

HUNGARY: THE FIRST POST-COMMUNIST DECADE:
DEMOGRAPHIC AND PUBLIC HEALTH TRENDS

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For the countries of this region the change of the political system has been equal to a lost war as far as the economy is concerned....To be frank I hope that this war psychosis (to which the loss of values and confusion of values has contributed, too) will cease once we reach the sustainable growth of the economy, to be followed then by the well-known post war symptom aimed at making up for the missing population and the spontaneous readiness will be reflected in people's refreshed disposition to have children....There are a lot of factors that may exert a favorable influence on the rise of the population,.e.g. increased family protection, improvement of the certainty of existence, more social housing and decreasing unemployment. These factors may be government-dependent to a certain extent, but they require a permanent increase of the GDP at the same time.

Árpád Göncz, President of Hungary, 1/20/1998

I. Preface

The fall of the Iron Curtain has increased the importance, improved the prospects and in varying degrees aggravated the problems of many parts of Eastern Europe. The region, including the former Soviet Union, vacillates between hope and despair, progress and retrogression.

Hungary is in a particularly interesting position, as it shares many problems with Eastern Europe, while offering in some respects more promise than most of the other countries in that region. Furthermore, its location places the country in a pivotal geopolitical center. It is a front line state bordering on Serbia and Ukraine, and it is close to such flashpoints as Bosnia, Kosovo, Macedonia and Albania. For example, NATO's involvement in the Bosnian conflict was partially staged from the Southern Hungarian city of Pécs. This strategic location is no doubt one of reasons for the country's fast-track admission to NATO (along with Poland and the Czech Republic).

The country is highly democratic, and it is fervently trying to grow its economy in a privatized fashion. Its aim is to move towards a close partnership with the West.

It has been a decade since Eastern European Communism withered away. How has Hungary adapted since then?

The *general* question is, of course, whether or not the nation is in the process of reconstruction, democracy building, successful privatization of its economy -- in sum, whether Hungary will join the ranks of the prosperous and high-quality-of-life Western democracies.

I previously researched changing social conditions in Hungary in 1994 (see Kando, 1994; 1995a; 1995b; 2001). At that time, my focus was primarily on crime and on other related social problems, as well as on the state of the economy. I spent a sabbatical visiting Hungary and other Eastern European countries, collecting both secondary data and conducting interviews with a large and diverse number of respondents.

During the spring of 2001, I returned to Hungary, eager to discover whether the country is making progress or not.

With regard to public safety and the economy, let me just say that conditions *appear* to have improved markedly. My evidence for this is anecdotal but compelling, based on observation, reading the popular media, and interviews with academicians and community leaders, including the immediate past President of Hungary -- Árpád Göncz. Unemployment and homelessness have declined. Property crime (e.g. auto theft), is down. There is a burgeoning middle class of property-owning and University-educated citizens. Industrial production is rising. The electronic revolution is in full swing, including widespread use of mobile phones and the Internet.

Clearly, the country is distancing itself from its neighbors in the Balkan and in the Russian federation.

The present article, however, does not focus on the socio-economic and criminological variables which I studied in 1994. Instead, I discuss Hungary's demographics and public health.

II. Methods Used

Two primary methods were used:

1) Interviews were carried out with target academicians, politicians, including immediate past Hungarian President Göncz, and citizens. The Institutions included the Budapest University of Economic Sciences and Public Administration (BUESPA) and the Eötvös Lóránd University.

The following themes were discussed during the interviews:

- household economy and standard of living,
- the need for dual incomes,
- marriage, family, decisions on having children or not, when and how many,
- extended family ties and support,
- the cost and quality of education,
- housing,
- health, lifestyle and physical exercise,
- values (family, pro and anti-natalist),
- perspective and expectations (a sense of progress or not, etc.)
- government policies.

