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SOCIAL POLICY AND CHILD POVERTY:
HUNGARY SINCE 1945

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EXECUTIVE SUMMARY

Hungarian society has experienced a continuous expansion of child poverty since the early 1970s. However, the trends of a steady increase of the number of children living below the level of subsistence have turned to rapid acceleration during the past few years of the systemic transformation of the former state-socialist order. The causes behind this unfavourable recent development are often identified in the working of the market.

The author has strong doubts regarding such a direct correlation between marketization and the evolvement of cast-like social differentiations.

The paper argues that instead of the play of any "fatalistic" determinants, the recent expansion of child poverty is bound partly to the prevailing dogmatic neo-liberal interpretation of the necessary economic transformation, and partly is due to those legacies of the state-socialist past which have not yet been terminated.

In urging a deliberate societal policy of systemic transformation, the main argument of the paper is the historically rooted character of the prevailing forms and dominant manifestations of contemporary child poverty.

The point of departure of the analysis is the conviction of the author that the case of children is always strongly tied to the societal relationships of their parents, who, at the same time, represent the "labour force" of the economy and are the users, winners or losers of the changing living conditions, scarce social services and good- or poor-quality dwellings, who are the educators of future generations and who are the

privileged or deprived agents of material and cultural redistribution. Because of the interrelation of all these aspects of social life, the true and meaningful interpretation of the changing situation of children requires a presentation of all those social and political processes, which have led to a significant restructuring of Hungarian society well before the end of the 1980s.

Given the structurally embedded character of child poverty, the paper discusses the various interventions of social policy also in the context of their multisided political, economic and social determinations. Thus, the description of important changes in the lives of subsequent generations of children over the last decades are linked to the detailed discussion of the general trends in the economic, social and political history of the country.

The paper presents the historical antecedents of the current state of affairs through a statistical documentation of the trends in the standards and conditions of living in the subsequent phases of state-socialism after 1945. It demonstrates that the gradual increase of child poverty was due to the malfunctioning of socialist redistribution amid the emergence of a dual socioeconomic order, which was based on the co-existence of the state-controlled formal and the market-regulated informal (second) economy.

The analysis attempts to confirm that the poor have been increasingly left without formal support in those currents, when the alleviation of poverty of the majority was due to an expanding participation in the informal spheres of production.

In this way, the author comes to the conclusion that the market in itself cannot be made responsible for the growth of

poverty. Rather, the genuine causes can be identified in the present disintegration of the previously dualist society. The paper argues that the new trends of the rapid creation of a class of "secondary citizenry" are rooted in a long-maintained neglect of those who once had been the bases and the main army of the fabric of socialist economy, but who never had been elevated from a continuously reproduced poverty.

I. INTRODUCTION: SOME THEORETICAL CONSIDERATIONS

One can barely find more sensitive indicators of the well-being of a given society than the ones characterizing the living conditions and future prospects of children. Contemporary Hungary has good reasons to worry in this respect: statistical evidence justifies the daily experience of social workers, health visitors and welfare officers, who report an increasing occurrence of severe symptoms of child poverty among their clients.

The 1990 Census reveals the shockingly high drop-out rates (reaching 25-40 per cent) among schoolchildren in the most remote parts of the country. Teachers and local administrators from the same regions complete the picture with detailed accounts about malnutrition, poor health, unbearable housing conditions, even about frequent homelessness.

Other sources describe less visible, though equally disturbing signs of poverty among young families in the rapidly degrading industrial outskirts of the large cities.

Regular labour market surveys draw the attention to the hopeless situation of large groups of young school-leavers, whose fate is determined by the worsening conditions of unemployment: they are destined in an increasing number to queue up day by day in the labour offices, without any realistic outlook for finding employment in the foreseeable future.

Social workers and welfare officers can offer only temporary solutions: the poor resources for financial assistance and the serious shortage of the available social services set severe limitations to any generous actions, and restrict practical aid to a kind of day-to-day firefighting.

The existence, and, especially, the rapid expansion of child poverty is all the more shocking for the Hungarian society, because the prosperous years of the late 1960s and the 1970s implanted the general belief that poverty would be left behind forever. The re-appearance of the phenomenon and its continuous expansion during the recent 6-8 years have remarkable contribution to the widely shared pessimism, which has been repeatedly registered by a series of public opinion surveys. People express skepticism and worry, when they are interviewed about personal perspectives, and probably even more doubts, when the future prospects of the country is asked from them.

Beside generally felt frustration, there is a great deal of confusion in the prevailing interpretations of those factors, which have invoked a jump in the incidence of poverty in recent years in Hungary.

The most frequently heard explanations identify lasting decline in economic growth, as the major cause of the phenomenon. It is argued that the expansion of poverty follows directly from the chronic stagnation of economic performance over the past one and a half decade. Any rise in the standard of living would presuppose a positive turn of the trend, i.e., a substantial improvement of productivity and a stable increase of the yearly GDP.

Although such a reasoning is unquestionably true from a macroeconomic perspective, one has, however, serious doubts regarding the existence of such a direct relationship on the level of households.

In fact, the one-to-one relationship hardly can be justified, when looked at the time-series of the distribution of personal income and consumption during the period in question.

Disaggregated statistical data show that several social groups have actually gained in the meantime: they experienced a remarkable improvement of their material conditions since the late 1970s. In other words, one faces two, simultaneous phenomena in contemporary Hungary: the significant rise of the standard of living and substantial accumulation of wealth in the upper segments of the society, while general deterioration of the living conditions and an increase of absolute poverty toward the lower edge of the income-scale. Thus, the growth of poverty cannot so easily be traced back to the current state of the economy.

Another reasoning presents poverty as the necessary price for a successful transition from state-socialism to a market-regulated economy. It describes the phenomenon as the unavoidable accompanying feature of the current changes, suggesting that it would automatically disappear after the accomplishment of marketization.

There are, however, disturbing puzzles here. First, the steady growth of poverty started well under socialism; thus, it hardly can be related to those systemic changes, which have begun with the collapse of the old regime in 1989. Second, such arguments suggest that poverty is a "fatal" phenomenon, a price, which should be paid by some people for the advance of the society as a whole. However, the legitimizing principles of the uneven share of the burdens remain in the dark. Third, the faith in "automatic" improvement disregards the internal logic of poverty. It is forgotten that the lack of adequate income is just one (although usually the most decisive) of its features, which is in close correlation (and in a self-sustaining interrelation) with other aspects of life (e.g. all-round defenselessness, poor

health, low education, lack of utilizable skills and qualifications, frailty of personal relationships, etc). It is rather difficult to think that all these aspects of poverty would be suddenly and spontaneously outdistanced just by a rise in personal income. The complex solution seems to require a wide range of well-targeted additional interventions, too.

Similar to the above-cited neoliberal approach (which expects automatic improvement from rapid marketization), the third strand of thoughts (a kind of socialist conservatism) also starts off from the historical demarcation line of 1989-90. However, its explanation for the recent expansion of poverty goes the other way round: it identifies the major cause in the "too" rapid withdrawal of the central state. It is argued that the hurried decomposition of the "old" state has left behind a vacuum in social policy, hitting those vulnerable groups in the first place, whose daily livelihood had been the most dependent on central redistribution. Thus, the denationalization of social services in the name of privatization and the decentralization of certain benefit-schemes are the most responsible factors behind the recent increase.

Although these arguments seem rather convincing from a synchronic perspective, there is a serious "catch 22" built into them. It cannot be denied that drastic cuts of central payments cause an immediate deterioration in the situation of those households, whose financial resources were mainly dependent on transfer payments before.

However, the diachronic approach indicates a somewhat different picture. A closer look at longitudinal changes of the income distribution shows that the very same groups have always belonged to the poorest segments of the Hungarian society; thus,

central redistribution never was able to induce substantial corrections into their financial situation. Instead, the relative alleviation of poverty was a product of gradual "liberalization" of the overpower of the central state, which created a limited scope for autonomous economic activities for the larger part of the society. Those, who were able to put their livelihood on two pillars (i.e., kept one foot in the state-controlled, and another in the informal economy), could achieve a substantial improvement over the last two decades (that is, well before the collapse of socialism); whereas those, who had been reliant only on the state, have lost both, in absolute and in relative terms.

Looked upon from these historical perspectives, it is justifiable to say that from the late 1960s onwards, gradual marketization has meant an effective protection against poverty, while centralized redistribution on its own has acted toward the maintenance and reproduction of it.

It also follows that the current institutional withdrawal of the state is in fact the completion of a process, which has already started decades ago. The gradual erosion of the omnipotent rule of the party-state over the society has in a way "prepared" it even under the seemingly unbroken endurance of the old regime.

As the paper will attempt to demonstrate it below, the state of the old Communist rule never helped those, who could not help themselves. Therefore, its withdrawal can hardly be interpreted as a phenomenon of unprecedented and "new" neglect. Instead, the institutional decomposition of the socialist legacy is perhaps the most important precondition for a genuine change in the

prevailing inequalities and in the self-sustaining inequities of central redistribution.

As the above-outlined brief summary and the comments might already indicate, the paper attempts to take a fourth position. It equally doubts the "just transitory" character of child poverty in contemporary Hungary and those simplistic interpretations, which reduce the background analysis to the play of mere economic factors.

Instead, it will try to demonstrate that the current state of affairs follows from those lasting (though, for long, hidden) internal contradictions of state-socialism, which have logically concluded to the gradual erosion, and, lately, to the ultimate collapse of the old regime in Hungary. It will present the current complex socioeconomic crisis in the context of its prehistory, pointing also to those new socio-political conflicts, which are the peculiar features of the post-1989 years of systemic changes.

The paper argues that the case of children is tied to the societal relationships of their parents, who, at the same time, represent the "labour force" of the economy and are the users, winners or losers of the changing living conditions, scarce social services and good- or poor-quality dwellings, who are the educators of future generations and who are the privileged or deprived agents of material and cultural redistribution. Because of the interrelation of all these aspects of social life, the true and meaningful interpretation of the changing situation of children requires a thorough -if synthetic- analysis of all those social and political processes, which have led to a significant restructuring of Hungarian society well before the end of the 1980s.

Given the structurally embedded character of child poverty, the various interventions of social policy also will be presented in the context of their multisided political, economic and social determinations. Thus, the description of important changes in the lives of subsequent generations of children over the last decades will be linked to an overview of the general trends in the economic, social and political history of the country.

As hopefully will be confirmed by the historical outline below, neither the undeniably great successes, nor the "achievements" which turned out to be temporary or even illusory, can be explained satisfactorily without an understanding of the major guiding principles and built-in contradictions of the one-party-ruled, totalitarian system of socialism. The controversial legacy of this system did not disappear from one minute to the other; until now, it has largely determined the most important socio-political conflicts of the transition toward a market-regulated economy and has set also serious limitations to the attempts to overcome these conflicts within a short time.

