

Katalin Kovács

The 1997 'Peasant Revolt' in Hungary

Press reports are the main source of this paper.¹ In addition, we have used information provided to us during the course of interviews with agricultural producers in a micro region in the Great Hungarian Plain. The interviews were conducted both immediately following the events, in April 1997, and a little later, in July, as part of a study examining wider aspects of the transformation of Hungarian agriculture and agrarian society.² Those interviewed included so-called 'small producers' (farmers not officially registered as entrepreneurs whose annual turnover is less than four million forints — five cases), agricultural entrepreneurs (two cases), managers of corporate undertakings (eight cases) and their subordinate employees (two cases).

1. The events

On 14 February 1997 Hungary saw the beginning of the biggest agricultural demonstrations of the transition years, demonstrations which, of all the upheavals following the change of system, might also be considered to have mobilized the biggest crowds. Both press and participants alike compared it to the taxi-blockade of 1990 in terms of its character (the closing of roads)

¹ We analysed every issue of the following papers from 1 January to 30 April 1997: *Népszabadság* (the daily paper with the widest circulation in Hungary), *Szabad Föld* (a weekly published in Budapest but aimed at a 'provincial' readership), *HVG* (the weekly economic and political magazine with the widest circulation), *Figyelő* (an economic weekly), and *Magyar Fórum* (the weekly paper of an ultra right wing party). We also made use of Teréz Kovács's study which appeared under the title of *Agrárdemonstráció in A Falu*, Spring 1997, pp. 21–28.

² Agricultural Protection and Agricultural Interests in Hungary, Poland and Slovakia, joint research with CCEES, University of Liverpool, England, financed by the UK's Economic and Social Research Council (grant number R000221863). The material collected within research on social and economic restructuring of a market town funded by the Hungarian Social Research Fund (OTKA, grant number 018541) was also used.

and the scope of its impact (national). It is also important to stress its difference: the farmers' demonstrations remained legal to the end because, although they threatened otherwise many times, in the end they did not progress to a complete blockade as their taxi predecessors had done in 1990.

However, this upheaval outgrew all that preceded it in two ways. First, it led to the creation of a new interest group (Mezőgazdasági Termelők Érdekvédelmi Szövetsége, METÉSZ, the Association to Defend the Interests of Agricultural Producers). Second, and in this the creation of an interest group played a significant role, it continued for a rather protracted period. Following the partial closure of roads on 14 February, the focal point being Bács Kiskun county and which affected a total of 9 settlements, the wave of demonstrators expanded to have a nation-wide impact between 24 and 27 February. At that time, some 200 settlements with 10,000 tractors and other machines joined the demonstrators. A crowd of about the same size took part in the demonstrations from 10 to 12 March, but far fewer joined the motor cavalcade to the borders on 26 March, and finally less than 5000 demonstrators took part in the demonstration on 4 April in front of the parliament in Budapest's Kossuth Square, although the organizers had expected 'many tens of thousands.' If we also consider the press reaction following the last demonstrations, and two further publicity stunts³ by METÉSZ, then the farmers' demonstrations remained at the centre of public interest for two months, at a time when the biggest banking scandal in the history of the transition threatened and when, at the centre of this mass panic, depositors withdrew 26 milliard forints from the bank⁴ within two days, when the so-called 'Hague trial' concerning the dispute between Hungary and Slovakia over the Gabčíkovo dam and the diverting of the waters of the Danube was taking place, and when trade unions were organizing demonstrations amongst public employees.⁵

First news of the expected demonstrations appeared on 12 February in the daily newspaper with the widest circulation following a lively discussion of the issue prior to that day's parliamentary debates by the Minister

³ The impassioned speeches of the president and vice-president opposing 'the permitting of the import of frozen meat.'

⁴ The peak of the panic was on the day after the second, biggest and most successful farmer demonstration. The panic surrounded the fate of Postabank, Hungary's second largest bank, in which the majority shareholder was the state, in the form of the health insurance fund, and domestic and foreign companies also had significant shareholdings. The panic did not immediately lead to the collapse of the bank, but later developments revealed that in order to stay on its feet in the run up to privatization, a considerable contribution from the state was necessary in the form of 'loans' and portfolio swap with the state holding company APV RT.