2) Extensive secondary data, including a variety of data bases -- both web-based and traditional (see references). The topics which were investigated include

- demographic stagnation,
- suicide rates,
- other public health statistics,
- childlessness, marriage rates, other family life indices,
- wages and (un)employment,
- housing -shortages, living space,
- group differences (gender, ethnicity -- e.g. gypsies -- , other)
- policies.

III. Hungary's Basic Features

Hungary is located at the intersection of the 47th Northern parallel and the 20th Eastern meridian in what became known erroneously as Eastern Europe after World War Two, but what should properly be called Central Europe, as the country lies to the West of Finland, Greece and part of Sweden and Italy, for example. The country's area is approximately 93,000 square kilometers, i.e. nearly the size of Indiana. It borders on Austria, Croatia, Romania, Serbia, Slovakia, Slovenia and Ukraine. Its population is slightly over 10 million, aging and in slow decline. Surrounding countries such as Romania and Slovakia contain sizable Hungarian minorities (e.g. the Sekely in Romania) totaling several million. The capital Budapest comprises one fifth of the country's population. The Danube is the country's main river and transportation artery.

Historically, Hungary was Austria's partner in administering the Austro-Hungarian Empire until its collapse at the end of World War One, in 1917. Under the Double Monarchy ruled by Emperor Franz Joseph until his death in 1916, Hungary thrived, as one of the two ruling nationalities of the Empire. Losing both World Wars, the country was pared down to one third of its previous size. It lost access to the sea, and became a vassal state, first, of the Nazi Empire and then of the Soviet Union. Having miraculously survived dismemberment, invasion, occupation,

Fascism and Communism, it now emerges as a stable and struggling democracy. Surrounded by conflagration, it has succeeded in avoiding new entanglements.

Unlike its Southern neighbors -- Croatia, Bosnia, Serbia, Albania -- Hungary does not have a shred of irredentist tendency. Its leaders and its people scoff at any suggestion of a greater Hungary. Hungarian society shares with Western Europe the advanced notion that nationalism and national borders are obsolete.

Unlike its Eastern neighbors and most other former communist states -- Romania, Bulgaria and the members of the Russian Federation -- Hungary's economy has not been corrupted and criminalized.

Hungary's social and economic conditions are better than those of its Southern and Eastern neighbors.

What the country *does* share with its neighbors are demographic stagnation, decline, and public health problems.

IV. Demographic Trends

Population stagnation and decline can, in and of themselves, be positive or negative phenomena, depending on their causes and their consequences. As the outcome of the *demographic transition* in affluent Western nations such as Scandinavian countries and Japan, the stabilization of the population is a largely positive trend welcomed by environmentalists, Malthusians and all others concerned with the future of the planet and with the quality of life. In such places, the benefits of demographic stagnation outweigh its costs, even while admitting some short-term economic difficulties such as the need for a shrinking labor force to support a growing population of elderly, retired and sick (The Social Security problem).

However, when population control takes the form of the Malthusian checks of war, disease, starvation, and poverty, it can hardly be seen as a welcome development. While Africa is on the verge of such a catastrophic scenario, that continent's birthrate is still high enough to produce positive growth. At this moment, population decline is primarily limited to the former Communist block, where it is the result of poverty and social chaos, and not the consequence of the demographic transition that has occurred in the affluent West. Currently, 18 of the world's 227 countries have declining populations. Table I. provides the list and the annual rates of decline from 1990 to 2000.

Table I. Countries with Declining Populations

Country	Annual rate of decline, 1990-2000
1. Bosnia and Herzegovina	-1.4 (War)
2. Bulgaria	-1.3
3. Croatia	-0.5
4. Dominica	-0.2 (Emigration)
5. Estonia	-0.9
6. Faroe Islands	-0.5 (Emigration)
7. Georgia	-0.8
8. Gibraltar	-0.5
9. Guyana	-0.6
10. Hungary	-0.2
11. Kuwait	-0.8 (War)
12. Latvia	-1.1
13. Lithuania	-0.2
14. Romania	-0.2
15. Russia	-0.1
16. St Kitts and Nevis	-0.6
17. Trinidad and Tobago	-0.2 (Emigration)
18. Ukraine	-0.5

Source: U.S. Census Bureau, 2000: 822-824.

