



**Review – Szemle**

**Success of Hungarian food economy in sixties and seventies**

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**SUMMARY**

Out of the attempts made at modernising the Hungarian society and economy in the era of socialism it was only the agricultural transition and development that has brought a long, internationally recognised success. The Hungarian agricultural model has become a point of reference for numerous developing countries, and was widely recognised even in the developed world. The aim of this article is to analyse the driving forces and socio-economic environment in the formation of the Hungarian agricultural model as well as its results, object lessons and experiences. The authors emphasise the specific aspects of the Hungarian agricultural development, contrasting it with that of Western- and Eastern-Europe. It was underlined, that the most important drivers of modernisation were (1) the courage of searching new answers to the problems of agricultural modernisation, abandoning the Soviet models and the methods of economic direction and policy; (2) a system-based, integrated approach of the agricultural policy; (3) using numerous elements of the market economies as well as the decentralisation of decision-making; (4) applying material incentives in a wide range; (5) the extensive application of the results of science and development.

**Keywords:** agricultural policy, economic history, system analysis.

**INTRODUCTION**

The Hungarian agriculture and food industry have achieved considerable results in the sixties and seventies. These achievements were deeply rooted in specificities of agricultural policy.

The aims of this article are (1) to highlight the importance of a system-analysis in forming and realising agricultural policy; (2) to give a system analysis of factors, contributing to a development of agricultural production, unprecedented in the Hungarian history.

Method of research was the systematic analysis of documents and economic processes, concerning this period. Source of data, where it is not indicated especially, is the Hungarian Central Office of Statistics.

### ***Emergence of a crisis-situation after the collectivisation***

By the end of 1961 84.8% of the country's arable land was owned by the "socialist sector": 71.5% by cooperatives and 13.3% by state farms. Under these conditions, the Central Committee of the Hungarian Socialist Workers' Party declared that collectivisation had been completed.

However the collectivisation in itself did not solve the strategic problems of Hungarian agriculture, and a new agricultural crisis was emerged in 1963–64.

The most important symptoms of this crisis were as follows:

#### 1. Low level of agricultural production. (*Fock* 1963)

- Low yields. It became especially obvious, when – as a consequence of unfavourable weather conditions – a considerable import of bread grain became necessary in 1963;
- Difficulties in the logistical system of fruits and vegetables, with regard to procurement, storage and transport of fruits;
- Reducing tendency of livestock, particularly of that belonging to the private plots, due to the bad fodder crop;
- Shortcomings in agricultural investments, chiefly in the supplementary investments (storage space, transport capacities);
- Faults in the quality of buildings and machines (e.g. poorly built stables).

2. The situation was especially severe, because as a consequence of the government policy concerning the standard of living the purchasing power of population increased drastically, and the supply of agricultural and food industrial products did not increase parallel with this.

3. Export of agricultural and food industrial products had played an especially important role in foreign trade (this sector gave 23–26% of total export, in relation with developed states where the share of agricultural and food industrial products was nearly 50%). That's why the relatively low level of production of agriculture disturbed the whole national economy of Hungary, influencing negatively the foreign trade balance and the foreign currency reserves.

4. As a consequence of the unfavourable economic situation the young people left the villages. In the first years of the sixties the age-group composition of agricultural workers was far less favourable than that in the non-agricultural branches. In industry, workers over 60 constituted 4.3 per cent of the total, while their proportion in agriculture was more than 20 per cent. The share of workers under 20 in cooperatives was 4.2%, less than in any other branch of the economy. If they remained in villages, young peasants preferred to work in the state sector of agriculture, because they received regular cash payment there. Between 1958 and 1964 the proportion of the most productive age groups dropped rapidly in cooperatives, while at

the same time the proportion of workers who were beyond the retirement age increased to a great extent. During the years of collectivisation, a great number of elderly independent farmers joined to cooperatives, whose family members abandoned agricultural work during the year of the reorganisation. An important reason for the mass entry of elderly independent farmers was the fact that the state guaranteed them some old-age pension.

### *New approaches in agricultural policy*

Under these conditions it was an absolute necessity to re-consider the former agricultural policy.