⁵ Workers in higher education threatened a strike because their salary increase had not been implemented.

of Agriculture and two opposition right-wing politicians (one from the Hungarian Democratic Forum, the other from the Smallholders' Party). On 14 February it made the front page, and on 8 April it figured last on the front page. In between, on the only two days at the centre of the above mentioned bank panic (1 and 2 March) and six other days (18, 29–31 March and 1–2 April) did the farmer movements or the METÉSZ temporarily disappear from the front page. Feature articles appeared on the 'crisis of confidence,' even on the 'uprising of the middle class' (see Tamás, 1997).

The question which this study seeks to answer is what factors explain the enormous power and success of these farmers' activities which is reflected not only in their long-term media presence but also in their 'power' to amend legislation.

2. The disputed law

For reasons which will be discussed at greater length below, the government felt that an important part of its agricultural policy should be to register and regularize small-scale agricultural production. It sought to do this by introducing 'original producer certificates' which were issued to 'small producers' who registered their activities in the required manner. Obtaining the 'original producer certificates' was not compulsory, but those who did not have them (a) could not apply for state support and (b) purchasers were obliged to deduct an advance on income tax from the price of the goods sold to them. In the original bill, as part of the registration of the conditions of production, a detailed inventory was required, and it was this that the producers complained about, because it seemed to them that they were being obliged to give an inventory of all their property. (In fact, in the very first letter written to the government by the organizers of the demonstrations on 2 February, the question of the 'original producer certificate' did not figure among the demands, it became an issue during the course of the events.) In addition, the scope of activities for which 'original producer status' was eligible was narrowed. Pickling was excluded, so too was wine. Furthermore, in the spirit of spreading the tax burden more equally, the tax concession for small producers was all but abolished by reducing the tax-free band from one million to 250,000 forints of turnover per family member.

The above measures jointly made the existing regulations concerning small producers less generous. Finally, further measures increased financial and administrative burdens on their households. Every original producer, and family member who contributed to the farm labour, who was not insured by full-time employment elsewhere was obliged to pay a national insurance contribution (of 11.5 per cent of the minimum wage, that is 1668 forints per month in 1995) and a 'health contribution' (of 1800 forints per

head). Without this they would not be able to benefit from the social security system. And, according to the bill as it stood in January, those who wanted to qualify for a pension would have to contribute 35 per cent of the minimum wage per month. Furthermore, with the reduction of the tax-free band, many more producers would be liable to tax, but keeping track of these regulations required farmers to carry out detailed calculations if they chose the so-called 'lump sum' taxation (which according to the proposals would be on an estimated taxable income from turnover of 20 per cent for crop production and 8 per cent for animal husbandry), or to employ an accountant if they chose to be taxed on their actual income.

3. Immediate causes and the wider context

Before beginning to explore the context of the demonstrations, we should briefly mention two factors which, although they clearly had an influence on both the organizers of and the participants in the farmer demonstrations, will not be considered in detail in this study. The first of these is the degree to which people were ill-informed. Those affected did not understand the regulations, not even those which were in their favour. Incomprehension of the legislation figures too in the first letter sent to the government by the organizers of the demonstration on 2 February, and in the very first point of the letter. The extent to which they were not familiar with the law is further demonstrated by the fact that one of their demands (that investments to-date could be written off against tax) was actually contained in the law (see Kovács, T., 1997).⁶ The second factor is the absence of any real arbitration process and the weakness and internal division of the agricultural interest groups that already existed prior to 28 February 1997. This also figures as one of the main complaints in the letter of 2 February already cited and was a fundamental reason why it was felt necessary to form a new organization — METÉSZ.

3.1 THE POLITICAL CONTEXT

In this section two aspects are considered which, it can be supposed, were closely interconnected. The first is the mutually amplifying effect of signs of crisis appearing at more or less the same time. The second concerns relationships to the actors in the political field, that is to say the judgement of how much, and from what point, can the farmers' demonstration be considered to have been questioning power generally, intending to bring the government down, that is to say a series of political actions par excellence. The matter requires further research, but as a hypothesis it seems to be plausible that, alongside the formation of the new interest group and

⁶ This was one of the key points in Teréz Kovács's study.

