WORK AND MORALITY IN HUNGARIAN SMALL BUSINESSES

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II. ZUSEMMENFASSUNG

Die Forschung für diese Doktorarbeit wurde im Rahmen des ERC-Projekts „Realising Eurasia: Civilisation and Moral Economy in the 21st Century" durchgeführt. Im Hinblick auf das übergeordnete gemeinsame Projektziel, neue Perspektiven auf die Verflechtung von Wirtschaft und Moral zu eröffnen, liegt der Fokus meiner Forschung auf dem konzeptuellen und empirischen Verhältnis zwischen den Sphären der Moral und der Wirtschaft in Kleinunternehmen in Ungarn – einem Land, das ebenso durch eine historische Dominanz des Katholizismus wie durch die sozialistische Vergangenheit geprägt ist.

Grundlage der Dissertation ist eine zwölf-monatige Feldforschung in Szeged, einer mittelgroßen Stadt im Südosten Ungarns, die nach der Hauptstadt Budapest und Debrecen die drittgrößte Stadt des Landes ist. Im Jahr 2020 lag die Gesamtbevölkerung bei 161.258 Einwohnern. Szeged ist die größte Stadt und das regionale Zentrum der Südlichen Großen Tiefebene und kommunaler Regierungssitz des Kreises Csongrád. Szeged ist Grenzstadt an der nahgelegenen südlichen Grenze Ungarns zu Serbien.

Die Geschichte der Stadt geht bis in die Römerzeit zurück, jedoch erlangte sie erst im Mittelalter den Status einer königlichen Freistadt. In der Neuzeit entwickelte sich Szeged zu einer schnell wachsenden Stadt und spielte eine wichtige Rolle im Handelsverkehr, im Bildungswesen sowie im intellektuellen Leben der Region. Während die Landwirtschaft noch während der Modernisierungsperiode des 19. Jahrhunderts die wichtigste Basis der Wirtschaft darstellte, gewann der wachsende Industriesektor – vor allem die Lebensmittel- und Textilherstellung zusammen mit der Schuh- und Möbelproduktion – zunehmend an Bedeutung. Der industrielle Sektor bestand überwiegend aus kleinen und mittleren Betrieben. Nach dem Ersten Weltkrieg und dem Friedensvertrag von Trianon (1920), durch den Ungarn zwei Drittel seines Territoriums abgeben musste, verloren die meisten Provinzstädte ihr Hinterland sowie ihre wirtschaftlichen Verbindungen und wurden schlussendlich zu Peripherien. Handel und Lebensmittelindustrie wurden vom Krieg und den Folgen besonders hart getroffen. Trotz der damit verbundenen Schwächung der regionalen Position von Szeged, erfolgte eine Aufwertung der kulturellen Rolle der Stadt und in der Zwischenkriegszeit wurden bestimmte Segmente der Wirtschaft ausgebaut. Trotz dieser positiven Entwicklungen blieben die umliegenden Dörfer jedoch unterentwickelt und litten an wachsender gesellschaftlicher Polarisierung und Armut, die über Jahrzehnte bestehen blieb.

Aufgrund des faschistischen Regimes der Zwischenkriegszeit blieb Szeged bis Ende der 1950er Jahren von industriellen Entwicklungen, die im Sozialismus nach Ende des Zweiten Weltkrieges erneut priorisiert wurden, weitestgehend ausgeschlossen. In den 1970er und 1980er Jahren zeigte sich ein Wandel der Wirtschaft hin zum Dienstleistungssektor. Trotz der Industrialisierung in den 1960er und 1970er Jahren blieb die Region um Szeged und der Kreis Csongrád vorwiegend agrarwirtschaftlich geprägt. Die landwirtschaftliche Produktion fand in Kollektivbetrieben statt, aber auch in Gärten und in den umliegenden Dörfern; diese Aktivitäten in Parzellen und Hausgärten stellten zusätzliche Einkommensquellen für die Dorf- und Stadtbewohner:innen dar. Der Regimewechsel 1990 löste aufgrund der umfangreichen und rapiden Privatisierung und Restrukturierung der lokalen Wirtschaft eine massive Langzeitarbeitslosigkeit in der Stadt aus. Von den bedeutenden Lebensmittelbetrieben der Region konnte nur der für seine Salami bekannte Hersteller PICK erfolgreich überleben, die Bau- und Textilindustrie brach zusammen.

Heute gilt Szeged als das zweitwichtigste wissenschaftliche Zentrum des Landes, mit Schwerpunkten in den Bereichen Biologie, Physiologie und Landwirtschaft. Die Universität stellt einen wichtigen Teil der Wirtschaft dar und ist – nach der PICK-Fleischfabrik und den städtischen Regierungsbehörden – einer der größten Arbeitgeber in Szeged. Neben diesen großen Einrichtungen spielen Kleinst- und Kleinunternehmen in der Wirtschaft und als Arbeitgeber ebenfalls eine zentrale Rolle. Im Unterschied zu vergleichbaren ungarischen Städten sind kleine Firmen in Szeged viel zahlreicher vertreten und tragen zur Vitalität der lokalen Wirtschaft bei. Familienbetriebe überwiegen vor allem in drei Sektoren: der Landwirtschaft, dem Einzelhandel und dem Dienstleistungssektor.

Die vorliegende Dissertation legt besonderes Augenmerk auf die Perspektiven von kleinen (Familien-)Unternehmen und untersucht die materiellen und nicht-materiellen Prozesse, die das Entstehen und die Reproduktion dieser Unternehmen im postsozialistischen Ungarn kennzeichnen. Der empirische Fokus auf der Arbeit und den wirtschaftlichen Praktiken in kleinen Unternehmen eröffnet neue Einsichten in die Verbindung zwischen der Formierung von Werten und politisch-ökonomischen Prozessen. Die Dissertation verfolgt einen holistischen Ansatz, in dem verschiedene Theorien aus zwei Bereichen – politische Ökonomie und Sozialtheorien der Moral und Werte – als analytische Basis für die empirische Forschung über Alltagserfahrungen mit Arbeit und wirtschaftlichem Handeln zusammengebracht werden.

Die empirischen Daten für diese Dissertation wurden durch teilnehmende Beobachtung in verschiedenen Arbeitsstätten, qualitative Interviews mit Unternehmer:innen sowie anhand eines von der Forschungsgruppe erstellten Fragebogens erhoben. Entlang des Fragebogens mit dem Titel „Economy, Morality and Values in Life, at Work and Home“ führte ich 44 Interviews mit Vertreter:innen von kleinen Unternehmen durch. Meine Auswahl zielte darauf ab, die verschiedenen Branchen und Sektoren der lokalen Wirtschaft abzudecken und ihre Struktur widerzuspiegeln.

Darüber hinaus führte ich ethnographische Forschung in der Form einer langfristigen teilnehmenden Beobachtung in sogenannten Nationalen Tabakläden (*Nemzeti dohánybolt*) durch. Diese Läden erwiesen sich für meine Forschung aus zwei Gründen als besonders relevant: Erstens wurde das staatliche Monopol über Tabaklizenzen nach dem erdrutschartigen Wahlsieg von Viktor Orbán 2010 eingeführt und ist ein Paradebeispiel für die neue Politik des Wirtschaftsnationalismus. Gábor Scheiring sieht im Wirtschaftsnationalismus den zentralen

Bestandteil des „akkumulativen Staates“, dessen Hauptziel es ist, die Kapitalakkumulation der Bourgeoisie des Landes zu fördern. Zu diesem Zweck werden wirtschaftliche Eingriffe in Form von positiver Diskriminierung zugunsten ungarischer Unternehmer:innen in nicht handelbaren und nichttechnologischen Sektoren, wie dem Einzelhandel, eingesetzt. Eine wichtige Wirtschaftsmaßnahme war die Neustrukturierung des Tabakhandels. Vor 2010 dominierte in diesem Sektor das transnationale Kapital und Tabakwaren konnten in fast jedem Laden gekauft werden – auch in Lebensmittelgeschäften, die einen erheblichen Teil ihrer Einnahmen dem Tabakverkauf verdankten. 2012 veranlasste der Staat eine radikale Umgestaltung dieses Handelsbereichs und führte spezielle Tabakgeschäfte ein – die Nationalen Tabakläden – die ein Monopol auf den Tabakverkauf haben. Durch diese Neuregulierung wurden neue Geschäftsmöglichkeiten für Besitzer:innen von kleinen und mittleren Unternehmen eröffnet – vor allem, wie Oppositionspolitiker:innen behaupten, für diejenigen, die Loyalität gegenüber der Regierung bekunden.

Zweitens stellen Angestellte im Dienstleistungssektor – vor allem im Einzelhandel – in kleinen und mittleren Unternehmen in Ungarn eine besonders vulnerable Gruppe mit niedrigen Löhnen und ohne wirksame Interessensvertretung dar. Das ist wenig verwunderlich, denn ein Hauptmerkmal der nichttechnologischen Sektoren, in denen ungarische Unternehmer:innen aktiv sind, ist der Rückgriff auf flexible, ungelernte und günstige Arbeitskräfte. Um die Kapitalakkumulation der Unternehmer:innen zu beschleunigen, deregulierte der Staat dieses Arbeitsmarktsegment kontinuierlich und kürzte die Ausgaben für Sozialhilfe. Untersuchungen zu den Arbeitsbedingungen des Verkaufspersonals sind zudem in der ethnologischen Literatur über Arbeit und Arbeiter:innen sowie in der Literatur über osteuropäische Gesellschaften unterrepräsentiert. Das durch meine Forschung in diesen Geschäften gewonnene

ethnographische Material und die Einblicke in das Alltagsleben, die Arbeitsbeziehungen und das Arbeitsregime sowie die Inhaber:innen liefert neue Perspektiven auf die gegenwärtige Gesellschaft, sowohl vor Ort in Szeged als auch für Ungarn im Allgemeinen. Darüber hinaus leistet die Studie einen Beitrag zur Ethnologie der Arbeit im Einzelhandel.

In der vorliegenden Dissertation beleuchte ich die ambivalente Position von kleinen Familienunternehmen, indem ich zeige, wie die Unternehmer:innen mit ihren Geschäften zwischen den strukturellen Einschränkungen des akkumulativen Staates manövrieren. Ein Teil der Kleinunternehmer:innen sieht sich als Verlierer dieses Systems, andere dagegen – etwa Unternehmer:innen im Einzelhandelssektor – haben eindeutig vom Wirtschaftsnationalismus der gegenwärtigen Regierung profitiert, da ihnen verschiedene Maßnahmen zur positiven Diskriminierung gegen transnationale Firmen im letzten Jahrzehnt zugutekamen. Zudem ist die Arbeitssphäre, wie ich zeige, ein zentraler Schauplatz für soziale Spannungen und politische Konflikte im heutigen Ungarn. Zugleich ist die Arbeitssphäre aber auch die Quelle der populistischen moralisierenden Ideologie der derzeitigen Regierung. Um dieses Verhältnis zwischen Ökonomie und Ideologie sowie zwischen sozialer Reproduktion und Moralvorstellungen besser zu verstehen, ist eine genauere Betrachtung sowohl der Mikroebene mit ihren Alltagspraktiken als auch der Transformationen auf der Makroebene durch die Linse der Arbeit notwendig.

Nach einer Einführung (Kapitel 1) ist die Dissertation in zwei Teile gegliedert. Der erste Teil besteht aus zwei theoretischen Kapiteln, die den Hintergrund für den zweiten Teil liefern, der wiederum aus vier ethnographischen Kapiteln besteht. In Kapitel 2 skizziere ich den theoretischen Rahmen, der in den Fallstudien verwendet wird. Ich beziehe mich auf

verschiedene Theorien, die das Verhältnis zwischen Wirtschaft und Moral aus unterschiedlichen Perspektiven konzeptualisieren: akteurszentriert und kollektiv, mikro- und makrosoziologisch, mit Hinblick auf kulturelle, historische und gesellschaftliche Faktoren. Ethnologische Forschung zu diesem Thema bezieht sich häufig auf die intellektuelle Tradition der „Moralökonomie“, ein Konzept, das durch E.P. Thompson und James C. Scott maßgeblich geprägt wurde. Neben dem Blick auf neuere Beiträge zu dieser ethnologischen Debatte werden auch Max Webers Arbeiten, insbesondere seine Ausführungen zur Trennung von Lebenssphären, und ihre Konsequenzen für das Verständnis von Werten und Moralvorstellungen erörtert. Da Werte und Normen immer spezifische historische Formen aufweisen und von der jeweiligen Kultur beeinflusst sind, wird in der zweiten Hälfte des Kapitels eine Übersicht über die sich historisch wandelnden Moralvorstellungen in den Bereichen Arbeit und Wirtschaft in Ungarn vorgelegt. Die Literatur weist hier eine deutliche Ausrichtung von Untersuchungen landwirtschaftlicher und industrieller Arbeit auf, und dies reflektiert den Stand der ethnologischen Forschung zu Ungarn und dem Thema Arbeit. Bezugnehmend auf diese Literatur zeichne ich die historische Transformation der Arbeitssphäre, und der damit verbundenen kulturellen, moralischen und ideologischen Diskurse nach. Ich beschreibe die starke historische Bedeutung des Katholizismus in Ungarn sowie den Wandel der Religiosität und des Verhältnisses zwischen Religion und Staat im Laufe des 20. Jahrhunderts. Ich argumentiere, dass das gegenwärtige Ungarn ein überwiegend säkulares Land ist, in dem nach der postsozialistischen Wende der Nationalismus zur vorherrschenden Ideologie wurde. Der Nationalismus fungiert dabei als Religionsersatz für ein großes Segment der Gesellschaft, das sich in der neoliberalen Ära materiell, kulturell und moralisch enteignet fühlt (siehe Kalb).

Kapitel 3 bietet einen historischen Überblick über die politische Ökonomie Ungarns und beleuchtet die wichtigsten Themen und Widersprüche im Hinblick auf das Hauptthema der Dissertation. Die frühe Neuzeit und die Moderne in Ungarn zeichnen sich durch ein kontinuierliches Streben aus, die periphere Lage und jahrhundertelange Rückständigkeit des Landes zu überwinden, um sich endlich dem westlichen Zentrum anzunähern. Wie ich zeige, ist der ungleichmäßige kapitalistische Entwicklungsprozess ein wesentliches Merkmal der ungarischen Geschichte und führte zu einer Reihe von ungelösten strukturellen Problemen und sozialen Konflikten, die bis heute Auswirkungen auf die ungarische Gesellschaft haben. Nach der rapiden Modernisierung und Industrialisierung in der zweiten Hälfte des 19. und der ersten Hälfte des 20. Jahrhunderts führten zwei verlorene Weltkriege zu Rückschlägen in der Entwicklung. Nach 1945 schien der Sozialismus ein Mittel zu sein, um die jahrzehntelange soziale Ungleichheit und Unterentwicklung zu überwinden; dabei wurde das sowjetische Modell der kommunistischen Transformation abgelehnt. Stattdessen spielte durch das gesamte zwanzigste Jahrhundert das Konzept der „Verbürgerlichung der Bauernschaft“ (*peasant embourgeoisement*) als einer Art „dritter Weg“ eine wichtige Rolle und prägte entscheidend das Verständnis der sozialistischen Mischwirtschaft im ländlichen Ungarn. In der Beschreibung der sozialistischen Ära werden Klassenfragen und die Position von Unternehmer:innen im sozialistischen System besonders hervorgehoben. Aus den Wirtschaftsreformen der 1960er Jahren entstand eine sozialistische Mischwirtschaft, in der die Menschen zur Ausübung von Nebentätigkeiten ermutigt wurden. Die weitverbreitete Familienlandwirtschaft trug erheblich zur Konjunktur des Agrarsektors bei. Das Ergebnis war die Herausbildung der sogenannten „zweiten Wirtschaft“ sowie eine Steigerung des Lebensstandards, der privaten Kapitalakkumulation und des Konsumverhaltens in den 1970er

und 1980er Jahren. Diese sozialen und ökonomischen Veränderungen gingen mit einer Reaktivierung der Theorie des sogenannten Embourgeoisement in den Diskursen der 1970er und 1980er Jahren einher, als man nach den kulturellen und strukturellen Wurzel dieser Art *sozialistischen Unternehmertums* fragte und eine brauchbare politische Alternative zum Kapitalismus oder zum sowjetischen Kommunismus zu entdecken suchte. Im Hinblick auf diese Transformation beschäftige ich mich insbesondere mit der Art und Weise der Übernahme des privatisierten Eigentums durch die vormalige Elite und mit der Rolle informeller Netzwerke aus der sozialistischen Zeit in der Herausbildung neuer politischer und ökonomischer Strukturen. Auf das Nachzeichnen dieser wirtschaftlichen und politischen Veränderungen mit Blick auf Konfigurationen von Klasse und Kapital in den Jahrzehnten bis zum Regimewechsel 1990 folgt eine Auseinandersetzung mit dem Entstehungsprozess der derzeitigen autoritären Regierung mit besonderem Blick auf die Wohlfahrts- und Arbeitspolitik. Aufgrund der ab 1990 stattfindenden graduellen Deregulierung der Arbeit ist der Arbeitsmarkt in Ungarn der flexibelste in Europa. Im letzten Teil des Kapitels beschreibe ich die wichtigsten Merkmale und Widersprüche des Regimes von Viktor Orbán und seines Wirtschaftsnationalismus; dabei beziehe ich mich auf verschiedene theoretische Erklärungsansätze für den Orbánschen autoritären Staatskapitalismus.

Kapitel 4 bietet einen ethnographischen Überblick über die Formen von Kleinunternehmen, die im Mittelpunkt meiner Feldforschung standen. Leitfrage dieses Kapitels ist, was bestimmte Menschen dazu veranlasst hat, in das Unternehmertum einzusteigen. Indem ich die Wege und Prozesse vom Arbeitnehmertum zum Arbeitgebertum nach dem Regimewechsel im Jahr 1990 analysiere, beleuchte ich die Transformation von Gesellschaft und Kapital im Postsozialismus. Der Fokus liegt dabei sowohl auf den materiellen

Bedingungen als auch auf nicht-materiellen Tätigkeiten, Bestrebungen, Wünschen und Moralvorstellungen, die die Entscheidung zur Gründung eines Unternehmens beeinflussen. Darüber hinaus argumentiere ich, dass die Frage, wie Menschen gute Geschäfte und Arbeit definieren, Einsichten in die gelebten Erfahrungen breiterer historischer und sozialer Veränderungen – wie des Regimewechsels und den Prozessen der nachfolgenden Zeit – liefert. Hierfür teile ich die von mir untersuchten Unternehmer:innen in drei Gruppen auf, die durch sieben Fallstudien vertreten sind. Die erste Gruppe besteht aus Unternehmer:innen, die ihre Geschäfte vor allem aus materiellen Motivationen gründeten – d.h., um einen ausreichenden Lebensstandard für sich und ihre Familien zu sichern. Diese Personen arbeiten in verschiedenen Wirtschaftssektoren und nahmen ihre Tätigkeit als Unternehmer:innen oder Selbstständige in den 1990er Jahren ohne Rückgriff auf geerbtes oder angespartes Vermögen auf. Obwohl sie hauptsächlich aus materiellen Gründen selbstständig wurden, wurden ihre Entscheidungen und der Weg zum Geschäft auch von ihren nicht-materiellen Aktivitäten und Bestrebungen beeinflusst. Die zweite Gruppe besteht aus Unternehmer:innen, die ihre privaten Geschäfte als direkte Fortsetzung ihres früheren Berufes in staatlichen Betrieben betrachteten. Im Unterschied zu den beiden ersten Gruppen handelt es sich bei der dritten Gruppe um Unternehmer:innen der zweiten Generation, die entweder die von ihren Eltern gegründeten Firmen weiterführen oder aufgrund geerbten Vermögens ihre eigenen Firmen gründeten.

Kapitel 5 ist einer ethnographischen Fallstudie eines Betriebs zur Paprikapulverherstellung, einem Familienunternehmen der zweiten Generation, gewidmet. Paprikapulver ist das wichtigste in Ungarn hergestellte Gewürz und eine charakteristische Zutat der ungarischen Küche. Die Herstellung von Paprikapulver entwickelte sich seit Ende des 18. Jahrhunderts vor allem im südlichen Ungarn – also der Region, in der sich Szeged

befindet – zu einer bedeutenden Industrie. Die Untersuchung des Paprikapulver herstellenden Familienbetriebs gibt Einblicke in die Akkumulation und Weitergabe von Kapital sowie in die moralischen Kämpfe, Konflikte und Spannungen zwischen den beiden Generationen. Zur Einführung beschreibe ich die komplexen historischen Prozesse der sozialen und kulturellen Kapitalakkumulation vor 1990, um die Entscheidungen meiner Informant:innen, nach dem Regimewechsel eine Fabrik für die Herstellung von Paprikapulver zu gründen, zu kontextualisieren. Die Übergabe der Eigentümerschaft und der Geschäftsführung des Familienbetriebs an die nachfolgende Generation fand parallel zu den großen ökonomischen und politischen Transformationen, wie dem EU-Beitritt von Ungarn, statt. Diese Transformationen stellten die inländische Paprikapulverherstellung, und die in dieser Industrie tätigen Familienbetriebe vor große Herausforderungen. Gleichzeitig unterlagen auch die Werte, Empfindungen und Bestrebungen, die diesen Familienbetrieben zugrunde liegen, einem erheblichen Wandel. Bezugnehmend auf Sylvia Yanagisakos Konzept der Verwandtschaftsunternehmen (*kinship enterprise*) in Verbindung mit Max Webers Ausführungen über Wertsphären und Lebensordnungen, analysiere ich die Erschaffung, Pflege, Übergabe und Kontestation von historisch situierten Werten, Bedeutungen der Lebenssphären und verwandtschaftsorientierten Zielen (*kinship goals*) in diesem Familienunternehmen. Wie ich zeige, unterscheiden sich die Konfigurationen der Wertsphären zwischen der ersten und der zweiten Generation. Während die erste Generation Wert auf die Herstellung von Paprikapulver und die Bewahrung der Qualität dieses ungarischen Produkts legt, liegt die Motivation der zweiten Generation hauptsächlich in verwandtschaftsorientierten Zielen: sie wollen das komplexe Erbe der Familie in der materiellen Form der Paprikapulverfabrik am Leben halten.

Kapitel 6 basiert auf meiner ethnographischen Feldforschung in drei Nationalen Tabakläden. Ich erläutere die Funktionsweise dieser Läden, indem ich die alltäglichen Arbeitserfahrungen des Inhabers und der Angestellten mit umfassenderen Fragen der politischen Ökonomie Ungarns verknüpfe. Anhand von Theorien der Gabe, dem Begriff der Gegenseitigkeit und der von James Carrier rekonzeptualisierten ‚moral economy' analysiere ich die Arbeitsbeziehungen und wirtschaftlichen Transaktionen in diesen Geschäften. Ich zeige, dass sie durch verflochtene Praktiken des Eigeninteresses, des nicht-kommodifizierten Tausches und der Gegenseitigkeit – oder, mit Carrier gesprochen, gegenseitige Verpflichtungen – strukturiert sind. Zudem zeige ich den widersprüchlichen Charakter der dienstleistungsbasierten Arbeit in diesen Einzelhandelsgeschäften, die gesellig und einsam zugleich ist. Da die Verkäufer:innen überwiegend eine Stammkundschaft bedienen, finden wirtschaftliche Transaktionen häufig innerhalb dauerhafter sozialer Beziehungen statt und gehen mit genuiner Geselligkeit einher. Dennoch arbeiten die Angestellten hauptsächlich allein, haben Autonomie und eine Sphäre der Kontrolle über ihre Läden. Dieser Aspekt wird zur Quelle des Wohlbefindens und der Selbstverwirklichung für die Angestellten, allerdings dient er auch dazu, dass sie die materiellen Interessen des Arbeitgebers internalisieren und ihre Arbeitsleistung steigern.

Kapitel 7 baut auf dem vorigen Kapitel auf und basiert ebenfalls auf meiner ethnographischen Forschung in den Nationalen Tabakläden. Es beschäftigt sich mit dem Sonntagsverkaufsverbot im Einzelhandel, und dem größeren politisch-ökonomischen Kontext, in den das Verbot eingebettet ist. Diesem Thema kam in meiner Forschung eine besondere Rolle zu, da die entsprechenden Gesetze im Laufe meiner Feldforschung geändert wurden. Ich argumentiere, dass das Sonntagsverkaufsverbot eine wirtschaftliche Maßnahme darstellt, die

den Wirtschaftsnationalismus der Fidesz-Partei ideologisch untermauern soll: das Verbot soll inländische Kapitalakkumulation fördern, indem es auf die symbolische, religiöse und historische Bedeutung des Sonntags zurückgreift. Durch eine Analyse des Gesetzes und der damit verbundenen Diskurse im Hinblick auf die politische Ökonomie Ungarns wird gezeigt, dass das wesentliche Ziel des Gesetzes die Unterstützung kleiner und mittelgroßer Läden ist. Da das Gesetz Arbeit mit Nicht-Arbeit verbindet, wird hier auf der Grundlage meiner quantitativen Daten ein breiteres Bild davon gezeichnet, wie Unternehmer:innen das Verhältnis zwischen diesen zwei Bereichen betrachten. Ich komme zu dem Schluss, dass die Unternehmer:innen ihre Freizeit lieber mit anderen Beschäftigungen als mit Arbeit verbringen möchten, und dass die Arbeit nicht der höchste Wert für sie ist. Obwohl sowohl Arbeitgeber:innen als auch Angestellte großen Wert auf ihre Freizeit legen, wird ihre Haltung zur Arbeit am Sonntag vor allem durch ihre materiellen Interessen und sozio-ökonomische Lage bestimmt.

Im Schlusskapitel wird die breitere Bedeutung der vorliegenden Untersuchung herausgearbeitet, indem das ethnographische Material und die dargelegten Befunde in Zusammenhang mit den neusten Entwicklungen in der politischen Ökonomie Ungarns gebracht werden. Ich weise auf die in den letzten Jahren stattgefundene weitere Deregulierung des Arbeitsmarkts hin, die die inländische Kapitalakkumulation sichern und beschleunigen soll. Ich zeige, dass der ungarische akkumulative Staat vor allem die materiellen Interessen der (oberen) Mittelschicht bedient und in die soziale Reproduktion dieser politischen Klasse investiert, während die soziale Reproduktion der Arbeiterklasse an ihre Grenzen getrieben wird – und somit sein eigenes System gefährdet. Während die soziale Reproduktion der oberen Mittelschichten gezielt durch finanzierte Maßnahmenpakete und staatlich geschaffene

Geschäftsmöglichkeiten unterstützt wird, beruht die Förderung der sozialen Reproduktion der Arbeiterklasse überwiegend auf symbolischer und ideologischer Belohnung.

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IV. ABBREVIATIONS

EU	European Union
FDI	Foreign Direct Investment
Fidesz	*Fidesz – Magyar Polgári Párt* (Hungarian Civic Alliance)
FKGP	*Független Kisgazda Párt* (Independent Smallholders' Party)
GMK	*Gazdasági munkaközösség* (Private Business Work Partnerships)
GYES	Gyermekjóléti segély (childcare allowance)
IMF	International Monetray Fund
Jobbik	*Jobbik Magyarországért Mozgalom* (The Movement for a Better Hungary)
KDNP	*Kereszténydemokrata Néppárt* (Christian Democratic People's Party)
KGST	*Kölcsönös Gazdasági Segítség Tanácsa* (COMECON- The Council for Mutual Economic Assistance)
LMP	Lehet Más A Politika (Politics Can Be Different)
MIGSZOL	Migrant Solidarity
MKP	*Magyar Kommunista Párt* (The Hungarian Communist party)
MSZP	*Magyar Szocialista Párt* (Hungarian Socialist Party)
R&D	Research and Development
SME	Small and medium-sized enterprises
SZDP	*Szociáldemokrata Párt* (Social Democratic Party)
TSZ	*Termelőszövetkezet* (collective farm)
VGMK	*Vállalati gazdasági munkaközösség* (business work partnerships)

1 INTRODUCTION

1.1 Szeged in the Spotlight

I arrived in Szeged, Hungary, in the last hot days of August 2015, in the summer of the 'migrant crisis'. Szeged is a border city, the border with Serbia being just outside the town, so the local residents experienced this humanitarian crisis at first-hand. They watched the influx of mostly Muslim refugees – many fleeing the war in Syria – who had come from the Balkans and wanted to travel through Hungary en route to Western European countries, particularly Germany. The city, along with the whole country, was in the news, both domestic and foreign, and its residents were shocked and excited at the same time. The sheer plight of the refugees had a truly profound effect on the latter, who responded in different ways, the diversity of their responses nicely capturing the character of Szeged. When I arrived at Szeged railway station, I saw that a small wooden shelter similar to those erected in popular Christmas markets had been set up by local volunteers working round the clock in shifts to help refugees with food, clothes, blankets and information on how to get to Budapest. The volunteers were doing the work the Hungarian authorities should have done. They belonged to a genuinely grassroots organization called MIGSZOL Szeged (abbreviated from the term for 'migrant solidarity') that brought together various segments of the local community: workers, university teachers, students and intellectuals. During the high peak of their activities in 2015 and 2016, MIGSZOL had almost a thousand volunteers helping the refugees.

While MIGSZOL's activism and vital work was one side of the story that dominated the city in that warm summer and autumn of 2015, another, nastier side, one that was closer to the narratives of Western reporters and the Hungarian government, also surfaced in Szeged. At the very beginning of September, I attended a talk about migration that was organized by the local Rotary Club.[1] The talk was held in a conference room of one of Szeged's fancy new hotels, where approximately thirty people, mainly men in their forties and fifties, had come together to listen a local sociologist drawing their attention to the positive, innovative business

[1] Rotary is a worldwide organization of businesspeople and professionals, whose mission is 'to provide service to others, promote integrity, and advance world understanding, goodwill, and peace' https://www.rotary.org/en/about-rotary (last accessed on 07.06.2021).

opportunities that migration might entail. As an example, she brought up gastro-cultural changes introduced by foreigner entrepreneurs in recent decades. To make her point clearer she even made a reference to one of Viktor Orbán's speeches dating back to 2015, in which the Prime Minister rejected charges that his government had adopted an 'anti-Islam' position by saying 'he is happy to have kebab places on our boulevards.'[2]

However, it quickly became apparent that the audience had not come to the talk to listen but to express their views on the situation. The event therefore quickly turned into a heated debate, silencing the invited speaker and producing negative anti-immigrant and anti-EU (European Union) comments strongly reminiscent of the government's rhetoric. Attendees tended to agree that USA and the EU, who, in their view, had largely contributed to the creation of Islamic State, the war in Syria and the migration influx to Europe, should take full responsibility for the crisis. However, they repeatedly pointed out that the EU is an impotent entity that could not and did not want to solve any crises. They also saw the integration of 'migrants'[3] into European countries as a failure. One of the attendees added that the only solution was to scuttle the boats carrying refugees to the European continent, as '*it would be a real disaster for Hungary if these people stayed here*'. They refused to use the term 'refugees' for the current wave of migrant by saying that they would have gone through a bureaucratic process that accepts them as refugees. Instead, they referred to them as 'horde' (Hungarian *horda*) and 'migrants'(*migráns*). It was particularly interesting that during the debate the EU always appeared as a distant power to which Hungary does not belong. They particularly emphasized the failures of Germany and Angela Merkel in handling the crisis.

During the debate, a founder of the local Rotary Club pointed out that one of the missions of the Rotary Club is to work on the betterment of the world, but then he posed the question,

How can one heal people who do not want to be healed? One can only integrate those who want to be integrated. They do not want to be integrated – rather the opposite, they want to change us. If he leaves his Muslim culture behind and comes to this country, then he must

[2] https://www.napi.hu/magyar_gazdasag/orban_megis_engedne_lehet_szo_a_kvotarendszerrol.602698.html (Last accessed on 07.06.2021)

[3] As it was used by my informants, the word 'migrant' can be seen as an emic term in this context.

eat pork as well! The Muslims threw away their food packages prepared by the Hungarian Charity Service of the Order of Malta! They are just simply genetically not suitable for living with us or being integrated into our society.

This was the last comment before the current president felt the need to intervene and close the session. My fieldwork notes documented the extremely uncomfortable feeling I had while listening to the talk of well-dressed and seemingly well-off people filled with sheer anger, hatred, xenophobia and racism. I was baffled by the event, and the 'empathy wall'[4] I had to cross to make sense of it intellectually seemed to be insurmountable.

This brief ethnographic vignette not only captures what Ferenc Erdei characterized in 1971[5] as the 'cultural dichotomy of Szeged': with its multiple layers it also delineates the economic, political and moral context of this research and the main questions it asks. Starting with the most obvious one, the dichotomy of political views on the so-called migration crisis captured by the above ethnographic vignette provides a glimpse of how deeply divided the entire Hungarian society is. While Szeged, 'the red city', is one of the last strongholds of the opposition, having been led by an ex-socialist mayor, László Botka, since 2002 (see picture 8), its residents could still endorse the government's (Fidesz – Hungarian Civic Alliance; *Fidesz – Magyar Polgári Párt*) xenophobic, racist rhetoric and policies, regardless their more general political views or affiliations. Recent studies have also shown how the Hungarian economic elite has embraced nationalism and turned further to the political right in the past decade (Scheiring 2020: 219). This radicalization of the country's capitalists can be also understood as a response to the country's excessive dependence on transnational capital since the change of regime (ibid.). Despite all these arguments, my intention in providing the short ethnographic vignette was not to suggest that there is a sociological link between the local business group and support of the (far) right (Jobbik) or of Fidesz. Rather, I would like to unpack one of the

[4] Arlie Russell Hochschild used the notion of 'empathy wall' in her book about the American right. As she writes: 'An empathy wall is an obstacle to deep understanding of another person, one that can make us feel indifferent or even hostile to those who hold different beliefs or whose childhood is rooted in different circumstances' (Hochschild 2016: 5).

[5] According to Ferenc Erdei, conservative traditionalism and modernist avant-gardism equally define the city. The political side of this dichotomy is sectarian dogmatism and political adaptability (Erdei 1971: 63). He adds that unlike Debrecen or Hódmezővásárhely, other towns on the Great Hungarian Plain, Szeged can be characterized by a sort of internationalism and openness (ibid.: 64).

comments by the Rotary Club that has deeper layers, encapsulating some of the tensions that are crucial in understanding the political economy of contemporary Hungary and my informants within this context.

I wanted to understand what was behind the allegation of 'migrants throwing away the food they received from the Charity'. One of the participants helped me out by explaining that the sandwiches that had been given out to the refugees allegedly contained salami, which contains pork, therefore they were thrown away. Apparently this was hearsay and therefore difficult to verify, but in any case it is not relevant to the point I am making here. The emphasis on eating or not eating pork represents the creation of a symbolic and cultural boundary between 'us' and 'them', between our 'civilization' and their 'civilization', which is an ultimate expression of how nationalism and the formation of national identity work. As Katherine Verdery (1996) also writes,

> to institutionalize a notion of commonality is to render visible all those who fail to hold a given feature in common. Thus, by instituting homogeneity or commonality as normative, state-building renders difference social-politically significant – that is, it creates the significance of differences such as ethnicity, gender, locality and race, each of them defined as particular kinds of differencing with respect to the state's homogenizing project' (P. 231).

However, the little detail in the story that these were salami sandwiches might reveal the economic roots of nationalist sentiments and the very fear of dispossession and deprivation that is shared by a broad and possibly increasing segment of Hungarian society, including white middle-aged businessmen. As Margit Feischmidt has noted, 'the fear of dispossession and of being left behind can exist without the direct experience of material loss in an environment in which the social [and] economic conditions are worsening according to the collective perception'[6] (Feischmidt 2014: 17). Recently Chris Hann pointed out that the political practice of pinpointing external threats in Muslim 'migrants' has become cardinal to Hungarian populism since the 'migration crisis' of 2015. These changes in nationalist-populist discourses

[6] The original text is in Hungarian; all the English translations were made by Luca Szücs.

are parallel with economic precarity, heightened flexibilization of labour and increased out-migration of Hungarians into other EU countries (Hann 2021: 616).

One of the best known and most popular Hungarian salamis is winter salami (Hungarian *téliszalámi*) or PICK salami, which has been produced in Szeged, my field-site, for nearly 150 years. In fact, PICK salami is one among many other things that makes Szeged and perhaps even Hungary famous. In the Hungarian context, salami does not belong to the cheaper cold cuts; rather, it is more of a class marker, as it has become less and less available to the lower classes due to rising food prices. Salami is typically consumed by the middle and upper classes. Hypothetically, therefore, throwing out salami means rejecting something that is valuable and highly regarded by local residents. Following this line of reasoning, one might say that if refugees can easily throw away valuable food then they must not be in need. Rather, as government propaganda proclaimed on billboards throughout the country for months, they are in better position than many Hungarians and can therefore easily take away Hungarians' jobs and livelihoods. Accordingly, the accusation that 'migrants' threw away salami sandwiches (and therefore pork) is not only a textbook example of the workings of nationalism but also a symbolic expression of the fear of material, cultural (Kalb 2011) and moral dispossession (Hann 2011) in a neoliberal era.

Don Kalb has argued that the political ascendancy of right-wing populism in Hungary, as in other Eastern European countries, was the result of what Kaisa Ekholm Friedman and Jonathan Friedman conceptualized as a 'double polarization'. They argue that under the conditions of global capitalism, social and cultural polarizations are two sides of the same coin, as capitalism creates a downwardly mobile majority that defines itself as an 'ethno-national folk' in opposition to cosmopolitanism. By applying this concept to class and social transformations in Central and Eastern Europe, Kalb (2018) captures the present state of affairs as follows:

> the Right has succeeded in creating a powerful provincial alliance of the differentially dispossessed classes of the transition: post-peasants and working classes (broadly conceived) on the one hand, and aspiring but frustrated small and bigger property-owning classes on the other. They have allied in rejecting the cosmopolitan outlook of

> a transnational capitalism served by comprador bourgeoisies and cosmopolitan governmental classes in the capital cities in favor of a national capitalism led by a provincial national bourgeoisie supported by an illiberal welfare state that champions the deserving working class and the working poor of majority stock against the threats from above and below (P. 309).

Although my research was not specifically about the migration crisis, the topic continued to lurk in the background and that framed my fieldwork when Hungary held a referendum on 2 October 2016 – almost one month after my fieldwork ended – about the European Union's proposed mandatory quotas for relocating migrants.[7] The announcement of the referendum in February 2016 was followed by the government's aggressive, hateful propaganda campaign that infiltrated into the everyday lives of Hungarians. The migration crisis therefore not only provided a colourful background to my research, it also denotes its wider conceptual framework by crystallizing those processes that are the result of a 'double polarization'. Both the influx of desperate immigrants to the European continent and the populist response to it by the Hungarian right are the result of the workings of global capitalism. However, the question remains how the dominant ideologies and nationalist discourses of Hungarians are linked socially with their everyday experiences and subjective moral ideas and values. How did the dominant cultural and moral discourses in Hungary become attractive to so many people, and what is the material, historical and cultural basis of this attractiveness?

Against this background, this dissertation focuses on the perspectives of small (family) businesses in Szeged, a medium-sized city in south-eastern Hungary, to examine both the material and non-material processes in which small businesses emerged and reproduced themselves after the change of regime in 1990. An empirical focus on work and economic practices in small businesses provides a unique angle on the study of the links between value formation and politico-economic processes. In doing so, this PhD work utilizes a holistic approach by bringing together various theories from two major domains: political economy, and social theories of morality and values that constitute the theoretical context for the

[7] Due to the low turnout (44, 04%), the referendum was invalid, although the majority of the voters (98.36%) voted 'NO' to the European Union's proposed mandatory quotas. Source: https://www.valasztas.hu/20 (last accessed on 07. 06. 2021)

dissertation's empirical research into everyday experiences of work and economic activities. Ultimately, this research aims to understand the moral forces and moral tensions, both individual and collective, that shapes people's practices in the realms of work and entrepreneurship. The wider theoretical context of this PhD project and the questions outlined above will be described in the following section of this introduction.

1.2 Conceptual Background

My PhD research was conducted as part of the project entitled 'Realising Eurasia: Civilisation and Moral Economy in the 21st century', which aims to understand how morality and economy are entangled with each other from a new perspective. Here the concept of Eurasia is useful, as it refers to the landmass of both Europe and Asia, in addition to parts of East and North Africa, which have constituted a united entity or world system since the emergence of cities in the Bronze Age (Hann 2016: 1–9). Eurasia as a concept also incorporates the civilizational history of the great traditions of this vast landmass. In this sense the region's civilizational traditions overlap with Max Weber's comparative sociology of religion (Hann 2017: 686). My task in this group project was to investigate the entangling of morality and economy through the lens of small businesses in Hungary, a country historically dominated by Catholicism, but also with a socialist past.

Hungary embraced occidental Christianity when the Hungarian Kingdom was created in AD 1000. The universalism and legalism of Catholicism played a crucial role in Hungary formation as a state in the Middle Ages (C. János 1982: 13). However, in the sixteenth century the dominance of the Catholic Church was shaken by the tripartite division of the country as the consequence of the Ottoman occupation of Hungary and the introduction of Protestantism in the 1520s. The political power of Catholicism was only restored after the 150-year reign of the Ottoman Empire had ended, and with the help of Habsburgs the country was again united with the Habsburg Empire. Although Catholicism regained its former power in the country along with the Habsburg dynasty and its pro-Habsburg aristocracy, Protestantism, including the branches of Calvinism and Lutheranism remained strong in core Hungary, particularly in urban centres like Debrecen, Kecskemét and Komárom. Despite this, the Catholic Church

maintained its important role in society through various institutions and shaped social norms and values until 1948. In the second half of the twentieth century, during the socialist period, secularization processes accelerated due to the anti-clerical and anti-religious ideology and politics of the socialist regime (Valuch 2015: 198). Although the free practice of religion was restored in 1990, the change of regime did not lead to a religious revival in Hungary as had been expected. However, the Catholic Church retained its dominance among the followers of the historical churches. According to the last census in 2011, 37% of the population still regard themselves as Catholic.[8]

Hann argues that in the *longue durée* of Eurasian history, a new, 'universalist ethical principle' evolved that was linked to the political legitimacy of various powers throughout the landmass. This 'universalist ethical principle' can be characterized as social inclusion or inclusive citizenship and redistribution that stood in a particular relationship to the dominance of sheer market forces, inequality and slavery (Hann 2017: 692–693). According to Hann, this dialectic between the market principle and redistribution is exemplified by the history of the twentieth century (ibid.: 686). As he writes,

> There can be no better illustration of this model than the way in which the unleashing of market forces in the wake of the industrial revolution in western Eurasia was promptly followed by a countermovement that emphasized radically new forms of redistribution (...) In the twentieth century these principles spread to virtually every corner of Eurasia, from the flexible institutions of Scandinavian social democracy to the more repressive variants experienced in much of Asia (and elsewhere). Even the least attractive forms of socialism (from the point of view of a Euro-American liberal) were based upon notions of an inclusive community, i.e. upon the prioritizing of the social rather than the individual, and thus upon the setting of limits to market-based inequality (P. 693).

However, Hann also points out that the collapse of Soviet Union and the world order of the Cold War era gave rise to the hegemonic dominance of neoliberalism across most of the world, including the former 'red Eurasia'. Still, despite this neoliberal turn in politics, drawing

[8] https://www.ksh.hu/statszemle_archive/all/2020/2020_06/2020_06_573.pdf (last accessed on 07. 06. 2021).

on the evidence of anthropological research Hann argues that the former states of 'red Eurasia' can be characterized by the 'resilience of the values of redistribution and social solidarity' (Hann 2017: 693).

1.2.1 The Ascendancy of Neoliberalism in Hungary

Although the concept of neoliberalism is somewhat problematic, as it is ill-defined, conceptually there is still no better way of capturing the politico-economic practices that gained dominance in the aftermath of the economic and social crises of the 1970s (Overbeek and Van Apeldoorn 2012: 4–5). For present purposes, I will treat the concept of neoliberalism as the dominant ideology of global capitalism. This interpretation of neoliberalism comes from Marxist political economy, and one of its main proponents is David Harvey. Harvey (2005) defines neoliberalism as

> a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices (P. 2).

Moreover, neoliberalism is far from being a value-free or amoral political project, as nationalism and social conservatism are always concomitant ideologies of neoliberal political ideologies (Harvey 2005: 84–85).

Although in different forms and to different degrees, Hungary and its ruling classes have fully embraced neoliberal ideology and policies since the change of regime. In fact, as Adam Fabry argues (2017), neoliberalism was not simply an 'imported project' that arrived from the 'West' after the formal transition between 1989 and 1990: instead it emerged organically in Hungarian society prior to regime change. For the political and economic elites the 'neoliberal turn' was a means to tackle the economic crisis of the Kádár regime and to make capital accumulation possible. This bottom-up development of neoliberalism contributed significantly to the peaceful character of Hungary's political transformation (2017: 3).

The ways in which neoliberalism has shaped the social transformation and moral landscape of Hungary since the 1980s will be discussed further in Chapters two and three. Understanding these past decades within the *longue durée* of Hungary history is crucial if we wish to grasp the 'sudden' rise of right-wing populism and of Viktor Orbán's regime in the past ten years, which constitute the immediate political economic context of this research.

1.2.2 The Question of Work

Questions regarding the work ethic, what makes people work and what sorts of moral attributes people attach to the sphere of work are central to the discipline of anthropology. The nature and meaning of work in different cultures was the subject of numerous founding fathers of anthropology, among them Karl Weule, Richard Thurnwald and Bronislaw Malinowski (Spittler 2010). One of the classic social scientists who first discussed the morality of work in relation to capitalism was Max Weber. In his famous work *The Protestant ethic and the spirit of capitalism* (1905), Weber argued that the Calvinist belief in predestination largely shaped the way in which capitalism emerged. According to the Calvinist idea of predestination, whether or not one goes to heaven after death is determined at birth. Success in earthly life is seen as a sign of success in the afterlife. However, success in earthly life can only be achieved by hard work and frugality. Being affluent and financially successful through hard work was therefore seen as giving one moral and religious approval. Weber thus identified the roots of capitalism in the idea of a calling and the tradition of Christian asceticism. However, he also ended his work with his famous sentence that 'The Puritan wanted to work in a calling; we are forced to do so' (Weber 2005 [1905]: 120). Weber therefore also admitted that the 'religious spirit is gone', no longer being needed, as market forces had been sufficiently set in motion to enforce the work discipline of Christian ascetics.

Nevertheless, as Richard Swedberg points out, Weber also expressed 'his desire to ground the notion of capitalism in the everyday activities of the economy, and to get away from the tendency to see capitalism as a system far beyond the individual actor' (Swedberg 2003: 60). At the same time, Weber also highlighted the central role of institutions in understanding the mechanisms of capitalism by emphasizing its political, legal, and cultural dimensions. (Swedberg 2003: 62).

Although writing from a different angle, Hann (2017) also points out that 'Weber's efforts to develop a theory of "value spheres" are clear evidence of a will to avoid the neoclassical postulate of a utility-maximizing homo economicus' (Hann 2017: 690). Providing a new understanding of Weber's notion of spheres of life, one of Weber's main themes, Terpe suggests an actor-centred, microsociological approach and argues that spheres of life can be also differentiated analytically according to how they are experienced by the actors themselves. The Weberian framework therefore integrates both utilitarian maximization and socio-cultural factors – both individual and collective (in terms of historical and institutional) approaches – into the understanding of economic action.

Combining this Weberian tradition with anthropological works on moral economy that have been arguing for a long time that all economies are inherently moral because ideas of good and bad, right and wrong, fair and just, can be found in all economic institutions (Fischer 2014: 16), this research examines the entanglement of economic practices and moral ideas in small businesses through the concept of work.

As David Graeber (2001) argues, a broader comprehension of value under various historical, political and cultural circumstances is indispensable to understanding what work means. Work in the sense of market-related work for a living and gains also has the capacity and function of social inclusion, since taxes and entitlements or contributions are dependent on one's work status in welfare states. As Jürgen Kocka pointed out, 'what individuals contribute to and expect from the community at large has become, to a considerable degree, dependent on the work they do or lose. In many ways work is one of the bonds which keep our societies together' (Kocka 2010: 10).

By combining the political economy angle with anthropological and sociological works that deal with the relationship between economy and morality, on one hand I will examine the social position of small entrepreneurs in relation to changing labour regimes and the present-day functioning of labour markets. On the other hand, I will shed light on the 'moral dimension' (Hann 2018) of work from a historical perspective in Hungary. Building on this historical contextualization, I will concentrate on the daily practices, experiences and aspirations of both employers and employees of small businesses, including family businesses, in order to

understand work and class relations, as well as the ways in which the capitalist order is maintained and reproduced in a provincial Hungarian town in the era of neoliberalism.