Of the eighteen countries in the world with declining populations, eleven are former communist states of Eastern Europe. The other seven lost population due to war (Kuwait) or emigration (Dominica, Faroe Islands, Gibraltar, St. Kitts and Nevis, Trinidad and Tobago and Guyana). Clearly, the former Soviet block, including Hungary, shares a distinctive demographic condition.

Like the other former Communist countries of Eastern Europe, Hungary faces challenges on the demographic, public health and family life front. It would be an exaggeration to say that the country is facing a public health and demographic crisis. That word should be reserved for the catastrophe currently developing in Sub-Saharan Africa, and perhaps for Russia.

Nevertheless, the country's demographic and public health statistics are unhealthy, showing population decline, short life expectancy, high suicide rates, low fertility and low marriage rates. These, in turn, are caused by economic factors such as unemployment and housing shortage, and

by a *cultural malaise*. Hungary seems to be turning the demographic transition on its head, i.e. starting population decline before economic development. Can this process be reversed? Table II. provides Hungary's population growth over the past three decades.

Table II. Hungary's Population -- 1970 to 2010

Year	Population (million)	Growth rate	Rank
1970	10,337	4	49th
1980	10,711	3	54 th
1984	10,681	-1	58 th
1999	10,569	-0.3	63rd
2000	10,139	-0.2	75th
2010 (projected)	9,831	-0.3	---

Source: U.S. Census Bureau, 1971; 1977; 1985; 2000: 822-824.

It can be seen in Table II. that Hungary's population began to decline in the 1980's, and that the decline then accelerated. The last column in table II. reveals the country's steadily lower rank among the countries of the world. As a comparison, the population of the United States increases by about 1% annually. Table III. provides the age distribution of the populations of Hungary and the United States for the year 2000 and projected for the year 2010.

Table III.: Age Distribution of Hungarian and US Populations, 2000 and 2010

Country	2000	2010
Hungary	<15:16.9% >65:14.6%	<15: 13.9% >65: 15.6%
United States	<15: 21.2% >65: 12.6%	<15: 21.6 % >65: 14.4%

Source: U.S. Census Bureau, 2000: 822-826

The numbers in Table III. indicate that Hungary's population is older than that of the US, and that the age difference between the two countries will increase in the future. Like most other highly developed countries, the US population is aging, and it is considerably older than that of the Third World countries. Thus, Hungary's population pyramid is one of the most inverted ones in the world, i.e. top-heavy with elderly and with a small base of young, tax-paying workers. Table IV. presents the crude birth rates of Hungary, the United States and Russia.

Table IV: Crude Birth Rates of Hungary, Russia and the United States.

Country	2000	2010
Hungary	9.3	8.9
Russia	9.0	12.1
United States	14.2	14.3

Source: U.S. Census Bureau, 2000: 826.

The crude birth rate is the number of births per year per 1,000 population. As can be seen from table IV., the Hungarian birth rate is projected to decline even further in the coming decade, to a point that is in all likelihood well below replacement level. Demographers define *replacement level* as the average number of children that must be born in a given society per woman in order to maintain that society's existing population. Another term for this is *completed family size* (see Hauser, 1969: 89-93). This number varies from country to country, depending on each country's demographics (sex ratio, age distribution, rates of immigration and emigration, etc.). In the U.S., for example, the replacement level is 2.11. That is, the average woman must bear at least 2.11 children in her lifetime if the U.S. population is not to begin to decline. The Hungarian figure for the necessary replacement level is at least as high as that for the United States, but Hungarian women are having *fewer* babies over their lifetime than American women. Ergo, the Hungarian population fails to replace itself.

As will be seen in a moment, this problem is aggravated by Hungary's relatively low life expectancy: In the year 2000, that figure was 71.4 years, and it is expected to rise to 74.0 by 2010 (see Table VI., below). Table V. presents the crude death rates of Hungary, the United States and Russia.