the conditions of its formation,⁷ the bank panic played a significant role in politicizing and radicalizing the farmers' movement. It seems as though the leaders, men who liked to politicize, could not overcome the temptation that was offered them by a political situation which was becoming unstable on many important fronts.⁸ In the communications between METÉSZ and the government, it was after the bank panic that ultimatums and changing positions of intransigence began to predominate. It was at this time in the discourse that new, contentious issues appeared which served as rallying cries for further demonstrations, such as where should the negotiations take place, 'up' in the capital or 'down' in the town at the centre of the movement, and would government ministers, and concretely which ministers, be part of the negotiating delegation. The focal issue changed from being the need to force through some sort of agreement to the forms of communication and contact themselves: the government should meet its obligations at the level of making a gesture towards the people of the countryside. These gestures were meant to 'force to their knees' those in power for their arrogance and because they decided things over the heads of the people, and also, to demonstrate the strength of a countryside, which, although stratified in terms of class, was unified behind the maintenance of the lax taxation and regulation (or absence of regulation) of agricultural production, by making reference to the dignity of the 'peasant.' Citing the incompetence of the prime minister, the leaders of METÉSZ did not accept Gyula Horn's invitation to meet, saying that they had no time for theatricalities. Meanwhile, as time went on, ever less emphasis was put on the independence of METÉSZ, on the fact that, as the demonstrators in the February wave had often emphasized, they wanted to pursue their actions while keeping well away from party politics.⁹

The Workers' Councils (a populist and right of centre trade union movement) and the ultra-right wing MIÉP (Hungarian Justice and Life Party) were openly present from the beginning among the demonstrators with their leaflets, while the other opposition parties only offered them solidarity of principle. Even the Smallholders' Party leaders distanced themselves from questions of being linked with them, saying that their

⁷ On 28 February the so-called 'Peasant parliament' was organized in Kiskőrös where, following the successful three-day action and the agreement with the government the atmosphere was understandably euphoric.

⁸ See the bank panic and the strike-threats of the public servant unions.

⁹ By keeping the political parties at a distance, the organizers presumably were trying to win the sympathy of the population, at the same time they gave free range to those forces which are typical of social movements, that is to say, by concentrating on a group of problems, they can politicize in a 'radical and fundamentalist way' without taking responsibility in the way that political parties are obliged to (Szabó, 1994).

members were only taking part in demonstrations as private citizens who had been affected by the events, as natural supporters of sorts. It was on 17 March that an indication that they had radically changed their views first appeared in the press, namely a letter from the chairman of the Smallholders' Party in which he encouraged the grass roots organizations of the party to support the actions of the farmers with all their strength and, further, in areas where the farmers were poorly organized, to come forward themselves as organizers.

This open position statement appeared on the front pages of the papers after the very 15 March celebrations (one of Hungary's most important national holidays), when at a MIÉP rally, the Deputy President of METÉSZ gave a speech alongside other parties of the right (the Smallholders, the Christian Democrats and the Hungarian Democratic Forum). From 17 March onwards the positions and ultimatums of METÉSZ became rigid once and for all. After their failure, the way led, via the motor cavalcade aimed at slowing down the traffic, and demonstrating against the 'oppressive anti-people policy of the nation-destroying Liberal Bolshevik government' (the phraseology is taken straight from MIÉP) directly to the METÉSZ Grand Assembly, organized by MIÉP on 4 April, where only the centuries old symbol of sharpened scythes together with slogans referring to the 17th century peasant uprisings represented the common moments of the movement's beginnings. Prior to this, on 10 March, METÉSZ had joined the Workers' Councils, the equally extreme right-wing radical trade union movement.

The movement began from a region of Hungary that is suffering from a particular structural crisis in agriculture, the so-called 'wine triangle.' Here, since the introduction of Gorbachov's alcohol prohibition in 1986, the wine business has been in permanent and deep crisis because the demand for the type of wine grown on the sandy soil of the Great Plain is much smaller than the quantity that the local growers can, and do, produce. This was the reason for the activities which ended in demonstrations that started from here in 1988 and 1990: the local people have experience of demonstrations. (All three of the demonstrations were led by the same person, the president of METÉSZ; and, in 1988, leading politicians did go 'down' to Kiskőrös to negotiate with the demonstrators.) It is also a region where the Mafia economy has taken hold and large-scale 'wine-fabrication' (making a wine-like drink out of marc,¹⁰ sugar and other, never precisely identified materials) really does take place. Confusing this with the general and widely practised 'wine adulteration' (improving the quality of the wine by adding sugar), certain media sources suggested, with some success, that it was mainly those guilty of wine fabrication who were demonstrating. The

¹⁰ The technical term for the refuse which remains after grapes have been pressed.

only thing which seemed unquestionable, however, was that on the first 1997 demonstration (14 February) it was the wine producers of a well-defined wine region that took to the streets.