1.3 The Puzzle of Small and Family Businesses

The issue of how to define and name small and family-owned businesses has frequently been discussed in the anthropological literature. Matters become further complicated when one aims to reconcile one of the definitions with its vernacular counterpart, given its multiple layers and local connotations. Entrepreneurship, small-business, petty capitalism, petty bourgeoisie, family business – these are all popular and, in many regards, overlapping terms in the respective literature. For instance, Alan and Josephine Smart (2005) reject the term 'family business' for two main reasons: first, it is rather imprecise regarding the size of the enterprise; second, kinship does not always play a central role in the organization of labour in the family business (Smart and Smart 2005: 3). They also claim that the term 'entrepreneur' has similar analytical shortcomings, as it refers to both 'a flower vendor in a street market and Bill Gates' (ibid.). Instead, they argue for the term 'petty capitalist' to describe 'individuals or households who employ a small number of workers but are themselves actively involved in the labor process' (ibid.: 3).

Sylvia Yanagisako makes a similar point by arguing that the relevant literature lacks a standard definition of 'family business', which it uses interchangeably with 'family firm' (Yanagisako 2018: 1). However, this discussion of definitional problems in the literature does not indicate that such capitalist enterprise forms are insignificant or irrelevant for the workings of global capitalism. Rather, family firms and family businesses are resilient and crucial forms of capitalist enterprises throughout the world (Yanagisako 2018: 1). Similarly, the significance of small businesses increased as a result of broader political-economic transformations in the 1970s or what David Harvey defined as a shift from Fordism to flexible accumulation (Harvey 1989: 142–172). These transformations resulted in a flexible labour market, giving rise to all sorts of sub-contracting practices and small business formations that tends to draw on existing social formations (Hervey 1989: 152). Gerald Creed (2000) points out, families and kin groups are perfectly fit to this new regime and 'had the added benefit of a preexisting hierarchical

organization by gender and generation buttressed by emotional cultural attachments, all of which insured internal efficiency and self-exploitation. In a sense, this represents a return to elements of the proto-industrial family economy revived by deindustrialization' (2000: 339). Others have argued that this transition within the global political economy also largely contributed to the demise of socialist systems based on central planning (Dunn 2004; Verdery 2009: 22; Gille 2010: 12).

Small enterprises are also central to international economic development programs in the Global South and to the EU's policy programs, promoting regional economies and 'local culture' (Narotzky and Smith 2006: 127), particularly in the ex-socialist, Eastern European countries where small, flexible enterprises were regarded as facilitators of the successful 'transition from socialism to capitalism' (Smith 2005: 85). Small (family) businesses or petty capitalists are therefore indispensable for both the functioning of global capitalism and for the understanding of contemporary societies (Smart and Smart 2005: 1).

Still, as Yanagisako has shown, a significant body of literature treats family businesses as archaic, historical formations that are doomed to vanish in advanced capitalist societies and to be superseded by non-family firms. This idea that the family business is an obsolete form of enterprise in today capitalist world goes back to Max Weber's definitions of capitalism and economic action (Yanagisako 2018: 2; Yanagisako 2002: 18–22). Weber's concept of economic action, which plays a crucial role in his theorization of the evolution of modern capitalism, builds on the dichotomy between 'the rational pursuit of utilities and sentiments of mutual solidarity', that is, between 'economics and kinship'. Accordingly, Yanagisako points out, in 'Weber's scheme, "modern family capitalism" is an oxymoron because its orientation toward communal commitments of family unity and continuity disqualifies it from his definition of modern capitalism, which is oriented exclusively toward the rational, calculated pursuit of profit and accumulation' (2002: 21). By challenging Weber's dichotomous notion of economic action, in her seminal work on Italian family firms, Yanagisako argues for a cultural theory of economic action that incorporates both rational calculation and cultural meanings such as sentiments and desires (2002: 21).

The notion of family business, along with the terms mentioned above, also constitutes a challenge for Marx's theory of capitalism, as it blurs the boundary between capital and labour – the foundations on which it rests. As Yanagisako (2018) writes further,

> in many family firms some family members frequently work alongside nonfamily employees and are paid wages or salaries rather than, or in addition to, receiving a share of the profits: they [thus] straddle the boundary between employer and employee. Over time, some of these family members may eventually become owners of the firm, but others may remain employees who do not own shares in the firm. Hence, class divisions can cut across families, and only a longitudinal analysis can reveal the shifts in the drawing and redrawing of the boundary between capital and labor: between those who own the means of production and those whose labor is paid for and commodified (P. 4).

Family businesses, petty capitalists, small employers etc. occupy a position in the Marxist class structure that Erik Olin Wright defined as a 'contradictory class location' as these locations can be dominated and dominating or exploiting and exploited at the same time (2015: 390). This 'contradictory class location'of small (family) businesses and their gendered, kinship-based division of labour were the focus of many anthropological studies (eg.: Ghezzi 2005; Narotzky and Smith 2006).

Given these theoretical issues with the terms 'family business' and 'family firm', Yanagisako prefers the term 'kinship enterprises'. She does not intend to suggest that kinship enterprises are less driven by the profit motive. The point is rather that economic action needs to be perceived as social action, profoundly shaped by kinship and cultural meanings (Yanagisako 2018: 4 – 5). Yanagisako therefore regards 'kinship enterprise' as a heuristic tool for understanding the role of sentiments, desires, gender and the meanings of kinship in the accumulation of capital and the reproduction of family firms in the silk industry of Como, Italy. In doing so, she draws on her ethnographic and archival research into multigenerational family firms of Como.

Domestic small and medium sized businesses bear importance to the current Hungarian regime's economic nationalism and its ideological discourses as they are described as primary

vehicles of the desired national autarky in contrast to transnational capital. This ideological discourse makes a moral distinction between capitalism represented by domestic capital and capitalism that is represented by transnational capital by attaching different values and sentiments to these two realms of the economy.

1.3.1 From 'Peasant Embourgeoisement' to the 'Embourgeoisement of the Upper Middle Class'

Researching small, family businesses in Hungary is very different in many respects, given the country's divergent background in economic history terms and its socialist past. Like Russia and the other countries of the Eastern European bloc prior to 1990, in Hungary private trading and profit-making activities were seen as immoral and illegal by the socialist ideology. As a result, capital accumulation was restricted by the state, while private ownership was outlawed and no credit was available, making it impossible to implement the 'normal' mechanisms of succession of capital in the same way as Sylvia Yanagisako investigated in her work on family firms in Como's silk industry. However, this did not mean that entrepreneurship, in particular family entrepreneurship, did not exist in Hungary under socialism. Rather, as it will be discussed further in Chapter 3, entrepreneurial activities in the so-called second economy thrived in the 1970s and 1980s, resulting in increased private accumulation and consumerism. One of the most salient examples of this practice was family agricultural entrepreneurship in Hungary. The widespread practice of family agricultural production in the socialist period was primarily due to the fact that a state socialist mixed economy had come into being by the end of 1960s that included market mechanisms as well. In this context, family agricultural producers were 'entrepreneurs who operated in the market sector of an integrated economic system that was primarily redistributive' (Szelényi 1988: 14). By means of this transformation, worker-peasants who worked on their family plots for market production became 'bourgeois.' This process of what the literature calls 'peasant embourgeoisement' has intellectual and historical roots in the idea of 'third road'[9] in Hungary. The idea goes back to a group of populist writers in the 1930s who promoted the idea of 'Garden Hungary' envisaging a radical land

[9] The idea of a 'third road' was popular not only in Hungary but also in the whole Eastern bloc, especially in Poland (Szelényi 1988: 16).

reform drawing on small family farms. The notion of a 'third idea' refers to the fact that the movement rejected both Soviet-style collectivization and Western-style capitalism. Instead, it envisaged a future society mainly based on self-employment, family farming and individual small businesses. As will be discussed at length in later chapters, the notion of 'peasant embourgeoisement' is mainly related to the work of Ferenc Erdei, one of the most famous sociologists of that period, and other theorists of 'third-way alternatives'. Erdei's protagonists in his sociological writings and his vision of an alternative modernization of the country were the free-holder middle peasants of the country towns (*mezőváros*). It should be noted that Erdei's peasant-burghers or peasant-bourgeoisie, his *parasztpolgár*, were different from the mainly German and Jewish burghers (*polgár, polgárság*), the tradesmen, artisans and industrialists in the cities who played a crucial role in Hungary's modernization until the late nineteenth and early twentieth centuries and who were situated between the aristocracy and the peasantry. The Hungarian word *polgár*, meaning 'burgher' or 'bourgeois' comes from the German *Bürger* through *pürger*. Although both the German word 'Bürger' and the French/English bourgeois both stem from the word *burg* meaning 'city', the concepts of the bourgeois and the citoyen (citizen) became disconnected (Szelényi 2011: 180). Nevertheless, as Szelényi writes, 'in German the term Bürger retained the dual meaning of "capitalist" and "citizen," though over time the emphasis shifted towards 'bourgeois' (ibid.). In other words, 'a bourgeois (Bürger) is a well-trained individual, devoted to the process of fostering material civilization' (Szelényi 2011: 167).

The idea of 'peasant embourgeoisement' of the interwar period re-emerged in the socialist period in the form of family agricultural producers. Drawing on Erdei's terminology, Iván Szelényi writes about 'rural embourgeoisement', and like Erdei he also recognized the capacity of the land-holding rural middle classes to challenge the state socialist system, but also to offer a viable alternative to free-market capitalism and the idea of 'catching up with the West'. According to Szelényi, the widespread practice of family agricultural entrepreneurship in the socialist period was a direct continuation of what Erdei described as 'peasant embourgeoisement' in the interwar period. In this process of continuation, Szelényi regarded the socialist state's intervention as an interruption, leading to him calling his theory one of 'interrupted embourgeoisement' (Szelényi 1988: 50–61). Furthermore, Szelényi aimed to show that the agricultural entrepreneurs of the 1970s and 1980s were the 'descendants' of those

peasants whom Erdei researched in the interwar period in the Great Plain. 'The term "rural embourgeoisement" has inspired a novel trend in intellectual discourses, as they have reformulated the concept into a more comprehensive, popular understanding, which was previously not completely compatible with the notion of the "bourgeoisie". The notion of "peasant embourgeoisement" went beyond the sociological investigation of domestic subsistence economies in so far as it was developed into a "third-way", *narodnik* type of vision of modernization supporting houseplot farming and entrepreneur habitus' (Vígvári-Gerőcs 2017: 100). Eventually Erdei's and Szelényi's notions of 'peasant embourgeoisement' both provided a sociological and political model that focused on the land-holding middle classes and offered a third-way alternative to both western capitalism and state socialism.

Nevertheless, the political project of 'peasant embourgeoisement' was swept away by the regime change of 1990, and from very early on – even in the first national-conservative government of 1990-1994 led by József Antall – the new project of the (political) elites was the creation of a strong national bourgeoisie or a national capitalist class in the decades of transition that followed. This process became particularly evident after Viktor Orbán came to power in 2010 and the projects of the 'embourgeoisement of the upper classes' or 'embourgeoisement of the upper-middle classes' were set in motion. By underlining the class aspects of Viktor Orbán's regime, Scheiring defines the post-2010 state as an accumulative state whose main purpose is to serve the interests of the power alliance of the political class, the national bourgeoisie and transnational capital. The state's relation toward the last of these is rather selective: while it seeks close partnership with German car companies, the accumulative state discriminates in favour of the national capitalists in non-tradable and non-technological sectors such as retail, banking and energy. (Scheiring 2020: 294). The class politics of the Orbán regime has been further boosted by drastic decreases in welfare spending, the rise of workfare programs and a raft of benefits that only targets the 'deserving upper-middle classes'. The overall result is rising inequality and social polarization. As Scheiring notes, 'the instruments employed by the political class to prop up capital accumulation hurt the majority of society, from members of the working class through small- and medium-sized entrepreneurs to urban liberal middle classes' (Scheiring 2020: 294).

This dissertation aims to shed light on the ambiguous position of small family enterprises by showing how these entrepreneurs manoeuvre themselves and their businesses among the structural constraints of the accumulative state. While certain small businesses claim to be the losers in this system, others, such as businesses active in the retail trade, have clearly become the beneficiaries of the Orbán regime's economic nationalism, as they have enjoyed several measures of positive discrimination against transnational companies in the last decade.

1.4 The Field Site: Szeged

As agreed in advance, all students in the 'RealEurasia' research project conducted fieldwork in medium-sized cities. As Szeged fitted this category, and as it is regarded as a primarily Catholic city historically, my work represented the tradition of Catholic Christendom in the group project.

Szeged is the third largest city of Hungary after the capital, Budapest, and Debrecen. It had a population of 161,258 in 2020, making it the largest city and regional centre of the Southern Great Plain and the county town of Csongrád county. The Tisza river passes through its downtown area. Furthermore, it is a border city, very close to Hungary's southern border with Serbia.

The history of the city goes back to Roman times, but it only gained the status of 'free royal town' in the Middle Ages. At that time Szeged was already the regional centre of the wine and grain trade, and it also became an ecclesiastical and political centre (Erdei 1971: 19; Nagy, Nagy and Kiss 2003: 120). Due to its local intellectuals and church schools, Szeged had significant international relations in the late Middle Ages and remained an important regional city during the Ottoman period (1541–1699). Although it was mainly its agrarian sector that expanded, Szeged became part of the international division of labour between eastern and western Europe (Nagy, Nagy and Kiss 2003: 120). In the modern period, Szeged became a rapidly growing city that played a crucial intermediary role in regional trade and educational and intellectual life. While during the modernization period of the nineteenth century the

economy was still based on agriculture, the two historically significant industrial sectors in the city, food and textiles, alongside shoes, clothing and furniture manufactures, were also dominant. However, the industrial sector was mainly dominated by small and medium-sized companies. Besides industry, cultural and industrial life was also notable, although the first university in Szeged was only established in 1921 (Nagy, Nagy and Kiss 2003: 121).

After the First World War and the treaty of Trianon (1920), when Hungary lost two-thirds of its territory, most of the provincial towns lost their hinterland and economic connections and eventually became peripheral. While Szeged's regional position was therefore weakened, the trade and food industry having been particularly affected by the Great War, its cultural role was strengthened, and some segments of the economy were developed in the interwar period. The sizes of companies and plants grew in the industrial sector, while agriculture and the service sector also went through major developments (Nagy, Nagy and Kiss 2003: 122). Cultural life boomed due to the establishment of institutions of higher education, health-care and religion. Despite these positive developments, the growing social polarization and sheer poverty that characterized the underdeveloped villages that surrounded Szeged remained unresolved for decades.

Szeged also has a fascist past, as the prevailing fascist and national socialist ideology of the interwar period is rooted in the 'Szeged idea' (also known as Szeged fascism), which developed among anti-communist counter-revolutionaries in the city in 1919. The main leader of the Szegedists was Gyula Gömbös, who became prime minister under the regency of Horthy Miklos, and adopted fascist and national socialist positions and racial policies similarly to Hitler's. He was declared an honorary citizen of the city in 1935, an act that was only undone in 2014.

Due to this ideological and historical past, Szeged was regarded as reactionary, as a 'sin city' (*bűnös város*), and was left out of industrial developments until the end of 1950s, which saw an increased priority after the Second World War, during socialism (Nagy, Nagy and Kiss 2003: 129). In the 1970s and 1980s, there was a shift toward the service and tertiary sector in the economy. Due to the quite prestigious university of Szeged, which was and still it is especially strong in the physical sciences, the research and development sector, with its specific

focus on biotechnology and chemistry, became especially significant (Nagy, Nagy and Kiss 2003: 129–130). Nevertheless, in spite of the industrialization that took place during the sixties and seventies, the region of Szeged and the county of Csongrád were predominately still agrarian. (Erdei 67–68). Agricultural production was not only carried out on collective farms, but in the various gardens and neighbouring villages around the city, which provided extra economic resources both for villagers and city-dwellers in the form of various household-plot farming activities (1971: 84–85). The historical predecessors of this form of household production in the pre-socialist period were those independent family agro-entrepreneurs who had specialized in various forms of agricultural production and horticulture in the neighbouring gardens and villages (Erdei 1971: 66). The relationship between Szeged and its neighbouring villages and the historical links between collective farm production and household farming will be explored further in Chapters 2 and 4.

The change of regime in 1990 caused massive long-term unemployment in the city as a result of large scale and rapidity of privatization and the restructuring of the local economy. Among the prominent companies in the food industry only PICK, famous for its salami production, was able to remain successful, while the construction and textile industry collapsed, and the canning factory and paprika-processing industry went through hard times during the transition period (Nagy, Nagy and Kiss 2003: 131). In the 1990s, the retail trade also went through major changes resulting in the mushrooming of small businesses. Given its geographical situation, Szeged is an important shopping destination for people from neighbouring countries, especially the region of Vojvodina in Serbia. Consequently, the city is characterized by high-level entrepreneurial activities that were fuelled by the Yugoslav wars of the 1990s. As a result of the crisis, large number of micro-enterprises and small businesses were formed by migrants who were fleeing from the war, their presence becoming increasingly significant in the hospitality, personal services and retail sectors. Also, studies have shown that the expansion of the service sector along with the growing number of small businesses was a way of tackling the increasing unemployment in the city (Nagy, Nagy and Kiss 2003: 138).

Nowadays there is huge potential in the research and development sector in which, in respect of the economic significance of this sector, Szeged is viewed as Hungary's second most important scientific centre, dominated by biology, physiology and agriculture. Therefore, the

university is also a significant factor in the economy as its largest employer after the PICK meat factory and local government. These big companies are balanced by the growing numbers of micro- and small-scale enterprises, their numbers being higher than in other Hungarian cities with similar profiles and apparently largely contributing to the viability of the local economy. Family businesses are dominant mainly in three sectors: agriculture, retail and services. The range of entrepreneurial activities in services is very broad, ranging from software to shipping.

1.5 Methodology and Positionality in the Field

This PhD project is based on twelve months of ethnographic fieldwork in the city of Szeged and was focused empirically on small family businesses. The empirical data consist of participant observation in various workplaces, qualitative interviews and quantitative data.

The quantitative data were gathered by means of a questionnaire entitled 'Economy, Morality and Values in Life, at Work and Home'. The questionnaire was put together by the research group and was mainly a compilation of the European Value Survey and the World Value Survey. The questionnaire had seventy-four questions and was divided into four subsections. The first subsection covered general questions regarding values and morality, and the second subsection focused on religion. The third subsection touched on business-related questions, while the last section aimed to elicit household-related information. With this questionnaire I conducted interviews with forty-four small businesses. My sample aimed to cover various branches and sectors of the local economy and reflects on its structure.

I conducted all my interviews in person with either the business owners or their self-employed entrepreneurs. The usual time interviews took was between one and one and a half hours. If it was not possible to finish the interview at one sitting, it was divided into parts. The discipline of sociology and its methodologies (including questionnaires) are widely known in Hungary, but anthropology and its methodologies are significantly less well known, therefore the questionnaire also functioned as an essential tool in making initial contacts with my interlocutors. In general, people tended to trust me more and were more inclined to partake in the research when they were approached with the questionnaire.

As I was settling down in the last days of August 2015 in the flat I rented in Szeged, I explained to my landlady and her older sister what I want to investigate in their city. With a degree of condescension they told me that it would not be easy, as people would most probably not want to talk to me. For example, entrepreneurs are scared of the tax authorities, and moreover I had no friends, relatives or other close relationships in the city. I was not at all surprised at their reaction, as I was aware that approaching small businessmen without having long-established connections in the city and asking them about their very private, business affairs would raise suspicions on all counts, perhaps especially in a highly polarized society where people are historically distrustful of others in general. Indeed, as predicted, the task of approaching small businesses and finding people willing to talk to me was difficult for two main reasons: the heterogeneous and vulnerable character of small businesses, and my own position in the field. A large number of small businesses are self-employed entrepreneurs and microenterprises. Many of them were only created in order to pay less tax, or as it is called 'optimizing taxation' (*adóoptimalizálási célokból*). Very often it was unemployment that brought self-employed entrepreneurship or microenterprises into being. These entrepreneurs felt themselves vulnerable in the face of the state authorities, especially the tax authorities, and had a general fear of revealing themselves and their economic practices and views to strangers. A large section of business owners are primarily professionals such as doctors, pharmacists, opticians, architects and teachers, who pursue their professions through their own businesses. Thus they wanted to be recognized as such and not as owners of a capitalist enterprise.

My peculiar position in the field also often made the research difficult. I was a familiar, native stranger to many locals, making me an unwelcome stranger in many situations in Szeged. I was a stranger in the city without any relatives or old friends, although I am a native Hungarian who speaks the language and understands the context. This combination made many of those I approached uncomfortable. My ability to fully comprehend circumstances and people in a situation in which local residents could not trace me through their networks made me suspicious in their eyes. As a researcher, I took a neutral position in many circumstances and tried to avoid revealing my own honest views on certain highly political topics. However, this strategy often backfired and put people at a distance from me, as I, a fellow Hungarian, was expected to 'take sides' when it came to Hungarian politics. The classical anthropological method of full immersion was also treated with a degree of scepticism by the locals and gave

rise to questions like why a young woman like myself was spending even her weekends far from home, in a place where she has no family, relatives or friends, or why I did not work at creating my own, family instead of trying to involve myself in others' family lives.

The state's bureaucratic obstacles also made it highly difficult to conduct participant observation in workplaces. Nevertheless, with hard work and with the support of my contact person at the local university, I managed to find informants who were willing to participate in this research and who allowed me to conduct participant observation in their businesses. Therefore I conducted long-term ethnographic research (participant observation) in so-called National Tobacco Shops in Szeged. In 2012, two years after Viktor Orbán's landslide victory, the tobacco industry was completely restructured and the tobacco retail trade was nationalized. This economic intervention, whereby Viktor Orbán and his government aimed to create new business opportunities for national capitalists, became a hallmark of the economic nationalism of the current regime. In that respect, obtaining ethnographic material in these shops and understanding their everyday lives, labour relations and labour regimes, as well as their owners, has generated a unique perspective on contemporary society, both locally and in Hungary more generally.

My qualitative data, so my interactions and conversations with my informants are documented in recorded interviews and fieldnotes. To make it clear in the main text what sort of sources I refer to, I will quote excerpts from recorded interviews in normal letter while excerpts from fieldwork notes will be italicized.

1.6 Structure of the Thesis

The thesis is divided into two main parts. The first part consists of two theoretical chapters that provide background for the second part, which consists of four ethnographic chapters.

In Chapter 2, I outline the main theoretical framework of my case studies. This framework includes a diverse selection of theories that conceptualize the relationship between economy and morality by synthetizing actor-centred and collective perspectives, microsociological and macrosociological levels, and cultural dimensions with historical and

social factors. As values and norms are always historically particular and culturally informed, in the second part of this chapter I provide a historical overview of changing moralities through the realms of work and the economy. This will be followed by a brief overview of how religiosity and its relationship with the state changed in twentieth-century Hungary. I will argue that contemporary Hungary is mostly a secular country in which nationalism became a dominant ideology after the post-socialist transformation, functioning as a substitute for religion for a large section of society who feel both materially and culturally dispossessed in this neoliberal era (Kalb 2011: 1).

Chapter 3 offers a historical outline of the political economy of Hungary by highlighting its main issues and contradictions in relation to the main theme of the research. I will show that Hungarian history is characterized by a process of uneven capitalist development that produced a series of unresolved structural problems and social conflicts with repercussions for contemporary Hungarian society. I emphasized the importance of the political vision and sociological concept of 'peasant embourgeoisement' that remained influential throughout the twentieth century and played a crucial role in the understanding of the socialist mixed economy in rural Hungary. In the discussion of the socialist era, there is a special focus on the issue of class and the place of entrepreneurs in the socialist system. By outlining the main economic and political changes with a particular focus on class formation in the years and decades that were followed by regime change in 1990, I will describe how Orbán's authoritarian regime came into being. The last part of this chapter will describe the main features and contradictions of this regime by discussing various theoretical approaches to how the essence of Orbán's authoritarian state capitalism can be understood.

Chapter 4 provides an ethnographic overview of the type of small businesses I engaged with in my fieldwork. The central question of the chapter is what drove certain people to engage in entrepreneurship. It examines the ways and processes in which employees became employers after the regime change of 1990. In doing so, the chapter will focus on both the material conditions and the non-material pursuits, aspirations, desires and moral meanings that informed people's decisions to start a business. Three groups of entrepreneurs will represent seven case studies. The first section will focus on those entrepreneurs who started their businesses primarily for material reasons. The second section will focus on those entrepreneurs

who regarded their private businesses as a direct continuation of their professions, which they had previously practiced in state-firm settings during the socialist era. The third section deals with second-generation entrepreneurs who are either continuing businesses that their parents had started or had started their own by drawing on inherited capital.

In Chapter 5, I draw on my ethnographic case study of a two-generational family business producing paprika to show how capital was accumulated and transmitted, as well as the moral struggles, conflicts and tensions that have emerged between the two generations. The generational change in the ownership and management of this family business overlapped with major economic and political transformations that challenged both domestic paprika production and the family business, as well as its underlying values and sentiments. Using Yanagisako's term 'kinship enterprise' and Max Weber's notions of value spheres and life-orders, I will look at how historically situated values, the meanings of spheres of life and ideas about 'kinship goals' were maintained, transmitted and contested in this family business.

Chapter 6 is based on an ethnographic inquiry I conducted in three National Tobacco Shops. Drawing on theories of the gift and James Carrier's reconceptualization of the 'moral economy', I focus on labour relations and economic transactions in the shops and argue that they are structured by entangled practices of self-interest and mutuality or, following Carrier, mutual obligations. I also showed the contradictory nature of service work in these retail shops, which is both social and solitary. As shop assistants mainly work with regular customers, economic transactions often occur as part of durable social relations and are accompanied by genuine sociality. However, by working alone, employees have autonomy and a sphere of control over their shops. Whereas this becomes a source of well-being and self-fulfilment for the employees, it also helps them internalize their employer's material interests, thus contributing to their increased work performance.

Chapter 7 is also based on my ethnographic research on National Tobacco Shops and focuses on the question of banning the opening of retail shops on Sunday in a wider political economic context. The chapter argues that, as an economic intervention, the Sunday-ban law can be seen as providing ideological support for Fidesz's economic nationalism, which aims to boost domestic capital accumulation by drawing on the symbolic, religious and historical

meaning of Sunday. By analysing the law and its surrounding discourses in relation to the political economy of Hungary, the chapter shows that the law's substantive aim is to support domestic small and medium-sized retail shops. As the law connects work and non-work, this chapter also provides a broader picture of how entrepreneurs regard the relationship between these two realms by drawing on my quantitative data. This shows that entrepreneurs would rather spend their leisure time with something other than work and that for them work is not the highest value. However, I argue that, even though both employers and employees greatly value their free time, their stance toward working on Sundays is primarily shaped by material interests and socio-economic conditions.

2 MORALITY and ECONOMY

2.1 Introduction

Studying how economic systems and institutions work outside narrow utilitarianism always involves the understanding of moral ideas, as they are inherent part of all human economies. When morality became detached from the notion of the economy in the middle of the eighteenth century, the term 'moral economy' was created to underline the interlinked nature of these two realms (Götz 2015: 149). Since then the latter term has undergone major transformations and had multiple interpretations and meanings in the fields of anthropology and the adjacent social sciences.[10] The aim of this chapter is threefold. First, I will discuss the entangled relationship between morality and the economy by setting out a theoretical framework that I will later draw on in my case studies. The reason why I grouped together the theories reviewed below, even though they originate in various times, disciplines and intellectual traditions, is because they all approach the conceptualization of the relationship between the economy and morality by bringing together actor-centred and collective perspectives, microsociological and macrosociological levels, and cultural dimensions with historical and social factors. The second aim of the chapter is to outline the historical overview of changing moralities through the lenses of work and adjacent fields such as the economy. The literature review discussed below juxtaposes normative ideas about work with empirical materials gathered by anthropologists and sociologists. Even though my PhD project and fieldwork took place in an urban context and has a focus on the service sector, the literature review on work and morality has a strong bias toward agricultural and industrial work that reflects the state of anthropological research on both Eastern Europe and the topic of work (Kürti 2002: 10–11).

I will show the moral significance of the peasant's hard manual work in the first half of the twentieth century, when Hungary was mainly an agrarian, semi-feudal country with an underdeveloped countryside. 'Work' as such played a central role in both the socialist system

[10] For present purposes, I will only refer to the relevant works from this broad literature. For detailed discussions of the concept of moral economy, see e.g.: Götz 2015, Carrier 2018, Hann 2018.

and its ideology, although the moral connotations of work changed in the different epochs of the socialist period. By focusing on both the normative values of work and the everyday practices documented by anthropologists and sociologists, I will show how their relationship changed from the end of 1960s with the introduction of economic reforms in Hungary. As a result of these reforms, people were encouraged to engage with secondary economic activities besides their main jobs. The so-called second economy was characterized by informality, reciprocal exchanges of labour within circles of kinship and friendship and within larger communities, thus enhancing social cohesion within communities (Hann 2014). However, one of the negative consequences was that general trust of those outside informal networks and of public institutions and the authorities largely declined, which had a long-lasting effect on Hungarian society (Valuch 2005: 262). By the time of the regime change of 1990, the economic practices of the second economy became marketized – this is what the literature calls 'marketization from below' – which, given the state's retreat from welfare and production, contributed to the erosion of social cohesion in communities. With the political turn in Hungary in 2010, the welfare state was replaced by the idea of the workfare society (Szikra 2014: 492), which propagated moralizing public discourses on work. In this sense the present emphasis on the moral significance of work shows continuity with the socialist ideology and the pre-industrial ethics of the smallholding peasantry (Hann 2018: 249).

While religious freedom was restored in 1990, it did not lead to a religious revival, as contemporary Hungary is a mostly secular country. However, as Chris Hann reminds us, there is no such thing as a moral vacuum in a society, as 'human beings can never be entirely devoid of moral ideas' (Hann 2011: 31). The question remains, what sort of collective values, moral ideas and public discourses people can turn to, and why did they became so appealing for so many people after 1990? Therefore, the third aim of this chapter is to answer this question by arguing that nationalism became a dominant ideology in recent decades and functions as a religion substitute in a situation in which a large section of society disappointed with the results of regime change feels both materially and culturally dispossessed in this neoliberal era (Kalb 2011: 1).

2.2 Theorizing the Relationship between Morality and the Economy

Max Weber, like other founding fathers of the social sciences was primarily occupied with the origins, meanings and consequences of modernity and capitalism. One of his main theoretical concerns was to understand the historical and cultural developments that made modern capitalism possible. For Weber, as Ivan Ascher has pointed out, it was not just the relentless pursuit of profit in and of itself that entirely distinguished modern capitalism, but the 'manner' in which profit is pursued. 'Capitalism is characterized by the systematic pursuit of profit by means of rational calculation, something which becomes possible – and dominant – only once a certain set of social conditions are in place' (Ascher 2014: 433). For Weber, one of these social conditions was the increasing separation of social life into various 'spheres', such as the religious, the economic, the political, the aesthetic, the erotic and the intellectual.

Sylvia Terpe argues that the complex interactions between these spheres of life is one of the main themes in Weber's work (Terpe 2018: 1), by which Weber originally aimed to analyse collective entities. While earlier interpretations offered mainly macro approaches to this notion, Terpe suggests adopting an actor-centred approach by arguing that there is no fixed set of spheres of life; rather, they should be treated as ideas and images in the minds of people that can be both reproduced and change over time (Terpe 2018: 17). According to Terpe, obtaining a better understanding of how various configurations of spheres of life work on the microsociological level could lead to a clearer picture of 'how social and moral orders are (re)produced and changed in different dynamics over time' (ibid.: 18). Her understanding of spheres of life therefore raises questions like: 'what spheres of life [do] people imagine? How do people experience spheres of life and their relations to each other?' (ibid.: 3). Building on Hans Joas's concept of articulation and his distinction between attractive values and restrictive norms, Terpe suggests that spheres of life can be also differentiated analytically according to how they are experienced by the actors themselves. Accordingly, Terpe constructs two kinds of spheres of life: attractive value sphere and obligatory life order. While the former refers to what people regard as good in itself, the latter designates what people see as duty. However, Terpe further differentiates life orders by creating three subcategories: internalized life order, social life order and quasi-natural life order (ibid.: 11–13). 'The rules and objectives of attractive value spheres and internalized life orders are internalized and sanctioned by moral

emotions' (ibid.: 18). In contrast, social life orders and quasi-natural life orders are sanctioned by external forces. While the former is sanctioned by other human actors, the quasi-natural life order is sanctioned by 'inevitable forces' (ibid.: 17). However, as Terpe (2018) emphasizes,

> these types of spheres of life are to be regarded as analytical categories which still have to be developed further. At the empirical level, any sphere of life will often contain elements from two (or even more) of the distinct types described here. It is an empirical question whether a particular sphere of life corresponds predominantly to one of the four categories, or whether and in what proportion it is a mixture of different types. Likewise, it is a task for further research to explore how stable these images are and how they change over time (P. 17).

In other words, instead of using a priori categories, Terpe constructs a flexible conceptual scheme and proposes to approach the issue of value spheres by making it an empirical question. This enables all sorts of tensions to be captured, tensions that come not only from various configurations of spheres of life, but also from discrepancies between normative values and subjective understandings of spheres of life by the actors themselves. As Terpe emphasizes, 'tensions are of interest insofar as they may presage future changes in the meanings and relations of spheres, for these spheres are shaped by the ways actors handle such tensions' (ibid.: 18).

Since Weber's famous thesis in the *Protestant Ethic and the 'Spirit' of Capitalism* ([1905] 2002), numerous social scientists have tried to theorize the 'spirit' of different politico-economic periods and to counterbalance rational choice theory by shedding light on the moral and cultural dimensions of economic practices. At the same time, anthropologists have pointed out that all economies are inherently moral, as ideas about what is good and bad, right and wrong, fair and just, can be found in all economic institutions (Fischer 2014: 16). The concept of a moral economy, which has been undergoing a renaissance in recent years, plays a crucial role in this intellectual tradition. The term 'moral economy' was propagated by the Marxist historian E.P. Thompson, who first used it in *The Making of the English Working Class* (1963) and then developed it further in his seminal work, *The Moral Economy of the English Crowd in the Eighteenth Century* (1971). Some years after the publication of Thompson's work, the

concept of a moral economy also appeared in the title of James C. Scott's work, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (1976). Aiming to understand the legitimizing ideas and notions that underpin food riots and revolts, both authors argued that riots break out when social norms about marketing, trading and pricing are violated. In both cases, the moral economy, that is, the mutual obligations and norms that rule economic practices, is crystallized when crisis happens, or when the old norms are challenged by the liberal market economy. Driven by a Marxist political agenda, both writings might be characterized by a sharp division between the moral economy – belonging to the English 'crowd' and peasants in Scott's case – and market exchange. Accordingly, following Thompson's and Scott's works, the term 'moral economy' is often used to describe communities and cultural traditions that are subversive of capitalist relations (Fischer 2014: 17).

Challenging this dichotomist understanding of the concept and arguing against the romanticization of the moral economy of peasants and the working classes, Chris Hann (2010) shows the complexity of the concept through his Hungarian case study by focusing on how debates over decollectivization were framed in post-socialist Hungary. He argues that after 1990 the full restoration of private ownership in agriculture was morally framed in public debates. However, the majority of Hungarians, like Thompsons's English workers, rejected economic rationality on a moral basis: instead of engaging with Marxist ideology, the post-socialist moral economy and the morality of the 'market' overlapped (Hann 2010: 194–195). Hann's study reinvigorates the discussion about the term by raising the question of whether the 'moral economy' can only be applied for the 'crowd', hence allowing social and political inequalities to be researched within society or can be regarded more as an analytical tool enabling researchers to unfold the contested nature of moral ideas in society. Given the elusive nature of the term and its multiple meanings, recently Hann has argued for discarding it altogether (Hann 2018: 231). Following Amitai Etzioni (1988), Hann prefers the term 'moral dimension' as an 'ethical context' (2018: 247), or 'in the sense of a collective and systemic basis in long-term shared values' (ibid.: 231). This approach, as he points out, 'is consistent with the Weberian framework that, although it privileges individuals, still allows for recognition of resilient dominant values that facilitate societal integration' (ibid.).

Although in a different fashion, Gabriel Abend also uses the phrase 'moral background'. By studying the history of business ethics in the USA, Abend sets out a theoretical framework, or 'the moral background', in order to understand the underlying principles of morally good business practices. In a broader sense, his framework helps to understand the complex institutional and cultural preconditions of certain moral concepts in society. Abend differentiates between first- and second-order moralities. By first-order morality he means behaviour or practices and norms and institutions, while the second order refers to the moral background, that is, 'a set of elements that facilitate, support, or enable first-order morality' (2014: 17). In other words, the moral background is about the conditions that make certain moral ideas and practices possible. In this sense the two moral orders are dependent on each other: one cannot examine practices and norms without taking into account 'the moral background' and vice versa. According to Abend, the following empirical questions enable us to map the moral background: how people reason about morality, what counts as a moral action for a social group, what sources people use to support their moral views and actions, what is the subject of their moral reasoning, what they refer to as the base of their moral reasoning, what repertoire of moral concepts is available in a society, and what moral concepts people draw on frequently (Abend 2014: 32).

In contrast to approaches that focus either on individuals and their values or on the moral context of economic activities, James Carrier suggests a more relational understanding of 'moral economy' that is primarily rooted in the principle of 'mutual obligations'. As he points out, mutual obligations dictate and define every relationship to varying extents, including commodified and non-commodified transactions (2018: 24–25). Moral economy emerges in those relationships in which participants became 'obliged to each other' in the course of time (ibid.: 27). Accordingly, as he sees morality and economic activity as interlinked, 'the economy itself is more or less moral' (ibid.: 24).

Andrew Sayer (2000) discusses moral economy in relation to political economy and argues that invigorating and developing the concept might contribute to the revival of radical forms of political economy as critical social sciences (ibid.: 79). Sayer regards economic systems and moral-political values as realms that evolve together in the course of time (ibid.: 81). On the one hand, by the concept of a 'moral economy', Sayer aims to understand the ways

in which moral-political norms and ideas shape economic activities; on the other hand, he also looks at how economic forces jeopardize those norms and ideas. Instead of defining what makes an economic motivation moral or ethical, he argues for making an empirical question out of it (ibid.: 85). Sayer's broad understanding of the moral economy enables us to analyse individual perspectives and politico-economic contexts at the same time while also paying attention to legitimizing ideologies.

In the next section, drawing on the overlapping concepts discussed above, I will focus on the interplay between the empirical, normative and theoretical levels through the issue of work. I will show how various forms of work, values, social norms and ideologies are entangled in different periods of Hungarian history.

2.3 Work and Morality: a Historical Overview

Focusing primarily on the issue of work and its adjacent realms, in this section I will provide a historical overview of how the entanglement of socio-economic and political changes and social norms and values were transformed in Hungary in the course of the twentieth century.

The most common way in which the term 'work' is used at the present day is to refer to it as market-related work or gainful employment performed mainly outside the domestic sphere (Kocka 2010: 8; Eckert 2010: 170). This limited understanding of the term is in fact still rooted in the industrial development and labour movements of the nineteenth century. However, work cannot be reduced to an income-generating activity whereby people support themselves and their households as it always has a broader cultural and historical meaning (Eckert 2010: 170). Gerd Spittler defines work as an 'additional dimension of human action' and adds that 'work requires many capabilities, such as physical strength, manual skills, knowledge, perseverance and motivation' (Spittler 2010: 37). Work can cause both satisfaction and frustration (ibid.), making the individual feel both personally and professionally successful or a failure (Eckert 2010: 170). Work can be experienced and felt as meaningful or meaningless by workers. While for many people work is seen as a solely instrumental activity, for many others it has an ethical meaning (work ethic) that goes beyond its immediate benefits (Eckert

2010: 170; Spittler 2010: 37). Lastly, work also represents status, defining one's position in the social hierarchy (Eckert 2010: 170). Eeva Kesküla defines work in the following way: 'work is a purposeful, goal-oriented physical or mental activity that requires energy expenditure. Work transforms physical matter, ideas, or social relationships. The result of work can be livelihood, pleasure, social recognition, or other culturally recognized value, and it is always done in the framework of given social and cultural structures' (2018: 1). Considering 'work' more broadly, and taking into consideration all the features I have described above, I will accentuate the manifold manifestations of the entanglement of morality and work.

The literature on work in Hungary can be divided into two main bodies, one on agricultural work, the other on industrial work. Offering a chronological overview of socio-historical studies of work in Hungary, Tibor Valuch demonstrates that there was a bias toward agricultural work in the literature, while the history of workers in industry, construction, transportation, retail and the service sector were the least researched areas in this field during the twentieth century (Valuch 2012: 6). The picture has slightly changed since 1990, when social historians' interest in industrial workers and the history of industrial labour in Hungary increased, but a gap still exists in the historical literature in relation to workers in transportation, retail and the service sector.

Similarly, Laszló Kürti points out that the anthropological literature on eastern Europe in general, and on Hungary in particular, has been preoccupied with the life of peasantry and how it changed as result of socialist reforms in agriculture (Kürti 2002: 10). In the Hungarian context, this strong interest in agricultural communities is connected to the relative autonomy and general upward mobility that Hungarian peasants enjoyed in the 1970s and 1980s (ibid.: 25).

Given the biased nature of this literature, I will focus on the topic of work in its moral and ideological aspects in different historical epochs during the twentieth century through an overview of sociological and anthropological studies on agricultural and industrial work.

2.3.1 Before 1945

Before 1945, Hungary was still primarily an agrarian and semi-feudal country with an underdeveloped countryside where the hard manual work performed by the peasantry had moral significance. Drawing on Edit Fél's and Tamás Hofer's ethnographic materials (1969), Hann emphasizes that historically physical work had a moral significance – i.e. work was an end in itself in the Weberian sense – in the pre-industrial Christian rural community (Hann 2018: 232–233). 'Dedication to the soil was a measure of the moral person. The goal was by no means maximum self-exploitation but rather something akin to Aristotelian sufficiency and proud satisfaction in the proper tilling of the fields according to the rhythm of the seasons and customs' (ibid.: 233).

Martha Lampland (2016) offers a unique account of how labour commodification took place in agriculture in the period of transition from a capitalist to a socialist system. Focusing primarily on agrarian science studies, policies, formalizing practices and therefore on the 'technicalities of commodification', she shows how devices designed by capitalist economists to commodify agricultural labour were implemented in early socialism. By shedding light on the historical circumstances in which these formalizing practices were produced and constructed, she shows how scientific methods and social, cultural practices are intertwined (ibid.: 1–26).

The agrarian debate was one of the most crucial and urgent political issues of the interwar period. Within this debate there were two main competing ideas and camps on the political spectrum: advocates of land reform, and supporters of large-scale, highly rational agrarian enterprises. The first camp envisaged an intensive peasant agricultural economy based on small farms as an alternative to manorial estates and was associated with left-wing politics, while the second camp proposed large-scale rational modernization and was associated with conservative right-wing politics (Lampland 2016: 29). Even though Catholic youth groups spoke out in favour of land reform, the Catholic Church belonged to the conservative camp and was a loud pro-manorial advocate in these debates. As Lampland (2016) points out,

> business economists and work scientists were primarily motivated by their interests in modernization and improved productivity in agriculture, while the Catholic

> Church emphasized its moral obligations to society. These claims rang hollow, since the Catholic Church was one of the largest landowners in Hungary, deriving a good part of its wealth from vast estates in the south and west (P. 31–32).

Although the question of the most economically efficient and advantageous solutions played a crucial role in these debates over land, as Lampland emphasizes, 'the divisions were grounded in deep moral convictions about the dignity of labor, the right to property, and the national purpose' (ibid.: 29). After the Second World War, the political setting of agrarian disputes changed entirely, and unlike the pre-war period, the Communist Party became the main promoter of the scientific rationalization and modernization of agriculture.

2.3.2 After 1945

The new political system largely reshaped the moral landscape by introducing its own public morality or ideological moral order that centred on three realms: the communist party, the workplace and the community (Valuch 2005: 258). The topic of work became the centre of political, social and cultural discussions. In his thorough discourse analysis of primary historical sources, Márton Szabó (2007) explores the figure of the communist/socialist worker and underlines its importance in socialist ideology. According to his argument, the term 'worker' was equated with 'citizen', that is, the worker was the citizen of socialist society. As Szabó (2007) further explains,

> this was clearly a polemical counter and identity term that rejected both feudal and capitalist/bourgeois society. Unlike noblemen, aristocrats, capitalists or the bourgeoisie, whose participation in the political community of Hungarian society was based on their ancestry and property rights, workers' participation was based on their work and employment. In fact, the term functioned as a replacement for the capitalist's or bourgeois definition of the citizen. Through the concept of the worker, a new subjectivity of political rights and a new community in the political sphere were constructed. Workers were the citizens of the socialist society (P. 151–152).

By putting forward this idea, Szabó argued that the term 'worker' was based on the premise that individual and collective entities are identical. While the worker's political rights

were derived from the worker's status, the worker's qualities were derived from the political system of socialism (ibid.: 152). Furthermore, Szabó shows that three different historical periods of Hungarian socialism represent three ideal types of worker. In the period of the 'Republic of Councils', the ideal type of worker is an altruist who supports the new political system as much as he can. The ideal type of the early 1950s is the extraordinary worker (*élmunkás*), whose life and deeds are regarded as an example for everyone. From the 1960s onwards, the worker had a formal role in which he was expected to support the political system and its power-holders, while at the same time the individual ambitions and aspirations of the worker were also understood and accepted. Although the formula *worker as citizen* remained a fundamental political term in all three periods, its meaning largely shifted, and ultimately even the opposite of worker became legitimized by the socialist system (ibid.: 153).

As a consequence of the political, economic and ideological importance of the 'worker', the transformation of the peasantry was also crucial to the socialist project. This policy had three main pillars: modernization, or developing villages by increasing living standards, industrialization or turning peasants into workers, and collectivization (Vidacs 2015a).

Edit Fél and Tamás Hofer (1969) conducted their ethnographic research in Átány, a Protestant village on the Great Hungarian Plain, at the very beginning of collectivization. In their meticulously written monograph, Fél and Hofer offer a rich account of the shifting cultural and social practices of the village economy. In a later piece, drawing mainly on their research into a pre-collectivized 'peasant family economy' in Átány, Hofer re-conceptualized E.P. Thompson's term 'moral economy'. He argued that, even though peasants were part of the market economy in the sense that they sold crops or cattle in the market and purchased cloth and several other items for their home with money, the social and gender division of labour in the peasant household economy was based on a complex web of mutual obligations and reciprocity. Thus the household economy of peasant families embodied a so-called 'moral model' (Hofer 1995: 385–387).

The first wave of collectivization took place between 1949 and 1958. The difficulties and hardships that the peasants had to endure during this period are well-documented. The

state treated those peasants who could not deliver the often irrationally defined quotas particularly harshly and punished the wealthier peasants (*kulak*s) through deportation and forcible confiscations (Valuch 2005: 191–195; Vidacs 2015a: 28).

The detrimental consequences of these political and economic measures are widely discussed. The very techniques by which collectivization was carried out resulted individualization and atomization both in the public and private sphere (Rév 1987: 348). Historical and sociological works that dealt with changing values, norms and religious practices argued that the forced modernization of the 1940s and 1950s resulted in strengthening the individualization, atomization and secularization of society (Hankiss 1988: 28; Tomka 1991; Valuch 2005: 259).

As I showed above in discussing the ideological transformation of the notion of 'worker', the 1950s, and particularly the 1956 revolution,[11] was followed by 'soft decades', ideologically a politically and socially more or less neutral period epitomized by János Kádár's[12] famous saying: 'He who is not against us is with us'. In this period of reconciliation the past ceased to exist. The so-called Kádár régime was based on a tacit social contract between the communist party and society. The political leadership enabled economic modernization, leading to private accumulation and increasing consumerism, though in return all public debates over the traumas of the 'treaty of Trianon',[13] the Holocaust[14] and the 1956 revolution were silenced.

[11] The bad experiences of Hungarians with the new Soviet system, including forced mass collectivization, economic centralization and political oppression, had resulted in mass protests (in nationalist forms) in 1956, which were brutally repressed by Soviet military intervention. Therefore, under the Kádár regime, the 1956 revolution was officially labelled a 'counter revolution'.

