

sia, moreover, is presently undergoing center-regional power struggles reminiscent of the postrevolutionary Soviet period. In a study of contemporary regional politics, Peter Kirkow described "a revitalization of power exerted by former *nomenklatura* members and an activation of previous social networks."¹⁰¹ These observations suggest that the hypothesis that the structure of personal network ties affects a state's capacity for territorial administration is applicable beyond the Soviet case.

This article argued that the ways in which informal and formal structures intersect provide an insight into state-building processes that has largely been neglected by scholars. The article developed a rudimentary framework that attempted to show how personal networks in postrevolutionary Soviet Russia provided an informal structural mechanism that facilitated the development of a capacity for territorial administration. While the results may suggest answers to some larger state-building questions, the article represents only a first step. To make the argument more definitive requires further empirical research and a more systematic comparison of informal network structures and state-building outcomes. The analytical framework should also include an investigation of the ways in which personal network ties shape the social identities and preferences of individual members. Despite the limitations of the present study, this analytical focus has potential to build on the recent work of comparativists seeking a better understanding of the ways in which informal, microlevel social structures influence formal, macrolevel institutional forms.¹⁰²

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¹⁰¹ Kirkow, "Regional Warlordism in Russia: The Case of Primorski Krai," *Europe-Asia Studies* 47, no. 6 (1995), 923.

¹⁰² Among comparative state theorists, the "state in society" approach exemplifies this redirection of analytical focus; see Migdal, Kohli, and Shue (fn. 15). More generally, a recognition of the informal dimensions of institutions has been associated with the work of William Riker; see, for example, Riker, "Implications from the Disequilibrium of Majority Rule for the Study of Institutions," *American Political Science Review* 74 (June 1980). Several notable recent studies include Sven Steinmo, Kathleen Thelen, and Frank Longstreth, eds., *Structuring Politics: Historical Institutionalism in Comparative Perspective* (New York: Cambridge University Press, 1992); Jack Knight, *Institutions and Social Conflict* (Cambridge: Cambridge University Press, 1992); and Putnam (fn. 8).

REVOLUTION FROM WITHIN

Institutional Analysis, Transitions from Authoritarianism, and the Case of Hungary

By PATRICK H. O'NEIL*

THE dramatic collapse of state socialism in Eastern Europe poses a number of questions still waiting to be answered. One of the most interesting concerns how communism collapsed and how the process varied across the region. The transitions in Eastern Europe are characterized by diversity in timing, manner, and central characteristics. Thus, there were the early, negotiated developments in Poland and Hungary, the sudden downfall of regimes in East Germany and Czechoslovakia, the ambiguous "revolution" of Romania, and the palace coup in Bulgaria. Moreover, each one shaped the prospects for consolidated democracy differently.

Hungary is especially striking in that *within the party itself* over the course of 1988 and 1989 there developed a rural-based political movement, the so-called reform circles, which played an important part in undermining the ability of the leadership to dictate the course of the transition. Such differences are suggestive of the diversity of state socialism within the region, contradicting the appearance of uniformity among these political structures.

This study, an analysis of the dissolution of the Hungarian Socialist Workers' Party (Magyar Szocialista Munkáspárt, or MSZMP), makes the case that understanding how authoritarian rule was first institutionalized in a given case is a key to a better understanding of variations in authoritarian transitions. Institutional orders determine the context that shapes not only the transition event itself but also the subsequent political order, that is, how authoritarianism dies and what replaces it. In this study the strong connection between institutional forms and the

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trajectory of authoritarian collapse in Hungary will serve to illustrate this argument.

CURRENT PERSPECTIVES ON AUTHORITARIAN TRANSITIONS

Authoritarian transitions in Eastern Europe and elsewhere are typically explained by reference to either "structural" or "process" arguments. Structural arguments tend to stress the macrolevel conditions (for example, economic development, urbanization, levels of social progress) that are necessary for the creation of democracy out of a nondemocratic form of political control. Process arguments take a different approach, focusing to a greater extent on the means and patterns by which actual authoritarian dissolution takes place and concentrating on the interaction of elite political figures and the success or failure of such negotiations to produce stable democracy.¹

Both sets of arguments stand in opposition to one another. Structuralism can be criticized in that socioeconomic development and political democratization are often taken as largely axiomatic, and the question of how a nation-state moves from an authoritarian system to a democratic one is not given due consideration. Process-oriented perspectives, by contrast, can be criticized for moving to the other extreme. The oft-cited *Transitions from Authoritarian Rule*, for example, provides no framework for contextualizing events and opts instead to document the actions of political elites and to stress their resourcefulness as a key variable in the transition, to the exclusion of both state and society as analytical components.²

Current approaches to the study of political transitions thus remain unintegrated. Macrolevel structuralist approaches paint the broad brush strokes of state, economy, and society but fail to link these conditions to the dynamic of actual political change; microlevel process approaches catalog the actual transition phenomena but do not connect them to the environment from which they emerge. Each framework, while essential to understanding political transitions, excludes the other, to the detriment of both.

One way of bridging the gap between process- and structure-based

¹ Well-known examples of structural arguments include Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review* 53 (March 1959); notable among process-oriented works is Guillermo O'Donnell, Philippe C. Schmitter, and Lawrence Whitehead, eds., *Transitions from Authoritarian Rule*, 4 vols. (Baltimore: Johns Hopkins University Press, 1986).

² O'Donnell, Schmitter, and Whitehead (fn. 1).

analyses is to study the way in which organized activities become fixed, self-replicating social forms. The "new institutionalism," which has enjoyed a strong resurgence within social science, stresses the impact of institutions on the ordering and formation of social and political relations.³ As to what makes this area of study theoretically valuable and how these findings apply to analyses of state socialism and authoritarian decline in general, there are no simple answers, since institutional approaches are characterized by a diversity of views that are not necessarily reconcilable.

However, several central assumptions thread through much of this research. To begin with, they start from a rejection of the individual-based market analogies of the rational choice, pluralist, or behaviorist approaches. These approaches typically view institutions as little more than instrumental structures created to serve specific utilitarian functions, "arenas within which political behavior, driven by more fundamental factors, occurs."⁴ By contrast, institutional perspectives rest on the assumption that these organized forms are not simply transparent constructs but rather are a more complex and influential aspect of human behavior. Institutional arguments stress that these forms do not necessarily follow from purposive human design but instead often arise through unintended actions and replication or by default. Institutional conformity to rational expectations can be dramatically affected by the pull of internal and external activity as the organization strives to maintain and define its own integrity.⁵

Second, institutions, as self-replicating structures, develop their own particular characteristics—resources, values, norms, routines, and patterns—which are passed on to individuals both inside and outside the structure. This tends to bestow on institutions independent power, the ability to create and shape the objectives of individual and collective action. In contrast to more atomistic approaches to social choice, institutions can "establish the very criteria by which people discover their preferences."⁶ Theda Skocpol nicely summarizes this point: "Organizational configurations, along with their overall patterns of activity, affect political culture, encourage some kinds of group formation and collec-

³ See in particular James G. March and Johan P. Olsen, "The New Institutionalism: Organizational Factors in Political Life," *American Political Science Review* 78 (September 1984); Walter W. Powell and Paul J. DiMaggio, eds., *The New Institutionalism in Organizational Analysis* (Chicago: University of Chicago Press, 1991).

⁴ March and Olsen (fn. 3), 734.