II. GENERAL TRENDS IN THE SOCIAL HISTORY OF THE FIRST PHASE OF HUNGARIAN SOCIALISM

The years after the Second World War were the years of the establishment of a radically new sociopolitical order which has often been regarded as a mere imitation of the Soviet system. It is less frequently mentioned that the introduction of the new rule was also an attempt to find ultimate solutions for some traditional conflicts and fundamental crises in Hungarian society up to that time. The way of implementation was alien both in its means and in its mode, but it is equally important to emphasize that the ends were unquestionably justifiable in their emergence. In other words, the creation of the so-called "party-state-run socialist order" can be regarded as a historical experiment: an attempt to answer the two major problems of social disintegration (or, even better, the lack of social integration) on the one hand, and the lack of success of the previous policies of "closing up" the modernization gap, both driving the history of the country for at least a century.

The drives to construct lasting economic stability and social integration, to find new paths toward modernization and to overcome all the major social conflicts of the pre-war system (first of all, the semi-feudal features of property relations, with all their direct and indirect consequences on massive poverty, on extensive and chronic unemployment, on sharp and caste-like social inequalities and on the fragile institutionalization of social protection) were goals which enjoyed massive popular support after the war. An economic policy concentrating on the rapid extension of employment was seen as the obvious way of creating adequate bases of living for each and

every member of society, and, through that, of achieving rapid economic growth, social integration and a self-sustaining victory over poverty as well.

Thus, the ideological-political goal of full employment had its foundation not only in Marxist theory as echoed by the Communist Party, but it also seemed to meet the requirements of the Hungarian reality and seemed to answer people's aspirations, too: it promised an exceptional concordance of political, economic and social rationales.

However, the implementation of the employment-centred economic policy was determined by the political character of the new regime, i.e., by the "victory" of communist totalitarianism in 1948. In practice, it served first of all the aims of subordination to the omnipotent and omnipresent rule of the party. The extension of labour force participation was understood as a matter of compulsion instead of rights. In this way, it helped to establish direct political control over the daily activities and lives of the adult population.

Economic restructuring was built on the pre-assumption of a limitless number of formerly non-employed people, who were thought to serve as an ample reserve army for any further extensions of capital-saving mass production. In concrete terms, more than one million new industrial workplaces were created for huge masses of semi-skilled and unskilled industrial labourers between 1950 and 1970, and most of these workplaces were to be filled by former agricultural manpower, first of all, by thousands of previously non-employed women of peasant households (see KSH 1977, 1981a and 1991a).

In this way, the employment rate among women aged 15-54 years of age (i.e., between the age limit of compulsory education

and that of retirement) rose from 34.6 percent in 1949 to 73.8 percent in 1984. The slope of the trend was sharpest between 1950 and 1970; while the number of women in the given age-bracket was practically identical in those two years (it was just 3 percent higher in 1970 than it had been in 1949), the number of those among them who were employed full time grew in the meantime by 90 percent (see KSH 1981a and 1991a).

The rapid extension of employment was assisted by a wide range of politically motivated economic measures of central planning and control over all the processes of resource allocation, production, distribution and consumption. Economic considerations regarding the substitution of cash flow with centrally administered direct delivery in-kind were motivated by the chronic shortage of capital, but they were also imbued with the ideological commitment to equality and to the abolition of the old class differences.

These considerations were reflected in, among other phenomena, the arbitrary construction of the price system and the new definition of wages, too. The artificially low level of earnings (a characteristic feature of the "socialist" economies throughout the whole period of their existence) was maintained as the principal source of centralized accumulation, but it also served as a strong incentive for entering the labour force. The mere economic pressure of survival (in its very profound sense) pushed all adult members of families to seek full-time jobs in socialist firms.

In this way, the patterns of labour force participation and the related aspects of the division of roles among family-members were radically changed within an extremely short historical period. The proportion of those who had been employed for at

least ten years in full-time jobs during their adult lives rose from 63 percent in 1949 to 88 percent in 1980. The data on women are perhaps even more telling. The traditional figure of the housewife who devotes herself to work in and around the household practically vanished: while the ratio of these women among those aged 15-54 had been around 60 per cent in 1949, it dropped to 8 percent by 1984.

One of the legitimizing arguments for levelling personal earnings was the new responsibility of the socialist state to deliver a number of services free of charge (or much below market prices), and to establish a new system of social security -- exclusively for those who took up gainful employment in the socialist spheres of the national economy. Therefore, the prices of education, health services, housing, transportation, etc., were not "built" into personal disposable incomes. At the same time, the forms of delivery were monopolized by the state. In this way, people had no other choice but to become socialist employees, because the market itself had also disappeared. Thus, entrance into the labour force was not merely a financial issue, but also a matter of social membership. Eligibility rights based on citizenship were substituted by ones based on having regular and continuous full-time employment, and this was the only way of getting access to basic services like child care and medical care, not to speak of family allowances, sickness-benefits or pensions.

In this way, all aspects of life were institutionalized and taken out of personal control within a short time. The traditional patterns of family life disappeared; modern forms of the nuclear family with two wage earners became prevalent. At the same time, the daily rhythm of activities and the patterns of the

division of labour within households had to be adjusted to the rigid and alien regulations of huge socialist organizations which followed the logic of industrial assembly lines. The space and scope of privacy practically disappeared for a long time. People were expected to subordinate their individual tastes, aspirations and motivations to the supremacy of the "collective", the latter being understood as the unconditioned acceptance of the dictates of the central party organs.

All these "classical" features of socialism had far-reaching impacts on families and on the living conditions of the children in them.

Although the ideological promise at the outset had been a steady rise in the standard of living, its realization was in fact postponed for nearly two decades. Instead, the first years brought about a significant fall in income and consumption. The priority given to the goal of forced industrialization was rationalized by the argument that, first, the foundations of socialism should be created, and the improvements would then follow automatically. That policy of "the hen laying golden eggs" did not lead to those "eggs", but rapidly exhausted all the limited resources of families. The scope of absolute poverty measured by the ratio of those living below the estimated poverty line of a given period had perhaps never been as great in the preceding 80 years as it was in the early 1950s, except for the darkest two years of the Great Depression of the 1930s. Zsuzsa Ferge found that some 65-75 percent (!) of the population was living below the subsistence minimum in 1952 (see Ferge 1986).

Housing conditions also showed significant decline, or, at best, stagnation, in comparison with the standards before the

war, although the indices of backwardness had been very serious in the second half of the 1930s, too.

The index of the density of dwellings rose from a high level of 2.57 persons per room in 1941 to 2.64 in 1955.

The ratio of dwellings with running water was as low as 17.1 percent in 1949 and remained roughly the same throughout the following decade; the 1960 Census found a 22.5-percent proportion (KSH 1961). Toilets were in 12.4 percent of all housing units in 1949 and in 16 percent of them in 1960. Even electricity was not available in 26 percent of all dwellings in 1960 (though the improvement was significant in comparison to the 53.4-percent ratio of 1949).

Data on food consumption in the 1950s also show the patterns of a very poor society. The dominant "items" of the daily diet were bread, potatoes, fat, sugar and noodles. Healthy foods were practically missing: the per capita consumption of fish, eggs, milk and milk products dropped below the poor standards of the mid-1930s. The yearly consumption of meat was some 25 percent lower between 1950 and 1953 than it had been in 1938 (see Table 1 for more details and for information on long-term trends in food consumption). According to a report of the National Trade Union Council on the living conditions in the mid-1950s (cited in Pető and Szakács 1985), a quarter of the families of workers/employees could not afford the "minima of nutrition", although they spent 65 percent (!) of their monthly incomes on food.

TABLE 1: Yearly average per capita consumption of food,
1934-38 -- 1980

Yearly average per capita consumption of food, 1934-38--1980
(Yearly quantity per head in kilogramms)

	Year							
	1934-38	1950	1955	1960	1965	1970	1975	1980
Meat	23,5	24,3	26,4	35,9	38,0	40,8	49,4	50,3
Chitterlings	1,4	1,6	1,6	2,4	2,6	2,6	3,3	3,0
Poultry	8,4	8,4	8,9	9,3	11,0	14,2	15,3	18,0
Fish	0,7	0,6	0,7	1,5	1,6	2,3	2,7	2,1
Egg	5,2	4,7	5,7	8,9	10,4	13,7	15,2	17,7
Milk and milk- -products	101,9	99,0	86,7	114,0	97,1	109,6	126,6	166,1
Fat and cooking oil	17,0	18,7	22,0	23,5	23,1	27,7	29,1	30,5
Patato	130,0	108,7	102,1	97,6	84,3	75,1	66,8	61,2
Rice	2,3	0,9	1,6	3,4	3,7	4,1	4,3	3,4
Flour	144,7	141,2	150,1	132,8	135,5	124,1	117,9	111,7
Sugar	10,5	16,3	24,4	26,6	30,1	33,5	39,4	37,9
Vegetables	..	..	..	84,1	76,6	83,2	85,2	79,6
Fruits	..	..	..	55,3	52,8	72,5	74,0	74,9
Cocoa	..	0,5	0,7	3,6	5,8	8,6	11,5	13,0

Sources: Pető Iván-Szakács Sándor: A magyar gazdaság négy évtizede, 1945-1985. I. (History of the Four Decades of the Hungarian Economy, 1945-1985. I.); KJK, Budapest, 1985. Az Egészségügyi Minisztérium Évkönyve, /Yearbooks of the Ministry of Health (later: Ministry of Health and Social Welfare)/, 1974, 1981, 1988 (Published in the subsequent years), Budapest.

Families during the early years of socialism experienced not only the above-indicated serious deterioration in their living conditions, but also the frequent, forced interference of the authorities, who were driven by the prevailing notion of "collectivism" and by the anti-family ideology of orthodox Stalinism.

Young children were perhaps the most defenceless victims of this harsh interference into the private sphere.

Since the rapid expansion of the labour force was based first of all on young generations of women, who were at the same time mothers of children in need of regular day care, the daily life of all the affected age groups of the very young had to follow the priority rules of economic policy. As their parents (even grandparents) had to spend eight hours at their workplaces, piled up by two-three hours of commutation between home and work, all other functions of family-life had to be arranged accordingly. Given the rapid vanishing of any private forms of childcare, the one and only "choice" was to put the children into those state-run nurseries and kindergartens, which were organized in a hurry to supervise the kids while their parents worked (for further details see Szalai 1991a and also KSH 1961,1981a and 1985b).

It is important to note that the rapid expansion of public child care facilities was driven above all by the employment needs of forced industrialization. Children's needs were painfully subordinated to the political priorities of economic goals.

This was the main reason behind the fact that the admirable quantitative data presented in Tables 2 and 3 actually do not represent any meaningful improvement in the everyday living

conditions of their users, i.e., the very young. The creation of great numbers of nurseries and kindergartens (later preschools) followed the logic of minimal sheltering and guidance; however, the intensive needs of small kids for attention and personal care were neglected on a mass-scale, not even the minimal space and physical equipment were adequately delivered for them. Thus, the impressive quantitative growth rates (demonstrated by the figures in Table 2 and 3) reflect rather the organizational efficiency of a system based on directives and administrative regulations, but have little to do with any improvement in child-welfare.

