

The Hungarian Socialist Workers' Party: Towards the Multiparty System (June 1987–February 1989)

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In 1987 there were obvious signs of a severe economic-financial crisis in Hungary. A political crisis was setting in, threatening with the collapse of the system. János Kádár, general secretary of the Hungarian Socialist Workers' Party (Magyar Szocialista Munkáspárt, MSZMP), strenuously denied the existence of a crisis against all warning signs. Until the last moment of holding office he merely admitted that some "signs of crisis" can be observed. The tragicomic argument over how to term the events was an obvious sign that there was a build-up of tension within the communist party. The more level-headed party leaders were aware of the fact that Kadarism has exhausted all its resources, and if they wanted to maintain the system, they had to introduce significant changes in party policy and leadership.

Signs of crisis and reform attempts

However, the changes were conducted by Kádár himself. In the middle of 1987 the illegal journal *Beszélő* published a programme for change, entitled "The Social Contract"—opening with the famous line "Kádár has to go" in its first thesis—by which time the anti-regime radical reformists had also devised their ideas, and "Turning Point and Reform" was published too. Both the democratic opposition and the reformers pointed out that the handling of the

economic crisis and the restructuring of the political system could only have positive results if done simultaneously in spite of the fact that the accent of their agendas differed significantly. In July 1987 the Central Committee of MSZMP also endorsed an “Initiation Programme”, and Kádár reorganised the party leadership.

Károly Grósz was elected prime minister and was expected to carry out a successful stabilisation with the new measures of economic liberalisation while stopping the erosion of power relations. His predecessor, György Lázár took the deputy secretary position which was created for him in the state party, and Kádár’s associates divided the leading party functions among themselves. Grósz started working with surprising dynamism making many people hope that something would be done to overcome the deepening economic crisis and recovery would soon start.

This hope was supported by Mikhail Gorbachev’s launching of *perestroika* (restructuring) and *glasnost* (transparency), and although his leading position in the Soviet party was not absolutely unassailable, the Hungarian reforms were not influenced by external power elements. It was not in terms of *glasnost* that Grósz was unusually honest when talking about the difficulties of the situation. State party leaders were aware that the pressing measures to solve the crisis would have severe social consequences. In order to prevent a negative response to the reform or widespread social dissatisfaction, in which case criticisms of the crisis would become the criticism of the whole system, they had to announce a new policy.

By the end of the eighties the forced consensus of Kádárism appeared to be on the brink of collapse, thus a new legitimized solution was needed. The catastrophic decision of the 1985 MSZMP congress eliminated the chance of goulash Communism to remain the basis of Kádárist legitimacy. This decision aimed to enhance economic development instead of creating balance and introducing structural changes, but it turned out to close the debt trap.

The welfare-consumer legitimacy based on continuous growth was made impossible by the fact that globalisation had reached the borders of the Soviet Empire and started to crush the "socialist global system". Now the main political question was who would pay for the transition.

Reference to world power pressure was not a legitimising element either. Hungary could not remain the "happiest barrack" after the outbreak of glasnost and Kádár's allusion to the prohibition by "Big Brother" lost its ground. Gorbachev's foreign policy removed all obstacles to western orientation. From a legitimising point of view, Kádár's worries could not be used, he could not share his fears with the public about Gorbachev's removal from office by his opponents after which hard times were about to return. He could voice his other fear even less, according to which Gorbachev's light-hearted policy would destroy the fundamentals of the system. It was part of the success of Kádárism that radical reforms in the Soviet camp could only be realised in one (or maybe a few) country without endangering the basis of the system. With the reorganisation in the empire's centre it was not guaranteed anymore that the barriers of the system would remain unchallenged.

Only the ideological legitimacy prevailed, with the central thesis that the events of 1956 should be evaluated as a counter-revolution. As the crisis escalated it became exceedingly difficult to justify the preservation of the monopoly of the communist party by stressing the historical superiority of the "actually existing socialism." From the autumn of 1987 on, Kádárist party leaders and János Berecz, party ideologue, were determined to provide ideological bulwarks against the danger of reforms invading the system. This was not a futile effort, since widespread public discontent unavoidably raised the question: why should reforms be confined within artificial, ideological limits, especially when there was a functional welfare-consumer society in the neighbourhood beyond the River Leitha, namely Austria.

