shared by many, quite independently of their attitudes towards András as a former politician, a person, or even independently of their sympathy towards the kind of sociology he pursued.

It was my privilege for twenty odd years to work with him in close collaboration and also for many years to be his colleague at the Institute of Sociology of which he was the first director.

There is no doubt that the establishment of institutionalised sociology in Hungary is directly linked to his name. By saying that, I don't wish to suggest that without András Hegedüs, some sort of institutional form of sociological research, like the Institute of Sociology (originally the „Research Group") would not have ultimately emerged. After all, at that point in time, there were many people, scattered across different academic and other institutions, who were interested in sociology or who were already engaged in various sociological investigations. Also, the „rehabilitation" of sociology was not a specifically Hungarian phenomenon or achievement, but was taking place gradually in all Central East-European countries and in the former Soviet Union as an expression of the new „Zeitgeist".

Nevertheless, while the establishment of an institution for sociological research cannot be ascribed to Hegedüs alone, it was to a large extent due to his effort that the Sociological Research Group came into being. It was he, who obtained permission for its establishment „in exchange" for the ministerial position of Director of the Central Office of Statistics, originally offered to him. Not that it was a particular sacrifice on his part, since at this stage he has already decided never to return to politics and the position on offer was undoubtedly a political one. Yet, it was a step, which – as it was clear for everyone involved – meant giving up a relatively stable position of high prestige for an uncertain future.

More importantly, at this point in time, he has not just attempted to break with his political past, but also began to critically re-examine this past. Not just his own, personal, past and his own role, but also the past of the idea, the movement, and later the system, in the „shadow" of which his own thinking has been initially formed. To accomplish this task, however, he needed to create also a formal distance from the establishment, which he hoped to achieve by entering Academia.

In this sense, it was the result of the confluence of a number of factors that it was Hegedüs, who ultimately established the Institute of Sociology and became its first director.

What kind of director he was, however, is an altogether different question. What he did in his position, what kind of people he attempted to bring together in this new institution was not incidental. His initial recruitment policy was characterised by two basic principles. On the one hand, he attempted to bring into the Institute people, who have already been engaged in some sort of sociological investigation within various institutions but often in an environment not conductive, or even hostile, to this type of activities. On the other hand, he attempted to employ, or at least to connect to the Institute's activities persons, with similar interest who, for various political reasons, were excluded from the academic life and whom no other academic institution was prepared to offer employment.

These two principles were supplemented by yet another one, rooted perhaps in Hegedüs' own life experience: he always tried to support gifted young people with various social handicaps, especially those of peasant background.

This naturally resulted in quite a mixed group, consisting of people from various backgrounds, with various pasts, various education, and possessing quite different kinds of knowledge and gaps in their knowledge not less different. This to some extent defined the nature and the scope of the Institute's initial research and also influenced its very character and its *modus operandi*.

One could ask: how successful was Hegedüs as a director; did he succeed to forge a „school" or to unify this heterogeneous group around one particular vision of sociology?

This is neither the place nor occasion to discuss the justification for, or the role of, „schools" in the social sciences today. Nor is it possible to evaluate Hegedüs' role in some sort of an „objective" way. In this respect, one's judgment is necessarily coloured by one's personal beliefs and experiences. What, however, can and ought to be said here is that at this point of time, the independence of thought and intellectual autonomy became for him of paramount importance and he was anxious to realise it not just in his own work but also in his relationships with others. It is thus partly due to this commitment that, as the Institute's director, he strived to bring together – both on personal and professional level – this extremely mixed group of people in such a way that the previously mentioned heterogeneity of their knowledge, interests and opinions would not be lost in the process.

This was, in my opinion, a splendid endeavour and also – at least so it seemed at the time – a successful one. As members of the Institute, we tried to learn and to engage in sociological research together but in a way that allowed all of us, at the same time, to follow our own interests and realise our own preferences.

This endeavour, however, was made increasingly difficult to sustain, mainly due to the external pressure from various superior bodies, which demanded that the Institute subordinate its scholarly work to politically derived definitions concerning the substance, the boundaries, and the role of sociology, as well as prescribing its relationship to the various tenets of historical materialism.