TABLE 2: Trends in Nurseries, 1954 -- 1989

Year	Nurseries		Places in nurseries		Children in nurseries		Number of children per 100 places (ratio of crowdedness)	The ratio of children attending nurseries, as a percentage of population aged 0-3
	number	rate of growth 1951=100	number	rate of growth 1951=100	number	rate of growth 1951=100		
1951	256	100	8433	100	7263	100	86	1,1
1955	683	267	25243	299	23466	323	93	3,2
1960	816	319	29436	349	31970	440	109	5,4
1965	952	372	35184	417	40864	562	116	8,1
1970	1044	408	40010	474	41771	575	104	7,4
1975	1132	442	49986	593	55371	762	111	8,3
1980	1305	510	64502	765	69768	960	108	10,1
1985	1293	505	68274	810	53970	743	79	12,3
1988	1146	448	60312	715	44362	610	74	8,9
1989	1096	428	56460	670	42870	590	76	8,6

Source: Egészségügyi helyzet, 1983. (Situation in Health Care, 1983); KSH, Budapest, 1985. A Szociális és Egészségügyi Minisztérium Évkönyve, 1988. (Statistical Yearbook of the Ministry of Health and Social Welfare, 1988); Budapest, 1989. Statisztikai Évkönyv, 1989. (Statistical Yearbook, 1989); KSH, Budapest, 1990.

TABLE 3: Trends in Kindergartens/Preschools, 1952 - 1989

Kindergartens/ preschools number of units	rate of growth 1952=100	Places in kindergartens/ preschools of	rate of 1952=100	Children in kindergartens/ preschools number of units	rate of 1952=100	Number of children per 100 places	crowdedness (ratio of places of preschools, as of the population aged 3-6	The ratio of children attending kindergartens/ preschools, as
1952	2072	100	99398	100	130056	100	131	26,0
1955	2503	121	129344	130	145948	112	113	28,0
1960	2865	138	162282	163	183766	141	113	33,7
1965	3227	156	185768	187	189372	146	102	47,1
1970	3457	167	208647	210	227279	175	109	51,1
1975	4077	197	295722	298	329408	253	124	68,0
1980	4690	226	385533	388	478100	368	124	77,9
1985	4823	233	413803	416	424678	327	103	87,2
1988	4772	230	402424	405	393735	303	98	86,0
1989	4748	229	390871	303	392272	302	100	85,7

Source: Övodák; A Művelődésügyi Minisztérium Statisztikai Jelentései, 1980., 1989. (Kindergartens, preschools - Statistical Reports 1980 and 1989); Művelődésügyi Minisztérium, Budapest, 1981 and 1990, respectively.

x/ From the beginning of the seventies, kindergartens have gradually introduced regular educational programs. Parallel to the marked increase in the take-up of the service, the educational authorities declared officially their role in running preparatory courses for children before attending primary schools. At the same time, they were expected to give an official evaluation about the "maturity" of all children at the age of 6, and to decide, whether the child can attend the first grade of an ordinary primary, it would be suggested for him/her to remain one more year in preschool, or he/she should be sent to a special school for handicapped children. Because of their increasingly pronounced educational and "evaluative" role, it is just to call these institutions preschools instead of kindergartens. However, the latter name fits better their earlier function to deliver mere "childcare".

It has to be added that the rapid boom in child care units in the 1950s and 60s was not produced by purposeful investments. (In fact, the rate of new investments in infrastructure was never so low as in the given period, since all capital was being swept into the forced industrialization of the country.) Instead, great numbers of dwellings and former shops and stores were expropriated by the authorities and "redefined" for their new functions. As Tables 2 and 3 show, the increase in the number of child care units was regularly exceeded by that in the "number of places" in them (following the flexible norms of the needs of the "achievement"-oriented administration, measuring performance by annual growth rates), and the latter was exceeded even more by the growth in the number of registered children. (The number of nurseries was 219 percent higher in 1960 than it had been in 1951, while the increase in the number of places was 249 percent and that in the number of registered children was 340 percent. Since the use of kindergartens had been more widespread already before the war, the growth rates in that type of child care were more modest, while the ratio of take-up was higher. The number of kindergartens rose by 38 percent between 1952 and 1960, while that of the places in them rose by 63 percent. The number of registered children increased by 41 percent; thus, the ratio of take-up rose from 26 to 34 percent.)

The outcome was obvious: a steady decrease in the space per child, an unstoppable increase in the size of the group under the supervision of one adult (often increasingly unqualified) and an everlasting intensification of overcrowding and the physical symptoms of overuse (for more details, see Szalai 1986). All these inhuman aspects of mass child care were even worsened by the rigid timetables, non-flexible and work-dictated opening

hours, lack of facilities and, needless to say, the incapability to provide personal relationships and individual attention. Therefore, the symptoms of hospitalization, deteriorating emotional and intellectual performance, frequent epidemics and early signs of neurosis became a general and threatening experience of parents, nurses, paediatricians and preschool teachers (see Vekerdy 1981, particularly the detailed bibliography).

Nevertheless, despite the problematic conditions, the state-run child care services meant effective help for many families amid the massive poverty of the 1950s and early 60s. An evaluation of the period would not be fair without noting that, given the above indicated extremely bad housing conditions, the low standards of living and the lack of minimal income, the expanded access to the services meant at least regular heating and meals for a great number of poor children in those early days.

The serious backwardness of the services and their inadequacy became a conflictual matter in the later period of the 1960s and 70s, when the regulations and the quality of these services could not keep pace with the marked improvement in living standards and the significantly modernized values and aspirations of families, which were able to realize much better conditions within the framework of their private households.

The causes producing a widening gap between the private and the "collective" spheres of the lives of children (and their families) belong to the history of the second phase of Hungarian state-socialism that cannot be understood without a brief account of the social and political consequences of the 1956 revolution.

III. POST-1956 CHANGES IN THE LIVING CONDITIONS

The classical Stalinist period of socialism did not last very long in Hungary. The revolution of 1956 marked the end of an era, called since then "the dark 1950s". That revolution was the first and, until recently, the only radical grassroots critique of and a real threat to the openly totalitarian way of ruling, claiming basic human rights of freedom of the individual to control his/her own life and revitalizing the fundamental values of European civilization through national independence, democracy and autonomy. The unanimous nationwide refusal of any form of "blissful" oppression in the name of the sanctified goals of the "collective" was unquestionable.

Although the shockingly brief and temporary victory of civil society was defeated after two weeks, and the basic framework of the totalitarian reign was successfully reconstructed by Hungarian and Soviet military forces, the messages of the revolution could never be forgotten. That holds true even for the accomplishment of the "social revolution", i.e., the collectivization of agriculture between 1958 and 1963.

Even though the abolition of privately owned land belonged to the communist programme of extending the all-embracing control of the party-state over all members of society, and, albeit it was implemented by the already known methods of forced expropriation and compulsion, there were "surprising" built-in concessions within the process. Namely, all the members of the newly organized cooperatives were permitted to keep a small plot (maximum one acre) for private cultivation. This concession to "private ownership" turned out to be crucial for later social developments; it gradually became the fundament of the second

economy, the latter playing an outstanding role in the rapid modernization and material progress of the country.

The actual content of the so-called "Kádárist liberalization" of post-Stalinism after 1963 laid in the fragile compromise which somehow had to be worked out between the full (though less coercive) restoration of the earlier described classical rules of totalitarianism and the partial "rehabilitation" of the rights of the individual to a minimum of privacy and free choice.

The everyday meaning of this compromise was a tacit acceptance, even a gradual expansion of the space for individual autonomy, based on the ideological-practical "rehabilitation" of the only institution which was legitimately independent of direct political control, i.e., the family. The re-gained autonomy of private life -even if it remained very restricted in its scope- proved to become the point of departure for a remarkable progress and for spectacular later achievements of the society.

It is important to emphasize that the consolidation of the 1960s did not lead to any fundamental changes in the principal functioning of "socialism". The centralization of power, its property bases given by the domination of anonymous (party-)state ownership, the paramilitary way of administering economic and social life exclusively from the top to the bottom, the direct intervention in the everyday operation of production and distribution, etc., remained practically unchanged and continued to determine the scope of "independent" institutional actions, as well as all the basic framework of the lives of individuals.

The innovation and the key to success laid elsewhere, namely, in the way large groups in society started to make use of the "autonomy" permitted within the framework of family-based

households. It turned out that, given the deeply rooted motivations of the material, cultural and symbolic pursuits of "Europeanism" in broad layers of Hungarian society, significant numbers of families were able to combine their participation in formal "socialist" institutions with a working out of alternative routes for promotion and social mobility, based on their restricted autonomy in informal society. (The deeper sociological explanation of this unexpected development is to be found in the fact that the narrow path of independence of household-based production became the bedrock which the Kádárist policy of "liberalization" unintentionally re-established for the realization of the unfinished and interrupted "embourgeoisement" process of the pre-war period; for more details on this "prehistory" and its later consequences, see Szalai 1989.)

Participation in one or another form of the second economy gradually became the rule for the great majority of Hungarian society : various informal productive activities were being carried out on a regular or irregular basis by circa 75 percent of all families around the mid-1980s. This "nationwide movement" turned out to be the decisive force behind the genuine modernization, which led to a significant rise of living standard between the mid-1960s and the late 1970s, and which helped a true approximation to the Western conditions and ways of life. The limited scope of the paper allows me to give just a few examples.

Tables 4 and 5 indicate the admirable development in housing conditions and the formidable increase in the modern "wealth" at the disposal of families, as measured by the attributes of households. The data show that the stock of dwellings (so much neglected in quality and physical maintenance during the previous decades by the industrializing state) was "replaced" to a great

extent by new, modern houses built mostly by private families. (Between 1960 and 1980, more than 900,000 dwellings were built from private efforts, while the various agents of the formal economy --e.g. the state, the firms and the socialist cooperatives-- built less than 600,000.) The standards of the new homes were also much above the old ones: density measured by the number of persons per room dropped from 2.36 in 1960 to 1.51 in 1980 and further to 1.22 in 1988; running water became a basic norm, since more than three-fourths of all flats had been connected to (local or regional) networks by the late 1980s, whereas the ratio had been around only one-fifth in 1960; sewerage also became available: nearly 80 percent of all dwellings had been connected to one or another of the modern systems by 1988. Thus, comfort and hygiene had significantly improved (see for more details Vajda and Farkas 1990).