Table V.: Crude Death Rates of Hungary, Russia and the United States.

Country	2000	2010
Hungary	13.3	12.9
Russia	13.8	14.5
United States	8.7	8.6

Source: U.S. Census Bureau, 2000: 826.

The crude death rate is the number of annual deaths per 1,000 population. As can be seen from Table V., while the Hungarian death rate is projected to decline by the year 2010, it will remain considerably above that of the United States, and above the number required for replacement. Table VI. gives the life expectancies for Hungary, the United States and Russia.

Table VI: Life Expectancies of Hungary, Russia and the United States.

Country	2000	2010
Hungary	71.4	74.0
Russia	67.2	68.8
United States	77.1	78.5

Source: U.S. Census Bureau, 2000: 826.

Table VI reveals that life expectancy is expected to increase significantly in Hungary by the year 2010. This will contribute to the aging of the population.

V. Public Health

Both the popular media and the professional literature have documented the bad health habits of Eastern Europeans, focusing most often on Russia. Again, Hungary shares many of these bad habits with Russia, including

- 1) poor dietary choices,
- 2) excessive drinking
- 3) smoking,
- 4) high suicide rate.

Two additional factors play roles in the country's public health:

- 5) motor vehicle deaths and
- 6) homicides.

According to *Earth Island Journal* (1997/98), A loss of guaranteed jobs and housing (in Hungary) has lead to increases in smoking, drinking and overeating....Many of Hungary's 10.6 million people are now in danger of drinking themselves to death. Hungarian males now have the world's highest cancer rates, the lowest life expectancy in Europe and one in five men is an alcoholic....The average Hungarian wolfs down 24 kilograms (53 lbs) of lard each year.

Interestingly, Hungary's Polish neighbors have far healthier nutritional habits, thanks to new government mandated policies that discourage meat consumption and promote fruit and vegetable consumption. There, deaths from cardiovascular disease have declined by 15 to 20 %. Why hasn't this lesson been learned in Hungary? The article quotes a doctor describing a Hungarian medical conference where the appetizer was a piece of lard, and the main course was a heavy pork goulash floating in grease...Nearly every doctor in attendance smoked, and most of them proceeded to get roaring drunk over the course of the evening.

According to the *Morbidity and Mortality Weekly Report* (2000), per capita cigarette consumption in Hungary is among the highest in the world. A recent report indicates that smoking among secondary school students in Budapest increased from 36% in 1995 to 46% in 1999. Daily smoking increased most rapidly among females, to the point where they now smoke nearly as much as males (44.9% vs. 46.9%, respectively). Factors that contribute to the increased prevalence of smoking include lack of regulation of cigarette sales to minors until 1999, free distribution of cigarette samples, availability of contraband cigarettes and lack of enforcement of existing regulations. Table VII. compares the death rates from heart and vascular disease, lung cancer and liver disease (including cirrhosis), in Hungary, Poland, the US and Russia.

Table VII.: Death rates in four countries from three causes --1994 (per 100,000)

Country	heart/vascular dis.	Lung cancer	liver disease
Hungary	411.2	65.9	81.3
Poland	189.1	52.1	12.8
Russia	706	44.7	NA
U.S.	221.7	57.3	10.5

Source: U.S. Census Bureau, 1998: 832.

Table VII confirms the findings presented in the *Earth Island Journal* and the *Morbidity and Mortality Weekly Report*: Hungary's astronomically high rates of morbidity due to heart disease and liver disease reflect its poor dietary habits and its extremely high alcohol consumption. The contrast with Poland is especially instructive.

Throughout the twentieth century, Hungary has been known to suffer from the world's highest suicide rate. Table VIII. provides the suicide rates for Hungary, Russia and the US.

Table VIII.: Suicide Rates in Hungary, Russia and the United States, 1994 (per 100,000)

Hungary	33.5
Russia	41.7
U.S.	11.4

Source: U.S. Census Bureau, 1998: 832; 2000: 94.