The forced consensus legitimacy of the system was losing ground and, consequently, the base of comparison changed. Hungarians did not feel freer and better off in comparison to Ceausescu's Romania, but they felt humiliated and worse off in comparison to Austria. The only way out of this situation was to make Hungary the champion of reforms within the Soviet bloc again. As a result, the country would win western support as well as social legitimacy, and it would be given an extension to bring liberal reforms to fruition. The ambitious mid-generation of MSZMP realised in alarm that Kádár and his team were unable to make the modifications necessary to uphold the system. The reform dictatorship that was beginning to take shape needed a hardline politician with reformist endeavours and a dynamic attitude. It was Grósz who fulfilled these requirements. At the same time, Kádár did not let such professed reformists as Rezső Nyers and Imre Pozsgay get close to power. The battle for succession was moving into top gear, in which Grósz and Berecz were strong candidates owing to their considerable influence on the party's power apparatus. Reformists could rather count on the support of party malcontents.

The pivotal question was the extent of the political system's transformation which was necessitated by the constraint of liberalisation and western orientation intensified by economic dependence. Economic-financial dependence and social acceptance of the European model did not make it possible to establish an Asian type of liberalising reform dictatorship. However, it was not evident whether economic liberalisation and the democratisation of the political system could be carried out simultaneously and as part of the same process. Radical anti-regime reformists and even prominent members of the opposition devised "Realpolitik" plans only for a transformation which inferred gradual and lasting transitional stages.

As prime minister, Grósz tried to balance. He made technocratic reformers help oversee economic reforms while

striving to ensure the stability of the political system. In line with the tradition of Kádárist policy, not only did he raise objection against “extreme views” but also criticised anti-reformist conservatism. He demanded order and discipline, pressed the application of the achievement principle, and tried to avoid the subject of urgent institutional reform.

No substantial change was facilitated in MSZMP's policies towards the opposition. Grósz pointed out without further ado: political organisations which were out of keeping with the law would not be allowed to operate in the future. At the same time he differentiated between opposition and reform-oriented fluent alternative thinkers. In his opinion the main difference between these two categories was that alternative thinkers did not question the objectives of socialism or the existing social and political system, they only deemed different instruments and methods more advisable. This meant in effect that they continued to apply intolerance and all instruments of governmental repression against the democratic opposition, whereas they showed more patience for the activities of the rural-populist “Lakitelek” group, the membership of which included the reformists of Pozsgay's circle in the party.

Kádár sensed that this alliance could pose the gravest danger, therefore he insisted on restoring “the party's established order”. First, he made a savage onslaught on Zoltán Király's speech in Parliament, and later he was outraged by Pozsgay's first “public coup d'état”, in which the general secretary of the Patriotic People's Front disclosed the founding letter of the Hungarian Democratic Forum (Magyar Demokrata Fórum, MDF) in an interview in the daily *Magyar Nemzet*. As a result, proceedings commenced against Pozsgay who several months later was reprimanded for his actions in this case.

By this time reformists inside the party such as Mihály Bihari, Csaba Gombár and László Lengyel, among others, had an alternative viewpoint on both economic and political reforms and proposed a fundamental institutional

reconstruction. The weakness of their position was due to the fact that their dissatisfaction in itself did not make them form a united front to represent their concepts. According to traditionalist party members, Pozsgay's quasi-opposition connections outside the party posed a much more serious threat. Radical reformists were open also to the ideas of the democratic opposition. At the end of 1987 they started to organise an intellectual-political workshop on Rezső Nyers's initiative, which later came to be known as the New March Front.

Conservative wave

In December 1987 it had been decided that by the middle of the forthcoming year an MSZMP conference would be organised, which had been long-awaited by many party members. Consequently, manoeuvres for position within the party came at a critical phase. It was obvious that without removing Kádár and the old Kádárist group of leaders there would be little hope for even a limited regeneration. The first crisis management steps had already presented major social problems and other related conflicts. Thus it was urgent to create a favourable political situation, in which the politically disorganised population would embrace new market reforms and would tolerate their soft dictatorial implementation.