TABLE 4: Some Indicators of Changing Housing Conditions,
1960- - 1989

	1960	1970	1980	1989
Ratio of dwellings with 3 or more rooms (% of all dwelling units)	4,7	10,7	23,9	33,4
Ratio of dwellings with bathroom (% of all dwelling units)	16,1	27,2	53,2	74,7
Ratio of dwellings with running water (% of all dwelling units)	22,7	36,1	64,9	78,5
Ratio of dwellings with sewerage (% of all dwelling units)	..	37,9	68,0	79,8
Number of persons per room	2,36	1,99	1,51	1,22x/
Average number of rooms per dwelling	1,42	1,64	1,99	2,20x/
Ratio of dwellings built by the families /xx/ among all new dwellings	n.a.	n.a.	27	52

Source: Vajda, Ágnes-Farkas, E. János: Lakáshelyzet (Housing situation); in: Társadalmi Riport, 1990. (Social Report, 1990.) (eds.: Andkorka, R.-Kolosi, T. -Vukovich, Gy.), TARKI, Budapest, 1990.

x/ Date refer ti 1988.

xx/ Family-built houses/dwellings are the ones constructed by the private families. In other words, the number does not contain those built by the state/enterprise/cooperative and just bought by any private owner.

All these significant achievements required a great deal of cooperation, based partly on the old work-exchange traditions of the former peasant communities and partly on the remarkable cultural investments in the broad sense of the term, i.e., on acquiring several "skills" in and outside school, formal and informal courses at the workplace, etc.

A further motive for two-three extra hours of work in the second economy was to modernize households also by acquiring a

number of "Western"-type equipments. Goods like refrigerators, washing machines and vacuum cleaners, which had once represented the high standards of consumption of the upper urban strata, became "everyday" items among the commodities at the disposal of nearly all households, except the very poor ones. A similar significant increase was registered in the spread of cultural equipments. The lack of a taperecorder or a portable radio became a telltale sign of either poverty or "deviant" non-conformity among the adolescents of the late 1970s. (Table 5 shows that the number of refrigerators per 100 households was four times higher in 1987 than it had been 18 years earlier; the number of boilers rose by 540, that of washing machines by 51 percent, while the distribution of TVs and radios became practically universal, and every second household already had a car by the late 1970s.)

TABLE 5: Number of Selected Durable Goods per 100 Households, 1969 - 1987

	1969	1979	1987
Refrigerator	27	86	102
Boiler	10	41	64
Washing machine	69	89	104
Vacuum-cleaner	33	73	93
Sewing machine	47	45	52
Radio	109	139	147
TV	61	96	110
Record-player		25	41
	} 20		
Taperecorder		33	90
Camera, film-camera, film-projector	29	45	68
Car	6	23	49
Motorcycle	17	20	20
Bicycle	111	103	131

Sources: Háztartásstatisztika (Household Statistics), 1969; KSH, Budapest, 1970. Életszínvonal, 1960-1980 (Living Standard 1960-1980); KSH, Budapest, 1981. Családi költségvetés, 1987. (Family Budgets 1987; KSH, Budapest, 1989.

It is perhaps needless to say that the rapidly improving housing conditions, the access to modern facilities, the general rise in the quality of clothing and the more diversified and more healthy nutrition (the latter having a great emphasis in the consumption of a formerly poor society, as a sign of overcoming poverty) had a major impact on the living conditions of children, whose lives in the late 1960s and 1970s became incomparably better in all social groups than had been those of the respective generations 10-15 years earlier.

It has to be emphasized, however, that the improvement of children's living standards was not a mere "by-product" of the general development. In fact, the purport of all the grandiose

efforts of the adult generations was the child, whose role in society changed significantly in the period in question. It is not an exaggeration to state that the most important change in the history of the last forty years of Hungarian society was a dramatic "reinterpretation" of the role and social position of children. All the investments of families (both material and cultural) centred around the establishment of a lasting, better future for them. The success of the child became a self-expressive measure of one's social status, a meaningful goal in itself.

The increased child-centredness of society can probably be explained by several factors: it expressed the silent opposition to the dictated rules of subordinating one's whole life to the sustained, anonymous "collectivity" of socialism; it expressed the ambiguity of confidence in the continuation of development; it worked as the source of self-respect in conditions of multisided defencelessness; it embodied important shifts in the prevailing values toward the ones which manifested the everyday meaning of modernity and progress, and it expressed old dreams of generations for desirable and self-chosen paths of mobility and improved living conditions that they had been unable to realize in their own lives. All these dreams and unrealized fantasies were put into the forming of the children's future in the very minute, when the lessening of permanent harsh political pressure from above permitted some breath.

The central role which children gained in the family-life of post-1956 Hungary can be directly and indirectly demonstrated by a number of facts.

The most telling measures of modernization and general improvement are perhaps the ones showing an unprecedented rise in

the level of schooling and a marked improvement in children's health.

Time series on the increasing attendance at various forms of education (presented in Table 6) indicate marked changes in the patterns of schooling and in the prevailing attitudes toward studying.

Although the laws on compulsory primary education had been reinforced several times since their first declaration in 1868, the need for early child labour in a poor agrarian society had created insurmountable obstacles to their implementation for nearly a century. The militant educational policy of the early years of Communist rule had also been unable to achieve the goals of its cultural revolution of extending the new eight-grade uniform primary education system to each and every child aged 6 to 14. After all, political and administrative directives - however strident they were - turned out to be unsatisfactory in breaking the "law of necessity" amid the conditions of general poverty in the pre-1960 period. Poor peasant families, overburdened by heavy taxation in cash and in kind, in the 1950s had had to rely on a significant contribution of their children in the fields.

Therefore, it is not surprising that the actual progress in school attendance strated parallel to the above-described gradual rise of the standards of living. Ironically enough, forced cooperativization also helped this process in an indirect way, by "outdating" children's agricultural labour. As the data show, the rate of those successfully completing the eighth grade of primary school at the age of 14 rose by more than 10 percent between 1955 and 1960 and has been over 90 percent ever since then. The 1961 Education Act extended the age of compulsory schooling from 14 to

16 (in the case of those not completing the eighth grade by the age of 14); thus, the rate of those not finishing primary education at the age of 16 dropped from 30.9 percent in 1955/6 to 6.3 percent in 1980 and to 4.9 percent in 1989.

Table 6.

Some indices of schooling, 1950-1989^{x/}

Year	Ratio of those successfully accomplishing the 8th grade of the primary school, as a percentage of the 14 years old population	Participation rate in vocational training schools, as a percentage of the 14-16 years old population	Participation rate in secondary education, as a percentage of the 14-17 years old population	Participation rate in higher education, as a percentage of the 18-22 years old population	Rate of those continuing their studies immediately after accomplishing the 8th grade of the primary school	Rate of those continuing their studies immediately after accomplishing the 4th grade of the second. school
1950	..	12,8	16,2	3,4	..	..
1955	66,5	13,9	20,2	4,2	..	..
1960	79,8	28,3	26,4	4,1	74,6	30,2
1965	90,4	33,2	34,6	6,8	79,5	31,0
1970	90,4	37,9	30,3	6,3	89,6	34,5
1975	90,8	39,0	36,1	6,9	93,1	37,0
1989	95,6	44,6	41,9	10,0	93,3	39,4

Sources: Oktatás és művelődés 1950-1980. (Education and Culture 1950-1980); KSH, Budapest, 1982. Andorika, Rudolf-Harcza, István: Oktatás (Education); in: Társadalmi Ríport, 1990, (Social Report 1990); (eds.: Andorika, R.-Kolosi, T.-Vukovich, Gy.); TÁRKI, Budapest 1990.)

x/ Data in the table refer to the pupils/students of day -courses.

Indices showing the expansion of secondary schooling were even more significant: the rate of those getting either vocational training, or attending one or another form of secondary education rose from 54.7 percent in 1960 to 86.5 percent in 1989.

Thus, the daily attendance at schools became a normal routine of children's lives in practically all social groups. The impact on the cultural level of the population in both a narrower and a broader sense of the term was obvious: the phenomenon of illiteracy practically disappeared; there was a marked increase in the average number of years of schooling of the adult population, and the aspiration to help children continue their studies beyond the compulsory level became a widespread norm even in those social groups which had traditionally been "uninterested" in schooling as an accessible and "useful" path to social mobility for them.

Similarly, significant developments were registered in the health status of children.

It is not by chance that the indices of improvement measured by the drastic decrease in infant mortality, or, even more, by the dropping death rates of children aged 1-19, show a demarcation line around 1960 (see Table 7, Panel A): the above-described rise in comfort and hygienic conditions played a major role in this regard. The same holds true for the changes in the composition of infant mortality (see Table 7, Panel B). The ratio of post-natal deaths caused mainly by congenital disorders rose from 30.7 percent in 1950 to a peak of 67.4 percent 1980, with some regress to 61.4 percent in 1988, while late infant mortality caused usually by bad living and hygienic conditions gradually lost its previously decisive role: the relevant percentages were

52.2, 22.8 and 25.3, respectively. The worsening trends of the 1980s were, however, closely related to the re-emergence of serious signs of poverty and to the declining access to adequate health care of the most deprived social groups (see later).

TABLE 7: Some Indices of the Health Status of Children

A.) Mortality rates of children, 1938-1988

(Number of deaths per 1000 inhabitants in the relevant age group)

Age (in years)

Year	0 (Infant mortality)	1	2	3-4	5-9	10-14	15-19
1938	131,4	23,0	7,2	4,0	2,3	1,9	3,5
1490-41	123,0	19,4	6,7	3,5	2,1	1,9	3,4
1948-49	92,5	8,6	4,2	2,5	1,4	1,1	2,1
1959-60	50,1	3,9	1,5	0,8	0,5	0,5	0,9
1969-70	35,8	1,8	0,9	0,6	0,4	0,4	0,8
1979-80	23,6	1,1	0,6	0,4	0,3	0,3	0,8
1988	15,8	0,8	0,5	0,3	0,2	0,3	0,6

Source: Demográfiai Évkönyv, 1988. (Demographical Yearbook, 1988); KSH, Budapest, 1989.

B.) Distribution of infant mortality by the age of the infant (in days) 1950-1988

Age (in days)

Year	less than 6 days	7-27 days	more than 28 days	Together	Infant mortality rate
1950	30,7	17,1	52,2	100,0	85,7
1955	37,2	14,8	48,0	100,0	60,0
1960	46,4	10,3	43,3	100,0	47,6
1965	60,8	10,1	29,1	100,0	38,8
1970	68,2	10,9	20,9	100,0	35,9
1975	71,0	10,4	18,6	100,0	32,8
1980	67,4	10,8	22,8	100,0	23,2
1985	62,8	14,2	23,0	100,0	20,4
1988	61,4	13,3	25,3	100,0	15,8

Source: A Szociális és Egészségügyi Minisztérium Évkönyve, 1988. (Yearbook of the Ministry of Health and Social Welfare, 1988); Budapest, 1989.

Table 7. (cont.)