András Hegedüs had a clear vision of what sociology meant for him and he formulated it on various occasions. He was primarily and above all interested in a

*critical investigation of social reality*. This, however, under the circumstances of the time, necessarily involved an open contestation of the politically sanctioned tenets of official ideology. For these reasons alone his sociology could hardly remain within the narrowly conceived professional boundaries. As a matter of fact, many investigations of the latter type were, with relative ease, accepted and even coopted by the regime under the familiar slogan: „we do still have some deficiencies".

This does not mean, however, that the basic principles of his critical approach remained unchanged during his entire sociological career. Hegedüs himself distinguished between two basic periods in this respect. The first, lasting from the beginning of the sixties up to 1968, and the second period after sixty eight, following the collapse of hopes for the possibility of reforms, transforming the existing regime into „socialism with human face", when he too, like many others, took farewell from the reformist illusions of the past.

It is not an easy task to account for the merits and problems associated with the type of sociological enquiry pursued by Hegedüs and some of his colleagues; a sociology which, willy-nilly, crosses over into the arena of political debates. I have already mentioned some justification for this approach, but to avoid any misunderstanding I have to emphasise that many sociologists who did not followed this path had not been coopted by the regime either. There were among Hungarian sociologists of this period people whose work, though basically adhering to a seemingly non-political, professional framework and standards, could not be easily coopted, owing mainly to the selection of the issues investigated and/or the formulation of research questions, which often in their own right implied a social critique.

This type of critique, however, did not really suit Hegedüs' interest or personality. It did not suit him not because he was lacking sensitivity towards the critical potential of the very formulation of the vital social problems, but rather because his scholarly interests went well beyond the purely professional boundaries of sociology. He did not simply reject the existing system (speaking of the time when he already did), but passionately willed to face, to confront, and to understand its history, which – after all – was also his own life story.

Despite the biographical aspects of this explanation, I don't think that his approach and way of thinking is devoid of any relevance for the later development of Hungarian sociology or for the younger generations of Hungarian sociologists. Yet, I do understand that for the new generation this approach and oeuvre may appear „alien" or even inappropriate. Perhaps more time is needed to really understand this history. Also the conditions of reaching such an understanding are radically different today. While the need for social reflection and critique is as pertinent today as it was in the past, there emerged and already function – some more, some less successfully – public forums for the political and social debates independent of sociology. This undoubtedly constitutes a process of social „normalisation". Whether the impact of this development upon sociology itself is unambiguously positive is another question altogether and I have some serious doubts in this respect.

In any case, the significance and meaning of András Hegedüs' sociological heritage deserves to be rethought. I am convinced that there will come a time for the

serious analysis and evaluation of his sociological work and that it will bring to light many valuable lessons and insights for the future.

It was the end of June 1999, when I have received András' last letter, together with his, just published, small book of reflections under the ominous title: „Admonition to Survivors". In his letter, he took a final farewell, though at that time I did not really comprehend it and considered it as an expression of his long-suffered depression, which, especially after the death of his wife, worsened dramatically.

In the book I found an aphorism which seems to reflect quite accurately András' own reflection upon his life and is thus perhaps appropriate to end this brief reminiscence with:

„I know I erred
but, striving for the good and the true
it is not fair to be weighed down
by failings of the past."

*Miklós Szabó*

# THE RENEGADE OF RÁKOSIST EMIGRATION

We are burying a one-time prime minister. There is no orchestra, there are no official wreaths. No wonder, we have lived to see several political turns, and no new system will bury the late premiers of previous systems. The deceased, however, is not one of the many prime ministers of the second half of the 20th century whom even well-informed newspaper readers would be hard pressed to locate in time. They know who András Hegedüs was. For one thing, his premiership coincided with truly historic times. He was a premier who is distinctly differentiated from the heads of all other governments by something. Not by his having been the youngest prime minister ever in Hungary, but by the fact that his renown and historical prestige were connected very loosely and indirectly to his one-time premiership.

