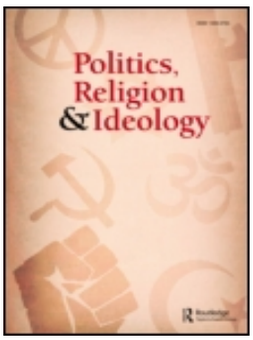

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Accomplices Without Perpetrators: What Do Economists Have to Do with Transitional Justice in Hungary?

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ABSTRACT *The paper begins with the unease one feels witnessing the pride taken by the former agents in serving the communist secret police in Hungary. In retrospect, many of them refuse to regard themselves as perpetrators or, at least, accomplices, and prefer the role of the victim or even that of the hero. In analysing the roots of moral relativism, first the phenomenon of 'fast forgiving' will be discussed. Then, turning to the profession of economists, it will be shown how profoundly this métier, normally disregarded in studying transitional justice, contributed to making collaboration with the old regime a legitimate mode of behaviour. Finally, after introducing the term 'academic remembering', the paper will ask whether that contribution has reached its end by now.*

'To our luck, he chose to become a spy.'

Take a prime minister and an Oscar winning director, prominent 'moral entrepreneurs' in Hungary today. During late communism, the former served as finance minister and deputy prime minister, while the latter made persuasive movies on the troubled relationship between the artist and political power in a dictatorship. The former was a member of the Central Committee whereas the latter did not join the Communist party, and worked as deputy head of a film company during the 1980s. In the eyes of the dissidents, both had a few stains on their reputation, apart from those directly stemming from their formal positions. For instance, the former shut down the research institute of the Ministry of Finance in 1987, and fired his former friends and colleagues who were regarded by the party hardliners as radical reformers flirting with the anti-communist opposition. The latter took part in banning the presentation of his friend's sarcastic movie for similar reasons back in 1975. He called it an ideologically 'misunderstandable' film of 'harmful influence', which 'can be turned against the official cultural policy'.[1]

Such decisions belonged to the *modus operandi* of the political and cultural elite under János Kádár even two years before the collapse of communism. Nevertheless, they seemed inexplicably rough at the time. In respecting the Kádárist trinity of 'promoting, tolerating, prohibiting',[2] the censors preferred the second option to the third one. Why did our heroes become so overzealous? Was it a matter of personal jealousy? Were their harsh decisions part of a larger game within the top leadership? Why did the policy of small disloyalties turn into that of bigger betrayals?

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I am not sure I know the answer today, although in the meantime a potential common *leitmotiv* of the two dismal stories has been revealed. Péter Medgyessy and István Szabó, to stop enigmatic narration, confessed (in 2002 and 2006 respectively) to having served the communist police at a certain stage of their careers. They kept their secrets until the truth about their double lives was unveiled in the media, and neither of them felt the need for repentance or to extend at least a blanket apology to the 'target persons', to use the language of the intelligence service.

Assuming, perhaps naively, that working in an authoritarian system as a stool-pigeon (a 'brick' as we say in Hungary)[3] is not the most decent occupation, this paper begins with the unease one feels in witnessing the peculiar pride of police agents. In retrospect, many of them refuse to regard themselves as perpetrators or, at least, accomplices, and prefer the role of the victim or even that of the hero. In defending their own case, they apply, among others, two basic arguments. They claim that (1) under communism in Hungary, opportunism was an almost unavoidable precondition for serving the common good, and (2) being an accomplice belonged to the idea of business as usual. While both arguments are necessary constituents of the discourse of self-excuse after communism throughout Eastern Europe, I will also emphasise their Hungarian specifics. First, the essentials of what I like to call 'fast forgiving' will be discussed. Then, turning to my own profession, I will show how profoundly economists, a *métier* usually disregarded in studying transitional justice, contributed to a moral relativisation of collaboration with the Kádár regime. Finally, after introducing the term 'academic remembering', it will be asked whether that contribution has now reached its end.

Respect for the Secret Agents

Coming to terms with the past in Hungary after communism can be characterised in a nutshell by three negatives. Unlike in the Czech Republic and Germany, *no* leading representative of the communist regime and agent of the communist secret police was excluded by law from public life, not even for brief periods of time; unlike in Germany, virtually *no* member of the ruling elite and agent of the secret police was convicted of crimes committed prior to 1989; and unlike in Germany (and currently in Poland, Romania and Slovakia), the secret files as a whole were *not* made accessible to the public. To put it simply, no *lustrace* was initiated, and no *Gauck*-type agency was set up to name the culprits.[4]

If János Kádár had not died in 1989 he would have been allowed to become an MP, the mayor of Budapest or even the President of the Republic, as happened in so many states of Eastern Europe. Screening was limited to certain professional groups and positions (for instance the clergy were exempt), only the files of domestic intelligence were examined, and the inspection was based exclusively on those materials which had been filtered through by the same service (that has not been radically purged until today). Even if it became clear that someone who belonged to one of the given professions/positions was filing reports or reading them, the sole sanction was that the fact (not the details) of his/her secret activities was made public. The police files were, however, accessible to all post-communist governments, and a notorious game of *kompromat* has been played in the political market.[5] The leading communist dignitaries were not put on trial, and even those few officers who were convicted of mass murder for slaughtering peaceful demonstrators after 1956 escaped imprisonment in one way or another.

It took almost one and a half decades to grant historians access to the files of the secret agents – more exactly, to certain files of certain agents. It is, however, still unclear whether the results of historical research may be published at all, or if the principle of protecting privacy will override that of freedom of information and publications, which have been rather rare anyway, will become illegal. As the man in the street says in my country (apologies for the vulgar metaphor), 'the shit emerges from the sewage drain extremely slowly'. This slowness provides the police informers with an undeservedly comfortable position. With time passing, the public became saturated with the political manipulation of the secret files; some of the agents turned into quasi-heroes, while those politicians and academics who still fight for clairvoyance are growing more and more suspicious in the public eye.[6]

In that moral chaos, Medgyessy and Szabó had no difficulty whatsoever in finding excellent excuses. The prime minister said that he, then a leading official in the Ministry of Finance, had warned his superiors at the counter-intelligence agency about the enemies of Hungary opening up to the West in the late 1970s and early 1980s, when the government was making secret preparations for joining the International Monetary Fund. He gave a brief, almost dry, explanation, and portrayed his clandestine activity as a predominantly analytic and exclusively international mission,[7] a patriotic deed risking an awful retaliation from the KGB:

> 'I am extremely proud of that period. … We wanted to join the IMF twice. In the early 1970s, it was the Soviet Union that prevented us to join. We tried again in the early 1980s. … We negotiated with the IMF and the World Bank under such a strict secrecy that even the relevant Hungarian authorities did not know about the negotiations. … So we embarked upon a road that led to NATO, and also EU membership became accessible.[8]

To put it bluntly, all his critics should be aware of the fact that, whenever they consume the goodies of life in present-day Hungary, they enjoy a small piece of Mr Medgyessy's noble soul itself.

The film director's story was much more plebeian in the beginning, but similarly solemn in the end. As a student, he was arrested right after the 1956 revolution, frightened to death, and blackmailed into spying on his colleagues. According to Szabó, he did not cheat his class-mates at the High School of Theatre and Film in Budapest but rather his principals at the police who had to struggle with his excessively detailed reports – about nothing. Allegedly, the primary goal that justified collaboration was to save a friend's life, who had taken part in the uprising, by confusing the detectives with long stories on the love affairs and financial problems of other friends and colleagues (and – for reasons of good conspiracy – of himself).[9]

Both the prime minister and the film director emphasised that their relationship with the secret service had lasted only for some years in the distant past, and been terminated thereafter for good. The former talked about free choice and courage, the latter about coercion and cowardice. Both stressed that their conscience was clean. Medgyessy did not mention if he had any scruples about his deeds at all while Szabó said he had revealed all his *angst* and moral dilemmas through his movies.[10] On one side of the picture they painted for the public one sees a descendant of the Transylvanian gentry, playing James Bond in the international financial markets, who, when exposed, behaves like a proud *hussar* officer. On the

other, one faces, as in the case of an anti-Semitic pamphlet, the figure of a Holocaust survivor who was smart enough to fool the authorities after 1956, but who reacts to the disclosure today with quickly changing self-exculpations and a hysterical attack on certain enemies willing to kill him any moment. Both of them are self-confident left-liberals with a revealed identity of the 'elegant Westerner', who are happy to applaud to each other's successes.[11]

It was no wonder that the prime minister's party (the Hungarian Socialist Party, a successor of the communist party) continued to trust him after the scandal had broken out. This happened in the wake of the 2002 elections that he had won, due to a large extent to his image of a reserved technocrat famous for his economic expertise both before and after 1989. The Socialists have never been able to resolutely break with their own past, why would they have started soul-searching exactly at a moment in which Medgyessy's popularity was sky-rocketing despite (or because of) the disclosure. However, no one could foresee whether or not the coalition partner, the Alliance of Free Democrats (Liberals), a party deeply rooted in anti-communist opposition, would follow suit. After hesitating for a day, the liberal leaders who had been the main target of police surveillance under the old regime, also expressed confidence in Medgyessy, although their 'no' vote would have brought him down immediately. The price of their consent was a ritual promise: as so many times before, the Socialists pledged to finally open the files of the communist state security services.[12] Of course, the leading party in the national-conservative opposition (Fidesz, Young Democrats – Hungarian Civic Alliance), whose 'house newspaper' had exposed the D 209 affair (this was agent Medgyessy's code name), did its best to instrumentalise the story. However, its call for the prime minister's demotion proved incredible after many years of high-level cooperation with the extreme right led by István Csurka, another former police agent, and even more incredible later, following the cooptation in the opposition's satellite organisations of two former Politbureau members (Imre Pozsgay and Mátyás Szürös), once Medgyessy's superiors.

The backbone of the arguments still circulating today is this: counter-intelligence is a necessary element of security of any state; Medgyessy was a useful spy; that was a fair deal, he accomplished his task successfully (Hungary joined the IMF and the World Bank in 1982), thus, he deserved to be rewarded with money and promotion in the ministerial hierarchy. The opposition called him an opportunist but did not dispute the thesis of usefulness. This thesis was not challenged by most of the liberal critics either. True, they remarked that counter-intelligence under communism was not separated from other secret police activities, including the persecution of the dissidents, by a 'Great Wall of China'. These critics also reproached Medgyessy for unfair behaviour in the election campaign. A would-be prime minister, they said, has to inform the voters about his past as a whole, especially if it includes such a delicate episode exposing him to possible blackmail.