Blunders of leading politicians also played a role in the initial expansion and politicization of the demonstrations. The truth is that the first reaction of higher politics was the 'divide and rule' principle, first by referring to the demonstrators' unwillingness to take on an equal share of the tax burdens, then by playing up the differences of interest of the different groups of producers and their economic, social, and regional (developing, crisis-ridden) differences, saying that it was not the farmers of regions which produced quality wines that were demonstrating, nor was it the poorest farmers. Further, the Minister of Agriculture stated that his recollection was that it was a region of well-appointed two or more storey houses. The response of the demonstrators was to add to their demands the immediate resignation of the Minister and his Secretary of State.

Administrators and politicians were confounded in the exercise of what they saw as 'professional' and 'administrative' tasks, determining as government goals the necessary steps for modernization, progression towards EU membership, creating an equally shared tax burden, distributing financial support better and more justly, and introducing the necessary registration that was the precondition for this. The rapid speed with which the measures were implemented and official lack of concern to explain them fully reflected incompetence and an arrogance of power, and the measures met with failure. The government failed in the introduction of otherwise urgent matters, because, and this is an essential point, the (apparently) common interests of wide-ranging, influential and wealthy lobbies as well as uninfluential and impoverished small people stood behind the movements. This also caused the failure of the first round of the negotiations which had begun after the first demonstration, when the government delegation made up of officials at the head of department level arrived with a suggested concession to the wine producers only. They thought that it would be enough to satisfy the most visible interest group from amongst the demonstrators. They were mistaken. Only after this failure, and after the movement had expanded country-wide, did serious negotiations begin. Then agreement was reached in detail. The government really did make significant concessions to the small producers, although covertly, as it later emerged, it distanced itself from all further negotiations.

The overall political context therefore is one where a simple amendment to tax legislation resolving what administrators saw as irregularities snowballed into a political crisis, partly because of poor political handling by complacent politicians, but mainly because the social significance of the changes went far deeper than most politicians understood. The politicians of the far right quickly latched on to the movement and tried to hijack it for

their own ends, but the fact that they too did not really understand its significance is reflected in the failure of their attempts to raise the political stakes into an attempt to bring down the government. In order to understand why such run-of-the-mill amendments to regulations should have had such an impact we must consider both economic and social tensions associated with the transition and the special features of the Hungarian agricultural sector.

3.2 TRANSITION TENSIONS IN AGRICULTURE

Hungary's restitution/decollectivization (the redistribution of common cooperative property), which in many respects conformed better to market principles than in the other post-socialist countries and was eased by its 'future orientation' and the existence of such social organizations as the Land Organizing and Land Distribution Committees, nevertheless also contained within it many irrational aspects (see Swain, 1995). Its result was a fragmentation of property and the separation of owner from user. Both factors resulted in the fact that what was taken out of common use frequently 'died out' as far as the economy was concerned, because it was consumed, or operated at the expense of exceptional difficulties in lots of small farms. There was neither sufficient financial resource nor the political will to either develop a system of agricultural support which reached a wide circle of producers, or to help those dismissed from, or voluntarily leaving, large-scale farms, to mature into entrepreneurs. Therefore, not surprisingly, new commercial farms developed rather slowly, while, in addition, the branch of agriculture in which the small producer sector was traditionally strong, namely animal husbandry, could not dig itself out of the crisis. Only in 1995 was production in animal husbandry greater than in the previous year, in every other post-transition year there was a decline.

Access to credit for small producers remained an unresolved problem given the shortage of funds and absence of credit institutions until as late as 1997. The system of issuing tradable securities to the value of grain deposited in public granaries and the land credit bank perhaps improved things somewhat after 1997–1998, but only for the larger producers, as small ones could not meet the minimum quantity requirements set by these institutions. Because of the weakness of their own situation, small producers were unable to make use, to the same extent as their competitors in the large and medium farm categories, of state investment funds.