[12] General Secretary of the Hungarian Socialist Workers' Party.

[13] After the First World War, Hungary lost two-thirds of its territory, including its major cities, large numbers of ethnic Hungarians, and important industries and natural resources.

[14] Deportations were achieved with the active help of Hungarians, as a result of which more than half a million Hungarian Jews were murdered during the Second World War.

2.3.3 The Kádár Era

In the 1960s economic reforms,[15] market mechanisms were introduced to the planned economy that did not just allow but also encouraged people to engage in secondary economic activities outside and, in many cases, during official working hours, though at the high cost of self-exploitation. As a result of the strengthening second economy, living standards, private accumulation and consumerism increased significantly during the 1970s and 1980s. Nevertheless, these two spheres, the capital-intensive state sector and the labour-intensive private sector, were very much dependent on each other (Hann 2014: 633).

By the 1970s, half of the working population had adopted a commuting lifestyle, meaning that workers went back and forth between their rural homes and urban employment. Dual-earner families in the countryside actually had three sources of income: the salary of wage-earner working in urban setting, and the incomes of family members who worked both in farmers' co-operatives (TSZ or *termelőszövetkezet*) and market gardens (*háztáji*). As a result of having more than one job and working very hard, the material conditions of these dual-earner families significantly improved in this period. Zsuzsanna Varga highlights the continuity with the past by arguing that the centrality of work as a value and the practices of the self-sufficient household through market gardening were always crucial in peasant society (Varga 2012: 42).

Interpreting the complexity of the socialist period through the lens of Polanyi's ideas, Hann shows that, while land and labour were re-commoditized due to the increase in entrepreneurial activities within the second economy, the Hungarian type of market socialism 'did not destroy the society but rather coexisted with other "forms of integration"' (Hann 2014: 628). Accordingly, focusing on how various economic activities were embedded in society, Hann pointed out that redistribution and reciprocity were inherent aspects of the second economy, thus enhancing social cohesion within communities (Hann 2014). For instance, the reciprocal exchange of labour (Hungarian *kaláka*) was a widespread institution of labour allocation in Hungary (Kenedi 1981; Sik 1988). It was particularly important in building houses, which were constructed with the help of relatives, friends and *komas* (ritualized

[15] 1968 – the introduction of the New Economic Mechanism.

friendship) in rural areas. *Kaláka* was mainly used by households "either to deal with unexpected emergencies or to increase efficiency (Sik 1988: 527).

Nevertheless, household economic activities and rural community rituals were also carried out by means of reciprocal labour exchange, for instance, traditional pig-sticking by households always included related families and neighbours. As a result, parcels of fresh meat and sausages were redistributed among those who were involved in the activity (Vidacs 2015b). Like pig-sticking, preparations for a wedding were always embedded in the wider community, since cooking required the cooperation of a huge number of people. These cooperative activities are always based on mutual obligations; hence the labour of relatives and neighbours was always expected to be compensated and reciprocated (Vidacs 2015a: 34). As Vidacs points out, these examples of mutual help activities did not just reduce the financial expenses, it also 'structured people's lives or held the community as community together' and therefore helped to create solidarity within the community (ibid.: 35).

The institutionalized labour and economic practices described above had an influence on social values and public moral normativity. Accordingly, various anthropological and sociological studies show that the importance and value of social networks, of mutuality within circles of kinship and friendship and larger communities, increased during this period. However, general trust of those outside these informal networks and of public institutions and the authorities largely declined (Valuch 2005: 262). Violation of certain rules and social norms for getting on or succeeding in the private sector were just not accepted, but in many cases this was indispensable, so that corrupt economic behaviour, avoiding taxation and cheating the system all increased (ibid.: 263). Being 'smart' or 'cunning' with the system, which involved the behavior described above, became a virtue, and it was socially accepted that this had repercussions on contemporary Hungarian society.

These tendencies are vividly captured by Haraszti's ethnographic research in the Red Star Tractor Factory in Budapest. His aim was to understand how the piece-rate system worked, how it was assessed, how efficient it was as regards the productivity of the factory and how it affected the workers. Haraszti's conclusion was that the piece-rate system was designed in such a way that workers had to increase production incessantly in order to earn an

acceptable wage, which, as he points out, was only actually possible by cheating, looting and continuous self-exploitation. In fact, looting and cheating were inherently parts of the piece-rate system (Haraszti 1978:59).

Haraszti's concluding remark touches on one of the salient effects of market socialism on people's values. Products that were poor in quality contributed to a general mistrust of the public sector, so through the development of the second economy people became more willing to use services and to purchase products in the private sector (Valuch 2005: 261).

Drawing on his ethnographic research on comparative labour conducted in the USA and Hungary in the first part of the 1980s, Michael Burawoy (1985, 2012) focused on issues such as domination, control and ideologies on the shop-floor. He wanted to understand what made him and his colleagues work so hard in the workplace apart from their material earnings. In the USA, he argued, it was the piece-rate game 'of making out' that gave workers a certain autonomy, emotional satisfaction and symbolic rewards on the shop floor. Evoking Gramsci's notion of hegemony, he concluded that it was the hegemonic regime of production based on consent between workers and the management that ruled the shop floor. Conversely, in the Hungarian context, he claimed that it was the 'game' of negotiating with management over the fulfilment of plan targets and shortages that dominated the organization of work. The state socialist regime therefore produced the opposite effect of dissent rather consent on the shop floor (Burawoy 2012:199). Furthermore, he characterized this as 'painting socialism', by which he meant 'the party-stated organized rituals on the shop-floor that celebrated its virtues such as efficiency, justice, equality while workers experienced inefficiency, injustice and inequality' (ibid.).

Based on her ethnographic research in the Hungarian village of Sárosd in the 1980s, Martha Lampland (1995) focuses on the historically structured commodification process of agricultural work. She explores how cultural attitudes toward work and morality are settled in relations of production and property. Her main argument is that labour commodification and commodity fetishism were fully realized under late socialism instead of the interwar capitalist period. By revealing the socialist planning and scientism of politics from below in the 1980s, she also demonstrates how the private sphere was penetrated by the characteristics of public

life, such as individualism, utilitarianism and economism. As she writes, 'ironically, for Hungarians, their own actions at work and at home veered closer and closer to the cultural universe and social pragmatics of capitalism, while they continued to feel straitjacketed by the empty politics and productive economics of socialism' (Lampland 1995: 247).

By the end of 1970s and early 1980s, the attainment of material well-being and a good family life were the main goals and values in Hungarian society (Valuch 2005: 264). Comparing the socialist system with the period after 1990, Hann (2011) coins the phrase 'moral dispossession' and argues that, while the Marxist ideology 'aspired to create a secular public morality' (ibid.: 30), the 'economic shock therapy' experienced by the Eastern bloc left a certain moral void in society (ibid.: 31). In the following section, I will explore the aftermath of this ambiguously embedded secular public morality and show how interacted with local practices and moralities after 1990.

2.3.4 After 1990

After 1990, the large-scale economic and political restructuring provoked changes and ruptures in social norms and values. However, both discontinuity and continuity in the values and norms described above can be observed in post-socialist Hungarian society as well. Privatization not only affected large, state-owned companies, it also hugely influenced the social relations and economic practices of the previous second economy. However, Böröcz shows that the preponderance of informal relationships was not just maintained through the proliferation of small businesses, it also became an inherent feature of foreign-led investments in Hungary (2000: 375). The ultimate value of informal relations in business activities can be illustrated by a survey conducted in 1996 which provided a long list of 'things you need the most for a successful business enterprise'. A clear majority of respondents chose 'informal contacts' first and only put capital second (ibid.: 351).

The practice of 'marketization from below' or small-firm development policy, which suffused the market-led transition period in Eastern Europe (Smith 2005) was also mainly

based on the previous economic practices of the second economy. Júlia Szalai focuses on the gender aspects of this 'marketization from below' in Hungary, pointing out that the previously prevailing practices of mutual exchanges of labour and favour within the family, relatives, the neighbourhood and broader social networks were transformed into paid labour after 1990. She describes this transformation as 'marketization from below', but adds that it is not just about 'transforming informal economic activities into formal ones, but also about the merging of the two' (Szalai 2000: 205). This 'marketization from below' in the context of a declining welfare state contributed significantly to the economic polarization of Hungarian society (ibid.: 221).

During the 1990s, one could witness the slow death of the agricultural sector due to the large-scale privatization and de-collectivization, contributing to the rupture in people's lives and values. Studying the idea of self-sufficiency in the post-socialist rural context, Vidacs shows that the disintegration of economic activities and the re-commodification of labour gradually undermined the morally valued practices of self-sufficiency of households in rural Hungary. As a result, self-sufficiency only remained an important idea, a reference point for villagers that is necessary for maintaining their identity at a time of continuous economic and structural changes (Vidacs 2015a: 26–27).

The disruption of social networks linked with the second economy was devastating for the social cohesion of communities, but the post-socialist loss of the support systems formerly provided in the factories was even worse for those workers, especially female workers, who did not have connections with the second economy nor had extended family or social networks. As a result they became entirely marginalized (Kovács and Váradi 2000; Pine 2002; Bartha 2011).

In recent years, as a response to growing unemployment and socio-economic marginalization, Hungary's populist right-wing government introduced its rather controversial workfare scheme and established the idea of a workfare society, a supposedly positive alternative to the 'decline of Western welfare states' (Szikra 2014: 492). Focusing on workfare schemes from below and framing it with Polanyi's notion of 'double movement', Hann (2016b) argued that in deprived and crisis-ridden rural Hungary workfare schemes are welcomed by the locals. As he notes, 'this public opportunity to work can be seen as a popular

response to the dramatic impact of the market over the two preceding decades. It is a significant element of the current "double movement" (as theorized by Polanyi, 1944): Hungarian rural society, resentful of capitalist market society as it has evolved since 1990, is grateful for this opportunity' (ibid.: 53). Furthermore, he adds that the popularity of the programs was also due to the fact that they touched upon the 'moral dimension of economy' by resonating with the deep-rooted idea of 'work as a value' in rural Hungary (2018: 231). He shows that, workfare schemes 'draw upon both the pre-industrial ethics of the smallholding peasantry, when work was an end in itself, and the ethics of socialist industrialization, when work was enshrined in the ideology of the state' (Hann 2018: 249). Accordingly, by exploiting its historical significance, Hann argues that populist politicians after 2010 successfully restored the idea of 'work as a value' in public, moralizing discourses.

As mentioned above, Hann argues that the change of regime was followed by a moral vacuum, as 'no plausible public morality at all was on offer' (Hann 2011: 30). According to him, the collapse of the socialist moral order urged people to seek both traditional and new sources of values, including religion and political ideologies. Therefore, in the next section, I will provide a sociological and historical overview of how religiosity changed over time with a particular focus on the Catholic Church. I will then show how religion and nationalism became intertwined with rightist political ideology and ultimately how it gained dominance, thus largely shaping public discourses in recent decades.

2.4 Religiosity

Discussing the changing trends and shifting practices in the realm of religion, the literature defines four periods of religiosity in the twentieth century.

In the first period, which lasted until 1948, Hungary's historical churches played an important role in society through various institutions, such as education, charity activities, health care and organizing cultural activities in local communities. Due to the churches' broad and extended institutional system, religion significantly determined social norms and values.

The majority of people who grew up in this period had strong religious socialization (Valuch 2005: 276).

The second period lasted until the beginning of the 1960s. The religious landscape was largely reshaped by the Second World War, with its extermination of the Jews and expulsions of ethnic Germans. According to the 1949 census, 67% of the Hungarian population described themselves as Roman Catholic, 21.9% as Calvinist, 5.2% as Lutheran, 2.7% as Greek Catholic, 1.5% as Jewish and 0.7% as Orthodox Christian, Unitarian and Baptist. Only 0.1 % of the whole population described themselves as not followers of any churches. Two possible conclusions can be drawn from these figures. First, although Hungary was characterized by religious pluralism, Catholic believers constituted the majority in Hungarian society. Second, religious affiliation was still considerably strong in society at the end of the 1940s. However, these historical churches and their religious institutions were drastically challenged and transformed by the communist party, which took control of the churches and launched a secularization policy from the 1950s onward (Tomka 1991; Valuch 2005: 270).

Researching the institutional transformation of Catholic Church and religious practices between 1950 and 1990, Tomka showed that these political changes had long-term effects on the religiosity of society. By the 1960s the influence of religion had drastically declined, especially in the cities, due to the communist party's onslaught on the churches and their institutions (Tomka 1991: 9–35; Valuch 2005: 273). The party-state aimed to transform people's attitudes and beliefs entirely in order to institutionalize its own norms and values through its institutions, from education to army (Tomka 1991: 31–35). Religious schools became secularized, and religious education was abolished in schools. Additionally, being religious was used as a discriminating factor in schools and in entering higher education. Consequently, institutional religious socialization significantly declined in this period. In 1955, 40% of the younger generation had a religious education, while in 1965 it was only 10%, a figure that declined to 6% by 1975. This resulted in a significant discontinuity in the transmission of Christian teachings to the young, adult generation (Tomka 1991: 32; Valuch 2005: 274).

Tomka also demonstrates how these trends were related to institutional changes within the Catholic Church. The first salient feature of the socialist period is that the Church suffered from a serious shortage of priests, the number of priests – including all sorts of clerical jobs – falling by two-thirds. In relation to this, the social role and social expectations of priests also changed: just a very small fraction of society turned to priests for help or advice, as their functions were partly fulfilled by doctors, psychologists or work collectives (Tomka 1991: 38). Ultimately, through the social isolation of priests and the increase in the number of people who acquired higher education, the social prestige of priests declined in the very same period (ibid.: 38–39).

The third period falls between the beginning of the 1960s and the mid-1970s. In this period, a growing percentage of society had no affiliation with religious institutions at all or did not receive any religious education. The census of 1972 and the census of 1978 show how radically Hungary's religiosity changed in this period. While 46% of the population regarded themselves as religious in 1972, this number dropped to 36.6% in 1978. Regarding the social backgrounds of the religious, empirical sociological studies from the 1970s show that women, the elderly, village inhabitants, the undereducated and the inactive were overrepresented among religious believers (Rosta 2011:747). Despite all these changes, Tomka argues that the majority of Hungarians maintained their affiliation with religious traditions by holding religious ceremonies at weddings, the baptism of children and funerals in the 1960s and 1970s (Tomka 1991: 6).

As a response to the challenges of modernization, individualization and large-scale socio-political changes, the Catholic Church chose to follow a so-called 'ghetto strategy', secluding itself from discussing social questions and turning more and more towards traditionalism, its own community and the celebration of liturgies. Tomka suggests that the extensive secularization described above that took place after 1945 was primarily the result of the Catholic Church's traditionalism and its inability to renew itself, rather than the oppressive policies of socialist political system (ibid.: 72–74). In other words, the process of secularization was not triggered but only accelerated by the socialist state, while the Hungarian Catholic Church could not adapt effectively to the new challenges and situation.

From the second half of the 1970s to 1990, the majority of society was socialized into a secular system of values and norms that lacked religious elements entirely. However, there was a growing interest in religion, which is related to the emerging small religious communities of the 1970s and 1980s. According to the 1990 census, 51% regarded themselves as religious (Valuch 2015: 274).

Nevertheless, despite the high expectations of regime change and its religious-institutional implications, one cannot talk about a religious revival in Hungary (Valuch 2015: 198). The abolition of policies that suppressed religious practices did not result in growing numbers of religious practitioners. The average middle-aged and younger generations have secular values and norms, which is partly due to the heritage of the socialist system and its secularized institutions.

The figures in the national census shows that there was a structural change in the realm of religiosity in the 1990s and early 2000s. While the number of believers and religious practitioners declined, the number of people who were religious 'in their own way, unrelated to the Church' increased. In other words, the figures show that the influence of 'traditional' religions, mediated by the historical churches has declined, while there is a growing interest in transcendence, especially among the younger generations and the more educated segments of society (Valuch 2015: 200).

According to European Value Surveys, Hungary is one of the least religious countries in all respects, including religious self-identification, denominational membership and churchgoing (Tomka 2001: 429–430). Nevertheless, according to the last census of 2011, the religious composition of Hungarian society has not changed significantly, as the majority of believers, 39%, still belong to the Catholic Church (Valuch 2015: 203).

2.4.1 Religion and the State

In recent years, there has been a growing interest in both the symbolic and institutional relationship between religion and politics in Hungary. The conservative coalition of Fidesz and the Christian Democratic Party with Prime Minister Viktor Orbán came to power in 2010. Due to the unequal electoral rules, the absolute majority that they gained in the election was translated into a two-thirds parliamentary supermajority. Although the Orbán regime never appeared before the electorate as a deeply religious political party, Fidesz as a right-wing populist party employs a quasi-Christian, nationalist ideological construction to legitimize its rule in Hungary. Since 2010 major political changes and policy shifts have occurred in a Christian-nationalist ideological framework. Writing about 'nationalized religion', Zoltán Ádám and András Bozóki argue that, 'although the relationship between right-wing populism and religion is of secondary importance only in setting the right-wing political agenda, historical Christian churches take part in providing legitimacy for right-wing populism' (2016: 99). In fact, this is nothing new, as there is a historically well-established relationship between the Christian churches and right-wing politics that is rooted in the inter-war period in Hungary, when the churches provided legitimacy for the Horthy regime[16] and its anti-Semitic policies (ibid.: 105). In exchange for providing ideological resources to support right-wing populism and fulfilling a propaganda role for the government, the historical churches have taken over publicly financed schools and hospitals, thereby creating institutional relations with the government (ibid.: 113). Moreover, recently churches had a growing influence through education since the government incorporated religious studies into the national curriculum of elementary schools in 2013. The so-called 'Fundamental Law', the new name of the re-written constitution, also emphasizes a nationalized religious belief system instead of the idea of the secular state and pluralist society which was the prevailing concept in the constitution of 1989.

Despite all these changes, religious values have only a very limited role in policy-making, since Hungary is essentially a secular country (ibid.: 108). Moreover, as many authors have pointed out, Fidesz and other right-wing forces embrace Christian values and religious symbols in a genuinely eclectic way by mixing the rhetoric of Christianity with pre-Christian pagan traditions and nationalist elements (Szilágyi, 2011: 252).

[16] Miklós Horthy was Regent of Hungary between 1929 and 1944.

Ádám and Bozóki argue that the very reason for not embracing a fully religious agenda is that a large part of society still avoids any religious references, and the majority of society does not follow any churches, nor attends institutionalized religious practices. In such a secularized social context, putting forward a religious agenda would be a risk for all the rational political parties. Fidesz therefore has to carefully manoeuvre between satisfying those voters who do not have a strong connection with religion while continuing to use religion to legitimate its populist policies (2016: 112).

Hann (2016c) also points out that the eclectic nationalist ideology of the current political regime draws on both Christian and pre-Christian mythology. However, he approaches this phenomenon from an entirely different angle by framing recent ideological trends within the 'longue durée national memory' and nostalgia for an imagined past. Despite the fact that modernization and other positive developments in the countryside were carried out by the socialist state and that rural parts of post-socialist countries experienced significant economic and social deprivation, followed by de-collectivization after 1990, Hann argues that a positive nostalgia for the socialist era could not evolve in Hungary due mainly to the tenacity and omnipotence of the notion of private ownership and its related cultural associations. By sketching Hungarian history and unpacking the deepening socio-economic problems, he shows that the revival and construction of ancient mythologies about Hungary's uniqueness by political elites can be seen as a response to the contemporary social and economic challenges that the country faces today. Pointing out the separation of public and private spheres of nostalgia, he also argues that, although socialism never became part of the national mythology or public nostalgia, one can clearly perceive a sort of private nostalgia for the socialist era (Hann 2016c: 118).

Like Hann, numerous authors have argued that the emergence of neo-nationalism was a response to neoliberal globalization and the trans-nationalist politics of the 1990s. In the next section of this chapter, I will show that neo-nationalism had a solid social base rooted in social experiences of dispossession and how the current political leadership takes advantage of these experiences by providing and institutionalizing a new public morality.

2.5 Neo-nationalism as a New Moral Order?

In using the term 'neo-nationalism', I follow André Gingrich' and Marcus Banks' definition of neo-nationalism as the 're-emergence of nationalism under different global and transnational conditions' (Gingrich and Banks 2006: 2). They argue that the emergence of neo-nationalism was a response to neoliberal globalization in relation to the activities of far-right parties and movements, which, as Feischmidt and Hervik argue, have been turning mainstream in recent decades (2015). However, it should be emphasized that neo-nationalism is not identical with these parties, nor with their ideologies and institutions, but needs to be approached in terms of practices and discourses as a holistic social phenomenon (Gingrich and Banks 2006: 3).

The class aspect of this social phenomenon is highlighted by Don Kalb who shows that neo-nationalism is the result of working classes' material and cultural dispossession in the neoliberal era' (Kalb 2011: 1). He argues that in the Eastern European context – because of the prevailing anti-socialist or anti-communist discourse – working-class people are not able to express their dissatisfaction with the 'post-political neoliberal globalized environment' in class terms, therefore they make sense of their social experiences (dispossession) through the idea of the 'imagined nation as a community of fate', an idea which is utilized and transformed into neo-nationalist populism by political entrepreneurs (ibid).

Feischmidt (Feischmidt 2014a) argues against Kalb's working class-focused interpretation, claiming that experiences of dispossession, displacement and precarity are not only shared by the working classes, but also by a broad segment of society. Drawing on her own and other recent studies, she shows that neo-nationalist ideas are very popular among the young and educated middle classes in Hungary as well (ibid.). Studying the rising popularity of neo-nationalism among the young (i.e. those between the ages of 18 and 36), she writes about a traditionalist-communitarian turn in people's values and moral ideas and emphasizes the importance of communal, social and 'traditional' values. However, as she also notes, these notions are just loosely related to Christianity. Rather, Feischmidt and others observe that the idea of the nation as an imagined community along with neo-nationalist politics functions as a pseudo-religion or substitute for religion (Anderson [1983]1991; Eriksen [1993]2002;

Feischmidt 2014). Instead of discussing nationalism with fascism and liberalism, Anderson argues that it should be studied together with kinship and religion (Anderson [1983]1991: 15; Eriksen [1993]2002: 106). Similarly, those of Feischmidt's informants who were affected by the 2008 crisis narrate their encounter with Jobbik (the far-right party) as a conversion and claim that the party saved their lives by offering new perspectives on the world and giving new aims to their lives.

Eriksen points out that 'nationalism is an ideology which proclaims that the Gemeinschaft threatened by mass society can survive through a concern with roots and cultural continuity' (Eriksen [1993]2002: 106). In Hungary 'traditional' values are defined against globalization, capitalism and integration into the European Union. The focus is on the idea of community that is built around immaterial values rooted in ancient times, and its function is to re-create or imitate the nation. Nevertheless, as Feischmidt argues, the nation as a community is not just imagined, it requires to be re-imagined continuously through various social practices in order to be maintained.

Regarding economic practices with nationalist implications, the institution of charity is one of the most salient examples. There is a widespread middle-class practice to target Hungarian minority- communities in neighbouring countries and to frame their actions by nationalist terms. In these cases, the primary moral force of solidarity and philanthropic actions is to build a community and to preserve the nation (Zakariás 2014). However, neo- nationalist ideas and Christian principles are intertwined in these charitable practices, and in many cases donations are collected by and redistributed through churches.

2.6 Conclusion

In this this chapter, I first outlined the wider theoretical framework of my empirical research, which addresses the entangled relationship between morality and the economy by setting out the theoretical framework on which I shall later draw in my case studies. The theories reviewed above apply a holistic approach by linking actor-centred approaches and collective

perspectives to cultural dimensions and historical, social factors. After the discussion of the theoretical framework, I described the moral background of Hungarian society by focusing on work and economic activities in a broad sense and mapped how the values, norms and religious practices of Hungarian society changed in various historical periods. I demonstrated the moral significance of work throughout the twentieth history by looking at both the ideological and empirical levels. I argued that the moral significance of work was the central element of the socialist system and ideology, even though its meanings and connotations changed during the socialist era. I also showed that, as market mechanisms were introduced to the planned economy in the end of 1960s, people were encouraged to engage with economic activities in the so-called second economy so that having more than one job became the norm. The state and private sectors were dependent on each other, and the two spheres worked together successfully, resulting in living standards, private accumulation and consumerism all increasing in the 1970s and 1980s. While the value of social networks, mutuality within circles of kinship and friendship and larger communities characterized this period, public institutions and authorities fell into distrust. After the change of regime in 1990, social cohesion in communities was disrupted as market forces were unleashed, welfare spending was cut and work in the previous second economy was marketized. In the most recent decade, public and political discourses on the moral significance of work have been reinvigorated as workfare schemes became increasingly important, replacing the previous achievements of the welfare state (Szikra 2014). I also argued that, as a response to the neoliberal transformation of Hungary, neo-nationalism became a dominant ideology, functioning as a substitute for religion in a largely secular society.

3 POLITICAL ECONOMY OF HUNGARY

3.1 Introduction

The aim of this chapter is to provide a historical overview of the political economy of Hungary and to situate its main issues and controversies in so far as they concern the main theme of the research. Hungarian history is defined by a process of uneven capitalist development that produced rigid social structures and a series of unresolved social conflicts. Even though the economy went through major transformations and rapid industrialization in the decades of the Austro-Hungarian Dual Monarchy (1867 – 1918), Hungary remained a relatively poor and backward agrarian country. The disproportionate distribution of farmland and the social and class conflicts that resulted remained one of the most pressing issues in Hungary until 1945. Although after the Second World War the idea of 'socialism' was regarded as a means of overcoming centuries of social inequality, whether actually 'existing socialism' was realized and public support for it were controversial.

In this chapter I will describe the concept of 'peasant embourgeoisement', which, as a political vision and sociological concept, played a crucial role in understanding the modernization of rural Hungary and aimed to challenge both the Soviet type of modernization and Western capitalism. Afterwards, by focusing on the issue of class and the place of entrepreneurs in socialism, first I will show the ways in which class differences were reproduced by state distribution during the socialist era. Second, in discussing 'peasant embourgeoisement', I will describe how embourgeoisement took the form of private family farming in the last decades of socialism, thus contributing to the rise of entrepreneurship in the second economy. As will be shown below, the first decade that followed the change of regime can be characterized by large-scale privatization and foreign direct investment. Privatization was crucial for both local and international actors in creating a strong bourgeoisie that supported liberal-democratic values. The Great Recession of 2008 hit the country especially hard, largely contributing to the landslide victory of Orbán Viktor and his party, Fidesz, in 2010. In spite of its anti-neoliberal clothing, the new Fidesz-led government responded to the crisis and its aftermath with a neoliberal and neoconservative set of policies. In the last ten years, Fidesz's class politics encouraged the 'embourgeoisement of middle classes and upper

middle-classes' through the party's welfare policies and economic nationalism (Scheiring 2020), which positively discriminated in favour of national capitalists. At the same time, Hungary has the lowest corporate tax rate in Europe at 9 per cent and the most flexible labour-market regulations in Europe. While these policies and measurements attracted companies such as Mercedes-Benz, Opel and Audi, which offered jobs to both the working and middle classes, their salaries and benefits are still lower than for their Western counterparts (Gagyi and Gerőcs 2019). As a result, inequality, social polarization and tensions over wages are very high in contemporary Hungarian society.

3.2 Uneven Capitalist Development and the Social Structure of Hungary in the Nineteenth and Early Twentieth Centuries

3.2.1 Early History of Hungary

Hungary was founded in the Carpathian Basin, a rather confined geographical unit in the middle of the European continent surrounded by the arc of the Carpathian Mountains. he Hungarians settled in the area toward the end of the ninth century AD, when they were led by the great chief Árpád. At that time the pagan Hungarians lived a semi-nomadic life that included plundering raids in neighbouring countries. Being threatened by the joint forces of German princes, the Hungarian tribes decided to settle down and accepted the creed and institutions of western Christianity (C. János 1982: 4). This process was started by Chieftain Géza, head of the largest clan from the line of Árpád, and was ended by his son Vajk, who ascended the throne as Stephen (István) in AD 1000. As a sign of recognition from Rome, he was sent a crown by Pope Sylvester II. With the enthroning of the first king, the Hungarian Kingdom was born. Although there were always territorial changes, Transylvania, Croatia-Slavonia and Hungary proper formed the core of the Hungarian kingdom in the Middle Ages (C. János 1982: 4). Over the centuries, the main goal of the first kings of Hungary was to consolidate this territory and to defend it from intrusions. Under the rule of the House of Árpád

and then the Anjou dynasty, Hungary became Christianized and increasingly western-oriented. Under King Matthias I, who became a mythical figure of the Hungarian history because of his supposed fairness and justice, the Kingdom was expanded as he waged several wars in Bohemia, Poland and Austria and even moved his residence to Vienna (C. János 1982: 5). However, this expansion and cultural flourishing ended with his death, being followed by political decay and the 150 years of occupation by the Ottoman Empire in the sixteenth and seventeenth centuries. During this time, the country fell into three parts: the Ottoman Empire (to which the former royal residence of Buda now belonged), the western and northern parts of the Hungarian Kingdom, which became part of the Habsburg Empire, and Transylvania, which survived as an independent political entity. This period was also characterized by numerous religious conflicts between the followers of Catholicism and Protestantism. The latter was introduced into the country in the 1520s and began to flourish among the population in all parts of the country (C. János 1982: 5). Ottoman rule in Hungary was ended with the help of Habsburgs, to whose empire the country was reunited. After the failed revolution of 1848 and two centuries of conflict between the Hungarian Kingdom and the Habsburg dynasty, a so-called compromise or *Ausgleich* came into being in 1867, which resulted in a unitary state in the form of the Austro-Hungarian Monarchy (1867–1918).

3.2.2 From the Austro-Hungarian Monarchy to 1945

Although notionally separate, the two countries shared the three ministries of foreign affairs, defence and finance, while retaining their own parliament, government and civil service. The decades of Austro-Hungarian dualism brought considerable economic progress to Hungary, turning it from a backward agrarian country to a mixed economy. Even though the significance of agriculture started to decline in the years that followed the compromise, it was still very pivotal to the Hungarian economy. Thus even in 1910, 62% of the population worked in the agricultural sector, which generated 44% of the national income (Romsics 1999: 20). The disproportionate distribution of farmland in society caused the most severe problems for agriculture and were the source of increased social tensions. On the one hand large areas of

land were owned by a few landowners, while on the other hand the majority of agricultural labourers worked in the few acres that were not modernized and were not part of the market (Romsics 1999: 22). Apart from the large estates, credit institutions, the church and central or local government owned the medium-sized properties that constituted 33% of all lands. As Romsics notes, 'the two circumstances blocked a growing agricultural population from access to land, raised land prices, and thus diverted substantial amounts of capital away from the peasant farmers who were both willing and able to expand their holdings' (Romsics 1999: 23). This historical social process resulted in the emergence of a rigid social structure in rural Hungary (Vigvári and Gerőcs 2017: 87). Understanding the social polarization of rural society in the framework of world-systems theory, as originally developed by Immanuel Wallerstein, Vigvári and Gerőcs point out that 'the concentration of land based on agro-export production to the world economy was the result of the country's semi-peripheral integration as a satellite agro-supplier to the rising European core during the formation of the international division of labour' (ibid.).

During this period, the industrial sector went through a dynamic transformation and development. As the agricultural sector was heavily dependent on cereal production, the industrial sector was primarily dominated by the food-processing industry in general and flour-milling in particular (Romsics 1999: 23). Hungary had the world's second largest flour-mill centre in Budapest, and two-thirds of wheat production was exported (Berend 2006: 32). The distribution of industry was highly uneven in the country, the vast majority of factories and enterprises being based in Budapest and its vicinity. Apart from agriculture and industry, the third sector of Hungarian economy was commerce, employment in which rose increasingly between 1890 and 1910.

Despite these fifty years of rapid growth and industrialization, Hungary remained relatively poor and backward. Andrew C. Janos characterized the dualistic society as a neo-corporatist society based mainly on three social groups: the politicized bureaucrat, the neo-traditionalist landowner and the ethnic entrepreneur (1982: 92). At the top of Hungary's social hierarchy were the big landowners and the upper middle class or bourgeoisie. Various social groups can be found in the middle stratum between the élites, who controlled most of the country's wealth, and the broad mass of the population. The landed gentry, rural petty

bourgeoisie, urban middle classes and petty bourgeoisie all belonged to this middle stratum. The urban middle and upper classes mainly consisted of German-speakers and Jews. These two minorities constituted almost two-thirds of tax-paying businessmen and half of Budapest's traders at the end of the nineteenth century. In fact, 57% of the working Jewish population owned an enterprise or were managers in the private business sector (Romsics 1999: 45). This over-representation was the socio-economic consequence of the abolition of discriminatory laws affecting the Jewish population. As Romsics writes, 'under this trade-off, the nobility staked a claim on the positions of power within the evolving modern state whilst allowing other, non-noble groups – Jews among them – [a] free hand to attend to the tasks of modernizing the economy' (Romsics 1999: 45). Accordingly, while the state and local administration remained almost completely under the control of the country's historical elite – the aristocracy and gentry – industry and finance were dominated by the Jewish population. Landed peasants and the predominantly urban petty bourgeoisie constituted the lowest strata of the middle class, while agricultural and factory workers formed the lowest classes.

Having been defeated in the First World War, the Austro-Hungarian Monarchy fell apart in 1918. In Hungary the end of the war was followed by the communist revolution of 1919 and the short-lived Republic of Councils, led by Béla Kun. The 'red terror' was then followed by the 'white' terror and the regency of Admiral Miklós Horthy.

The Trianon Peace Treaty of 1920 entirely redrew not just the borders but also the social, political and economic map of Hungary. By imposing particularly harsh terms on the country, the treaty intensified the economic difficulties that had been triggered originally by the collapse of the dualist system. Hungary lost 70% of its territory, being reduced from 128,879 to 36,311 square miles, and lost 60% of its population, the figure dropping from 20.8 million to 7.98 million in 1920. The detached territories and populations were divided among the neighbouring countries (Romsics 1999: 117–125). Historically, economically and culturally important detached regions, such as Transylvania, became particularly important for revisionist politics and far-right propaganda (C. Janos 1982: 205). Even though most of the population in the detached territories consisted of non-ethnic Hungarians, the 3.2 million ethnic Hungarians who were left outside the borders of the new Hungarian state became the main objective of revisionist politics in restoring the old kingdom of 'Greater Hungary' (ibid.). As

a result of the treaty, the country became poorer, as it lost it industries and raw materials, while its agriculture also lost one of its most prominent markets in the western provinces of the empire. After the treaty, in the interwar period, several conservative governments led the country under Horthy's regency.

Nevertheless, the 'division of labour' in society in 1920 remained the same as it was fifty years earlier. While the Jewish bourgeoisie had to manage finance and industry and mediate between the Hungarian economy and the world economy, the aristocracy and landowning class were responsible for providing surplus grain for exports. The latter were also supposed to maintain social peace in rural Hungary along with the Catholic Church. Ultimately the state, and therefore the political elite or class, had to lead these two social structures and navigate Hungary toward higher national goals (C. János 1982: 222). As Andrew C. János noted, 'Rather than possessing a single power elite, Hungary had separate elites of power, wealth and privilege. The smooth functioning of the social mechanism rested on an effective collaboration among these elements, a collaboration that depended on the reciprocal acceptance of each other's spheres of action and influence' (ibid.). The effective collaboration among these 'social elements' started to fade away from the 1920s through the introduction of the first Numerus Clausus Act, which set religious quotas for admission to higher education institutions and universities in order to reduce enrolment by Jews. As the law particularly targeted the Jewish minority, this can be regarded as one the first anti-Jewish laws of Europe.

Hungarians entered the Second World War on the side of the Nazi Germany and deported 500,000 Jews from the entire country, mostly from the countryside. The war caused enormous damage to the Hungarian economy, and the loss of population was also significant, 6.2% of its 14.5 million population perishing (Romsics 1999: 216). Although after the war the idea of 'socialism' was welcomed by large sections of societies in Central-Eastern Europe, being regarded as a means to overcome centuries of social inequality and socio-economic conflict, realizing 'actually existing socialism' was not easy and was 'only possible as a result of intensifying geopolitical and economic competition between the "capitalist" West and the "communist" East following the onset of the Cold War' (Fábry 2014: 84). Unlike Czechoslovakia, Poland or Yugoslavia, the Hungarian Communist party (*Magyar Kommunista Párt*, MKP) lacked power and did not enjoy mass support, not even being able to retain its

place in the coalition government of post-war Hungary without Stalin's support (ibid.). Therefore, it is no surprise that in the general election of November 1945, the conservative Independent Smallholders' Party (*Független Kisgazda Párt*, FKGP) won a landslide victory by 57% of the votes (ibid.). The second most successful party was the Social Democratic Party (*Szociáldemokrata Párt*, SZDP), which received 16.9% of the vote, while the MKP trailed in third. This hindered the MKP in its aim of seizing power through democratic parliamentary elections, and the party stayed in the 'background' as 'the possibility always existed of the smallholders and the socialists reforming their 1942 alliance to the exclusion of the communists' (ibid.: 85).

This controversial social support of socialist ideas goes back to popular 'third-way' political visions of the first half of the twentieth century and the concept of 'peasant embourgeoisement' that rejected both the western capitalist system and the Soviet-style dictatorship. In the following, I will focus on the concept of 'peasant embourgeoisement', which played a crucial role in both intellectual and political debates prior to and after 1945 (Vigvári-Gerőcs 2017: 96).

3.3 'Peasant Embourgeoisement' and its Propagation by Ferenc Erdei

As already mentioned, in the interwar period, Hungary was still an agrarian country characterized by growing social tensions. On the one hand, land was unequally distributed, most of it being concentrated in the hands of a few landowners. On the other hand, there was a growing number of landless and of landholders existing below subsistence level. Ferenc Erdei took part in a sociographic movement (*népi írók köre*) in the interwar period that not only documented the sheer poverty in which peasants had to live in rural Hungary in journalistic and ethnographic studies, but also adopted a 'third-way' political vision of how to modernize rural areas and distribute land equally. 'Peasant embourgeoisement', a term first used to describe the process of agrarian modernization in the nineteenth century (Vigvári-Gerőcs 2017: 94), became well-known through Ferenc Erdei. Erdei was one of the most influential sociological theorists of the pre-socialist era, who also observed embourgeoisement

processes in villages and country towns (*mezőváros*). Embourgeoisement as an underlying theme of both his sociological and political writings refers to the social integration and social development, or in his words 'embourgeoisement', of the peasantry. For him, city and countryside represented two opposed social structures, conflict between had the characteristics of a class struggle (Erdei 1939: 42–45). He envisaged dissolving this economic and social division by creating a more symbiotic relationship between the two (Bognár 2005; Hann 2006; Hann 2015). He developed this concept in his posthumously published study of 'Hungarian society during the interwar years' (1976),[17] which examined how a modernizing, capitalist society coexisted with a historically feudal society in the context of interwar capitalist modernization.[18] In his model, beyond these two social structures stood the largest social group, the peasants, who remained unintegrated from these two structures both socially and economically. Erdei's concept of 'embourgeoisement' was strongly connected with and shaped by his urban historical inquiries,[19] particularly in the Hungarian Great Plain. One could therefore argue that his model of social structure and theories of social development always had a spatial and urban dimension.

In his book of *The Hungarian city* (1939) Erdei focuses on the Hungarian county town (*mezőváros*), the main location of peasant 'embourgeoisement'. These county towns, which were typical of the southern Great Plain, had a particular spatial and social composition. The town centre was the locus and site of representation of this process of embourgeoisement, with specific cultural and symbolic elements, while the economic units of surrounding villages constitute the economic base of the centre by offering livelihoods for those living in the town and on its peripheries. The origins of these county towns go back to the sixteenth and seventeenth centuries, during the Turkish occupation, when peasants left their villages and moved to them. Within a generation, by establishing a market-oriented economy, civic and

[17] Erdei wrote his study in 1943–1944, but he himself never published it; it was published five years after his death by Vilmos Huszár in 1976. See Huszár 1976.

[18] The (mis)understanding of Erdei's social structuration model as a 'double structure' became a tradition in sociological inquiries into the historical development of Hungarian social stratification (see further on this: Éber 2011: 5; Éber and Gagyi 2014: 181). This idea of a 'double structure' characterized the approach of these researchers as well, as they divided market socialism into the official redistributive system of state socialism and the second economy (Gagyi and Éber 2015: 604).

[19] Erdei, Ferenc 1939. Magyar Város. Budapest: Athenaeum.

cultural institutions and local self-government, the former serfs became producers working as entrepreneurs and becoming 'citizens' or 'burghers' as city dwellers (Szelényi 1988: 55). Therefore, according to Erdei, the process of 'peasant embourgeoisement' had been going on for centuries prior to the twentieth century, although it was interrupted by the defeat of Turks and the restoration of the feudal system. By drawing parallels between the analysis of Erdei and Weber's thesis of the Protestant Ethic, Szelényi points out that Calvinism became a powerful religious ideology of the emerging peasant-burghers in the 16th century (1988: 55).

Nevertheless, for Erdei the concept of peasant embourgeoisement was not just an intellectual inquiry into the lived experiences and upward mobility of the 'middle' peasants, it was also a political vision and a populist, 'third-way' political program that had a long-lasting affect on both sociological and political discourses in the second half of the twentieth century. In the next section, I will look at how both the intellectual discourse and the political project of 'peasant embourgeoisement' developed in the second half of the twentieth century and what its relation was with terms for other classes and their politics.

3.4 The Issue of Class and the Place of Entrepreneurs in Socialism

Overall the present research aims to understand why and how entrepreneurs and the self-employed make decisions about the types of jobs they hold, where and how they make a living, and under what circumstances they make moral and ethical claims. Nevertheless, in order to answer these questions, one has to take into account their position in the broader economic and political structure. Small-scale family entrepreneurship or petty capitalism in line with the term 'middle class' very often entails theoretical difficulties for class analysis due to the phenomenon of 'contradictory class location' (Wright 2015). When it comes to analyses of class, anthropological works mainly focus on rural communities, peasants, and lower and working classes and adopt their perspectives. As Heiman, Liechty and Freeman point out, 'the field as a whole has traditionally privileged the powerless ethnographic subject as indicative of a more purposeful, "morally engaged" scholarship. The middle classes and upward mobility

into them were viewed as tainted not only by the implicit exploitation of their lower-class counterparts, but also by cultural inauthenticity and [the] mimicry of (often foreign, colonial) elites' (Heiman, Liechty and Freeman 2012: 6).

In order to understand the contradictory class location of contemporary small-scale entrepreneurs, I will describe their relations with other classes and social groups from a social-historical point of view. Given the lack of anthropological literature on the class analysis of middle-class formation in Hungary, I will mainly discuss the entrepreneurial middle classes through sociological works. The following brief overview of the relevant theories will also cast light on the social structure of the social transformation that followed the change of regime in 1990.

After 1949, with acceptance of the official doctrine, the new socialist society was made up of 'two classes and a stratum', a formula which defined the industrial and agricultural labour force as classes and the intelligentsia as a stratum separate from the class structure. As Gagyi and Éber note, 'classes officially still existed, but they were declared to be "non-antagonistic": the nationalization of property meant that class differences and social inequalities would now systematically diminish' (Gagyi and Éber 2015: 599). From the 1960s onward, more and more researchers challenged this normative model, and a new, class-based strain of criticism against the Stalinist view emerged. Focusing on relations of production rather than ownership, Iván Szelényi claimed that class differences can also be created by state distribution. In his study (1982) of the intelligentsia in the class structure of state socialist societies, Szelényi argues that the new class of intelligentsia, made up of a bureaucratic group of the ruling party and technocratic and humanistic intellectuals, formed a new dominant class in state socialism that gradually came to control the redistributive apparatus of the state. Through this redistributive power, this new class acquired systemic advantages and privileges, as well as a larger share of the surplus product than that of the workers who actually produced it (ibid.: 318). While significant inequalities existed within society, socio-political system did not allow either extreme wealth or extreme poverty to exist (ibid.: 317).

Inspired by Konrád and Szelényi's class theory concerning intellectuals and structural inequality in the socialist period, as generated by the redistributive state, Böröcz and

Southworth (1996) set out to examine empirically the impact of cultural capital on inequalities of income in statistical terms. Drawing on statistical data from 1986 and using a Weberian conceptual framework, their study showed that certification obtained through formal education was the strongest form of cultural capital and a predicator of incomes (Böröcz and Southworth 1996: 817).

Sociologists, historians and ethnographers contributed to the so-called embourgeoisement theory and discourse in the 1970s and 1980s, which played a crucial role in the class analysis of Hungarian society. The discussion of and approaches to embourgeoisement were mainly related to the interpretation of production by small-scale agricultural units and to Iván Szelényi's theory of 'interrupted embourgeoisement', which is explained in detail in his book *Socialist Entrepreneurs* (1988). Szelényi's work made a theoretical synthesis of previous sociological inquiries and conceptualizations of the historical process of embourgeoisement. He sought to understand what made a sizeable and particularly successful private agricultural sector possible in Hungary despite all the efforts to eradicate all forms of private enterprise during the four decades of socialism. As inheritance of land, capital, and entrepreneurship was ruled out in this context, they started the book with a Weberian-inspired question asking what motivated those who pursued entrepreneurial activities during the socialist era.

In order to answer this question, first they introduced three different theories that capture the sociological character of family production in collectivized socialist agriculture, then they developed a set of hypotheses out of these theories and tested them by means of a large-scale representative survey of rural areas. The research was conducted in 1982 and was complemented by rich ethnographic data. The first, so-called proletarianization theory advocated by the official theorists of Soviet-type agriculture claims that family agricultural production is just a temporary phenomenon, and that as soon as peasants become a fully industrial proletariat, it will disappear (Szelényi 1988: 42–45). The second, so-called peasant-worker theory claims that private farming did not represent the survival of peasant traditions, but was a rational response to the socialist system, a tool for increasing or complementing their income; therefore it might be seen as the product of the system itself (ibid.: 45–50). The third

theory is the theory of embourgeoisement, which focused on the continuation of certain values related to autonomy and an ethos of civil individualism.

Szelényi argued that the long-term process of embourgeoisement was interrupted several times in Hungarian (and East European) history. Socialism might be seen as one such interruption, but embourgeoisement also re-emerged in multiple forms, such as private family farming, in the last decades of socialism. By focusing on life-histories and career paths of family entrepreneurs, Szelényi identified certain trajectories which either led people to start private farming or kept them from doing so. His findings show that family background and socialization played a crucial role in becoming rural entrepreneurs in the sense that, in families of independent farmers before the socialist period, one was more likely to find rural entrepreneurs producing for sale and not just for their own consumption in the socialist period. This indicates that the socialist push towards entrepreneurial family farming was a continuation of the pre-socialist trend towards embourgeoisement of 1944–1949 (1988: 61 – 75). In contrast, Martha Lampland argues that capitalist attitudes and practices in agriculture stem more from the functioning of Hungarian socialism than from an 'interrupted embourgeoisement' phenomenon (1995: 20).

3.5 The Rise of Entrepreneurship and Economic Elites in the Years of the Transition

Studies focusing on the class or social stratification aspects of the transition are dominated by three types of theory: the first concentrates on how socialist elites preserved and transformed their positions and power into the capitalist period, the second addresses how the former elite seized control of privatized property, and the third asks what was the role of socialist-era informal networks in the formation of new political and economic structures. The concept of social and cultural capital – or more precisely the conversion of these forms of capital into economic capital – played a crucial role in theorizing the 'transition' and the metamorphosis of the elite in Hungary and generally in Eastern Europe (e.g.:Szalai 1989; Böröcz and Southworth 1996; Eyal et al.1998; Róna-Tas and Böröcz 2000). These studies show that the highest level of *nomenklatura* in the socialist state was not able to convert its political capital

into economic capital after the regime change. The newly formed economic elite in the 1990s was dominated by former members and former managers of the privatized state sector, while those socialist entrepreneurs who had only been active in the so-called 'second economy' were under-represented. Thus Szelényi's prediction in his 1988 book that the socialist-era entrepreneurs of the second economy would constitute the new economic elite was proved wrong by many studies. For instance, József Böröcz and Ákos Róna-Tas (1995) pointed out that new elite did not come from the second economy, but from the privatized state sector. Drawing on statistical data, they found that a tradition of company ownership in one's family before 1948, high levels of family education before 1948, one's own professional education, a managerial position in a socialist company, and Party membership before 1989 were the most decisive factors in one becoming part of the new elite after 1990.