As regards István Szabó, it took his fans only a few days in January 2006 to organise a petition in his defence: 'For 45 years, István Szabó has made excellent and important films for us. Not only for Hungarians. He spread our fame all over the world. He wrote his name in the universal history of our culture. We love, respect and appreciate him.' The petition was signed by 240 people, many of them eminent representatives of the cultural and political elite.[13] The top leaders of the Socialists and the Liberals (not to mention those of the National-Conservatives) were in a hurry to shake Szabó's hand on camera. The media was full of passionate messages such as 'stop the witch hunt', 'don't deprive us of our youth/favourite

films/moral idols', 'he has already confessed through his movies', etc. Those who disliked that 'sympathy rally'[14] did not condemn the director for his lack of courage in resisting blackmail in 1957. Instead, they called for compassion for other victims of the communist terror, including those who did resist and had to suffer, and those who just tried to survive but may have been endangered by Szabó's reports.[15] Also, they asked why he did not stop denouncing his colleagues in the 1970s, why he did not give himself up in 1989, and why he is still playing the role of the Knight of the Holy Grail. However, even the critics were ready to accept a clear distinction between the artistic value and the ethical posture of the author.[16]

In this way, the Hungarian public was asked to endorse the record of two, morally perhaps not quite impeccable, public figures, proud of their useful roles and right deeds who provided their country with high-quality political and cultural goods.[17] Allegedly, they contributed to a large extent to the demise of the communist system even if originally they had just wanted to improve it. Furthermore, no matter whether you call it modernisation, humanisation, westernisation or liberalisation, Medgyessy and Szabó proved to be outstanding representatives of these processes, and their collaboration dwarfed by their achievements in making the life of the people under (and after) communism easier.

Right deeds and useful roles – those who were brought up in the communist linguistic universe remember the correct versions of these idioms. They sound like these: '*objectively* right' and '*socially* useful' *in the final analysis*. These words are still music to my ears. The music demonstrates the continuity of an apologetic argument exactly at a time in which Hungarians are being increasingly confronted with the evidence of the hardness of the Kádár regime; a regime we have always thought to be rather soft, permissive even messy and sloppy, which prefers corruption to terror and mass mobilisation, as well as manipulation to indoctrination. Today, thanks to a small window of opportunity opened by the Medgyessy scandal, and the subsequent amendment of the law regulating access to the files of the communist secret services, we had better rethink, I believe, the convenient model of 'soft dictatorship', 'reform communism', 'the Kádárist compromise' and so on. If top officials in the government, Communist party leaders, scholars and artists of international fame, a large part of the high clergy, Kádár's 'court journalists' informed the secret police, many of them perhaps until the last breath of communism, then what we called 'the System' must have been much more authoritarian than assumed even by hard-core dissidents who were harassed by the police day by day before 1989.[18]

Why are István Szabó and Péter Medgyessy so proud today? Is this just an easy way of avoiding a guilty conscience, or a pragmatic technique of damage control? I am afraid that the underlying reason for their *hubris* is even more prosaic. They both firmly believe that it was worthwhile serving the secret police because in this way (and only in this way), they could bring their 'grand projects' into existence. Moreover, these projects, they think, did not suffer from the pact they made with the devil (although it is doubtful whether Medgyessy has ever imagined the intelligence service as hell).

As I am no historian of cinema, just a normal film-goer, let me condense my opinion on Szabó's *oeuvre* in two long sentences. If his movies had provided a brilliant portrayal of the guilty conscience of the collaborating artist or the demonic nature of the dictator, I would perhaps venture to repeat what one of his admirers wrote to a newspaper following his confession: 'to our luck, he chose to become a spy'.[19] To our bad luck, however, he permeated the theme of collaboration with the

sentimental self-praise of the talented but unmighty, a boring, self-justifying celebration of cowardice, and a perverse respect for the mighty; packaged his messages in historical allegories (of Nazism rather than Stalinism) to avoid friction with his communist protectors; and abandoned dealing with the Kádár era in depth for the same reason. To avoid misunderstanding, I do not postulate here an iron law dictating that moral imperfection leads to quality loss, but I do not deny that in the case of István Szabó I suppose that is exactly what happened.[20]

And for Medgyessy – was the quality of his reformism affected by his undercover activities? Did his role as a 'secret servant' reduce, for instance, the significance of the introduction, under his guidance as finance minister, of the first western-style tax system as well as the establishment of commercial banks and the adoption of the first privatisation laws in a still-communist country during 1987–8? Let me postpone the answer to this question for a while, and ask another – somewhat rhetorical – question. Was not Medgyessy's position in the government and the party at least as condemnable as that of the meanest 'brick'? In his case, informing the secret service, I believe, was just the 'icing on the cake' since reading the reports of the agents (and governing together with those who read them and managed the machinery of oppression) could not be morally superior to writing these reports.

Fast Forgiving

Let us leave the case of István Szabó behind, and focus on the economic reformer, Péter Medgyessy. He is the real hero of my paper, or perhaps more exactly, all possible Medgyessys in my country are, given their unbeatable contribution to the *Zeitgeist* prevailing in Hungary today, which provides an easy refuge for former collaborators of nearly any sort. As a matter of fact, I needed the spectacular cases of the two prominent secret agents to introduce the paradox included in the title: as the archives slowly open up we see a growing number of crimes, offences, wrongdoings and misdeeds, while in the narratives of the culprits one finds almost exclusively victims, innocent bystanders and quasi-innocent accomplices while the crimes together with the perpetrators tend to vanish in the thick of amorphous categories such as the nomenklatura, the party-state, the Soviets and the like.[21]

Interestingly enough, the facelessness of the perpetrators does not result in overloading the accomplices who, in the lack of identifiable political criminals, would have to bear all responsibility for wrongdoing under communism on their shoulders. Quite to the contrary, the accomplices are increasingly assuming the role of the victim: allegedly, most of them were 'forced' to take certain – as they say, 'perhaps indecent' – steps in the distant past, but have ever since been 'betrayed' and left to their own devices by the 'real' perpetrators who are still at large. The perpetrators fade into accomplices who, in turn, aspire to the status of bystanders or, not infrequently, to that of the victims. Mercy is meted out with a reflex motion. More precisely, in the lack of sin there is no need for mercy or remission. If there are no perpetrators, and the majority of society consists of quasi-innocent accomplices, then the accomplices may always count on the compassion of their fellow-accomplices. At the same time, attacking communism head on yesterday may arouse distrust today. Was not the typical dissident actually an *agent provocateur*? – goes the nasty question. I do not think that in this respect Hungary is a unique case in Eastern Europe.

This paper is *not* about the sociology or psychology of collaboration. Moreover, it does not want to condemn or forgive.[22] With a considerable dose of masochism (and with an interest in the Hungarian specifics of reckoning with the past), I turn to my own profession, the history of economic thought, to check the degree to which economists contributed to a dominant moral discourse that dilutes the concept of perpetrators and accomplices, and continue to celebrate their 'right' deeds in the framework of 'useful' collaboration.

Why, indeed, pick the poor economists? The vast and rapidly growing literature on transitional justice delivers dozens of explanations for ignoring, forgetting or forgiving crime without pinpointing that particular professional group. In the Hungarian fast-food restaurant of reckoning with the past, you find on the menu many dishes of moral relativism from the twentieth century and earlier. The menu includes excuses both for big and small wrongdoings, without making any principled distinction between the numerous forms of collaboration. The excuses oscillate between self-pity, legal scruples and cynicism, on the one hand, and an understandable claim of differentiation between big and petty crime, on the other: 'I was just a small screw in the machinery', 'others would have been even more harmful', 'I not only harmed but also helped people', 'I did it for my family', 'I didn't do it for money', 'I did it on others' orders', 'I was blackmailed/forced/tricked into doing it', 'my collaboration was formal', 'no one would have been better off if I had not collaborated', 'everybody served the System in a way or another', 'what I did was not against the law at that time', 'it has come under the statute of limitations by now', 'who has the moral right to be my judge?', 'the outcome will necessarily be some kind of *Siegerjustiz*', 'how can one prove any offence after so many years?', 'the culprits are old, why torture them?', and so on.[23] At the first glance, you do not find profound economic considerations in the background of these excuses.

There are also some other – specifically present-day Eastern European or Hungarian – dishes served in this restaurant to satisfy one's appetite for moral relativism. An indispensable ingredient of them is the blurring of historical boundaries; that is, postulating continuity between communism and capitalism as well as dictatorship and democracy to overshadow the 1989 revolution. Fast forgiveness is assisted by arguments such as these: 'if leading members of the nomenklatura were allowed to turn into prime ministers and business tycoons overnight, why should I, the small police agent be the scapegoat'; or conversely 'without my contribution made as a leading communist reformer we would still live under the old regime'; 'the first democratic parliaments in Eastern Europe were full of former apparatchiks and agents'; 'in 1989, justice-making would have been too early, today, however, it is too late'; 'the new regime also needs secret services'; 'does a multinational company not spy on its employees?'; 'is making justice a more important task than, for instance, combating unemployment or poverty?'; 'show me a Western leader who has not embraced a certain KGB officer called Putin yet'; 'is there a country in the former Eastern Bloc, in which decommunization, lustration, you name it, was implemented consequently *and* fairly?'; 'how come that Egon Krenz sits in prison while Mikhail Gorbachev is sipping champagne at a reception in Berlin?' Finally, let me quote a genuinely Hungarian syllogism:

> part of the anti-communist liberals (the Free Democrats) felt that it was kosher to enter the government of the ex-communists just five years after

> the revolution; the other part (the Young Democrats) thought that it was kosher to make alliance with the extreme right at the same time, so nobody remained on the political scene to exercise moral authority any longer.

At any rate, goes the argument, clairvoyance in moral matters was already disturbed in 1989 by the 'roundtable agreement' between the communists and the opposition as a whole, that is, in a sense, between the representatives of the perpetrators and the victims. 'Revolution, that's what you should have made, dear friends' – this sarcastic remark was dropped by the late leader of the National-Conservatives, prime minister József Antall, in the early 1990s to explain that national reconciliation and negotiated change do not fit well with purging your negotiation partners sitting at the same roundtable.[24] To be sure, he referred not only to the ex-communists but also to both large camps in the anti-communist opposition, the National-Conservatives and the Liberals, suggesting that a great number of 'bricks' were built into their parties, too.