⁵ John W. Meyer and W. Richard Scott, *Organizational Environments: Ritual and Rationality* (Beverly Hills, Calif.: Sage, 1983).

⁶ Paul J. DiMaggio and Walter W. Powell, "Introduction," in Powell and DiMaggio (fn. 3), 11.

tive political actions (but not others), and make possible the raising of certain political issues (but not others)."⁷

Third, an important corollary, organizational "lock in," is central to understanding institutionalization itself. Institutionalization typically involves the formation of policies and patterns of behavior to respond to the surrounding environment. Over time these practices tend to harden, becoming an inseparable part of the organization's objectives and therefore blurring the relationship between means and ends. As a result, dramatic reorganization becomes more difficult. Indeed, when highly institutionalized organizations are confronted with environmental or internal challenges, they are more likely to suppress or ignore these contradictions than to respond with corrective measures.⁸

This has two implications. First, suboptimal systems may persevere over a long period of time. Second, if the growing obsolescence of an institution fosters internal or external pressure, the institution is likely to respond by attempting to preserve the status quo regardless, until such time as the tension succeeds in eliminating the institution entirely.⁹ Institutional development thus appears as a punctuated rather than a gradual form of change.¹⁰ This corresponds well to our understanding of transitions and revolutions, such as those in Eastern Europe—situations that arise without warning and bring down the authoritarian system within a relatively short period of time.

APPLICATION AND MISINTERPRETATION IN INSTITUTIONAL ANALYSIS

The institutional perspective has gained a great deal of currency over the past ten years, as many scholars now utilize it to augment or supplant earlier theories of political activity that had stressed individual action without reference to persistent social constructs. Research on the state, including state socialism, is one clear example of this.¹¹ In some

⁷ Theda Skocpol, "Bringing the State Back In: Current Research," in Peter B. Evans, Dietrich Reuschmeyer, and Theda Skocpol, eds., *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985), 21.

⁸ DiMaggio and Powell (fn. 6), 14–15.

⁹ G. John Ikenberry, "Conclusion: An Institutional Approach to American Foreign Economic Policy," in G. John Ikenberry, David A. Lake, and Michael Mastanduno, eds., *The State and American Foreign Economic Policy* (Ithaca, N.Y.: Cornell University Press, 1988), 224–25.

¹⁰ Stephen D. Krasner, "Approaches to the State: Alternative Conceptions and Historical Dynamics," *Comparative Politics* 16 (January 1984), 240–44.

¹¹ Notable examples include Ellen Comisso, "Introduction: State Structures, Political Processes, and Collective Choice in CMEA States," *International Organization* 40 (Spring 1986); Ken Jowitt, "Weber, Trotsky and Holmes on the Study of Leninist Regimes," *Journal of International Affairs* 45 (Summer 1991); Victor Nee and David Stark, "Toward an Institutional Analysis of State Socialism," in David

ways, earlier studies of socialism anticipated this current wave of research, as Weberian-influenced organizational theory, beginning in the 1950s, strongly shaped work on the USSR and Eastern Europe.¹²

Nevertheless, although institutional analysis is winning converts, at least within political science the perspective tends to suffer from weaknesses in both definition and theoretical power. For one thing, institutions are often characterized as little more than self-reproducing constructs, linked to sunk costs and vested interests, rather than as actors in their own right, creating their own organizational culture and resources. As Ronald Jepperson notes, "Institutions are not just constraint structures; all institutions simultaneously empower and control."¹³

A second problem lies in overstating institutional effects. While the institutional perspective has rightly been accorded a role in understanding political order and change, some have utilized the approach in a way that exaggerates the uniqueness of political institutions as variables, which leads to the conclusion that political institutions are so context-dependent as to be largely noncomparative. This then limits the degree to which institutional effects can be generalized.

One finds this particularly in institutional analyses of state socialism.¹⁴ Certainly, the introduction of institutional perspectives into studies of state socialism is a welcome change from earlier attempts to place these systems under the rubric of Western political orders. But when the institutional perspective is overemphasized, the arguments lose their theoretical character and shift away from a concept stressing *process* toward an ideographic symbol emphasizing *character*, differentiation, that is, overshadows causality. Following this logic, the institutions of state socialism thus become "novel" because, to use Ken Jowitt's well-worn term, they are "Leninist," but we then fail to identify the underlying dynamics that institutionalized Leninism in the first place. A generalizable process of institutionalization is consequently lost. Jowitt even rejects the use of the term "state socialism," in that its use has "increased the analytic familiarity of Leninist regimes by denying their institutional peculiarity."¹⁵ As others have noted, such advice does not

Stark and Victor Nee, eds., *Remaking the Economic Institutions of Socialism: China and Eastern Europe* (Stanford, Calif.: Stanford University Press, 1989); and Valerie Bunce and Mária Csanádi, "Uncertainty in the Transition: Post-Communism in Hungary," *East European Politics and Societies* 7 (Spring 1993).

¹² See, for example, Barrington Moore Jr., *Terror and Progress, U.S.S.R.: Some Sources of Change and Stability in the Soviet Dictatorship* (Cambridge: Harvard University Press, 1954).

¹³ Jepperson, "Institutions, Institutional Effects, and Institutionalism," in Powell and DiMaggio (fn. 3), 146.

¹⁴ See in particular Jowitt (fn. 11); and Nee and Stark (fn. 11).

¹⁵ Jowitt (fn. 11), 40.

lend itself to either theory building or generalization. Nor does it enrich the analytical process by searching for illuminating concepts elsewhere within the social sciences.¹⁶

ENRICHING THE "NEW" INSTITUTIONALISM WITH LESSONS FROM THE "OLD"

Many of the shortcomings in the so-called new institutionalism in political science are aggravated by the fact that our understanding of the intellectual origins of this field is rather limited. Notable for its absence is any reference to the pioneer of institutional analysis, the sociologist Philip Selznick, whose work on organizational development in the 1940s and 1950s paved the way for later studies in the field. This is particularly ironic, given that Selznick's approach is more consistent with arguments currently employed in political science than with those found in sociology itself.¹⁷

Among Selznick's many contributions in the area of organizational study, one of the most important was his emphasis on the link between co-optation (defined as both the informal linkage of a unit to external actors as a means of pacification as well as the formal incorporation of individuals into the unit itself) and the institutionalization process. Selznick made the case most strongly in his 1949 *TVA and the Grass Roots*, arguing that one of the key factors influencing institutionalization was the degree to which organizations, seeking to validate their activities and/or fill administrative demands, create linkages and/or formally incorporate actors external to themselves. By doing so, the organization connects itself to the broader environment and, it is hoped, increases its technical power and legitimacy as a result.

How an organization responds to the external environment is neither predetermined nor uniform, however; existing social patterns may create certain obstacles or opportunities, and organizational leaders may attempt to realize different forms and degrees of linkage as a result. The given social landscape and the way in which an organization can and does respond makes a difference in the institutionalization process.

Institutionalization can thus be seen as a basic tactic for organizational survival, though one that over time often generates its own set of

¹⁶ See the criticism of Jowitt's approach in Philippe C. Schmitter and Terry Karl, "The Types of Democracy Emerging in Southern and Eastern Europe and South and Central America," in Peter M. E. Volten, *Bound to Change: Consolidating Democracy in East-Central Europe* (New York: Institute for East-West Studies, 1992), 43-45.