Some indices of the health status of childrenC.) Incidence of some epidemic diseases in childhood
(Number of registered cases per 100.000 children aged 0-14 years)

	<u>1951-55</u>	<u>1961-65</u>	<u>1971-75</u>	<u>1980</u>	<u>1983</u>
Dysentery	246,6	304,6	248,7	125,7	205,8
Infectious					
Hepatitis	165,1	293,4	134,1	46,3	18,7
Rubella	..	..	694,4 ^{x/}	240,2	1144,5
Mumps	..	..	1683,0 ^{x/}	1784,9	1655,1
Scarlet fever	668,8	526,4	499,9	641,5	565,8
Mobrilli	1681,9	1627,1	1027,4	45,5	3,9
Pertussis	1051,5	111,3	3,6	0,8	0,4

Source: Egészségügyi helyzet, 1983. (Situation in Health Care), 1983; KSH Budapest, 1985.

x/ In the year 1975.

The extension of the social security scheme also had an important impact: entitlement to free medical care became practically universal by the mid-1960s. (Paradoxically, the otherwise totalitarian intervention of forced cooperativization had a favourable impact in this respect. Since social security entitlement embraced only those employed in the so-called "socialist", i.e., non-private, sphere of the economy, the greater part of the peasantry had remained excluded throughout the 1940s and 50s. However, by becoming "socialist" employees through collectivization, they immediately became entitled, and thus gained access to a range of benefits and also to free medical care. In this way, the ratio of those covered by social security had risen from 50 percent in 1950 to over 99 percent by the mid- 1960s.)

The abolition of the financial barriers which had previously blocked even the necessary cure of diseases and the minimal

access to relevant care in the case of land-owning peasants led to a rapid growth in overall take-up rates.

Confinements in hospitals increased from 34 percent in 1950 to 85 percent in 1960, and this had become the general form of delivery by 1965, thus contributing to a significant decrease in stillbirths.

The incidence of the most dangerous epidemic diseases drastically decreased, partly due to universal vaccination and partly due, once again, to improved conditions and to more targeted, timely curative interventions (Table 7, Panel C shows the incidence of those epidemic diseases which were frequent among children. The greatest achievement, however, was probably that of overcoming tuberculosis, once called "Morbus Hungaricus" in reference to the extremes of poverty in the country. While the rate of incidence of new cases of tuberculosis had been as high as 37 per 10,000 inhabitants in 1953, it had decreased to 15.6 by 1965 and dropped to 5 in 1981.)

Turning now to the changes in everyday life, the most important novelty of the 1960s was the introduction of an entirely new form of statutory benefit to facilitate early child care. From January, 1967 on, a new, job-protecting, flat-rate scheme -named "child care grant"- has helped women to stay at home with their babies until they reached the age of 30 months, provided that the young mother had been in full time employment at least for 12 months before delivery. (In 1969, the maximum duration was extended to the age of 3 of the child, thus adjusting the termination of the grant to the age-limit of entrance to preschool.) In this way, genuine alternatives were offered for young families to find the most suitable arrangements; the once exclusive form of the hated

institutionalization of babies in the name of the supremacy of the collective was substituted with options for more personalized and human conditions for child care.

At the time of its introduction, the new benefit scheme meant an internationally unprecedented and widely acknowledged innovation of Hungarian social policy. Beside its practical advantages from the point of view of early child care, it also assisted a wise compromise between a number of rather conflictuous, concurring economic, social and political factors. The worsening trends in production in the second half of the 1960s, the threat of unemployment which, it had been assumed, would accompany the necessary liberalization of economic management (called in contemporary terminology, "the mix of planning and the market"), the unfavourable oscillations in the size of the labour force due to the forced population policies of the 1950s and the chronic scarcity of the resources needed to keep pace with the increased demand for institutional child care all played their part in the attempt to find a feasible and acceptable solution.

However, some indirect political implications were perhaps even more important.

In an unspoken, though obvious way, the new grant was intended to express the willingness of the political leadership to postulate also in legal forms the above outlined hidden and tacit compromise between the "unchanged" maintenance of "socialist" principles and the silent opposition of the society to it. The new child care scheme met these requirements: it suitably symbolized the rehabilitation of the family and legitimized the political acknowledgement of its autonomy -- while also expressed the maintenance of the principles of

compulsory employment. Thus, besides its prompt impacts on liberalizing and humanizing early child care, it contributed to the rapid expansion of the above-indicated new way of life, i.e., to the spread of dual participation in the formal and informal spheres of the economy and the society.

Table 8 shows that the grant became very popular within a few years. More than four-fifths of the entitled young mothers has taken it up by 1973 (see Table 8, Panel A). In parallel, the overcrowding in the nurseries somewhat decreased. On top of this, the negative effects of hospitalization and psychological regression were much reduced, since the majority of women did not go back to work during their babies' "most dangerous" first 18 months.

TABLE 8: Some Data on the Take-up of the Child Care Grant/Fee, 1967 - 1987

A.) <u>Ratio of those taking up the child care grant/fee, as a percentage of those entitled</u>						
	1967	1970	1973	1979	1986 ^{x/}	
	75,6	76,6	81,8	83,1	88,9	
B.) <u>Ratio of those taking up the child care grant/fee, according to the level of schooling (percentage of those entitled)</u>						
	Level of schooling					
	Primary school	Vocational training	Secondary school	Higher education	Average	
1967	84,3	88,5	83,0	68,7	83,2	
1986 ^{x/}	88,6	89,2	88,8	81,8	88,9	
C.) <u>Distribution of the terminated child care grants/fees, according to the duration of take-up (%)</u>						
Duration of take-up (in months)	Termination of take-up between April, 1979 and March, 1980			Termination of take-up between April, 1986 and March, 1987 ^{x/}		
	Blue collars	White collars	Together	Blue collars	White collars	Together
- 6	5,5	12,1	8,0	3,5	5,8	4,4
7 - 12	10,0	17,4	12,9	5,5	8,7	6,9
13 - 18	10,5	14,7	12,1	9,6	15,8	11,8
19 - 24	11,4	13,5	12,3	9,0	11,3	9,8
25 - 30	14,2	14,5	14,3	12,4	15,6	13,4
31 -	48,4	27,8	40,3	60,0	42,8	53,7
Together	100,0	100,0	100,0	100,0	100,0	100,0

^{x/} Take-up of child care grant and fee together.

Sources: A gyermekgondozási segély igénybevétele és hatásai (Take-up of the Child Care Grant and Its Impacts) (1967-1980); KSH, Budapest, 1981.

A gyermekgondozási díj igénybevétele és hatásai (Take-up of the Child Care Fee and Its Impacts); KSH, Budapest, 1988.

The favourable role the grant played on early child development was later demonstrated by several investigations: surveys among children in preschools found that the creativity, the sociability and the intellectual performance of the children attending preschools after three years spent in individual care at home (i.e., mainly with their mothers on child care grant) were significantly better in all social groups than were the relevant measures of children put into institutional care at a too-early stage of their lives (for further references, see the bibliography in Vekerdy 1981).

Nevertheless, the child care grant contributed to the increase in social inequalities that will be dealt with in more detail in the next section. It has to be mentioned already here, however, that the rates of take-up were greatly influenced by both professional and financial considerations, thus widening the social distances between the living conditions and future prospects of women belonging to different social strata. Less well-educated, non-qualified women tended to take up the grant at a higher rate and for a longer period (often extended by subsequent child-births to five-eight years). These trends played a role in opening up the "scissors" of income inequalities among young families and contributed to a significant extent both, to the relative impoverishment of large groups, bringing up small children and to the marked slow-down in the occupational promotion of young women.

The child care grant lost, however, much of its desirability even among less qualified women in later years. Since the monthly value of the grant did not follow rapidly increasing consumer

prices after 1978, take-up dropped in the first half of the 1980s, thus putting again extra demands on nurseries. The increasing numbers of rejected applications (usually of those children coming from less well-off social backgrounds) generated social and occupational tensions, especially given the increasing threat of losing one's job (see KSH 1983). The fear of becoming unemployed stimulated even less qualified women to go back to work as soon as possible.

The introduction of an earnings-related version of the grant in 1985 (called the "child care fee") helped to ease the complexity of emerging constraints much in line with the once-experienced favourable impacts. It helped to "channel" the sharpening tensions on the labour market; it contributed to a welcome increase in birth rates in the second half of the 1980s and, in parallel, to a decrease in the previously slightly increasing differential fertility rates of women; and, last, but not least, it also moderated the heated (and insatiable) demand for public child care facilities.

However, these positive impacts turned out to be only temporary. The late 1980s brought about drastic changes in the structure of the labour market, and the new threat of unemployment has led to a questioning of the built-in compromise between temporary withdrawal from gainful work and full time motherhood. New and often painful dilemmas have emerged for large groups of young families, whose decisions have been squeezed between two types of financial pressures: the recent significant price-increase of child care services on the one hand, and the sudden drop in the income of the family, when remaining at home on childcare-benefit on the other. The current changes in the structure of social security payments contribute to an

intensification of these conflictuous dilemmas, instead of mitigating them.

A detailed overview of these developments and some related aspects of post-1989 social policy will be presented later, in section V.

IV. GROWING INEQUALITY AND POVERTY AMONG CHILDREN DURING THE 1970s AND 1980s

As was demonstrated earlier, the average trends in child welfare showed marked improvement during the 1970s and 80s. Developments were, however, far from being uniform and linear for all children. Although some improvement over time occurred even among the disadvantaged social groups throughout the decade of general economic growth in the 1970s, their relative position worsened due to the fact that the distance from the quickly moving, more well-off strata also grew in the meantime. The chronic economic crisis of the 1980s worked, in fact, to the detriment of the poorer groups, producing stagnation or even a downturn in their standards of living, while those in the upper strata of the social hierarchy were able to realize further, though less pronounced, increases in their living standards.

These statements can be confirmed by some examples drawn from the decisive spheres of health, housing, income and consumption.

A more thorough analysis of trends in the most sensitive indicator of changing health standards, i.e., the infant mortality rate, reveals that the significant improvements presented earlier in the paper were accompanied by sharpening inequalities over time. As is shown in Table 9, Panel A, the development was in fact produced by the more-rapid-than-average decrease in the case of the more well-educated, more well-off social groups. The mortality rates among the babies of mothers with higher education dropped to one-third between the mid-1970s and the late 1980s, while the decrease was only 28 percent in the case of the infants of mothers who had not finished primary

school. Thus, the "scissor" of inequalities nearly doubled in the given period.

TABLE 9: Inequalities in Rates of Infant Mortality

A.) Infant mortality rates according to the level of schooling of the mother, 1965-1988

(Number of deaths between the age of 0 and 1 year per 1000 births)

Year	Number of schoolgrades accomplished by the mother				Average (5)	Index of inequality (1/4)
	less than 8 (1)	8 (2)	9-12 (3)	13 or more (4)		
1965	42,5	39,3	31,6	26,9	38,8	1,6
1980	42,0	25,0	18,0	16,2	23,2	2,6
1988	30,5	18,2	11,8	10,0	15,8	3,1

B.) Differences in infant mortality rates of babies born with low weight, according to the place of residence, 1970, 1980

Infant mortality rates of the given group in Budapest =100

Place of residence	1499 gramms or less		1500-1999 gramms		2000-2499 gramms	
	1970	1980	1970	1980	1970	1980
Budapest	100	100	100	100	100	100
Towns in the countryside	95	104	102	141	108	132
Villages	95	112	106	152	127	128
National average infant mortality rates	757,7	633,9	269,2	144,5	66,8	43,6

Sources: Own calculations based on data of the Demographical Yearbooks of the given years.