Antall himself was a revolutionary in 1956, then a history teacher and a museum director, a person also famous for another *bon mot*. When Kádár took power in November 1956, Antall said to his friends: 'I submerge and save myself until they leave'.[25] He resurfaced as late as 1989, and was confronted with the fact that one of his best friends had been spying on him. Following the victory of his party at the first democratic elections, he received from the last communist prime minister, Miklós Németh, a list of police informers active in the new political elite. With this sly move, a nationwide 'now you see it, now you don't' game began, in which various lists of names have been presented as trumps for a brief moment only to be withdrawn again. In this game, the very existence, quality and credibility of the secret files, that is, the principal pieces of evidence, were made questionable.[26]

If justice is impossible because, to put it simply, there is no unambiguous delict, identifiable culprit, fair procedure or morally clean judge, then it may seem to be the only reasonable and just solution to liquidate the potential proofs immediately, and forgive and forget (or forget and forgive) as soon as possible. 'Throw all secret files into the Danube!', demand more and more intellectuals and politicians in my country.[27] The only problem with this solution is that one cannot do the same with the victims ranging from those killed or forced to kill themselves, tortured, imprisoned, deported or driven mad, through those who were fired upon, spied on, harassed or blackmailed, whose property was confiscated, to those who 'only' did not have access to everyday civic liberties including the freedom of movement, association, speech and economic choice. What *can* be done, unfortunately, is to apply a large variety of techniques of relativising victimhood, ranging from the underestimation of the number of victims and the degree of their suffering, all the way to allegations concerning their political biases and business interests in the 'Gulag industry'. Why is forgiving fast? Because it demands forgetting before we could learn what is to be forgotten, thereby escaping from the pain of forgiving.

Does it make any sense, the reader may ask again, to associate the economists with all kinds of moral relativism and political machination on Earth? Actually, in the current history of Hungary one can easily detect the economists' traces at major junctures of political change. Let me proceed backward in time. The prevailing government coalition of the Socialists and the Liberals has been in power since 2002, but the formative years of their cohabitation in the Parliament elapsed

between 1994 and 1998. In 1994, the surprising/embarrassing alliance between the ex-communists and the former liberal dissidents was forged in the spirit of opposition to the authoritarian ambitions of the national-conservative government.[28] But it also pursued pragmatic objectives formulated by economists and businesspeople – leaders, experts and clients of the two parties.[29] These objectives included the relaunching of stabilisation, marketisation and privatisation processes that were half-heartedly managed by the National-Conservatives between 1990 and 1994. The Liberals could not have been able to explain the reconciliation with the ex-communists to themselves and their own electorate without recourse to an alarmist rhetoric using 'the economy is on the verge of collapse'-style arguments.[30] At any rate, they entered a coalition led by the socialist prime minister, Gyula Horn, who never concealed the fact that, more than 30 years before cutting through the Iron Curtain, he had been a member of Kádár's militia, which mercilessly restored 'communist lawfulness' after the 1956 revolution.

One does not have to be a fan of conspiracy theories to discover, during the days of the 'negotiated revolution' in 1989, a similar sort of economists-inspired political alliance aiming to crown the trend of proto-liberalisation under late communism. That trend had been set in the second half of the 1980s in a joint effort by moderate reformers in the communist elite, and radical reform economists in both the academia and the anti-communist opposition. In 1989, many of the moderates joined the Socialist party led by Rezső Nyers, the father of the New Economic Mechanism in 1968, who was put on ice by Kádár for one and a half decades, while most of the radicals became founding members or fellow-travellers of the Free Democrats.[31] Incidentally, Péter Medgyessy was a recurrent top actor in all phases of the alliance until he was forced to step down in 2004 (to be sure, not because he had been a police agent). In the first two Socialist-liberal governments he worked closely together with quite a few experts whom he had fired in 1987. Thereby, the former frontlines were crossed, and the Socialists, who had suffered from an ongoing crisis of legitimation after 1989, had a chance to reclaim a large part of the radical reformist tradition.[32]

As a rule, conspiracy theories are dull and mean but occasionally they carry a grain of truth. Whatever goals the leading economists of Hungary originally wanted to attain, they did contribute to both the consolidation and the demise of communism as well as to the revival of social democracy and liberalism after 1989, not to speak of an alliance between the latter. By 'leading economists' one understood in Hungary a large group of experts representing an overwhelming majority of the profession. With the exception of a few textbook-Marxists, that group embraced nearly all influential scholars and a good part of high-level government and party officials in economic administration as well as enterprise managers, journalists and lawyers, as early as the end of the 1960s. Evidently, during the more than three decades of real socialism after 1956, the 'reform economists' included a great variety of experts: neo-Marxists, would-be Hayekians and sheer pragmatists, representatives of workers' self-management, entrepreneurial socialism and the social market economy, those who sought moderation and those who risked conflict with the communists, those who just gave advice to the party and/or the government and those who also took part in the implementation of the reform blueprints. Nevertheless, while this large array of academics and technocrats was wavering between the extremes of pro- and non-communism (perhaps also anti-communism), their cooperative attitude became often permeated with collaboration *sensu stricto*[33].

Back to the Golden Age

I have arrived at the gist of my argument. In the following pages, I would like to take a short-cut between fast forgiveness and the political economy of reform communism.

Those who mourn transitional justice in Hungary tend to think that its coffin was closed for good by the handshakes between the former dissidents and the ex-communists first in 1989 then in 1994. That may be true, but the relativising of communist crimes began much, much earlier, with the emergence of the idea of improvability of the System; an idea that began to blossom in Hungary during the 1960s, following the interlude of 'consolidation' under János Kádár.[34]

If one seeks *the* moment of 'original sin', after which one could hardly make a clear distinction between perpetrators, accomplices, bystanders and victims in Hungary under communism, one will actually find a whole series of shorter and longer moments during the 33 years separating the two revolutions. The story is too familiar to retell.[35] What interests me here is the general anomy at its end, best symbolised by the transformation of the image of János Kádár from the Soviet hangman into that of the Father of the Nation, who protects the Hungarians against the Soviets, in little more than a decade, comfortably beating the record held by Emperor Francis Joseph a century before.

As usual, anomy originated in a *trahison des clercs*, the capitulation of the bulk of the writers and other intellectuals (including church leaders) less than two years after the Soviet invasion.[36] They were followed by quite a few imprisoned revolutionaries released in the early 1960s and the émigrés, the majority of whom opted for a kind of co-existence with the counter-revolutionary establishment sooner or later. Their roles ranged from passive resistance to open collaboration that culminated sometimes in accepting high positions in public life. Altogether with more carrot and less stick than in most other countries of real socialism, Kádár managed to corrupt the citizens, including the cultural elite, into a regime they regarded first as perhaps acceptable, later as normal or even desirable.

The regime's founding doctrine, 'who is not against us is with us', justified the policy of reconciliation between communist rule and the people. Crude forms of terror, mobilisation and indoctrination were partly replaced by a pattern of social integration based primarily on the principle of 'live and let live', private consumption and popular culture, opening up to the West, welfare chauvinism toward the East, regulated embourgeoisement, depoliticising of public life, self-censorship and the like. 'Goulash communism', the 'happiest barrack in the camp' and other metaphors served to cement Kádár's populist model with discursive means reflecting the power holders' fraternisation with the citizens.

The emerging national(ist) pride reduced the sympathy felt by Hungarians for the Prague Spring and later for *Solidarnosc* to a minimum. Their protagonists were mocked (for instance Alexander Dubcek was derided as the proverbial 'dull Slovak'), and their antagonists were not hated. Internal solidarity between the social strata was hampered by a comprehensive ban on collective action, which was combined with incentives for individual coping strategies (primarily in the shadow economy), creating the petty bourgeois archetype of *Homo Kadaricus*. This archetype was reinforced by the image of the talented, entrepreneurial-minded, informal, tricky Hungarian who can profit even from communism, and by traditional elements of symbolic geography (Hungary as an integral part of Central Europe).[37]

Complying with the premise in the promise made by the regime – 'we do not provoke you if you do not rebel' – was tantamount to observing a set of taboos that ranged from the truth about the 1956 revolution, through the Soviet occupation, to one-party rule and state ownership. The taboos delineated the frames of an implicit 'social contract', in which one could find a relatively convenient place for him or herself but rarely an immaculate one. Under the aegis of that contract even a sort of passive resistance could mean collaboration. Moreover, the citizen was urged to be silent not only about the political crimes committed by the regime, but also about the privileges and the dubious business dealings of the nomenklatura. In exchange she was reassured that the party leaders would close one eye (this was the notorious winking by Kádár), if they recognised that the 'toiling masses' steal, cheat or lie to make ends meet. Thus, one did not have to join the party, denounce a neighbour, or remain quiet when others were punished for political reasons, to consider oneself a collaborator. It was enough to take home a tool from the factory, ask the party secretary for a favour or bribe a shop assistant to become a link in the chain of compromises sustaining the System, even if the shady behaviour of the citizen was dictated by reasonable self-defence. With time passing, one ceased to have a bad conscience: muddling along under 'authoritarianism with a human face' seemed to be the one and only solution.

Ostensibly, such a complex machinery of social coordination could not have been invented, operated and justified exclusively by writers, journalists, artists and philosophers, in other words, not infrequently by converted prophets of the 1956 revolution, or by opportunist church leaders. To turn a bloody retaliation into business as usual, Kádár needed not only opinion leaders with rhetorical skills and, if possible, a non-communist past on his side but also a rather innovative apparatus of the party-state and – more and more badly – social engineers with grand designs. Loyal to the pragmatic half of Marxist teachings, the latter were requested to deliver 'economic mechanisms' (to use a contemporary term) in support of his ambitious programme of reconciliation/corruption. To put it simply, Kádár needed more carrot, and did not have to wait long during the mid-1960s for an offer by the professional carrot producers, the economists, who had been experimenting with the technology of what they called 'socialist commodity production' since 1953.