One of the main challenges of the transformation was therefore to create capitalism without capitalists (Eyal et al. 1998). In the absence of domestic capital, a 'managerial capitalism' emerged, which gave considerable economic leverage to economic experts working for foreign and international financial agencies (Eyal et al. 1998: 316). By forming a Weber- and Bourdieu-inspired model of social stratification, Eyal et al. also showed that political capital was much less useful than cultural capital in the years of the transformation and that downward mobility characterized the political fraction of the 'nomenklatura', while cultural capital, in the form of managerial expertise, was more decisive. As they write, 'it was more advantageous to be a manager than a party or state official if one wanted to enter the new economic elite' (ibid.: 121).

Similarly, focusing on the social conditions that determined the social reproduction of small business owners in the years of the transition, Kuczi and Vajda (1991) showed that cultural capital (in the form of previous work experiences and formal education) played a crucial role in the formation of the new independent small businesses. Unlike Bourdieu, they argued that given the lack of capital, and therefore of the transmission of capital, in post-socialist Hungary, formal education was not just an institutionalized mechanism that ensured the reproduction of capitalists, but also one of the main conditions that made the formation of

capital possible. Furthermore, they also pointed out that at the end of 1980s[20] those enterprises whose owners combined their state jobs with the opportunities of the 'second economy' were the most successful. Examining the emergence of medium and large-scale entrepreneurs in post-socialist Hungary, Laki and Szalai drew a similar conclusion in their research by showing the great importance of quality secondary education and previous work experiences in the formation of the new business elite (Laki and Szalai 2006: 334).

Emphasizing informality and the continuation of informal socialist networks in the post-socialist era was a key conceptual tool in approaching the transition from 1990s onward. József Böröcz's pivotal study (2000) pointed out that informality as a general mechanism shaped the transformation. By showing the importance of social capital and informal social networks in the building of Hungarian state capitalism, he argued that informality and the preponderance of social networks characterized not only the second economy, but the first economy too. Furthermore, he explains the structural conditions of the emergence of informality by showing that the strong presence of informal networks in economic life was rooted in the pre-socialist, semi-peripheral capitalist period and was related to the absence of the original accumulation of capital in the whole central European region (ibid.: 359). Drawing on international labour statistics, he points out that 'since the early thirties the proportion of small entrepreneurs, the self-employed, and own-account workers in Hungary has been quite a bit higher than in Austria or Germany' (ibid.: 360). Although socialist ideologies regarded private trading and profit-making activities as immoral and illegal in the Soviet Union and most other countries in the Eastern European bloc,[21] the socialist period did not represent a rupture in Hungary, as informal, network-based entrepreneurship continued to thrive during the Kádár régime as well. As survey results suggest, over two-thirds of the population had regular earnings outside the first economy (ibid.: 363). Another survey shows that a significant majority of the entire labour force regard themselves as entrepreneurs. As Böröcz puts it, the 'pursuits and glorification of individual freedom, opportunity seeking and experiential

[20] The liberalization of business organizations had already started in 1982, when a new package of laws was passed that legalised and regulated small enterprises. There were already 30,000 partnership companies when a new bill on private enterprises was passed in 1988 (Kuczi and Vajda 1991).

[21] For instance, comparing the attitudes of relatives from different generations to market activities, Deema Kaneff shows that participation in market activities has various moral and ideological implications in altering political and economic contexts (Kaneff 2002: 33–53).

complexity that the informality of late socialism offered was a potent opiate that most Hungarians swallowed with a remarkable passion' (ibid.).

Between 1989 and 1995, after the abolition of legal obstacles and in the wake of the economic and political restructuring, the small private sector was entirely built up in Hungary. The rapid expansion of small-scale private enterprises brings up the question of who these entrepreneurs were and what their role was in the Hungarian economy.

This was the very question that Ákos Róna-Tas raised in his comparative study of entrepreneurs in small businesses in the Czech Republic, Hungary and Slovakia. He starts the discussion by explaining the pre-socialist and socialist legacies of the recently formed small enterprises. Before 1948, the small private sector played a crucial role in the Hungarian economy. This sector was mainly dominated by artisans and craftsmen in industry and services, small tradesmen in commerce, and small farmers in agriculture. They were primarily self-employed people who depended a lot on their households to provide labour and other resources for their enterprises. They were mainly risk-averse small businesses that rarely grew and whose owners were more motivated by providing their children with an opportunity to move into a higher class through education than to transmit their businesses to them. Nevertheless, as he notes, this sector fostered the personal attributes that were often found in entrepreneurs, as it promoted independence, rational calculation, diligence, and even a measure of creativity (Róna-Tas 2002: 47).

The small private sector was almost entirely eliminated by the new socialist policies after 1948. The concentration of property rights in the hands of the state entailed the concentration of production, leading to the Hungarian economy being dominated by a few large, state-owned companies. Accordingly, the majority of the population were state employees in large companies that mainly offered ill-paid but secure jobs, providing various benefits from free or subsidized child care to home loans and vacations. As Róna-Tas points out, 'this system of universal state employment was the major paradigm that integrated the population into the economy' (ibid.). After the early 1960s, this universal state employment gradually declined, while small-scale entrepreneurship and self-employment started to grow in the last decade of the socialist period. Nevertheless, the state sector still played a crucial role

in the process as it provided resources, clients, information etc. for these part-time private activities. There was hardly ever any competition among these private enterprises, as demand always exceeded supply given the shortages generated by the state sector. In general, as he points out, 'the small entrepreneur was seen as a welcome complement to socialist large-scale production. When communism collapsed, Hungary already possessed a sizeable proto-private sector of small units producing around an estimated 20% of the country's GDP' (ibid.: 48).

In the wake of privatization, small-enterprises proliferated. However, Róna-Tas argued that the majority of these small-scale enterprises functioned as a sort of self-employment, carried out by former employees for whom there were no other market opportunities. Therefore they should not be viewed as the 'winners' of the transformation and its policies, but as an extension of household economies with few chances to grow into medium or large-scale firms. Róna-Tas claims that 'the oversized small private sector is replacing the socialist economy of giants with its equally undesirable mirror image: an economy of dwarfs that cannot take advantage of real economies of scale, cannot improve productivity by substantial investment in fixed capital, and cannot successfully compete in a globalizing world market' (ibid.: 62).

The process of privatization had largely ended by the end of 1990s, with a huge representation of foreign ownership and the establishment of a class of local owners. As Balázs Vedres and David Stark (2012) show, a new type of 'political capitalism' evolved during the 1990s as political parties became indebted to economic elites through party and campaign financing, and these entrepreneurs gained state contracts in return (ibid.: 702) This political capitalism gave rise to a business elite that was polarized between left and right, each group competing to extract more resources from the state.

3.6 Neoliberal Regime of Accumulation after 1989

The transformation of the Hungarian economy did not start in 1990 but, as many pointed out, in the 1980s. In that regard, some authors emphasized that the experience of the second economy in the Kádár era made the transition to a market economy smoother for Hungarian

society (Laki and Szalai 2006: 323). Fabry takes a different angle by placing the Hungarian variety of socialism in a global political-economic context. He argues that there was no significant difference between the Western capitalist and socialist economies as the latter did not operate to a fundamentally different logic and that state interventions in the economy were characteristic not only of Soviet-style economies, but also of the capitalist world economy (Fabry 2014: 15–16). While the so-called Soviet-model was oppressive and exploitative, it also made capital accumulation possible, and its state-led development policy 'from above' also brought about rapid industrialization and urbanization, as well as a general rise in living standards across Eastern Europe, including Hungary. Nevertheless, after the global economic crisis in 1973, the leaders of the Soviet bloc came under increasing competitive pressure from the Western world. They therefore started importing technologically advanced goods from the West, exporting industrial and agricultural products in return. These imports were paid by loans from Western governments, private banks and international financial institutions. As a result of the greater 'integration to the world economy', Hungary became heavily indebted from the 1970s onward. As Fabry points out, 'by 1987 the country's external debt exceeded US $ 18 billion – the highest in the block and one of the highest in the world in per capita terms' (ibid.: 17). Neoliberal ideas and policies were not just imported from the 'West' and applied to Hungary in the years of the so-called transformation, they were also rooted in economists' circles and the Financial Research Institute, where proto-neoliberal ideas had already emerged in the 1980s as a response to the deepening crisis of the late socialist system (Fabry 2014, 2017).

In the 1990s, drastic interventions, or as the transition literature calls them 'big bang' or 'shock therapy', were applied to Hungary. Neoclassical economic theory and structural adjustment programmes applied to Third World countries in the 1980s provided the knowledge and 'know how' needed by these 'shock therapy' programmes, which were widely supported by the domestic political elites (Fabry 2014: 38). The conditions of these programmes focused on three main areas: 1) the radical stabilization of prices and wages; 2) the liberalization of prices and trade; and 3) the introduction of structural reforms (ibid.: 37).

The two main components of the transition were privatization and foreign direct investment. Privatization was very much promoted and influenced by both the local and

international ruling classes, as it was initially regarded as the key to creating a strong bourgeoisie that supported liberal-democratic values. Second, supporters of privatization argued that selling off state-owned enterprises to foreign investors would generate cash and solve the state's fiscal crisis (Fabry 2014: 182). The privatization process in Hungary can be divided into four periods. The first such period came between 1990 and 1992, when Hungary's foreign debts were repaid through the sale of state-owned enterprises to foreign investors. Establishing a national bourgeoisie was the main project of the government of the second period between 1993 and 1994 as a response to the increasing public opposition to foreign capital. Between 1995 and 1999, the third period, entire sectors of the economy, such as banking, energy and telecommunications, were privatized, and key sectors came to be dominated by foreign capital. Only strategic sectors of economy, such as defence, steel, transport and agriculture remained under state control. The further opening up of the Hungarian market to large transnational corporations was mainly driven by the country's accession to the EU. Banks, steel, telecommunications and transport were privatized in this last period of the privatization process (Fabry 2014: 182–183).

The second distinctive feature of the transition period and the neoliberal regime of accumulation after 1989 was the dominance of the economy by foreign capital. Comparing the accumulation strategies of Central European countries in the transition period, Bohle and Greskovits pointed out that of the Visegrad Group states (or Visegrad four, i.e. the Czech Republic, Hungary, Poland and Slovakia) Hungary became the regional leader in pursuing a foreign-led accumulation strategy (Bohle and Greskovits 2012: 140). They argue that the very reason for this strategy was the huge external debt accumulated by the Kádár regime in the 1980s. As they write, 'Hungary adopted foreign led capitalism from the start. Because of its reformer's preference for disciplined debt service Hungary was highly dependent on hard currency cash receipts available only from exports and privatization. Thus, foreign debt and its management appeared among the main determinants of Hungary's strong export orientation and policy of privatization through massive direct sales to foreigners. At the same time, its reliable debtor status made Hungary an attractive location for foreign direct investment (FDI)' (ibid.: 143).

Moreover, policy experts, economists and politicians expected Hungary's fast (re)integration into the global economy and in general into the 'West' by opening up its economy to international trade and foreign capital. Ultimately, this strategy was highly supported by a segment of the Hungarian managerial elite, 'who believed that FDI was needed for Hungarian industry to develop…and that their career prospects would be better served under a foreign owner' (Fabry 2014: 195).

As a result of these measures and policies, the change of regime was followed by a decade of economic decline and social disruption. Between 1988 and 1995, the transition-associated adjustments resulted in more asset losses than in the Second World War and caused large-scale unemployment (almost one-third of the workforce). The real wages of workers also drastically declined in the 1990s, and at the end of that decade, in 1999, real wages were 19% less than in 1989 (Fabry 2014: 44). As a consequence of large-scale economic restructuring and liberalization, poverty and social inequality increased.

3.7 National Capitalists, Labour and the Welfare State in a Neoliberal Era

As already described, after 1990 the Hungarian economy became largely dependent on foreign capital and export-led growth, which resulted in the key sectors of the economy being controlled by foreign capital, while the internal market became very weak. The neoliberal right-wing political course of recent years shows that Hungary's integration into the global economy as a semi-peripheral player and the highly uneven politico-economic transformation had very high social and political costs.

Prior to the 2008 financial crisis, an economic crisis had already started in Hungary in 2006, when the socialist government introduced a 'stabilization' package in order to meet with the criteria of the so-called 'Stability and Growth Pact' imposed by the European Commission, which provoked a recession. Nevertheless, the 2008 financial crisis hit the country especially hard. As a response to the crisis and the demands of the IMF and EU, in 2009 the socialist-liberal government introduced a 'reform' package which included heavy cutbacks in welfare

spending. At that time, FIDESZ – the currently reigning governing party was in opposition – rejected the 'reform' package and promised the full restoration of the welfare state when it came to power. The very promise of restoring the welfare state and ending the austerity policies brought Fidesz the majority of votes in the 2010 general election (Neumann and Tóth 2017: 127–128). The new Fidesz-led government of 2010 sought to reorganize the economy and to overcome the failure of the transformation (especially the last eight years of socialist-liberal rule) by invoking 'work, 'law and order' and 'family' (ibid.).

In spite of its anti-neoliberal clothing and struggles with the IMF and EU, the new government responded to the crisis and its aftermath with a neoliberal and neoconservative set of policies, resulting in massive cutbacks to social spending. As Szikra shows, 'Hungary (along with Greece) has been one of the few countries within the European Union with a massive welfare state retrenchment during the crisis years, with real social spending decreasing by 13-14 percent between 2008 and 2012' (Szikra 2014: 488).

To restore the 'competitiveness' of the Hungarian economy, the government introduced various measures to establish a 'work-based' economy reliant on a strong, property-owning middle-class. Stark and Vedres showed that (2012), by helping certain groups of businessmen to create their own business empires in sectors that depend on government services and public tenders, Fidesz successfully created a new domestic business class that is close to it as the government. Given the rise in Fidesz's economic nationalism, Scheiring proposes to conceptualize the post-2010 state as an accumulative state. According to him, as a response to the period between 1990 and 2010, when economic policies favoured transnational companies, the accumulative state propagates economic nationalism and economic interventions that positively discriminate in favour of national capitalists (Scheiring 2020: 74). National capitalists are mainly active in non-technological sectors that draw primarily on flexible, unskilled and cheap labour. In order to support the accelerated accumulation by this group, the government continuously deregulated the labour market and withdrew funding from public services (ibid.). As I shall discuss in later chapters, a salient example of Fidesz's economic nationalism was the re-structuring of the retail sector – particularly the tobacco retail trade – in alliance with domestic trade capital. The retail trade in tobacco was dominated by transnational capital before 2010. In 2012, Orbán's government radically restructured the

tobacco retail trade by creating special tobacco stores – National Tobacco Shops – with a monopoly over the sale of tobacco. Prior to that, almost all shops, including grocery stores, obtained much of their revenue through tobacco. With the new law, Fidesz opened up business opportunities for small and medium businesses who, according to opposition politicians, were loyal supporters of the government.

Péter Mihályi and Iván Szelényi (2019) aim to capture the particularities of the post-2010 state by redirecting our attention to the concept of rent and to the top 20% of income-earners. They argue that the growing inequality of the present is not due to the increasing difference between profits and wages but originates in the increasing importance of rent. As wealth is increasingly generated by rent-seeking activities, the authors suggest that it is better to talk about patrimonial capitalism (Mihályi and Szelényi: 9). As they point out, rents can be created by governments issuing concessions, as was the case with the allocation of tobacco shop licenses.

The flipside of the government's aim to build a strong national bourgeoisie was to create a so-called 'work-based' economy that was accompanied by a general shift from a welfare-state to a workfare-state model. In this regard, the most important change was the further deregulation of labour market, the reduction of entitlement to unemployment benefit to three months and the introduction of a compulsory public work scheme for those whose benefit had expired and who had not been able to find a job. The program stipulates that the unemployed are obliged to accept the job offers of the local government. The vast majority of these workfare jobs involve physical work in forestry, the waterworks and local renovations. The payment for public work is 70% of the national minimum wage. As Szikra notes, 'Paid weekly, rather than monthly, the pattern of the minimum wage copies the traditional remuneration of (agricultural) day-labourers, rather than regular labour contracts. Local authorities have the right to deduct any due payments from the salaries of public workers: those indebted with communal payments might see only a fraction of their salary' (2014: 493). As a result, between 2010 and 2012, the percentage of registered unemployed not in receipt of any social assistance or benefits grew from 40 to 52 percent (ibid.: 493).

In recent years, Hungary's economic growth has primarily been driven by EU funds. In addition, the government has aimed to restore the competitiveness of the Hungarian economy by establishing a 'convenient' legal and institutional environment for manufacturing and manufacturing-related business service firms. In this respect, the Mercedes plant in Kecskemét or the expanded Audi plant in Győr and the related investments of supplier companies must be highlighted. The long-term implications of this economic model and policy to boost manufacturing are twofold. First, the government has introduced the most competitive and flexible labour market regulation in Europe, and Hungary also has the lowest corporate tax rate in Europe at 9 per cent. Second, the government's education policies and the downward trend in public education tend to serve the interests of the manufacturing companies (Neumann and Tóth 2017: 131). During the 2008-2009 crisis, the education budget was heavily cut back, a trend that has continued, as the overall public education budget has shrunk further under the currently reigning government. Moreover, as Neumann and Tóth show, the education system went through 'a government-inspired reshaping towards low quality vocational training (schools in which general subjects, IT skills and foreign language learning are missing from the curriculum)' (ibid.).

The consequences of these policies in relation to the labour market are a matter of controversy. While workfare programmes have reduced unemployment, in most cases these large-scale public works projects funded by the state did not lead the unemployed back to the labour market, as they were actually substitutes for the former welfare provisions. In the private sector jobs are scarce and largely dependent on state funding. However, in recent years, outward migration of the young and partly the prime-age workforce to Western Europe has accelerated due to the crisis and the increasing precarity of the Hungarian labour market, which ultimately also contributed to the improvement in the employment statistics. Furthermore, this new trend in migration has resulted in labour and skills shortages in certain trades. In this respect, one entirely new phenomenon is that, faced with labour shortages, large multinational companies such as Auchan or Aldi have voluntarily increased their wages. Similar wage rises were announced in major manufacturing companies that were struggling with labour shortages (Neumann and Tóth 2017: 136).

Today wage disputes are one of the most pressing and severe problems in Hungarian society. In the first governmental cycle in 2011, among numerous new social policy reforms, Fidesz introduced a 16% flat rate of income tax, which resulted in a reverse redistribution towards the wealthy: the tax burden was reduced for middle-class and upper middle-class wage-earners, while it was increased for low wage-employees (Szikra 2014: 490; Neumann and Tóth 2017: 133). To correct this imbalance, the government raised the statutory minimum wage by 30%. However, the tax contribution of lower social strata is one of the highest in European Union. The heavy taxation of labour (in contrast to the low taxation of capital) is one of severest problems of the Hungarian labour market, as it does not just maintain but also supports the high level of undeclared employment, thus impeding job creation in the business sector, particularly among SMEs (Scharle and Szikra 2015; Neumann and Tóth 2017: 133). As Neumann and Tóth note, 'All in all, the Hungarian growth and employment model has basically remained FDI-driven and export-oriented with a strong manufacturing focus. However, within manufacturing Hungary has generally shifted towards the dominance of "low-road" industries and workplaces by neglecting higher education and R&D' (ibid.: 134).

Due to the growing taxes on wages, Hungarian wages have stagnated since 2010 and are now at about the pre-crisis level. In spite of the government's 'economic nationalism' and its vocal conflicts with the IMF and EU, the private sector still depends largely – perhaps even more than before – on foreign direct investment and foreign investors. At the same time, the state and state services have increased the taxation of private business activities. The social impact of these social taxation policies is the increasing inequality and poverty in the country (Neumann and Tóth 2017: 133–134).

3.8 Conclusion

In this chapter I have described Hungary's centuries-long struggle to overcome its backwardness and uneven development, which was the result of the country's semi-peripheral

integration into the rising European core during the formation of the international division of labour (Vigvári-Gerőcs 2017: 87). I argued that the sociological concept and political vision of ‘peasant embourgeoisement’ was a powerful ‘third way’ response to this pressing issue, one that played a crucial role in both pre-war and post-war political and sociological debates. However, the last thirty years of economic and political transformation have shown Hungary taking a different route and quickly becoming a ‘poster boy’ of neoliberalism (Fabry 2017). The authoritarian turn of Viktor Orbán and his mode of governance has created a highly neoliberal nationalist regime that benefits the national capitalist class and the upper and middle classes in employment while abandoning the poorer segments of society.

4 BECOMING AN ENTREPRENEUR IN POST-SOCIALIST HUNGARY

4.1 Introduction

I met Ilona Fehér and her husband, István Fehér at the beginning of my fieldwork. They were architects by profession, having been working in their own business since the early 1990s. They started their careers as employees in a big state-owned architectural enterprise with around 470 employees at the end of the 1970s and launched their own business after the regime change with some of their old colleagues. I asked Ilona to recall the time of this change and the beginning of their own business:

> Numerous private businesses emerged in the wake of the regime change, however many of these new businesses were set up for the simple reason that unemployed people could not find a job, and it was just easy to start a business, a limited partnership, or a limited liability company. It happened very often that even those who had no sense of business whatsoever became entrepreneurs. Although this comes as no surprise, since socialism was a fifty-year break from the normal business world. Given the lack of educational possibilities in business, just a few people were left who actually knew how businesses work. Our children's generation and the way they do business is entirely different, either because they learned how to do it or they just feel it better than we do.

Ilona's response touches on the issues that are central to this chapter and to the whole thesis. By asking what drove certain people to engage with entrepreneurship and how employees became employers, this chapter will examine the ways and processes in which they came into being. By doing so, I will focus on both the material conditions and non-material pursuits, aspirations and desires that informed people's decisions to start a business.

As discussed in an earlier chapter, the questions of how small-sized enterprises emerged, who became entrepreneurs and how in the years of transformation that followed in the 1990s have a specific relevance to the Hungarian context. As private ownership was outlawed, credit was not available and capital accumulation was restricted by the state, the private sector of the 'second economy' was rather limited in the socialist period (Stark and

Bruszt 1998: 67). Even after state socialism had been dismantled, domestic industry and the economy suffered from the endemic unavailability of indigenous capital, as economic restructuring and privatization were mainly FDI-driven (Böröcz 2012: 25).

Nonetheless, in the 1990s there was great hope that the small private sector would develop the Hungarian economy significantly (Róna-Tas 2002: 39). Focusing on how small enterprises were formed, Ákos Róna Tas argues that there are two main theoretical approaches to the question: the entrepreneurial paradigm, and the labour market approach. The 'entrepreneurial approach' emphasizes opportunities and pull factors by arguing that entrepreneurship is an active choice. Following Weber, according to this approach, Róna Tas writes: 'the main unit framing entrepreneurial decisions and activity is the enterprise, which is separated from the household and follows its own logic' (ibid.: 41). In contrast to this, the 'labour market approach' highlights the push factors by arguing that smallscale entrepreneurs are primarily risk-aversive workers who started their businesses because they had few other options than to become self-employed entrepreneurs. In the Weberian sense, these small enterprises will not grow because they are not separated from the household (ibid.: 44).

Going beyond the dichotomy between push and pull factors described above, I will also look at the non-material pursuits and moral meanings people attach to their businesses and their work. The question of how people define what good business and work are also sheds light on the lived experiences of greater historical and social changes such as the change of regime and the period that followed it.

In pursuing my research in this context, I constructed three groups of entrepreneurs and selected seven case studies to represent them. In the first section, I will focus on those entrepreneurs who started their businesses primarily for material reasons, that is, to ensure an adequate standard of living for themselves and their families. Since this is the largest category, I will illustrate it with three case studies. In the second section I will focus on those entrepreneurs who regarded their private businesses as a direct continuation of professions they had previously followed in state-firm settings. Finally, in the third section I will focus on second-generation entrepreneurs who have either continued the businesses that their parents started or started their own by drawing on inherited capital.

4.1.1 Statistical Snapshot of Entrepreneurs

Before discussing the selected case studies and qualitative data, I will introduce three figures in order to provide a general picture of my sample. As indicated in the Introduction, the quantitative data were gathered through a questionnaire entitled 'Economy, Morality and Values in Life, at Work and Home'. I conducted interviews using this questionnaire in forty-four small businesses. By small business, my research group means businesses with fewer than fifty employees. According to the latest figures I could obtain from the Central Hungarian Statistical Office, for 2013, there were 11,989 enterprises with up to fifty employees in Szeged. From this, the group of enterprises with 1-9 employees (what the literature calls microenterprises) was the largest, at 11,491. The second largest group were enterprises with 10–19 employees at 314, and there were 179 enterprises with 20–49 employees. Of the forty-four interviewees, forty-two answered the question concerning the number of employees of the business. Of these, in my sample the ratio was therefore the following: 29 enterprises with 1-9 employees, 4 enterprises with 10–19 employees, seven enterprises with 20–49 employees, and lastly two 'borderline cases', meaning enterprises with 50 or close to 50 employees.

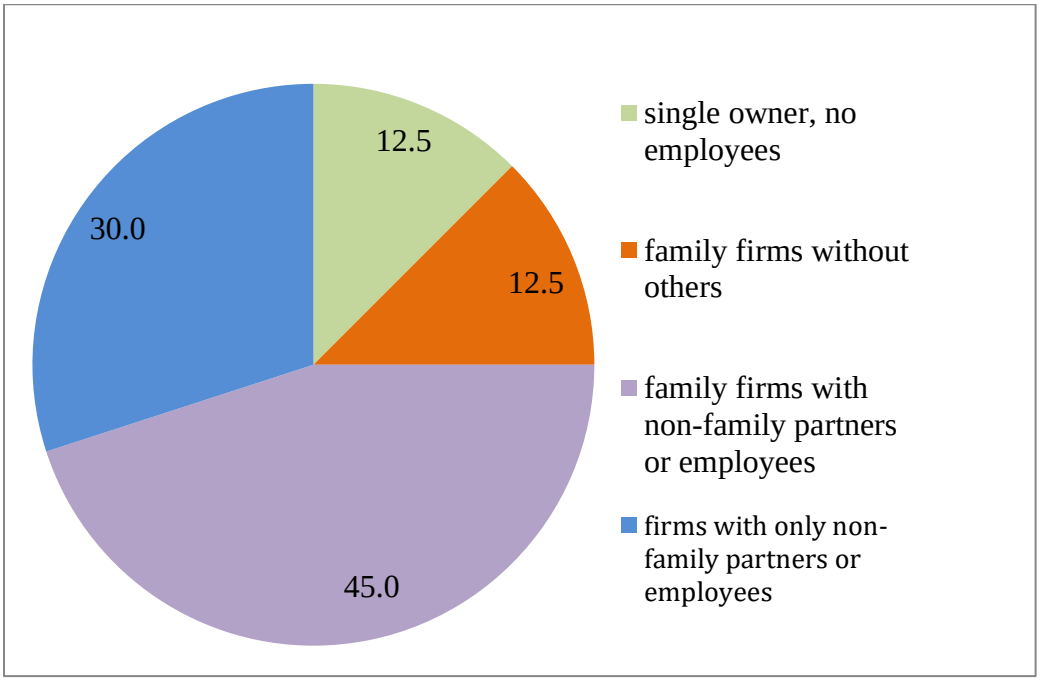

Figure 1 Type of Firms Related to Family and Non-Family Members (%). Total number: 42

The first chart summarizes the types of firm in relation to family and non-family members in my sample. As the chart shows, the majority of the enterprises (45%) were family firms with non-family partners or employees. The second largest category (30% of the interviewed businesses) consisted of firms that were owned by non-family members and had non-family employees. 13% of these businesses were run by family members alone, and the remaining 13% of my respondents were single owners without any employees.

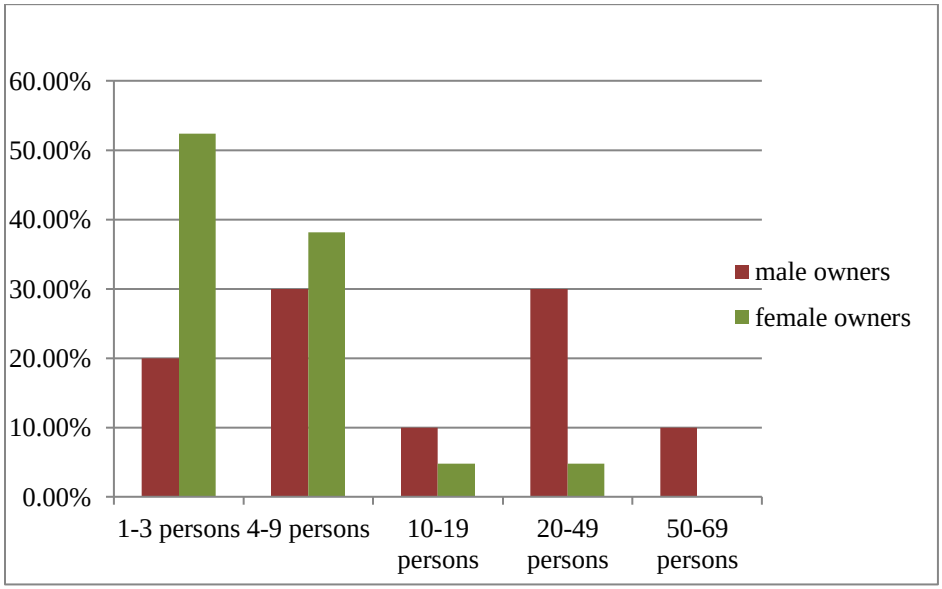

Figure 2 Size of Firm by Male and Female Ownership. Total number: 41

The second bar chart sheds light on the correlation between the size of firms and the gender of the owners. In general, it shows that the bigger the firm the less the chance of finding women among the owners. In the case of micro-enterprises (small businesses employing nine people or fewer) the majority of firms are owned by women, while firms employing more than ten employees are mainly owned by men. The most salient difference between female and male ownership is that firms with 50-69 employees are solely owned by men.

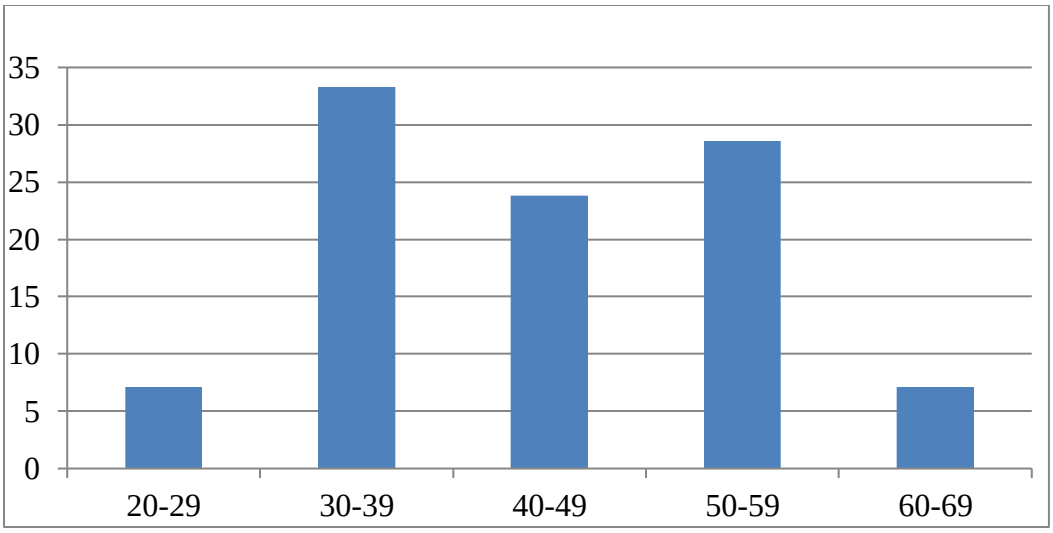

Figure 3 Age of Firm Owners (in%) Total number:42

Regarding the age of the owners, the largest group (33%) are between 30 and 39, followed by the age group between 50 and 59 years at 29%. The third most dominant group consists of those aged 40-49 years at 24%. Compared to the age cohort from 30 to 59 years, firms owned by people younger than 29 (7%) or older than 60 (7%) are in the minority.

This brief overview of my quantitative data should serve to provide a background for the following case studies.

4.2 Material Reasons

Material reasons, or as my Hungarian respondents said 'existential' (*egzisztenciális*) reasons, played a crucial role for many of my informants in their choosing to start a business as either a main job or a side job. *Egzisztencia* refers to livelihood and material living conditions created by one's work. The emphasis is more on the material than on the philosophical understanding of the word. Accordingly, when a respondent states that existential considerations led to the formation of a business, this usually refers to a livelihood strategy that sees entrepreneurship as the only viable way to make a living or to improve one's living conditions.

Very often the economic and business literature defines this form of enterprise as 'forced entrepreneurship' (*kényszervállalkozás*), a reference to those entrepreneurs whose only chance of making a living was to become a self-employed entrepreneur due to their bad position on the labour market. The so-called existential argument was used by many of my informants, regardless of the size and profitability of their businesses. As I indicated in the previous chapter, with the collapse of universal state employment and the disappearance of job security, the years of the transition were dominated by unemployment, precarious living and working conditions, and a deepening recession. Besides these changes, the labour market was characterized by three important features: the decline in employment, the decline in labour force participation, and the rise in unemployment. 1.4 million registered workplaces, 27 percent of the total, disappeared between 1990 and 1996 (World Bank 1999: 130). In 1993 the official unemployment rate reached 13%, and real wages fell drastically (World Bank Annual Report 1999: 130–131). The sectoral composition of the labour market also changed, resulting in the dynamic and rapid expansion of the service sector (World Bank Annual Report 1999: 134).

In the same period, with the abolition of all the earlier legal obstacles, small-scale private enterprises radically expended. Given the difficult social and economic circumstances of the early 1990s, one would expect the number of 'forced enterprises' to have increased significantly in that period. Economic recession, large-scale privatization and the closure of large state companies affected workers and their propensity to become self-employed entrepreneurs: while before 1990, 37% of self-employed entrepreneurs gave 'external forces' as the main reason for starting a business, after the change of regime the figure rose to 63%. (Kuczi 2011: 29). Masses of unemployed, uneducated workers entered the private sector. As Kuczi and Vajda (1991) pointed out, cultural capital (in the form of previous work experience and formal education) played a crucial role in the formation of new small businesses. Forming a business was not a viable way out of unemployment for those who did not have favourable positions in the labour market.

Nevertheless, arguments that emphasized the 'existential' or material pressures behind starting a business not only came from those who started their businesses in the 1990s. Nor did more respondents belong to a specific type of business structure or branch. In some cases, they

started their businesses by becoming self-employed entrepreneurs and later either grew larger, into a micro or small enterprise, or stayed self-employed.

After the regime change of 1990, labour relations changed radically, and flexibilization, self-employment and short-term, project-based work assignments replaced long-term wage labour. Currently the absolute majority of enterprises in Hungary are microenterprises, employing two-thirds of employees working in the private sector. Likewise, in the context of Szeged, most enterprises are microenterprises. As shown above, in my sample, they were in the majority: 29 had 1–9 employees (including themselves) in their businesses. Moreover, the majority of microenterprises are self-employed enterprises or enterprises with just one more employee. Simply put, all kinds of services, from hairdresser through accountant to house-painter, are performed by self-employed entrepreneurs or employees of microenterprises.

Combining wage labour with self-employment or entrepreneurship and therefore having multiple sources of income is a widespread practice. As Szalai also pointed out, in the 1990s entrepreneurial and other activities outside regular employment played an increasingly important role in people's livelihoods (Szalai 2000: 211). These so-called part-time enterprises, which made significant contributions to household incomes, included trade, brokerage, counselling, transport and repair services (ibid.). While those who could combine regular employment with entrepreneurial activities were better able to make ends meet and to maintain themselves and their families during a period of high inflation, employers and enterprises also benefited from this kind of flexibilization of labour, as it largely lowered their labour costs (ibid.). In the following case study, I will show how multiple job strategizing remains a common practice. Moreover, as Komlósy and others have pointed out, multiple manifestations of labour relations are inherent characteristics of capitalism (2016: 59).

Given the lack of industrial activity in Szeged, the main employer is the university and the many small businesses and their services that are somehow linked to it. Being a university employee and a self-employed entrepreneur at the same time is common: certain academic works – such as publications or consultations – are done by the self-employed academic entrepreneur for tax reasons. Nevertheless, university employees do not necessarily have academic posts as part-time self-employed entrepreneurs.

One of my very first interviewees was Károly Kiss, a 47-year-old university teacher working in the faculty of humanities and an entrepreneur at the same time. His parents were not involved in any entrepreneurial activities: while his mother was a teacher, his father worked in the administration and personnel department of the county council. In this respect, he was part of the *nomenklatura* and was also a member of the Communist Party.

Together with his wife Anna, Károly has been running a counselling business since the mid-1990s. From my statistical sample, they belong to the 'family firms without others' group (12,5%). They mainly focus on business consultancy and work with small and medium-sized companies. Talking about how he came up with this idea to become a part-time entrepreneur, he explained to me that the precarious work and living conditions (*létbizonytalanság*) of the early 1990s forced him to think outside the possibilities of wage labour and to start doing something as a self-employed entrepreneur.

> After graduating in the university here, in Szeged in 1992, I started to teach in the college (főiskola). This was my main job, and as a side job I also taught in a quite bad primary school. At that time, my wife was still a university student; she was studying law. My wage was so low, and I had to maintain both of us, as we did not get any financial support from our families, so that I really had to take another job besides these two teaching jobs. So first I became a salesman; I was selling life insurance, timeshare and all sorts of things. I attended various training courses that were designed for insurance salesmen, and I remember that this was the first time when I became excited about this thing we call the market economy (laughing). Also, during the time I worked as a salesman, this was the first time I realized that this is really not like being an employee of someone. So I was doing it for quite a long time: I sold insurance policies for five-six years, but obviously it was not a real enterprise – I was a self-employed entrepreneur. As a matter of fact, it was a pretty hard job, but I had to keep doing it because I made good money at this job. As I told you, with my wife, we had to support ourselves. And this period of the 1990s was just catastrophic in economic terms, with 34% inflation and absolutely hopeless future perspectives. When my wife graduated with a degree in law she tried to find a job with her qualifications, but in vain. First she was looking for jobs here in Szeged, then in the vicinity, then in the county and then on

> country level. In order to become a lawyer, one must be accepted onto a law firm as a trainee lawyer and to be accepted one has to pay a significant amount of money to the firm, which we just could not afford, as I only earned approximately 7000 (HUF) back then. Thus after a while she gave up on professional jobs and started to work as a physical worker. She had been working in a toy factory for a half year when she finally got a job through acquaintances in a small counselling business, in the field of human resources. She worked there for six years and gained insight into various segments of this business, and also she did numerous successful deals and accumulated a lot of experience while she was working there. She was working hard in the business, and after a while she asked her boss for a pay-rise, which he refused. When we realized that we are both actually good at doing business (*üzleti élet*), we started to think about becoming independent and starting our own business.

Nevertheless, as Károly admitted, it took them three years to take this step and to become entrepreneurs. The decision was made in 1998, when they registered their business. Private businesses can assume various legal forms – according to Ákos Róna-Tas 'the choice already indicates the nature of the enterprise' (2002: 51) – both individual (physical/natural) and legal persons, as well as full and limited liability businesses. The legal form of Károly and his wife's business was a limited partnership (*betéti társaság*), a very popular form of business in Hungary that stands halfway between sole proprietorship (natural person) and a limited liability company (ibid.). By definition, in this legal form of business there has to be at least one member who is fully liable, and there can be other(s) who are not. Forming a limited partnership required only 10,000 HUF (32 EUR) back then.

Károly and his wife only had a very limited amount of money, their labour, and the knowledge that they accumulated over the years. As they mostly visited their business clients and not vice versa, they did not even need an office for their business. They had serious liquidity problems at the beginning, and since they did not limit their business activities to Szeged, but had clients scattered around the country, they always had to calculate whether they had enough money to travel to their clients. As their clientele grew, in 2004 first they hired just one employee and then later on another one. Reflecting on these changes, they changed the legal form of their company to a limited liability company (*korlátolt felelősségű társaság*).

Limited liability companies require double-entry book keeping, have rigorous reporting requirements and have to pay corporation taxes. Unlike the previous form (limited partnership), one must have base economic capital to register as a limited liability company. Given the differences in tax policies and legal forms between limited partnerships and limited liability companies, hiring employees and investing in capital are less risky for the latter.

They started this new form of business with a million HUF (3,232 EUR) which they had saved throughout the years, and also took out bank loans. For some years, they worked with various employees, though had serious problems in motivating and involving them in their micro family business. As Károly they found managing and supervising employees difficult. Either the employees left, or they had to lay them off. He continued:

> Our ideas about business growth and expansion just did not work out in the end. On the one hand, in order to increase our earnings, we had to expand our clientele. The only way we could expand our client base was to hire employees. However, all our efforts to fully involve and motivate employees in our business failed. On the other hand, we do not really trust the tax authorities or banks anymore as we have experienced so many abuses in the past, therefore we try to become smaller and smaller, and to exist on a minimal base. Nevertheless, we are very much afraid that if we do not have enough clients and entrepreneurs to work with, we will go bankrupt. Furthermore, there are certain factors that we just cannot calculate rationally. For instance, we cannot foresee the introduction of new regulations or policies, and financial institutions can quickly change their strategies. All these difficulties make us extremely cautious and fearful, which is not good because an entrepreneur should think differently: an entrepreneur should always think about how to expand and grow, or how to hire new employees. So we are not adventurous enough to be positive and excited about taking risks. On the contrary, we are rather risk-averse entrepreneurs who regard risk as an enormous burden.

Károly situation fits Róna-Tas's argument about how push factors shape people's decisions to become entrepreneurs and how these entrepreneurs remain risk-averse workers in their business affairs. According to Róna-Tas, the greatest obstacle in allowing these small

enterprises to grow is that they are not separated from the household (ibid.: 44). While Károly and his wife worked together, they never employed friends or family members; they believed that one's business and private life must be kept separate in order to run a successful enterprise. Rather, Károly saw their risk-averse behaviour as a real obstacle to growing their business. The phenomenon of risk and uncertainty emerged in many conversations, not just with entrepreneurs, but also with local economists. The 'entrepreneurial spirit' (*vállalkozó szellem*), as I heard it talked about very often by various informants, was directly linked to the individual's willingness and ability to take risks. My informants did not see the lack of capital as the main obstacle to small-sized businesses growing. Rather, they had culturalist and even biological – i.e. genetic – explanations for the risk-averse behaviour of entrepreneurs and therefore for their inability to grow bigger. In relation to these arguments, as Károly also mentioned, quickly changing regulations, disproportional taxation policies, therefore the politico-economic environment in a wider sense and the lack of institutional help for entrepreneurs in accumulating capital were among the most frequently mentioned obstacles to the growth of micro-enterprises.

Máté Nagy is a fifty-year-old entrepreneur working in the retail trade and owning shops in the city's historical centre, including one grocery shop and two delicatessens that offer a wide range of chocolate, coffee and tea specialities. As in the previous case, Máté was originally a teacher who entered business for material reasons in the early 1990s, but unlike Károly he gave up his teaching job entirely in order to become a full-time entrepreneur. Máté came from a nearby village; his parents were forestry workers. Now he lives in Szeged with his wife and has three children.

Máté has been working as a businessman in the city since the early 1990s, and as I learned from my informal conversations with other business people in the same branch of business, he had a good reputation in Szeged's entrepreneurial circles. Employees with a reference from him have twice as much chance of getting a job than other applicants. Entrepreneurs feel honoured if he asks their opinions on certain business matters. In the 1990s, he ran several grocery shops, but the emergence and spread of multinational companies at the end of the decade meant the end of his small grocery shops, so the beginning of the 2000s he switched and started to focus on chocolate, tea and coffee specialities. After the crisis, in 2012

he set up chocolate manufacturers within his shops and started to produce his own chocolates. The manufacturing and shopping areas are only divided by a glass wall in his shops, allowing customers and visitors to see how the chocolates, bonbons, pralines etc. are produced. Altogether he has 48 employees, therefore he is on the edge of being categorized as a medium-sized entrepreneur. Referring to my statistical sample, he belongs to the "firms with only non-family partners or employees" group (30%). Máté explained how he started his enterprise as follows:

> My business was started in 1993. It was clearly an existential pressure – first I wanted to say money, but it sounds too crude – that made me to start it. Money is only important up to a certain point in a business. After that it matters less, but in the beginning it was a very important factor. I am not from Szeged, I am from a nearby village, and I only came to the city to the university, to study. I graduated from the history department in 1991 and worked as a history teacher for two years, but I had serious financial problems on a daily basis. After two years of teaching, I decided to open a tiny snack bar in the faculty of humanities in the university where I studied. Just to give you an idea how outrageously low my salary was at that time as a teacher, the daily return in the snack bar was as much as my monthly salary. I did not really have economic capital when I started this snack bar. I remember I started it with something like 40,000 HUF (130 EUR), mainly a loan from my family and friends. But the money or capital is not the point here. What is more important is that the regulations and the law regarding opening and running shops were much looser and more flexible than it is now, and compared to the current situation, basic commodities were still very cheap. It was a quasi-post-socialist system. Just to give you a very banal example, one could easily prepare food, make sandwiches at home in the kitchen and then sell them in the snack bar. This would not be possible today, since entrepreneurs have to comply with numerous food-safety regulations. Because of these differences, it was incomparably easier and cheaper to start a business at that time. I started with an amount of money that was equivalent to four months of salary. Today, it is just inconceivable to start any business whatsoever from an amount of money that is as much as four months of salary. At that time, it was not only possible to start a business from scratch, but also to make enough profit to give back the loan to one's friends and the family. Compared with the present-day situation,

> the expenses of a similar business would costs ten or twenty times more than in those days. After a while, I felt that my business did not really fill my time, also its scale was just too small – I outgrew it. In the 1990s, starting small grocery shops was a very popular form of enterprise. I was not experienced at all when I started to work in the retail trade; I learned everything while I was doing it. There was a time when I had nine small, garage-sized grocery shops (garázsbolt) in Szeged. The very reason why I could not expand and grow with these small shops is because multinational grocery companies and supermarket chains just arrived in Hungary too early, so that Hungarian entrepreneurs like me did not have the time – those 10–15 years – that would have been needed for them to achieve capital accumulation and, more importantly, to learn the know-how that would have allowed small entrepreneurs to grow. We were just gradually crowded out of this territory. So in the heyday of this grocery business, I had nine small shops, but after 2004 I had to close all of them with one exception, as they were no longer profitable. My business profile shifted completely in 2005, and I started to focus on the chocolate, tea and coffee retail trade, as this is still a multinational-free terrain in Hungary. Also, I enjoy doing this more than dealing with the grocery shops.

Although the businesses described above differ from each other in many respects, Károly and Máté both started to engage with business activities with very limited economic capital, and they were both driven by material reasons or 'push factors'. In both cases, starting a business was a response to the harsh economic and social circumstances in the wake of the economic restructuring of the 1990s. Although they were not unemployed, they both regarded entrepreneurship as the only way to improve their livelihoods. However, despite these similarities, Máté's businesses grew, and he became a successful Szeged businessman. Moreover, he was not only successful in growing his business, he was also able to change his business profile over time and start something new. While his decision to downsize his grocery store business gradually and change to something else was a rational one, there was also a moral dimension to it. As he pointed out to me, his grocery stores offered lots of 'crap' to his customers, which as a private person he was not proud of; however, as a businessman he had to 'satisfy the market and the market demand'. This was not the case with his delicatessen shops and chocolate manufacturing, which he was particularly proud of, as he felt that he did not need to compromise the quality of his products. He sold products that he also easily gave

to his children. In his narrative of the differences between the two types of shops, he turned his work and business into something more meaningful for himself.

The strategy of becoming a (self-employed) entrepreneur in order to fend off unemployment and cope with an uncertain economic situation prevails today as well. However, as a result of Hungary's accession to the European Union in 2004 and with the implementation of European Union's regional cohesion policy between 2007 and 2013, significant developmental sources were spent in Hungary. A very large chunk of money was spent on developing the SME sector. These resources became available to entrepreneurs in the form of tenders and started to function as economic capital in businesses.

I first met Eszter Lázár in her custom female tailoring shop in downtown Szeged. She was 39 years old and lived in Szeged with her partner and her seven-year-old daughter. Similarly to the previous case, she belongs also to the 'firms with only non-family partners or employees' group (30%). The seamstresses in her shop make female clothing to individual orders, primarily wedding and evening-dresses, and they also work for and therefore function as a subcontractor for Budapest-based fashion designers and bridal salons, which have their clothing collections made in Eszter's shop. Eszter did not have any background in fashion or the apparel industry, nor did she have many years of experience with entrepreneurship when she opened her shop. In fact, she had worked as an employee most of her adult life and, as she admitted it, she never felt she was the 'entrepreneurial type'. Coming from a two-generation Calvinist pedagogical family, entrepreneurial socialization was also absent in her case.