This increase in inequalities was partly due to the unequal living and hygienic conditions. But the growing differentials in access to health care, accentuated by a significant concentration of high-quality medical services in the larger cities (and a parallel closing down of local clinics for the sake of "economizing" the limited resources) had an equally important share in it (for a detailed discussion of the above causes, see Szalai 1986).

The latter relationship becomes even more obvious in Table 9, Panel B, which demonstrates an increase in inequalities of the life chances of premature babies born in urban vs. rural settings. These growing inequalities cannot be explained by the differentials of living standards (that converged in the given period), but were due exclusively to the increasing inequalities of access to high-quality services.

The lack of effective (and corrective) interventions of social policy was also manifested in the markedly differing conditions of housing (see Table 10). Various social groups made unequal use of the remarkable general rise in comfort and living standards.

It is worth noting that the most decisive dimensions of the inequalities were due less to the educational or occupational position in the social hierarchy and more to the number of children in a family. This fact is one of the consequences of the outstanding importance which private resources had in the improvement of housing conditions and in the process of modernization (discussed above). At the same time, the capacities for such investments were mainly determined by the differing earner/dependant ratios within different types of households. The latter relationship was a constant characteristic of the income

distribution in the "socialist" economy: given the strict central regulations on the increases of wages/salaries, per capita incomes became differentiated the most according to the number of persons living on a given income, thus de-favourizing families with several children. In this way, not only the actual standards of everyday consumption, but also the longer-term chances for improvements in living and housing conditions became determined by the inequalities of personal disposable incomes that social redistribution had been unable to correct (for details, see the summaries and the relevant cross-tabulations in KSH 1978, 1983 , 1988b and an exhaustive analysis in Ferge 1979).

In fact, public subsidies helped more those in better positions. As shown in Table 10, the poorest, largest families had the smallest probability of getting well-equipped, publicly funded dwellings; two-thirds of them lived in overcrowded flats lacking basic facilities, while the corresponding ratio for families with one child was already only 24 percent in 1980. One finds the most well-off families at the other end of the scale: 28 percent of them were living in 1980 in modern, state-built flats, in contrast to only 15 percent for families with four or more children.

TABLE 10: Some Indicators of Inequalities in Housing Conditions. According to the
Number of Children in the Family

Number of children	Percentage ratios of those living in dwellings			
	where the density is over 2 persons per room; bathroom and/or toilette are missing	lacking electricity and/or running water and/or sewerage	where density is below 1 person per room, all facilities are available	electricity, running water and sewerage are all delivered from funds
0	9,9	39,5	2,0	24,6
1	24,3	29,8	0,5	27,5
2	23,4	26,0	0,2	28,8
3	45,5	39,9	0,0	20,4
4 or more	63,5	59,9	0,0	14,6
Together	18,9	34,4	1,1	25,9

Source: Housing Situation '80; CSO, Budapest, 1984.

Various indicators of the changes in daily consumption also inform us about a remarkable growth of inequalities and an effective drop in standards to the detriment of numbersome families.

The above-stated decisive relationship between the number of children and the amount which families can afford to spend on nutrition can be demonstrated by data from the latest Household Survey of 1989 (KSH 1990b). As turns out from Table 11, Panel A, families with one or two children ate significantly more meat, eggs, vegetables and fruits by the end of the 1980s than did larger families (who have not been able to compensate for the accelerated price increases after 1985 even with more intensive private production in the second economy, though self-consumption has played a relatively greater role in their diet, compared to the more well-off families, relying more on the market).

TABLE 11: Some Measures of Inequalities in Consumption

A.) Ratios of per capita food consumption, according to the number of children, 1989

Per capita consumption in families with
4 or more children = 100

Ratios of per capita consumption in families with

	0	1	2	3	4 or more
	children				
Meat	159	122	105	100	100
Eggs	178	130	115	108	100
Milk	107	92	91	94	100
Cheese	227	200	173	118	100
Bread	130	103	93	100	100
Fat, cooking oil	162	115	99	98	100
Flour, rice, noodles	144	93	80	87	100
Potato	131	94	78	86	100
Sugar	169	109	96	89	100
Fresh vegetables	180	121	101	92	100
Fresh fruits	185	125	114	100	100
Tropical fruits	177	117	154	129	100

Source: Judit Salamin: A háztartások gazdálkodása az infláció körülményei között. (Household Economics Amid Inflation); in: A drágaságról (On inflation), (eds.: Gábor, László-Szalai, Júlia); Szociálpolitikai Értesítő, Budapest, 1991. (Data presented in the paper are derived from the 1989 Household Survey of the CSO.)

Table 11. (cont.)

Some measures of inequalities in consumptionB.) Consumer price indices of 1988 in the households with active earners

(Average price of 1987 = 100,0)

A: According to the level of income

B: According to the number of dependent children

	Basic goods of everyday consumption	House- building (-buying)	Goods bought less frequently or of less importance	Luxury goods and services	All goods (and services) together
A: According to the level of income					
Level income					
Low	120,1	125,5	114,9	114,7	119,0
Medium	118,6	124,7	114,9	111,9	116,5
High	116,1	123,0	114,4	111,7	114,0
B: According to the number of dependent children					
Number children					
None	113,9	123,8	114,0	112,3	114,1
One	118,2	123,0	114,8	111,9	116,2
Two	120,8	124,0	115,2	111,3	117,3
Three or more	122,0	124,1	115,3	112,8	118,9

Source: A fogyasztói árszínvonal változása az 1988. évben (Changes of the Level of Consumer Prices in 1988.), Fogyasztói árindex füzetek, 1.; (Minutes on Consumer Price No 1.) (edited by Gáspár Fajth), KSH, Budapest, 1989.

The inequalities in food consumption have been even amplified by the fact that the above-indicated acceleration of price increases of the second half of the 1980s was more remarkable considering basic goods (especially in the case of foods) than on the average (see Table 11, Panel B). Thus, families with (several) children have been hit the most, since they traditionally spend a relatively greater part of their monthly incomes on eating.

The widening social gaps and the deteriorating trends in both long- and short-term consumption of families with children are serious and apparent manifestations of the most dramatic concurring changes of the last two decades of socialism in Hungary: namely, the remarkable increase in absolute poverty, and a simultaneous significant shift in its internal composition to the detriment of children.

Retrospective analyses of the currents in the extent of absolute poverty between the early 1970s and the late 1980s came to the unequivocal conclusion that the last decade of socialism brought about an effective jump in the numbers. The size of the population below the (estimated) poverty-lines grew from a decade-long stagnation around 1,000,000 (i.e., circa 10 per cent of the population) to about 1,700,000 by the end of the 80s (due to a small decline in the number of inhabitants, representing already circa 16 per cent) (for details, see Szalai 1989 and KSH 1993).

However, the internal changes of poverty were perhaps even sharper: a massive replacement of the most affected social groups could be discovered, which changed not only the socio-cultural content of poverty, but altered all its implications for a (would-be) social protection. The essence of this turnabout was a

replacement of the once rural poverty of the elderly peasants (prevailing even in the 1960s) by the domination of young and middle-aged urban families with children among those whose regular livelihood did not meet even the minima of subsistence in the last two decades of socialism.

This socio-demographic shift has meant that children have gradually become overrepresented in the poorest part of the population. The subsequent nationwide income-surveys found that while the ratio of dependent children in this group was 32.5 percent in 1972, it increased to 40.6 percent by 1987. It is worth mentioning that the proportion of children in the total population simultaneously decreased from 30.2 percent to 27.6 percent. Thus, the risk-of-poverty index for children (i.e., the index calculated by dividing the percentage of a given group under the poverty-line by its proportion in the total population) increased from 1.1 to 1.5 during the period in question.

The trends pointing to a significant expansion of child poverty were even more marked in the case of the very young. While the ratio of children under the age of 6 in the overall population decreased from 8.9 to 3.7 percent between 1972 and 1987, the share of this age group in the population below the (estimated) subsistence minima (approximated by the standards of per capita monthly income in the lowest decile) increased from 13.7 to 15.7 percent. Thus, the relevant risk-of-poverty index showed a nearly 300-percent increase within 15 years, growing from 1.5 to 4.2.

Table 12 presents some further components of this remarkable (though mostly unrecognized) replacement in the social map of poverty. Data point to a marked increase in the proportion of active earners among the poor, while their weight in the

population modestly decreased during the 1980s. The opposite was true for pensioners, and a parallel decrease characterized the share of adult dependants (mainly non-employed, aged housewives). The most shocking figures of the Table relate to the young generations of dependants: it is a most serious measure that half of the individuals living in poverty in the late 1980s were children, and roughly 40 percent of them were under age 6.

TABLE 12: Composition of the Total Population and of the Population Living in the Lowest Decile, 1977, 1982, 1987

	1977		1982		1987	
	Composition of the population of the lowest decile (%)	Composition of the population of all households (%)	Composition of the population of the lowest (%)	Composition of the population of all households (%)	Composition of the population below the subsistence minimum xx/ (%)	Composition of the population of all households (%)
Active earners	18,6	47,0	23,7	45,7	32,7	45,1
Persons on child care fee or grant	3,3	2,5	4,6	2,2	4,2	2,0
Pensioners	25,5	18,6	17,5	20,3	14,9	21,7
Children aged under 6	15,0	9,0	18,9	9,0	13,0	7,3
Studying children	19,4	15,4	21,9	17,2	26,1	19,8
All children	34,4	24,4	40,8	26,2	39,1	27,1
All other dependants	18,2	7,5	13,4	5,6	9,1	4,1
Together	100,0	100,0	100,0	100,0	100,0	100,0

Source: Own calculations are based on the Income Surveys of the year (implemented by the Central Statistical Office)

x/ On the basis of decile-distribution of per capita income.

xx/ Fully comparable data of the 1987 Income survey have not been published yet. Nevertheless, some computations were made about the composition of the population below the subsistence minimum.

Taking into account that the population living below the subsistence minimum refers roughly to the population of the first twodeciles, the presented data "improve" the picture in relation to the probable actual one. (As far, as it could be checked, the composition of the second decile is markedly closer to the average, than that of the lowest one.)

Another change over time was the fact that, besides the "traditional" poverty of families with several children, by the late 1980s, the disadvantageous processes reached families bringing up only one child (see Table 13). While the ratio of children in families with one child decreased on the average of active households, the opposite happened among poor families.