That offer contained a series of reform programmes that tamed the command economy, and justified part of the 'stealing, cheating and lying' as regular bargaining strategies in the socialist market and the shadow economy. After over a quarter of a century of reform-making in Hungary, the designs of market socialism became occasionally more radical and sophisticated but their basic doctrine supporting the foundation philosophy of the Kádár regime did not change. Notwithstanding the fact that the economic programmes were assisted by sociologists, political scientists, legal experts and even historians, it was the reform economists who played a crucial role in construing the myth of sustainable and acceptable communism (a typical myth of a golden age), which had pre-programmed forgiving much before the crimes of communism became punishable in 1989.

While a small minority of the reformers cooperated with the nomenklatura under the assumption (which proved to be correct in the end) that the medicine they prescribed would become a poison in the long run, the majority believed in, or put up with, helping the system to survive by mixing a dose of 'the market' into central planning that had proven unable to keep the Kádárist promises. They were delivering the myth of long-term sustainability. Preaching acceptability meant that, in the lack of a first-best solution, one cannot but opt for a second-best one

which, compared with the actual alternatives in the Soviet empire, still seemed to be the most efficient and humane.[38] In preparing for the New Economic Mechanism during the 1960s, Democratic Socialism, a concept mixing the ideas of the 1956 Revolution and the Prague Spring, was considered the first-best model by the reform economists. They needed about three decades (and a series of big disappointments) for the drift toward the ideal of democratic capitalism to take place. Until then, they accepted the most harmful thesis the philosopher, György Lukács ever formulated: 'the worst socialism is better than the best capitalism'.[39]

In the late 1970s, when economists realised that 'bad socialism' did not want to improve itself, they began to turn to *Realpolitik*: if one cannot expect communism to disappear soon or ever, let us make it the least unacceptable. This decision confused the moral frontlines anew. If prior to 1989, you asked a reform economist why she was cooperating with the Kádár regime either as a scholar working, for instance, in a research institute of the Academy of Sciences or as an official say, in the Central Planning Agency, she came up with one or two of the following answers: 'because I believe in socialism'; 'because it is superior to any kind of system in the world'; 'because on this side of the Yalta divide there can't be a better one'; 'because it satisfies the needs of the citizens at least to a certain degree'; 'because this is what I know'; 'because this is I am paid for'; 'because it can only be destroyed from within'. It goes without saying that the naive-constructive responses date back to the 1960s whereas, normally, the cynical-destructive ones (representing the local version of the 'better red than dead' principle) were characteristic of the 1980s.[40]

Desk Criminals?

Why pick the economists, one may ask again. What about other intellectuals, first of all, the 'Aczél boys' (named after the chief ideologue of Kádár, György Aczél), that is, writers, journalists and artists, among them the film director, István Szabó? Did they not justify cooperation with similar arguments, the only difference being that, when they were talking about the virtues of the Kádár regime, they put a greater emphasis on the relative political and cultural freedoms it granted than on its economic performance, that is on the circus rather than on bread? In defence of the economists let me answer this: while most of the Aczél boys regarded the market with disdain, especially in the field of social services and cultural goods, a typical reform economist did not subscribe to a severe limitation of political and cultural liberties by some kind of reformist dictatorship.

I hope I do not inflate the importance of my own profession by claiming that the carrot delivered by the economists was much bigger and fresher than the one produced by other Kádárist intellectuals. In the eyes of its producers and many of its consumers, it represented a comprehensive programme of systemic change within the economy, a programme that concerns the welfare of all citizens and postulates an authentic, modern but non-utopian model, which is scientifically proven and similar to certain well-established models in the West (without copying them), and results in a pioneering set of economic institutions that can be emulated in both the East and the West. The reformers were convinced that the *socialist* market (i.e. a liberalisation within the state sector under one-party rule) would resemble the *social* market of the capitalist welfare states. Although privatisation would be simulated, the party would withdraw from managing the economy, the citizens would be entrepreneurs without becoming capitalists and the

country would open up to the West without leaving the Comecon. Furthermore, the new economic paradigm also had important political ramifications such as a leaner and more decentralised state or a less dirigist party, as well as an increase in economic and civic liberties with regard to consumer choice, cultural pluralism and access to the West. The reform economists offered the regime not only an allegedly viable system but also an allegedly progressive one, bursting ahead in large waves. This vision was condensed in the K.u.K. (Kádár und Kreisky) image of a *Sozialstaat* situated on the left, tolerated by the Soviets, celebrated by German foreign policy and blessed by the Pope.

Did this prove to be a utopia in the long run? Yes, definitely (partly, in the short run as well), but it dominated the principal moral choices of a whole nation until the middle of the 1980s, and also, to a certain extent, afterward. To use a telling phrase coined by a most original thinker among Hungarian economists, Ferenc Jánossy, in the 1970s, the result of the reforms was a *quasi*-market with *quasi*-entrepreneurs producing *quasi*-development.[41] Today, one is tempted to expand the thesis: such a quasi-development could only be represented by some kind of a quasi-ethic.

Despite international recognition in both politics and science, not to speak of the popular wing of Sovietology, reform economists lent their names to a controversial construct of liberalisation within, and by, the party state, which was compromised further in practice. Most of the experts became prisoners of these compromises, and had to witness not only the unfolding but also the repeated amputation of their reform programmes.[42] Thus, they themselves experienced being an accomplice and a sort of a victim at the same time. When someone's loyalty to the political core of the reform paradigm diminished, and as a newborn radical reformer turned to real capitalism instead of a simulated one, he could not in good faith demand radical forms of transitional justice following many years of close cooperation, bordering on collaboration, with the potential defendants.[43] Otherwise, he would have been trapped by accepting the task of naming the 'real' perpetrators and accomplices, and distinguishing them from the bystanders and the victims. Almost everyone was aware of the utmost difficulty of the task, suspecting the picture of society to be dominated by various shades of grey with some white and black spots on the margin. In other words, one could identify quite a few culprits, especially in the old guard of Kádár, the Ministry of Interior and the agit-prop machinery, but even among these apparatchiks one would find some who might be proud of a semi-reformist phase in their career. Probably, the identification of the victims could not have been too difficult either, though if one disregards the crimes of physical violence (which were relatively rare after the early 1960s), many of the victims also fall under the category of accomplices, provided they lived long enough under Kádár. To be sure, it was precisely this category that would have caused the biggest headache to the ethical taxonomist in a society whose basic organising principles were enfranchisement through corruption, rule-bending and a confusion of the 'us and them' dichotomy characterising a textbook dictatorship.

The above was not meant as a reproach to the reform economists: I am far from using the German term *Schreibtischtäter* (desk criminals) to describe their way of cooperation with the communist regime. In pointing to their contribution to social anomy, I do not want to suggest that it would have been better for Hungarians if, in an extreme case, all economists had resorted to passive resistance collectively, leaving the Hungarians behind in the morass of a highly inefficient command

economy. In any event, a 'worse the better' strategy might have resulted in enormous hardships, and unleashed uncontrollable processes of social decay and political destabilisation. Moral intransigence vs serving the community – who could have the right today to decide about the benign forms of collaboration even if we have always known that several reformers attained vast privileges through that service? However, opting for its less benign forms, including reporting to the secret police, was avoidable, by which I mean more and more avoidable as years went by.[44] Nevertheless, the blurring of the boundaries between resistance, cooperation and collaboration in the open air made it very difficult to condemn collaboration in the secret world of state security (with the exception of the agent-zealots, of course).

A Consensual Maxim

In all probability, Péter Medgyessy could also have found smart excuses if he had really wanted to avoid joining the intelligence service. As disturbing as it may be, a parliamentary commission appointed upon his exposure named a dozen leading politicians active after 1989 who had informed the secret police before 1989. Among them, we find a deputy finance minister of the last communist government who became finance minister and president of the National Bank later, a director of the research institute of the Planning Agency who became minister for economic affairs, and his deputy in the ministry who had published a critical reform scenario in the 1980s, a top official of the National Bank who at the turn of the millennium was appointed to serve as a minister for EU affairs, a state secretary for privatisation in 1988–9 who became minister for foreign affairs ten years later – all belonging to those moderate reformers who joined the national-conservative camp after the revolution. Most of them were members of the communist party before 1989, like a few of their colleagues in the various post-communist governments, who had also belonged to the intelligence service (or its supervisory bodies) but remained in a party drifting toward social-democracy.[45]

One did not have to be a statistician to presume that the public saw just the tip of the iceberg;[46] the water probably covers many hundred other alleged or real agents – a sad prospect that could have accelerated the reckoning with the past in the profession. More sadly, its members still fail to ask questions about the moral aspects of their academic and political activities in the past. Regardless of the fact that normally their cooperation with the regime did not imply decisions about life and death, the memory of reform economists shows typically postwar patterns of repression: silence, trivialisation and externalisation. Almost 20 years have elapsed, but the memoirs written by, the life history interviews made with and the historical essays published on them still avoid touching upon the intrinsic moral ambiguity of the reformist position.[47]

Is the myth of the golden age still too powerful? Indeed, for a while, the silence could be explained by the initial advantages of Hungary in the Eastern European competition for the title of the best performer in post-communist transformation – a success story widely attributed to the economic reforms made under Kádár. Following the Medgyessy affair, however, I expected at least a modicum of introspection in the profession, in particular, when the process of disclosure went beyond the government and party leaders and reached the academic community. Undoubtedly, it was an easy solution to externalise responsibility by saying '*they*,

the police agents among us were the perpetrators', and by failing to ask 'weren't we ourselves at least accomplices?' One could also suppress moral tension by questioning the credibility of the secret files, belittling the significance of the agents' reports and their scholarly performance, or simply remaining silent.[48]

As an historian of economic thought, I am *ex officio* interested in what can be called 'academic remembering'. As strange as it may be, we academics also remember but, as a rule, our views are subsumed in memory studies either under personal rememberence or under the sources of collective memory and the politics of history. Yet, studying the ways in which academics recall their own past or that of the research community may give the historian a unique chance to gain insight in ethical dilemmas that usually remain hidden, sometimes even from the academics themselves. In this closing section of the paper, I will focus on the case of the most prominent economic theorist in Hungary, János Kornai, exploring how he narrates his own victimhood and/or accompliceship. The reason for highlighting his story is twofold: (1) it shows the utmost complexity of moral choices an economist had to face even under a relatively permissive communist regime; (2) as an opinion maker, Kornai may determine not only the major patterns of economic interpretation of the Kádár era but also those of its ethical assessment.