Regarding her education, first she studied human resource management in college, then went on to acquire a master's degree in economics. In the 1990s her first workplace was a multinational company, where she worked in a human resource management position. Afterwards, she worked at a public transport company, also as human resource personnel. Her last job before becoming a self-employed entrepreneur was in a medium-sized creative communication agency. However, when this company went bankrupt, Eszter could not find a job in the city, and since she really wanted to stay she became a self-employed entrepreneur, or as she put it, a 'forced self-employed entrepreneur', focusing on tender-writing and consultancy services.

She established her custom tailoring shop through her expertise in tender-writing: she successfully applied to and won a European Union tender that focused on social and economic development by supporting entrepreneurs willing to employ disadvantaged workers. So Eszter did not just write this tender and win money for her clients, she also did it for herself and ultimately won 30 million HUF (97,000 EUR), which gave her the economic capital to set up her tailoring shop. When I sought to understand how she came up with this idea to apply to a tender in support of disadvantaged groups and then to open such a shop, she gave me a number of answers. First, she admitted that she was always fascinated by small, nicely designed local shops. Second, her crocheting hobby, which she had followed for a very long time, made her feel close to dress-making. Third, as she told me,

> I wanted to open a female tailoring shop so that people do not have to go to a 10th floor apartment in a block of flats, because this is how everyone had their dresses sewn. I have a seamstress who lives and works downtown, in a third-floor apartment, and then I go up to her place, she takes measurements of me and then I try on the clothes in her living room, in front of a television which is turned on while I am surrounded by children's toys on the floor. So I thought there is a demand for such a shop because I go to a seamstresses and I know many other women who do the same, since not everyone fits the standard sizes. Even though we have these shopping malls with their fast fashion shops, I do believe that there are approximately two hundred middle-class women mainly aged between forty and sixty in this city who can be our regular clients, who do have their clothes made.

To comply with the requirements of the tender, which targeted women in vulnerable positions, she mainly hired unemployed women, divorced or single mothers, or women just back from maternity leave with no job. It was not hard to find such women for this work. For instance, her shop manager, Vera, was not unemployed, but she had worked as an undeclared dressmaker in a bridal dress salon for fifteen years. After her divorce, the court gave the custody of her three children to her ex-husband, as she did not have any declared earnings. Now, as she was a half-declared employee in the shop, she could start to fight for custody of her children.

In the shop, Eszter had seven employees who are half-declared, meaning that even if they had full jobs there and worked eight hours per day, they were only declared for four hours so that Eszter could pay less taxes for them and two undeclared workers. In fact, this was a very widespread way of reducing expenses in the small enterprise sector. Since she did not have a large number of individual clients, the only way Eszter could maintain her business and pay her employees was to work mainly for one or two large wedding-dress designers who were based in Budapest and who also sold wedding and evening dresses abroad. In this way, Eszter's tailoring shop took over the function of a dressmaker's shop producing high-end clothing. Given her shop's middle position, she had a lot of struggles with designers over prices, as they constantly had to compete with cheaper and entirely undeclared labour. As she pointed out to me:

> I understand that they want to build a label and sell a dress, let's say, for 100,000 HUF (324 EUR), but then why they do not want to understand that I want to get 10,000 HUF (32 EUR) for making that dress… They do not want to understand that I am also building a label and that I want to be different from other dressmaker's shops. Here, in this shop, my employees work in a nice environment and in good conditions, and they are not undeclared workers. They have to understand that I cannot under-price the labour, and it is not even that I am trying to make a profit –I just want to cover my expenses.

Although Eszter turned from employee into an employer for material reasons and certain 'push factors', her choice to open a tailoring shop was driven by personal aspirations and interest. Moreover, not only was her choice informed by her personal pursuits, but the way she made it was also shaped by her moral ideas. She wanted to create a decent workplace with fair wages, where the work of her employees would be appreciated.

Conflicts over wages and complaints about the high taxes on labour were recurring themes in my interviews and informal conversations with entrepreneurs. As Eszter admitted to me, so far her tailoring shop has not become a profitable enterprise, so she continuously had to put her own money into the business to make ends meet at the end of every month and to be able to pay her employees. As a result, parallel to this business, she also kept up her previous

‘business’ in tender-writing and consultancy, meaning that she remained a self-employed entrepreneur as well.

In the cases described above, my informants all started to work in very different sectors in the 1990s, and they all started their businesses or became self-employed entrepreneurs without drawing on any inherited or accumulated assets. Although it was mainly material reasons that forced them to become independent, my informants’ choices and the way they made their businesses were also informed by their non-material pursuits and aspirations. Unlike the examples discussed above, in the next section I will draw on cases in which the creation of a business was a continuation of a previous job or profession pursued in the setting of a state-run enterprise.

4.3 Various Roads from the State Sector to the Private Sector

Ilona Fehér and her husband István are both architects, and they have had a small business, or to be precise a micro-enterprise in the form of a limited liability company, since the early 1990s. The main focus of their business is the restoration of buildings protected as cultural heritage, though they also design new detached houses for construction in the city. They both started their careers in a large state-run architectural enterprise with around 470 employees at the end of the 1970s. Their workplace was the central architectural bureau of the county (Csongrád) as well as the region (Dél-Magyarország). Nevertheless the enterprise did not just work at the county level, but at the national level as well. In the 1980s, Ilona and István, together with some of their previous colleagues, left the large state bureau and joined a GMK (*gazdasági munkaközösség*, private business work partnerships) that had been established not long before by former employees of the same workplace and others.

From 1982 on, new economic reforms gave workers the legal opportunity to create so-called private business work partnerships or GMK that could consist of up to thirty members and employees and up to thirty employees, predominately in industry, construction and services. At the same time, it was also possible to establish so-called business work partnerships (*vállalati gazdasági munkaközösség*, or VGMK for short) where state employees

could rent machinery or space from their employer to produce their own products and services collectively. As Stark and Bruszt pointed out in their account of the economic reforms of the 1980s, 'for nearly three decades, the conception of the reform of state socialist economies in East Central Europe was dominated by the search for the correct mix of plan and market within the state sector. By the mid-1980s, a new conception of reform had emerged in Hungary focusing on the small-scale private sector, as economists debated the correct mix of public and private ownership across sectors of the economy' (Stark and Bruszt 1998: 52). As a result of these reforms, a considerable number of private businesses had emerged by the time Hungary made the transition to a market-based economy.

Ilona explained to me that she and her husband joined this business partnership (GMK) with some of their friends, with whom they were close in both their private and professional lives. They were mainly young, determined architects who worked somewhat differently, or who wished to work differently from the mainstream. As she said,

> this was a flourishing enterprise, but at some point it became too big, and we felt that we just did not have any influence on how things went, what sort of work and projects we took on. Ethically speaking, we were not sure that we wanted to be associated with all the work that was being taken by the business partnership at that time.

As soon as limited liability companies as a form of business became possible at the beginning of 1990s, Ilona, her husband and ten other colleagues seceded from the business partnership and created their own small business. The business profile of their company was strictly architectural design, thus designing private houses, public buildings spaces etc.; they never went into the construction industry, which, as Ilona stressed, was a much more profitable sector of the economy. As she told me,

> unlike those businesses that emerged at the same time and engaged with construction, we had other aims than only pursuing profit'. When I asked her what other aim she had or in what sense they felt they were different, she explained it to me in the following way*: '*We were mainly driven by strict professionalism…and we wanted to pursue our profession humanly and respectably. So we tried to work in a way that

> human relationships and friendships were not damaged, and it is very exciting how one can achieve this in business.

Although they worked in a private enterprise, they preferred to work mainly on state-funded projects, such as church restoration, the re-designing of squares, open-air markets etc. They felt that this is how they could remain strictly professional and preserve the status and prestige of their architectural bureau. As she put it,

> After the regime change, it became very clear from very early on that we cannot work for and design houses for the new entrepreneurial strata and the nouveaux riches of the regime change. We learned very quickly that these clients were not always reliable business partners, they did not always pay on time or did want to pay the amount we had agreed, or – and this is the opposite – very often there was not a right balance between their financial background and their cultural background. Therefore we thought that the state is a better and a more reliable partner for us. As a result, our architectural bureau mainly worked on projects for the restoration of cultural heritage and on large state-funded urban investments. However, we do not work here as much as when we started. Down the years, some of our colleagues left the business, as they were not satisfied with the returns. With regard to taxation, they felt that they would be better off if they became self-employed entrepreneurs. This does not mean that we do not work together anymore – we do, but our contractual relations have changed.

Working on state projects and dealing with local government was thus a viable business strategy for Ilona and her husband until 2010, when the perspectives for their business changed greatly. As she admitted, the problem with depending mainly on commissions from local government is that it made them more vulnerable, exposing them to politics and political changes. In this respect the period between 2010 and 2014 was a catastrophic period for them because of the peculiar political situation in the city: while the mayor of the city came from the Hungarian Socialist Party (Magyar Szocialista Párt or MSZP), the local government was dominated by members of the governing political party coalition (Fidesz-KDNP) that opposed him. As a result of this political situation, in which the mayor and the city authorities worked against each other, there were no more new urban projects and investments in the city during

this period. Although the composition of the city authorities changed after the 2014 election, since the governing party lost its majority in the local government and it seemed that there would be a return to new projects and work, the lack of investment in the previous years had a very negative effect on their business, and only three people, including Ilona and her husband, stayed in the company. By reflecting on these changes, entrepreneurial motivations and the nature of business as such, Ilona told me:

> Sometimes I feel that we started this business as boy scouts. Most probably I would have done it differently if I could have started it again, although I am proud of all the work we have done and of the fact that we are still working as a company. Nevertheless, from an entrepreneurial point of view, I am very sure we made lots of mistakes; we didn't necessarily feel what this business thing is about. Nowadays I have been to a so-called business breakfast a couple of times, where I learned that the main purpose of doing a business is very simple: to get the most profit out of it. But it never ever occurred to me that this would be the main point. I am not saying that we did not make calculations when we took a job or did not consider carefully how to strike a balance among the projects, but it is not like one is driven by profit maximization. This whole business was always very emotional for us because this is our life, we could not do it differently… Emotional in the sense of which project you take on, which you do not, whom you work with etc. The human and emotional part was extraordinarily important for me since work relations are always human relations at the same time. In other words, work relations can only function well when human relations are also good. I am very glad that my relations with those I worked with were not damaged. Only a few businesses like ours remained from the period following the regime change, and the master-student relationship, which still characterizes our business, is not really present in business [generally].

Both Ilona and her husband István started their career in a state company, and then, drawing on their knowledge and social and cultural capital, they established a business with their colleagues. Today there are only three architects in the company, including Ilona and István, therefore the business might be seen as a family business as well. Regarding my statistical sample, their business belongs to the 'family firms with non-family partners or employees

(45%). Nevertheless, they did not start the business with the intention of making it a family business, and they never talked about it as a family business. Neither family nor kinship played a role in the organization of work, as none of their children followed their profession. Rather, they were more interested in creating a community within and around the business and turning it into a workshop. This motive is strongly connected to the profession itself, namely to architectural design, which is inherently a social activity. However, by getting to know Ilona better, I learned that 'thinking in communities' was very much present in the other spheres of her life as well. She had been singing twice a week in a semi-professional female choir for decades now and also had an active role in one of Szeged's Calvinist churches.

Although in the next case the establishment of a business was also closely related to previous work experiences gained in a state company, the family business 'character' of the company is more explicit.

Ferenc Pál and his wife Mariann, both in their sixties, established their travel agency in 1993. Their main office is based in Szeged, but over the years they have been able to expand their business and have opened three further offices in other big cities, including Budapest. Therefore their business belongs also to the majority of the businesses in my sample: to the group of 'family firms with non-family partners or employees'. While Mariann is a high-school teacher by profession and still works as a teacher alongside the family business, Ferenc had already worked in the tourist industry before they started their own business. In fact, even his father worked in tourism, as the deputy manager of the state-run local travel agency in Szeged. Ferenc started to work as a tourist guide there, conducting city tours within the country as well as abroad, in 'friendly countries' such as Croatia, Slovakia and the Soviet Union (Ukraine). Afterwards he started to work for the oldest and largest state travel agency in a nearby town.

Although international tourism was still very limited after 1956, travel was possible initially only to other countries of the East European bloc, then from the 1960s to Western Europe as well. 'The Kádár system, intent on gaining more legitimacy, made Hungary the second-Soviet bloc country after Poland to allow its citizens freedom to travel' (Berend 2001: 310). Given the politico-economic reforms, by the 1980s there were around 140 travel agencies in the country. Therefore the company for which Ferenc worked slowly lost its monopoly of

tourism, though it remained the largest travel agency. Between 1988 and 1992, Ferenc worked as the head of a travel agency in a small town near Szeged.

According to him and one of his sons, who became an economist, his organized travels to Western Europe and elsewhere became so popular that his tourist office became one of the most successful among the provincial offices in the 1980s. For this success, he had to diverge from the model that had been designed by the central office in Budapest at that time. The official model consisted of travel agencies offering sightseeing tours and resort tours separately. His success was that he started to combine them and created packages that consisted of both sort of tours. So instead of taking clients directly to holiday resorts in Greece, Croatia, Spain or Italy, the tour stopped at numerous cities and towns on their way to the beaches. As Hungarian tourists were very keen on visiting and getting to know Western Europe while they were on holiday, this package became very popular. His decision to start a business after the change of regime was twofold. First, he felt that the centralized company restricted his work too much. Second, small businesses were mushrooming in this branch, as well as at the beginning of the 1990s, which led to him taking further steps and setting up his own travel agency.

The business started in a new large sports equipment store in Szeged, whose owner was a friend of Ferenc's. Besides selling sports equipment, the store's owner wanted to offer various sports-related services, including package tours. Ferenc rented one corner with a desk in this store, and this is where they started to work. The necessary economic capital mainly came from the family, therefore at the beginning there were three owners: Ferenc, his wife and his uncle. Despite the negative aspects of working in the state-owned travel agency, Ferenc admitted that he gained crucial skills in his previous workplace and learned how to do business professionally. When I asked him what he meant by these crucial skills, he stated that he learned to be systematic, write reports, make calculations and ask regularly to see the accounts. Moreover, he told me,

> Very often entrepreneurs mistake their enterprise for their household budget. I never take money out of the company's cash register. In my previous workplace I learned that only the cashier can manage the cash register. Accordingly, in my business,

> the household's and company's finances are strictly separated, and it is not I who deals with the cashier, but someone else.

Although Ferenc emphasized the separation of household from business, this does not imply that the family sphere and the work and business sphere were completely set apart. On the contrary, as one of his sons Péter told me, free family labour contributed to the establishment of the business as much as the experiences gained in the previous workplace. While in Ferenc's account only his wife helped the business out during the summer holidays, when she did not have to teach, Péter pointed out that his mother's role in the business was more significant. She worked a lot as a tour guide back then as well, and their customers had a strong attachment toward her. As he explained to me,

> One needs to understand that in this branch of tourism that my father is doing, the highest value-added part of this business is the tour guide and her personality. So apparently the tour guides are the most valuable assets in this business. The reason why I highlight my mother is that she became very successful at it, and many regular clients only want to travel with her. As a result, in our leaflets, which are issued twice a year, we were asked by our clients to label those tours on which Mariann, my mother, was to be the tour guide. Her work was therefore crucial, and it is still very important. She guides approximately thirteen to fifteen groups a year, which means that she does the most among the tour guides. Other family members' work is rather insignificant. My grandmother was a Hungarian language teacher, so it was her duty to correct and check the grammatical mistakes in the texts of the leaflets. I was thirteen years old when the business was started, and with my brother I used to work in administration during the summer holidays.

Nevertheless, Ferenc did not just draw on his family's labour and his knowledge and know-how in starting the business, he also relied on a whole network of resellers and distributors that he had built up while he was working in his previous company. Through this network, he was able to start selling his own tour packages after he established his own company. Not long after he started his business in the sports store, one of his previous colleagues joined them. After working in the sports store for three years, they had to move out

to a separate office, as the regulations regarding the functioning of tourist agencies changed. Gradually, by the end of 1990s, the scope of their business had expanded, and, as already indicated, they have four offices currently in four different cities.

By focusing on these two cases, I have aimed to show how certain entrepreneurs continued the same work and pursued the same profession as private enterprises that they worked at in state enterprises by drawing on the skills, knowledge and social capital they had acquired through their labour. In the last section, I will focus on those businesses in which the second generation is already present and working. Unlike the two groups described above, these second-generation entrepreneurs have been able to draw on inherited capital. I will therefore focus on how inherited capital influenced their life careers and their businesses.

4.4 'Born into the Business': Second-Generation Entrepreneurs

András Bakos, the owner of three tobacco shops, is in his mid-thirties. Besides managing these shops, he is also employed in his mother's grocery-shop company. His mother Angéla started her own business in 1990, and her family business is a typical success story of the period after regime change. Being a statistician by profession, Angéla worked as a university teacher before becoming the chief financial officer of a state-owned food-distribution company for a year before 1990. With the privatization of grocery shops, which previously belonged to this food-distribution company, her mother started to rent one of the grocery shops, where she became a shop manager. She opened her first shop with approximately 78 EUR, but in those days it was still possible to buy consignments on credit, as suppliers were more flexible. Talking about his mother's motivations for starting her own business, her son told me:

> It was mainly existential considerations that motived her in this, rather than an affinity for doing business or the retail trade. She was a divorced, single mother with two

> children and with a house that she had just bought on credit, so she knew that she would not be able to make any progress with a university teacher's wage. Moreover, at the food distribution company, she earned a significantly higher salary than in the university, and also she learned that one could make pretty good money from retail trade.

Accordingly, Angéla, a former employee of big state-owned company, launched her new businesses by successfully transferring the cultural and social capital, relevant experiences and knowledge she had accumulated previously to her new businesses.

András first studied law – he even worked as trainee solicitor for a while in Szeged – then he also obtained a master's degree in economics. Nevertheless, to different degrees, he has always been involved in his mother's businesses. He started working in the summer vacations as a teenager, then he kept working in various positions in parallel to his university studies. While he was working as trainee solicitor, he went to the wholesale markets at nights to buy green goods for their grocery shops. As he put it, he grew up in her mother's business and into this entrepreneurial life.

Although his mother built up a prestigious business in Szeged and they both worked very hard for it, she does not predict a bright future for her grocery shops and is less and less persuaded to pass the family business on to her son due to the fierce competition from multinational supermarkets such as Aldi and Tesco in the city. Given the precarious future of the family business, and also because he wanted to earn more money and become independent, András started his own business. He and his father acquired concessions for three tobacco shops in 2013, after the implementation of a law giving the government-franchised shops – the so-called National Tobacco Shops – a monopoly over the sale of tobacco products. The restructuring of the tobacco sector is one of the salient examples of Fidesz's economic nationalism, as it discriminated the transnational capitalists in favour of domestic investors (Scheiring 2020: 240).

Concessions were granted by the state through public tender. The fees vary according to the location and size of the shop. The justification for this policy had two prongs: to improve public health by reducing access to tobacco products for young people under eighteen years of

age, and to support the creation of family-run businesses.[22] Political scandals surrounding the law and the restructuring of the tobacco market erupted when it became known that decisive market-players, by mobilizing political influence and connections, had been involved in the law-making process from the very beginning and that significant numbers of licenses had been awarded to known government supporters, their families or associated companies (Laki 2014: 23).

As András told me, he and his family always tried to manoeuvre as neutral actors and stayed away from all the political parties, but he confirmed the allegations about the scandal by admitting they had to draw heavily on their relationships, friends and business partners of the past 23 years to win their licenses.

Besides using the social capital that mainly his mother had accumulated in order to acquire the licenses and his knowledge of trade that he 'brought from home', András started his own business with a capital of eight million HUF (25,736 EUR), of which he himself provided three million HUF (9,651 EUR), while the rest came from his mother. Nevertheless, this money only covered the necessary infrastructural investments, mainly in buying the rental rights to the shops. In the beginning they had to buy their first tobacco stocks on credit.

As in the previous case, Ádám Kovács is in his mid-thirties and also studies law. However, since the early 2000s, and therefore since the beginning of his studies, he has been working in a company that was established by his father and focuses the production of and trade in prosthetic aids. As Szeged has the most extensive health-care infrastructure in its region, including state-run and private-run hospitals, university facilities and medical research institutions,, the density of medical equipment shops is quite high in the city.

Although their business did not start right after the regime change but only in 1995, it was closely linked to the privatization of a large state-run company which supplied the country with medical and rehabilitation aids. This state company became a private one (a private company limited by shares or in Hungarian *zártkörű részvénytársaság, zrt*.), and a country-

[22] Until 2012, 80% of tobacco sales were through grocery stores; the remainder took place through specialist tobacco shops, petrol stations and multinational companies such as Tesco or Cora (Laki 2014: 28).

wide franchise system was created to supply the country with medical aids. Within this franchise system, the Szeged office became the regional centre for the Southern Great Plain.

In 1995, after this regional company had been rationalized, the manager decided to keep only the production units – the manufacturing side of the company – and to outsource the trading part. Since Ádám's father was a good friend of the regional manager, the trade in medical aids was given to him. As a result, his father turned from a waged worked into a self-employed entrepreneur and started to deal with the wholesale trade in medical aids in Szeged and its region. His main job was basically to supply the designated shops in Szeged and the region.

In 2001, his father became an employee again by being appointed as the manager of one of the manufacturers in the regional company and therefore started to deal with production as well. This expansion of the business coincided with Ádám finishing secondary school, therefore being just about to start at university. He decided to stay and start his university studies in Szeged so he could help and start working for his father. As his father was busy with managing the production unit, Ádám took over the trade side. When I asked him why he had decided to become involved in his father's business, he answered that

> this was just evident that I will work in my father's business, even during my studies. I was working every day, and even during the exam period I was very much involved the business. Although I could not do everything, since I had to study, let's say I could not deliver products to the shops. Otherwise, I did all kind of jobs in my father's business.

In 2007 and 2008 significant changes were made to the business structure, and as the owner of the Szeged-based company became very sick, his share was sold to Ádám's father, who thus became the owner of the company. At the same time, in 2008 the mother company, which was the successor to the state-run company, was wound up, so after 2008, they became entirely independent and started to focus only on production. Their business started to expand in the region, with numerous manufacturers involved producing various kinds of prosthetic and orthopaedic aids. These manufacturers and the shops belonging to them function almost like a chemist's shop. For example, when a physician prescribes a prosthesis for a patient, the

patient looks up shops such as Ádám's company, which then takes the patient's measurements and makes the prescribed prosthesis.

Since Ádám wanted to learn more about this profession in order to find better jobs, he even worked as an administrator for an orthopaedist for a while. He firmly believes that one needs to have a sense of mission for this job, like other jobs in health-care, but he also acknowledged that this was a very thriving and profitable branch of business. As he explained to me,

> The number of clients is growing. Why? This is very simple: for demographic reasons – we live in an aging society. On the one hand our business definitely has a future, so there will always be a market for such products. On the other hand, we depend very much on the state in the sense that these are very expensive products, and they are mostly paid by the national health insurance fund. If politics and policies change, and let's say the national health insurance fund will only pay 50% of the [cost of the] prosthesis instead of paying 80%, the demand will drastically decline. Nevertheless, in the current health insurance scheme, the number of clients will grow… So we are heavily dependent on state subsidies and therefore on politics and government decisions. The services we provide and the products we make cannot be marketized, simply because it is unaffordable. There is one prosthesis that costs ten million HUF (32,181 EUR) – who can afford that without subsidies?

Ádám and András both come from entrepreneurial families that definitely belonged to the winners of the transformation. Although their respective parents' businesses are active in very different branches and have very different future perspectives, both were successful enough to provide a livelihood and economic capital for the next generation, that is, to András and Ádám. Although they both studied law, it never occurred to them to practice their profession seriously. Rather, they either chose to continue a business or to start a new one by drawing on their inherited economic and social capital.

4.5 Conclusion

By focusing on the ways and processes in which small businesses came into being, I have revealed a whole-range of the motivations, desires and moral ideas that stand behind businesses ideas and entrepreneurial strategies. The question of how small enterprises emerged after the change of regime is extremely important in the post-socialist context in the absence or low level of domestic personal savings (Swain 2011: 1672). Moreover, through the cases described above, I have aimed to reveal the wider socio-economic context in which these enterprises were embedded in order to shed light on the most pressing issues, problems and conflicts that small entrepreneurs have to deal with.

First, I showed that many microenterprises and small businesses emerged in the wake of the change of regime as a response to the unemployment and economic challenges brought about by the transition. Some of these businesses remained small, such as Károly Kiss's and his wife's business, while others managed to grow, as was the case with Máté Nagy's grocery business. Nevertheless, the strategy of becoming self-employed in order to avoid unemployment not only characterized the decade following the change of regime but also the current period. While all the cases presented in the first category chose the path of entrepreneurship mainly for material reasons, what allowed them to stay in business or to pursue other businesses were the subjective immaterial goals, values and moral attributes they attached to their work.

The entrepreneurs who belonged to the second category were mainly professionals who might be regarded as post-socialist entrepreneurs, as they built their new businesses on the work experiences they gained in the same profession as employees in the state sector of the socialist economy (Laki and Szalai 2006). For them, the businesses they created could be seen as a means to continue the same professions they had followed previously, although in different circumstances. In both cases it was crucial to my informants that the businesses they created enabled them to remain true to their professional ethics.

In the third, last category I focused on a small sector of society: second-generation entrepreneurs who might be seen as the successors of the winners in the transition. I showed

that both my informants ‘were born’ into their parents’ businesses and into entrepreneurial life. They were both in their thirties and had similar educational backgrounds. Unlike the post-socialist entrepreneurs, they did not attach any moral meaning to the focus of their family businesses or individual businesses; rather, they felt an obligation to their family’s heritage and capital. By combining the last two categories, in the following chapter I will focus on a two-generation family business that has its roots in the socialist period.

5 MAKING PAPRIKA POWDER

5.1 Introduction

My first visit to the paprika-processing factory was at the peak of the paprika harvest in autumn. As the factory was busy dealing with producers who had brought their raw paprika to sell, it was not easy to find a time to talk with Aranka, the factory's second-generation co-owner and managing director. I met her father Ernő, who, together with his wife Márta, had founded this family business during this first visit. Although he is now a pensioner and does not have a formal role in the management anymore, he frequently comes to the factory to help his daughter when she needs it. At that time they were without a salesperson, as the previous one had quit, and for several months they just could not find a new person to fill the position, therefore Aranka turned to her father and asked him to step in. In the afternoon, when he had already finished with work for the day, he offered to take me home by car, so we could talk a bit.

On our way back to the city I learned that Ernő was an agronomist by profession and had his origins in an agricultural cooperative in the village where the factory was located; he even became the chairmen of the cooperative in the 1980s. He talked with great enthusiasm and pride about the economic initiatives of the 1960s that had boosted his cooperative and agricultural production in general, as well as about the development projects of the 1980s that were set in motion after Hungary joined the IMF and the World Bank in 1982. As we were passing by the fields he pointed out that his cooperative still uses irrigation equipment obtained through a World Bank project between 1984 and 1985. As he explained, the cooperative where he worked was quite a large one, with approximately 1300–1500 members but a relatively small area of land (2500 acres). This put a huge responsibility on him, first to organize production in both the cooperative and the household plots in such a way that there would be jobs for everyone, and secondly to help members find new workplaces during the transition, when masses of people lost their jobs from one day to the next.

As has been already pointed out in the previous chapter, becoming an entrepreneur and starting a (family) business with a professional background in a socialist enterprise after the

change of regime in 1990 has been widely discussed in the academic literature (see e.g. Kuczi and Vajda 1991; Hann 1996; Lampland 2001; Laki and Szalai 2006; Swain 2011; Swain 2013). Many of these studies have revealed the agricultural sector to be a salient example of this process, as former managers and leaders of cooperatives tended to gain ownership and become entrepreneurs by taking advantage of the social capital, knowledge, skills and professional experience they had obtained in the collective farm sector. Nigel Swain characterizes those entrepreneurs, who were able to take advantage of the new opportunities opened up by the transition as 'green barons' (Swain 2013: 74). As he writes, 'One of the clearest social consequences of co-operative transformation (which mirrored developments in privatisation generally) was that the former co-operative management or rather sections within it tended to win out – the "green barons" of the title. This was hardly surprising; it could hardly have been otherwise. These were the people with the necessary human, social and cultural resources to capitalise on the new opportunities. They had the human capital of their professional expertise required to begin a career in socialist management and the social and cultural capital gained from pursuing a socialist career in this milieu' (ibid.). While Lampland also argues that cooperative managers in agriculture enjoyed a significantly better negotiating position than other cooperative members during privatization due to their advantages mentioned above, she also points out that 'neither qualifications nor friendships from the socialist period are sufficient to ensure success in the ever-shifting agrarian market. The advantage they enjoyed in the immediate post-socialist years must be renewed and enhanced if success is to be maintained' (Lampland 2001: 41). Laki and Szalai (2006) came up with similar findings in their research, showing that certain features of post-socialist transformation, such as accessing property through privatization, were in fact essential for successfully starting a business, though it was the way the assets were managed that decided the future (ibid.: 343).

Sociological studies like those mentioned above aimed to understand who the newly emerging entrepreneurs were, where they came from and what sort of social and cultural capital they had to draw on in building a successful business in the period of post-socialist transformation (e.g.: (Szalai 1989; Böröcz and Southworth 1996; Eyal et al. 1998; Róna-Tas and Böröcz 2000; Laki and Szalai 2006). However, the complex constellations of motivations that drive the reproduction of family firms have not been explored so much in this literature. Sylvia Yanagisako's work (2002) on Como's silk industry focuses on the cultural

underpinnings – thus the 'sentiments, desires and meanings of kinship' – of the reproduction of family firms. Even though Yanagisako's research concentrates on multigenerational family firms that are absent from the Hungarian post-socialist context, given its distinct historical and economic background, her theory of capitalist motivation is worth considering. Yanagisako argues that family firms should be seen as kinship enterprises constituted by a complex web of social action in which profit motives are entangled with a strong commitment to the reproduction of the family in the long run.

In this chapter, drawing on my ethnographic case study of a two-generational family business producing paprika spice and revealing the ways in which capital was accumulated and transmitted, I will focus on the moral struggles, conflicts and tensions in which the two generations became involved. By showing how this family business came into being, I will unpack how kinship aspirations linked with an opportunity structure that was opened up by the fall of socialism in 1990. The generational change in the ownership and management of the family business overlapped with major structural changes in Hungary's political economy, such as the country's accession to the European Union. While domestic paprika production and the family businesses that were involved in it were seriously challenged by these transformations, the values, sentiments and aspirations that underpinned the family business have also changed. Linking Yanagisako's understanding of kinship enterprise with Max Weber's notions of value spheres and life-orders, I will look at how historically situated values, the meanings of spheres of life and ideas of 'kinship goals' were fostered, maintained, transmitted and contested in this family business. In doing so, I will utilize Sylvia Terpe's actor-centred theoretical approach to Weber's notions that was outlined in detail in Chapter 2. Taking an empirical approach, Terpe regards Weber's spheres of life as 'ideas and images in the minds of people' (2018: 6) and focuses on the micro-level of everyday life. By differentiating spheres of life according to their experiential qualities, that is, whether they have attractive, restrictive and/or enabling qualities (ibid.: 18), she creates two flexible categories: an attractive value sphere designates what people see as good in itself, while an obligatory life order is what people see as duty. Moreover, the life order has three subcategories: internalized life order, social life order, and quasi-natural life order. (ibid.: 11–13). By means of these flexible categories, she offers a heuristic tool to help our understanding

of ‘how social and moral orders are (re)produced and changed in different dynamics over time’ (ibid.: 18).

In the first section, by locating the family’s paprika-powder factory, I will show how the family’s history and paprika-powder production in the region are entangled with their wider economic, social and political contexts. Afterwards, I will describe the complex historical processes of social and cultural capital accumulation prior to 1990 in order to show how and why my informants decided to establish a paprika powder-producing factory after the change of regime. I will map the family members’ manifold configurations of their value spheres and their entanglements with major structural changes such as the privatization that followed the change of regime and Hungary’s accession to the European Union.

5.2 Locating a Family Business and a Family History: between the City and its Countryside

In this section, I will describe my informants’ wider situation, which has been shaped by historically formed economic, labour and class relations, in order to introduce the multiple layers of the history of a family business.

My informant Aranka is the second-generation co-owner and managing director of a paprika-processing factory that she and her older brother inherited from their parents. Even though her brother is also the owner of the factory, he never really became involved in the management of the factory but instead manages his own business – producing fan belts – which is located right next door. Their factory is located on the boundary of Szeged, in a village twelve kilometres from the city which does not belong to Szeged administratively, although historically and economically it has always been strongly connected to it. Aranka commutes between her home in Szeged and her workplace on daily basis. Her commuting lifestyle sheds light on the history of labour and economic connections between Szeged and its direct environment, on the family’s history and ultimately on the history of paprika production in the region. To unfold the various layers of these historically shaped connections, I will add another,

historical-sociological layer to it by briefly touching on Ferenc Erdei's ideas and concepts as a starting point for my inquiry.

As already described in Chapter 3, as a sociologist and sociographer Erdei did not just document and conceptualize the relationship between the city and countryside in his work: as a leading political figure in the socialist regime, he also shaped the policies concerning the differences between the two. In his later work on *The City and its Countryside* (1971), Erdei demonstrated the economic significance of independent family agro-entrepreneurs in the pre-socialist period who were active in various forms of agricultural production and horticulture in the neighbouring gardens and villages (ibid.: 66). As he pointed out, the very roots of all these pre-socialist farming and gardening activities can be found in the paprika plantations and production in the surrounding villages (ibid.: 76). Nevertheless, paprika is essentially an urban product since its production requires entrepreneurs with a certain industrial background for its processing and marketing (ibid.: 113). Accordingly, Erdei claims that in Hungary paprika production started in the eighteenth century in Szeged and from there was dispersed to the surrounding villages, including the village where the paprika-processing factory is located, as well as to other Hungarian and now Serbian towns (ibid.). As I mentioned earlier, the gardens and neighbouring villages remained important during the socialist period as household-plot farming activities in the countryside meant extra economic resources both for villagers and city-dwellers. According to Erdei in the socialist period, commuting between Szeged and its neighbouring villages was not a real burden, since a well-functioning transport system was built up which enabled people to commute between home and work or school as easily as city dwellers travel between different parts of the city (ibid.: 84–85). In Erdei's account, Szeged and its countryside depended on each other and constituted a large, extended city.

Through collectivization between 1949 and 1961, approximately 600,000 people left the agricultural sector for the heavy construction and service industry. However, the majority of workers had a commuting lifestyle, meaning that workers went back and forth between their rural homes and urban employment. In the 1950s, official politics and political ideology did not regard commuting workers as part of the proletariat. Instead, they were ideologically 'suspicious' for their 'stubborn obsession' with possessing land and pursuing private agricultural activities. Erdei approached the issue of commuting lifestyles from an economic,

not a political perspective, and he also recognized the economic importance of household production that was making the improvements to the material conditions of rural areas possible. Accordingly, as an intellectual and public figure Erdei keenly supported those political groups that worked on a viable socialist model in the 1960s that would integrate small-scale, household agricultural production into the collectivized system (Varga 2012: 43).

The entanglements of the political, historical and urban conditions described above constitute the very context in which my informants in this chapter are embedded.

5.3 Becoming a Manager and Entrepreneur: the Historical Roots of a Family Business

Shortly after our first encounter, I visited Ernő and his wife Márta in their home and continued our conversation. The couple lived in the historic centre of Szeged, on the highest floor of an apartment house that had been built in the nineteenth century. Directly next to their apartment lives Aranka with her husband and two daughters.

Ernő was born at the end of the Second World War in a small town very near to Szeged. His immediate and extended family were and still are engaged in agricultural production. In 1967, he graduated from the country's best university in agricultural sciences and became an agronomist. After finishing his studies he moved to Szeged, where he met his later wife, Márta. Ernő took on a job at the cooperative when the newly married couple were sent to the village where their factory now is located. Starting from the bottom, he moved up all the rungs of the professional career ladder and, reaching the peak of his career, served as cooperative chairman between 1985 and 1996.

Ernő's career path and the fact that he joined the professional stratum of the cooperative as a young agronomist epitomize broader policy changes in agriculture during the mid- to late-1960s that affected the stratification and functioning of the cooperatives. During this period, young professionals and experts such as Ernő moved on to the farms in increasing numbers due to continued state aid (Swain 1985: 116). With the influx of highly educated, mostly young experts, a new concept of farm management emerged in the cooperatives –now officially

regarded as autonomous socialist enterprises – which became ‘increasingly “credentialist” and "technologically oriented’ (ibid.: 114). These organizational changes led to a sharper differentiation between members employed in managerial positions and in manual labour, which ultimately had further implications for the career prospects and class positions of these two groups (ibid.).

When I asked Ernő about the history of their family business and about when and how he started to engage in entrepreneurial activities – particularly paprika – he started to talk about his experiences in the cooperative and his household-plot farming activities, two realms that were always connected in his account. As earlier research on the relation between these two has shown, the success of household-plot activities always depended on the cooperative in the sense that the latter always provided households with cheap source of grain, fertilizer, tools, and professional and marketing assistance (Hann 1980; Swain 1985).

In this way, Ernő mainly referred to the new policy changes concerning agriculture that were introduced from the mid-1960s onwards. As a result, new types of cooperative were established that integrated private and cooperative activity. As a result, families within the cooperatives were allowed to produce goods on so-called ‘household’ smallholdings. At the same time, half the livestock was transferred into private ownership. Private economic activity therefore started to grow, and a third of Hungary’s agricultural output was produced on household plots (Berend 2001: 311). Nevertheless, entrepreneurial activities were not only pursued on household plots but also in cooperatives. As Ivan T. Berend (2001) pointed it out,

> most cooperative farms developed auxiliary industrial, construction and various service activities that employed much of the manpower during the winter months and provided the members with substantial extra income. There began a period of unique prosperity in the Hungarian villages, leading to an embourgeoisement of the peasantry that provided solid foundations for development of the whole economy and remained a feature of subsequent decades (P. 312).

Accordingly, after the introduction of these economic reforms, Ernő and his colleagues aimed to establish viable and long-term economic cooperation not just between the cooperative and household production, but also between state companies and household production. His

cooperative, for instance, allocated polytunnels to the villagers, who started to produce various vegetables in their gardens, such as onions, radishes and paprika for the market, very often for export. Farmers delivered the vegetables to the cooperative, which marketed them and organized their export to KGST (English: COMECON) countries, particularly to the German Democratic Republic. As Ernő explained me,

> This system worked very well for ten to fifteen years; there were times when ten to twelve trucks left the village every day fully packed with commodities. In other words, people could not earn that much in the cooperative, but they could earn a good amount of money by producing in their household plots with the involvement of the family labour force, including the elderly who could not work in the cooperative, but could help in the household. We also had household plots, and with my wife and kids we also produced paprika and other vegetables.

While Ernő's account shows how agricultural production functions after economic reforms were introduced, it also sheds light on his own perceptions and experience of spheres of life. In his configuration of spheres of life, work (cooperative) and family (household) were related and overlapped. Following Terpe's interpretation, Ernő's description of the work in the cooperative suggests that he saw and experienced this sphere as a life order with enabling or even attractive qualities, since it created opportunities for the villagers and helped then attain personal material ends in respect of their household production.

Ernő and his colleagues also made a contract with the famous salami and meat factory in Szeged, enabling people to raise pigs both in households and in the cooperative, the pigs being sold to the factory through the cooperative. From the 1980s onward, they started to focus on seed production in both the cooperative and the households:

> It was not only the villagers who worked in seed production, many workers did so too, [and] industrial workers joined from Szeged at weekends. If someone worked hard, if the marketing was good and if everything went well then one could make enough money to buy a zsiguli[23] in a year! And OK, you can say that it was only a zsiguli, but

[23] In other words a Lada. Lada is a brand of cars manufactured by the Russian car manufacturer AvtoVAZ.

this was the best car at that time! So, to put it simply, one was able to make some progress in life! I think numerous good developments and progressive initiatives were set in motion in those years that many people and politicians just did not want to acknowledge after 1990. You just cannot imagine how glad I was when I saw that all the elderly members of the cooperative got a pension; luckily, for demographic reasons we achieved retirement for many villagers in the 1970s and 1980s. It was really not the case previously because not everyone was employed and not everyone got a pension under the Horthy regime.[24] Particularly not those women, housewives, in the countryside who only worked in households and who, in their old age, were economically entirely dependent on the goodwill of their families and children. So these women could go into retirement with dignity too, because they had pension, which was not a lot of money, but they could certainly count on that money, and ultimately that they could supplement it with household production!

As these short excerpts show, Ernő was involved in and responsible for numerous economic activities in the village. While he emphasized the importance of economic practices in the 'second economy', since this made a limited accumulation of economic capital possible, he never separated it from the cooperative, which enabled all these possibilities. In other words, these two spheres – work for the cooperative and work in the household – overlapped and were experienced as a life order with attractive and enabling qualities. Another important implication of the collectivization of agricultural production was that after 1949 villagers obtained welfare benefits such as their pensions through work contracts. However, these were significantly lower than the social benefits of industrial workers given the higher status and ideological importance of the latter during the socialist period (Varga 2012: 45). As discussed in earlier chapters, this combination of state and household production in agriculture gave way to 'peasant embourgeoisement' in rural Hungary and allowed workers to pursue their 'their old goals of economic autonomy and citizenship' (Szelényi 1988: 22).

[24] Miklós Horthy (1868–1957) was as an admiral and statesman who served as Regent of Hungary between World Wars I and II, and basically throughout most of World War II. Under his regency, Hungary was allied with Nazi Germany and participated in the elimination of the majority of the country's Jews.

Ernő's emotion-charged recollection of the social achievements of the collective (including his own work) and the socialist system in general shows that some of the practices of that time, such as granting welfare benefits to agricultural workers, carry moral meanings for him. While Ernő was vehemently anticlerical, his emphasis on human dignity and on the importance of having social policies that favour egalitarian redistribution sheds light on his values and moral ideas about society, which were largely shaped by the ideologies of that period.

Unlike Ernő, his wife Márta was born and raised in Szeged, although she spent almost thirty years with her husband in the village where their paprika factory is located. After finishing secondary school, she married Ernő and moved with him, therefore could not pursue higher education at that time. Shortly after they married, she gave birth first to her son and then to her daughter. The newly introduced childcare allowance, GYES[25] enabled her to stay at home with her children after birth for 2.5 years and to use these years to continue her studies at college. Márta finished her studies in part-time education in Szeged and obtained a bachelor's degree in business economics. From the 1970s onwards she worked in various areas of public administration as a civil servant and even served as president of the local council.

Without going into detail about the legal and historical specifics of the Hungarian council system in the socialist period, I will just briefly touch on this issue in order to provide a general idea about Maria's job and position. After 1945, like other central and southern European states within the Soviet sphere, a so-called Soviet-type council system – a structure of public administration and institutions – was established in Hungary. Councils were the regional institutions of the central, unified state power, which did not just manage local matters, but also carried out the political aims and principles developed by higher state and non-state organs (Antal 2010: 148). As Article 27 of the Council Act of 1950 stipulates:

> the councils were responsible for the management of local economic, social and cultural activities, the execution of acts and higher decrees, the direction and control over subordinate organs of state authority and state administration, the promotion of the

[25] One of the most significant welfare provisions in socialism was the childcare allowance (GYES – Gyermekjóléti segély), introduced in 1967, which enabled women to stay at home with their children after birth for 2.5 years.

> protection of state order and public property, the protection of the workers' (the population's) rights, local economic plans and budgets and the supervision of their execution, the direction and control of the work of local economic companies, the support of the workers' (the population's) cooperatives (Antal 2010: 149).

Later, these stipulations were supplemented by several others that related mainly to health care and social issues (ibid.).

Márta explained me that as a young woman – she was just thirty at that time – who was just an 'incomer' in the villagers' eyes, she had to work hard and struggle a lot to make herself accepted within the community and with her colleagues. However, she had nice memories of that period. She was proud of the achievements that were accomplished under her mandate, such as the development of health-care services and care of the elderly, the renovation of cultural facilities, the enlargement of the kindergarten, the modernization of the elementary school and the building of new roads. When her mandate ended, she started to work on the Szeged council, so she had to commute every day between the city and the countryside. On the Szeged council, she was responsible for state investments at the county level, including building hospitals and renovating important public buildings, such as the national theatre in the city. From the end of the 1980s onwards, she worked for the National Bank as a tax expert and auditor. In the early 2000s, she left the banking sector and became a self-employed accountant and auditor.

Recalling her memories of her parents during the socialist period, Aranka pointed out that her mother and father both worked a lot and tried to take as many side jobs as they could. As children, she and her brother were frequently alone or with other neighbours in the village:

> They worked a lot because they always had some side activities to do besides their main job. They left early in the morning and came back late in the evening, so for instance, she was not a kind of mum who helps her children to write homework after school or who checks them in the evening. By the way, nor I was that kind of mum, which I regretted, because I hardly spent any time with my daughters when they were young, and now they just don't require me anymore. Very often, even if I was at home, I could

> not really focus on family matters; I was not able to think about anything else thanks to work and business-related issues.

As Aranka's account confirms, Ernő and Márta worked very hard beyond their state job too, 'to make some progress', though perhaps at the high cost of self-exploitation. Although Aranka did not take side jobs like her parents, she worked in the family business from early morning to late in the evening, thus reproducing her parents' practice and attitudes toward work. She found it hard to reconcile her work and managerial role in the business with her family life, indicating that she experienced a moral dilemma in linking these two spheres. While she experienced the sphere of work as an internalized life order transmitted by her parents, her family and domestic life were seen more in terms of an attractive value sphere.

During the socialist era, entrepreneurial activities in the so-called second economy meant extra sources of income for the family and ultimately enabled them to accumulate limited capital. However, the social and cultural capital, knowledge, skills and experiences that Ernő acquired as a cooperative manager and Márta as high-profile civil servant played a more crucial role in the formation of their family business. Moreover, Aranka emphasized that acquiring cultural capital in the form of formal education was also crucial for her parents:

> Although they did not really speak languages, they did realize that learning English is very important and supported us by all means. For instance, from the 1980s onwards, there were American students in the Department of Hungarology at the University of Szeged [who came] through an exchange program. So various families accommodated these students as soon as it was possible, and my parents too applied to take in students to live with us. Those families who accommodated American students got a certain amount of money for this, but not my parents – they refused to accept any money for taking students in by saying that it was a good opportunity for us to practice English with natives and to socialize with other young people. Ultimately, in the early 1980s, five American students in total lived with us. But actually my parents were always like that; also they always helped if someone needed it.

On the one hand, these memories nicely show the parents' privileged social position, economic status and also their aspirations for upward social mobility by providing their children with as

good an education as they could. Studying the background of the newly emerged entrepreneurs of the 1990s, Laki and Szalai point out the important role of carefully selected secondary education and language-learning opportunities of the entrepreneurs in their future success (2006: 333–334). On the other hand, since this anecdote was told me by three of them, this was a sort of family moral legend through which they were able to present themselves as moral persons. The story highlights that the parents found it ethically unacceptable to make extra money out of students, whom they accommodated partly because they wanted to have native speakers with whom their children could practice their English. In addition, Aranka also told me other stories about how her parents opened up their home to Hungarians who fled from the Yugoslav wars [26] during the 1990s without accepting any compensation and how they supported other friends and neighbours financially when they could. These stories illuminate the various moral aspects of their practices and decisions, as well as their moral commitments towards those who are in need. Nevertheless, drawing causal link between the moral aspects of their actions and the religious realm is not simple, since they did not regard themselves as religious people, although they differed significantly in their attitudes toward their Christian backgrounds. While as already mentioned Ernő had strong anticlerical views, his wife had more sympathy for religious institutions and religion in general. Furthermore, unlike her parents, Aranka characterized herself as a conservative person to whom cultural traditions – including Christianity – are very important. However, when it came to religion, she described herself as someone who as still 'searching for her faith'.

The political changes of the 1990s triggered major changes in the family's life. By showing how they built up their own family business in the decades following the change of regime, I will look at how the various family members' configurations of their value spheres were changed and reproduced over time.