¹⁷ W. Richard Scott, "Unpacking Institutional Arguments," in Powell and DiMaggio (fn. 3), 179-80.

dangers. While the process of co-optation creates a set of environmental relations that legitimizes the organization, there is also the risk that these relations will gain a greater priority than had been envisioned in the original policy objectives and consequently that distinctions between means and ends will be blurred. Organizations thus become "infuse[d] with value beyond the technical requirements of the task at hand."¹⁸ The organization, no longer simply an instrument of a larger policy goal, becomes valued for its own sake, and self-replication becomes the primary objective.

As a result, an institution may grow increasingly inflexible even as the social environment remains dynamic. This raises the possibility that the institution will be less willing or able to respond to succeeding waves of external challenges. One way of dealing with the problem is to continue with the policy of co-optation, building new linkages and incorporating new members. However, the more deeply institutionalized the organization and the greater the blurring of the means-ends relationship, the more resistant it will be to assimilating new actors whose loyalty to the institution (as opposed to its ostensible goals) is in doubt. This is the essence of the struggle within state socialism, described as the battle between the institutional "red" and the independent "expert"—terms that have become part of the lexicon of organizational behavior.¹⁹

REINTERPRETING STATE SOCIALISM AS AN INSTITUTIONAL FORM

State socialism in the Soviet Union and Eastern Europe is a clear case of extreme institutionalization. Stalinism represented above all a process of co-optation and penetration into all aspects of society and economy, a process that paralleled the formation of a large nomenklatura whose power derived from loyalty to the organization itself. With the institutionalization of the party came the subversion of its instrumental nature: the party came to be venerated as the revolution incarnate and the infallible manifestation of the people's will; it signaled the complete merging of means and ends. And as it became the embodiment and judge of knowledge and truth, it was the sole evaluator of all information. This was carried to extreme lengths and applied even to

¹⁸ Philip Selznick, *Leadership in Administration* (Evanston, Ill.: Row, Peterson, 1957), 17.

¹⁹ As Alvin Gouldner argues, this is in fact a basic part of political development in all societies; in the long run the intellectual "expert" segment must be "either coopted into the ruling class or it must be subjected to the repressive control of a burgeoning bureaucracy." See Gouldner, *The Future of the Intellectuals and the Rise of the New Class* (New York: Seabury Press, 1979), 24.

economic and scientific relations, since objective criteria were feared as a source of autonomous, noninstitutional power. Subsequently, this highly institutionalized Soviet form was replicated in Eastern Europe—irrespective of the nature of the local environment.

With the death of Stalin and attempts at reform in the Soviet Union, communist leaders in Eastern Europe realized that their domestic institutional linkages were extremely weak, leaving them vulnerable to the impact of changes in Soviet domestic and international policy. Domestic institutional ties now attracted greater attention. By the 1960s many communist leaders initiated policies of limited political and economic reform in hopes of co-opting the “experts” among the intelligentsia and in that way building local legitimacy and increasing technical power. It seemed the intellectuals were on the road to class power.²⁰

These actions reignited the struggle between red and expert. As intellectuals across the region raised calls for the reorganization of socialism and its reformulation on new, objective grounds, party leaders, whose claim to power was based solely on their loyalty to these very institutions, struck back. The end of Prague Spring in 1968 was only the most evident example; intellectuals all over the region were purged from or left the party, leaving the institutionally loyal in clear control.²¹ Where domestic institutionalization was still pursued, it was no longer predicated on increased intellectual autonomy but instead appealed either to narrow and limited technocratic claims (rationalizing but not liberalizing the centralized economy) or to traditional legitimizing forms, defining and justifying the party-state with the same myths used by their ruling predecessors.

After 1968 the Czechoslovak party returned to a highly centralized form, legitimized by its conformity to Soviet strictures rather than by the domestic environment. East Germany also soon launched its own offensive against the intelligentsia, merging technocratic reform with extreme ideological rigidity in what has been termed “computer Stalinism.”²² In Poland, the party tried variously repression and technical rationalization, with results so disastrous they eroded domestic institutional linkages and paved the way for the rise of Solidarity and the party’s desperate recourse to martial law. Even in Romania and Bul-

garia, where liberalization had been modest to begin with, those steps forward were quickly reversed. Instead, domestic institutionalization was sought through traditional, “Balkan” institutional forms, such as the development of sultanistic and dynastic party apparatuses, as well as the resurrection of nationalism and precommunist history, which viewed the party as the expression of that national destiny.

Only in Hungary did the process of institutionalization continue to depend upon a liberalized policy as a means of co-opting society and the intelligentsia in particular. While this had the intended effect of blocking the formation of social opposition, it also moved an important segment of intellectual dissent into the ranks of the party itself. As a result of this form of institutionalization—legitimacy attempted through social reconciliation and the formal incorporation of the intelligentsia—the party both perpetuated its rule and created the means of its eventual downfall.

THE INSTITUTIONALIZATION OF SOCIALISM IN HUNGARY: FROM STALINISM TO “GOULASH COMMUNISM”

To explain why Hungary followed the institutional path that it did, one must first understand the effect of the 1956 Hungarian revolution, significant for having totally destroyed organized party power. Following the rebellion, a violent reaction to the repressive policies of General Secretary Mátyás Rákosi, the party resorted to coercive rule during the years 1956–62. However, the new general secretary, János Kádár, eventually chose to create a new institutional base for Hungarian socialism by pursuing a policy of reconciliation rather than continued force. Shattered by the revolution, shorn of members, its heroic myths, and much of its leadership, the chaos within the party gave Kádár the opportunity to incorporate within the structure a new set of administrative ideologies upon which to construct a policy of broad co-optation.

From the 1960s onward this policy of “goulash communism” was typified by a number of reformist policies unknown elsewhere in the region. Kádárism in essence represented a form of institutional dualism, where a whole array of ad hoc organizational forms were created to compensate for, but not replace, the intractable Soviet model. Economic reforms allowed for a more decentralized and mixed socialist economy, with a greater role for entrepreneurial activity. Simultaneously the party initiated a rapid liberalization within society in general. While the core institutions of the party-state remained intact, new routines and practices formed around the edges of the political system, an

²⁰ George Konrád and Iván Szelényi, *The Intellectuals on the Road to Class Power* (New York: Harcourt Brace Jovanovich, 1979).

²¹ Iván Szelényi, “The Prospects and Limits of the East European New Class Project: An Auto-Critical Reflection on *The Intellectuals on the Road to Class Power*,” *Politics and Society* 15, no. 2 (1986–87).

²² Leslie Holmes, “The GDR: ‘Real Socialism’ or ‘Computer Stalinism?’” in Leslie Holmes, ed., *The Withering Away of the State? Party and State under Communism* (London: Sage, 1981).

informal co-optation process known to Hungarian social scientists as the "dual" or "second" society.²³

A more formal process of party co-optation also took place, as the MSZMP expanded its recruitment to the growing nonmanual sector. This focus was not only on the clerical and managerial sectors but also on the younger intelligentsia. For many of these young intellectuals, party membership took on a highly charged political edge; exposed to neo-Marxist and antiestablishment views, they arrived with a mission to create a modern socialist order.