In 2005, a professor of finance and banking, Tamás Bácskai who, as a renowned scholar and a leading official of the National Bank, took part in all possible reform projects after the late 1960s, admitted (upon exposure) that he had also worked for the police. He said that, shocked by the anti-Semitic atrocities he had witnessed in the days of the 1956 revolution, he spied on his colleagues at the Karl Marx University of Economics, Budapest, as well as on family members and friends (almost exclusively Jews, by the way), including his father and sister as well as the relatives of his sister, wife and former wife during the late 1950s and early 1960s.[49] Bácskai's confession did not shake the profession. Most members of the research community were just mildly embarrassed (above all because he denounced his close relatives), no one connected his morals with his scientific work, and also there was no scholar who, incited by the case, would have felt the need for introspection. Similarly, one could not find any historian asking whether Bácskai's stubbornly moderate reformism was not, *among other things*, also due to his commitment to the secret service. No one shouted *heureka*, I understand at last why he always called for self-restraint and precaution when we were writing our proposals for bank reform, currency convertibility, inflation management and the like in the 1970s and 1980s.[50] And no one said: 'Nonsense! You did not have to serve as a "brick" to exercise self-censorship'.

A spectacular example of continued silence combined with serious talk is provided by the memoirs[51] written by the role model of the majority of Hungarian economists, János Kornai, professor emeritus at Harvard who, prior to 1989, was always keen on avoiding any involvement in daily reform-making and mongering. At the same time, he was also famous if not notorious for denying any involvement with the anti-communist opposition before 1989. He refused to contribute to the work of the reform commissions appointed by the authorities but he did not remain silent if, for example, a minister asked for his opinion in a private conversation. Although he had deep reservations with regard to the rationale of reform economics, he avoided challenging its representatives in most of his publications.[52]

As a peculiar twist of fate in a small country, Kornai happened to be a close acquaintance of Tamás Bácskai (a friend of Bácskai's sister), and thereby an eminent

target person for the agent. Apparently, he still despises the 'nasty role' Bácskai and all other 'bricks' (some of them were also Kornai's friends) who surveilled and denounced him played, but supposes that they may have been forced to betray him. He admits that shortly after 1956 he also betrayed his best friend, Péter Kende (not in a report to the police but in a scientific paper), and talks about small favours received from communist leaders.[53] Of course, these kinds of 'soft cooperation' cannot be compared to spying at all. I mention them only because Kornai brings them up, thereby raising the reader's expectations for clarifying the larger moral choices academic economists had to face under communism.

Kornai avoids cheap triumphalism in the case of Bácskai, but also refrains from deep-seated self-criticism concerning the ethical attributes of his own works. At the same time, he shows more understanding toward the reform economists than ever before: 'Sometimes I was also caught by reservations about the compromises the reform economists made with the power holders but I could eventually suppress these feelings and did not voice them publicly. I admitted that their activities were of more use than the harm their concessions could make'.[54] He thinks of the costs of his own compromises the same way. For instance, in appraising his *magnum opus*, the *Economics of Shortage*, published in 1980, Kornai does not conceal the fact that the book ventured to provide a comprehensive theory of the communist economy without analysing not quite negligible issues such as state ownership, the shadow economy, party control, militarisation and Soviet domination but adds: 'I am convinced that there is more than one life strategy that is morally acceptable'.[55] In his opinion, his own self-censored works and *samizdat* literature complement each other, and the *Shortage* contributed to the erosion of the Soviet empire like Solzhenytsin's, Orwell's and Koestler's works did. He is still proud of his book that was regarded by many as the *Das Kapital* of communism, and sure that it could not have been written and published if he had joined the dissidents. In his view, he exploited all possibilities of self-expression and reached the ultimate limits set by the censors.

János Kornai seems relaxed. He is firmly convinced that he was a victim (and a bystander at most) rather than an accomplice.[56] He does not raise counter-factual questions. Thus, the reader is tapping into the dark, asking herself in Kornai's style whether communism would not have eroded more rapidly if those – perhaps not quite negligible – issues had been studied by him. Or, to tackle a lesser problem, the scholar's responsibility for the evolution of economic sciences, Kornai disregards, somewhat surprisingly, the question of whether the economic theory of communism could not have surged if he had published (even if underground) his views on those issues at the end of the 1970s and the beginning of the 1980s.[57] The only thing the reader may know is that, despite all the efforts made by economists including János Kornai, communism had evaporated before it was profoundly analysed.[58]

Presumably, in Kornai's case, self-censorship led to a considerable loss of scientific quality by excluding essential variables from his explanatory model of the communist economy for quite a long time before 1989. Moreover, one cannot really measure how many original ideas were aborted *ab ovo* by a spontaneous contraction of the author's fantasy owing to self-imposed intellectual constraints. Nevertheless, that loss does not authorise anyone to disapprove his moral choice vehemently. I would especially dissuade those who would want to condemn him retroactively, enjoying the luxury of free speech in a democratic society.[59] Feeling sorry for the loss is, of course, a different issue.

And Medgyessy – did *his* undercover activities impair the quality of his reformism? I still owe the reader an answer to this question, and I am afraid I will continue to owe it for quite some time. Maybe, as is the case with Tamás Bácskai, Medgyessy's moderate reformism (as compared with the radicalism of some academic researchers) was simply due to his government responsibilities. Maybe he also reached the limits of his own terrain. At any rate, in the absence of any thorough knowledge of the secret files, the historian is unable to decide to what extent the police constrained its agents recruited from among the economists in devising and implementing reforms. Were those constraints harder than the rules of ordinary self-censorship? Or was a 'brick' sometimes permitted to act and/or think more freely than his colleagues? Thus far, no radical reform economist has been unveiled as a secret agent.

As for coming to terms with the past, the only consensual maxim the Hungarian economists have been able to discharge during the past 15 years sounds as banal as this: turning in your own friends and relatives to the police may betray bad manners. In each and every election campaign in Hungary during the last 17 years, the two major camps, the National-Conservatives and the Socialists, competed for the voters by means of Kádárist slogans. The Socialists are still debating whether they should really say good-bye to the Kádár era for good, or rather they might preserve some of its 'positive legacies' in the future. The liberal media carries bitterly nostalgic programmes featuring the popular saying from the 1980s: 'we are fine as long as Kádár is alive'. This culture of memory was challenged by Imre Kertész, who a few years ago confessed that his Nobel Prize winning novel, *Fatelessness*, portraying his own tribulations in Nazi concentration camps with amazing sobriety, had actually been inspired by the depressing greyness and anomy of communism under János Kádár.[60] In a country in which 'Uncle János' has won every popularity contest of politicians during the past decades, I am afraid that Kertész' idea will not meet a warm reception in the foreseeable future.

Notes

1. See András Gervai, "Egy ügynök azonosítása" [Identifying an Agent], *Élet és Irodalom*, 27 January 2006. Today, the incriminated film director Gyula Gazdag is professor at the Department of Film of UCLA. The financial experts who were dismissed by the minister founded the first private institute for economic research in Hungary before 1989. [See Ágnes Pogány, "A Pénzügykutatási Intézet története" [History of the Institute for Financial Research], in Hédi Volosin (ed.) *Lámpások az alagútban. Emlékek a Pénzügykutatóról* [Lamps in the Tunnel. Memories of the Institute for Financial Research] (Budapest: Pénzügykutató Intézet, 1998), pp. 9–75.
2. This was the infamous "3T" principle of censorship (in Hungarian: *tiltás*, *turés*, *támogatás*).
3. The word "brick" (*tégla*) refers to the fact that the agent was built in by the police in the group under surveillance. I will use this term in the following though its synonyms show a great variety ranging from "spy" (*spicli* that comes from the German *Spitzel*) through "whisperer" (*besúgó*) all the way to *BM-es* (BM was the acronym of the Ministry of Interior). The word *titkosszolga* (secret servant) is a post-1989 neologism in Hungarian language.
4. For works on transitional justice in Eastern Europe (and beyond), see Hilary Appel, "Anti-Communist Justice and Founding the Post-Communist Order: Lustration and Restitution in Central Europe," *East European Politics and Societies* 19/3 (2005), pp. 379–405; Timothy Garton Ash, *The File. A Personal History* (New York: Vintage Books, 1998); Noel Ann Calhoun, *Dilemmas of Justice in Eastern Europe's Democratic Transitions* (New York: Palgrave Macmillan, 2004); Roman David, "Transitional Injustice? Criteria for Conformity of Lustration to the Right to Political Expression," *Europe-Asia Studies* 56/6 (2004), pp. 789–812; Istvan Deak, Jan T. Gross and Tony Judt, *The Politics of Retribution in Europe: World War Two and its Aftermath* (Princeton, NJ: Princeton

University Press, 2000); Jon Elster, *Closing the Books: Transitional Justice in Historical Perspective* (New York: Cambridge University Press, 2004); Jon Elster (ed.), *Retribution and Reparation in the Transition to Democracy* (New York: Cambridge University Press, 2006); Stephen Holmes, "The End of Decommunization," *East European Constitutional Review* 3 (1994), pp. 3–4; Tony Judt, *Postwar: A History of Europe Since 1945* (New York: Penguin Press, 2005); Csilla Kiss, "We Are Not Like Us. Transitional Justice: The (Re)construction of Post-communist Memory," *IWM Working Papers* (Vienna: IWM, 2006); Neil J. Kritz (ed.), *Transitional Justice: How Emerging Democracies Reckon with Former Regimes* (Washington, DC: US Institute of Peace Press, 1995); Natalia Letki, "Lustration and Democratisation in East-Central Europe," *Europe–Asia Studies*, 54/4 (2002), pp. 529–552; Charles Maier, "Doing History, Doing Justice: The Narrative of the Historian and of the Truth Commission," in Robert I. Rotberg and Dennis Thompson (eds), *Truth versus Justice: The Morality of Truth Commissions* (Princeton, NJ: Princeton University Press, 2000), pp. 261–279; Adam Michnik and Vaclav Havel, "Justice or Revenge?" *Journal of Democracy* 4/1 (1993), pp. 20–27; John Miller, "Settling Accounts with a Secret Police: The German Law on the Stasi Records," *Europe–Asia Studies* 50/2 (1998), pp. 305–331; Claus Offe, "Disqualification, Retribution, Restitution. Dilemmas of Justice in Post-Communist Transitions," *The Journal of Political Philosophy* 1/1 (1993), pp. 17–44; Tina Rosenberg, *The Haunted Land: Facing Europe's Ghosts After Communism* (New York: Vintage Books, 1996); Jacques Rupnik, "The Politics of Coming to Terms with the Communist Past. The Czech Case in Central European Perspective," *Transit Online* 22 (2002); Aleks Szczerbiak, "Dealing with the Communist Past or the Politics of the Present? Lustration in Post-Communist Poland," *Europe–Asia Studies* 54/4 (2002), pp. 553–572; Ruti G. Teitel, *Transitional Justice* (New York: Oxford University Press, 2000); Helga A. Welsh, "Dealing with the Communist Past. Central and East European Experiences after 1990," *Europe–Asia Studies* 48/3 (1996), pp. 413–428; Kieran Williams, Aleks Szczerbiak and Brigid Fowler, "Explaining Lustration in Post-Communist Eastern Europe," *Democratization* 12/1 (2005), pp. 22–43.