The political elite in Hungary had been faced with a difficult problem, and had been forced to close a compromise with agricultural producers. As a result of this there was a greater freedom of animal breeding in household plots, the members of cooperatives got a possibility for part-time work. During these processes it became obvious, that the consolidation of agricultural production makes it necessary to set up a comprehensive program for consolidation. A consensus had been formed within the political elite, based on the acceptance of that thesis, that if the Hungarian government wants to achieve long-range success in agriculture, they have to stabilise the foreign trade balance by increasing of agricultural export, then it was an absolute necessity to abandon the Soviet agricultural model. It has formed a political consensus, that the political leadership had to allow an increased freedom of scope of activity for agricultural specialists and economists. Under the socio-economic conditions it was a rather difficult and sensible task, because, on one hand there was a dogma of leading role and priority of worker class, on the other hand, it was especially difficult to get the tacit acceptance of the Soviet leaders.

After the political decision on agricultural development, a series of economic measures had taken place. The most important of these were as follows: (1) program for financial consolidation of agricultural cooperatives, writing off the accumulated debt in value of billion HUF 480, recalculated for the value of Hungarian Forint in 2006 (~1.84 milliard Euro); (2) increasing of the producer price of agricultural products in an average by 35% (*Table 1.*); (3) a new program for financing the technical and technological modernisation of agricultural production.

As a summary it can be stated, that the Hungarian political elite tried to handle the agricultural problems by ways and means of economic regulators, however, at the same time in other socialist states the most important means of crisis management was changing the organisation structure.

In opinion of *Dohrs* (1968) one of the greatest failures of socialist agricultural systems had been the low level of material incentives. The fundamental theoretical problem was that of providing monetary and other incentives for the collective members sufficiently attractive to achieve either desired or possible production levels. According to the classical method devised as a part of Stalin's massive collectivisation program during the First Five-Year Plan, collective farm members received payment in production to the work-day units of farm labour. (This was the so-called *trudoden'* [трудодень] system). They accumulated

over the crop year only after deductions from the gross income and it was used for operating costs, taxes and investment. The collective farm member was a residual claimant on farm income, obligations owed the state were always met first, regardless of the size of the crop. Almost all emphasis was on the quantity of work performed, with little evidence of concern for quality. As a result, work tended to be carelessly performed with adverse consequences for both quality and quantity. The unequal risk-bearing of the state and the cooperative members, was obvious, and the different governments in socialist states tried to improve it, but even in 1964 in Soviet Union two-thirds of the kholhoz units were too poor to adapt cash payments and used the old, labour-day basis for remuneration.

*Table 1.* The purchase price of some agricultural products, recalculated to the price level of 2005

*Source: Own calculation, based on the statistical yearbooks of Hungarian Central Statistical Office*

Year	Wheat (Ft/t)	Maize (Ft/t)	Sunflower seed (Ft/t)	Sugar beet (Ft/t)	Pork (Ft/kg live weight)	Cow milk (Ft/l)
1960	92589	83252	112578	18634	609	91
1961	91173	105365	150434	18449	632	93
1962	91250	159716	153733	17452	665	104
1963	91634	176401	155459	16110	672	114
1964	91480	177936	157108	17759	684	117
1965	90735	130994	155264	17395	669	116
1966	100463	147547	197313	17135	695	126
1967	99543	207167	192667	16972	728	127
1968	111977	239671	220375	18558	793	139
1969	109057	110482	221988	18383	790	140
1970	104996	110137	222701	18103	862	148
1971	105408	131012	221417	17609	828	144
1972	101101	106141	214030	22147	809	141
1973	99797	90195	213335	21522	804	182
1974	97241	97989	239374	21193	789	180
1975	91539	91164	234408	20651	760	172
1976	90532	101111	265876	24138	823	173
1977	85917	100810	255196	23933	810	167
1978	81629	95971	251206	23546	792	161
1979	76290	86190	229984	23016	735	147
1980	72361	88664	224600	19693	767	143

The Hungarian government searched new methods of material incentives, and promoted the new initiatives (*Fehér* 1965).