However, the hopes of party state leaders dwindled due to sudden changes in politics. The first major wave of opposition movements appeared in the first few months of 1988. The Hungarian Democratic Forum launched its series of public programmes. Different movements supported Romanian refugees by staging protests and charity events. Environmentalist movements against the construction of a hydroelectric dam on the Danube River at Nagymaros assumed a more direct political significance. Ten thousand people took part in an opposition demonstration on March

15 in the capital, where hardcore members of the democratic opposition delivered speeches. The New March Front tried to openly make its entry to the public scene. The monopoly of the National Council of Trade Unions was over: scientific workers organised the first free trade union. The creation of the Alliance of Young Democrats (Fiatal Demokraták Szövetsége, Fidesz) marked the end of the Alliance of Communist Youth's monopoly of power in youth organisations. The Network of Free Initiatives, including several groups of the democratic opposition, was initiated as an umbrella organisation to coordinate the activities of opposition organisations. Furthermore, the establishment of the Committee for Historical Justice and preparations for the anniversary of the death of Imre Nagy were in progress.

The communist party had to comment on the new situation. The Political Committee set out to determine the criteria of opposition to be treated with political means, so that they would be able to take firm administrative measures against the anti-regime forces. The differentiation was not really successful, and the concept which sought the way out by showing openness to the moderate opposition did not stand a chance. Kádár held a clear majority in the governing bodies and wanted to restore party unity by disciplining the reform-oriented party opposition. He thus paved the way for the Grósz group, which had its basis in the apparatus and was perceived as the new ruling party. Grósz did not want to restrain reforms, but wanted to implement them by maintaining the party's dominant position.

There were three interwoven austerity measures in the spring of 1988. Firstly, a series of governmental actions were taken against the emergent opposition. It seemed as if they wanted to test possible methods of procedure and attempted to hold back the new independent organisations in different ways. The truth was that they experimented with countermeasures appropriate for the idiosyncrasies of certain opposition groups.

Members of the Political Committee considered the appearance and public events of the Hungarian Democratic Forum the most perilous at the time. Kádár did not waste his energy with differential evaluation: he deemed the Forum an anti-regime gathering. Accordingly, party members (especially prominent reformists of the emergent MDF) were barred from making public appearances. Further on they were pondering whether to prevent MDF's public debates in the Jurta Theatre by issuing a categorical denial or by "advising" against them. Eventually, they chose to trivialise the situation and tried to ignore MDF, which was a clear indication of the party leaders' powerlessness. However, they only achieved that the movement became tolerated and semi-legal, and was on its way to build a national organisation.

Party state leaders reacted in a different way to the preparations for the establishment of the Democratic Trade Union of Scientific Workers. First, the chair of the National Council of Trade Unions took a firm stand, after which the Political Committee passed a condemnatory resolution and urged party members to present a united front against subversive opposition forces. The intention was clear: by adopting a threatening tone and applying pressure at the workplace they wanted to deter undecided intellectuals from joining the opposition. However, the attempt failed and with the creation of the Democratic Trade Union of Scientific Workers, independent of the National Council of Trade Unions, the trade union movement started to pluralise.

A third type of measure was applied when the Alliance of Young Democrats (Fidesz) was formed. The Political Committee of MSZMP chose the policy of intimidation again but this time it immediately took legal action. They tried to nip the troubling opposition activities of university and college youth in the bud. Nevertheless, the aggressive measures which referred to unlawfulness turned out to be an own goal, since the developments served the interests of

Fidesz. The young democrats did not get scared of police action. On the contrary, they referred to their rights guaranteed by prevailing constitutional laws, moreover, they launched a counter-attack. The campaign of intimidation proved ineffective, whereas the attitude of Fidesz and its press case against the official newspaper which accused them created a sensation.

Members of the democratic opposition, the toughest opponents of the party state, set up the Network of Free Initiatives (Szabad Kezdeményezések Hálózata). The power apparatus could not take action against the Network with the policy of intimidation which was obviously doomed to failure. Instead, they chose to remain silent on the formation of the anti-regime organisation. Behind the scenes, however, they continued to apply former repressive methods against the democratic opposition, which was evident in the arrests of March 15. Unlike the Fidesz case, they did not openly oppose the organisation. They were more careful with the democratic opposition, because they were more afraid of them, and, at the same time, they did not want to run the risk of provoking a negative international response to an outstandingly aggressive official action.