3.3 THE SOCIAL CONTEXT

Post-socialist rural society is characterized by regional differences, belts of structural crisis, collapsing large-scale enterprises, the unemployed, those forced by circumstance to become self-employed, and those forced by circumstance to become 'small producers,' farming mainly for self con-

sumption, but also for the market (Laki, 1997). Those who left the cooperatives in 1992 and took their property out with the intention of farming were forced to face the fact that their holding was too small and the assets that they had acquired from the cooperative were insufficient. The machinery that they took was inadequate because it was old, already fully depreciated, and only suited to certain tasks. They could not acquire any more machinery from the cooperative, but neither could they buy because it would cost the equivalent of many years production, and were they to buy new machines with state support they could not get a bank loan because they had nothing to offer as security. Their experience of pre-socialism and late socialism (traditions of peasant and socialist subsidiary farming) was only of partial use, because agriculture was in structural crisis, and because of the fact that the requirements necessary for operating a modern farm (scale, finance, machinery) could only be generated by a few of them. State resources could not compensate for the absence of personal resources, because the change in the structure of agriculture was not supported by an injection of capital. The position of those starting again, or starting from scratch, was further hindered by the fact that there has been little cooperation amongst private farmers in Hungary (Andor, Kuczi and Swain, 1998).

Only the lucky and wealthy few, the top small-scale farmers, jumped ship and became, or in some cases remained, entrepreneurs or 'pure' family farmers, making up 15 per cent of small-scale farms (Harcsa and Kovách, 1996). The majority worked in the black economy for others in addition to farming their land, if they had machinery. If they did not have machinery, they got others to work for them in the black economy, because it was cheaper to get work done that way. As a consequence, there were also many amongst those registered as self-employed providers of agricultural services who were interested in maintaining the existing relationships: the majority of their clients were small producers. One of our interviewees from Karikás¹¹ who participated in the demonstrations was an entrepreneur of this kind. He joined the demonstrators because: 'if they make it impossible for the small man then I cannot survive. If he has to ask for a receipt, I have to put VAT on it, which increases the price by 25 per cent, and that is a lot.' This 30 year old young man was equipped with all the necessary agricultural equipment except a combine. His parents lived in a nearby town but had 80 hectares of land based around an isolated farm (tanya) in the vicinity.

Those who remained members of transformed cooperatives, and there were many of them, were not satisfied either. They discovered that they had made a bad decision in 1992 because their business shares in the cooperative radically lost value. In the cooperatives covered by our research, by

¹¹ Assumed name. Karikás is a market town on the Great Hungarian Plain.

1995 and 1996, a significant portion of the membership had sold their shares and left the cooperative. Many of those too who found work in the successor farms to the cooperatives were dissatisfied because they were obliged to work for exceptionally low wages: in 1996 wages in agriculture were only 75 per cent of the national average, and this situation worsened in subsequent years. Because their wages were too small to make a living, they too were compelled to pursue small-scale farming.

So, the majority lost out and were struggling with serious existential problems. For them small-scale agricultural production had become a matter of life and death, and they feared the prospect of registration and taxation, as did their suppliers, even if they were relatively better off.

As early as the Kádár period, tax concessions constituted the precondition of the economic growth of small-scale producers. Significant taxation of their incomes ended in the early 1970s. When a general income tax was introduced in 1988, small producers were not taxed on the first 500 thousand forints of turnover per family member, a figure which was increased first to 750 thousand and then a million forints. Until 1997, tax-free status also brought with it freedom from registration. But all this together meant that this part of the agricultural sphere itself (which could only be measured in terms of its turnover of final products) and almost all of its circle of suppliers and market contacts remained an unknown quantity, in the grey economy. It was this that the government wanted to put an end to with the registration of producers by means of the 'original producer certificates.'

When the small producers took to the streets, they did so not only against a further reduction in their already low incomes. They did so also because it closed off to them the free space in which they had operated and within which the success-story of the Kádár era had been created, a space which, until then, had also helped them survive the larger inconveniences of the change of system. All this went together with a complete loss of confidence vis-à-vis those in power, and the unpleasant feeling that the authorities towering above them wanted to register everything they had; while the country was excited by corrupt deals close to government valued at hundreds of millions of forints, the authorities wanted their insignificant properties to be registered and examined. ('The government had better not dig around in my pocket, because all it will find is a snotty handkerchief' — 'Auntie Susie,' the deputy chair person of METÉSZ. *Népszabadság* interview.)

