Introduction

In the very early months of 1950, the management of Magyar Pamutipar, a leading Budapest textile factory, began to alter the system through which the factory maintenance staff were paid. Prior to that date, staff had been paid according to work targets that were established at the level of the group; thus, the collective rather than the individual was measured in order to establish the basis of remuneration. The authorities were especially keen to see that the individual became the unit on which the wage was established. The rhetoric of their justification for this shift was surprisingly anti-collectivist – without individual norms, or work targets, individual contributions to the economy could not be measured. Furthermore, work discipline could not be maintained if good workers within a group were to be remunerated at the same level as the bad and the lazy.¹

It has been widely assumed that Stalinism was highly collectivist in both its ideology and practice. It has been seen as being at the extreme end of a state socialist paradigm characterised by the elimination of individual civil rights, property rights and, in some variants, the abolition of a distinction between public and private spheres altogether. The contradiction between the apparent assumption of ‘individualisation’ that characterised socialist wage systems, and the collectivist ideology of the regime in Hungary, was noticed in the later socialist period. Miklós Haraszti noted:

[I]n one newspaper, a Hungarian expert on ‘management science’ claimed that payment-by-results was the ideal form of socialist wages. It was, he said, the embodiment of the principle ‘from each according to his capacity, to each according to his work’. But in another issue of the same

¹ Pamutújság, 1 January 1950.
paper a veteran communist who now holds a high position warmly remembered a former comrade in arms who had been prominent before the war in the organisation of workers’ demonstrations against the Bedeaux system – the ‘scientific’ system of payment by results then in force.  

A large number of sociological studies of shop floor relations have drawn attention not merely to the contradiction between the collectivism of regime ideology and the wage systems it endorsed for the late socialist period in Hungary, but also to the lack of control the state exercised over the conditions of production. According to such accounts, the dynamics of shop relations during economic reform in Hungary were determined by the phenomena of shortage, informal bargaining, widespread participation in the informal economy, and managerial attempts to create ‘hegemonic’ factory regimes based on a range of unofficial rules partially hidden from the eyes of the state.

While none of this literature explicitly dealt with the situation on the shop floor during the period of Stalinist rule, much of it implicitly assumed that the spread of informality on Hungarian shop floors was a product of gradual yet progressive waves of economic reform, as a highly despotic state conceded power to actors at local level. István Kemény, for example, argues that informal bargaining over norms was a creation of the climate in the factories following the 1956 Revolution.  

Michael Burawoy and János Lukács imply, based on their research in Hungary, that ‘despotic’ factory regimes under state socialism are replaced by ‘hegemonic’ ones, founded around informal bargaining and cooperation between management and workforce, when ‘the market provision of consumer goods and services’ associated with economic reform destroys the basis on which the state is able to discipline and mobilise labour.

In these accounts, therefore, economic reform under state socialism creates space in which workers are able to exercise considerable countervailing power on the shop floor. This assumption is maintained through an implied contrast between the reformist state of the late socialist period, and the despotic state

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3 There is an enormous social-scientific literature describing these phenomena in the 1970s and 1980s. For an excellent overview of the research, see Swain 1992, chapter 6. For a sample of the more important studies, see Burawoy 1985, especially chapter 4; Burawoy and Lukács 1992; Galasi and Sziráczki (Eds) 1985; Héthy and Makó 1972 and 1978; Kemény 1985 and 1990; Róna-Tas 1997; Stark 1985, 1986 and 1989.
4 See Kemény 1985, pp. 15–16.