Thus, while elsewhere in Eastern Europe a conservative counter-offensive had emerged by the late 1960s, driving intellectuals out of the party and sowing the seeds of later opposition movements, in Hungary reforms and co-optative policies were largely kept in place. Kádár as well as the Soviets knew that since 1956 stability in Hungary had been predicated on a tempered form of one-party rule, whose rollback could spell disaster. In other words, the process of institutionalization—of building linkages to an external, legitimizing environment—involved a system of routines and norms that maintained the sanctity of organizational form, while allowing for alternative activity on the margins of the party-state. Reform and co-optation were not intended to rectify the shortcomings of state socialism, but rather were intended to compensate for it.

This created a contradictory situation for many intellectuals in the MSZMP. On the one hand, it became evident that the current system of socialism had clear limits to reform. On the other hand, the Hungarian party remained at least superficially committed to liberal policies. As opposed to elsewhere in the region, many intellectuals retained their party ties in the hope that change could somehow be effected from within. As a result, this group slowly began to develop as an internal "party opposition [that] did not identify with the Rákosi or the Kádárist model, or the Stalinist or post-Stalinist systems that they had created. "This is not our system, not our socialism. *We joined the party so that we could transform this model*" (emphasis added).²⁴

The party leadership, in the meantime, while simultaneously co-opting intellectuals, took steps to prevent the ascendancy of an intelligentsia "new class." Recent studies have shown that while in Hungary the party actively courted the intelligentsia, they were directed primarily into state positions, while their ascension into important offices

within the party itself was effectively prevented; these remained in the hands of a poorly educated, aging leadership.²⁵ This segregation of red and expert between party and state was a useful way of both pacifying and controlling party intellectuals. At the metropole level of Budapest the party intelligentsia found that membership provided opportunities and privileges, even a limited part in political developments if they stepped carefully. These actors, as a necessary part of socialist legitimacy, were thus incorporated into the ruling structure and brought under control in the process.

OBSTACLES TO PARTY POWER FOR THE RURAL INTELLIGENTSIA

Yet this segment represented only part of the MSZMP intelligentsia. Outside of Budapest it was an entirely different story: intellectuals were far from the center of power and thus of much less concern to the party leadership. Resources were fewer, forcing intellectuals to remain within the party for what little access and connections were to be had. Moreover, whereas the co-optative policies of the metropole served to pacify the intellectual class, rural political power acted as a conservative bastion, overwhelmingly staffed by older hard-liners of proletarian background. Conservative county secretaries insulated the party center against local/sectoral interests and threats by means of a peripheral career track for politically loyal but not necessarily talented party cadres. This position usually represented the limit to which the county party secretaries could rise; they occasionally rotated from county to county but almost never upward.²⁶ While this method was not uncommon in Eastern Europe, what is notable is that in comparison with other Eastern European states, the demographics of Hungary's regional cadre in the 1980s most closely resembled that of post-1968 Czechoslovakia, where younger party leaders had been purged in the wake of Prague Spring—a reality inconsistent with Hungary's image as being in the vanguard of reform.²⁷

These long periods of tenure for party officials in effect encouraged the creation of party fiefdoms, dynastic clans where personal and famil-

²⁵ Ferenc Gazsó, "Cadre Bureaucracy and the Intelligentsia," *Journal of Communist Studies* 8 (September 1992); see also the formerly classified *Statistikai adatok a káderállományról* (Statistical data on cadre positions) (Budapest: MSZMP KB Párt- és Tömegszervezetek Osztálya, 1983), esp. 10, 67.

²⁶ For details on the class origin, age, and tenures of county party secretaries in Hungary, see *Statistikai adatok* (fn. 25), esp. 48; and András Nyírő, *Segédkönyv a politikai bizottság tanulmányozásához* (Resource guide to the study of the Politburo) (Budapest: Interart, n.d.).

²⁷ Data derived from Central Intelligence Agency publications on Communist Party cadre demographics in Eastern Europe. See, for example, *Directory of Hungarian Officials* (Washington, D.C.: Central Intelligence Agency, 1987).

²³ Elemér Hankiss, *East European Alternatives* (Oxford: Clarendon, 1990), chap. 3.

²⁴ László Lengyel, *Micsoda év! (What a year!)* (Budapest: Szépirodalmi Könyvkiadó, 1991), 20.

ial ties, overlapping membership, and patron-client relationships dominated.²⁸ This was made even more egregious by the fact that whereas elsewhere in Eastern Europe central authorities commonly used political power to enrich themselves, the Hungarian central party elite was relatively poorly rewarded with benefits, a reflection of Kádár's own personal asceticism.²⁹ Intellectuals, naturally seen by local party cliques as suspicious, typically found themselves shut out of these patronage systems. Talented yet not a part of the elite of the metropole, these regional "second tier" intellectuals frequently complained about their marginal status "*Isten háta mögött*"—"behind the back of God."³⁰ Reform policies directed by the metropole in Hungary were thus able to neutralize much of the power of the intelligentsia in the capital but had the unanticipated effect of reinforcing center-periphery friction and encouraging mobilization below. In response to this situation, members of this intellectual second tier used the party to cultivate their own informal networks, largely ignored by central party elites. These "solidary groups," bound by common values and interaction, were critical in that they commonly served as a key building block of partisan organization.³¹

THE EMERGENCE OF THE REFORM CIRCLE MOVEMENT³²

By the mid-1980s Hungarian society was in a state of deep crisis indicative of the general stagnation of socialist economies as a whole. The economic "miracle" of the past decades began to disintegrate under the pressure of massive foreign debt and new pressures for change from

²⁸ András A. Gergely, *Az állampárti varázstanalítása* (The disenchantment of the party-state) (Budapest: TTI, 1992); and László Bogár, "A megye pártszervek szerepe a megyei tanácsi területfejlesztési döntési mechanizmusban" (The role of county party organs in the county council's regional development decision-making mechanism) (Manuscript, TTI collection, Budapest, 1989).

²⁹ One journalist has provided a clever example in his observation that the further one traveled from the capital and out from under the gaze of "*az Öreg*" (the old man), meaning Kádár, the more audacious were party elites and thus the more sumptuous their food: "Nowhere else could one find a more exceptional kitchen than at the county party committee." László Hovanyecz, "Háborús gyerek" (Children of wartime), *Népszabadság*, May 15, 1993, p. 21.

³⁰ Zsolt Szoboszlai, "Vázlat a vidéki értelmiségről" (Outline of the rural intelligentsia), *Juss* 2/3 (December 1989–January 1990), 103–12; Pál Bánlaky, "A kisvárosok értelmisége a 'helyi társadalom' közéletében" (The small-town intelligentsia the public life of "local society"), in Tibor Huszár, ed., *A magyar értelmiség a '80-as években* (The Hungarian intelligentsia in the 1980s) (Budapest: Kossuth, 1986).

³¹ William Gamson, *Power and Discontent* (Homewood, Ill.: Dorsey, 1968), esp. 32–37.

³² The following discussion of the reform circles is based on an analysis of approximately two hundred unpublished reform circle documents collected by the author, MSZMP archival research, and interviews with reform circle participants and former Politburo members (Imre Pozsgay, Reszö Nyers, and Károly Grósz) in Hungary. Specific interviews or documents will be cited as appropriate. For an expanded analysis of this topic, see Patrick O'Neil, "Revolution from Within: The Hungarian Socialist Workers' Party Reform Circles and the Transition from Socialism" (Ph.D. diss., Indiana University, 1994).