The experimental model, developed by the Nádudvar Collective Farm regulating the members' share in total revenue was universally adopted. Under this system each cooperative member had a right to at least 80% of his planned monthly income, to be paid by the cooperative as an absolute liability, while at the end of the year end the members were entitled to the rest and to a supplementary share in cooperative revenue.

This and other methods for increasing the material incentives were rapidly proliferated in Hungarian agricultural cooperatives. This process was actively promoted by the agricultural policy.

The methods of income distribution systems, developed in Hungarian agriculture reflected the dual status of active cooperative members. As employees, they were interested in increasing wages, and as owners, in increasing the revenue (*Csendes and Vági 1964*)

A further, specific part of Hungarian development was the development of non-agricultural activities in framework of cooperatives and state farms. It was an important specific feature of the Hungarian development, because in other states the non-agricultural activities were practically forbidden for agricultural entities. As a result of development of industrial and service activities more favourable possibilities appeared for utilisation of part-time work, living labour and this contributed to the increasing the stock of revolving capital in cooperatives and state farms. This was an especially favourable possibility for agricultural entities, situated in nearby the capital or larger towns.

The politics accepted the food economy concept, considering the agricultural production, food processing and trade as a coherent system. These political and economic conditions created a favourable possibility for the technological modernisation of agricultural production.

There was a considerable change in the human resource management system of agriculture. The specialists were treated like "grown ups", their comments were listened to and appreciated. The whole apparatus of agricultural administration was subject to a large-scale re-organisation. The process was often used also to replace incapable Party members by non-Party people possessing the required qualification and expertise for the given positions. The rationalisation of the state bureaucracy went hand in hand with decentralisation and by ensuring increase in the independence and responsibility.

The Hungarian agricultural collectives achieved a legal position, where they could assert their autonomy vis-a-vis the local councils and the state procurement agencies, which formerly had virtually a monopolistic hold over theme. In the framework of the new system, however, these agencies were forced to engage in really commercial activities instead of enjoying comfortable bureaucratic privileges. Departments of the local councils responsible for agriculture had to provide expert and rational assistance to the collectives instead of ruling over them that was often a high-handed "administrative" manner.

From 1965 with the exception of growing cereal crops, the collectives did not receive binding plan targets from the local councils.

Apart from this exception, however, the cooperatives had the freedom to determine for themselves how they wish to shape their plans and what they want to produce. For all agricultural items, except for bread grain crops, the independence of the collectives had to be upheld in the fullest measure. Consequently, from that year on there were no discussions with the officials of the district council. Similarly, the collectives did not receive binding plans for the contractual production and the sale of agricultural produce for the procurement agencies (*Fehér 1966*).

The new mechanism of state procurement also underwent far-going and fundamental changes.

The new course in was characterized by the same general ideas which underlie the "reform of the economic management system" operating in the middle of the sixties. The assertion of the principle of economic-political direction in the place of "administrative" measures, the far-going decentralization and the whittling away of cumbersome bureaucracy, the striving for market conditions with a free interplay of offer and demand, latitude given to the seeking of justified profit, the taking of risks – all these factors were implicit in the agricultural reform. It might be said that this reform was only one part of the whole broad economic reform which had been being prepared.

The keynote managing agriculture and food industry was the call for a really business-like operation, forcing managers to use the assets and investments in the most economic manner. A special emphasis was laid on the proper exploitation of the chances lying in the household plots which e.g. in 1964 represented 14.2 per cent of the arable land but produced 33.4 per cent of the gross output of the agriculture.

### ***Strategic plans for development and their realisation***

Modernisation strategy of Hungarian agriculture and food industry has been based on three pillars: the technological development, the re-structuring of economic environment and the sophistication of institutional framework of food economy.

