## Reply

Chris Hann

I thank Stefan Merl for his diverse, thought-provoking comments on my text. Rather than quibble with him about the size of tractors, the social origin of the rural labour force, the national origin of high-yielding varieties of maize or productivity levels in Hungarian agriculture in the 1970s, I shall limit my response to a few broad topics that might be of interest to a wider readership (concerning the Hungarian farms of that era, I generally follow Swain 1985).

I am pleased that Merl and I agree that post socialist villagers have suffered much distress in the years in which their collective farms have been broken up. I would not emphasize the older generation in quite the way that he does, since in some ways it is the young who are nowadays trapped in the countryside, with fewer concrete career options elsewhere than their parents and grandparents once had. But of course, only the older cohorts can make the comparisons with life under socialism and thus have the sense of dispossession I tried to identify. As I understand him, Stefan Merl does not definitively reject my suggested term »moral dispossession«. He simply insists that I acknowledge collectivization itself as an earlier act of moral dispossession. This I am happy to do. It is indisputable that collectivization was a radical intervention by socialist power holders, the destructive consequences of which have been well documented by historians and others. Even in Hungary, where mass collectivization was accomplished between 1959 and 1961 in relatively undramatic circumstances, the evolved moral economy of millions of villagers was exploded. There were some attempts to resist, and countless personal tragedies.

All this I take for granted. The whole world already knows about the follies of collectivization – in China and Africa as well as in Eastern Europe and the former Soviet Union. My provocation was to argue that the re-

versal of this intervention generations later can also be viewed as a destructive act of moral dispossession. This proposition seems counterintuitive, since property was theoretically returned to its rightful owners, and communities ostensibly freed from oppressive socialist regimes. There is of course enormous variety across Eurasia; the cases that I know best are those of the more liberal socialist states such as Hungary and Poland, which by the 1970s were ready to allow a Western anthropologist to undertake fieldwork, while Stefan Merl is more familiar with different sources of knowledge for the more repressive regimes of the USSR and the GDR. I nonetheless insist that my data from Tázlár, however unrepresentative, are indicative of more widespread patterns. The Soviet collective farm gave institutional shape to a form of community which disappeared in the privatized vision legislated in the 1990s. In this sense decollectivization was, at least in some places, a greater shock than collectivization, since it threatened to destroy the local community altogether; villagers had little or nothing in their history to prepare them for playing the role of a capitalist farmer. I tried not to exaggerate. Merl picks up the phrase »brutal methods«, but I used this explicitly to denote the extreme of a spectrum with reference to the case of cotton production in Uzbekistan, as outlined in the ethnography of Tommaso Trevisani. (I have commented more generally about class formation in the post socialist countryside in Hann 2010.)

I agree with Stefan Merl that the ideologies of capitalism and socialism are often a poor guide to economic realities. In terms of property relations and the role of markets, we should expect to find complex combinations rather than the ideal types of either central planning or free markets. Having made this important point in his second paragraph, I am puzzled that Merl proceeds to claim later that Hungary in the 1970s allowed »free market conditions« in the agricultural sector. I would instead say that here, as in other sectors, there was in fact a complex combination of state and market, of public and private. Merl seems to regard any modification of the pure principles of central planning as corruption, but we should not forget that networking and informality are also indispensable elements of capitalist market economies. In both cases, I think

we need finer distinctions. Feri has spent most of his life in Tázlár as a networker, always testing the limits of the prevailing system, first socialism and later capitalism. His activities in the 1970s were known to the authorities and tolerated, whereas when the Chairman of the local council in this same period took bribes in expediting the state's electrification programme, he was brought to trial for corruption, convicted and imprisoned. In short, there is a difference between informal networking and corruption. Rural Hungarians have recognized this, and many feel that the latter is more of a problem today than it was under socialism.

This links up to Merl's point concerning the pursuit of self-interest under socialism. It would be absurd to deny this, and I did not do so. Economistic income-maximizing was actively encouraged by the socialist government after 1968, especially in agriculture. I argue that this took place within a moral framework, acknowledged even in the breach by supporters and opponents alike. That is what is completely lacking in the current capitalist economy, allowing nationalist and religious sentiment to fill some of this moral space. If we follow Stephen Gudeman's conceptual framework – noted in my paper – market, calculation and self-interest also add up to a morality, one that is opposed to the morality of the community or bases. But in the subjective perceptions of rural Hungarians, the extension ("cascading" in Gudeman's terminology) of the market has meant a concomitant decline in or loss of all moral constraints; Gudeman's sdialectics has disintegrated, at least in this semical perspective.