TABLE 13: Risks of Dropping Below the Minimum, According to the Number of Dependant Children (Households of Active Earners Only), 1977, 1982, 1987

(on the basis of the income surveys)

Households with active earners, where the number of dependant children is:	Ratio of those living below the subsistence level as a percentage of the total population in the group		
	1977	1982	1987
0	3,4	3,4	3,5
1	7,7	7,5	8,6
2	10,5	9,6	9,8
3	14,5	15,9	18,8
4 or more	56,1	49,4	51,6

Sources: Income Surveys of 1977, 1982 and 1987 of the CSO (published in the subsequent years).

Findings on the composition of poverty and on the changes in the characteristics of the population below the subsistence minimum show, in short, a marked shift over time toward the overrepresentation of young (mostly urban) families with children. (The higher-than-average rate of women on the child care grant is an indirect sign of the "age", i.e., the early life

cycle, of the family.) By the end of the 1980s, the risk of poverty seemed to reach children in all types of families, regardless of their actual size.

All these evidences follow from the dark side of the very same processes which led to the gradual "liberalization" of totalitarian socialism in Hungary during the post-1956 decades of its history. As it was discussed above, the main attribute of this "liberalization" was the attempt to "acknowledge" some individual autonomy to the degree, which the structurally unchanged maintenance of the regime permitted. This coexistence of "legalized" socialism and "non-legalized" civil life has led to a "privatization" of the efforts of the civil society and to all those successes which accompanied them. However, the tacit "privatization" of the momentous achievements meant a serious "privatization" of the failures, too. The macroeconomic and macrosocial aggregates hide the fact that the harvest of general improvement has been increasingly unevenly distributed: those who (for one reason or another) could not make profit of the unspoken acceptance of participation in the informal sphere of production, have gradually become the "forgotten" part of the society. Their livelihood has been left to the redistributive capacity of the state which proved to be less and less capable to compensate for their relative losses. Economic and social inequalities between the rich and the poor have been continuously increasing throughout the two decades of relative prosperity, turning to cast-like distances by the end of the 1980s. The spectacular political changes of 1989-90 found the Hungarian society in a dualistic state, facing the conflicts of long-neglected, chronic poverty of wide (and ever widening) social groups.

V. CHILD POVERTY AND THE TRANSITION TO A MARKET-ECONOMY

As the previous sections demonstrated it at length, Hungarian society has lived together with the expansion of poverty for a long while. Nevertheless, the phenomenon remained largely hidden until the collapse of the Communist rule in 1989. Its "unapperant" presence belonged to the very essence of socialism: the regime carefully guarded its "invisibility". Concealment was not only a matter of ideology; the unbroken political and economic rules also worked in this direction.

Ironically, compulsory employment was the main instrument in the hands of the political leadership to create a misleading "uniformity", by which the continuous reproduction of poverty was kept in the dark. Since everybody was forced to belong to a certain -centrally administered and controlled- workplace, the manifestations of remarkable differences in the socio-economic conditions were driven back to the private spheres of life. The dual character of formal and informal production and distribution created the false appearance that poverty is merely a matter of individual failures; it is due to the lack of sufficient efforts and to the deficits in normatively "suspected" behaviour.

The downfall of socialism marked an end of these long-established grandiose deceptions and dislodged most of its artificially maintained cover-mechanisms. Due to a number of simultaneous important changes in politics and in the measures of economic policy, massive and widespread poverty suddenly came to the surface, generating a kind of socio-psychological shock to the society at large.

Paradoxically enough, the newly introduced political rights (laid down in the modifications of the Constitution in 1990) played a great part in revealing "the nakedness of the king". It followed from the foundation of strict legal guarantees safeguarding individual freedom that people could not be put under institutional control anymore, unless sentence of the court justified it. Thus, thousands of previously forcefully hospitalized "deviants", alcoholics, imprisoned vagabonds and truants were released in the past few years -- though mostly only in the strict legal sense of the term. Since the majority of them had lost family, home and workplace a long-long time before, their liberation usually implied an urgent need for immediate help and social protection. However, the relevant social services had been entirely missing from the schemes of "socialist" social policy which had denied the very existence of need for them. The outcome at present is a serious vacuum between needs and deliveries, pushing thousands of people into homelessness and delinquency.

The demise of compulsion on engaging in gainful employment generated a similarly painful gap between the highly esteemed legal principles and the humiliating reality of everyday life: the sufferers are those among the working poor of yesterday, who suddenly became the unprotected unemployed of today. True, the Employment Act of 1991 introduced an unemployment benefit-scheme. However, the regulations on entitlement are rather restrictive, and -due to the very low standards of previous earnings- payments are usually extremely poor, not reaching even the minima of subsistence (see for details Ferge 1991b and Tardos 1992).

The new legal regulations of labour force participation correspond to the radical turn in post-1989 economic policy which

has given a strong priority to the rapid marketization of the former state-socialist economy. In practical terms, the transformation of fundamental principles of ownership, employment, productivity and distribution have brought about an effective boom in the number of those whose work suddenly turned out to be superfluous. Joblessness has shortly become a generally felt threat.

Deep fears of insecurity are reinforced by daily reality: not less than 1,000,000 workplaces have been ceized in the last four years, leading to an unstoppable increase of unemployment (at the time of finishing the paper -in Summer, 1993- the rate of the registered unemployed within the labour force reached already 15 per cent, and the trend of steady rise is prognosted to continue).

The regularly reported average rates of unemployment hide, however, the sharp (and deepening) regional differences which have been revealed by some recent local investigations. The Northern and North-Eastern parts of the country (the former foci of mining, socialist-type heavy industry and extensive agricultural production, respectively) suffer currently a rate around 30 per cent, while Budapest, the capital is in a relatively favourable situation with its present ratio around 10 per cent (for details see Bajka 1992).

Unemployment hits men more than women: according to the reports of the Ministry of Labour, the ratio of men among the registered unemployed grew from 58 per cent in September, 1990 to over 60 per cent by September, 1992. The gender-specific risks of losing one's job conclude in markedly different occupational composition between the two sexes: nearly half of the male unemployed worked as a skilled worker before, and a quarter of

them had an unskilled job, while the largest group among the female unemployed worked previously as a semi-skilled worker (cca one-third), and nearly a quarter of them had either a qualified, or a non-qualified white-collar job before.

Table 14 summarizes some other important features of the phenomenon: it indicates the sharply differing and increasingly diverging risks according to the level of schooling, which are piled up by even greater inequities of hopes for re-employment.

TABLE 14: Data on Job-vacancies and Job-seeking. According to the Level of Schooling: 1990, 1992

Level of schooling	Distribution of all active earners ^{x/} (%)	Distribution of job-seekers (%)		Distribution of vacant jobs (%)		Number of job-seekers per 100 vacant jobs	Rate of increase of the S/V-ratio ^{xx/} between Sept., 1990 and Jan., 1992. (S/V-ratio in September, 1990=1,0)	
		(1)	(2)	(1)	(2)			(1)	(2)
Less than 8 grades (unfinished primary)	5,2	13,7	10,7	2,7	1,0	1000	20280	20,3
Primary (8 grades)	33,4	33,4	34,8	41,0	42,6	160	1550	9,7
Vocational training	24,3	24,9	31,2	47,3	41,5	110	1430	13,0
Secondary schooling	24,8	22,7	19,7	6,4	11,8	700	3190	4,6
Degree in higher education	12,3	5,3	3,6	2,6	3,1	400	2240	5,6
Together	100,0	100,0	100,0	100,0	100,0	200	1910	9,6

(1) = Sept., 1990.; (2) = Jan., 1992.

^{x/} 1990 Census data

^{xx/} S/V ratio: number of job-seekers per 100 vacant jobs

Source: Calculation of the author based on Bajka, Gábor (1992) and Baló, György - Lipovecz, Iván (1992).

People with unfinished primary education are twice as many among the job-seekers, as their ratio in the economically active population would indicate. At the same time, one finds the opposite tendency toward the other edge of the scale: those with a university-degree are cca. 3.5 times more among those in gainful employment than among those just seeking it. However, the chances for re-employment have dramatically worsened for all groups during the period of accelerating unemployment: on the average, there were 19 job-seekers for each and every vacant job in January, 1992, as opposed to only 2, sixteen months before. The outlook of people with low schooling has become practically hopeless: there are 203 applicants for each of the jobs available for them. The boom of unemployment is rather dramatic even among people with vocational training. This fact reflects another reality of the current economic changes: although most of these people worked in qualified jobs before, their qualifications have been rapidly outdated by industrial re-structuring (most of these qualifications were closely linked to those, previously dominant sectors of heavy industry, which are shrinking at a high speed nowadays).

When the preparation of the new economic directives for necessary marketization was on the agenda of political discourse around the mid-80s, economic forecasts logically and unanimously had predicted that, given the unavoidable devaluation of old, "socialist-type" skills and qualifications, the trades of elderly workers would be threatened in the first place. However, the actual reality of the post-1989 implementation of the long-prepared turn in economic policy has not justified these expectations. The trends of the last few years point to the opposite direction.

Various statistical sources unequivocally report the higher-than-average risks of joblessness among young school-leavers and those in their early stage of adulthood.

These tendencies could already be registered at the time of the last Census (though both, the extent and the socio-demographically bound biases of unemployment have significantly been increasing since then). In 1990, the highest ratio of self-reported unemployment was indicated in the case of men aged 20-25, possibly in the life cycle of their marriage and having their first babies. The last labour survey in Budapest found a similar pattern in March, 1993: the most endangered groups were those in the younger cohorts of the "main army" of the economically active population, i.e. between the age of 26 and 45.

The same survey also signalled a rapid and dramatic deterioration in the situation of the younger cohorts. School-leavers seem to have quickly decreasing chances and gloomy perspectives to find their first employment nowadays: while they gave 4,4 per cent of all the records of the Labour Exchange Offices in the capital in March, 1992, their share among the registered unemployed has increased to 8,4 per cent within a year. 40 per cent of them just left vocational training, while 27 per cent matriculated in technical schools, 32 per cent (mostly girls) in general gymnasiums, and 7 per cent of them possessed a fresh degree in higher education. (Their gender-composition mirrors that of the adult unemployed: young men are overrepresented with a 55 per cent share.) Though the length on the dole in Budapest is significantly below the relevant index for the country as a whole (in May, 1992 it was 190 days in the capital, while it made up 223 days on a countrywide average), and though the average sum of the unemployment benefit is usually

higher, the latest reports show signs of rapid deterioration also in these regards. As of March, 1993, nearly half of the registered unemployed has been in this situation for 181-360 days already, and another 25 per cent did not find re-employment since turning up for registration 361-720 days before.