#### *The technological development-theory and practice*

The technical development was one of the most important drivers of Hungarian agricultural progression. This approach was based on four pillars:

- (1) Continuous improvement of the biological bases of production, taking into consideration the agro-ecologic conditions of Hungary. Within the framework of developing the biological and ecological bases of production, a specific attention has been paid to the improvement of soil condition, introduction of new varieties and breeds (*Dimény 1971*).
- (2) A specific part of technological development was the increasing utilisation of agro-chemicals. The development was especially intensive from the point of view of application of agrochemicals. The specific application of artificial fertilisers (expressed in NPK content) had increased from 6 kg/ha to 220 kg/ha to the end of the seventies in the last century. In some cases this phenomenon, and the considerable state subsidy on the price of artificial fertilisers' caused a considerable decrease in the of farmyard manure and other organic materials in order to increase the production capacity of the soil (*Table 2*).
- (3) The third pillar of technology development was the mechanisation. The mechanisation did not mean only increasing the number of tractors and other agricultural power machines, but also a growth in the increasing the number and improvement of quality of agricultural working machines. There was an extremely rapid increase in the number of agricultural machines in the sixties. This increasing of agricultural mechanisation was based on the domestic agricultural machine industry. According to the general agricultural policy practice in other socialist states the agricultural machines were concentrated in so-called machine-stations. From economic and organisational points of view in an early phase of

development the existence of these centralised institutions served the optimal utilisation of physical assets of agricultural production, but their existence served an ideological function, too. Concerning the ruling party these machine stations were the local bases of the working class, serving the ideological education of peasantry. Their organisational and administrative structure mirrored these functions: all of them had a political department.

Table 2. Usage of fertilisers in Hungarian agriculture (1000 t)

Source: HCSO Agricultural Statistical Yearbooks

Year	N	P	K	Sum	Organic manure
1960	313	369	66	748	21238
1965	643	679	132	1454	23799
1970	3891	217	229	837	16678
1975	536	429	553	1518	15664
1980	537	390	472	1399	12476

Parallel with the changes in the orientation of the economic policy from the application of direct to indirect methods of economic coordination the position of machine stations became more and more unsupportable, and in 1965 they were abolished, and the machines were transferred into the ownership of cooperatives.

The period investigated was the era of forming complex agricultural production systems. These systems were a specific form of a horizontal and vertical integration in the agro-food sector. They were developed and implemented from the middle of the sixties. Initially, they were designed to disseminate scientific and technological innovations for the production of grains, feeds, horticultural as well as animal products. Such production systems offered agricultural production firms an integrated contract that combined a technologically balanced input mix with the marketing of agricultural produce. In the case of production systems, for grains and feeds, for example, this input mix comprised seeds, fertilizer and pesticides, furthermore seeding and harvesting machines. In the early seventies more than seventy production systems worked in Hungary.

(4) The fourth pillar of modernisation was the human resource development. It was a question of debates, whether the education and training is an integral part of technological development or not. According to the dogmatic approach the human resource development is not a sub-system of technological development, but the Hungarian Ministry of Agriculture applied an integrated approach, and the human resource development was considered as a necessary precondition, a *sine qua non* of technological development. It was an absolute necessity to find a harmony between the development of the technical and human resources of production. Based on numerous positive and negative examples it became obvious, that there is a synergy effect between the technical and human aspects of development, they are closely interrelated with each other in a synergic relationship, because the technical development is the main means of increasing efficiency. This perception contributed considerably to highlighting the importance of a professional education system, including professional high schools, universities as well as different forms of adult education.

According to a resolution of the Government, contrary to the protest of the Ministry of Agriculture, the right of supervision of institutions in the secondary education has been transferred from the Ministry of Agriculture to the county-level municipalities. This was a cause for later serious problems, because in this way the different institutions lost their former possibilities to involve additional material resources into their activity.

Based on these negative experiences, the Ministry of Agriculture in later years emphatically supported the network of agricultural colleges and universities. This period meant a considerable development

The colleges and universities fulfilled three, comprehensive functions: the higher education, research and consulting. These institutions played an important role in the regional development as the centres for extension service. The Ministry of Agriculture contributed considerably to the development of the material as well as human resources of these institutions: it was a considerable improvement in the number and quality of student hostel capacities, as well as in the quantity and quality of instruments and laboratories.

Within the limits of material resources the agricultural policy tried to achieve a harmonic development of different resources, applying the minimum-law of *Liebig* (1807–1873) in practice, trying to minimise the effects of bottleneck in the system development (*Dimény* 1973).