It should be noted that Hungary's suicide rate stood at 43.2 in 1985, 39.9 in 1990 and 33.5 in 1994. As a result of this significant decline, combined with Russia's astonishingly high recent suicide rates, Hungary no longer ranks first in the world in suicide. Nevertheless, the rate remains very high compared to those of most other countries, including the United States.

In Hungary, it is the *rural* suicide rate which has traditionally been particularly high, reaching values of 50 and 60. Moksony (2001) recently completed an excellent study of suicide in rural Hungary. He demonstrates that the high rural suicide rate is not caused by modernization and the putative social disorganization it might create, but, to the contrary, is highest among the groups that stagnate and are left socially and economically *behind*. This requires a revision of the

familiar Durkheimian notion relating suicide to *anomie* and disintegration brought about by modernization. According to Moksony's findings, economic development and modernization can be expected to bring about *lower* suicides rates in rural Hungary.

Two more statistics can arguably be included in a discussion of Hungarian public health: the country's rate of motor vehicle deaths, and the rate of criminal homicide. As far as the former is concerned, Hungary's annual rate is 16 death per 100,000 population (U.S. Census Bureau, 1998: 832). This compares with 16.2 for the United States. Since the rate of automobile ownership in Hungary is only one tenth of that in the United States, the two countries have near identical rates of fatal accidents indicates that driving in Hungary is extremely hazardous.

Finally, the Hungarian homicide rate fluctuates between 3 and 4 per 100,000, i.e. less than half the US rate (see Landis and Kando, 1995: 160). As has been noted innumerable times, the US has traditionally had the highest rate of murder and criminal homicide in the Western world due to its uniquely permissive gun policies (see Richards and Kando, 2000). Hungary's rate is, along with those of other former Soviet satellite states, in the middle range.

When it comes to murder and criminal homicide, four distinct groups of countries can be identified: 1) Most of the Western World, 2) Much of the Third World, 3) Most of the former Communist block and 4) the United States.

- 1) Most of the highly developed Western countries, including Western Europe, Japan and Australia, have low rates of homicide that range from 1 to 2 per 100,000.
- 2) Many Third World countries, including most Latin American and African states, have very high rates that range from 10 to 40.
- 3) Most former communist countries, for example Bulgaria, the Czech Republic, Hungary, Poland and Romania, have moderately high rates ranging between 2 and 4. (Russia, though, is a totally different story, as it now suffers from an astronomical murder rate that exceed 40).
- 4) Finally, the U.S. is the exception among advanced Western nations, in that it has a much higher homicide rate than all other comparable societies, a rate that exceeded 10 during the 1980s and has now declined to below 6. In sum, the Hungarian rate of criminal homicide looks good compared to that of the U.S., but not compared to the rest of Europe.

VI. Marriage, Family Life and Household Economics

As elsewhere in Europe and in North America, Hungary's nuclear family is under duress. The country shares with the Western World many of the family symptoms bemoaned by conservative social critics and social scientists (see Kando 1997; 2000a; 2000b), including a declining marriage rate, growing rates of divorce, cohabitation, illegitimacy, childlessness and single parenthood. Weakening family values and anti-natalism are on the rise in Hungary, as they are throughout the developed world.

At the same time, female labor force participation has been rising for several decades -- again, as it has throughout the industrialized world. All these trends are shared to some extent by most countries of Europe and North America. There are only differences in *degree*. Table IX. compares the rates of marriage, divorce and female labor force participation in Hungary and in the United States.

Table IX.: Marriage, Divorce and female labor force participation rates in Hungary and in the US.

Country	Marriage rate	Divorce rate	Fem. Labor force %
Hungary	4.5 (1999)	2.2 (1996)	50.7% (1998)
US	14 (1998)	20 (1998)	71.3% (1998)

Sources: U.S. Census Bureau, 1998: 832; 2000: 839; U.N. Department of Economic and Social Affairs, 2000; Encyclopedia Britannica 2001.