Moscow. While during this period Kádár had tolerated further political changes within the state, such as in the parliamentary election process, those who called too openly for dramatic organizational change still faced serious repercussions. Even with the final ouster of Kádár and his replacement by Károly Grósz in May 1988, dramatic change seemed unlikely, and opposition forces themselves remained too weak to challenge party authority. "Reform communists" spoke largely of a truncated democratization, a limited sharing of power while maintaining the constitutional "inviolability of socialism."³³ Even under these circumstances, multiparty elections were not anticipated until 1995. The MSZMP, which had institutionalized a set of limited reforms to balance domestic and Soviet pressure, was incapable of reacting to a changed international environment.

The resulting social tension extended to many party intellectuals, particularly those at the rural level. And it is from this position within the party but on the margins of power that the catalyst for self-organization emerged: the party reform circle. The origins of the reform circles lie in Csongrád county and its capital, Szeged, long dominated by conservative party leaders (as is testified by its nickname of "Pol Pot county"). After decades of hard-line, often corrupt leadership, by 1988 a series of scandals finally undermined the county leadership, leaving them grasping for the means by which their authority could be reasserted. One such idea, a consultative body of local intellectuals to "advise" the leadership, was proposed. Though the body never materialized, several of those involved in the attempt continued to discuss the idea privately.

Local intellectuals began to outline the concept of a political movement within the party, a kind of "reform cell" that could link local party reformers scattered throughout different basic party organizations into one horizontally based group. Not only could such an organization concentrate on the local level, but it could also broaden its objectives and foster similar groupings elsewhere in the country. A grassroots movement or party platform that could link up with reformers at the center of power was envisioned as a final outcome.³⁴

By November this loose group sought to enter the public sphere,

³³ Author interview with Károly Grósz, Gödöllő, June 2, 1993; also transcripts of Central Committee meeting, December 15, 1988, Hungarian Ministry of Education MSZMP archival collection 288f/4/248 ó.e.

³⁴ Author interview with Csongrád county reform circle members, Szeged, February 9, 1993, and Budapest, October 20, 1992, and March 23, 1993; József Lovászi, "Párttagok reformköre Csongrád megyében" (The party members' reform circle in Csongrád county) (Unpublished document, dated March 28, 1989).

hoping to raise the ranks of its members within the party. On November 29, 1988, the first declaration of the Csongrád county reform circle appeared in the local press. Titled "Reform Circles in the Party as Well!"—a reference to the rise in political "circles" spreading outside of the party—the declaration opened with a radical call to action:

In Eastern Europe, the countries of so-called existing socialism are in deep crisis. This crisis can only be fought against with radical and complex reforms; the historic task is to liquidate the structure of the Stalinist model. The economy, politics, various spheres of society—and our own socialist concept as well—we must irreversibly liberate from the captivity of the bureaucratic mechanism! This will simultaneously require the following: 1. A clear strategy for reintegration into the world economy (above all a functioning market and the revival of rejected bourgeois values); 2. Political and ideological reform which will rediscover and support every legitimate value of the socialist movement; 3. The reform of political institutions, such that they will give space to individual and communal autonomy and regard a multiparty system as a natural state.

The quarter-page statement continued with a number of points: It discussed the need for a critical analysis of the past and the role of the party within it. It called for the development of a dialogue with those outside of the party and for reformers within the party to unite against hard-liners seeking to sabotage reforms. And finally it exhorted other party members to join the reform circle and create others so as to build a horizontally based national political movement.³⁵ A subsequent open meeting of the reform circle on December 2, 1988, attracted some 120 people, and over 65 signed the founding statement.³⁶

The timing of the declaration could not have been less propitious. That same day General Secretary Grósz spoke to party activists in Budapest, warning of the rise of "strident, bourgeois restoration-seeking, counter-revolutionary forces" who sought to bring about "anarchy, chaos . . . and a white terror" to Hungary. Struck first by the reactionary tenor of the speech, the members of the Csongrád reform circle were then further alarmed by the general secretary's appearance in Szeged two weeks later at a local party conference, where he targeted the reform circle, branding it as factionalist and divisive.³⁷

In response the Csongrád reform circle kept a low profile for some weeks, fearing a conservative counteroffensive. However, their reserva-

tions were soon overcome by increasing rifts at the top. When in late January 1989 Politburo member and noted reformer Imre Pozsgay attempted to break the political stalemate by declaring that the "counter-revolution" of 1956 had in fact been a "popular uprising" against an oligarchic regime, the Csongrád reform circle publicly backed him against those calling for his ouster. The reform circle statement received national press coverage and called attention to the existence of an alternative counterorganization in the party.³⁸ This was not lost on other party members elsewhere in Hungary.

The subsequent decision not to expel Pozsgay from the party probably had little to do with the protestations of the Csongrád reform circle. However, their public presence, combined with the implications of Pozsgay's radical act, did begin to mobilize other members of the party intelligentsia. By the middle of March reform circles had appeared in Somogy, Hajdú-Bihar, Bács-Kiskun, Zala, and Békés counties, and by the end of the month they were to be found in Fejér, Tolna, Szolnok, and Győr-Sopron—that is, in over half of the counties in Hungary. Reform circles were particularly strong in Csongrád, Zala, Somogy, and Bács-Kiskun—all southern counties well known for lower levels of heavy industry, underdeveloped infrastructures, and conservative, often corrupt local leaders. While in Budapest party intellectuals remained hesitant and kept within the given parameters for reform, at the periphery the intelligentsia was in open revolt.

Despite the lack of direct connections, the spreading reform circles mirrored one another to an amazing extent, suggesting the same party cohort in each case. None incorporated a formal leadership, as all explicitly eschewed any semblance of hierarchy or vertical organization. Nor was there any registered or delimited membership. Participants themselves were usually thirty-five to forty years old, university graduates who held minor positions in party cells or committees at the workplace.³⁹

Reflecting their common socialization, early reform circle declarations focused on similar themes, based on their experiences within the party-state system. Despite 1956, Hungary remained an organizationally Stalinist state. Socialism could only be predicated on true democracy and not vice versa. To that end, the institutional framework for a true multi-

³⁵ "Reformkörök a pártban is!" (There are reform circles in the party as well!), *Délmagyarország*, November 29, 1988, p. 2.

³⁶ "Megalakult a párttagok reformköre" (The party members' reform circle has been established), *Csongrád Megye Hírlap*, December 3, 1988, p. 3.

³⁷ "Grósz Károly beszéde a megyei párttervezésen" (Károly Grósz's speech at the county party conference), *Csongrád Megye Hírlap*, December 12, 1988, pp. 3-4.

³⁸ Radio Budapest, January 28, 1989, cited in Alfred Reisch, "HSWP Study Re-Evaluates the 1956 Revolution, Imre Nagy, and Forty Years of Hungarian History," *Radio Free Europe Research* (February 24, 1989), 5.

³⁹ György Kerényi, "Reform kor-kör-kör-kép" (A portrait of the reform time/circle/malady), *Jelző* 1, no. 6 (1989).

party democracy must be created, both for Hungary and for the MSZMP. This would include the formation of a horizontally based party reform platform and the convocation of an extraordinary party congress to effect a radical reorganization of the party (the current timetable did not allow for such a congress until after the 1990 parliamentary elections).