Since no one carried out a social survey of the demonstrators at the time, it is impossible to say who they were in a sociological sense. In Karikás, the participation of members of the Smallholders' Party was so great that those who did not sympathize with this party did not take part in the demonstrations. But, as has already been suggested, there were also stories about demonstrators with machines worth 15 million forints, of wealthy

'wine fabricators' and other such figures. The young man referred to in a previous paragraph joined the procession with a tractor worth about that much, while his clients, in whose interests he was demonstrating, stayed at home. Another interviewee, a 35 year old woman whose husband was employed in one of Karikás's cooperatives and who worked a 10 hectare farm with four cows said the following. 'At the beginning when it began, I too said that I would take this calf and join the demonstration (they had no machinery, just a little, 12-year-old Polski Fiat car). But when it turned out that they were demonstrating with tractors worth ten million forints we did not feel it was for us. It wasn't a demonstration of "small people".'

A fifty year old man who farmed as a 'small producer' with his wife and son in a village near Karikás (they have 25 cows and 10-15 calves) said that he would have taken part if there had been a blockade nearer to where they lived. He only had hand-me-down machinery, including a tractor that was over twenty years old. 'I supported them. [...] If it had been a party struggle, I would not have been interested. But if they were standing up for the peasant, then yes, I support them. [...] As far as demonstrators with tractors worth millions are concerned, I don't know. If they were like the ones I saw on the TV, then they were as old as mine. [...] "Wine adulterators," I don't know. I used to grow grapes, but it was never successful. But if it is true that wine adulterators were amongst them they are now getting their come-uppance.' (The interview was conducted in June, 1997 when the press was full of stories of the amount of sugar sold in the Wine Triangle and massive police investigations had begun in order to catch the 'big fish').

The young man considered below was probably not alone among the demonstrators in not knowing precisely what he was demonstrating about. He knew for certain that things hurt, but he had a suspicion that he was nevertheless standing there in somebody else's interest. The interview with him (by Tibor Majoros in *Szabad Föld*) is also instructive because the issue of 'wine fabrication' also figures in it and it illuminates the wide range of circles that are involved in the wine business. 'I joined the ranks of the demonstrators for a better life. I work 6 hectares of vineyard, but I am not getting anywhere because money just goes in and never comes out. [...] the number of big producers has increased and they make a lot of wine. It is mad. We cannot keep up with them. They force people to "adulterate" wine as well. If anyone here said that they did not do it they would be lying. I cannot sell my wine. They [wholesale traders] do not even talk to me. Around here there is a circle of people who are the mates, the buddies, the in-laws, the good friends of the traders, they can sell their wine. [...] From what I hear, from what my parents said, in the old days they did not dare "fabricate" wine to such an extent. Someone, on the TV I think, said that they should break in and empty the barrels of "fabricators". If you did that here, you would be lynched. The way the big traders behave is like the Mafia.

People are now afraid that they might be caught by the big boys. Those who were better off previously are now up in arms. They want the government to fall. There is such confusion. There are some demonstrating against the government, others who are urging others on. Perhaps they are controlling the demonstration above our heads, because nobody dares say anything, they just demonstrate and demonstrate...' (*Szabad Föld*, 4/03/1997).

The comments of an elderly farming woman from another village near Karikás illustrate the fact that while lots of 'small people' were demonstrating about their own private worries, they nevertheless stood together with a common goal. The woman was a pensioner and helped on her son's farm. She did not demonstrate personally, but her son did. Here the demonstration was organized by the village mayor. The son farmed about 12 hectares with the help of his mother. His wife was on maternity leave with their fourth child. The young couple used to work in the cooperative, but both had been made redundant. That is to say, they were both typical of those who had become self-employed through force of circumstance. They grew tomatoes on four hectares and wheat for fodder on the rest. They sold their tomatoes to the local canning factory, which was the worst possible market, but they had no contacts with the wholesale market in Budapest. In addition, they go up to the market in a nearby town with their garden produce, eggs and occasionally tomatoes between spring and autumn. 'We went to demonstrate once, but not any more, because there we could only expect good luck, while at home there was work waiting for us. [...] We demonstrated because they wanted to tax the peasants. But that was not the problem. The problem was that they would not have taken account of the fact that this is low quality sandy soil. Over there, where you do not have to do anything and things still grow, they would have had to pay just as much. Now tell me, how can educated people say such stupid things as one acre of land is the same as another? Or that peasants should give receipts. Should I give a receipt to the pensioners who only buy half a kilo of tomatoes from me, or even less? Should I give a receipt for quantities as small as that? Peasants' hands are not used to writing like educated people's hands are. If I have to do that I won't go to the market at all anymore.'