5.4 Privatization: Becoming a Family Business

[26] Szeged, also Aranka's village is located on the Serbian border.

The political changes of 1990 were followed by large-scale economic restructuring and privatization of the state sector. One of the benchmarks of post-socialist transformations was the complete reorganization of property relations in the agricultural sector. As Laki and Szalai (2006) put it, 'the initiation of the new property relations required the purposeful reallocation of productive wealth, the introduction of new arrangements of command and control over it, and perhaps even more importantly, the emergence of a new group of entrepreneurs' (ibid.: 317). Ernő and Márta realized that neither their future nor their children's future would be guaranteed by the state anymore. They therefore aimed to create a solid base for their children to study and then to start their own lives. They also experienced an 'everything is possible' atmosphere in those years, and they just felt that they had to make a move, though it was very hard to see which choice and direction would be the right one.

As they were still both employed, Márta with the National Bank and Ernő still as a cooperative manager until the mid-1990s, they launched their family business 'on the side'. First, they wanted to make a business not just with the family, but with friends, but various conflicts and disagreements over taxation, law and how to manage a business put an end to this approach. After some bitter experiences, as Ernő told me, he felt he could only count on the family:

> In this way, so with the family, we all could just sit down at a table and talk through all the issues. We had a division of labour within the family: given my wife's professional background, she was responsible for the financial aspects, including banking, loans and taxation, and I was in charge of the organization of the production. The kids were involved in the planning phase from the very beginning, although they started to work in it later on.

This shows that starting a family business was a common goal to ensure the family's reproduction and upward mobility. Or, in terms used by Yanagisako, it was primarily kinship goals in the form of 'sentiments, desires, and meanings of kinship' (2002: 4) that motivated Ernő and Márta to start their own business. This way of thinking might also be seen as a continuation of the practice of household production in the socialist era. However, this is not to suggest that they did not have the profit motive, only to show how economic motivations to

capitalize on opportunities opened up by the regime change became entangled with motivations to establish a solid material base to ensure the family's reproduction in the long run.

As Ernő emphasized, they were just overwhelmed by new information – and disinformation – and it was very hard for them to see which business had a future. His decision to turn to paprika was clearly shaped by his historical, political and professional experiences. In the early 1990s, Ernő had a short political career as a member of a newly formed party, the Alliance of Agrarians (*Agrárszövetség*), launched mainly by agrarian intellectuals and cooperative managers. The party's main agenda was to protect the interests of the cooperatives and to fight against the economically irrational de-collectivization policies of the 1990s, which supported the dismantling of the collective farms. Despite his aspirations to become a business owner like other members of the party, Ernő argued fervently against the full restoration of private ownership in accordance with the pre-collectivization plot boundaries.

> They made a political case out of it and used it to compensate people's justified and unjustified grievances. In this way, many people benefited from this 'compensation' who actually had nothing to do with agriculture and who did not work in cooperatives at all. Moreover, given the lack of any law and regulations concerning these issues at that time, many cooperative managers used their knowledge and power to gain assets and to dispossess other members of collective properties. Very briefly, greed and wild capitalism characterized these processes.

Ernő's moral values are crystallized by his description of their absence in the attitudes of other cooperative managers. Moreover, in his characterization of privatization processes Ernő used the strongly condemnatory language of 'greed' and 'wild capitalism'. When I asked him what made him start food (paprika-powder) production instead of investing in land and engaging in agriculture, to my surprise he replied that he regarded land as a volatile investment. As he argued,

> Land is such a national asset which never goes away, which will always be here, and it is well known that Hungary's greatest asset is the six to seven million acres of soil that we have. Regarding the scarcity of water globally, many predict that our fresh-water

> reserves – because we have a lot – will be as valuable as fossil oil by 2080. However, historically, in Hungary, the subdivision of land was always subordinated to power and politics. Certain people and social groups always wanted to appropriate them, from feudalism to the Horthy regime, and even when we had land reforms, they were always badly carried out. After 1956, and particularly after 1959/1960, through the collectivization and creation of cooperatives, we had thirty good years and then had a mistaken land reform again. And if recent trends continue in Hungary, then the majority of land will fall into the hands of some feudal lords again...well, this is the nature of power, so those who are in power always supply their own allies and their own people, regardless of which group has the power.

These historically shaped experiences with land reforms certainly influenced Ernő's decision to take up production of paprika powder. However, under socialism this had been an economically much more significant, much more lucrative industry than it was now. Based on his professional knowledge, expertise and position in the cooperative, he firmly believed that paprika-powder production would be a more lucrative investment for his family in the long run. To understand his decision, it is crucial to touch upon the economic and symbolic significance of paprika-powder production from a historical perspective.

5.5 Paprika-Powder Production

The spice paprika (capsicum annuum) is the most significant spice produced in Hungary and one of the most important ingredients of Hungarian cuisine. The originally Central American spice became widespread in Europe in the early modern period mainly through the conquistadors. The spice arrived in Hungary through the Balkans by means of Turkish and Slav mediation (Csóka 2014: 1).

The production of paprika became widespread at the end of the eighteenth century, primarily in southern Hungary, in the region of Szeged and Kalocsa. Until the mid-nineteenth century, production was mainly carried out in family households. However, by the end of the

century paprika powder had become a lucrative industry and an important export commodity. In the same period, fake and mixed-spice paprika commodities also emerged on the market, so the state imposed strict safety and quality standards to protect the quality of Hungarian paprika (Csóka 2014: 1-2.) After 1945, with the restructuring of the economy, the production of paprika changed also. The raw paprika (the plant) was produced by both cooperatives and households. Agricultural research institutions were set up to monitor paprika varieties and production and to determine quality standards. The production and marketing of paprika powder became a state monopoly (Erdei 1971: 114–115).

Regarding the numbers, between 1960 and 1980 Hungary produced paprika on 8000-9000 hectares of land, which produced 10000-14000 tons of paprika powder a year, approximately 8000-10000 tons of which was exported (Hodossi-Kapitány 2012: 98; Gille 2009: 59; Gille 2016: 20). To put these figures into their wider context, during the same period, paprika was produced globally on 200,000 hectares of land, of which 45000 hectares were in Europe, accounting for 75% of the global trade in paprika powder (Hodossi-Kapitány 2012: 98). Paprika-powder production was therefore economically important, and the industry was strongly export-oriented. After 1989, paprika-producing lands were increasingly privatized, though many plots remained in cooperatives. As Gille pointed out, even though the two main paprika-processing firms of the socialist period, 'Kalocsai Fűszerpaprika' and 'Szegedi Paprika', became shareholding corporations, members of paprika-producing cooperatives also bought shares in these newly formed processing companies, and the state remained a key shareholder in Kalocsai Fűszerpaprika (Gille 2009: 63).

In the 1990s, paprika production was significantly reshaped in the face of global economic restructuring, which shifted the majority of the production from the global north to the global south. On accession to the EU in 2004 and the adoption of its neoliberal policies, this drastically reduced the Hungarian figures as well. Nevertheless, back at the beginning of the 1990s, when Ernő decided to establish a paprika-powder factory, he could not see the changes that were to come. His previous experiences, expertise and knowledge largely defined the direction in which he could move.

> I have seen this paprika thing for a long time. The state had a monopoly in it – it was a lucrative industry. I worked in the cooperative since 1967, where there was paprika production as well. So I could gain insights into the methods and various steps of the processing, packaging and marketing of the paprika. I was allowed to visit the factory that processed the paprika, so I could observe how they produce it, what kind of machines they used etc. So, back in the 1990s, this seemed to be a safer investment…and in fact, back then it certainly was.

As I mentioned above, at the beginning of 1990s he was still a cooperative manager, and actually he had just been re-elected for another cycle. In his account, he was very much against the privatization of collective properties and assets. Therefore, he did not want to acquire any of the cooperative's machines. Nevertheless, his wide network and contacts enabled him to acquire both machines and a place – an old barn – where he could start setting up his business. As he told me,

> Back then it was a very widespread practice that the chairmen of collectives picked up machines and whatnot from their collectives. I knew that I did not want to do it and that I would not take anything from my collective. We were lucky, because at the same time I was talking with the chairman of the other collective next door. We had a good relationship with them, since we often rented his paprika-drier to dry our own raw paprika. Once when we were talking, the chairman told me the collective was in trouble, so the barn was for sale, and he suggested I buy it for five million HUF. But then the question was how to obtain this amount of money, because we did not have five million HUF at that time.

As Ernő's account shows, he found a place for his future paprika factory and his first machines – a paprika drier and a milling machine – through a cooperative manager friend, who was selling off the viable units of a paprika-processing factory. While Ernő verbally condemned those chairmen who acquired assets and equipment from their own cooperatives, he did not see any moral conflict in buying them from other cooperative through his contacts. However, Ernő was far from being alone in acquiring assets through his contacts; on the contrary, as many argued, this was a widespread practice. Lampland also pointed out that professional and

informal networks of former cooperative farm managers were essential during privatisation and in creation of new businesses. (Lampland 2002: 48).

Nevertheless, as I indicated above, he lacked the money to purchase all these pieces of equipment. During privatization it was very difficult to obtain bank loans – particularly in agriculture due to uncertainties over property rights – and only a small number of people could start a business by doing so (Kuczi 2011: 96). The majority of entrepreneurs who started doing business at that time drew mainly on their families' and relative's financial resources and assets. Ernő also drew on various family resources by selling a house his family owned for twice the price they paid for it originally and by using the 'compensation money' that the Hungarian state paid to those families in which there were prisoners of war. However, he was one of the few people who were also able to obtain bank loan to start a business due to his wife's knowledge and extensive experience in the banking sector. Yet even with this background and advantageous position, it was difficult for them to obtain a bank loan. Working in the family business in addition to his main job, he purchased machines for the factory piece by piece and developed the production units very slowly, bit by bit over the years. The factory started to function properly in mid-1990s, and according to the family legend they had almost ten fairly good years until 2004, the year of Hungary's accession to the European Union, which reshaped the Hungarian paprika market and therefore the family's business and family strategies.

5.6 Generational Change and Accession to the EU

By the mid-1990s, the full production line was up and running. At that time, Ernő focused only on producing paprika powder and did not trade in it. His business model was as follows: he made contracts with local raw paprika producers around February, bought up the paprika from these producers in the autumn during the harvest season, and finally sold the paprika powder the following year. Accordingly, he had a long business relationship with his producers,

usually of one and a half years. This business model was challenged by EU accession and its neoliberal policies after 2004.

Free trade is one of the key principles of neoliberalism and of the functioning of European Union. Accordingly, in 2004, when Hungary joined the European Union, the country's high import duty levied on paprika was radically reduced, from 44.2 percent to 5 percent (Gille 2009: 63; 2016: 34). The result was that a huge amount of cheap, imported paprika flowed into the country. Ernő reflected on Hungary's accession to the European Union as follows:

> In hindsight, I would rather have chosen something other than paprika-powder production. We joined the European Union in 2014, at a time when we realized that the import duties, which had protected our commodities before accession, had been eliminated, thus squeezing our paprika out of the market. In general, misinformation, disorientation and lots of mistakes characterized this period. However, despite all of this, I do not regret us having chosen this path. I still hope there will be a sort of national or consumer awareness so that people will prefer to choose a Hungarian product than something else. Perhaps one day this will have importance four consumers.

Ernő's attitude towards Hungary's accession to the European Union and its impact on his business is rather ambivalent. In retrospect, he does not think that producing paprika was the best choice from a rational point of view, but he would still go for it, indicating that he attached values to producing local 'national' paprika and that he experienced his work and family business as an attractive value sphere. In this context, referring to national awareness is more about being concerned with provenance, which is crucial in preserving the quality, product safety and authenticity of paprika. In that respect, Ernő had a larger purpose that went beyond narrow self-interest, namely to maintain the local culture of paprika production and to supply consumers with good-quality products.

Another important aspect of the idea of 'free trade' was that Hungarian national food-safety regulations – including the quality standards of paprika-powder – were replaced by the European Union's standards, which turned out to be weaker than Hungary's own national safety regulations.

As Zsuzsa Gille (2009; 2016) pointed out in her analysis of the 'paprika scandal' that followed EU accession, the result of the relaxation of national food standards was that a huge amount of imported paprika powder contained aflatoxin B1, a liver- and kidney-damaging microtoxin produced by mould. This led to paprika powder sales being banned for three days in 2004. Aflatoxin can only grow in peppers that are produced in Mediterranean or tropical climates. The scandal made it clear first, exported the EU did not test for mould toxins in paprika, just for additives. Second, when peppers are imported from other EU countries to Hungary, one cannot be certain that they have actually been grown, dried and milled in the EU or whether they have been imported from non-EU countries elsewhere (Gille 2009: 66).

The consequences of the changes described above were significant for both the Hungarian paprika market and Ernő's business. While in 2003 the proportion of imported paprika was still insignificant, in 2004 it increased drastically, and by 2005 Hungary only had imported paprika. This slowly changed after 2006, but the rate of imported paprika has remained very high until now (Hodossi et al. 2012: 96).

Ernő admitted that they really did not see this coming:

> So a huge amount of crap, Chinese paprika, came on to the domestic market and was mixed up with Hungarian paprika, and to be honest – perhaps I was just too naïve and relaxed – I thought that Hungary's and, in general, Central Europe's paprika is really good, it is tasty and has high quality. As a result, I thought that our product can and will compete with imported paprika. We thought that the bad quality, imported Chinese paprika[27] would be sold at a lower price than Hungarian paprika. However, what happened was that the good-quality Hungarian paprika was kicked out by the cheap imported paprika, and the price of Hungarian paprika was adjusted to that of the imported.

This extract shows a swift change in Ernő's understanding of the economy as a sphere of life from a value sphere (with moral conflicts) to a life order. Ernő's ideas about 'the economy' are mainly framed by his accounts of work in the cooperative and in the household or family

[27] Here, the phrase 'Chinese paprika' should be seen as an umbrella term for all cheap and/or poor-quality imported products.

business. While it was argued above that Ernő saw his work and family business as an attractive value sphere, here the sphere of the economy emerges as a 'life order' with a quasi-natural quality: it is experienced as something that he cannot change, only adjust to. However, this is not to suggest that he had anti-European Union sentiments. Rather, his opinion about Hungary and its position within the European Union reinforces his idea of the economy as a 'life order' with a quasi-natural quality:

> Now, the economic performance of this country does not even reach the pre-crisis level – that is, the level of 2007 – and the level of 2007 does not reach the level of the 1980s. Here is what I think about Hungary's accession to the European Union. What was it all about? It is undeniable that the West needed a new market. I believe that the capitalist system is characterized by cycles of crises: crisis happens when there is overproduction and underconsumption at the same time, so there is a gap between demand and supply.[28] If there is a surplus in the capitalist system, then a new market is needed where the surplus product can be placed. So whenever they need new markets for their surplus products, they enlarge the European Union… In the bipolar world it was easier for me to find my bearings, [but] today the logic is entirely different, although what runs the world is still the same: money. If you look around, it is easy to see that everything that has been built since 2004 was subsidized by the European Union. Quite simply, there is no other way forward for this country.

Ernő's comments about the economy shed light on the bitter social reality after Hungary's accession to the European Union. Contrary to predictions that Hungary would make a smooth transition to the European Union and that the economic level of the country would quickly catch up with the 'West', Hungary has lagged behind the core countries of the European Union in many areas –economic, social and political. As Gille notes, ten years after Hungary's accession to the European Union, 'its poverty rate was higher than during the economic crisis that followed the collapse of the Soviet bloc, and with a poverty rate three times the EU average, it ranked as the second poorest member state' (Gille 2016: 1). As stated above, even though Ernő is critical regarding the functioning of the European Union, he does not see any

[28] Ernő's critical reflections on the economy and Hungary's position within the European Union recalls Rosa Luxemburg's analysis of underconsumption as the explanation for the crisis tendencies in capitalism.

other future for the country, nor, within it, his paprika-producing factory. In his account, the idea of economy appears as a quasi-natural life order whose rules and objectives are external and whose sanctions are exercised by seemingly uncontrollable forces (Terpe 2018: 18). However, as Terpe points out, 'While uncontrollable forces and the circumstances they produce can be bemoaned, they cannot be criticized morally. But if one cannot change the order of things, one can only live with it and try doing the best out of acquiescing in its rules' (ibid.: 16).

The price competition that Ernő described above is a classic example of 'the race to the bottom' that is allegedly an outcome of neoliberal policies. In capitalism, the profit comes from trade and from the increased circulation of goods and capital. As Gille points out in relation to paprika, 'promotion of free trade leads to the import of the cheapest products even when there is sufficient domestic produce; and the radical reduction of import duties, further cheapening imports…as a result of it, Hungarian paprika mixed up with cheap imports increase profits (2009: 69).

Accordingly, large number of trading companies emerged in the Hungarian market that were only involved in trade and not production. However, as I wrote above, the supply chain of paprika-powder production in Ernő's factory rested on a long, one or even one and half year business relationship between producer and processor. Ernő and his family had to realize that with this model they just could not compete with the trading companies that buy up large quantities of imported paprika and sell it within a short period of time. Ernő felt the market pressure, but he remained only a processor and did not want to deal with imported paprika, neither by mixing it with his products nor by trading it wholesale. Had he done so, he thought that they would seriously jeopardize the reputation of their products and their whole family business. Ernő's concern for the reputation of his products can be seen as a combination of value and instrumentally rational motives.

The new challenges entailed generational changes in the ownership of the factory: Ernő's daughter Aranka took over the family business after 2004. She came from a very different professional background than her parents, with degrees in History and English. After teaching at the university for a short period, she worked for a private company that mainly

focused on the European Union and state-run tenders. Parallel to her main job, she became involved in the family business and gained insight into various aspects of production prior to taking over its management.

Since 2004, the business has been struggling with major financial difficulties that the family tried to ease by putting savings and bank loans into the business. Nevertheless, Aranka was aware that significant changes would be required if they were to keep the business in the long run. Therefore she decided to change their profile and to trade with imported paprika, as well as mix their own paprika with the imports. As she told me,

> I had to realize that it is just very mistaken to make an emotional question of it. We had to accept that we cannot change the market but only adjust to it. So now we deal both with production and trade, and to be honest, in this way we have been able to improve our liquidity a bit. However, it is still very hard to stay alive in this market – there is always cheaper paprika on the market, and it is just impossible to compete with these prices.

Aranka's account shows that generational change was indispensable in order to change the business profile as well. The value commitment of her father Ernő, in believing in the quality of their own (Hungarian) paprika and his objection to dealing in imported paprika, would have prevented such a change. Aranka's perception of the market as something that cannot be changed but only adjusted to is a sign of a life order. In Terpe's conceptualization of them, life orders might be conceived as both constraints and opportunities. As she writes, 'constraints imposed by the rules of life orders may also create opportunities, which may even imbue constraints with a sense of attractiveness. In other words, they are experienced as attractive because they are seen as useful to reach other ends. This should not be confused with ideals or values which are attractive in themselves. Nonetheless, one may assume that people or groups for whom sphere-specific constraints produce opportunities are open to articulations which frame the underlying rules in a language of obligatory duties or even appreciated ideals. This may in turn initiate shifts in how they imagine and experience this sphere. Beyond that, such articulations may even influence those for whom spheres do not provide opportunities in the here and now, so that they start hoping for such opportunities in the future' (Terpe 2018: 14).

While her father mainly experienced the sphere of economy as a constraining life order, Aranka regarded it as an opportunity through which she could improve her business and ultimately keep her heritage, the family business, alive in the long run.

To give an idea of Aranka's production, last year she contracted with approximately five producers farming on thirty hectares to provide her with forty tons of paprika powder. Recently, she also started to rent out their paprika-drier to other small paprika processors when they are not using it. Besides the problems described above, Aranka's business also suffers from a shortage of labour. In 2016 she had six permanent employees, but at the peak of the harvesting season she usually needs to hire ten more temporary workers. She complained that every year it was becoming harder and harder to hire people for temporary jobs because she could only offer very low wages (1.59 EUR / hour) and because most unemployed villagers who were fit for work were now in workfare programmes.

> Employees' wages are low, but the truth is that the employers' wages are also low in this sector. My monthly wage is 320 EUR, which is nothing, and even if I have a dividend (478 EUR), I cannot take it out because the business is just not in that financial situation. Therefore the only way I can offer more wages to temporary employees is if they work overtime. During the harvesting season children, wives, husbands, the whole family can come to work at weekends so they can make some extra money.

Aranka's explanation of the salaries seems to include a moral justification: she is well aware that her employees' wages are low and should be better, but she makes a moral excuse by first pointing out that her wage is also low, and second showing that she provides work for whole families whenever she can.

Despite all the financial difficulties and hardships her business has to endure, Aranka is determined not to give up producing paprika powder. When I asked what motivates her the most in continuing this family business, she answered:

> Obviously, dealing with paprika is a nice heritage and tradition, but this is what motivates me the least. What matters the most to me is the work that my family put into this business. My family, my parents toiled throughout their lives and then they put

> everything that they have into this business. Because they started the business with insignificant economic capital and build it up bit by bit. So this is what concerns me the most.

This shows the different values and value sphere configurations of Ernő and Aranka. Unlike her father, who, like many others, attached certain values to producing paprika and maintaining the quality of Hungarian paprika, Aranka was more concerned with her parents' work in building the family business together. It was not just the sheer pursuit of profit which made Aranka keep her business running: she was also motivated by 'kinship goals' and by her sentiments and commitments toward her parents' complex 'inheritance', including their labour, ideas and values, which were ultimately materialized in the form of their paprika powder factory. In other words, she experienced her family and her business as overlapping attractive value spheres, a combination that increases, and appreciates, the importance of private ownership. Against this figuration, however, she sees the wider economy as a life order with constraints and opportunities.

5.7 Conclusion

In this chapter, I have focused on a two-generation family business and its social, cultural and historical embeddedness to reveal the motivations and value sphere configurations of the various generations and actors involved. By focusing on both the social and individual levels, I pointed out how moral ideas about the economy, work and family changed from generation to generation in relation to wider political and economic transformations. In the first part of the chapter, I paid attention to the complex processes of capital accumulation in the socialist era. Going beyond the importance of gaining entrepreneurial experience in the family's agricultural production in the second economy, I showed that Ernő's and Márta's respective professional work experiences played a crucial role in the creation of their future business after 1990. I also pointed out that Ernő was responsible for numerous economic activities of the village that required the cooperation of the cooperative and households, thus encouraging the

process of ‘peasant embourgeoisement’. Following Sylvia Terpe’s interpretation of Max Weber’s spheres of life (2018), I argued that for Ernő the two spheres – work with the cooperative and work in the household – overlapped and were experienced as a life order with attractive and enabling qualities in the socialist era.

The change of regime in 1990 brought new challenges for the family. I showed that their decision to start a family business was underpinned by ‘kinship goals’ (Yanagisako 2018), as Ernő’s and Márta’s main motivation was to ensure the reproduction and upward mobility of the family in the long run. Their choice to turn to paprika production was primarily shaped by Ernő’s expertise and knowledge in agriculture and business in the socialist era: paprika production was a lucrative industry, and the socialist state had a monopoly of it. However, it was drastically reshaped in the 1990s as Hungary became more exposed to global economic forces, particularly after its accession to the European Union in 2004. After accession, the high import duty levied on paprika was radically reduced, resulting in the flow of a huge amount of cheap, imported paprika into the country. Trading in imported paprika became a more lucrative enterprise than producing local paprika. Even though Ernő felt the market pressure, he deliberately chose not to deal with imported paprika out of a fear of jeopardizing the reputation of the firm’s products and their whole family business. A generational change was needed in the ownership of the factory in order to tackle the new challenges, and after 2004 Ernő’s daughter Aranka took over the family business. Unlike her father, she started to trade in imported paprika and also to mix their own produced paprika with imported paprika. Aranka perceived the economy as a life order with enabling qualities, thus providing an opportunity through which she could improve the family business. I argued that there were different value sphere configurations between Ernő and Aranka. While Ernő attached values to producing paprika and maintaining the quality of Hungarian paprika, Aranka was mainly motivated by ‘kinship goals’ and was therefore committed to keeping her parents’ complex inheritance, as materialized in their paprika powder factory, alive.

6 MUTUALITY AT WORK: LABOUR PRACTICES IN TOBACCO SHOPS

6.1 Introduction

The restructuring of the tobacco sector by nationalizing the tobacco retail trade in 2012 is an important example of Fidesz's economic nationalism (Scheiring 2020: 240). It resulted in new, specialized small tobacco shops – National Tobacco Shops – that spread over the country. Drawing on my ethnographic experience of such shops, the overall aim of this chapter is to understand the entangling of moral obligations and material interests in the realm of work by exploring the ways in which labour processes and labour relationships were underpinned by practices of mutuality and non-commodified exchanges.

In his historical analysis of the changing relations of circulation in Western society, James Carrier pointed out that throughout the nineteenth century the retail trade became the primary means through which people obtained and comprehended objects. The result of this was the growing impersonalization of the retail trade, entailing the dissolution of the durable social relations that had earlier characterized transactions between customers and shopkeepers (1994: 359–361; 1995: 61–82). Although Carrier's account is about how the circulation of objects became disembedded and how workers became alienated in the retail trade, his intention was not to draw a sharp division between non-alienated, personal commercial relationships in pre-capitalist economies and the alienated, impersonal economic relations of capitalist trading methods. On the contrary, drawing on Marcel Mauss's concept of the gift and Chris Gregory's (1982) distinction between gifts and commodities, Carrier conceptualized the changes in the forms of circulation as a continuum defined by two polar terms, where one pole denoted inalienable objects – 'possessions', as Carrier put it – that were embedded in the personal relationship between givers and receivers, whereas the other pole stood for commodities and alienable objects that were disembedded from social relations. By detecting fundamental transformations to retail trade that emerged in all its branches, Carrier argued that, although there was a significant shift in the forms of circulation, most objects and transactions fall somewhere in between the two opposing polar terms (1994: 361).

Frank Adloff (2006) followed a very similar line of thought when he argued for the reconceptualization of action theory on the basis of Marcel Mauss's theory of the gift. As he wrote (2006),

> in Mauss an approach can be found that hints at actions that are simultaneously self-interested and disinterested, voluntary and obligatory. The mistake of modern sociology as well as philosophy was to suppose that every action is either utilitarian or normatively-oriented. However, even in modern society actions cannot be reduced to one of these approaches but either explicitly follow a logic of gift-giving and reciprocity or are accompanied by such logic (P. 409).

By broadening the scope of actions based on the principles of gift-giving and exchange, Adloff went further and argued that reciprocity and gift-giving prevails in all spheres of life and shapes all social interaction, including labour relations:

> labour relations cannot be understood just by assuming an economic exchange of labour for remuneration. The economic principle may be dominant in this field, but labour contracts are always incomplete: the performance the employer expects cannot be regulated and fixed in detail…thus labour relations rely on patterns of reciprocity to ensure that both sides profit from the contract and economic exchange (P. 420).

Prior to Adloff, Jonathan Parry (1986) made a very similar point when he pointed out that 'the whole ideology of gift, and conversely the whole idea of "economic self-interest", are our invention' (1986: 458). Tackling a related conceptual question, Stephen Gudeman argued that the two realms of the economy, mutuality and the market (or community and impersonal trade), are dialectically connected, therefore economies are always both embedded and disembedded (2009: 18–19). In recent times, by shedding light on exchange and forms of sociality in the practice of work, the concept of 'flexible capitalism' has been re-conceptualized in a similar vein by Jens Kjaerulff and others (Kjaerulff 2015). Drawing on the rich anthropological literature of the gift, the contributors argued that prevailing work regimes hinge on proliferating sociality and social exchanges under flexible capitalism (ibid.: 1–41).

Going further, James Carrier (2017) suggested reformulating the concept of moral economy on the principle of 'mutual obligations', which dictates and defines every relationship to a varying extent, including commodified and non-commodified transactions. Instead of focusing on individuals and their values, he argued that moral economy emerges in those relationships in which participants became 'obliged to each other' in the course of time (ibid.: 13). In this sense, he concludes that 'whether or not economic activity or an economic realm is moral is a matter of degree rather than kind' (ibid.: 14).

Within the framework of these ideas and concepts, the aim of the present chapter is twofold. The first aim is to understand the conflicting connections between material interest and social values in the realm of work by looking at economic transactions as relationships that are structured by the entangled practices of self-interest and mutuality or, following Carrier, mutual obligations. The second aim is to unfold the contradictory nature and experience of service work in these retail tobacco shops. Given the locations of the shops, shop assistants mainly work with permanent customers, therefore economic transactions often occur within durable social relations and accompanied by genuine sociality. By working alone in these shops, employees gain autonomy and a sphere of control over them. Whereas this becomes a source of well-being and self-fulfilment for the employees, it also helps them internalize their employer's material interests and contributes to their increased work performance.

6.2 Locating the Social Environments of Tobacco Shops

Labour in retail trade, and the way it is experienced, are closely related to the shops' physical and social environments by virtue of the direct involvement of customers in the work process. For that reason, first I will briefly dwell on the physical and social environments of these tobacco shops. Although I use the official name when I refer to the shops – (national) tobacco shop – it is important to note that the name does not cover the wide range of products and

activities they provided, including newspapers, soft and alcoholic drinks, lottery tickets and gambling in general.

All the shops were located in different suburbs of Szeged. The main or so-called central shop, which at the same time was the biggest, shop was situated in one of the oldest working-class suburbs of Szeged, the Petőfi[29] settlement (Petőfi-telep). After the First World War, between 1919 and 1926, numerous neighbourhoods, among them the Petőfi settlement, were built for the burgeoning working class on the outskirts of Szeged. On the empty plots of the Petőfi settlement, village-like detached houses with yards were built for the urban poor and working class people. Although the entire neighbourhood was modernized in the 1960s, it has not been changed structurally, still being a mainly working-class residential area. The neighbourhood has therefore maintained its rural style until now, thus presenting a sharp contrast with both the old downtown are and other working-class neighbourhoods built on the outskirts of the city in the 1970s (Rácz 2012: 74–75). Accordingly, it was somewhat isolated from other parts of the city, a situation aggravated by a nearby embankment running around the city forming a symbolic and physical boundary not just between the outskirts and the downtown area, but also between the Petőfi settlement and other parts of the city. Today the neighbourhood is mainly populated by pensioners, the unemployed and working-class residents, though it also has a limited area where wealthy middle-class urban families live, including the owner of the tobacco shops and his family.

Like many houses in this neighbourhood, the building in which the tobacco shop sits was an old, single-floor detached house with a backyard mainly used as a parking lot. Apart from the tobacco shop, the building also accommodated a comfortable office for the boss, András, and the office clerk, a store-room and a tiny fitting shop. The fitting shop dealt with electrical matters and was run by the boss's father, an electrical engineer by profession. There were two main entrances to the building containing the tobacco shop. One entrance led directly to the tobacco shop and was used by the customers, whereas the other led into the backyard and the fitting shop, being used by the boss, his family and the employees. The shop was in a spacious room furnished with a counter, shelves for products, two fridges

[29] Sándor Petőfi (1823–1849) was a Hungarian poet and one of the key figures of the Hungarian revolution of 1848. He is regarded as one of the country's most important national poets.

for cold drinks and two tables where customers could play lottery games. Nevertheless, the appearance of the tobacco shop, and therefore the employees' working environment, was defined not only by the owner, but also by the state and its legislation.

Prohibiting the display of tobacco products to underage people, Hungary's tobacco law required owners to apply uniform dark foil covers over the shop windows. The legislation largely affected the working conditions of the employees since dark foil covers did not allow sunlight into the shops through the window. Also, by separating the shop assistants from the outside world, dark windows made them vulnerable, leaving them defenceless if there was a robbery, physical abuse or other criminal acts. Despite the efforts to standardize tobacco shops formally, however, the working conditions in the three shops differed from each other, depending on how well equipped and furnished they were. In general, all the shops had proper heating systems for winter and air-conditioning for summer, as well as being equipped with electronic surveillance and alarm systems. The building containing the so-called central shop was further equipped with kitchen tools, a fridge, a coffee machine and a microwave oven, thus allowing employees to have a free coffee or tea, as well as to bring prepared food or to have hot meals during the day. Moreover, there was a terrace with benches and tables in the backyard providing a place for both employees and employer to socialize, smoke and chill out a bit when there were no customers in the shop.

The so-called second and significantly smaller tobacco shop was located on the other side of the embankment, in the heart of a socialist-type housing-complex that had been built in the 1960s as a result of the rapid population growth in the city. This neighbourhood, called Tarján is one of the most deprived in the city, populated largely by lower and working-class residents (Rácz 2012: 50-53). The shop was situated on the ground floor of a block of flats and only had one entrance from the street, which was used by customers as well as employees. At the back of the shop, there was a small storage area for tobacco products and other commodities. However, unlike the previous shop, this shop was not equipped with kitchen tools, a fridge or a coffee machine, thus making it harder for its employees to get proper meals during their shifts. Given the lack of any other rooms or outdoor spaces, its employees used the street for smoking, chatting and socializing with customers when the weather allowed it.

Both shops worked mostly with permanent customers, that is, people from the same neighbourhoods.

The third shop differed the most from the other two in the sense that it was situated on a busy road, nearer to the downtown area. This part of the city is called Rókus and was mainly populated by lower-class residents until the 1990s. In the past two decades this has changed somewhat due to the reconstruction of the city, therefore the neighbourhood became more heterogeneous in terms of social groups (Rácz 2012: 75-81). However, because of the presence of a few impoverished Roma families in the district, the people of Szeged tended to perceive the neighbourhood as a particularly dangerous one. The shop had only one entrance, located on a busy road, and was used by customers and employees alike. Unlike the other two shops it did not have a proper storage room, thus making it harder for the employees to keep the small shop clean and tidy when new commodities and products arrived. Like the second shop, this one was also poorly equipped in terms of devices and kitchen tools. Because of its location, the third shop was a so-called 'half-transit shop', meaning that it had a smaller number of permanent customers. Ultimately, the shops' close relationships with their respective neighbourhoods was reinforced by the fact all the employees and employers lived in the same three neighbourhoods.

6.3 Division of Labour and Shifts in the Tobacco Shops: Flexibility and Solidarity in the Making

The business was truly and legally a family concern, since a father and son are the joint owners of the three shops; one member of the extended family was employed full time as a shop assistant, while another worked part-time. The business had ten permanent employees, nine women and one man, who worked eight-hour shifts. Gender played a significant role in the selection of employees, András, the boss, regarded women as the most competent employees for this job due to their ability to be more flexible, greater reliability and tendency to keep the shops clean and tidy.

Three employees worked as shop assistants in each shop, with one office employee taking care of the accounts. The employees were aged between 24 and 46, the majority being in their late twenties and early thirties. Except for one shop assistant who had a university degree, they had all graduated from vocational schools. Some of them had had further vocational training in sectors such as pâtisseries or manicurists. Unlike the majority of their employees, the owners had university degrees. While the father had a degree in electrical engineering, the son, who was also the boss, had degrees in both law and economics.

Each shop had one shop manager who worked shifts like the other employees but enjoyed somewhat more autonomy. Shop managers were responsible for drawing up their colleagues monthly shift assignments, checking purchase orders and stocks, and ultimately guaranteeing that everything was in order, particularly when new products (e.g. electronic cigarettes) and lottery games were introduced. There were negligible differences between the shop assistants and shop managers in terms of their duties and tasks, though the shop managers bore full responsibility for their shops.

The shop assistants had to keep track of stock, replenish as necessary and were also responsible for cleaning the shops and always keeping them tidy. As the boss of the business, András mainly ran the business relationships with their suppliers and wholesalers' marketing representatives, and supervised and managed the shops, while his father collected the earnings each day. Nevertheless, the boundary between employer and employee (labour and capital) was sometimes blurred, since prior to April 2016, when the Sunday ban was revoked, it was not possible to employ non-family members on Sundays. Therefore family members, mainly András, his brother and his nephew, did the Sunday shifts. Even after the law was repealed, András occasionally filled in for employees in cases of sickness or other contingencies.

All three shops were open six days a week from 6 am to 10 pm. The morning shift lasted from 5:15 am to 2 pm and the afternoon shift from 13:15 pm to 10 pm. On Sundays opening hours were between 7.00 am and 5.00 pm, and there was only one shift. However, the shops' closing times did not coincide with the end of the shifts since after closing the shop assistants had to complete the cash-flow account and clean the shop. These duties usually took

fifteen to twenty minutes, depending on whether the computer system was working properly. The shop assistants worked alone and only met their colleagues at changes of shift.

The number of working days per month oscillated between twenty and twenty-three days, or in other words between 160 and 184 hours. Since monthly wages were calculated according to the number of working hours, it was always difficult for the shop managers to create monthly shift assignments that satisfied all the employees, such that everyone had enough working hours to earn a reasonable monthly wage as well as an adequate number of days off (two days week according to the labour law). Drawing up a monthly assignment therefore demanded creativity and good negotiating skills on the part of the shop managers. Usually András did not want to be involved in these matters, and only checked the work schedules before the month started.

If the shops were working with a full staff, and certain changes occurred to their assignments – for instance, someone had to change a shift with someone else due to the latter's personal, medical or family issues – usually this did not cause any serious difficulties for the employees: they changed shifts with each other not just within but between the shops as well. By keeping track of these little favours and the help the provided each other, employees developed a well-functioning horizontal system based on reciprocity and mutuality that obliged everyone. Therefore, if someone changed a shift with someone else, the recipient of the favour had to reciprocate when the other employee was in need. Usually the boss did not have any objections to this practice, as long as the employees did these changes within the limits of the law[30] and kept their boss informed about them. Although in this way employees had the freedom to adjust their work schedules to their other spheres of life in the best possible way, András also successfully passed all the responsibilities for the management of potential conflicts on to the shop managers.

Nonetheless, this well-functioning system was seriously challenged when someone left permanently and the number of employees dropped from three to two. This is precisely what happened to Erika, who was the shop manager of the central tobacco shop. Erika was in her

[30] When a worker did a night shift, he or she was not allowed to do a morning shift the next day, as the labour law stipulated that everyone had to have eight hours rest between any two shifts.

late twenties and she was born and had grown up in the same neighbourhood as the shop. After completing a vocational course in trading and catering, she worked as a bar tender in various pubs in Szeged. Before she started in the tobacco shop, she worked in a petrol station as a night worker for several years. She had joined to the tobacco shop four years earlier. Given her educational background, experience and skills, as well as her extended knowledge of the neighbourhood, András immediately offered her the job after the interview – which she accepted – and was never disappointed in her work. Being a reliable and hardworking employee, Erika quickly became a shop manager in the central tobacco shop. Erika's career and life, as well as the organization of the shop that she managed, drastically changed when she was diagnosed with a neurological disorder. Even though she saw several doctors in both state and private hospitals and spent a significant amount of money on these consultations, she did not get proper medical treatment to stop her attacks and let her to do her work properly. Since she did not want to leave her job, nor did András want to lose one of his best employees, he decided to wait and kept her position open until she got better. This decision required a re-organization of the labour arrangements in all the shops and a large degree of flexibility from the other colleagues.

According to the doctors, Erika had to spend some time waiting to see which medical treatment worked the best for her. She was also advised to find another job – something that she did not want to – where she worked in a team and not alone. Therefore the greatest challenge for both András and herself was to find a solution for this problem. First, they agreed on that Erika only did morning shifts when she would not be alone, so her colleague Edit, the office clerk, changed her shifts and started working earlier (from 7:00 am) in the office. However, this did not work out for two reasons: even though Edit now came to work at 7 am, Erika was still working alone for an hour, which was potentially dangerous due to the possibility of attacks. From time to time Edit volunteered to start her work at the office even earlier so as to accompany Erika, although she could not do that regularly. Second, doing only morning shifts was not a sustainable system in the long run given the fact that other colleagues in the same shop found their personal and family lives difficult if they mostly had to do the afternoon shifts. Nevertheless, despite all these efforts, the main problem remained unsolved: Erika's health problems unfortunately did not end, and the side-effects of her medication, whether she was on her own or with others, did not allow her to work properly on a regular

basis. As a result Erika stopped working, although András still did not want to hire anyone in place of her but was prepared to wait until she had found medical treatment that worked for her.

Although András' decision was motivated by feelings of solidarity and empathy, by choosing not to hire anyone for Erika's position while she was away for an indefinite period of time, he required other employees to work harder, be flexible and make sacrifices for the business. Obviously, hiring a new employee was a financial risk for András that he did not want to take. If he had hired someone else, he would have to pay for the so-called lottery course and exam for a new employee who would have left the company anyway when Erika came back. This is necessary for everyone who sells lottery tickets, as without this certificate no one is permitted to work in a tobacco shop. In this regard, András's decision was driven by both self-interest and by a sense of solidarity with and of moral obligation towards Erika. He was driven by self-interest because first, running the central shop for a few months with only two employees was definitely profitable for him. However, given the fact that Erika was one his best employees who had been working for his company for years, he also felt obliged to reciprocate her precious labour by keeping the position open for her.

However, for the other two shop assistants this was a very difficult period because of the overtime they often had to do. When it provide too difficult or stressful for them, András replaced them for some shifts with other employees from the two other shops, or in some cases he himself did their shifts. András himself was very flexible when it came to business and work, and therefore he required the same, full flexibility from all his employees: they had to be ready to replace each other whenever it was needed, even when they had days off.

In the same period of time, in the second shop, Angéla, an employee who was a single mother, also went through a hard time, causing further problems for both András and her colleagues. Angéla was in her late thirties with a teenage son and a one-year old daughter. She was raising her children entirely alone, without her family's support or help. As a result she had to keep her job despite struggling to synchronize her shifts with her child-rearing responsibilities. Her baby's sicknesses often kept her away from her job, which required again flexibility from her colleagues, who sympathized with her and tried to adapt to the situation as

much as they could by doing shifts in her place. However, when her child was diagnosed with a serious disease that required long-term medical treatment, the problems multiplied. She asked András to allow her doing only a part-time job and to do only morning shifts, which was more suitable for her children. András was very sympathetic with her and required the same from her colleagues too, for whom, however, this meant an extra burden, despite their showing sympathy for her. As András told me, being himself the father of two young children, he would never have been able to kick out a single mother with a sick child, therefore the others also had to understand this and accept the situation as it was. The child's acute sickness and permanent medical treatment required more and more replacements and sacrifices from Angéla's colleagues, which eventually created tensions among them. They told me that, having families or being mothers themselves, they felt that their boss was applying double standards when he makes them toil but understands everything when it comes to Angéla. Narratives like this illuminate the conflicting views and tensions between material interests and moral obligations that are an inherent part of practices of mutuality.

As already noted, final work schedules and shift assignments were always a result of negotiations among employees, characterized by a practice of mutuality. On the one hand, tensions arose among employees when they felt that the practice of mutuality both among themselves and with their employer was seriously challenged and undermined by András's decision not to hire new, temporary employees. On the other hand, beyond self-interest and profit-maximization, András also felt obliged towards his two employees, who experienced difficulties whenever he chose to keep positions open for them.

By broadening the analytical scope of practices of mutuality between employers and employees, in the next section I will look at how remuneration in the form of wages and financial incentives worked and how these were accompanied by vertical gift exchanges.

6.4 Remuneration, Incentives and Gift Exchanges

There were three levels of wages at the tobacco shop. On the first level were the shop assistants, with a monthly wage of between 85,000 and 100,000 HUF (approximately 275–324 EUR), which included the 30% night-shift rate (for working after 6:00 pm), the 50% Sunday supplement and various financial incentives. The exact amount varied monthly according to the exact number of working days that employees had worked, the shifts they had done and their overtime payments. The number of working days per month oscillated between 20 and 23 days (160–184 hours) and the monthly minimum wage was 85,000 HUF (approximately 277 EUR).[31] Shop managers received a slightly higher wage, an additional 10,000 HUF (approximately 32 EUR) per month.

On top of the basic pay, András introduced a material incentive that added to the monthly wage by urging employees to sell as many scratch-cards as they could. After selling 576[32] scratch-cards every week, employees received 2000 HUF (approximately 7 EUR) a week, or 8000 HUF (approximately 26 EUR) a month. Although this was achievable, the employees always checked the sales before every weekend, and if they had not sold the given number of scratch-cards before the end of the week, they made sure they received the extra money by purchasing the missing ones themselves.

At the second level was the office clerk who took care of the accounts. Her net salary was considerably higher than the shop assistants, as she received 140,000 HUF (454 EUR) net. Ilona, the clerk, had been working for the company since the very beginning. Before that she worked for András's father and his company for several years, therefore she was regarded as one of the most reliable and trustworthy workers. Although she was not entitled to material incentives like the shop assistants, she admitted that she always received extra money twice a year on top of her salary when she took a longer holiday to visit her partner, who was living and working in Ireland as a truck-driver.

At the third level is the owner, who took his salary in form of dividends four times a year. He also took a monthly salary, as he worked on Sundays before the shopping ban was repealed. In terms of salary, there were no differences between family and non-family members

[31] Before I left the field the owner increased the monthly net salaries by 7600 HUF (approx. 25 EUR).

[32] In two shops the number of scratch-off tickets that employees have to sell is 576 while in one shop this number is only 476. These numbers are the average sales numbers.

within the permanent staff. Only the owner's younger brother received different wage, since he was a temporary employee, jumping in only when his university studies allowed him to work.

Apart from these payments, in order to compensate the labour of his employees, András gave them a party every year in the backyard of the central shop. This half-day event was the main ritual and cement of the work community, feeding everyone with stories and anecdotes which were often repeated. It was an occasion that everyone looked forward to, not just because it was an enjoyable social event full of games, but also because during it bonuses and gifts were distributed to employees. In this vein, the party can be seen as an occasion for ceremonial exchange. As Strathern and Stewart point out, 'often the exchanges take place in terms of delayed reciprocity. Rather than the two sides immediately exchanging wealth items, more often one side or partner gives, thereby obligating the recipients to make a return on a subsequent occasion' (2005: 239).

The party was meticulously planned a few months ahead by András. In the year of my fieldwork, it started on a hot, summer Sunday afternoon, meaning that all three shops closed earlier as usual, at 1 pm. Beforehand the employees had received detailed instructions from András regarding the day of the party: they were grouped into three teams according to the shops they worked and were given an address at which to meet without knowing what they were expected to do once they got there. As it turned out, the meeting point was somewhere where the currently popular 'exit the room' team-game was being played, which András signed all of his employees (except his nephew) up for. Moreover, funny assignments were also arranged for the three teams, which had to be completed on the way to the game. There each team was shut up in a room and given a hour to find out how to exit the room. However, despite all the endeavours, none of the teams managed to find the way out of the room. Although I was not invited to this part of the party, later in the afternoon András told me that, while the teams were trying to solve the problem, he was watching them from the outside with a camera. This allowed him to judge his employees' personality characteristics, problem-solving skills and how they work in teams.

I also learned that before the game started András had handed out bonuses to his employees. Bonuses were individualized, everyone receiving different amounts, accompanied by his appraisals of them. Although employees were asked to be discreet about the exact amount of money each of them received, they shared this information with each other and with me as well. Two of the ten employees were given 40,000 HUF (128 EUR), while the rest received 10,000 HUF (32 EUR) or 30,000 (96 EUR). As Kati, one of the recipients of the highest bonus told me, the amount they received increased every year. The accompanying appraisal from András was also very positive, stating that, knowing how much she had worked for the company over the year she had really deserved more than he could offer to her. In addition, bonuses were also given to employees before Christmas, although their amount was minimal compared to the summer bonus and often took the form of vouchers whose usage was restricted – they could be only used in grocery stores – therefore employees tended to dislike them.

After the game, everyone – including András's father and his employee in the fitting-shop, Kálmán and I – went to the main shop, where the party continued. When I arrived, people were chatting and drinking around a big table that had been set up in the terrace of the courtyard. Drinks (all sorts of alcoholic drinks, such as whisky, herbal liqueurs, beers etc.) were provided by András. When everyone was present, team-building games continued in the courtyard. These played a crucial role in the party, as further gifts were handed out to employees in the form of prizes. Taking the role of quizmaster, András held five games in total during the afternoon, all of which aimed to learn and experience how team members cooperate, work and understand each other. From time to time the games were interrupted by drinking and smoking breaks, in which everyone chatted with each other in an easy manner. Although András took the role of quizmaster, in the context of the game the hierarchical relationship between employer and employees disappeared for a while, thus allowing creative play in a relaxed atmosphere. By the end of the game, gifts were given out according to the results of the team-games. All the members of the winning team, which was the central shop, received vouchers that could be used for two persons and for two nights in a three starts thermal-wellness hotel near Pécs (the fifth largest city in Hungary, situated in the south-west of the country). Those who were in the team that won the second prize were given shopping vouchers worth 10,000 HUF (32 EUR), which could be used in a widespread perfumery chain. The

members of the third team won tickets for two persons to the local strand and aqua-park. Finally, András's father and the latter's employee Gábor, who are not András's employees, were given two bottles of Jack Daniels whiskey.