Another austerity measure was the attempt to stifle the radical reformist party opposition. Here administrative steps were taken as well. They were intent on regulating semi-opposition clubs which were offering great scope for anti-regime sentiments, especially the formerly banned Waterfront Club (Rakpart Klub), which was about to reopen. As a result of the Lakitelek Manifesto, Imre Pozsgay faced a party penalty. Rezső Nyers, another member of the Central Committee, was condemned in a resolution for taking the lead in organising the New March Front. The process culminated in the ouster of four prominent reformer intellectuals from the party, who embodied the policy of radical change, breaking with the Kádárist tradition. Among those ousted from power was Zoltán Bíró,

Pozsgay's closest ally, who excelled in the organisation of MDF, along with Mihály Bihari, László Lengyel and Zoltán Király, all of whom participated in the activities of MDF and the New March Front. Csaba Gombár and István Stumpf received a more lenient party penalty. With the ouster of the four members, the Political Committee scored another own goal. Party intellectuals censorious of the ouster created a scandal, and determination to remove the conservative ruling group strengthened.

The third wave of the conservative attack was ideological: a principled stand was to be taken before the party congress. This was all the more necessary since, according to all surveys, party membership was deeply divided over fundamental political issues. There was a lot at stake, hence it was crucial to adopt the right policy for the historic party congress.

The key question was how to interpret the "party's leading role." The issue had continually been high on the agenda, either as a distinct problem or as part of the institutional reform leading to a socialist pluralism. Kádár was adamant about interpreting the thesis in a traditional way. In spite of lengthy discussions, the Political Committee was not able to adopt policies suitable for both the political situation and the Kádárist group. In the end they supported reforms by sticking to traditional communist ideas, such as the one-party system, democratic centralism, the restoration of party unity, and the prevention of the spreading of capitalist apologetica among others. Therefore, it was no mean feat to make believe that eliminating dictatorial features was an essential part of the reform.

Based on the visions of Grósz, who was backed up by the power centre of the apparatus, the plan of a soft dictatorship was beginning to unfold. They wanted to implement institutional changes which would not have disrupted the status quo of power relations. Already at that point the complex package of political institutional reform proposing the transformation of the constitutional system had been

put before the Political Committee. In effect, the project was dominated by elements which aimed to enact limitations guaranteeing the upholding of the system.

Kádár had a gift for sensing developments in power matters. He could foresee much better than others that turning the party state into a constitutional state would destroy the system. He had an aversion to the reform package. "Do you want a new constitution? Why? Has the system changed in Hungary?", said Kádár indignantly at a Political Committee meeting.

The mushrooming radical reform ideas could only be objected to by arguments which concealed the intentions of maintaining the authoritative features of the system. Real hardliners did not mind this at all and it was a typical way of expressing their views when Antal Apró, who belonged to the old guard, addressed a letter to the Political Committee demanding an immediate restoration of order, with respect to the counter-revolutionary situation that had arisen, instead of taking much trouble with reforms.

Grósz, Berecz and the new power centre behind them wanted to implement the indispensable reforms by maintaining the party's dominant position. They wished to relieve Kádár of his post without alarming either the representatives of the orthodox school or the members of the apparatus. In the eyes of the Gorbachevist leadership too, Kádár strengthened reactionary conservative forces, which eventually decided his fate. The reports and proposals submitted to the Soviet general secretary indicated a need for instant change. It had been settled that the Soviet leaders were to range themselves with Grósz and Berecz. On behalf of Gorbachev, KGB Chairman Vladimir Kryuchkov arrived in Budapest to make arrangements. As a result the ceremonial position of party president was created for Kádár, which did not offer real power, that is, he was "kicked upstairs."

Grósz's appointment to a key position was thanks to his central position on the political spectrum, therefore he was

the ideal representative of compromises. He was part of the mid-generation and was a link between the old guard and the technocratic reformist generation. He represented a Gorbachevist line and was able to appear as a dependable reform communist in international relations, too. He was committed to reforms, but only because he wanted to overcome the crisis and revitalise the system. It did not occur to him to give way to a system of change while losing his political status.

Grósz, who was elected general secretary beside his position of prime minister, seemed to be able to secure the acceptance of technocratic modernisation orchestrated from above. Those people who could represent this concept more credibly both professionally and politically had not had sufficient political influence yet to be successful. Conservative resistance had to be broken down and at the same time increasing social tension had to be relieved. The “apparatus coup d’état”, carried out at the party congress in May – in which, abandoning former negotiations, delegates roused by Grósz and his associates threw representatives of the Kádárist group out of the Central Committee, thereby preventing their getting into the upper leadership – was in effect a guarantee given to the party’s midgeneration. They needed an assurance that in the new phase conceptual change and power stability would be balanced out.