5. For more on the "my commie/agent is good, yours is bad" game, see János Kenedi, *Kis állambiztonsági olvasókönyv* [A Concise Reader of State Security] (Budapest: Magvető, 1996); *K. belügyi iratfelmérő jelentése a Kastélyból* [A Report by Police Documentalist K. from the Castle] (Budapest: Magvető, 2000); Krisztián Ungvári, "Der Umgang mit der kommunistischen Vergangenheit in der heutigen ungarischen Erinnerungskultur," in Bernd Faulenbach, Franz-Joseph Jelich (Hg), *"Transformationen" der Erinnerungskulturen in Europa nach 1989* (Essen: Klartext Verlag, 2006), pp. 201–221; László Varga, *Világ besúgói, egyesüljetek* [Whisperers of the World Unite] (Budapest: Polgart Könyvkiadó, 2007).
6. From time to time, the Liberals repeat their original suggestion (the so-called Demszky–Hack bill) to open the secret files, and a handful of historians publish on various kinds of prominent informers (church leaders, journalists, scholars, artists, etc.) in the framework of their research projects. Although the Liberals do not connect the claim of the so-called "informational restitution" with any kind of legal punishment, except for the pain caused to the brick by the revealing of the secrets, their bill repeatedly runs into resistance by the Socialists and the National-Conservatives. Below I will only refer to some of the most recent publications of liberal-minded scholars and politicians: Gábor Demszky, "Amnesztiát az iratoknak" [Amnesty for the Documents], in *A szabadság visszahódítása* [Reconquering Freedom] (Budapest: Új Mandátum Kiadó, 2001); Péter Hack, "Az ügynökvilág vége vagy újabb győzelme?" [The End of the Agents' World or Its Victory?] *Élet és Irodalom*, 13 February 2005; Gábor Halmai, "A köz érdeke és az ügynökminiszterek titka" [The Public Interest and the Secret of the Ministers of State Security], *Élet és Irodalom*, 13 January 2003; Miklós Haraszti, "Zsarolási haladvány" [Progression of Blackmail], *Élet és Irodalom*, 30 June 2000; János Kenedi, "'Stasi-operett' Magyarországon" ['Stasi Operetta' in Hungary], in *K. belügyi* (note 5); "Ügynök, ügynök über alles …" [Agent, Agent Above All], in *K. belügyi* (note 5); "A megismerés mint büntetési tétel" [Knowledge as Punishment], *Élet és Irodalom*, 24 March 2006; János Kis, "Az iratnyilvánosság és az alkotmány" [The Publicity of Documents and the Constitution], *Élet és Irodalom*, 25 March 2005; "Mit kezdjünk a volt ügynökökkel?" [What is to be Done with the Former Agents?], *Népszabadság*, 19, 21 August 1993; "Illusztráció az ügynököügyhöz" [Illustration to the Case of the Agents], *Élet és Irodalom*, 24 February 2006; Tamás Szőnyei, *Nyilván tartottak. Titkos szolgák a magyar rock körül* [The Registered. Secret Servants around the Hungarian Rock] (Budapest: Magyar Narancs, 2005); Péter Tölgyessy, "Az akták megítélése elválaszthatatlan a szocializmushoz való viszonyunktól" [The Evaluation of the Files is Inseparable from Our Attitude to Socialism], *Fundamentum* 7/1 (2003), pp. 33–36; Krisztián Ungvári, "Der Umgang" (note 5); "Mozgástér és kényszerpályák" [Room to Manoeuver and Forced Routes], *Élet és Irodalom*, 3 February 2006; "A beszervezés és az útibeszámoló" [The Enrollment and the Travel Report], *Élet és Irodalom*, 19 May 2006; László Varga, *Világ besúgói* (note 5);

"Gergő … és az ő árnyéka, avagy amikor a jog a politika ügynökévé válik" [Gergő and his Shadow, or When the Law Becomes an Agent of Politics], *Beszélő*, 7/9–10 (2002), pp. 30–59. For an alternative approach among the Liberals, see Tamás Bauer, "Ügynöklicit" [Bidding for Agents], *Élet és Irodalom*, 26 February 2005; "Alkotmányos jogfosztás" [A Constitutional Deprivation of Rights], *Élet és Irodalom*, 18 March 2005; "Illusztráció az ügynökvitához" [Illustration to the Debate on Agents], *Élet és Irodalom*, 10 February 2006. A special genre of disclosure was invented by the writer Péter Esterházy, who published the reports filed by his own father to the police with detailed comments [Péter Esterházy, *Javított kiadás* (Revised Edition) (Budapest: Magvető, 2002)]. See also the bibliography of articles dealing with transitional justice in the weekly *Élet és Irodalom* between 1998 and 2006 (*Élet és Irodalom*, 3 February 2006).

7. See the transcript of the parliamentary investigation of Medgyessy's intelligence activities (session: 1 August 2002), http://www.nincstobbtitok.hu/index.php?article=00000103 (last accessed 13 January 2008). It is hard to believe that he did not have to report on his colleagues in the ministry. The suspicion was reinforced by a document leaked out from the police archives, according to which Medgyessy led a party investigation on the potential counter-revolutionaries in the main financial institutions back in 1976. See *Magyar Nemzet* 19 June 2002.
8. See *Magyar Hírlap*, 25 May 2001. While spying, he first became head of section in the ministry, then deputy minister. See also *Dokumentumok Medgyessy BM-dossziéjából* (Documents from Medgyessy's Files in the Ministry of Interior) I, II, III, IV, http://gondola.hu/cikkek/cikkek/11947 (last accessed 13 January 2008).
9. Allegedly, Szabó swore to his friend and another colleague not to reveal this secret any time in the future, and consulted them before filing his reports. According to another version of the story, he actually wanted to save himself. At any rate, he calls his friend in one of the reports a "counter-revolutionary," a most dangerous denunciation after 1956 (see "Pokolra kellett mennem" [I had to Visit Hell], *Népszabadság*, 29 January 2006; http://www.mtv.hu/magazin/cikk.php?id=102923, (last accessed 13 January 2008).
10. Szabó is less lucky than Medgyessy: his reports are available in the archives whereas most of the prime minister's files are still classified or lost.
11. In 2004–05, István Szabó was among the potential candidates of the left-liberal coalition in the presidential elections. He shot a whole series of films in the West before 1989, and is still the only Hungarian film director to win an Academy Award (1981). Péter Medgyessy worked as a successful businessman in the periods in which he was out of government, survived a few smaller corruption scandals, and received the *Légion d'Honneur* in 2000. When he was prime minister, the Parliament passed the so-called "film law" (a principal lobbyist was István Szabó), a law that granted large public funds to the film industry. The stories of the two gentlemen are not over: Medgyessy published his memoirs [the title is *Polgár a pályán* [A Citoyen on the Field] (Budapest: Kossuth Kiadó, 2006)], and Szabó promised that he would shoot a film focusing on his own tribulations in 1956 and later. Medgyessy said in an interview the following: "I refuse the claim that I must not like István Szabó because he filed reports to the police." *Népszabadság*, 21 February 2006.
12. Ironically, Szabó's past as an agent might have remained a secret forever if the Medgyessy scandal had not resulted in opening part of the files for the researchers. The prime minister's case triggered off a passionate debate in liberal circles, and even eminent former dissidents argued for the separation of ethical and political reasoning, and contended that Medgyessy must not be forced to step down on moral grounds. See János Kis, "Az erkölcsi minimum" [The Moral Minimum], *Élet és Irodalom*, 20 December 2002; Péter Nádas, "Az értelem kockázata" [The Risk of Reason], *Élet és Irodalom*, 3 January 2003; Endre Bojtár, "Kis-minimum" [The Kis Minimum], *Élet és Irodalom*, 3 January 2003; Miklós Haraszti, "A politikai minimum" [The Political Minimum], *Élet és Irodalom*, 10 February 2003.
13. The signatures show a strange mix, they include the names of famous '56-ers who sat in Kádár's prison and of police agents, as well as those of Kádár's court intellectuals and of leading former dissidents. (See *Népszabadság*, 30 January 2006.)
14. For a sarcastic counter-petition (expressing my own sentiments as well), see http://www.petitiononline.com/pityu/petition.html (last accessed 13 January 2008).
15. János Kis, a leader of the anti-communist opposition before and chairman of the Liberals after 1989, wrote the following: "It would not be appropriate to think of Szabó the same way as of Medgyessy who collaborated with the regime in order to promote his own career twenty years later. Péter Medgyessy was no victim. István Szabó was. But he was not the same kind of victim as those who did not join the police and therefore had to suffer or those who were the targets of his reports." See "A szembesítés gyötrelmei" [The Pains of Confrontation] *Népszabadság*, 4 February 2006.

