Bridges to the future: Hungary's gradual transformation

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Sometimes it is suggested that communism collapsed not least because its leaders ran out of any vision of a promising future for Eastern Europeans. My own experience of 1989 partly challenges this assumption. By that time, aware of the imperative of Hungary's European integration, communists tried to demonstrate their will and skill to lead the country to the new path by proposing a grand project that could elicit the support of Western and domestic elites and capture the imaginations of ordinary people. In this spirit, in 1987 the Hungarian leadership joined Austrian politicians in their commitment to co-organize a World Fair in Budapest and Vienna. Reflecting the *Zeitgeist* of peaceful co-existence and cooperation, "Bridges to the Future" became the slogan of the planned Expo 1995. Incidentally, my involvement in the preparations built bridges to my own future too, which allows personal reflections on the change of big systems and processes, the everyday fears, hopes, and choices of the small individual, and their interplay in the course of Hungarian transformation.

In 1988 I was head of research unit at an institute for economic and market research that advised decision makers on economic management and policy reform. Our department was pledged to conduct a feasibility study of Expo 1995. Promising generous compensation, the ministry of foreign trade officials who commissioned the task indicated the need for a favorable assessment, especially because a well-known global firm specializing in consulting and real

estate development had already concluded that the Expo would have manifold positive influences on the Hungarian economy. Alas, in our own reading, the study was based on unreliable data and meager location-specific knowledge. It overestimated receipts from tourism, advertising, and concession fees, and the willingness of foreign investors to commit funds. Conversely, the report heavily discounted the risks for Hungary's precarious fiscal balance, as well as the obstacles to local firms' gainful participation. Rather than any conscious intention to revolt against Hungarian socialism and its last grand project, it was our professional pride stemming from our familiarity with local conditions, which motivated us to check and eventually prove wrong our global competitor's optimistic account.

Our study raised doubts regarding the feasibility of the Budapest-Vienna Expo. We demonstrated that few of the earlier world fairs ended with a positive balance. We proposed that foreign investors were unlikely to finance most of planned logistical tourism and transport facilities, and so the bulk of costs would burden the state budget, and swell the country's already critical foreign debt. Finally, based on earlier experiences, we expected Austrian construction firms to benefit from the state-financed infrastructure projects, because they were more competitive than their Hungarian counterparts.

By 1989, the Budapest-Vienna Expo 1995 became a standard focus of media attention. How

far did Hungary dispose of the financial means to organize a World Fair at all? Conversely, how could this unique chance for building bridges across the Iron Curtain be missed? This was the discursive context within which an economic weekly published our skeptical findings, which intensified the Expo debate and altered my own career path. Personally, I remember 1989 as a year of existential uncertainty. At the weekly meetings of my institute's council, our study was heavily criticized albeit not on political grounds. Much the way it could have happened in a private firm too, my department was blamed (and I was threatened with removal from my office) for undermining my institute's professional credibility and "market" revenues. After all, why should we know better than the foreign consulting experts, whether or not the Budapest-Vienna Expo was feasible was the standard question asked? With a hindsight it is clear: my boss was busy with transforming our institute into a market actor while also had to remain responsive to various ministries' demands for a more positive perspective on Hungary's commitment.

Ultimately it was due to new allies in the rapidly transforming media, the increasingly technocratically minded Central Bank, and the emerging new party system that me and my colleagues could keep our job. Indeed, our critical views got increasing public attention. During 1989, members of my department were invited to dozens of TV talk shows, and engaged in heated debates with high-ranking communist bureaucrats, city planners, and representatives of construction business lobbies, even in Vienna. Just a year earlier, open debates of this kind would have been impossible, as critical views were banned from media.

However, as the system was crumbling, the conflicting views made it clear that the Budapest-Vienna Expo 1995 was a great deal more than just one of late Kádárism's future-oriented projects. Rather, it was well-suited to rally socialist and capitalist actors around the flag of self-seeking operations. Embraced by Hungary's first democratically elected center-right administration, the Expo idea in fact survived the collapse

of socialism and even thrived when a referendum forced Austria to back off. It was not earlier than in the fall of 1994 that the then ruling left-liberal coalition terminated the project for the lack of available finance—much in line with the assessment of our original feasibility study. How to grasp the political viability of this unfeasible project?

The explanation might be that the preparations for and conflicts and compromises around the planned World Fair matched well Hungary's gradualist transformation path. Although Expo 1995 contributed to a relatively smooth transformation—as it helped the old regime to pass away (to paraphrase Eliot) not with a bang but a whimper—the project also allowed communism's successors to arrive at the new system not by parachuting but comfortably crossing the bridges erected by themselves.

In particular, the promise of publicly subsidized infrastructure mega-projects helped to consolidate alliances among state-owned firms and their foreign partners, and contributed to the emergence of a more internationalized domestic bourgeoisie whose acquisition strategies (albeit far from devoid of corruption) still considered privatization and public projects less as a zero-sum game, than for example the Russian oligarchs. "Competences" in real-estate business, regional development, and in international affairs acquired in the course of preparation for the overall unfeasible project, have earned apparatchiks top positions in foreign affairs and EU-related matters long after the Expo was forgotten.

Last but not least, the new democratic parties learned how the Expo's seductive forces could be used to fight adversaries. In the campaign leading to the 1990 democratic elections liberals presented the project as a major proof for reform communists' irresponsible and wasteful economic management. In contrast, Hungarian post-communists tried to construct the Expo project as clear evidence for their willingness and capacity to build bridges to a European capitalist and democratic future, and present the liberal opposition's transformation agendas as redundant. Finally, conservative nationalists

parties challenged liberal rivals for their narrow-minded technocratic approach to strategic questions and rootless cosmopolitanism—allegedly revealed by their reluctance to show the Hungarian nation with all its impressive historical accomplishments to the whole world.

This way, everybody tended to gain. I was no exception, as I gained much experience. Because for a historical moment my department's stance on Expo mattered, I became target of petty corruption. For example, a global firm offered me a helicopter trip across its real-estate development sites all over Europe. From a truly bizarre perspective, a support group tried to convince me about the merits of a "Helmet Bridge" across the Danube that was to be hammered from helmets, shields, swords, guns, and tanks left in Hungary's following (mostly lost) historical battles. Conversely, one group of staunch opponents sought my support for preventing Israeli investors from hijacking the Expo as an opportunity to build housing and infrastructure for Jews driven out of the Middle East (and so turn Hungary into an "Israel of last resort"). On a more somber account, I received crazy phone calls threatening extermination of my family for

my un-Hungarian and/or Marxist/neo-liberal stance on the Expo issue.

My own gain from the Expo debate was a first-hand knowledge about the features of a transforming political economy. I learned that leadership in democratic politics cannot become my new vocation. I have been overly naive for becoming a democratic politician. In turn, analyzing economic and political freedom in all its liberating and abhorrent aspects has become my life-time fascination.

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