The games and gift-giving were followed by a dinner, held on the terrace. The food was ordered from a nearby restaurant and consisted of breaded meat and filled meat with fries and rice. While eating, András always ensured that all the glasses were filled with alcohol so that everyone could raise their glasses to his favourite toast to the Holy Trinity, as he put it: 'Family, friends, homeland'. As the atmosphere became more and more relaxed, employees started to confront András with their work-related problems by honestly exposing their frustrations and tensions. At the heart of their complaints was the excessive overtime they had had to do lately. These, however, were complemented by other requests from András concerning the equipment and therefore the material improvement of working conditions in the shops. This collective debate, in which András acted as an attentive partner and made only realistic promises, was spontaneously followed by private conversations in which András expressed his gratitude for and satisfaction with each employees' performance at work. These private conversations sometimes became very emotional: for instance, Lilla, a single woman in her thirties, ended the conversation with tears in her eyes, telling us that András had noticed the positive developments in her work performance and thus praised her work and her hard-working character as no one had before. By the end of these private conversations, András explained to me that his employees should only thank this party for themselves and their hard work because this year the business had gone really well for the company, and for that reason he was very grateful for them. This is why he spent 80,000 HUF (257 EUR) on the party alone, handed out prizes and announced that everyone will would get a rise in pay of 7600 HUF (24 EUR per month). He also made a slight change to the rules and allowed employees to arrive at work not 45 minutes but only 30 minutes before their shifts start. However, most importantly, at the end of the summer he hired two new employees, which definitely eased the tensions among his existing employees.

By explaining to me that giving a party is a sign of good business performance and success, he told me that for many years his mother could not afford to give a similar party for her employees. In the past the company parties that she organized were as big events as

weddings, since not only employees but also their spouses, partners and children took part in them. For instance, back then his mother's company received numerous promotional gifts, such as a bicycle or a cell phone, which they never used themselves but kept and then redistributed to her employees in the form of prizes for team games. Although there were no company parties anymore in her business, every year one employee was chosen as worker of the year and received a holiday trip as the prize.

As I have shown, by taking the form and function of a ceremonial exchange, the company's annual party played a crucial part in the complex web of mutual obligations and reciprocal exchanges that dictated and shaped labour relations. On the one hand, giving out gifts and bonuses in this context was not only a symbolic way of reciprocating labour and redistributing some of the profit, it also helped reproduce labour relations, thus obliging employees to make a return with their labour on a continuous basis. In this vein, the party could be seen as a ceremonial re-establishment of the labour contract between the two parties. On the other hand, as vertical gift-exchange between employer and employee always implies hierarchy and inequality (Yan 2012: 276), the party was also a means for András to re-enact his status and power in his relationship with his employees. In the following section, I will show how András exerted control over the shops and thereby ensured that his employees fulfilled their obligations towards his business.

6.5 Disciplining and Controlling Employees in the Shops

András required highly disciplined work from all his employees. In order to achieve this, he controlled both employees and shops in two main ways: first, by visiting his shops in person and checking on his employees regularly; and second, through a surveillance camera that was directly connected to his personal i-pad, thus allowing him to check on all his employees whenever he wanted to. He was keen on closely following not only the performance of his employees, but also the daily cash flow in his shops. All his shop assistants were therefore

obliged to give him this information every day by sending him an SMS after they had closed the shops and counted the cash.

Lateness or delayed shop openings were taken seriously, being punished with salary deductions, as Andrea's story below illustrates:

> *Last year, I was supposed to do a morning shift and open the shop, but unfortunately I overslept. This only occurred to me once, so I opened the shop 45 minutes late, at 6:45. I immediately called András to admit it. It was better to tell him because he could see it through the camera anyway, so I decided to be honest about it. András's voice was very cold on the phone, and he only said that I would have to face the consequences when he was back from holiday. However, when András came back from his holiday, mine was just starting and I travelled to Greece for a week, so we could not meet or talk. I had no clue what the consequences could be and why he did not want to talk about it over the phone. I was nervous about this phone call and about its possible consequences for an entire week – I could not relax at all. I was chatting on Facebook with Erika all the time, asking her whether she had heard anything. When I returned, he invited me into his office and told me that he could not just let me go with a warning, but had to deduct 10,000 HUF (33 EUR) from my salary. By that time I was so anxious and afraid of being sacked that actually I felt relieved when I heard it. But then later I realized that 10,000 HUF is quite a lot of money for 45 minutes. If I took that, he could not have made such turnover between 6 and 6:45 am.*

Individual financial punishments seemed very efficient, as delays occurred very seldom. The reason behind this was simple: this amount of money was a big chunk of the employee's salary. As I showed above, shop assistants usually received a monthly wage of between 276 EUR and 325 EUR. To illustrate what this amount meant in the local context and how one made ends meet out of this salary, I will briefly describe Andrea's expenses and spending strategies.

Andrea received her salary as cash in an envelope because she did not have a bank account. As she explained to me, maintaining a bank account and paying the various banking fees was just very expensive for her, and she could not really save money out of this salary –

even if she made some extra money with her informal work activity – for it to be worth her having a debit or credit card. At the time when I got to know her, she was living and renting a one-room apartment alone in a block of flats located in one of the working class neighbourhoods described earlier, which cost 35,000 HUF (113 EUR) a month. She spent the rest of her monthly wage on transportation, food, bills and current expenses. She had an old second-hand car, which she had been able to buy because before she left her village for Szeged, she had been living with her parents, which allowed her to save a large part of her salary. Her decision to buy a car after she moved to Szeged was not just a matter of conformity – although it could be an important factor when someone had to do shifts in the early morning – but it was also a cheaper solution. According to her calculation, it was more reasonable to commute between her home and the shop by car than to purchase a monthly adult ticket (7000 HUF/23 EUR) for public transport. Her financial situation became better when she moved to her partner's flat, as they shared their expenses equally, meaning that both added 40,000 HUF (130 EUR) individually to their joint moneybox, which covered their food and current expenses, while they kept the rest of their salaries for themselves. Even though her partner's salary was slightly higher than hers, so that he wanted to contribute more to the household expenses, Andrea was determined to share all the expenses equally. As she said,

> *I did not see why he should have put more money in our money box than me just because he earned more… for example, I used as much electricity as he did, so why should I have paid any less for it? I am a working woman, and even when I lived alone, I managed to maintain myself without any help. Now I had more money, so I could even save 10,000 HUF every month. I put this money in a home savings fund that was managed by a credit institution. So I had money, therefore I wanted to contribute as much as I could, because first this is how it was fair, and second I felt myself more independent in this way, so I was not dependent on a man in a material sense.*

This short extract not only illustrates Andrea's spending and provisioning strategies, it also shows how work and self-sufficiency was a source of pride and confidence for her.

Besides disciplining employees by inflicting financial punishments and controlling workers through electronic surveillance systems, service work – given the direct involvement

of customers in the labour process – allowed András to use 'secret shoppers' to monitor his employees to determine whether they were obeying the law. In the context of tobacco shops, this monitoring technique was originally used by the tax authorities, since the Hungarian 'law on curbing under-age smoking' severely punished those tobacco shops (and their owners) who sold tobacco products, alcohol or lottery to customers who were under the age of eighteen. The law not only banned them from selling those products, it also stipulated that those under eighteen had to stay out of the shops. For instance, a mother was not allowed to take her child into tobacco shops with her. The authorities monitored tobacco shops regularly by using secret customers. In cases of infringement, shops were not allowed to sell tobacco products for thirty days and had to pay a fee. If it happened again, then the shop had to be closed for thirty days. By closing a shop for thirty days, the owner breached the concession contract, resulting in further penalties. Therefore, in order to avoid all these penalties, employees were obliged to ask every customer whether they were above the age of eighteen and check their identity cards when necessary. This was included in the employees' contract as an obligation. Thus, if they violated this statute and caused material damage to the company, their monthly salary had to be deducted by a certain percentage for a given period of time as re-payment for the damage.

When I asked András what this stipulation said exactly in the contract, his answer was very vague, and since the shop has never had such a penalty imposed on it, there was no practice or formula for such a procedure. Nor could the shop assistants provide accurate information on this matter. However, employees were certainly scared of the possibility, as a story of an official check from one of the shop managers, Anita, shows:

> *I think I became older by ten years during that check, particularly when the controllers revealed themselves. They sent a 'secret shopper' – a young man – to the shop. He looked young, but not that young. He could have been above the age of eighteen. Anyway, I asked him whether he was under age and he said yes, then he left the shop and two controllers came in to make an official report. At that moment I realized that this one second could have changed my entire life. If I hadn't ask this customer his age, I would now be indebted to András for many, many years.*

In effect, by not being entirely clear about the consequences and creating a threatening atmosphere around the stipulation, András created an effective tool for disciplining his employees. As I mentioned earlier, he himself also used the technique of the secret customer to exercise control over his employees, as the following account shows.

Linda was not satisfied with her colleague, Anita, as a shop manager. She strongly believed that Anita was not the right person for this position and that she was unable to fulfil its duties. In fact, Anita was a sort of exception in the workforce. She was the only one who held a university degree. Taking this job involved a degradation in status for her, and unlike the others, she did not imagine herself 'retiring from this job'. As Linda told me, '*she completely fulfilled her duties, but she was never keen on doing any extra job for the company*'. Linda, being self-confident about her qualities and competence, decided to talk with András about her reservations toward Anita and to recommend herself instead for the shop manager's position. András listened to her carefully, but a few days after their meeting, he informed Linda that she had sold a cigarette to an underage customer whom he himself had sent into the shop, therefore she should not expect any changes in the shop manager's position. For questioning her boss's competence in selecting employees for certain positions and failing this internal check, Linda received a warning, and 40% of her salary was deducted.

Having said all this about penalties and disciplining techniques, all the employees agreed that András was a good boss. They pointed out his merits in being a gentleman and being accurate when it came to pay-offs and salaries: the exact amount of salaries and overtime payments were always given to the employees on time, without any delays. Moreover, he declared all his employees. According to the employees, this sort of 'paying morality' is very rare compared to their previous job experiences, when delays in payments, or even no payments at all, were frequent. András was fully aware of these practices, therefore when he was doing job interviews, he always emphasized to applicants that he could not offer them a good salary, but he could assure them that the applicant will be officially declared and their salaries paid on time. Based on their previous work experiences, employees also highlighted his 'gentlemanly character', meaning that they were not exposed to any harassment or abuse. They described András as a strict but friendly boss, who always managed his employees with civility and dignity.

So far I have discussed how András exercised discipline and control. In the following, last section, by unfolding the characteristics of this type of service work and employees' work experiences, I will show how employees were given autonomy and a degree of control over the shops in which they worked and how this became not just a source of freedom and self-fulfilment for them, but also a subtle managerial method for of making employees work harder.

6.6 Employees Controlling the Shops

Employees' work experience in the tobacco shops had two main characteristics: it was a very individual and a very social job at the same time – individual, because they had to work alone, and social, because they had to manage, control and therefore work with people. Sociality is an inherent feature of service work, as Robin Leidner pointed out: 'service workers and their customers or clients must negotiate interactions in which elements of manipulation, ritual and genuine social exchange are subtly mixed' (Leidner 1993: 2). As I will show below, the size and location of the shops added a further layer to this inherent characteristic and helped employees create durable social relationships with their customers.

One of the very first, basic experiences I had when I started to work in the tobacco shops was that selling and giving out the required tobacco products to customers was much harder than I had expected. As shop assistants worked mainly with permanent customers, they learned by heart which customers consumed which kinds of tobacco products. In fact, I came to realize that they had a huge mental database about their customers' consumption habits and histories: they knew which brands the customers, their spouses or their family members used to buy, they knew when they switched to what brand, they also knew how long tobacco products lasted for their customers, and ultimately they knew perfectly in each case what to recommend if the shop ran out of the required tobacco product. Ultimately, shop assistants were very proud of their broad knowledge of their customers' consumption habits and patterns.

In the beginning customers were not satisfied with my performance, as I lacked this knowledge, and they demanded the same personal economic transaction in making their

purchases that they had had before. Even when they were willing to give me the name of the product they wished to buy, mostly they used a local variant or interpretation of the brand. Regardless of whether the tobacco brand was Hungarian or foreign, they used nicknames and abbreviations for it. In fact, the local variants of these brand names were so diverse that my colleagues kept a little collection of them in a notebook. In many cases this was surely related to the fact that in the neighbourhoods where the shops were located, the majority of customers were either working class or pensioners with a working-class background with very limited knowledge of English phonetics. However, the practices of being creative about naming, playing with foreign names, and memorizing who uses what name were part of a joint effort cultivated by both the sellers and the buyers to create a more personal and less alienating context for the economic transactions. Besides these practices, extensive information-sharing, various informal economic arrangements and exchanges took place in the tobacco shops which largely shaped employees' work experiences and nurtured their social relationships with their customers.

Kati, in her forties with three children, was the shop manager of the second shop in Tarján. Originally she was not from Szeged, but from a nearby town, but she had been living in the same neighbourhood as the shop for twenty years. Kati completed vocational school and took several other vocational courses and other training as well. By leaving her family very early, she became self-sufficient when she was sixteen years old and gained very broad work experience, including as a pastry cook, serving in the army during the Yugoslav wars, running her own pizza delivery business and working in retail.

With her outstanding social skills, management and knowledge of the neighbourhood, Kati was running not just a retail shop, but also a social institution to which people turned if they needed any help or information. By talking to every regular customer, Kati knew the best ways of solving urgent situations and getting things done in the neighbourhood. For instance, on one occasion a regular customer came into the shop for a coffee and some tobacco and complained about a moving company that was supposed to come to her apartment but never appeared. Kati solved the problem by making some calls to her other regular customers, who were also friends. If someone was looking for a new place to move in the neighbourhood, she knew who wanted to rent out a flat. When someone wanted to have a cheap hair-cut, she knew

who worked at home as a hairdresser in the neighbourhood. Ultimately, what she did was to run a well-functioning favour- and aid-exchange system in the shop, since her favours were always reciprocated one way or another. When I worked with Kati, there was not a day when she did not receive food, hot meals, coffees or any other symbolic gifts from her customers, regardless of their gender. On symbolic days, for example her birthday, not only did her colleagues visit her in the shop and give her gifts, but many of her regular customers from the neighbourhood also toasted her with gifts. Moreover, she also engaged in informal economic activity through the network based in the shop. As a side job, she took orders and made cakes, biscuits and cold buffets for friends, customers and even shop suppliers. This kind of linking of favour exchanges with informal economic practices pivoting around the shops created and reinforced durable social relations between customers and shop assistants.

Nevertheless, to avoid falling into the trap of leaving an over-romanticized picture of sociality in these tobacco shops, their local contexts and their effects on the working environment must be taken into account when employees' work experiences are discussed. As is usually the case with economically deprived areas populated mainly by the unemployed, low-wage workers and/or impoverished pensioners, the tobacco shops often dealt with addicted and sometimes heavily addicted customers. As Erika used to tell me, '*people who live in this neighbourhood are so helpless and desperate that the only hope they have is to win the lottery*'. Accordingly, whereas customers were not allowed to drink inside the shops, requiring less control on the part of the employees, they could bet on sport and play various lottery games inside them. This was often quite demanding for the employees, particularly when customers blamed them for losing a game and when they were exposed to their anger or surly speech. Andrea reflected on the difficulties of this kind of service work in the following way: '*I used to say that we should be thankful to God that we do not need to hoe the fields or t do physical work. But still, tackling and communicating with people all the time is tough.*'

People were already waiting to play the cheapest scratch-cards by the time the shops opened at 6 am. In noticed once that a customer came to the central shop to play the cheapest scratch-cards (that is, 200 HUF or 0.65 EUR) around fifteen minutes before the shop closed. He started to play, scratch and buy a new one, one after the other. I watched him compulsively scratching fifteen or sixteen cards in a row before I lost count. The only thing that stopped him

buying another was closing time. When I asked Andrea how she felt watching people scratch so desperately, she said she felt nothing, she was absolutely indifferent to it, it was none of her business how people spent their money. In this regard, dealing with addicted gamblers required emotional estrangement, a sort of emotional labour (Hochschild 2003 [1983]) on the part of the employees in the shops. Emotional estrangement was also supported by the fact that selling scratch-card sales provided the employees with a direct material incentive, as they received 2000 HUF (6.6 EUR) extra money if they sold 576 scratch-cards every week. Therefore they had a common interest with their boss in selling as much scratch-cards as possible.

As well as being given material incentives, employees were also motivated to increase their work performance by 'intrinsic rewards' that were closely related to their experience in acquiring autonomy and therefore freedom in the shop. Here I follow the argument of Pierre Bourdieu, who drew a distinction between intrinsic and external profit and pointed out that, by allowing workers a degree of control over their work and thus pursuing 'intrinsic' symbolic profit, managers deflected them from wage demands ('external profit'). As he writes: 'It is on this principle that modern management theory, while taking care to keep control of the instruments of profit, leaves workers the freedom to organize their own work, this helping to increase their well-being but also displace their interest from the external profit of labour (the wage) to the intrinsic profit' (Bourdieu 2000 [1997]: 204–205). Michael Burawoy made a very similar point when he wrote about work as a game in his early ethnographic research in an industrial plant in south Chicago (1979). He argued that it was the piece-rate game of 'making out' and the resulting job satisfaction and symbolic rewards that made him and his colleagues work so hard.

In the same vein, it can be argued that gaining authority and a sphere of control over the shops not only contributed to the employees' well-being and gave them pride in their work, it also made them work harder by internalizing their boss's economic interests. For instance, one Sunday, when Kati had a day off, she could not stop fretting about the purchase order that needed to be placed with the central supplier on Monday morning. Her colleague was sick and the owner was substituting for her, but Kati did not trust him to submit the correct order on Monday morning due to his lack of knowledge of the consumption patterns of the shop's clientele and the computer system. Thus, instead of enjoying her day off, she cut a planned

family occasion short and went to the shop in the evening to make sure that the purchase order for the following week had been properly prepared. When I asked her why she had to do this herself, she replied that the business depended on her performance to make a profit and remain sustainable. She felt that her job was at stake, although this was not the case, as her job was not in any danger at all. One could say that Kati had obvious material reasons for working hard – she wanted to keep her job in the long run and to avoid economic uncertainty. However, what motivated her on a daily basis were the symbolic rewards or job satisfaction, in other words, the 'intrinsic' profit in the sense of Bourdieu, including enjoying a sense of freedom and sociality by acquiring a sphere of control over the shops.

6.7 Conclusion

Going beyond static notions such as 'embeddness' and 'alienation', in this chapter I have aimed to understand work in the tobacco shops in its relational aspects by viewing labour relations and economic transactions between customers and employees as relationships governed by the practices of mutual obligations. By doing so, I have explored the conflictual and contradictory nature of work experiences in the tobacco shops. I argued that service work in these tobacco shops was accompanied by sociality and non-commodified exchanges due to their close relationships with the neighbourhood in which they were situated. I also showed that employees acquired certain autonomy and a sphere of control over the shops by working alone in them. While this became a source of self-fulfilment, well-being and joy for them, these aspects of work also helped them to internalize their boss's material interests and to intensify their work performance.

7 SUNDAY IS CONTESTED: REGULATING TRADE IN THE RETAIL SECTOR

7.1 Introduction

Opening shops on Sundays was permitted in Hungary until 2015.[33] It was not long before my fieldwork started that the law concerning the prohibition of Sunday trading in the retail sector was introduced. The passing of a ban provoked a heated debate in society, as it marked a rupture with earlier practices and their cultural underpinnings namely personal freedom in relation to consumption and economic progress based on the idea of the free market. Since the changes to the law were still very recent when I arrived in the field, the issue of Sunday and the Sunday ban was a recurring topic in my conversations with entrepreneurs who were active in the sector and therefore affected by it. The topic remained relevant throughout my fieldwork, as the governing party, Fidesz decided to revoke it by 23 April 2016 due to a party-political skirmish. The main reason behind the repeal was that the MSZP,[34] one of the opposition parties, wanted to have a referendum on the subject to determine whether there was a majority for retail shops to be opened again on Sundays. Their referendum question was approved by the Supreme Court. As various opinion polls showed that two-thirds of Hungarians were against the Sunday ban,[35] the government decided not to take the risk of being defeated by its political enemies and repealed the regulation before the referendum could take place.

Given its historical, cultural and religious importance, Sunday has the conceptual capacity to signal and set in motion broader cultural and social shifts. Moreover, due to the circumstances described above, Sunday is a day that, both conceptually and literally, connects work and non-work, thus providing a unique perspective on a series of questions that touch on the very relationship between the two. By combining these two broader dimensions of Sunday, the aim of this chapter is threefold. First, by situating the Sunday ban in its wider political-

[33] On 16 December 2014 the Hungarian Parliament passed Law CII of 2014 on the prohibition of trade on Sundays in the retail sector (Magyar Közlöny 2014). It entered into force on 15 March 2015.

[34] Although MSZP was the political heir to the Hungarian Socialist Workers' Party (Magyar Szocialista Munkáspárt – MSZMP), from the early 1990s onward the party and its policies became strongly neoliberal in orientation.

[35] https://index.hu/gazdasag/2015/03/13/az_emberek_ketharmada_ellenzi_a_vasarnapi_zarva_tartast/ https://444.hu/2015/05/07/ketharmad-ellenzi-a-vasarnapi-zarva-tartast (last accessed on 24. 04. 2018).

economic context and in academic discourse on ideas of the consumer-citizen and the worker-citizen, I will pinpoint the differences from earlier practices and their ideological underpinnings in order to demonstrate the law's actual aim. Second, as the Sunday ban connects work and non-work, I will offer a broader understanding of how entrepreneurs value and think about the relationship between these two spheres by drawing on my quantitative data. Third, by focusing on my ethnographic research conducted in retail, specifically tobacco shops, I will look at how a flexible legal environment forged flexible working conditions for both employers and employees and how they became reconciled with these changes. By doing so I will argue that, even though both employer and employees may value free time highly, their respective positions over working on Sunday are mainly shaped by material interests and socio-economic conditions.

7.2 From Worker Citizenship to Consumer Citizenship

After 1990, Hungarian law became rather 'permissive'[36] concerning the question of trading and therefore working on Sunday, resulting in the deregulation of Sunday opening hours for retail shops. This process was further accelerated between 2012 and 2015, when regulation became increasingly flexible,[37] allowing all retail outlets to open on Sundays.[38] Back then the legislators justified these changes in the regulation with reference to the transformation of consumer behaviour. Given these tendencies in the legislation and the fact that the most flexible period coincided with Fidesz's second consecutive term[39], as Tamás Gyulavári pointed out, the passing of the Sunday ban was rather unexpected (2015: 118). This continuous

[36] This means that all shops in the small retail sector were allowed to open on Sundays and at night (24- hours shops) (Gyulavári 2015: 117).
[37] In relation to this, in 2013 the labour law regarding who is entitled to Sunday overtime was tightened (Gyulavári 2015: 118).
[38] In practice, this meant that not only grocery stores but even clothes stores in shopping malls could be open on Sundays (Gyulavári 2015: 118).
[39] In fact the first Fidesz government ruled between 1998 and 2002 and was followed by socialist-liberal governments. However, in this text, when I write about the first or second Fidesz government I am referring to the party's constitutive term in office that started in 2010.

deregulation of opening hours in the retail sector went hand in hand with the erosion of workers' rights and the dismantling of the trade unions. Following James Carrier (1997) and Jane Collins (2015), this process might be framed as the rise of consumer citizenship and the decline of the identity of the worker. In the following, I will use this pair of concepts as a springboard in historically contextualizing the issue of Sunday opening and to unfold the aim of the regulation and its cultural underpinnings.

Mapping the multiple layers of the concept of the market and its expansion in the Western European context, James Carrier argues that the 'long decade of the 1980s' (1997: 1) marks a shift from an idea of citizenship that is based on the realm of work, and from one's participation in employment to one that is based on consumerism. As he writes (1997),

> the spread of the language of the market model encourages casting people in terms of their market transactions, and especially as consumers. In doing so, it highlights just one aspect of their existence, even of their economic existence, by ignoring the fact that people commonly are also workers or producers, and that even those who are not workers generally are dependent upon a worker for their consumption (P. 52).

Along similar lines of thinking, Jane Collins (2015) points out how the entangling of discourses of consumer citizenship with neoliberal corporate practices had a long-lasting damaging effect on labour rights and workers' wages in the USA.

However, this social and cultural shift not only characterized the transition from a Fordist-Keynesian regime to the post-Fordism of Western capitalism, but also the transition from socialist planning to a market economy. In the Hungarian context, the idea of the worker as citizen became a cornerstone of socialist ideology, entailing a new definition of citizenship in which workers' participation in the political community of Hungarian society was based on their employment (Szabó 2007: 151–152). Different historical periods of Hungarian socialism put forward different ideal types of the worker as citizen. For instance, while the ideal type of the early 1950s was the heroic worker, whose life and deeds were regarded as an example for everyone, the ideal type of the 1960s worker was expected to support the political system and power-holders, while at the same time acknowledging that the worker had certain ambitions

and aspirations. The idea of the worker as citizen remained fundamental throughout the socialist period, although its meaning shifted considerably (ibid.: 153).

The right to 'free Sunday' in the retail sector was a long-term demand of labour movements throughout the nineteenth and first half of the twentieth century,[40] eventually becoming a fundamental workers' right in the 1950s, and thus playing a crucial role in the establishment of the worker-citizen idea. However, the erosion of this citizenship idea started already in the 1970s as the result of political consolidation, economic reforms and the efficient functioning of the so-called 'second economy', which allowed industrial and agricultural workers to become part-time 'entrepreneurs'. Another crucial consequence of the economic reforms was that the Hungarian economy ceased to be a shortage economy and that a whole range of goods became available for sale (Swain 1992: 108–109; Hann and Hart 2011: 127–128). These larger economic and social changes entailed growing consumerism. Even though the second economy was not a market economy, the necessary conditions for a consumerist society, such as the mass media, the possibility of buying in instalments and all the other incentives were established, urging people to consume (Nagy 1997). For instance, whereas from the 1960s onward purchases of various household appliances (such as washing machines, spin-driers, fridges and televisions) predominated, from the end of the 1970s the acquisition of cars became popular. In fact, in these decades economic prosperity and consumerism were at the heart of politics and provided the socialist regime with its ultimate legitimacy. As Berend points out, 'the regime tried to depoliticize society, by aiming for a consumption-oriented system devoid of ideology, in which private life was left undisturbed' (2001: 309).

Following the introduction of Carrier's citizen pairs, the 'worker-citizen' was gradually taken over by the 'consumer-citizen' idea. This shift nevertheless originated in the economic conditions and consumerist culture of the socialist period, rather than being triggered by the change of regime. These discourses were significantly re-shaped and challenged after 2010 by

[40] Despite the fact that the situation of workers in the retail sector was worse than that of industrial workers in many aspects, the fragmentation of workers and shops made unionization impossible. The very first attempts at unionization in the retail sector took place in 1895, and besides regulating working hours and wages, regulating Sunday trading was among the claims put forward by the workers. The official and legal establishment of the Trade Union of Commercial Employees only occurred in 1900. See History of the struggle of Trade Union of Commercial Employees http://www.kasz.hu/html/main/2014/KASZ_tortenet1900-2000.pdf (last accessed on 24. 04. 2018).

the right-wing government, its policy measures and their concomitant ideologies. In the next section, by exploring the aims and wider context of the Sunday ban, I will show how the regulation epitomizes these broader cultural and social shifts.

7.3 Protection for Whom?

7.3.1 Familial Citizenship

In order to understand fully the meaning of the law, one has to take into account its parliamentary background and its connection with the wider economic restructuring of the country. A long-term political agenda of the Christian Democratic People's Party (Hungarian Kereszténydemokrata Néppárt, abbreviation KDNP), the new law was put forward by this coalition partner of the ruling party, Fidesz. Even after Fidesz won the election in 2010, the KDNP proposal for a ban on Sunday trading did not gain significant support within the newly formed government. The proposal was only accepted by Parliament in 2014, in Fidesz's second consecutive term. The KDNP's persistence in agitating for the Sunday ban suggests that there were not only secular but also religious motivations behind the bill, as the idea that Sunday should be a day of rest – the Lord's Day – is rooted in Christianity. However, taking a closer look at the text of the law and the discourse around it, one finds that, although the idea of family and its protection has a central role in justifying the ban, there are no references to religion whatsoever. As Zsolt Semjén, the leader of the KDNP and one of the creators of the law put it in an interview, 'the idea that Sunday should be a rest day is partly rooted in the Bible. However, despite all sorts of attacks, I tell you this very seriously, it was not a religious consideration but a social one that urged us to make this law (…) the main motivation is that there are hundreds of thousands of people who cannot be together with their families if Sunday is taken away from them'.[41]

Semjén's argument is a peculiar mixture of Social Democrat demands and political conservatism, where the idea of protecting families coincides with the protection of workers, thus suggesting that workers' reproduction primarily depends on the reproduction of families.

[41] https://www.youtube.com/watch?v=7XDaIMj2nos (last accessed on 18. 02. 2018).

In fact, the concept of the family is one of the main pillars of the right-wing government's politics: 'traditional family values' are widely propagated not just in ideological terms but also by providing extra financial support for more affluent families through social and tax policies (Szikra 2014: 492). Moreover, the idea of the family is also of particular importance to the Catholic Church and its discourses. Evoking sentiments about the family in such context can therefore have latent religious implications for the religiously inclined in society.

This reluctance to endow the law with explicit religious connotations was most probably part of a wider political strategy on the part of the governing party. As I have argued earlier in this dissertation, FIDESZ never embraces a fully religious agenda, as it knows that a large part of society feels uncomfortable with explicit religious references. In secular social context such as this, promoting a religious agenda is a risk for all political parties (Ádám and Bozóki 2016: 112).

Taking a closer look at the preamble to the law, one can read the following as the declared aims of the regulation: 'The retail sector is the leading sector of the national economy. However, it has to operate in a reasonable framework in order to help protect employees' physical and mental health, and to provide enough breaks for them. Also, it must help find the right balance between freedom of commercial activity and the interests of the employee who works on Sundays. If there is a clash between the interests of the retail sector's freedom and the interest of the protection of the family, the most important pillar of Hungarian society, then the family cohesion must be strengthened.'[42]

Accordingly, the clash between the respective interests of employer and employee is dissolved in the idea of family, which, as the law banning Sunday trading argues, must enjoy a priority above all else. However, this argument is rather contradictory since one of the numerous exceptions to the law explicitly supports work on Sundays by allowing shops to stay open if the shopping area does not exceed two hundred square metres and if only self-employed entrepreneurs, business-owners or their family members work on Sundays.

[42] http://kozlonyok.hu/nkonline/MKPDF/hiteles/MK14186.p (last accessed on 24. 04. 2018).

Moving from a close reading of the law to the wider context can help us understand the primary aims of the regulation. The law can be interpreted as providing symbolic and ideological support for the wider politico-economic restructuring that has been taking place in Hungary since the victory of the right-wing FIDESZ government. More specifically, it is related to FIDESZ's class-based politics and economic nationalism, which promotes economic interventions that positively discriminate in favour of national capitalists (Scheiring 2020: 74). By supporting national capitalists in preference to transnational actors, the government institutionalized a new accumulation strategy to encourage domestic capital accumulation. This is why Gábor Scheiring (2020) conceptualized the post-2010 state as an accumulative state. The re-shaping of internal market conditions in line with the introduction of neoliberal mechanisms of redistribution were subordinated to the interests of national capital. As Scheiring points out, 'after 2010, retail was one of the primary target areas of Fidesz's interventions; it is a sector, where, in alliance with the national trade capital, Fidesz strives to sideline transnational capitalists' (ibid.: 239–240). The Sunday ban allowed certain retail shops to be exempted from the regulation on the basis of their parameters (floor areas of business premises and ownership), therefore many tobacco shops could open on Sundays if the owner or his/her family members decided to work. In this regard, the Sunday ban, along with the restructuring of the tobacco sector, can be seen as a state intervention whereby the right-wing government aspired to give market advantage to domestic smaller and medium-sized retailers in contrast to larger and very often multinational companies.

Accordingly, the Sunday ban can be seen as an economic intervention that speaks the language of political conservatism and that aims to boost domestic capital formation in the form of supporting small family businesses by allowing them to remain open on Sundays. Here, the encapsulated picture of the law about families working together not only evokes a romanticized picture of the proto-industrial family economy, it also reinforces and reproduces the idea of the family as the most important economic unit in society and as a framework of private wealth generation (Cooper 2017).

Protecting workers and regulating Sunday working hours was therefore more of a corollary of the law rather than its primary objective. To put it differently, the main aim of the law was to boost the reproduction of national capital rather than aid the workforce. The goal

of Fidesz's economic interventionism was never the betterment of the working class. Rather, as Scheiring (2020) argues,

> the accelerated capital accumulation of national capitalists rests on cheap and flexible labour (…) to achieve the accelerated capital accumulation of national capitalists and the embourgeoisement of the upper middle class, the government systematically interfered with the existing structure of property and social rights. The government moved from the vestigial welfare state to a pro-natalist workfare state [and] dismantled trade unions and all major institutional forms of the interest representation of the socially vulnerable (P. 331).

Being a rest-day and a workday at the same time, depending on one's structural position in the workplace or in business, Sunday connects the sphere of work and the sphere of leisure. Whereas employees gained a rest-day, owners and their relatives were enabled to take advantage of the state regulation by working on Sundays. Nevertheless, opening shops and therefore working on Sundays was not mandatory, but only an opportunity for business owners to open their shops if they wished to. Therefore, in order to provide a broader picture of how my informants, particularly the entrepreneurs among them, think about work and leisure, in the next section I will draw on my quantitative data.

7.4 Thinking About Work and Leisure

In order to gain a broader understanding of entrepreneurs' ideas about work, respondents were asked to specify the extent to which they agreed or disagreed with certain statements about work. All the respondents (42) were entrepreneurs (including the self-employed), and they were almost equally divided in terms of gender. The interviewees were aged 24 to 65 and were mainly from urban backgrounds.[43]

[43] Respondents were asked to describe themselves in terms of 'class' categories, such as upper class, upper middle class and lower middle class. Forty respondents were able to situate themselves in these categories.

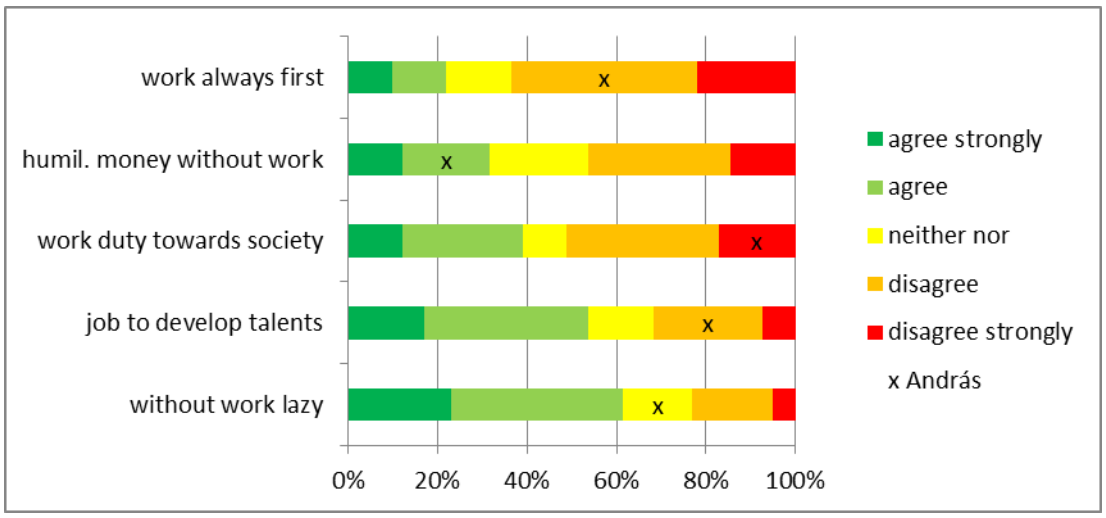

Figure 4 Statements about work. Total number: 42

In the first chart, respondents show a clear preference in their answers regarding the first and last items. The first statement, 'work should always come first, even if it means less spare time', recalls perhaps most strongly the Weberian understanding of the Protestant ethic in which working and striving for money 'became an end in itself'. However, not only did this ethos and morality of hard work emerge in relation to capitalism, but, as Martha Lampland's work (1995) on the commodification of labour in the Hungarian countryside showed, it was also deeply rooted in and reinforced by socialist practices and policies.

In this case 22% of respondents agreed and two-thirds (63%) disagreed with this statement, suggesting that my interviewees do not see work as the highest value and do not think that the 'work sphere' should come before other 'spheres of life' (Terpe 2016). In this respect, the majority of my respondents do not fit Weber's ideal-typical entrepreneur, who would never have disagreed with the first statement. The last statement, 'people who do not work turn lazy', reflects a popular idea in Hungary and evokes the ideological undertones of the country's workfare scheme, as well as political statements that depict Hungarian society as

Nearly half (24) categorized themselves as lower middle class. Nevertheless, treating these categories more as expressions of structural economic positions in society, in certain cases respondents added comments about cultural consumption patterns and social statuses that they felt meant they belonged to the higher classes. Only fourteen respondents perceived themselves as upper middle class, and two as upper class.

one that is opposed to the 'idle poor'. Here the majority of respondents (62%) agreed and 23% disagreed with this statement. Ostensibly these two results are contradictory, but significant disagreement with the first item does not necessarily imply that respondents do not perceive work as a crucial sphere in people's lives.

Opinions were more mixed in the middle section of the chart, pro and contra opinions being more or less equally represented in my sample. While only 32% agreed, nearly half of respondents (46%) disagreed with the statement that 'it is humiliating to receive money without having to work for it'. The statement that 'work is a duty towards society' reflects socialist ideas the most; here 39% agreed and half (51%) disagreed with the statement, indicating the discontinuity of this ideology among my interlocutors. Opinions were similarly 'mixed' concerning the fourth statement: 'to fully develop your talents, you need to have a job', where over half of the respondents (54%), agreed while a third (32%) disagreed.

The next survey question was designed to map entrepreneurs' ideas about leisure time and how they would ideally spend it if they had more of it. Respondents were asked to choose a maximum of three answers. The chart below shows the respondents' answers to the question 'imagine you had to work 60% of what you do now to maintain your current living standards. What would you do with the remaining 40% of your time?'

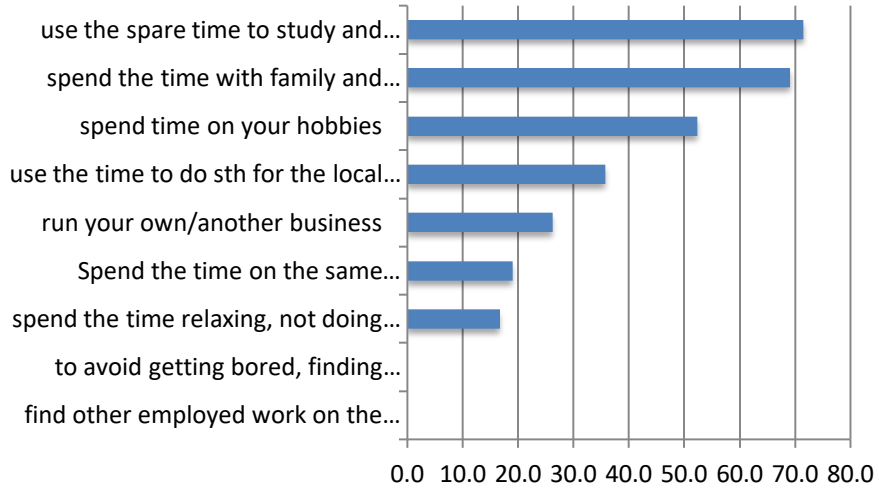

Figure 5 Ideas about leisure time

The figure shows that the majority of respondents (71%) would use their spare time to study and improve themselves. Herbert Applebaum (1992) argues that people's inclination to use spare time for purposes of self-improvement is a quite universal phenomenon: 'throughout history – starting with Aristotle and passing through Fourier, Saint-Simon, and Marx, and up through modern thinkers such as Tilgher and de Grazia – leisure time has been seen as a means for human beings to develop alternate values for finding self-fulfilment and for improving their quality of life' (ibid.: 554). Nevertheless, even if there is a universal aspect to this response, as Applebaum suggested, one must look at the composition of the respondents and their immediate contexts to arrive at a clearer understanding of this result. For instance, the high percentage of respondents who chose this item might be related to the fact that 78% of my respondents have university degrees, indicating that they learned how to study and that it became part of their habitus. It can be also linked to the fact that 81% of the respondents stated that their businesses had not existed before, meaning that they did not inherit but had to create them themselves. On several occasions, this was seen as involving 'learning by doing': entrepreneurs had to learn from their own mistakes and constantly improve not just themselves but their businesses too. Accordingly, many of my informants acquired information from free online courses or used other possibilities, such as subscribing to the newsletters of foreign or Hungarian business pages[44] that are available on the Internet today and providing materials on how to make successful businesses.

This perpetual act of self-improvement has become the focus of a burgeoning literature in the social sciences that discusses the topic along with 'self-responsibility' and the 'entrepreneurial self' in relation to neoliberalist ideology and neoliberal subjectivity (e.g.: Yurchak 2003; McNay 2009; Freeman 2014; Bröckling 2015). As Makovicky (2014) points out,

> in an environment where universal entitlements and jobs-for-life are disappearing in favour of flexible employment and work-fare, neoliberal subjects are seen as being encouraged to regard themselves not simply as property owners and owners of their labour power (as in the classical liberal tradition), but as a collection of assets that must

[44] In this respect two pages can be highlighted: https://thethrivingsmallbusiness.com/ and http://www.piacesprofit.hu/

> be continually invested in, nurtured, managed, and developed. In short, the individual is encouraged to understand themselves as a form of human capital, and act upon themselves as such (P. 7).

Framing the question in this way resonates strongly with the experiences and structural positions of most of my respondents.

The second most popular answer, chosen by 69% of the respondents, was ‘spending time with family and friends’. Giving a priority to the family is not surprising, as sociological studies of values and attitudes toward family and gender roles place Hungary among the most conservative countries in Europe (Dupcsik and Tóth 2015; Valuch 2015: 183–185).

The third most favoured answer was to spend time with hobbies, while work-related items occupy the fifth and sixth positions, indicating that only a small fraction of respondents chose these answers. Comparing the two charts, it can be seen that work as such does not enjoy a priority and that most of my interviewees would prefer to study, improve themselves or spend time with their families if they had more free time.

Focusing on the responses of András, the owner of the three tobacco shops, the first chart shows that he is representative of the first item by virtue of his disagreeing with the statement that ‘work should always come first, even if it means less spare time’. However, regarding the second chart he is rather untypical of my sample by prioritizing spending time with his own business, followed by spending his free time on other things, such as doing something for the local community (second choice) or on hobbies (third choice). In the next section I will show how András’s at first sight contradictory stance towards work and business can be interpreted against the background of my qualitative data. For this purpose I will use ethnographic data to show how he and his employees reconciled themselves to the Sunday ban and then with its repeal.

7.5 The Sunday Ban in Practice

7.5.1 The Perspectives of Employer(s) in the Grocery Stores

The first time I met András was when I visited him in the office of his mother Éva's grocery store, where he also worked part-time. The office was in the same building as his mother's grocery store, the most central and largest locally, located in one of Szeged's most affluent and green areas, which were packed with old villas and newly built detached houses. At the time of this meeting, András's mother had seven stores scattered in various parts of the city, but mainly in the suburbs of Szeged. Although her grocery store business was part of one of the most important domestic-owned franchises, her shops did not have a safe and strong market position. The retail sector is dominated by foreign-owned chains, multinational supermarkets and hypermarkets, which have become widespread since the beginning of 1990s, in the wake of privatization (Molnár 2015: 14). Given that the Sunday ban was still in force at the time of this very first conversation with András, I was interested how he perceived the issue of Sunday trading:

> It was always one of the principles of this company to be among the first in the 1990s to open its shops on Saturdays and Sundays. Also, my mother was among the first whose shops opened until 10 pm, and later we even had a 24-hour shop. Before 2015, the difference between us and other shops was that we always opened our shops on Easter Sunday, on Christmas Day, on Saturdays and Sundays, so customers could choose us precisely because of this consistency.

András's answer already indicates that they opted for Sunday opening, explaining it with reference to the history and policies of the business. It also indicates that for him, opening on Sundays creates opportunities that a 'wise businessman' should use. András's and his mother's strategy towards opening hours was seen as rather modern compared to the opening hours of socialist times, which were associated with backwardness. It was regarded as 'modern' and 'developed' because from the 1990s shops were always ready to provide a great variety of fresh products to their customers, while the shops of the socialist period, with their restricted opening hours, were associated with shortages and stale products. This view is also related to

the frequently expressed adage that from the 1990s onwards employers had to teach shop assistants that they are meant to be there for the customers and not vice versa, which marked a cultural shift from a work-based idea of citizenship to a consumer-based one.

Although there were not enough family members to open all of their units, they managed to keep their central shop open by exploiting one of the exceptions in the law: shops that were situated in a market place were also exempt from the regulations and could stay open.[45] As a result, András and his mother made a significant investment in order to transform the rather large empty plot that surrounded the store into a market place so that the central grocery store could stay open on Sundays as well. By making agreements with various sellers and local farmers, they managed to have seven or eight stalls every Sunday in the market. As András told me,

> Now there is a bit of stagnation in the market, but then the beginning of December is almost here when the sale of pine-trees starts. We always pay attention to having some 'life', that is, to have stalls standing in the market so that we would avoid even the semblance of violating the law. Actually we put lots of energy into that. I do not say that we have positive returns whenever we open on Sundays, but in this way there is a chance that those who do their shopping in Tesco on weekdays will chose us on Sundays. And if we do it well, if they find our product range and prices satisfactory, then they will choose us on weekdays as well.

Opening the shop on Sundays was not necessarily about the present and therefore immediate, short-term profits. Rather, András and Éva mainly worked for the future and regarded the law more as an opportunity to shape customers' shopping patterns and ultimately their own position within the retail sector. In this regard, as the figure below shows, András's responses to the following survey question about competition and hard work is congruent with his opinion about the Sunday ban.

[45] 2014. CII. Law 1. § (2) paragraph.

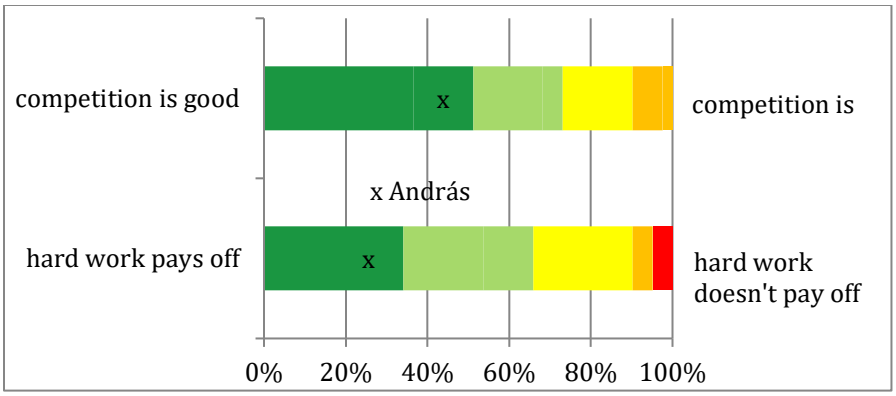

Figure 6 Ideas on competition and hard work

In the original survey question, there were eight opposing statements on a scale from one to ten, and respondents were asked to situate themselves on this scale according to the extent they agreed or disagreed with the statements. The figure shows that most of the respondents agreed with both statements, 'competition is good' and 'hard work pays off'. In that respect my figure diverges from an earlier countrywide survey showing that the majority perceive economic success as something that cannot be achieved by hard work but only by breaking norms and rules. Moreover, a larger part of society prefers redistribution and state-led solutions to market competition and 'market-solutions' (Tóth István 2017: 38). Regarding András's answers, in both cases he chose 'two' on the scale, indicating that he strongly agreed with both statements. In this context, this might suggest that, whereas he was aware of the market structure of the retail sector and the position of his mother's business in it, he still assumed that by working hard he could make a difference. He believed that opening and working on Sunday is necessary to earn long-term profits, establish market advantages over his competitors and ultimately ensure the reproduction of the family business.