As the number of reform circles grew throughout Hungary during the spring of 1989, they began to form connections with one another on a horizontal basis, directly challenging the vertical structure of the party. In April delegates from a number of reform circles met at a party reform conference (where many hoped in vain that Pozsgay would announce the formation of a party platform or a new party itself) and set in motion plans for a meeting of their own. Reform circles frequently issued manifestos on political reform and scathing critiques of the party; these appeared first in local papers and then made their way into the national press. These continuous attacks increased discord within the party, demoralizing leaders as well as the rank and file. Reform circles in many counties and cities also demanded local party conferences, where they sought to oust entrenched bosses.

But in spite of these rapid successes, the transformation of the reform circle movement into an organized party platform was not so easy. There were attempts at linking up with Pozsgay and his supporters, but given the latent hostility of some rural intellectuals toward metropole elites, little was achieved. Rather than surrender their emerging influence to a central political faction, reform circles chose instead to act autonomously. Even as reform circles developed ties to each other, they rejected a unified leadership. As some participants later noted, they viewed themselves as a "reform virus," living off the structure and resources of the party to kill it from within—a clear result of their specific institutional origins. This gave the movement much of its anti-institutional strength, but it also hindered coordination and the formation of a single policy.

This dilemma could be clearly seen in late May at the first reform circle conference, where some 440 delegates were in attendance, representing 110 reform circles and by now over 10,000 participants.⁴⁰ Delegates drafted an extensive critique of state socialism and reiterated their demands for multiparty elections, economic reform, and the democratic transformation of the party. Press coverage was extensive, and guest

⁴⁰ For details on the conference, see István Tanács and Éva Terényi, "Békés átmenettel a demokratikus szocializmusba" (With a peaceful transition to democratic socialism), *Népszabadság*, May 22, 1989, pp. 1, 4–5; Judith Pataki, "First National Conference of HSWP Reform Circles," *Radio Free Europe Research* (May 30, 1989).

participants included several members of the Politburo and Central Committee. Despite such visible power, however, the movement was still unable to unify its actions, as the delegates struggled unsuccessfully to draft a common platform statement. Jealous of their own autonomy and overly democratic in nature, no agreement could be reached on a single statement despite hours of debate.

ON THE OFFENSIVE AND THE PARTY CENTER IN RETREAT

While still chaotic, this public show of strength by the reform circles had a clear effect on the increasingly anxious party leadership. Many members of the Politburo and Central Committee now saw political change as inevitable and began to retreat in the face of reform circle demands, leaving the general secretary with fewer and fewer allies. Simultaneously, opposition forces took advantage of this growing disarray within the party to organize their ranks against the MSZMP. By early summer numerous civil groups formed nascent political parties, pressuring the party into roundtable negotiations and eventually achieving their demand for open parliamentary elections in 1990.

Importantly, this internal disintegration of communist power dramatically changed the incentive for collective action, removing the necessity for the opposition to unify in a broad-based "front" movement, as seen elsewhere in the region. Stable, competitive, and articulated political organizations thus developed much earlier in the Hungarian transition process than elsewhere in the region, where counterhegemonic movements developed to challenge still-formidable regimes.

The influence of the reform circles on the path of transition was most obvious at the Central Committee session on May 29, 1989, where members confronted a number of reform circle demands, in particular the call for an extraordinary party congress prior to parliamentary elections (as opposed to the planned conference, whose authority was much lower). The assembly also heard a confidential report on the reform circle national meeting, which outlined the movement's growing strength.⁴¹ Over Grósz's protestations, the Central Committee retreated, approving the party congress for October, with delegates to be elected as soon as possible. Grósz complained in a subsequent in-

⁴¹ "Tájékoztató az MSZMP Központi Bizottságának az MSZMP reformkörök 1989 május 20-án Szegeden rendezett munkatanácskozásáról" (Information for the MSZMP Central Committee on the MSZMP reform circles' May 20, 1989, work conference in Szeged), MSZMP Central Committee meeting, May 29, 1989, Hungarian Ministry of Education MSZMP archival collection 288f. 4/263 ó.é., 125–29.

terview that the party was unprepared for such a meeting, but had to yield to demands from the party ranks, such as those heard from the reform circles.⁴²

By the summer of 1989 the reform circles were no longer engaged in trying to defend reform but were preparing to carry it out. With elections for the party congress under way, reform circles hoped to win the backing of as many delegates as possible, isolating conservatives at the congress and forcing the transformation of the party.⁴³ In anticipation of this showdown, a second reform circle conference was held in Budapest in early September, but as before attempts to form a united platform failed. Importantly, delegates struggled less over the actual content of a platform statement than over the authority implied by such organization. Created as an anti-institutional response to the old order, delegates could not accept the formalization of the movement and the notion of hierarchy that it contained. In the end, the conference approved an ambiguous "statement of platform reconciliation," covering various policy issues on reform and democratization. Also formed was a coordinating council, charged with the daunting task of building a central strategy to dominate the party congress, now one month away.⁴⁴

As the process of congress delegate nomination and election unfolded, the reform circles fought hard to field candidates and win rank-and-file party support. However, despite victories in many electoral contests, they remained constrained by their minority status within the party. When the process finally came to an end in late September, prospects for the congress remained unclear. On the surface, delegate demographics gave the reform circles some reason for hope. Over 80 percent were under fifty, had some form of higher education, and were classified as either white collar or intelligentsia. Nearly 90 percent had never taken part in a party congress before.⁴⁵ In this aspect, at least, they clearly resembled the reform circle cohort. Less clear was how many would commit themselves to the reform circle platform. By one estimate over 40 percent of the same delegates came from the ranks of

⁴² See the text of a television interview with Károly Grósz, "Tagadom, hogy a négy évtized zsákutca volt" (I deny that the last four decades were a dead end), *Magyar Hírlap*, May 31, 1989, 4-5.

⁴³ "Reformkongresszust! Felhívás az MSZMP tagsághoz" (Reform congress! Call to the MSZMP membership) (Unpublished joint document of six reform circles, June 14, 1989); "A Budapesti Reformköröknek állásfoglalása a pártkongresszusról" (The Budapest reform circle statement regarding the party congress), *Népszabadság*, June 12, 1989, p. 7.

⁴⁴ György Kerekes and Zsuzsa Varsádi, eds., *Reformkörök és reform-alapszervezetek budapesti tanácskozása* (The Budapest conference on reform circles and reform cells) (Budapest: Kossuth, n.d. [1989]).

⁴⁵ See *Kongresszus '89*, no. 23 (October 6, 1989), 1. This was a special party publication disseminated to all delegates from September 1989 until the last day of the congress.

the nomenklatura and party apparatus, particularly those delegated from Budapest.⁴⁶ Reform circle estimates concluded that the number of those sympathetic to the reform circle platform made up less than a quarter of the over twelve hundred delegates, and within that group only about one hundred were actually reform circle participants.⁴⁷

THE FINAL PARTY CONGRESS AND THE END OF THE MSZMP

Under these uncertain circumstances the party congress opened on Friday, October 6.⁴⁸ Delegates had the option of allying themselves with formal party platforms, including that of the reform circles, now known as the Reform Alliance. This was the first moment of reckoning for the reform circles, and a surprising one at that. Of the eight platforms registered, none compared in size with that of the Reform Alliance, which boasted some 464 delegates. (The next largest group, the neo-Marxist Peoples' Democratic Platform, had sixty-eight.) Not only had the Reform Alliance been able to gather the proreform leadership within its ranks (including Pozsgay, Prime Minister Miklos Németh, and Foreign Minister Gyula Horn), but hundreds more had also flocked to their ranks. The alliance, in other words, dwarfed all the others.⁴⁹

Yet it was still open to question as to how many alliance supporters actually backed the reform circle demands, as opposed to joining in order to be on the presumed winning side. Initially events went the alliance's way, blocking Central Committee voting rights, steering congress proceedings, and having a proposal accepted that would lead to the election of a new party leadership on the basis of competing, winner-take-all platform lists. This last victory was particularly important for the alliance, as a means of winning a decisive victory over party conservatives.