Put together the various fragments of the social map of unemployment, it is probably not an exaggeration to say that the young generations of contemporary Hungary are on the loser-side in the current stage of economic transformation. Unemployment risks the "normal" start of independent adult life, and it also questions the fundamentals of upbringing the generations of tomorrow. Although a series of subsequent acts and regulations have been passed in the last two-three years to modify the rules of entitlement for statutory benefits and local welfare assistance, to provide training and re-training programs and special targeted services for the most endangered regions, they can at best mitigate, but, of course, are not able to eliminate the day-to-day crises which follow from the extraordinary burdens put on the shoulders of young families in the name of economic restructuring.

Their critical life-situation is amplified by the fact that unemployment is not the only aspect of economic transformation which hits them more than others. An additional source of insecurity and poverty is the acceleration of inflation.

Regular reports of the CSO indicate that the deliberate turn toward marketization has been accompanied by a speeding up of the yearly rise of consumer prices: while the total increase over the three years period between January, 1986 and December, 1988 was 32 per cent, it jumped to 91 per cent over the subsequent 36 months (starting with January, 1989). A disaggregation of the

averages shows that differences according to the composition of the households have been remarkably widening in the meantime. While families without children suffered 116 per cent price-increase between early 1987 and late 1991, the corresponding index for those bringing up three or more children was 131 per cent. Inequalities were even sharper with regard to the very basic items of everyday consumption, where the relevant figures show 120, as opposed to 140 per cent increase in the two types of childless and numbersome households, respectively.

It has to be recalled that families with several children suffer these substantial losses of the past few years in addition to a previous period of rapid impoverishment: as it was pointed out in the previous section, nearly 70 per cent of them lived already below the poverty-line in 1987 (see Table 13) - thus, the recent acceleration of inflation has threatened simply their day-to-day survival. It is this struggle for subsistence, why an increasing number of low-income families has been reported to reduce heating and to cancel elementary services (like meals at school for their children), not to speak of the suspension of spending on such "luxury" items as new clothes or dry-cleaning. Thus, the return to the once-known patterns of traditional poverty can be registered on a massive scale in contemporary "modernized" Hungary. Numbersome families are forced to reproduce those "economizing" skills of the pre-war poor that they and their antecedents had hoped to leave behind forever.

It has to be added that the financing of even the once attained low-standard housing has thrown off the delicate balance of the budget of these poor families in the latest years: ultimately, the rapid increase in the prices of electricity, heating and rents has forced a non-negligable part of them to

give up previous dwelling and to move downward on the scale. Recent reports on the hopeless situation of growing numbers of homeless and squatting families draw attention to the fact that one cannot speak any more only about an increase in social inequalities, but harmful signs of social disintegration have come to the surface. The threatening trends cry out for more complex social interventions to combat the concurrent background factors of unplugged dangerous holes of the household-budget, unemployment, ill health and serious family crises (see Györi 1990).

The consequences of the contemporary financial crisis of the social services pile up the above-outlined remarkable degradation of the living conditions of the poor. The high inflation rate of recent years has created insurmountable difficulties not only for the private households, but also for a number of previously customarily used services: an increase in fees to keep them going could not be avoided. (Many of them have in fact been closed down.) In this way, the most needy users have been effectively "priced out": data on the last period show a decrease in the number of children attending kindergartens or taking up school meals, and a decline even in the use of the most elementary medical services (for details see KSH 1993).

All these phenomena indicate that a boom of absolute poverty of young families has evolved in recent years in Hungary. The cummulation of extra burdens of economic transformation has pushed a shockingly great proportion of them into an even more hopeless situation than before.

As it was discussed earlier (in section IV), the increase of child poverty had its prehistory in the last period of socialism: statistical survey data of 1988 (see Table 12) already

demonstrated their higher-than-average risk to drop below the poverty line. However, the situation of the youngest generations has been significantly worsening in the period of transition. While they made up already 39 per cent of the population below the poverty-line in 1987, their proportion rose to the unbearably high level of 42 per cent by 1991. Although such an increase is a critical measure in itself, its implications are even more dramatic in relation to the simultaneous rapid departure from the standards of the greater majority.

Table 15 presents some characteristics of the poorest groups in comparison to the more fortunate layers of contemporary Hungary. The figures draw the picture of a highly divided society. While dependant children give a quarter of the population as a whole and also of those, who live amid "average" financial conditions, they represent only 15 per cent of the richest group, but are the most numerous crowd of the poor (as indicated above, they make up 42 per cent of those, whose monthly income does not reach the modest standard of the subsistence-minimum).

The group-specific divergences of unemployment are signalling similar social segmentations: the proportion of those on the dole is five times higher among the poorests than in the population, and it exceeds ten times the corresponding figure in the richest part of the population.

The most secure source of preserving one's "normal" living standard (not to speak of improving it) is a safe access to gainful employment. The figures show in a most telling way that the main fundament of well-being is the 75 per cent proportion of active earners among the rich, while the poor are mainly poor

because of a drop of the corresponding ratio below 40 per cent among them.

TABLE 15: Composition of Groups of the Population in 1991,
According to the Level of Per Capita Monthly Income

Level of per capita monthly income	Below the subsistence minimum	Average	Highest decile	Total population*
Active earners	39.1	61.8	75.4	43.4
Persons on child care fee or grant	4.2	1.1	0.5	2.5
Unemployed persons	4.9	1.8	0.5	1.1
Pensioners	5.5	9.6	6.8	23.1
Children aged under 6	10.7	3.2	1.3	7.4
Children in primary school	22.2	11.4	7.1	12.4
Students aged over 14	8.6	10.4	7.1	5.7
All dependant children	41.5	25.0	15.5	25.5
All adult dependants	4.8	0.7	1.3	4.4

* Data refer to the 1990 Census

Source: Calculation of the author based on KSH (1993) and KSH (1991a).

The shrinking resources for income maintenance cannot help this situation. Although statistical data indicate a permanent increase in the number of those families applying for means-tested welfare assistance through local authorities or at family-aid centres, the rigorous monetary restrictions and the subsequent cuts of funds for local programmes hinder any meaningful alleviation of massive poverty on a decentralized level. Some recent data demonstrate it in a self-expressive way: while the country spent 4,1 times more on regular monthly welfare assistance for children in need in 1990 than in 1986, the average monthly value of assistance grew only by 25 percent. Due to a boom in the number of applicants (which grew from 30,656 to 101,033 within the period), those taking up assistance in 1990 suffered a relative loss in comparison to the fellow-clients of the scheme in 1986, since the rate of increase of consumer prices was 89 per cent in the meantime (see KSH 1991b). In this way, the extension of assistance works even toward an intensification of poverty, instead of helping people out of it.

Recent cuts in the expenditures of social security --justified by the necessary restrictions on spending of the state budget-- have a similar impact. Due to an "economizing" of the resources of central redistribution, pensions, child benefits, sickness payments, etc., have not been adjusted according to the rate of inflation: While consumer prices rose on the average by 29 percent during the 12 months between June 1989 and June 1990, the average value of the child care grant per child was only 24 percent, that of the child care fee only 20 percent and that of the family allowance only 14 percent (!) higher in 1990 than they had been a year earlier (see KSH 1991b.) This loss in value has become an important factor in accelerating

the impoverishment of those living mainly from in-cash benefits: pensioners, families with dependant children, people who are chronically ill, etc.

All the drastic cuts in the name of the withdrawal of the once omnipresent state have been accompanied by a new ideology, "targeting". The argument is well known from the history of social policy: since universal benefits do not diminish inequalities in take-up and access, there should be more concentration of the (scarce) resources on those really in need. Thus, there has been a significant shift in the structure of public spending: universal schemes have been replaced by a number of means-tested programmes in attempting "more just" distribution. However, the actual outcome has not justified the technocratic expectations: instead of a decrease in income-differentials, the intensified "competition" for the limited resources has brought about a substantial growth of inequalities in take-up and in the per capita value of assistance, while many of the most needy among the poor have been effectively squeezed out from all forms of financial support.

These developments are by no means the "inseparable" and automatic by-products of marketization; rather, they follow from a certain --dogmatically neoliberal and shortsighted-- interpretation of it.

As the paper attempted to demonstrate earlier, it was the very process of slow and gradual "liberalization" of the market which helped great masses of Hungarian society to gain some distance from and some self-protection against the actual crisis of the state-controlled, formal economy in the last phase of socialism. It was their participation in the market-related production of the informal economy which enabled them to build up

(at least partly) alternative pillars of everyday livelihood. The dual arrangements then assisted not only in compensating for the accompanying unavoidable financial losses of the economic crisis, but even promoted the conversion of previously acquired skills and experiences into measurable material advantages amid the post-1989 process of systemic transformation.

Many of the restrictive recent interventions adopted in the name of marketization have led, however, to the creation of a "secondary class" of Hungarian citizenry. On the grounds of the above findings, one can give a historically rooted sociological description of the evolvement of their current situation.

It follows from the above-outlined social history of poverty that the dominant groups of this "secondary society" can be found among the late successors of the once proudly elevated and mobilized landless peasantry, which gave the fundament of early socialist industrialization. They are those whose preceding generations had based their lives and aspirations on the incentives, orientations and regulations of the 40 years of "socialism". Answering the challenge of industrialization, they moved to urban settlements; they helped their children acquire qualifications which seemed to be favourably applicable in a "socialist" economy; they gave up their peasant roots and traditions even in their ways of life by occupying the large, closed housing estates built "for them", etc.

The political turn in 1989-90 entirely questioned all their previous efforts. The late grandchildren of the once elevated peasant-workers suddenly found themselves on the side of the hopeless losers. Instead of getting support and assistance to a successful adaptation amid the radically changed conditions, they became the betrayed symbols of earlier failures and the

incurable remittances of a dead-end past. The greater majority of them lost the very fundament of living -employment- from one day to the other, and besides facing unresolvable financial crises, they became also confronted with the psychological burdens of all-round degradation.

If these broad layers of the once "new" urban working class had been gradually "forgotten" in the late decades of socialism, then they started to suffer full "disenfranchisement" in the new democracy. The former duality of the Hungarian society has developed to apparent disintegration during the past few years.

In the light of its historically rooted character, any arguments on the "automatic" dissolution of this kind of massive disintegration through the spontaneous momentum of economic growth seem to be ill rooted and illusory. The (hopefully near) end of the current economic crisis of the country might lead to a rise in incomes, and thus the majority will certainly re-gain the material stability of everyday life.

However, economic growth in itself will be insufficient to halt those processes by which current Hungary is falling apart. Although the material side of poverty might also be eased by a turn to economic prosperity, nonetheless, the irreversible consequences of lasting degradation would not promptly disappear. A meaningful re-integration of the poor would thus require deliberately designed and well-established programmes of societal policy. Such programmes should start off with the rehabilitation of social membership in the full sense of the term, and should adjust all their measures to a serious recognition of human dignity.

Otherwise, even on the longer run, poverty and social disintegration will remain. Without purposeful intervention, the

Legacy of the socialist past and its harmful recent accentuation will not conclude in the much-hoped eloquent development, but in a Third-World-type reproduction of the conflictuous co-existence of affluence and dramatic misery.

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