Marriage and Divorce rates are expressed as annual numbers per 1000 population aged 15-64 yrs. Table IX. demonstrates the widely known extremely high US divorce rate -- highest in the world. At the same time, marriage remains popular in America. Marriage and divorce rates also reflect the age composition of populations. Therefore, the numbers in table IX. cannot be interpreted to mean that the Hungarian nuclear family is stronger than its American counterpart. Female labor force participation is lower in Hungary than it is in the US. It is lower than in most of Western Europe, which ranges from 45% in Italy to 82% in Iceland.

The relationship between female employment on the one hand, and family values and fertility on the other, has been assumed to be adverse. That is, females are said to opt for a career *instead* of extensive family values. Even when not opting for childlessness, female labor force participation is associated with fewer children, as well as with divorce. To be sure, divorce is often the *cause* rather than the consequence of (full-time) female employment.

In her work on women's careers, Beáta Nagy (2001) shows that among the Hungarian economic elite, the proportion of career women who are divorced is nearly four times higher than it is among career men, and conversely a much larger percentage of career men is married than are career women.

However, the relationship between female employment and fertility may under certain conditions be *positive*, particularly in less affluent countries such as Hungary: Only with a second household income can a couple reasonably plan to afford more than one child. Thus, Hungary's relatively *low* rate of female participation in the labor force may be a contributing factor to its low fertility.

Olah (1999) has demonstrated another factor contributing to fertility -- both in Sweden and in Hungary: According to that author's findings, advantageous public policies and programs (such as the availability of parental leave for fathers) contribute to the desire for a second child, especially among women.

A final element in Hungarian household calculations is *housing*: According to Hegedus et. al (2001), the housing situation in several East Central European countries such as Hungary is relatively good. The problem is not one of housing shortage. Rather, it consists of inefficiency, a lack of affordability, and the absence of a social safety net.

Under Communism, different countries abolished private ownership to different degrees. At one extreme was the Soviet Union, where private home ownership was non-existent, to countries such as Hungary, that tolerated some forms of private property.

After the great transformation of 1989-90, the housing stock was either privatized or turned into public rental property. Additionally, in many instances restitution was paid to the former owners who had been expropriated. Again, the various countries of the Eastern block responded differently: For example, in the Czech Republic 92% of the housing stock became public rental.

In Hungary, only 60% was treated in this manner, and 40% was privatized to the sitting tenants. That is, the tenant who occupied the property at the time of the transition was given the opportunity to become the owner. Often, the contract was a practical give-away, as the property was sold to the occupying tenant for 15% of value (see Hegedus et.al., 2001: 251).

Hegedús et. al. make several recommendations: the government must address the lack of affordability, the housing disequilibrium, raise rent levels to where they cover at least operating costs, and subsidize needy households. It should also increase the supply of housing.

VII. Discussion: Do Attitudes Matter?

This paper has documented some of the challenges Hungary faces in the areas of demographic trends, public health and family life. Such difficulties are often attributed to socio-economic factors.

True, the country's 20th century history, the devastations of two lost World Wars, Fascism, half a century of Soviet occupation and disastrous economic policies, all this has resulted in near Third World economic conditions and, perhaps more importantly, a *mentality* that *itself* became the problem -- the problem behind economic stagnation and demographic, public health and family decay.

However, one should guard against excessive economic determinism. This point is well made by Cseh-Szombathy (2001), who proposes, instead, a Parsonian explanation for Hungary's changing norms regarding family and sexual and social relationships: Norms of declining nuptiality, greater experimentation and diversity (alternative lifestyles) originated in the Counterculture and sexual revolution in the West, from where they spread to Eastern Europe well before the end of Communism. However, the alternative values, diversity and scepticism became the permanent norms in the East, where life's adversity and unpredictability have been so endemic.