The question whether the Sunday ban was beneficial for businesses by allowing them to earn short-term or long-term profits emerged very often. My contact person in the national association of trade and hospitality (Hungarian Kereskedők és Vendéglátók Országos Érdekképviseleti Szövetsége; abbreviation KISOSZ), which mainly engages with small entrepreneurs and family business-owners told me that the association regularly monitored their members' shops and how they were being affected by the regulation. In my interview with her she explained that the performance and turnover of small retail shops on Sundays was very much defined by their location in the city. For instance, the turnover and therefore the

profits grew in those shops that were near a hypermarket, though even in those cases it did not grow significantly. The reason for this is simple: customers who usually did their main weekly shopping on Sunday would rather change their shopping day than do it in a small retail shop, as larger chains have lower average prices, while smaller grocery stores have higher average prices.[46]

Given the legal restrictions described above, András and his mother opened only one of their grocery stores on Sundays. Their employees perceived the Sunday ban very differently: while some of them were glad that Sunday had eventually been freed, others were more prepared to work because they were entitled to Sunday overtime payments. Given the fact that András and his mother have been struggling with the increasing labour shortages in the retail sector, they decided to provide financial compensation to those employees who did not have an opportunity to work on Sundays in order to dissuade them from leaving the company.[47]

7.5.2 The Employer's Perspective in the Tobacco Shops

Although András did not do shifts in his mother's grocery shop, he did work in his own National Tobacco Shops. At the time I started working in one of his National Tobacco Shops, the Sunday ban was still in force. His elaborate answer to the question of how he coped with the regulation not only reinforced the argument I have presented above, it also shows how he reconciled his material interests with ethical issues at work.

> We built up our business very consciously. Therefore, even after the Sunday trading regulation was introduced I decided to open one of our tobacco shops on Sundays,

[46] Furthermore, the representative also claimed that the regulation was resulting in Tesco's home-delivery service flourishing during this period. In total, there are six Tesco supermarkets in Szeged.

[47] Foreign migration and labour shortages are increasing problems in Hungary's domestic economy. The statistics show that there were 73,713 job vacancies in the national economy in 2017. In the 'wholesale and retail trade [and] repair of motor vehicles and motorcycles', there are 6,660 unfilled vacancies. Moreover, the labour shortage is a more severe problem for those small and medium-sized businesses such as András's that pay their employees a very low average wage.

despite the fact that it is not a pleasant situation for my wife and my kids. The law stipulates that only family members are allowed to work in shops on Sundays. If a non-family member worked on Sunday and the tax authorities found out, then the first penalty would be that the shop had to close for five days, the second to be closed for thirty days, while the third was to be closed for nine months. The scrutiny of the tax authorities is random and unpredictable, and we had already been checked once. But the importance of opening the shop on Sundays is absolutely clear to me. This impulse comes from my family and my socialization. This is how I grew up: it was just clear to me that my mother and later I would work on Sundays as well. I keep my mobile phone switched on all the time so I am constantly available to my colleagues, my employees. If I am in a family gathering and I get a work-related phone call, I just leave and go to work because the job has to be done. If the law says only the owner can work on Sundays, then I'll do so. So in the first months after the law was introduced, we did not really calculate the return that we earned from opening on Sundays as well because, as I said, it was just obvious that we should open on Sunday. I believe that if a customer looks for a tobacco shop on a Sunday and she comes to my shop, then there is a big chance that she will choose my shop on a weekday as well. In other words, by opening on Sundays, I believe that we gain a competitive advantage. Regarding the fact that the vast majority of tobacco shopkeepers are not traders and have nothing to do with trade – I have read research about it which revealed that 70% and 80% of them were not in trade previously, they did not even know how to handle a cash machine – most probably they will not take the trouble to stand behind the counter and start working. So I simply enjoy the competitive advantage. Also, even if I earned very little by opening on Sundays, I would still do it. However, I was not just motivated by the extra money. I always thought that this is a good message to our employees as well, so while they have a day off, I brace myself to go to work. Regardless of the circumstances and the weather, I work on Sundays from 8 am to 4 pm.

András's answer palpably epitomizes a series of issues and ambivalences that are inherent in the Sunday ban and that are closely linked to the discussion of the relationship between leisure and work. As this shows, there is a conflictual relationship between the law's alleged aim – namely protecting and strengthening families – and the actual practice that it

evoked, namely that it was not possible for those owners who worked on Sundays to spend time with their families (unless spouses and children were also working). András was decisive when it came to the question of working on Sundays, and he never missed an opportunity to open his shops. Anecdotes about his tenacity were popular among his regular customers and employees. I was told multiple times that on two occasions András would go to work on a Sunday morning right after a night of drinking at a wedding party. Although he decided to work on Sundays and prioritized business over private matters, he consciously kept Saturdays free for his family. He was also self-conscious about relaxation, therefore has been fishing now at a nearby lake for a few years every Friday before starting work at 11 am. Indeed, this habit was as important to him as working on Sunday. Moreover, he made sure to have enough holidays with his family (usually he could afford holiday trips abroad with his family four times a year). Although he tried to separate work and leisure, these spheres were more or less entangled for him. In this regard, his ambivalent stance toward these matters was congruent with his survey responses: while he rejected the idea that work should always come first – thereby admitting the importance of non-work spheres – he chose the response 'spending time with his own business' to the question what he would do with more free time.

On the one hand, András claimed that his socialization made it obvious to him that he should open his shop on Sundays, thus referring to the fact that he had grown up with his mother, who started the business in the 1990s when the regulations regarding opening hours were quite flexible. On the other hand, he perceived the Sunday ban as an opportunity enabling him to earn long-term profits and a competitive advantage over the other tobacco shops in the neighbourhood. Ultimately, given the symbolic meaning of Sunday, working on that day also helped him to nurture an image of himself as a hard-working boss whereby he could justify his profits, holidays and family trips abroad – something that his employees could hardly afford, despite the fact they were also hard workers.

The Sunday ban was repealed very suddenly, without any transitional period, thereby leaving no room for negotiations about how to unscramble the regulation between the government and entrepreneurs' or labour organizations, thus challenging both employers and employees. András was quite unprepared for the change, as the new situation required a complete re-arrangement of the workforce and the work schedule. Although he did not usually

complain about taxation or other business-related changes imposed on his shops by the government, this time he became indignant and told me bitterly:

> Effectively we [entrepreneurs working in retail sector] do not have a politically independent representation of interests or leverage against such measures whatsoever, which is actually a big problem. If they decide to introduce a law about closing shops on Sundays, we just nod, and if they do the opposite we nod again – that's it.

András's reaction showed clear frustration with the change and the loss of competitive advantage, but what was uppermost in his anger was how the repeal of the regulation was handled.

Behind András's indignation and frustration with politics was his own failed attempt to be involved in it. After 2010 he was asked to become a local party representative of one of the opposition parties with which he sympathised the most, a party called 'Politics can be Different' (Hungarian Lehet Más a Politika, LMP), a green, centrist-liberal political party founded in 2009 which first won parliamentary seats in the general election of 2010. LMP was a promising political alternative for him mainly for two reasons. First, being a new political formation he regarded it as an intact party, free from the 'dirty' businesses and corruption scandals of the past decades. Second, it was also a rational choice for him, as supporting domestic small and medium-sized enterprises in preference to multinational capital was on the top of the party's political agenda. LMP always strongly propagated the idea that entrepreneurial figures such as András, who enjoys a reputation locally, should take responsibility for shaping politics and public life locally by using their power and prestige. Although András was very much in favour of these ideas in theory, he turned down the offer, as he felt that he would quickly become a target of political attacks, given that he also owned National Tobacco Shops. As a consequence he emphasized his obligations toward his family and the family business, which he had to prioritize over the public and local interest. Nevertheless, his opinion changed in the recent political election, as he gave up his politically neutral position in public and openly campaigned for the LPM and against the government.

In this section, I have described how András and his mother viewed the Sunday ban in line with the legislator's aim: as an opportunity to strengthening the market position of

businesses by earning both short-term and long-term profits. By repealing the law, the competitive advantage of those shops that were open on Sunday disappeared. Therefore it became rather imperative for András to run all his shops with his employees in order to avoid any negative consequences. In this respect, András experienced politics as a constraining circumstance of life, something he could not influence but only adjust to. These quick changes in the law imposed flexible working conditions on both employer and employees. Focusing on the latter, in the last section I will show how employees perceived the changes and reconciled themselves with the new rules.

7.5.3 The Perspective of Tobacco Shop Employees

The business had ten permanent employees, nine women and one man. These employees were distributed across three shops. As I have shown in the previous chapter, it was always a difficult manoeuvre for the shop managers to create monthly shift allocations that satisfied all their employees, so that everyone had enough working hours for a reasonable monthly wage, as well as a sufficient number of days off –two days a week according to the labour law. This vulnerable system was seriously challenged whenever someone quit and András decided he did not want to hire new employees, so the number of employees in the shops dropped from three to two. In this situation, the repeal of the Sunday ban created a more flexible labour environment for the employees, increasing their overtime.

The average salary of the shop assistants was quite low. A monthly wage ranged between 85.000 and 100,000 HUF (approx. 275–324 EUR), including the 30% night-shift rate, the 50% Sunday overtime pay and other financial incentives. When the regulation was still in force, the law allowed owners to open their shops on five Sundays using non-family member employees, namely the four Sundays of Advent and the free choice of another Sunday. On these days the shops could be open between 6 am and 10 pm, and employers were obliged to pay 100% Sunday overtime to their employees. Following repeal of the law, the latter payment was reduced to 50%. Moreover, András extended the opening hours and therefore the working

hours: whereas he worked from 8 am to 4 pm on Sundays, now his employees had to work between 7 am and 5 pm.

Opinions about the Sunday ban's repeal differed greatly among the employees, depending on their financial and family backgrounds or marital status. Besides these considerations, the importance and value of leisure – how employees spent their spare time – also affected how they viewed the changes in their working hours.

The diagnosis of the central tobacco shop's manager Erika's illness coincided with the law's repeal, therefore only two employees, Andrea and András's nephew Kálmán, remained to work in that shop. Andrea was very unhappy about the re-introduction of work on Sundays and was particularly stressed by the fact that she had to work seven days a week until a replacement for Erika had been found. Nor did the extra money she would earn by working on Sundays as well make her happy. As she explained to me, she did not regard the reduced 50% Sunday allowance as real compensation for taking away her Sundays. She was in favour of the Sunday ban because she felt that because it her life had a better rhythm, given that there was one day that was guaranteed to take her away from the monotony of her weekdays.

Andrea was not from Szeged, but from a tiny village about 70 km away. After completing vocational secondary school, she wished to become a police officer, but she failed to fulfil one of the formal requirements of the police academy, namely that her body height did not reach the minimum level for admission. Instead, she obtained qualifications as a sports trainer and a manicurist. She worked in her village for a year as a bartender in a pub, took a part-time job in the post office, where she worked for several years. Besides her formal employment, she used to work as a nail designer at her parents' home, where she transformed her older brother's room into a manicure salon. With hard work, she established a permanent clientele in the village that she kept even after she lost her job at the post office due to cut-backs. She only left her home village few years ago to find a job in the city, therefore she did not have many friends or relatives in Szeged. She spent most of her free time with her boyfriend, whom she met through the tobacco shop she worked at.

One of the couple's favourite weekend activities was to go shopping to the market in the nearby Serbian town of Subotica, thirty kilometres from Szeged. Whenever they could,

they would make the short trip by car. For those who live close to the border[48] with Serbia, the vast market of Subotica is a common shopping destination, since its prices are considerably lower than in Hungarian markets. Also, it has a huge variety of products, offering almost everything – from household goods through food to clothing, footwear and textiles. Andrea particularly liked to buy clothing and footwear there, but she also went there just to use other services, such as to have her car seat covers changed.

The new work schedule put not only her weekend activities at risk, but also her informal sideline, which she kept up even after moving to Szeged and which constituted a significant source of income in addition to her wage. With this work, Andrea could earn approximately 15,000 to 20,000 HUF (49–65EUR) a weekend. When she started to work in the tobacco shop, she managed to go home every second weekend. However, later she could only do so once a month. While fulfilling her duties and dealing with customers in the tobacco shop, I always saw her keeping busy by organizing her manicuring schedule with her clients weeks ahead by internet chat. However, with the re-introduction of Sunday working and Erika's sickness, Andrea felt that even this monthly opportunity was in danger. Her business activity was unregistered, and she did not pay any taxes on it, therefore this side-job brought her much more money than working on Sundays in the tobacco shop, even with the 50% Sunday overtime payment. She was also worried that her clients might leave her if she could not go home and give them regular appointments. Besides the financial aspects of this business activity, it was also important for Andrea to have a creative side-job through which she could maintain her relations in her home village.

András was aware of Andrea's informal activity, and he also knew that it was an important source of income for her, therefore even when Erika left and only Andrea and Kálmán were left to run the shop, he was always careful to allow Andrea take a weekend off every month so that she could go home to work. It is possible that, being able to retain this combined source of income, Andrea was more motivated in the shop as well. Moreover, by allowing his employees to combine formal and informal employment and to have other sources of income with which to complement their salaries, András also reduced the likelihood of his

[48] Not only Hungarians cross the border for shopping: Serbs also come to Szeged in great numbers at the weekends to go to the shopping malls and buy items that are not available in Serbia.

employees in the tobacco shops making wage demands. Nevertheless, as Ilona, the office clerk pointed out:

> *András needs employees who are motivated by earning a little extra money. In other words, he needs employees who want to work on Sundays because receiving the Sunday allowance is crucial for them. Employees who have partners with better salaries or stable incomes are not easily motivated by the extra money that working on Sunday can offer. Look at Andrea: working on Sunday is clearly of no benefit to her in economic terms since she makes way more money with her manicure job. The Sunday overtime and Sunday wage are more crucial for vulnerable employees.*

Before hiring a new employee, András decided to wait for Erika's health situation to improve and came up with new work arrangements for her. As Erika was on sick leave and was receiving sickness benefit, officially she was not allowed to work. However, as it became extremely stressful for Andrea and Kálmán to run the tobacco shop and do shifts every day, András agreed to allow Erika to work occasionally on Sundays. Although it is strictly prohibited to work and receive benefits at the same time, András knew that the tax authorities would not check shops on Sundays after the law had been repealed, therefore he hoped that in this way he could ease the burden on his other employees.

Unlike Andrea, Erika was from Szeged. She preferred to keep her weekends. Her fiancé worked as a customs officer on the border with Serbia. They lived together in and took care of her fiancé's parent's detached house, which was located in one of the suburbs. Her fiancé's stepfather worked in Germany as a truck driver, and his mother decided to move with him. Having a sister who works in England, Erika noted that the only reason why she and her partner have not yet gone abroad too was because her fiancé's job was quite stable and because he received various state allowances beside his standard wage. As a result, she never considered taking on extra, informal jobs like Andrea, nor was she particularly enthusiastic about working overtime for a little extra money.

Now, given her depression from the lack of work and sitting at home, she was happy to help out in the shop and to do shifts in the mornings and on Sundays as well. However, as soon as she returned to the shop and started to work, she had attacks again during her shifts,

thus putting at risk not only herself but the shop as well. Since there was no any office work on Sundays and only one shift, she worked completely alone in the shop without any help. To avoid a potentially dangerous situation arising in the future, András's father decided to be around in his fitting shop on those Sundays when Erika was in charge so he could help her if anything happened. However, this was just a temporary solution, and Erika worked only occasionally, whenever an increase in demand made it necessary.

In order to run his central shop on Sundays as well, András therefore needed a highly flexible labour force, although he also had to be careful not to lose Andrea or other employees by placing too much on their shoulders, so he leaned more on his nephew Kálmán's work and help. Given their family relationship, András felt that he could require greater flexibility from him than from his unrelated employees. In the most difficult times of this troubled period, there was a month in which Kálmán did shifts every single day without a break.

Kálmán was pushing himself to the limit not only because of his family obligations to András, but also because he was in a difficult financial situation. Being in his late twenties, Kálmán lived with his retired mother in a rented apartment and spent most of his salary on his university student loan. As a result, he was always ready to take on as much work as was possible. While the Sunday ban was still in force, as a relative he also worked and opened one of András's shops every Sunday. However, when Erika dropped out and he was left alone with Andrea to run the shop, he became more and more exhausted and struggled with various health issues, such as constant high blood pressure and dizziness due to his long working hours. When he could not stand this anymore, he asked his uncle to let him work only part-time instead of full-time. In fact, he started working for András as a part-time employee, though whenever his uncle needed someone to help him out with a shift, it was Kálmán who was called on to work, so the part-time work schedule repeatedly turned into a full-time work schedule. As Kálmán explained to me, he was physically exhausted and wanted to be able to finish his university studies. Since András did not agree with him over this change, Kálmán decided to quit at the very end of my fieldwork. András was not an enthusiastic supporter of Kálmán's intention to finish his studies instead of working. According to him, there was no use finishing a university and getting a degree unless one knew what one wanted to do with it in the future. As Kálmán did not have clear ideas about what to do after finishing university, András thought it was not

even worth working to get the degree. In the end they found a solution that was satisfactory to them both. From then on Kálmán only did shifts on Sundays, taking the burden off those colleagues' shoulders who preferred not to work on Sundays. Working on Sundays only also paid off for Kálmán, as a 100% Sunday overtime rate was added to his wage instead of 50%, due to a special agreement András made with him.

Unlike Andrea, Kati, the shop manager of another shop, was happy about the change in the law, as she liked to work on Sundays. Kati was in her late forties with three children and a husband who was a musician, teaching in a local music school during the week, and playing in restaurants and pubs at the weekends. Two of their children were already grown up and had moved away from home: the older daughter worked as midwife in Vienna, and the son and his partner had just moved back from England after working for several years in a Subway restaurant, while the youngest daughter was still in high school. Although only their youngest daughter needed economic support, Kati and her husband both earned low wages and lived in a rented apartment. Therefore having the Sunday wage with an overtime allowance was quite crucial for Kati. Moreover, she regarded Sunday shifts as less stressful than working on weekdays. Having more responsibility for the shop as a shop manager, she also felt that working time on Sundays is best in making preparations, including allocating shifts to her colleagues, checking purchase orders and stocks, and ultimately guaranteeing that everything was in order for the next week.

Her hard-working character and attitude towards working on Sunday did not mean that she valued spending time with her family any the less: on the contrary, bringing up her youngest daughter was a priority for her, which is why she needed the extra money so badly. For someone in a financially depressed situation, Sunday meant extra money. To what extent Kati was in such a situation can be judged by means of the following anecdote. After she learned that her son and his partner had moved back to Szeged, Kati became so angry with him that she did not even want to speak to him for a while. She told me that she just simply did not see what kind of future his son and his partner could have here, and she was also very much afraid that supporting him and his partner economically would fall on her shoulders again, something she did not want to do, given that she had a teenage daughter to maintain as well.

To my question whether her son could had been able to save money while living abroad, she answered:

> *They did not feel well there, and they could not really make progress in their lives in economic terms. They did not get a pay rise for a long time, and after all they worked in a Subway restaurant. My son told me their boss was a Muslim – allegedly one finds Muslims in higher positions everywhere – while they are whites, so he assumed that that was why their pay was not increased for a long time. Also, housing was very expensive there, so they could not really save so much money.*

Kati's account not only shows how migrant workers' frustrations and disillusionment about wages, working relations and difficulties in making career progress are expressed in cultural terms, but also that, despite high expectations about working abroad, many migrant workers who work in low-wage sectors in Western Europe very often just cannot accumulate as much as they planned or wished to. Kati did not receive any remittances from her son while he was abroad: on the contrary, she was afraid that she would have to support her adult son again.

Focusing on the perspectives of employees in this section, I have aimed to show their mixed and ambivalent relations to the law banning Sunday trading. Unlike András, they did not notice or reflect on the politics behind the law; rather, for them politics and therefore the law were mediated by András's flexibilization of the labour laws in his shops. I have also shown how employees' changing responses to the evolving situation were shaped by the entangling of the non-work and work spheres in most cases: while the former provided the background of values, the latter sphere was seen as a necessary, though insufficient means of reaching these non-material aims.

7.6 Conclusion

Situating the question of the Sunday ban in its wider political economic context, I have shown that, as an economic intervention, the ban can be seen as providing ideological support for FIDESZ's economic nationalism, which aimed to boost domestic capital accumulation by

drawing on the symbolic, religious and historical meaning of Sunday. Even though the law was ostensibly intended to restrict consumption and regulate trade and therefore working hours in the retail sector, its more substantive aim was to support domestic small and medium-sized retail shops. In that respect the regulation did not fit with earlier regulatory practices and their underlying discourses about worker-citizens and consumer-citizens (Carrier 1997). Rather, the regulation was introduced within a conservative ideological framework that emphasized and reinforced the function of the family as the primary unit for the accumulation of private wealth.

As the Sunday ban connects work and non-work, I drew on my qualitative data to provide a broader picture of how entrepreneurs perceive the relationship between these two realms. By doing so , I argued that entrepreneurs do not posit work as the highest value and in theory would spend their leisure time doing something else rather than work or business. Against this background, my qualitative data showed that, even though my informant András valued his leisure time, political and economic conditions forced him to give work a priority on Sundays. While the Sunday ban was in force, the regulation was mainly seen as an opportunity to gain market advantage, so that business owners material interests motivated them to work. By repealing the law, opening shops on Sundays became a necessity for the employer, in order not to lose his market position. Similarly, employees' attitudes towards working on Sundays were mainly shaped by economic conditions. However, given their structural position in the workplace, they had no choice but to work after the Sunday trading law was repealed.

8 CONCLUSION

8.1 Morality and Economy

This thesis has addressed the conceptual and empirical relationship between the realms of economy and morality in 21st-century Hungary through the lens of work in small (family) businesses. The central concepts of this thesis drew on a body of literature that recognizes that all human economies are moral in the sense that they all represent and reproduce moral ideas (Fischer 2014: 17). On the empirical level, this does not indicate that people are not motivated by self-interest and calculation; rather, it emphasizes the family, social and political contexts that are involved when people's economic practices and decisions are studied.

As shown in Chapter 2, the anthropological study of the relationship between morality and economic systems often follows the intellectual tradition of the 'moral economy' idea, hallmarked primarily by the works of E.P. Thompson and James C. Scott. As this literature has increased in quantity, use of the term 'moral economy' has become more and more 'muddled', as Chris Hann puts it (2016: 3), thereby losing its meaning. In an attempt to reduce this muddled state into which the concept has fallen, James Carrier recently narrowed its definition by drawing on a substantivist view of economy as the production and circulation of things, as well as suggesting that economic transactions should be studied as relationships and their histories. Since economic transactions and relationships always generate some sort of obligation among participants, Carrier therefore argued that 'economies and some realms of life are more or less moral, depending upon the degree to which moral economic activity is predominant in them' (2018: 15).

However, prior to this, Max Weber, a classic ancestor of the social sciences from the nineteenth century, had already argued for a holistic approach to understanding the development and workings of modern capitalism by taking into account its political, legal and cultural aspects. In order to analyse social formation, Weber introduced the idea of historically evolving separate spheres of life in his famous essay in the *Intermediate Reflection* (Terpe 2018: 1). Spheres of life, which are also called 'value spheres' and 'life orders', was a conceptual tool Weber used to compare the various economic ethics of the world religions

(ibid.: 3). By re-interpreting Weber's idea of spheres of life, Terpe suggested an actor-centred theory and argued that 'spheres of life can be distinguished analytically according to their experiential quality and relation to morality' (ibid.: 1). By connecting the macrosociological and microsociological levels, Terpe's approach offers a heuristic tool with which to study how the social and moral order are reproduced over time. Drawing on the theoretical toolset described above and on the findings of my dissertation, in the following sections I will highlight the major developments in the political economy of Hungary and its relevance to my research.

8.2 From 'Periphery to Periphery'?

Hungary's political economy in its early modern and modern history might be summarized as a constant effort to overcome its peripheral position and centuries-long backwardness and to finally come closer to the Western core. Describing this process over the whole region, Berend (1996) wrote:

> Central and Eastern Europe, after a century of revolts against peripheral backwardness; after several, though different types of, revolutions and four decades of desperate experiment, in the end always ended up where it had started. After its long detour, Central and Eastern Europe was still languishing on the periphery of Europe (P. 160).

According to Berend, socialism was therefore only a 'detour' for Hungary on its way from periphery to periphery. Although Berend's prognosis dates from 1996, way before Hungary's accession to the European Union (2004), which was generally imagined and perceived as the ultimate sign of Hungary 'catching up with the West', the last 25 years have proved him right: Hungary still lags behind Western Europe in many respects, as I have shown in earlier chapters.

Hungary's rapid modernization and industrialization started in the second half of the nineteenth century, after the Austro-Hungarian Monarchy was established in 1867. At that time, Hungary was integrated into the world economy as a semi-peripheral agro-supplier, exporting primarily agricultural products to Western European countries. Nevertheless, despite

the considerable economic progress of the decades of the Dual Monarchy, Hungary remained relatively poor and backward, and perpetuated its rigid social structures. As shown in earlier chapters, drawing on the strata of smallholding peasants, the populist political programme called 'peasant embourgeoisement' was intended to overcome the social and economic conflicts that had characterized the interwar period. After losing two world wars, in which Hungary fought on the side of the losers, the country and its economy were utterly devastated. In this context, the idea of socialism was welcomed and perceived as a means to get over centuries of social inequality and underdevelopment. However, Hungary rejected the Soviet type of communist transformation, and in 1945, in the first free general election FKGP won, showing the communist party that it could never seize power through democratic elections. After 1945, the rejection of Soviet-type socialism and the search for other, 'third-road' alternatives to Western-style capitalism and the pre-war *ancien regime* re-emerged in the writings of István Bibó, the most prominent political thinker and theorist of that epoch (Szelényi 1988). Nevertheless, in 1949 the Communist Party seized power and held it for forty years. The political and historical periodization of these forty years was discussed at length in Chapters 2 and 3. In these background chapters and in the case study of paprika manufacture in Chapter 5, I showed that from the 1960s onwards, due to a series of economic reforms and 'desperate experiments', a socialist mixed economy came into being. This was particularly successful in the agricultural sector, giving rise to so-called family agricultural entrepreneurs and to the re-appearance of the notion of 'peasant embourgeoisement' (Szelényi 1988). This meant that, despite it still being the socialist era, these 'entrepreneurs' worked for the market in what was a redistributive economic system.

While the years that followed the transformation, the restructuring of the economy and Hungary's integration into the global capitalist economy created new business opportunities for many, as shown in Chapter 4, these changes also had devastating social impacts, with rising unemployment and the disappearance of job security. People had high expectations about joining the EU, but seventeen years after the country's accession to the EU these expectations remain unfulfilled. Rather than 'catching up with the West', Hungary became one of the European Union's peripheries. The disillusionment with the 'results' of the change of regime, the neoliberal transformation of the economy and the country's accession to the European

Union, topped by the 2008 financial crisis, gave way to Orbán Viktor's sweeping victory and his authoritarian regime in 2010.

Hungary's new authoritarian regime and accumulative state were political responses to the tensions and contradictions of global capitalism (Scheiring 2020: 26). The new accumulative state created new contradictions and dependencies while intensifying old tensions. Therefore, in the past ten years, Hungary's peripheral position was both reinforced and reshaped. For both rhetorical and political reasons, it was crucial for Orbán to loosen Hungary's dependence on the EU and neoliberal lending institutions such as the IMF and World Bank. However, to maintain his regime, Orbán forced Hungary to become dependent in several ways on global powers such as EU, Russia and China.

Despite the government's continuous political and propaganda battle with the EU, Orbán's Hungary depends heavily on the constant flow of European project money. First, all the infrastructure that is being built in the country is being funded by the EU, which gives the country a 'prosperous appearance', despite its rising social inequalities (Geva 2021: 15). Second, project money from the EU is an indispensable tool whereby Orbán can maintain the dependence of national capitalists through the 'prebentalist distribution of lucrative public contracts' (Geva 2021: 15). Moreover, through the German car-manufacturing industry, the EU provides jobs for Hungarians. As Scheiring argues, German capital is a crucial pillar of Hungary's accumulative state (Scheiring 2020: 294).

Besides the EU, Hungary is dependent on Russian energy and Russian loans and is now building a second nuclear energy plant by means of a Russian loan. In recent years, Hungary's dependence on and indebtedness to China has increased with two mega-projects. First, Hungary is building a new railway line to run from Greece to Budapest with Chinese bank loans and using Chinese companies. The port of Piraeus in Greece is Chinese-owned, and the main aim of the new railway road is to provide a speedier transport link for cheap Chinese commodities through the Balkans to Hungary. As Geva points out, 'With this rail project, Orbán can easily distribute Chinese commodities into Hungary, and Hungary can become a key logistics node for Chinese imports into the European Union' (Geva 2021: 16). The other mega-project is the construction of Shanghai-based Fudan University's new campus in

Budapest, which will be the first Chinese university campus in the European Union. Construction of the university at the heart of Budapest will use Chinese materials and Chinese labour and will be financed through a Chinese loan, which Hungary will pay for. According to the draft proposal, the project will cost Hungarian taxpayers 1.5B EUR (HUF 540 billion), making it the largest investment in the country's higher education in recent decades.[49] While heavily indebting the country to China, these mega-projects provide corrupt, profit-making business opportunities that are essential to Orbán if he is to maintain his regime. The country's indebtedness to these countries shows the Orbán regime's deep vulnerability (ibid.: 17).

Orbán's regime therefore did not provide any solution to the question of closing the structural and economic gap between Hungary and the core countries of the EU, nor for shifting Hungary from its position on the EU's periphery. Rather, it provides a strong sense of belonging, a 'fictional shared moral economy' (Hann 2021: 615) in a populist and hyper-nationalist framework for those who live on the 'periphery's periphery' (Scheiring 2020: 332). The sphere of work has become one of the main arenas of social tensions and political conflicts in today's Hungary. At the same time, it is also the source of the Orbán's regime populist moralizing ideology (Hann ibid.). In the next section, I will describe recent developments in respect of this greatly intensified topic in Hungary and its concomitant populist discourse.

8.3 'When You Have Work, You Have Everything'

'When you have work, you have everything' (*ha munka van, minden van*) – in recent years this has become the most frequent and most emblematic message of Viktor Orbán and his government. Moreover, according to Orbán, this message captures his government's whole philosophy: 'in our economic policy the emphasis is not on benefits but on work.'[50] This became an even more frequent message during the second wave of the global coronavirus

[49] https://www.direkt36.hu/en/kinai-hitelbol-keszul-a-magyar-felsooktatas-oriasberuhazasa-a-kormany-mar-oda-is-igerte-egy-kinai-cegnek/ (last accessed on 07. 06. 2021).
[50] https://miniszterelnok.hu/orban-viktor-a-kossuth-radio-jo-reggelt-magyarorszag-cimu-musoraban-34/ (last accessed on 07. 06. 2021).

pandemic in Hungary, when the government resisted partially shutting down the economy and letting people work in home offices. Instead, the government praised the importance of work. During this period, Orbán supplemented this slogan with another: 'If you have no work, you have nothing'.[51] While this slogan does capture the total lack of government support for employers, employees and those who have lost their jobs during the pandemic, it also highlights the essence of the most problematic aspects of the Orbán regime's ideology and social policy in the past ten years: the sphere of work and the lack of a welfare state.

Flexible work environments, overtime and tensions over wages are the most pressing issues in Hungarian society today. These were also the main themes of Chapters 6 and 7, reporting on my ethnographic inquiries into service work in the National Tobacco Shops. Initially, I was interested in this kind of shop for two main reasons. First, the creation of National Tobacco Shops is a quintessential example of Orbán's economic nationalism. Second, service workers in small and medium-sized Hungarian companies, particularly in the retail trade, constitute an especially vulnerable group, with low wages and without any effective representation of their interests. Focusing on how the shops functioned from day to day, I studied what flexible labour relations means for both employer and employees and the type of morality that arises out of these work relations. The overtime that employees very often had to do was an ultimate source of tension for them and a central issue in these chapters. I uncovered the dilemmas felt by the owner, András – a sort of father figure to his employees – and showed how he managed his shops and employees by manoeuvring between a sense of responsibility for them and cold economic rationality. I argued that labour relations and economic transactions in the shops can be understood as relationships that are governed by a complex web of moral obligations. In order to explain where the power of individual owners and the vulnerability of the employees come from, in Chapter 3 I focused on the political economy of Hungary and described the economic and political background that enables these flexible labour practices to function.

I showed that Hungary has the most flexible labour market in Europe. The deregulation of labour and the introduction of various neoliberal labour reforms (including the workfare

[51] https://www.youtube.com/watch?v=mk-yc3qm-5I (last accessed on 07. 06. 2021).

program) did not start in 2010 with the victory of Fidesz, having been a rather gradual process since 1990. However, since Fidesz took power in 2010, the government implemented a series of labour reforms that further deregulated the already rather flexible labour market. This new wave of neoliberal labour reforms was primarily designed to serve the purpose of the two main power blocs in the accumulative state: the national bourgeoisie, and transnational capital, whose most important representatives were the German car companies. Starting with the first, the main aim of the accumulative state is to achieve short-term accumulation that mainly relies on the labour-intensive mode of production of national capitalists (Scheiring 2020: 331). In this way, as Scheiring points out, 'Hungary remains locked in its role as a low-value-added assembly platform in a global technological value chain' (ibid.). The short-term capital accumulation of the national capitalists was therefore based on cheap, flexible labour and access to markets that were previously dominated by transnational corporations in non-tech sectors, such as the tobacco sector or the trading sector. To enable national capitalists to achieve accelerated capital accumulation, the government greatly reshaped the existing welfare system through further deregulation of labour market, dismantling the trade unions and establishing a workfare state (ibid.).

8.3.1 The 'Slave Law'

The deregulation of labour was also necessary to satisfy the needs of German car manufacturers, which are crucial players in Hungary's authoritarian capitalism. As part of a broader industrial restructuring in Western Europe, standardized segments of production with low opportunities for profits are relocated to low-wage economies in Eastern European locations (Gagyi and Gerőcs 2019). Since 2010, Hungary has become an extremely favourable place in the region for German automakers to relocate to, as the government subsidized FDI in export industries the most (Gagyi and Gerőcs 2019). To attract German car manufacturers to relocate, the government offered extra tax cuts and property allowances. As a result, while Orbán leads a rhetorical fight for freedom against multinational companies, Hungary has the lowest corporate tax rates in the European Union at 9%. However, as Gagyi and Gerőcs point

out, the effective tax rate is even lower in the case of the thirty largest multinationals, which are dominated by German manufacturers, the rate of for them being 3.6% (ibid.). 'The counter-effect of such low corporate taxation with high subsidization of companies is the European Unions' highest 27% VAT, the burden of which is put on wage-earners who are compelled to spend the largest share of their income on wage-goods for survival' (ibid.).

Besides taxation, education and labour were transformed with the help of German industrial players. In case of the latter, it was particularly important to create the most flexible labour conditions in order to attract German capital. The continuous deregulation of labour pushed wages down, and low basic wages were compensated with high achievement-based payments such as for working overtime.

As a result of Hungary's 'reindustrialization' project, new jobs were created in plants that provided work for the working and middle classes, though with lower salaries and benefits compared to Western European wages and benefits. Moreover, the creation of new work opportunities in the German manufacturing industry served to justify the government's cutbacks in welfare spending (Gagyi and Gerőcs 2019). In this neoliberal race to the bottom, Hungary therefore competes over global capital investments by maintaining low wages and low employer costs, a strategy that nonetheless resulted in labour shortages. As Geva points out, 'there is only so much capitalist alchemy one can conjure up by flexibilizing labour and pushing the social reproduction of labour to the barest minimum in order to attract investment in Hungary, but within an EU labour regime where labour can be mobile' (Geva 2021: 17). The increasing economic pressures led to approximately 600,000 people leaving the country and searching for better job opportunities, not only in Western Europe but also in certain neighbouring countries, such as Slovakia or the Czech Republic (Gagyi and Gerőcs 2019). As a response to the contradictions of the flexible labour market and the shortage of labour, primarily in German car-manufacturing plants, the so-called 'slave law' or Overtime Act was passed at the end of 2018.[52] This recent amendment to the Labour Code allows employers to require their workers to work up to four hundred hours of overtime a year (previously it was 250 hours a year) and to withhold payment for the work for up to three years. The introduction

[52] On 12th December 2018, along with the 'slave law', two other crucial laws were passed: the centralization of the court nomination procedure, and the privatization of public universities.

of this ‘slave law’ sparked a series of mass demonstrations on the streets of Budapest led by all the oppositional parties. Those who took to the streets in the last days before Christmas in 2018 were mainly students, members of various activist groups and trade unions.

Prime Minister Orbán defended the law by stating that his government stands on the side of the workers and that the new law not only protects but also serves their interests by allowing them to work more and thereby earn more. By acknowledging that there are labour shortages in Hungary today, he stated that in these circumstances the only economic policy that ensures the rights of workers is a policy that satisfies their demand to work. Moreover, he rejected the argument that the new amendment to the Labour Code was a requirement of the German car companies, for instance, before BMW would open its new plant in Debrecen. Rather, he argued that it was designed to help workers in small and medium-sized Hungarian companies by removing the bureaucratic obstacles that kept them from working more and thus earning more.[53]

While Orbán explained the need for the new law with reference to the labour shortages, it is crucial to point out that labour is heavily taxed, in contrast to the low taxation of capital, meaning that hiring new employees is way more costly for employers than paying overtime. As mentioned in Chapter 3, the heavy tax on labour is an acute problem in the Hungarian labour market, contributing to the high level of undeclared employment and impeding job creation, especially in small and medium-sized businesses (Scharle and Szikra 2015; Neumann and Tóth 2017: 133).

8.3.2 The Material and Symbolic Sources of Orbán’s regime

In defending the new law, Orbán invokes populist views about work and reinforces the idea of a ‘work-based society’ while further curtailing workers’ rights and social benefits. Even though most of these policies and the economic-nationalist turn go against a large segment of the

[53] https://www.youtube.com/watch?v=xLDWmIHu3xM (last accessed on 07. 06. 2021).

working class, people still vote for Orbán and for his government. For anthropologists who focus on values and moral questions, the question is, how do Fidesz's political and cultural messages resonate so well with Hungarian society? Or, as Hann put it recently, 'What are the deeper causes of illiberalism? Through what mechanisms are populist politicians able to gain power and hold on to it?' (Hann 2021: 613). Analysing the popularity of Orbán's politics, Hann distinguishes three prominent sources of Orbán's ideology. The first is 'the maintenance of high levels of patriotic fervour by merging the values of family and religion into those of the nation' (ibid.). The second source is 'grounded in the importance of work for social worth. Both the pre-industrial folk culture of the Hungarian peasantry and international socialist ideology envision honest labour as the principal criterion of deservingness' (ibid: 615). Drawing on his fieldwork findings on the fate of the workfare programme in the countryside, he concluded that the idea of a 'work-based society' was welcomed by the locals, and even by those who were not the beneficiaries of Orbán's policies. As he wrote, 'with these policies, Orbán successfully appealed to a moral dimension of economic life that resonated for the mass of the population' (ibid: 616).

By using populist rhetoric about work as defending the 'slave law', Orbán again drew on the historical experience of many Hungarians in the socialist era of the 1970s and 1980s, who worked long hours and took on extra jobs – though at the high cost of self-exploitation – in order to make some progress in their material lives and to achieve limited economic accumulation. While invoking these images and associations of the economic practices of the past, today workers lack all the social benefits and entitlements that characterized the socialist era.

It is crucial to emphasize again that the critical beneficiaries of Orbán's social policy are the middle and upper-middle classes. As a result, the new accumulative state is designed in such a way that it largely draws on the material interests of this class. Unlike Hann's informants, who endorsed the government's harsh social policies, even though their benefits had been cut, András, the owner of the tobacco shops, was a keen supporter of one of the oppositional parties, despite being a beneficiary of Orbán's economic nationalism. As was explained in Chapter 7, during the last general election in 2018, András openly campaigned for the LMP. Back then the LMP was a relatively new political formation, therefore free from

corruption scandals of the past decades. Despite this, András and business were going well, and he and his family were living in prosperity and enjoying the benefits of Orbán's regime. As just noted, these are designed for middle and upper-middle class families and include the flat rate of tax (currently at 15 per cent), home purchasing policies that offer state-subsidized mortgages, and deductions for married couples who have or commit to having at least three children. Despite their privileged situation, during our conversations, András freely expressed his political thoughts, showing he was well aware of the negative social and political trends in Hungary. According to him, he made a compromise when he decided to go into tobacco retail and opened National Tobacco Shops, but he also felt stigmatized because of that and had to live with difficult social tensions. Drawing on his work experience in his mother's grocery store, he told me, 'It created an interesting social tension within me, as we who work in the retail trade can see the amount of money people actually have in Hungary. We can measure it by knowing how much money people can spend on food. And we can see that things are not going in the right direction. We know for a fact that the money people can spend on food is less and less, but who am I to talk about these things publicly when I own tobacco shops? For me this is a difficult situation'.

As explained in earlier chapters, the restructuring of the tobacco sector and the ousting of transnational actors are typical examples of Orbán's economic nationalism. Before the restructuring, the Continental Dohányipari Group was the largest Hungarian-owned tobacco company. Continental's owner and manager, János Sánta, was a close friend of János Lázár, the second strongest man in the government at that time, formerly a close ally of Orbán's and the formal architect of the restructuring of the tobacco sector (Scheiring 2020: 265). In 2012 it was revealed that Sánta – who was also the chairman of the Hungarian Tobacco Alliance, the industry's central lobby – took part in drafting the law that gave the government a monopoly over tobacco sales. When the law was passed, Sánta and his company were given the highest number of concessions. As a result, more than a thousand tobacco shops were being run by someone close to Continental.

András knew this story, and it largely influenced his decision to apply for tobacco concessions. As he explained to me: 'I thought, if Sánta's consortium got more than 1500 tobacco shops from the total of 5500 tobacco shops, then I am sure they will create the market

conditions in which these shops will prosper. They will not set up a new network if it wasn't going to pay off for them!'

Accordingly, András's decision to apply for tobacco concessions and to open tobacco shops was the result of a rational calculation. He was aware that the tobacco market was being restructured in such a way that it would be lucrative for those who can become part of it, therefore he tried everything to win the necessary concessions. Following Terpe and her interpretation of Weber's spheres of life, one could say that András experienced the sphere of economy as a life order with social characteristics and enabling qualities. In the case of the tobacco market, it was clear to András that the restructuring was not governed by 'uncontrollable market forces' – he did not experience it as an 'unalterable order of things' (Terpe 2018: 15). Rather, he clearly saw its social character. As Terpe (2018) writes,

> With Weber, one can say that from the point of view of those who experience an order as an external social facticity, this order is stabilized by the interest situation (Weber, 1978b: 33f. [1972: 17f.]). The person complies with the rules of this imagined life order only as long as the costs of violating them appear too high or as long as there are benefits to be expected from compliance (P. 14).

Accordingly, András experienced the economic sphere as a life order, but it also created opportunities for him. In return for his newly acquired business opportunities, he complied with the rules of the political system, or, as he put it, he made a compromise with it. As Terpe points out, unlike 'quasi-natural life orders', social life orders can be criticized morally from the actor's perspective. 'If human actors can be blamed – as is the case in social life orders – this opens up the possibility of moral critique because circumstances can then be imagined as alterable' (ibid.: 16).

As has been shown above, András felt a tension between his experience of different spheres of life, a tension that led him to voice his criticisms of the present political system. He thought the most constructive way of criticizing the government is to work actively to achieve an alternative form of political life in Hungary, which is why he eventually decided to campaign openly and publicly for the LMP. As I have already argued in Chapter 7, for him it was also a

rational choice to endorse the LMP for its support of domestic small and medium-sized enterprises over multinational capital.

Knowing his ambivalent feelings for his own tobacco business and his mother's grocery company, I was always keen to know whether he would like his children to continue on the same path and to work in the retail trade. While he was never particularly proud of the family's status as retailers or tobacco shop owners, he did not want his child to continue in his branch of business, yet still wished that they would become 'capitalists' rather than 'workers'. As he told me,

> It is not important for me to follow my or my family's path. My parents toiled throughout their whole life when I was young, and their lifestyle became natural to me, but it is not the type of work you would look up to. It is not like when your parents are doctors. Half the day my father taught, then he worked as an electrician. My mother was busy with the grocery shops. From the age of six I went with my mother – because they divorced and there was no one to look after me – every evening for eight years to the shops to earn a daily turnover from 7 pm to 9:30 pm. If she had to work on Sunday, we went and worked on Sunday. I learned flexibility, and my children see the same flexibility in me, and I think they will have the same flexibility as well, so that they can have their own company. I hope they are smart enough to realize that, if they buy someone else's labour power rather than selling their own, they can have more free time and more money later on.

As I argued above, the Orbán regime only invests in the social reproduction of the (upper) middle classes while pushing the social reproduction of working class to its limits and thus risking undermining its own system. While the social reproduction of the upper-middle classes is supported by targeted and financialized policy packages and state-created business opportunities, the social reproduction of the working class is mainly nurtured with symbolic and ideological rewards. In recent times, the third source of Orbán's populist ideology, as Hann pointed out (2021: 616), was 'the external threat', or in other words the migrant crisis of 2015. Drawing on my ethnographic material, in the introduction I showed how effectively the government's propaganda about demonized Muslims resonated with locals in an economic

environment in which labour is highly flexibilized, wages are low and employment is precarious.

Focusing on the recent political economy of Hungary, and particularly on the sphere of work in small businesses, in this dissertation I have argued for the importance of understanding the interrelations between social reproduction and morality by paying close attention to both micro-level, 'everyday' practices and macro-level transformations. Morality is a central cement of all human economies; revealing its mechanisms on multiple levels in global capitalism should remain in the limelight of anthropological inquiry.

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10 Pictures

Plate 1. A governmental poster made for the referendum on the EU proposal to redistribute refugees more evenly across the EU. The poster says: "Did you know? The number of cases about harassment of women sky-rocketed in Europe since the beginning of the migrant crisis. Szeged, 2016. Source: Luca Szücs

Plate 2. Governmental poster reads: Did you know? The assassination in Paris was committed by migrants. Szeged, 2016. Source: Luca Szücs

Plate 3. Poster on the left: Did you know? Brussels wants to resettle as many illegal migrants as the population of a city to Hungary. On the right: Did you know? Approximately one million migrants want to come to Europe only from Libya. Szeged, 2016. Source: Luca Szücs

Plate 4. Did you know? More than 300 people died in terror attacks since the beginning of the migrant crisis. Szeged, 2016. Source: Luca Szücs

Plate 5. Governmental poster on the left: Did you know? 1,5 million illegal migrants arrived to Europe in the last year. Szeged, 2016. Source: Luca Szücs

Plate 6. The river of Tisza and the 'Downtown bridge' (Belvárosi Hid) that connects the newer parts of Szeged (Újszeged), on the left bank of the Tisza, with the historical districts of the city. Szeged, 2016. Source: Luca Szücs

Plate 7. Kárász street is the main, historical shopping street in the downtown of Szeged. Szeged, 2016. Source: Luca Szücs

Plate 8. László Botka, mayor of Szeged at the opening ceremony of the event 'Szeged Day' that takes place every year in May. Szeged, 2016. Source: Luca Szücs

Plate 9. The most prominent open-air food market of Szeged. Szeged is located in a prominently agricultural region therefore local food markets in the city and the nearby have a great abundance of fruits and vegetables. Szeged, 2016. Source: Luca Szücs.

Plate 10. Open-air food market of Szeged. Szeged, 2016. Source: Luca Szücs

Plate 11. National Tobacco Shop – We are open on Sunday as well! Between 15 March 2015 and 23 April 2016 there was a ban on Sunday opening in retail sector. Tobacco Shops were exempted from this regulation although it was only allowed for the owner(s) and the family members of the owner to open the shop. Szeged, 2016. Source: Luca Szücs

Plate 12. Customers play lottery in a National Tobacco Shop. Szeged, 2016. Source: Luca Szücs

Plate 13. Annual procession in the Franciscan 'Our Lady of the Snow' monastery and church in Szeged. Szeged, 2016. Source: Luca Szücs

Plate 14. Szeged-Vértó is a part of the city that is built during the socialist period. In the years of 2000s, in the parc of a socialist style housing complex, a national-sacral memorial was erected to become a pilgrimage place for all the Hungarians. Szeged, 2016. Source: Luca Szücs