The science and technology policy of the Ministry was based on principles as follows: (1) Integration of the Hungarian agricultural and food industrial research and development into the scientific life of the world. In line with this aim numerous cooperation agreements have been signed not only with socialist, but also with Western-European and American institutions; (2) Promotion of cooperation between the academic, branch research institutes as well as the universities; (3) Practical realisation of a "food economy" approach in the structural re-organisation of research institutes and universities. E.g. in this spirit was established the Tobacco Research Institute, or the Faculty of Food Preservation at the University of Horticulture, (4) Encouragement of cooperation in scientific research institutes and cooperatives, state farms. This approach considerably increased the scientific foundations of the production systems, as well as it contributed to the practical utilisation of results, achieved in scientific workshops; (5) Considerable reduction of the parallel research programs and the overlaps between the domestic as well as the international research institutes; (6) Incentive for the practical application of scientific research (7) Concentration of the research resources on the most important research topics of the era: increasing the production capacity of the soil, development of meat-, as well as horticultural production, increasing the choice of food products; improvement of food processing technologies.

As a summary it can be stated, that the long-range planning of research activity, the increasing cooperation between the scientific workshops and producers, and the "end-product" approach resulted in a considerable increase in the scientific base of food production, serving the solid scientific foundation of large-scale development plans.

#### *Basic elements of economic regulators*

There were five basic types of economic regulators, which principally determined or influenced the economic environment of agricultural and food industrial enterprises:

The basic conditions of reproduction on an increasing scale should and needed to be realised by the prices. This meant, that the centre of prices of agricultural products was the cost of production, realised on the worst quality of soil, yet under cultivation. This basic principle could not be realised totally, due to different economic interests. It was the economic cause of the complexity of agricultural subsidy system. In framework of this system the agricultural enterprises, working in less favoured areas (below the 17 AK/ha land-quality) were entitled to receive specific state subsidies. The basic approach of the Ministry of Agriculture was the aim to emphasise: behind each income-type there should be the rent of technological development. (AK = Golden Crown, a traditional indicator, used for the evaluation of land-quality)

1. In the development of the agricultural subsidy system the basic guidelines were: (a) increasing the capitalisation of agricultural production (b) improving the self-financing and capital accumulation capacity of agricultural enterprises.
2. According to the concept of that-time agricultural policy, the economic regulation should promote the optimal combination of different factors of production. One principal goal of the agricultural policy was the promotion of realising differential rents, because the optimal utilisation of agro-ecological potential needed a wide-range application of the latest technology.
3. It was a characteristic feature of the Hungarian agricultural policy, that the low level of technological development hindered the realisation of differential rents. That's why the liquidation of these "bottlenecks" was a question of primary importance, creating harmony between the biological-chemical, technical and human factors of agricultural production.
4. The economic regulation tried to promote (in our current wordage) the multifunctional rural development and the integrations. In practice, this meant the support of subsidiary and auxiliary, as well as industrial and service activities of agricultural enterprises, the coherent direction and regulation system of agricultural production, food processing and trade. These later goals have been fulfilled only partially, because this concept was not adapted by Ministry of Foreign Trade.

#### *Changes in the institutional structure*

Parallel with the reform of mechanism of economic direction, there were considerable changes in the institutional structure of bureaucracy. The direct, "manual controlled" system of economic coordination has been transformed into a new, more flexible form. E.g. in the central apparatus of the Hungarian Socialist Workers' Party the sectoral structure has been changed. In place of the former, branch-oriented departments (e.g. industrial, agricultural, building and constructional industrial departments) there has been organised a unified department of economic policy. In agriculture these changes were especially important:

The most important of them was the establishment of a new ministry, based on an integrated approach of agricultural production as well as food processing.