Gazsó (2001) proposes to compare generational attitudes among Hungarians. After all, observers (including myself) have tended to believe that the old guard may be wedded to the socialist system to which it became accustomed during the past half century, whereas the younger generation might have greater enthusiasm for democracy and the free enterprise system. The question, simply, is whether or not the young are more optimistic than the old, whether or not they have more faith in the new emerging social system, whether or not they look towards the future, including building a life for themselves, for their families and for their society, more than their elders.

Gazsó's test turns out to be much more a comparison of social and occupational strata than one of generations. The study documents the fact that the elites, including politicians, intellectuals and upper white-collar management, are much more positive and optimistic than are the workers, peasants and other members of the lower strata.

In addition, Gazsó also avers that the young are increasingly pessimistic, disillusioned, and that they are rapidly losing faith in politicians (see p. 339 and elsewhere).

However, Gazsó's data are from 1994, measuring only the youth's increased pessimism from 1992 to 1994. Since then, the economy has made great strides, swept up by the world-wide upward business cycle. My observations, returning to Hungary in 2001 after seven years,

indicate that unemployment, homelessness, pan-handling and theft are down, urban renewal is in full swing, consumption is up enormously, and attitudes have become vastly more optimistic. Confidence fluctuates with the business cycle, in Hungary as much as it does in the United States.

So, what are Hungarians' attitudes, and what role do they play in the country's future? On the one hand, the society carries the burden, from its communist heritage, of an attitude of helplessness, infantilism, passivity, laziness, hucksterism, cynicism and fatalism (see for example Csepeli, 1995). In the past, Big Brother was in charge, and individual autonomy, hard work and initiative made no difference.

However, there is in Hungary also an older bourgeois tradition not unlike that in neighboring countries to the West such as Germany and Austria. The work ethic, self-reliance, entrepreneurship and optimism are also Hungarian values. The reason that Hungary and the Czech Republic have had far greater economic success over the past decade than the other former Soviet satellites is simple: There remains in these two countries a *social* and *cultural capital* unknown elsewhere in Eastern Europe. Which of the two tendencies will prevail?

There is no doubt that Hungary is a polarized society. Elderly people on fixed retirement incomes can barely survive. One of my respondents' name is Tibor. He is a retired librarian and lives with his wife in a one-bedroom subterranean unit that resembles a cave more than an apartment. When going from the main room to the kitchen, he closes the door so as not to let the heat escape. Such misery affects the couple's perspective: We discussed the several brand-new mega-shopping malls that have sprung up in Budapest in recent years, for example the swanky Mammut shopping mall in Buda. AOh, those are all owned by the Germans and the Americans. Those thieves are simply here for the taking; they funnel all the profits back to their corporate headquarters in the West! I interviewed several other elderly and retired individuals who held a similarly dark view of the world.

On the other side are people such as the professors and students at the Budapest University of Economic Sciences and Public Administration. These students are often the children of the elite and of the rising upper middle class, the future managers of the Hungarian economy and of Hungarian institutions. They are bright, hard working and enthusiastic, as are many of the faculty members. Martha is an attractive young professor. She is married, has two handsome sons in middle school. Her husband is a public manager. They own a fine flat as well as rental property and two cars, including an Alfa Romeo. They vacation on the Riviera. They support elderly grand-parents, i.e. are embedded in a functional extended family. Their lives resemble those of upper middle class families in the United States. If Hungary suffers from an attitudinal or *cultural malaise*, this family is certainly not participating in it.

An interesting vignette came out of a conversation I had with two young American soldiers stationed in Bosnia with NATO's IFOR forces, and spending a week-end furlough in Budapest: To them, Budapest was heaven. Its lavish restaurants, shops and affluence contrasted sharply with Sarajevo which, according to the GIs, looks like Budapest did in 1945.