However, the sheer political weight of the alliance began to work against it. Fearing that the alliance was going too far in transforming the party and in forcing political change, many delegates turned to the

⁴⁶ László Bihari, "A múltát végleg eltörölni" (To finally break with the past), *Kapu* (October 1989), 4-5.

⁴⁷ Supplement to invitations for the first meeting of the Reform Alliance congress platform, September 25, 1989.

⁴⁸ For details on congress events, see Emil Kimmel, ed., *Kongresszus '89: rövidített, szerkesztett jegyzőkönyv az 1989 október 6-9 között tartott kongresszus anyagából* (Congress '89: Shortened, edited transcripts of the material from October 6-9, 1989, congress) (Budapest: Kossuth, 1990); Judit Benkő, György Kerekes, and János Patkós, *A születés szépséges kínjai, avagy a rendhagyó híradás az MSZMP kongresszusról 1989 október 6-9* (The beautiful agony of birth, or irregular information concerning the October 6-9, 1989, MSZMP congress) (Budapest: Kossuth, n.d. [1990]).

⁴⁹ Benkő, Kerekes, and Patkós (fn. 48), 20.

Peoples' Democratic Platform, whose left-wing, "third-road" ideology seemed an acceptable counterweight to the radical demands of the alliance.⁵⁰ During the course of October 7 the Peoples' Democratic Platform nearly doubled in size, with over 40 percent of the new affiliates from Budapest.⁵¹

As the balance of power shifted, reform circle delegates grew anxious that the majority of delegates (including many in the alliance) would oppose their radical demands. Platform negotiations, primarily between the alliance and the Peoples' Democratic Platform, argued over the future of the party. Despite fears on both sides that too much would be given up in a compromise, the only other option seemed an open party split—a dangerous prospect given the uncertain state of political transition. After a full day of negotiations, a basic agreement on the nature of the new party was agreed to and put to a vote. By a large majority, with only 159 opposed and 39 abstaining, the congress manifesto was approved on October 8, and a new party, Magyar Szocialista Párt—the Hungarian Socialist Party (MSZP)—was finally established.

Had the victory sought by the reform circles been achieved? Initially, it had been imagined that the alliance would be able to instigate a clear showdown in the party, winning over the delegates, dissolving the MSZMP, and hiving off party conservatives. Now most congress delegates claimed to support reform, though not in the manner the reform circles had envisioned. Compromise, a pseudoreform to reengineer power, seemed in the offing.

Lacking a set of clear strategies and a formal leadership and having a large number of questionable supporters, the alliance quickly lost the initiative. Having emerged as an anti-institutional reaction, they lacked the organizational tools necessary to compete in an open political forum. The issue of the party leadership now became uncertain as well, as the mechanism of election by closed lists raised the fear that in fact an alliance ticket would lose. Platform representatives began to discuss a single, compromise list to preserve party unity but were soon at loggerheads. The party wavered on the brink of a split. But to what end? If alliance members were to withdraw from the congress and found their own party, whose support could they count on? How many of the del-

⁵⁰ Rudolph Tökés, "Beyond the Party Congress: Hungary's Hazy Future," *New Leader*, October 30, 1989, p. 6.

⁵¹ Calculated by the author. Nearly half of the delegates for the Peoples' Democratic Platform were from Budapest, as opposed to less than a quarter for the Reform Alliance; László Vass, "A Magyar Szocialista Párt," in László Bihari, ed., *A többpártrendszer kialakulása Magyarországon* (The formation of multiparty democracy in Hungary) (Budapest: Kossuth, 1992), 149.

egates, even within the platform, would follow? And would this not leave the party in the hands of conservatives and moderates whose commitment to democratization was questionable?

These doubts forced the alliance into a final compromise, a single electoral list for the new party leadership, whose composition conservatives and reformers alike could accept. This back-door manner of leadership selection was denounced by a number of delegates, but to little effect. Having earlier accepted a closed-list format for elections, with now only one list being forwarded, the delegates had in effect surrendered most of their power, reduced to rubber-stamping the list assembled by a handful of platform representatives.⁵² On October 9 the new socialist party elected its leadership, with the older centrist politician Rezső Nyers made party president.

The MSZMP had been transformed; a new, avowedly democratic party stood in its place. Yet few were happy with either the results or the method by which they came about. Among reform circle delegates in particular, many felt that too much effort had been spent on dismantling the old party, and too little attention paid to what would be constructed in its place.⁵³ Yet the change had been made: the old order had been overthrown. With their objective more or less achieved, the reform circles lost their motivating force, and their ranks soon dissolved.

With this incomplete transformation the stage was set for open elections in 1990, and for many the renouncement of one-party rule seemed to bode well for the MSZP. Nyers expressed confidence that the MSZP expected to lose only half of the MSZMP membership, leaving them with a base of nearly four hundred thousand or more, well beyond the membership of all the other parties combined.⁵⁴ Upcoming direct presidential elections, scheduled for November, also seemed certain to bring a victory for Pozsgay, who remained one of the most popular and well-known politicians in the nation. His victory would help the party in its bid for political power.

Soon enough, however, the shortcomings of the party's transformation became apparent. As it became clear to former MSZMP members that membership no longer guaranteed economic security, few found that they had any real socialist (or even political) inclinations. By No-

⁵² László Kéri and Mária Zita Petschnig, "Ez a név lesz a végső" (This name shall be your last), pt. 2, *Élő kézből* (October 16, 1989), 9–10.

⁵³ Erzsébet Sulyok, "Antipolitikus sorok, reformkörben" (Antipolitical ranks in the reform circles), *Szegedi Egyetem*, October 16, 1989, p. 1.

⁵⁴ Rezső Nyers, "Az MSZP várja tagjait az MSZMP-ből és azon kívülről is" (The MSZP expects members from both inside and outside the MSZMP), *Népszabadság*, October 14, 1989, p. 14.

member only fifteen thousand of the more than seven hundred thousand former MSZMP members had joined the MSZP, many from the old apparatus.⁵⁵ Moreover, with the old party monolith now clearly gone, opposition forces were free to mobilize fully against the socialist system and quickly developed strong organizations that could check the feeble attempts of the MSZP to hold on to power.

The campaign battle now turned on anticommunism, a litmus test that the MSZP clearly could not pass. Hopes for a presidential victory were similarly dashed when an opposition referendum managed to block the direct election of the presidency, something made much easier by the enervation of the socialists. Having given up the one major appeal of the MSZMP—to hold the status quo—the MSZP became much like any other party, making promises about an unknown future.

The first open multiparty elections for parliament were held in March and April 1990, based on a combination of single-member districts and county and national lists.⁵⁶ Far from its original predictions, the MSZP took fourth place in the elections, netting some half million votes (about 11 percent of the total) and 33 out of 386 total seats. A coalition of conservative parties formed the first postcommunist cabinet, while the MSZP and liberal parties went into opposition. The era of socialist rule was officially over.