16. A rare exception is provided by Iván Horváth's article who expressed serious doubts about the aesthetic value of Szabó's movies. See Iván Horváth, "A múltat végképp" [The Past is to be Deleted for Good], *Élet és Irodalom*, 10 March 2006.
17. In the public discussion, the names of Martin Heidegger, Bohumil Hrabal, Herbert von Karajan, Imre Lakatos, Carl Schmitt, and, in particular, Wilhelm Furtwängler were mentioned the most often as analogies. The destiny of Furtwängler fascinated István Szabó so much that some years ago he produced a picture ("Taking Sides") on the postwar screening of the German conductor. Szabó requested the script writer to include a new character in the original plot, a Soviet art historian who utters the following sentences: "In a dictatorship the arts belong to the party. … One does need good connections. One does have to make concessions" (see Gervai, "Egy ügynök", note 1).
18. In the past couple of years, the biggest excitement among people at large was caused by the unveiling of cardinal/archbishop László Paskai (and five other archbishops and bishops), the most popular journalist of Hungary, György Szepesi, the soccer player and Olympic champion Dezső Novák and the rock singers Gyula Vikidál and Lajos Som. The liberal intelligentsia was most shaken by the cases of the writer Sándor Tar, the journalists Péter Molnár Gál and Tibor Fényi and the film director Gábor Bódy, who were all very close to the anti-communist opposition in the 1980s. See also note 45. On Molnár Gál's case, see György Spiró, "A Luzsnyánszky dossziéról" [On the Luzsnyánszky File], *Élet és Irodalom*, 10 January 2005.
19. See *168 óra* 23 February 2006.
20. In consuming the cultural goods produced by the collaborators, it is rather difficult for me to separate the author from his work. Of course, the fact that a soccer player spied on his team-mates does not invalidate in hindsight the memory of his superb goals. The same applies to a love song performed by a pop idol, to children rhymes written by a celebrated poet or to a theory proven by a natural scientist. Sometimes it is hard to suppress a bitter taste in one's mouth even in those cases. One feels betrayed, starts suspecting and the pleasure of reception fades. Bitterness may, however, turn into real fury if the pop idol used to sing protest songs, the poet used to write poems with heavy political messages and the theory was put forward by a moral philosopher. In these cases one cannot help raising the question of validity, credibility or, in one word, quality, especially if one has observed the authors from a close vicinity. Maybe, the future generations will look back on them without any indignation just like we do not really care about Villon's, Goncharov's or Rimbaud's wrongdoings today.
21. Ironically, since 1989, only three persons have been convicted in Hungary upon charges related to secret service activities under communism. József Végvári, major of the Ministry of Interior, who betrayed to the dissidents in December 1989 (!) that the surveillance of the "enemies of the system" as well as the liquidation of the secret files were not interrupted (this led to the so-called Duna-gate affair), was tried and reprimanded by the prosecutor for revealing state secrets. Two of his superiors got the same mild punishment for the liquidation of the secret materials (see László Varga, "Gergő", note 6).
22. How on earth could I pass judgements? I grew up in a nomenklatura family and was lucky enough to be sheltered from provocation by the state security services. I have no right to either condemn or forgive anyone. A few ironical remarks are, however, due to show that self-constraint on my part is not tantamount to affection toward the bricks, especially the proud ones.
23. Moral relativism has also been prompted by the recurrent quarrels between the '56-ers, the reluctance of the Socialists to break with the Kádárist tradition, and by the hypocritical anti-communist fervour of the right-wing parties, which culminated in establishing the House of Terror in Budapest. [See Éva Kovács, "Das zynische und das ironische. Zum Gedächtnis des Kommunismus in Ungarn," *Transit* 30 (2006), pp. 88–105.]
24. Debreczeni József, *A miniszterelnök. Antall József és a rendszerváltozás* [The Prime Minister. József Antall and the Systemic Change] (Budapest: Osiris, 1998), p.270. This is the context of the citation: "You cannot establish democracy and, at the same time, apply dictatorship in the sake of democracy. … Revolution, that's what you should have made, dear friends. Do not require from those who managed the peaceful transition what one could demand from revolutionary leaders. Before the free parliamentary elections, one did not believe that there would be elections in this country. When we spoke of the secession of the Soviet troops, one did not believe that they would really leave. When we implemented all this, those who come up with very radical demands today, were silent. … Do not expect from me to kick out a head of department in Sátoraljaújhely! … We cannot do that because ours is a controlled, parliamentary government."
25. See Ferenc Fehér, "Az 'iskolamester'" [The Schoolmaster], *Beszélő*, 31 August 1991.
26. This game was also played by József Antall, who handed over envelopes to certain members of his party and coalition government (including those whom he wanted to discipline), and alluded to

the fact that some of the envelopes may contain unpleasant information on involvement with the communist secret services. [See Éva Kovács, "'Hütchenspiel' – Der ungarische Diskurs über die Restitution der Gerechtigkeit," in Krisztina Mänicke-Gyöngyösi (Hg.), *Öffentliche Konfliktdiskurse um Restitution von Gerechtigkeit, politische Verantwortung und nationale Identität* (Frankfurt am Main: Peter Lang Verlag, 1996), pp. 119–134.]

27. See G. M. Tamás, "Kenedi Jánosnak" [To János Kenedi], *Élet és Irodalom*, 26 November 1999; Tóth Klára, "Fájni fog" [It Will Ache], *Élet és Irodalom*, 22 April 2005. Both Péter Nádas and Péter Esterházy took an ambivalent but highly sophisticated approach in making moral judgements on collaboration: they did not reject justice-making as such but, in contrast to their attitude to the communist rulers, showed a fair amount of compassion toward the agents, and also admitted (just like Václav Havel did) their own responsibility for sustaining the *ancien régime*. To quote Nádas's words: "The dark and unchanging rule of the secret police is maintained not by petty informers who can be bought for a song, not by easily conned careerists or other nonentities, but by me." The same conclusion was drawn by Esterházy: "If … we said that the country (I, you, he/she, we, you, they) exchanged blood spilled in '56 for some money, then it also means that we, for instance, commissioned certain people, our fellow-citizens, to turn other fellow-citizens of ours (e.g., my father) into bricks, 'floor cloths'. This does not provide an excuse to either of the two parties, it is just so. I cannot extract myself from this in a clean state, this is not an issue of 'the others,' this is not a separate game between the rotten commies and the rotten bricks but it was played by all of us while we were not all (rotten) commies and bricks." See Péter Nádas, "Our Poor, Poor Sascha Anderson," *Common Knowledge* 8/3 (Fall 2002), pp. 526–547 [*Heimkehr* (Hamburg, 1999)]; Péter Esterházy, *Javított kiadás* (note 6), pp.122–3.
28. Actually, there were two conservative cabinets in Hungary between 1990 and 1994. Following Antall's death in 1993, Péter Boross, a company director under Kádár, became prime minister.
29. From among the former leading reformers László Békesi, Lajos Bokros, Péter Medgyessy, Péter Mihályi, György Surányi and Attila Károly Soós joined the highest echelons of the first Socialist-Liberal administration while Tamás Bauer and Márton Tardos, influential politicians of the Liberals, supported them.
30. Another important argument originated in the danger of a nationalist/populist/authoritarian distortion of the new democratic regime. Public intellectuals associated with the two parties founded the Democratic Charta in 1991 to face that danger.
31. At the roundtable talks, they often mediated between the hard-liners of the Communists and the opposition groups.
32. From among the former researchers, György Surányi, for instance, was president of the National Bank when Medgyessy became finance minister in the Horn government, and István Csillag was minister for economic affairs in Medgyessy's government. For a heroic story of reformism presented from the perspective of the Communists, see Iván T. Berend, *A történelem, ahogy megéltem* [History as I Lived It] (Budapest: Kulturtrade Kiadó, 1997). Today, the Socialists are coming close to subscribing to the tradition of the '56 revolution as well. The co-optation of a famous revolutionary and former Liberal, Imre Mécs, in the parliamentary faction of the Socialists in 2006 reflects the ambition of the progressive wing of the party to replace János Kádár with the leader of the revolution, Imre Nagy.
33. See my "A reformalku sűrűjében" [In the Thick of Reform Bargaining], *Valóság* 27/3 (1984), pp. 30–55; "Reform Bargaining in Hungary," *Comparative Economic Studies*, 28/3 (1986), pp. 25–42; "Reform Economics: The Classification Gap," *Daedalus* 119/1 (Winter 1990, pp. 215–248); "From Reformation to Transformation: Limits to Liberalism in Hungarian Economic Thought," *East European Politics and Societies* 5/1 (Winter 1991), pp. 41–72; "Compassionate Doubts about Reform Economics (Science, Ideology, Politics)," in J.M. Kovács and M. Tardos (eds), *Reform and Transformation. Eastern European Economics on the Threshold of Change* (London: Routledge, 1992), pp. 299–334; "Planning the Transformation? Notes about the Legacy of the Reform Economists," in J.M. Kovács (ed.), *Transition to Capitalism? The Communist Legacy in Eastern Europe* (New Brunswick, NJ and London: Transactions, 1994), pp. 21–46.
34. Of course, one can start telling the story of collaboration in the period following the defeat of the 1848 revolution, during and after the Council Republic in 1919 or, closer to our times, in the course of the 1930s when part of the left reconciled itself with the proto-fascist regime of Admiral Horthy. Probably, 1956 could have been the last moment before 1989 to make a fresh start in moral terms, if … if the revolution had not been defeated, had gone beyond the program of democratic socialism cum national liberation, and solved, in its honeymoon phase, the typical moral dilemmas of the time. These dilemmas were rooted in wartime collaboration, communist terror, the opportunism of the fellow-travellers, the victimhood of Communists under their own regime, the democratic

metamorphosis of Stalinists, etc. Too many "ifs," I know but the ethical choices became even more twisted after 1956.