I wonder what Stefan Merl means when he alleges »misrecognition of basic facts of life under socialism«. He argues that the subsidies to agriculture were not justified, since they did not improve productivity and entrenched inefficiencies. The shortage theories of János Kornai are invoked in support of this point. To my mind these theories are not especially persuasive in the agricultural sector, where there was so much more scope for individual initiative. I am ready to concede that labour was indeed hoarded here as well, within enterprises and even at the level of the entire rural sector. In the end, the rural population did decline steadily in all socialist countries, but perhaps not as fast as it would have

in a pure market framework. So by these criteria, even the relatively successful arrangements of 1970s Hungary (contrary to Merl I believe these persisted through to the end of the regime) are wasteful.

The basic problem is that, in spite of Merl's admission that capitalist markets can be manipulated as well, he seems ultimately critical of any deviation from Hayekian market models. At least the late Kornai is in my estimation a late incarnation of the Austrian school of economics. Elsewhere I have contrasted his approach to that of Karl Polanyi, to my mind a much more attractive representative of »Danubian economics« (Hann 2009). The blinkers of the economists first came to my attention in the early 1990s when David Newbery, a well known economist at Cambridge University, declared in an interview that Hungary's rural population was quite simply living far too comfortably, given the country's overall level of development. For him, it was only logical that postsocialist governments should move promptly to cut back subsidies, and that the rural population should come to terms with a sharp decrease in its living standards. The economist's message was reminiscent of that of Margaret Thatcher: »there is no alternative«. Yet, as everyone knows, farmers in Western Europe have never lived under such conditions. Hungarian farmers of the late socialist era might have enjoyed even more prosperity if Western European states had not closed their markets to most of their products.

This is my main gripe with Stefan Merl, who seems to see no alternative path of rural development to that of capitalist markets, and to believe that the major factor distorting them today in Eastern Europe is attributable to the legacy of socialism. I would argue, with Polanyi, that a street markets in reality always depend on states, and that a state which chooses to support its rural population, enabling a massive rejuvenation of the village housing stock at the cost of building fewer high rise blocks on urban estates, is perfectly entitled to do so. By the same token, today's European Union has the right to pursue strategies of sustainable rural development that constantly contradict a pure market logic. It should at any rate be possible to have serious discussions about alternative strategies. Merl himself notes that the Hungarian path was very

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different from that of the Soviet Union. The Hungarian strategy too had its costs, in terms of under-urbanization and the self-exploitation of rural labour without adequate mechanical support. But so long as the material rewards were attractive, many villagers welcomed the opportunity to remain in agriculture and in their accustomed milieu. The exodus from the countryside continued, of course, in the next generation. In this respect, I do not think the gradualist path implemented in Hungary was eventually very different from the transformation of the peasantry in capitalist economies; the major difference with other peripheral economies in Europe is that few Hungarians abandoned their villages to swell the ranks of a foreign proletariat.

Finally, Stephan Merl is certainly right to remind us of the most basic problems of biographical research. I agree with him that many people (though by no means all) are inclined to reconstruct the past was they would have liked it to be«. But we must also be wary of constructing it for them as we would like them to remember. These academic debates about the nature of socialism are important, but our explanations and evaluations must proceed at a different level. In this paper I was more concerned to understand why certain persons in a certain Hungarian generation explain and evaluate the past as they do. I have never conducted formal interviews with Sanyi or Feri, but I have known them personally for more than 35 years. Feri was a toddler when his family was first branded kulák, and a schoolboy at the time of mass collectivization. His attitude toward socialism in the 1970s still resembled that of his parents and grandparents, and was quite different from the way he sees that regime today - and this was my central point. In Tázlár, even diehard opponents of collectivization have come to see the transformation which occurred around 1990 as more morally upsetting than the transformation they experienced around 1960.

## **Additional References**

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