My conversations with intellectuals, academicians, and private entrepreneurs revealed substantial optimism, and a confirmation that things are getting better, much better. No one said this more emphatically than Árpád Göncz, the country's President until a few months ago. It should be noted that Mr. Göncz is a liberal, and hence not prone to whitewashing economic hardship. His appraisal is a factual assessment of the rapid progress Hungary is making. Several real estate

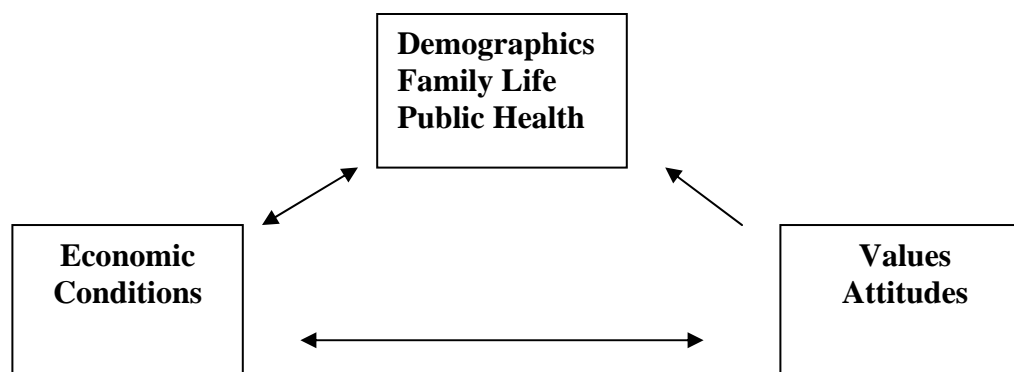
developers and other entrepreneurs confirmed this, as did a museum curator, university professors and community leaders, including the head of the Hungarian Jewish community.

To be sure, Hungary is a small fish in the large pond of an increasingly globalized economy. The past decade has been good to Hungary, because it has been good to a world economy propelled by its engine, the United States. As we enter the downward phase of the business cycle, it remains to be seen how lasting Hungary's progress will be. In a social-Darwinistic world, the small and the weak always suffer the most. Hungary's fate could be similar to that of many Third World countries, always the first to suffer during adverse economic times.

However, there is also the possibility that Hungary will continue to progress toward First World status, in a manner similar to that of the Asian Tigers. As it is, there can be no doubt that Hungary already possesses a burgeoning middle class, albeit combined with an unacceptable polarization of income.

If the discussion appears to have drifted away from demography and the family, and toward the economy, it is because the two areas are related to each other, a relationship which is mediated by attitudes and values. Some of the causal links are indicated in Figure I.

Fig. I: Some casual relationships between economic, cultural and demographic variables



Assuming that economic conditions continue to improve, the country can expect to develop in the direction of healthy, prosperous, affluent countries such as Austria and Switzerland. Values are likely to remain materialistic and family values are likely to remain weak. Among the growing upper middle class (a New Class as it were, although not in Milovan Djilas' well-known sense), career will remain the central value, making Hungary a new yuppie society. Diversity will be the hallmark of the organization of social relationships, in a country characterized by a very high level of tolerance.

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IX. Endnotes

1. The following individuals were among those interviewed for the present project:

Dr. Attila Chián, President, BUESPA

Mr. Tibor Csomor, Librarian

Dr. Árpád Nagy, Dean, School of Public Administration, BUESPA

Dr. Árpád Göncz, (Immediate Past) President, Republic of Hungary

Mrs. Renee Kelemen, retiree, Budapest

Mr. Tamás Lantos, Real Estate Entrepreneur, Budapest

Prof. Ernő Lazarovits, Director, Central Board of Hungarian Jewish Federation

Mr. András Lengyel, Real Estate developer, Budapest

Ms. Judit Mazányi, Curator, Ferenczy Museum

Dr. Zita Paprika, Director of International Affairs, BUESPA

Dr. Zoltan Szántó, Dean and Professor of Sociology, Faculty of Social Science, BUESPA

Mr. Ákos Zoltay, Public Manager, Budapest

Three American G.I.s stationed in Bosnia with NATO's IFOR forces.