35. Here let me just refer to some of the most recent works on the Kádár era: György Földes, *Az eladósodás politikatörténete* [The Political History of Indebtedness] 1957–86 (Budapest: Maecenas, 1995); Péter György, *Néma hagyomány* [Silent Tradition] (Budapest: Magvető, 2000); *Kádár köpönyege* [Kádár's Gown] (Budapest: Magvető, 2005); Tibor Huszár, *Kádár János politikai életrajza* [A Political Biography of János Kádár] (Budapest: Corvina, 2006); *Kádár – a hatalom évei* [Kádár. The Years of Power] 1956–89 (Budapest: Szabad Tér Kiadó, 2001–03); Melinda Kalmár, *Ennivaló és hozomány. A kora-kádárizmus ideológiája* [Food and Dowry. The Ideology of Early Kádárism] (Budapest: Magvető: 1998); János M. Rainer, *Nagy Imre. Politikai életrajz* [Imre Nagy. A Political Biography] (Budapest: 1956–os Intézet, 1996–99); János M. Rainer and György Péteri (eds), *Muddling Through in the Long 1960s. Ideas and Everyday Life in High Politics and the Lower Classes of Communist Hungary*, Trondheim Studies on East European Cultures and Societies, No. 16 (Trodheim: 2005); Sándor Révész, *Antall József távolról* [József Antall from Afar] (Budapest: Sik Kiadó, 1995); *Aczél és korunk* [Aczél and Our Era] (Budapest: Sik Kiadó, 1997); Éva Standeisky, *Gúzsba kötve. A kulturális elit és a hatalom* [Tied Up. The Cultural Elite and Political Power] (Budapest: 1956–os Intézet, 2005), Tibor Valuch, *Hétköznapi élet Kádár János korában* [Everyday Life in the Era of János Kádár] (Budapest: Corvina, 2006); *Magyarország társadalomtörténete a XX. század második felében* [The Social History of Hungary in the Second Half of the Twentieth Century] (Budapest: Osiris, 2001). As for the behavior of the intellectuals, censhorship, etc., it is still worth while reading Miklós Haraszti's book *The Velvet Prison* (New York: Basic Books, 1987). On the legacy of collaboration, see Gábor Gyáni, "A kollaboráció szégyene és dicsősége" [The Shame and Glory of Collaboration], *Élet és Irodalom*, 10 February 2006.
36. See Éva Standeisky, *Gúzsba kötve* (note 35); *Az írók és a hatalom* [The Writers and Political Power] 1956–63, (Budapest: 1956–os Intézet, 1996).
37. The old American anecdote about the smart Hungarian who enters the revolving door behind you but leaves it in front of you, began to spread in Hungary only in the 1980s. For the ongoing political instrumentalization of the myth of Central Europe, see my "Westerweiterung? Zur Metamorphose des Traums von Mitteleuropa," *Transit* 21 (2001), pp. 3–19.
38. Until the emergence of market socialism in China, the only serious alternative to the "Pannonian model" of reform economics was the "Illyrian model" of workers' self-management. For a most insightful appraisal of the Yugoslav economic policy in Hungary during the 1980s, see Attila K. Soós, *Terv Kampány, Pénz* [Plan, Campaign, Money] (Budapest: KJK, 1986). Cf. my "Narcissism of Small Differences. Looking Back on 'Reform Economics' in Hungary," in Christoph Boyer (Hg.), *Zur Physiognomie sozialistischer Wirtschaftsreformen* (Frankfurt am Main: Vittorio Klostermann, 2007).
39. See *Népszabadság*, 24 December 1967.
40. See my "Compassionate Doubts" (note 33); "Reform Economics" (note 33).
41. See Ferenc Jánossy, "Gazdaságunk mai ellentmondásainak eredete" [The Origins of Current Contradictions in Our Economy], *Közgazdasági Szemle* 16/7–8 (1969), pp. 806–829 (and in English, *Eastern European Economics*, 8/4 (1970)).
42. See Márton Tardos, "Reform: itt és most?" [Reform: hic et nunc?] *Mozgó Világ*, 9/2 (1983), pp. 8–23; "Ma jobban tudom, hogy senki se tudja" [Today I Know Better That Nobody Knows It], in Márton Tardos, *A liberális reformer* [The Liberal Reformer] (Budapest: Pénzügykutató, 1999). Tardos belonged to those few reform economists who could flawlessly harmonize dissidence and co-authoring papers with the Communist dissenter Rezső Nyers. See Rezső Nyers and Márton Tardos, "Milyen gazdaságfejlesztési stratégiát válasszunk?" [What Strategy for Economic Development Is To Be Chosen?] *Gazdaság* 13/1 (1979), pp. 5–25; "Vállalatok a gazdasági reform előtt és után" [Firms Before and After the Economic Reform], *Valóság* 24/3 (1981), pp. 9–19. For the ambiguity of my attitude to the legendary reform Communist, see "Nyers," *Élet és Irodalom*, 4 April 2003.
43. See note 6, in particular, the writings of Tamás Bauer.
44. Medgyessy seems to disregard this. I quote him: "There were two options. One of them was 'the worse the better' option, that is, to play for a quick collapse of the system. It would have been a great naiveté for someone to think like this in 1978. If one knows history and the international situation at the time, he/she cannot presume it to be a good option. … Well, one can say with a clear conscience that in such a situation the only possible choice was to grant a normal life in the country; to do the work one had been taught, to work in the national economy and use the knowledge one obtained at the University of Economics about financial, professional, economic issues. I chose that way. I think I did it correctly. By the way, about ten million Hungarians chose the same

option." (See the transcript of the parliamentary investigation: http://www.nincstobbtitok.hu/index.php?article=00000103, last accessed 13 January 2008)

45. Among others, the names of the following economists were mentioned by the *ad hoc* commission led by Imre Mécs: László Bogár, Imre Boros, Szabolcs Fazakas, Zsigmond Járai, Béla Kádár, János Martonyi, Ferenc Rabár and Gábor Szalay (see http://www.nincstobbtitok.hu/index.php?page=0101, last accessed 13 January 2008). Many of them blocked the publication of their files by claiming that they were not public figures and referring to their rights for privacy. Part of them remained silent or said that they had only filed "travel reports" upon returning from their official visits to the West, or talked to certain officers but had not joined the secret police.
46. There were two delicate cases of collaboration (or the lack of it) with or without involvement with the secret police (the Hungarian or the Soviet one), which aroused much suspicion in the profession for many decades: (1) the mysterious suicide of György Péter in 1969, president of the Central Statistical Office after 1956, and the pioneer of reform thinking in Eastern Europe prior to 1956; (2) the "never-ending" presidency of Béla Csikós-Nagy in the Central Price Office, a prominent economist who flirted with Nazism before the war and was rehabilitated by the Communists thereafter. See Árvay János and Hegedüs B. András (eds), *Egy reformközgazdász emlékére. Péter György 1903–1969* [Remembering a Reform Economist] (Budapest: Cserépfalvi-T-Twins, 1994).
47. Besides the above-mentioned books by Berend and Medgyessy, see also the historical study written by László Csaba and László Szamuely on *Rendszerváltozás a közgazdaságtanban – közgazdaságtan a rendszerváltozásban* [Systemic Change in Economics – Economics in the System Change] (Budapest: Közgazdasági Szemle Alapítvány, 1998). József Böröcz's, László Lengyel's and György Péteri's writings are exceptions to the rule. See József Böröcz, "Reaction as Progress: Economists as Intellectuals," in András Bozóki (ed.) *Intellectuals and Politics in Central Europe* (Budapest: CEU Press, 1999, pp. 245–262); Lengyel László, "Adalékok a 'Fordulat és reform' történetéhez" [On the History of 'Turnaround and Reform']. *Medvetánc* 7/2 (1987), pp. 131–165; *Kétszög Hankiss Elemérrel* [A Diangle with Elemér Hankiss] (Budapest: Helikon Press, 2002); György Péteri, "Controlling the Field of Academic Economics: Hungary, 1953–1976," *Minerva* 34/4 (1996), pp. 367–380; "New Course Economics: The Field of Economic Research in Hungary after Stalin, 1953–1956," *Contemporary European History* November 6/3 (1997), pp. 295–327; "Purge and Patronage: Kádár's Counterrevolution and the Field of Economic Research in Hungary, 1957–58," *Contemporary European History* February 1/1 (2002), pp. 125–152.
48. A telling example: after the list provided by the Mécs Commission (see note 45) had been published, not a single colleague of the incriminated persons commented on their alleged wrongdoings, or, in general, on the moral dilemmas of economists under the Kádár regime, publicly. The rare comments concerned the controversial procedures of the commission, and the undoubtedly shaky proofs offered an excuse for silence. (See, e.g., Tamás Bauer, "Taps a kormánypártok padsoraiban" [Applause from the Benches of the Government Parties], *Élet és Irodalom*, 11 January 2003.)
49. Ironically, his code name was István Szabó.
50. In many cases the contacts with the secret service were not completely discontinued. Bácskai, for example, became an official in the Soviet satellite organization, the World Council of Peace in Vienna during the 1960s. As another agent from István Szabó's class in the film school wrote in a self-unveiling essay, the principals from the secret police reappeared in the life of the agents from time to time, keeping them in a state of permanent uncertainty and angst. (See Zsolt Kézdi-Kovács, "Jelentek" [I am reporting], *Élet és Irodalom*, 3 February 2006.)
51. János Kornai, *A gondolat erejével* [By Force of Thought] (Budapest: Osiris, 2005). (The quotations below are my translation.)
52. On this balance act, see, e.g., his "The Hungarian Reform Process. Visions, Hopes and Reality," *Journal of Economic Literature* 24/4 (1986), pp. 1687–1737.
53. Cf. *A gondolat* (note 51), pp.140–41, 225. (Kende, who left Hungary in the wake of the 1956 revolution, became a renown political scientist in Paris.)
54. *A gondolat* (note 51), p.290.
55. *A gondolat* (note 51)., p.264.
56. See note 27 on accompliceship as interpreted by two prominent writers in Hungary.
57. In social sciences it is doubtful whether delaying research will make its results more mature. Kornai's example demonstrates that, although those fields which he had excluded from his research program when writing the *Shortage* were included in his book on *The Socialist System* (Princeton, NJ: Princeton University Press, 1992), the postponement led to a decline in both

authenticity of analysis and depth of empirical inquiry. By the time Kornai broke with self-censorship and completed his book, the "insect" called planned economy died, moreover his interest turned to a new species, the emerging market economy.

58. See my "Business as (Un)usual. Notes on the Westernization of Economic Sciences in Eastern Europe," in Max Kaase and Vera Sparschuh (eds), *Three Social Science Disciplines in Central and Eastern Europe* (Bonn/Berlin and Budapest: IZ-Colbud, 2002), pp. 26–33.
59. Working rather close to János Kornai in the same research institute in Budapest for almost two decades, many of the younger colleagues including myself were convinced that he might have been less cautious without jeopardizing his life strategy. Today, with the benefit of hindsight, I am afraid that we were only right as far as the second half of the 1980s was concerned.
60. See Imre Kertész, "A Sorstalanságot a Kádár-rendszerről írtam" [I Wrote *Fatelessness* about the Kádár Regime], *Élet és Irodalom*, 30 May 2003; "A túlélés koreográfiái" [Choreographies of Survival], *Magyar Hírlap* 13 September 2003.