Strident protest was caused by the fact that the new regulations required (or it was thought that they required) the giving of receipts, the keeping of accounts, and generally the need for strict calculations. A common slogan on the banners of the demonstrators was: 'Are we farmers or accountants?' And this was perhaps not simply because regulation was the instrument of taxation. Symbolic struggle and cultural traditions were mixed together in this question. Many felt it to be an intrusion into the 'decent everyday life' of relations both within and outside the family. There was an aspect of the increased paper work which spoiled their trade of course, but it also threatened the nature of relationships and the whole tempo of life. This dimen-

sion is clear from the comments of the woman discussed in the previous paragraph, but similar comments were made by 'Auntie Susie' (the deputy president of METÉSZ) in the interview already cited. She was most annoyed about the paper work and the fact that just because a farmer makes wine from her/his grape harvest, s/he becomes a registered 'tax-paying subject' and must administer things properly, give receipts, keep accounts. 'That was the final kick up the backside of the peasant. It is a regulation that destroys families. Can you imagine an honourable peasant woman conducting business with her husband? Do they want to force me to become my husband's tenant, or if my child comes home to help, am I supposed to get him to sign a contract? Where would it all end if we let them get away with that?'

As the above suggests, the modification of the law did not simply threaten livelihoods, but rather a complete way of life, and this was carried over to the problems caused by global pressure.

3.4 GLOBAL PRESSURE: ACCESSION TO THE EU

The government did not simply want to turn small producers into tax-paying subjects. It also wanted to transform them into actors in a system of agricultural support which conformed to EU standards.

Equally strong pressure was, and is, exerted by the poorly negotiated GATT agreement in 1993, as a result of which, after the opposition of four member countries of the World Trade Organization, agreement was reached to gradually whittle away export supports. The negotiations for a new agreement started immediately and finished successfully by the end of 1997, nevertheless, the fundamental weakness of the support system, that is its bias away from producers, could not be denied. There was not only external pressure, but also considerable domestic demand for producers to get a larger proportion of support and for the traders and the food interests not to be supported at all. All the more so, since many of them were multinational concerns. Not only did the state fail to support domestic players, it also supported foreign ones, and there were questions about how adequately the latter were taxed in Hungary. (It was acknowledged of course that they had a significant employment role and brought capital into the country.) Of total export subsidies, which accounted for some sixty per cent of all subsidies, only six to seven per cent went to the primary producers in 1995–1996 (Halmai et al.). It was not by chance that this figured in the first package of demands of the demonstrating farmers. The majority of the so-called 'small producers' in dairy farming for example could also only expect the worst from the tying of support to quality criteria, which was also an EU requirement in both the narrower and wider sense.

One of the more depressing impressions of interviews with our respondents was their feeling of helplessness and inadequacy, and consequently

the feeling of fear that was provoked by the idea of joining the EU. They thought that 'we cannot join like this, we cannot compete.' As one of the demonstrators proclaimed to a reporter from *Szabad Föld*, 'We do not want to join the EU in rags, bare-foot and impoverished. We do not want to join as agricultural servants' (*Szabad Föld*, 24/02/1997). Fear of competitive disadvantage lay behind one of the most important parts of the demonstrators demands, that the government should defend Hungarian producers behind a tariff wall and help them sell on foreign markets. In this respect they failed to get their views across. The government did no more than repeat its original standpoint, citing its obligations under international treaties.

The question of joining the European Union also figured in the first petition of the protest organizers and was present in their slogans in the first month of the events. (Such as: 'Should we be joining the EU with an agriculture that has been knocked to pieces?') However, the idea clearly struck many of them that certain groups of interested parties had intentionally destroyed Hungarian agriculture so as to give free range to a western European agriculture struggling with overproduction. 'Let us have no illusions. The world famous Hungarian seedcorn, meat, tinned goods, fruit, vegetables and wine represent tremendous competition for western producers. We do not need to join them. We will not miss them. [...] We should first reorganize Hungarian production so that competitors who harm our interests are excluded' (*Szabad Föld*, 15/04/1997). It should not be forgotten that, to the end, the farmers demonstrated under the folds of the Hungarian flag as a symbol of the fact that they considered themselves to be interpreters of the Hungarian people, of Hungarian interests. In this way, they differentiated themselves not simply from foreigners but from those who, according to them, did not represent the people's interests and who could not be relied on for solidarity (cf. the comments in the radical period of the cavalcade to the borders when there was mention of the Liberal-Bolshevik oppressors of the nation).