A POLITICAL RESURRECTION

The disastrous results of the 1990 election proved to be a blessing in disguise. First, many MSZMP cadres who had clung to the new MSZP deserted the party once elections made it clear that the old spoils system had truly come to an end. Second, election results gave weight to the arguments of MSZP reformers that the party had in fact failed to change radically enough; within the year the party leadership underwent a purge of more conservative elements. Nyers stepped down, replaced by former Foreign Minister Horn.

In parliament, while antagonism between coalition and opposition parties intensified, the MSZP took advantage of its outcast position, taking moderate positions and ironically calling attention to its political

⁵⁵ Zoltan D. Barany, "The Hungarian Socialist Party: A Case of Political Miscalculation," *Radio Free Europe/Radio Liberty Research Report* (December 22, 1989), pp. 1–2.

⁵⁶ For detailed information on the outcome of the elections, see György Szoboszlai, ed., *Parlamentválasztások 1990* (Parliamentary elections 1990) (Budapest: MTA Társadalomtudományi Intézet, 1990); an analysis of the Hungarian electoral system can be found in John R. Hibbing and Samuel Patterson, "A Democratic Legislature in the Making: The Historic Hungarian Elections of 1990," *Comparative Political Studies* 24 (January 1992).

experience and expertise in contrast to the other political parties.⁵⁷ These tactics paid off far better than anyone expected. As the popularity of the coalition government deteriorated in 1992 and 1993, hurt by its inconsistent economic policies and authoritarian leanings, public support began to shift toward the MSZP. A population increasingly weary of the costs of economic transition found the party's social market ideology—its image of political and technocratic expertise—more attractive than the liberal opposition's promise of more radical reform.

As a consequence the May 1994 parliamentary elections led to an overwhelming victory for the MSZP, a victory that no one would have predicted just one year before. The MSZP won 149 seats in single-member districts (as opposed to 1 in 1990) and another 60 on national and territorial lists, for a total of over 54 percent of the seats in parliament. A subsequent coalition, formed with the liberal Alliance of Free Democrats, gave the government a two-thirds majority in parliament.⁵⁸ In this success, a great debt is owed to the reform circles. As one reform circle founder concluded in 1990, the reform circles were in fact victorious in their defeat. Although unable to realize their objectives as swiftly or conclusively as they had hoped, in the end they were instrumental in bringing about the destruction of the old order so that a democratic system and a modern socialist party could be built in its place.⁵⁹

CONCLUSIONS AND COMPARISONS

Selznick and other scholars have argued that institutionalization, the process by which organizations link themselves to the external environment as a means of stability, has the effect of binding the organization to certain routines that inform collective action and influence the path of organizational success or failure. There are two different issues at work here: first, the process of institutionalization itself (a question of degree) and second, the comparative forms of institutionalization depending on the specific case (a question of kind). Overall, extreme institutionalization tends to cause political ossification, as we can see across Eastern Europe, but the particular routines, norms, and structures involved in the institutionalization process are critical in under-

⁵⁷ Barnabas Racz, "The Socialist-Left Opposition in Post-Communist Hungary," *Europe-Asia Studies* 45, no. 4 (1993), 660–63.

⁵⁸ For details, see Judith Pataki, "Hungary's New Parliament Inaugurated," *Radio Free Europe/Radio Liberty Research Report* (July 22, 1994), 7–11.

⁵⁹ József Gécz, "Jöttünk, látrunk, buktunk . . . bukva győztünk?" (We came, we saw, we failed . . . in failure were we victorious?), *Népszabadság*, June 23, 1990, p. 17.

standing the construct of institutional power and the trajectory of its failure. Indeed, it can be asserted that transition modalities, such as those outlined by Philippe Schmitter and Terry Karl—imposition (coercive, elite dominant), pact (negotiated, elite dominant), reform (negotiated, mass ascendant), and revolution (coercive, mass ascendant)—can be much better understood if we trace their forms back to the particular institutional order from which they emerged.⁶⁰

In the Hungarian case the process of linking the party to an external legitimizing environment took the form of social pacification, predicated on a reformist ideology and the co-optation of intellectuals. When this policy was stifled by economic decay, the party lacked the means to respond, having staked its legitimacy on these routines and unable to formulate new alternatives. Yet co-optation inadvertently provided the means by which anti-institutional elements could attack the party from within, weakening the MSZMP and creating greater space for political opposition to form.

As mentioned earlier, the incremental process of transition in Hungary meant that no mass movement along the lines of Solidarity in Poland, Civic Forum in Czechoslovakia, the Union of Democratic Forces in Bulgaria, or the Romanian National Salvation Front ever arose to challenge state socialism. Rather, the prolonged erosion of the party encouraged the rise of smaller, more articulated political organizations. This dispersal of political power also meant that no side was able to dominate the transition process or elections as clearly as elsewhere in Eastern Europe. Power continued to shift during negotiations between and within regime and opposition as the MSZMP disintegrated and the new political organizations jockeyed for power. Political outcomes that thus emerged came about less through institutional "crafting," which supposes political authority, than by default, influenced by changes in the negotiating context.

This points to a second area of research, investigating the connection between institutions, transitions, and political reconstruction. Beyond the transition moment, the patterns of reinstitutionalization that follow will be influenced by the legacies of the previous order and its failure.⁶¹ Taking again the example of party formation, in Hungary the slow decay of power that produced more cohesive political parties subsequently limited the degree of party fragmentation in parliament, in

contrast to the eventual disintegration of mass-based parties that swept into power elsewhere. Hungary thus exhibited a much higher level of parliamentary stability after 1989: the first democratic coalition government held power for its entire term, an occurrence unprecedented for the region. The second set of national elections in 1994 also returned the same six parties to parliament, indicating that the political spectrum has institutionalized rather early in the transition process.

In a second example the inability of any one side to dominate the Hungarian transition meant that attempts to create a powerful, directly elected presidency were blocked, as opposed to other cases in the region (Poland, Romania, and Bulgaria in particular), where strong presidencies emerged as the expression of political actors seeking to institutionalize their own power within the state. Instead, Hungary has a president with more limited, but ambiguous, political powers, enough to vex the government at times. This ambiguity stands as a legacy of the MSZMP's strategy in early 1989 to build a strong presidency for itself, an attempt that was undermined by the revolt of the reform circles.⁶² Organizational patterns that now influence the process of political reconstruction are thus informed by the institutional matrix that gave rise to them.

Yet institutions alone will not dictate the form of political transition. Chance, individuals, and unforeseen domestic or international developments can have a tremendous impact, one that overrides institutional forces and turns history in a radically different direction. Keeping these points in mind, an institutional approach can complement our current understanding of the impact of micro- and macrolevel forces. By forming a more theoretical base without sacrificing the unique aspects of the circumstances under consideration, we can allow for the broader forces of theory to merge with the more inexplicable aspects of time and place.

⁶⁰ Schmitter and Karl (fn. 16), 59–61.

⁶¹ This last point is made most clearly by László Bruszt and David Stark, "Remaking the Political Field in Hungary: From the Politics of Confrontation to the Politics of Competition," *Journal of International Affairs* 45 (Summer 1991), esp. 19 fn. 11.

⁶² Patrick O'Neil, "Presidential Power in Post-Communist Europe: The Hungarian Case in Comparative Perspective," *Journal of Communist Studies* 9 (September 1993).