The most important specific features of the new ministry were as follows:

- practical application of food chain approach;
- numerous new departments have been set up, reflecting the changing accents of the agricultural policy: the most important of them were the department of technical development, department of production development, department of research and development, department of budget and the department of public relations. The minister's secretariat was re-organised into a ministerial cabinet. Ministerial decision making had been supported by consultative councils. The most important of them were the Scientific and the Economic Councils. Direction of these councils was accomplished by the minister, personally.
- Majority of the chief executives of the ministry were relatively young: most of the new vice-ministers were hardly elder than 30. It meant that the new leaders of the ministry had only a limited personal junction to the former system.

In the sixties and seventies numerous changes have been taken place in the legal environment of agricultural and food industrial production. In 1967 the Hungarian Parliament enacted Act IV ordering that land used by cooperatives but being in private property of non-members should be passed over to cooperative ownership. In this way it was possible to form the harmony between the land use and land ownership.

### ***Facts of success***

The agricultural and food industrial production as well as the rural development are complex systems, it is rather hard to choose a few indicators which were able to express their position and development. Not intending to give an entire list, some fact and figures, proofing the development are as follows:

1. There has been a rapid increase of different indicators in the intensity of agricultural production (*Figures 1. and 2.*).
2. The mechanisation has approached the level of the developed European states (*Figure 3.*).
3. The average income of agricultural workers has approached the income of wage-earners. The standard of living for the members of cooperatives and the employees in state farms increased rapidly.
4. The international reputation of Hungarian agriculture has increased. An indicator of this is the high number of scientific conferences, meetings and exhibitions, organised in Hungary.

The international recognition of the results of Hungarian agricultural development was expressed by the fact, that the Food and Agricultural Organisation of United Nations organised its 7<sup>th</sup> European Regional Conference in Budapest in 1970. It served as a useful means for a comparative analysis of Hungarian as well as international experiences, especially in the field of market liberalisation and industrial-agricultural relationships. The 21<sup>st</sup> conference of European Animal Breeders' Association (1971), held in Gödöllő and Budapest served in an efficient way the scientific support and control of Hungarian meat-program, based on the large-scale animal breeding plants.

Figure 1. The change of yield in some important arable land cultures

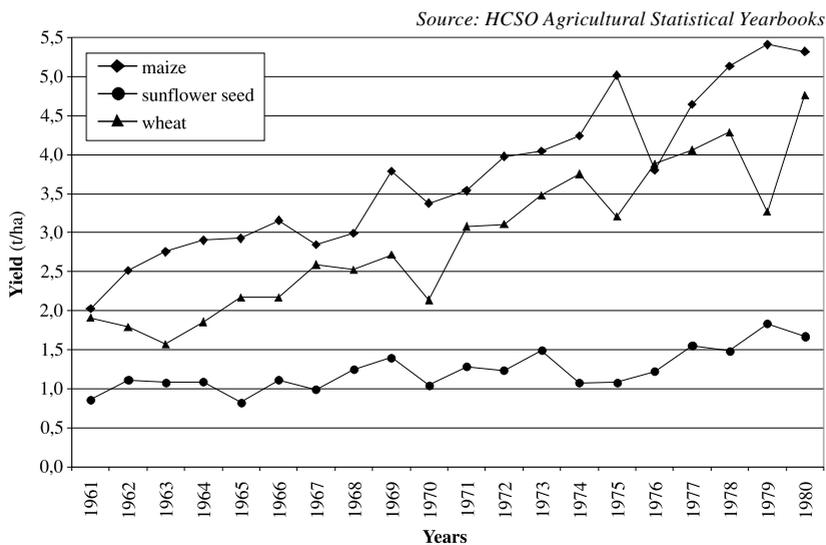
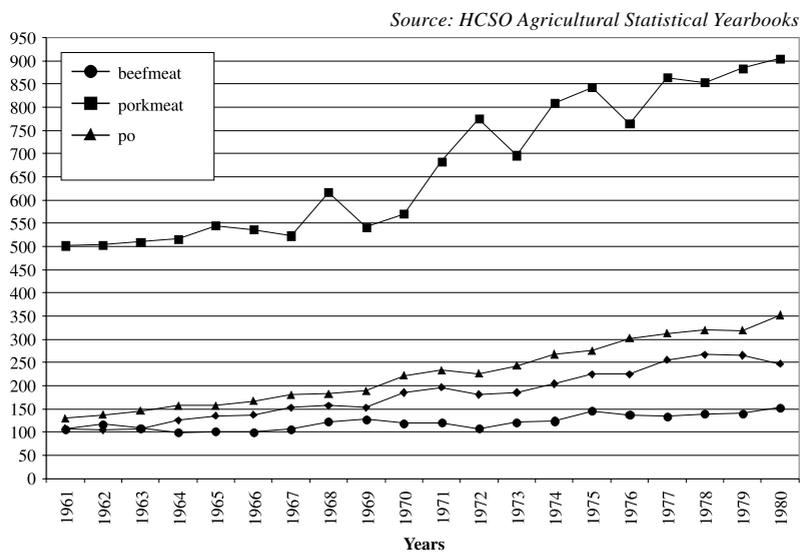