From his university years his life was intertwined with many major processes and events of 20th century Hungarian history. The Györffy College was the meeting point of the ruralist and the communist movements. Students of the college constituted an important squad in the Hungarian resistance movement. Converted into the so called People's College, the institute became the central institution of training communist leaders. Its members really had the fieldmarshal's baton in their haversack. After the year of the turn, he became first in rank among the senior functionaries picked for the front-line of future party and state leaders. As a „cadre" of Gerő, the number two leader in the Rákosist kernel decisively shaped his political personality. This is what helps us to understand the immensity of the human turn caused by the break with the Rákosist emigration in Moscow in 1956 which Gerő had just been appointed to lead. This turn made András Hegedüs's life unique. Prior to that turn, however, several major events played a great role. He was a member of the delegation of party leaders sent to Moscow in 1953 to receive the Soviet decision to replace Rákosi by Imre Nagy. When Moscow dismissed the more and more openly anti-Stalinist and democratically open Imre Nagy government and had the Hungarian party leadership issue the „March resolution" condemning Imre Nagy's „June journey", Hegedüs became the key person of the „March resolution" line. His place in the new leadership can best be characetrised by his appointment to premiership in 1955. In this capacity, he signed the founding charter of the Warsaw Pact. The line of the „March resolution" implied a partial restoration of the pre-1953 state of affairs. „Hard dictatorship", however, did not return. The members of the „March command", among whom he was first in rank, were primarily opposed to the „June line", to the NEP policy of Imre Nagy's government, but they no longer wished to implement the next period of governance with the „old" cadres who had compromised themselves in the events prior to 1953. The „June command" already excluded Révai; Farkas also failed because he had joined Imre Nagy's government. The apparatus of the „March resolution" – András Hegedüs, Lajos Ács, Béla Végh, István Hidas – were considering the possibility of excluding Rákosi and Gerő, or at

least, not passing back the helm into their hands. When in 1956 Rákosi fell, Gerő wanted to push Hegedüs to the fore as party chief, but he had the dignity to refuse to act as the microphone stand for his still idolized party leader. On the afternoon of October 23, it was Gerő who asked for Soviet aid on the phone, but Hegedüs agreed to sign the official document sent to the Soviet government. He signed it, antedated: he was no longer the premier, but he wanted to save reluctant Imre Nagy this embarrassment. It was not a „gesture to Imre Nagy" but served to severe the leader of the party opposition from his following. From 1953 to October 1956 he was involved in important decisions. He was not the decision-maker, but he was no mere extra. He is not to blame for anything alone, but he is also to blame for everything.

When Imre Nagy's about face of '56 took place – the government went over to the side of the uprising – Hegedüs left the country as a compromised member of the Gerő leadership. In Moscow, he was a member of the Rákosist replacement squad which the Soviet leaders held in the fire as second iron to blackmail Kádár, or, had Kádár refused to collaborate, to use them to set up a collaborating government. That was when the historic turn came in his career. As the only emigrant Rákosist, he broke with this countercentre of emigration which Moscow still needed to keep Kádár at bay and went over to Kádár's side in early 1957. At that point, it was not yet more than switching over from the losing to the winning camp. True, it was a lesser evil. His about-turn was not a triumphal procession. In the months of pacification, the Kádár leadership wanted to gloss over the continuity with the Rákosi regime, so his coming from the Rákosist camp did not help. His switch was not given any publicity. Hegedüs became the vice president of the Statistical Office with the prospect of succeeding president György Péter, an economic reformer rumoured to have had „ties to Imre Nagy".

Had this appointment taken place, he would have returned to the nomenclature in a leadership position – even if at the lowest level. Rumours spread that he kept dragging his foot: he would not sign anything as vice president because he had signed the Warsaw Pact and that made him fed up with signatures. That was a funny way of trying to distance himself from his past. It indicated that the break was serious. The deputy head of an important government agency joking about the Warsaw Pact ran risks. It revealed two human traits of his personality: civic courage which increasingly became the motor of his life, and humour that helped him handle delicate political situations. By this humorous-discrete allusion to his reservations concerning the policies of the Kádár regime he suggested he was determined to find a way out of the nomenclature. He could take this step when he became the leader of the sociological research group, and later, the head of the institute his efforts helped create. The regime wished to use him. He was entrusted with guarding Marxist sociology permitted to exist very reluctantly so that the regime could turn down Sándor Szalai who was regarded as far more dangerous. But the Kádár regime proved to be wrong. Soon he caused them more trouble as a sociologist than anyone else would have. I met him first as the leader of the sociological research group, myself also an associate of an institute of the Academy located in the Castle district. He held lectures to the researchers of other sister institutes of the Academy, all based in the Castle area, in order to have sociology, which was still fighting for survival, officially acknowledged. He held lectures in an easy-going manner, not in