4. The concessions reached by the demonstrations

The demonstrators gained real concessions by their actions, but it was only a partial victory. Those whose turnover is 250,000 forints per head per year were exempted from all registration. Those whose income is lower than 1.5 million forints were simply required to register and no more, although they had to be able to produce receipts to the value of 20 per cent of their turnover. The estimations of taxable income from turnover for the 'lump-sum' taxation were reduced to 15 per cent for crop production and 6 per cent for animal husbandry. Social security contributions and health contributions could be paid on an annual basis, before 30 November each year, rather than monthly. (This concession was then won for both corpo-

rate farms and agricultural entrepreneurs after effective lobbying by the association of cooperatives.) The pension contribution was reduced by 5 to 30 per cent of the minimal wage. The 'original producer' category was again extended to include pickling, the sale of home-produced wine to a maximum turnover of four million forints per year, and the sale of flowers to a turnover of 250,000 forints per year. The lower limits on numbers of 'mother animals' necessary to be eligible for state support for increasing the nation's animal stock were reduced in the case of cows from 30 to 5, pigs from 20 to 10 and sheep from 100 to 50. Instead of the detailed inventory registration necessary for the 'original producer certificate,' producers were allowed to report only on their production conditions (land, buildings containing live-stock); and a family 'original producer certificate' was introduced so that not every family member had to take one out individually.

That is to say, the government made some concessions such as increasing the tax-free band from 1–1.5 million forints of turnover per head, but it retained the key elements of the registration and regularization project. The requirement to register sales remained, and small producers for whom agriculture is their main employment were still obliged to pay national insurance and health contributions, like the self-employed in other sectors of the economy.

A post-script instead of a 'happy ending'

The farmers' protests of 1997 started out as a classic social movement. Partly because of mistaken government reactions, and partly because it was something that affected matters of vital importance for masses of people, the organizers quickly succeeded in gaining widespread support, and they can thank this support for the results that they achieved. The story in its totality however reveals the validity in 1997 of Máté Szabó's statement in 1993 to the effect that in the everyday work of government, the model of tolerance, and the practice of co-opting interested parties had not been realized, affected social groups, even if they had mass support, had to win, individually, for themselves, the right to have their views heard (Szabó, 1993).

References

- Andor, Mihály, Tibor Kuczi and Nigel Swain (1998), *Central European Villages after 1990*, Review of Sociology, Special issue, 1998, pp. 116–139.
- Halmai, Péter at al. (1996), *A mezőgazdasági támogatási rendszer fejlődése az EU csatlakozási folyamat fényében*, Phare Euro GTAF Programme / H 9208-1-08-L003-ES08.
- Harcza, István and Imre Kovách (1996), *Farmerek és mezőgazdasági vállalkozók*, [in:] Andorka et al. (eds.), *Társadalmi riport 1996*, Budapest, TÁRKI — Századvég, pp. 104–135.

- Kovács, Teréz (1997), *Agrárdemonstráció*, A falu, Spring, pp. 21–28.
- Kovács, Katalin (1998), *Strengths, Controversies and a Show-case of Failure in Hungarian Agricultural Restructuring*, [in:] *Replika*, English-language Issue, Forthcoming.
- Laki, László (1997), *A magyar fejlődés sajátosságainak néhány vonása*, Szociológiai Szemle, No. 3, pp. 67–93.
- Swain, Nigel (1995), *Decollectivizing Agriculture in the Visegrád Countries of Central Europe*, Labour Focus on Eastern Europe, No. 51, Summer, pp. 65–85.
- Szabó, Máté (1993), *A taxisblokádnak és utóéletének*, Szociológiai Szemle, No. 1, pp. 121–140.
- Szabó, Máté (1994), *A társadalmi mozgalmak szerepe a demokratikus politikai rendszer intézményesedésének folyamatában Magyarországon*, Szociológiai Szemle, No. 3, pp. 45–64.
- Tamás, Pál (1997), *A középosztály zsendülése*, HVG, March 8, p. 92.