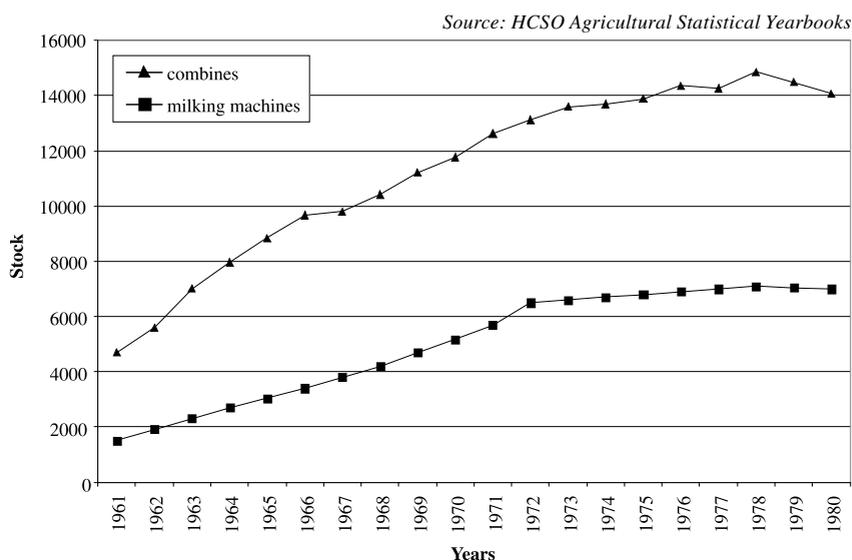
Figure 2. Development of the production for some products of animal origin



The wide international acknowledgement of Hungarian hunting culture was expressed by the fact, that the World Hunting Expo was organised in Budapest, in 1970. It was one of the most important exhibitions in Hungarian history. There were 52 participating

countries. The number of visitors was more than 2.1 million, out of which 200 came from abroad. More than 82 Hungarian and 40 foreign journalists have been accredited by the press centre of Expo. The success of this Expo contributed considerably to the rise of international respect of Hungary.

*Figure 3. Increase in the number of some agricultural machines in Hungary*



### *First signs of rearing and restoration*

The economic and political conditions, leading to the rearing of the Hungarian reform-process are dealt with in detail in the scientific literature, analysing this period (e.g. *Berend 1988*). At the beginning of the seventies there has been an increase in the number of ideological attacks against the line of agricultural policy. In the centre of ideology-driven discussions were the problems, how to harmonise the "group-level interest" as well as the "society-level interests". According to these opinions, the "group-level interest" in cooperatives was not in line with the "society-level interest", and these anomalies had to be corrected: put it in other words: the flexibility of cooperatives, promoted by material interest was a strong counterpart for the rigidity of the industrial plants. In the opinion of the critics, widely publicised in press, the economic activity of cooperatives was characterised by trickeries and unlawful business activities. There was an increase in the number of negative articles on subsidiaries of cooperatives. These articles highlighted the "un-proportional" enrichment of peasants. In harmony with the new policy-line, there was an increase in the intensity of arguments, emphasising the importance of large-scale cooperatives, and the liquidation of simpler forms of cooperatives. In the regional development the liquidation of the "settlements without a sphere of authority" had become a definite goal. After the "ideological preparation"

of a new line in agricultural policy these statements were mentioned with an increasing frequency in declarations by key persons of public life. Numerous, important measures were criticised which were formerly supported by the same political leaders. The professional organisations did not support these actions.