the usual party lingo, which was so hard to swallow. He did not talk about why sociology must be based on Marxism but about what everyone was truly interested in hearing from him: Why he broke with Gerő and his clique in Moscow in October-November 1956. He answered the questions we did not dare to ask. He brilliantly connected it to sociology. He told us that he, who had been interested in sociology as a university student, changed over to this branch of research as a civil profession in Moscow. Around that time some awkward steps were taken in the Soviet Union too to concoct a sort of Marxist imitation sociology. I still remember Comrade Changli. He described her as a sort of commissary of party-governed Soviet sociology for whom sociology meant using questionnaires to inquire into the secrets of the „ace-workers" and to find out about the Stahanovites' success. He said he had called sheer party propaganda „changliese". In his lecture popularising sociology he said that the „Changli experience" was the last straw that deterred him from his previous party alignment. That was a wink at us since he was clearly aware of our political stance. These lectures were feelers towards a base, and this base was already outside the bastion of Kádárism. The lecture exposed his sense of humour and his ability to use humour for political goals.

Another memory of Hegedus I still cherish from that time reveals another important human trait of his personality which was also part of his being as a politician. The personnel of academic institutions in the Castle district had lunch in a huge self-service restaurant. Once I happened to get a place at the table of the sociological group. Director Hegedüs was having lunch there surrounded by young female administrators and several young researchers. A cordial chat was going on without any hierarchic tension. For his young colleagues he was a jolly and humorous collaborator, not the director who is the „boss" even in merry-making. I suddenly realised that the lunch groups of the other academic institute heads were like the courts of Louis XIV compared to that of Hegedüs. His intimacy and easy-going ways with people were the main strengths of his political influence.

He left the Rákosist boat at the moment when it started to sink, but he turned against the Kádár regime when it was on the peak, in the mid-sixties. It was a sign of dissent when as a leading Marxist sociologist, he argued that Djilasiades and his work still provided important insights into the interpretation of bureaucracy as a power factor. He became the advocate for workers' self-government of the Yugoslav type. When the committee for the new economic mechanism was set up Hegedüs was made responsible for the subcommittee in charge of workers' self-government; and he managed to sneak elements of workers's participation into the reform package.

Nineteen-sixty-eight offered him the opportunity to go over to the side of dissenting intellectuals. As the party representative and head of a state institute, he protested against the intervention in Czechoslovakia at the Central Committee of the party. The „Trial of the Lesser Philosphers" removed him from public view in 1972. From then on he belonged to the growing number of opposition intellectuals. He joined in the activities of the democratic opposition from the late '70s. He signed protest sheets, gave biographical interviews compiled into a book to emigrant activists of the opposition which the Hungarian public could only get acquainted with from a series of broadcasts by Free Europe radio, and he held lectures at the

Monday Free University. He was in search of possible ways for direct democracy. He became an advocate for political pluralism but he couldn't come to terms with its classical western variant, the system of many parties. We, the members of the opposition at the time, argued with him, learning a lot from the experience of a fellow fighter who knew the measured operation of power from the inside.

At the great political turn of 1989–90 he didn't even try to join in the reorganisation efforts of the socialist party. Not joining any side, he drifted off the mainstream, to the margins of the transformation. Heroes emerging from obscurity, who were nowhere near the intellectual resistance to the Kádár regime of which he was a weighty figure, spotted the one-time party-dictated prime minister in him. Maybe these people were really ignorant of the fact that András Hegedüs dared to speak up when they held their mouths tightly shut. His humour, love of life and humanity helped him overcome the anguish of being neglected in the past ten years. His Workers' Academy did not fit in the political style after the change, but it exemplifies that there is more than one style for a democratic transformation.

We are taking farewell of a public figure who has jumped over his shadow. We are giving him his place in our private pantheons convinced that he will get his due place in the pantheon of historical memory.

(Delivered on November 12, 1999, in the Farkasrét cemetery)

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