One of the most important problems was the spare-part supply of agricultural machines. The agriculture of Hungary suffered from an aged and largely out-of-date fleet of agricultural machinery, which led to an excessive demand for spare parts, which in turn inflated repair costs.

In the rigid framework of the socialist pacification system neither the domestic industrial production capacities, nor the relations with other member states of Council of Mutual Economic Development allowed a flexible supply of spare parts. As a consequence, there was a high level of idle times of machines. This fact – owing to the special features of agricultural production – caused considerable losses in production. Under these conditions, the Megév, (part of Agrotársulat firm), a producing and trading enterprise which was responsible for the stockpiling and the sale of spare parts for agricultural machinery tried to search new, more flexible solutions. E.g. seeing the total rigidity of the "socialist" markets, managers of Megév imported some spare parts from "capitalist" states, and important machines were constructed (e.g. adapters for corn-snapping) from them. When for the caterpillar tractors some special mouldings were needed, they were made in Austria. By this way these managers contributed to upgrading the efficiency of agricultural production, offering rapid solutions to actual problems.

Some political forces utilised this case, mentioned above as a pretext for "re-establishing the socialist law and order". The innovative managers of Megév were severely punished for "unlawful" foreign trade activity, because the Megév had no licence for importing corn-snapping spare parts and mouldings.

The food economy approach was intensively criticised by the "leftist" politicians and their media-persons. The most important counter-arguments against this concept were as follows: (1) in this concept there is a mixture of two types of ownerships: the state ownership-which was characteristic for food industry-and the group ownership, which was characteristic for cooperatives. According to the ideology of these years, the former one is more developed form of ownership, that's why by joining these two ownership forms it threatened the superiority of a higher-order community-ownership, and in this way it went against the socialisation of means of production; (2) the food economy concept could be a tool to separate them from each other the agriculture and food industry from other parts of the industry, and by this way it went against the "socialist industrialisation" of the country. While looking back from the perspective of decades on these pitiable debates, they seem to be ridiculous, however these arguments in the political atmosphere in the middle of the seventies were able to form a coalition against the large-scale agricultural development.

As a consequence of these processes the basic directions of agricultural policy have been changed considerably, there were important changes in the key staff of the agricultural administration, and there was an increase in the direct-interventions. These processes were the signs for a change in the trajectory of the regulation system of Hungarian agriculture.

## A magyar mezőgazdaság sikeressége a hatvanas hetvenes években

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### ÖSSZEFOGLALÁS

A magyar társadalmi–gazdasági modernizációs kísérletek közül a szocializmus időszakában csak a mezőgazdasági átalakulás és fejlődés hozott hosszú távú, nemzetközileg elismert eredményeket. A magyar agrármodell vonatkoztatási ponttá vált számos fejlődő ország számára és széles körben elismerték a fejlett világban is. A jelen cikk célja, hogy elemezze azokat a hajtóerőket és azt a társadalmi–gazdasági környezetet, melyben létrejött a magyar agrármodell, annak eredményeit, tapasztalatait és tanulságait. A szerzők kiemelik a magyar agrárfejlődés sajátosságait, mely megkülönbözteti azt mind a nyugat-, mind a kelet-európai agrármodellektől. Hangsúlyozzák, hogy a modernizáció legfontosabb hajtóerői a következők voltak: (1) bátorság ahhoz, hogy új válaszokat keressenek az agrármodernizáció problémáira, eltávolodva a szovjet gazdaságirányítási modelltől és politikától (2) rendszerszemléletű, integrált megközelítése az agrárpolitikának, (3) a piacgazdaság számos elemének és a decentralizált döntéshozatalnak alkalmazása (4) az anyagi érdekelttség elvének kiterjedt alkalmazása, (5) a tudomány és a kutatás eredményeinek széleskörű felhasználása.

**Kulcsszavak:** agrárpolitika, gazdaságtörténet, rendszerelemzés.

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