Despite former agreements not only György Aczél, György Lázár and László Maróthy were ousted from the Political Committee, but also Sándor Gáspár, Károly Németh, Miklós Óvári and Ferenc Havasi. Imre Pozsgay and Rezső Nyers, the reformers’ best candidates, got in along with Miklós Németh, János Lukács, Pál Iványi and Ilona Tatai. Some former members remained, such as Grósz, János Berecz, Judit Csehák, Csaba Hámori and István Szabó. György Fejti, secretary of the Central Committee responsible for administrative cases, a close associate of Grósz, was given a key position.

The stand adopted by the party congress mirrored the compromise of the previous era: it was outdated already at the time of its birth. Accordingly, it was a constant reference point for those who wanted to block the change of the party line. It was a favourable development that the institutional reform was the central issue of the standpoint, thus legislation could commence. The stake of ongoing debates was whether to go by ideological theses or by reality.

“Grósznost”

This term of Hungarian Gorbachevism was coined to denote the policy of systemic change. Along with the widespread concept of model overhaul it aimed to represent a fundamental change brought about by this new reform era. Despite offensive platform promotion and a dynamic attitude, the concept of model overhaul was defensive in nature from the start. Dynamism served only to hide this. Under the circumstances of the worsening crisis, there was no way to justify the reason for the unnatural restriction of liberalisation and democratisation. These constraints were justified exclusively by power reasons since not even reform communist leaders could present hopeful tendencies from the system itself. Whatever raised hope worked in the direction of the breakdown of the system.

The bricks of model overhaul were worth laying until the relationship between the Soviet Union and the Western world was tenuous and temporary. In the summer of 1988 almost everyone believed that a plan of prolonged transition was realistic. Grósz talked about a decade-long task in a *Newsweek* interview. There was no doubt that in the competition of the two world systems the Western world had gained the upper hand. The only question was whether it was possible to prevent the collapse of the system and make it more effective with limited liberalisation and with the combination of market mechanisms and organised state

control. Leaders of MSZMP assumed that with party hegemony this task could be tackled.

The strategy of transition had four basic elements. The first element was the establishment of a “socialist market economy” or liberalised socialism. In July the MSZMP Central Committee decided on a more radical programme of crisis management from a number of variations laid before them, and in addition it had to prepare for the increase of social tension. According to Miklós Németh, secretary of the Central Committee responsible for the economy, it was a lamentable state of affairs, therefore, he supported liberalisation, which made it impossible to apply the economic strategy supported by trade union leaders. There was no way to implement a liberalised economic policy along with a paternalistic-socialist social policy.

The programme called “libero” included the following elements: a strict monetary and fiscal policy, decentralisation and deregulation, the devaluation of the forint, the transformation of the price and wage system, and the termination of state subsidising loss-making companies. The economic strategy aimed to develop a real commodity, money, capital and labour market, to create the conditions for real competition, and to lessen direct state intervention into economic matters. The economic policy had two main priorities: to maintain international solvency by providing minimum scope and to modernise the economy. Technological development and structural change could only be financed from external sources. The involvement of western direct investment was necessary, on a shareholder basis, thus it became urgent to pass the law on economic associations.

Inside the party there was a heightening of tension due to the fact that the question of how liberal state socialism could be rated remained unsolved. Even anxious members of the party apparatus had to concede that the introduction of market economy was their best hope of legitimising MSZMP’s power. Besides endorsing decisions which

queried the upholding of the system, Grósz was compelled to a balancing act. He had to convince and comfort both the representatives of western big business and the leaders of the Workers' Militia at the same time. The lack of viable alternatives to liberalisation strengthened the position of technocratic modernists inside the party, who, however, tried to withdraw from direct power struggles.

The second vital element of the strategy was the continuation of foreign policy change, since that was the only way to create the international conditions for liberalisation. The tendency of liberalisation became irrevocable not because of power relations inside the party but because of the constellations of world politics. The heavily indebted Hungary's double dependence was at a turning point. The necessity of western loans and foreign direct investment made leaders enter into softer negotiations with the West and tougher negotiations with the East. It was an incredible piece of luck that Gorbachev's Doctrine, based on moderation and the breaking down of division in Europe, emerged in this very moment since Hungary could be the supporter of Soviet foreign policy and, at the same time, count on western assistance.

The foreign policy successes of the Grósz government were due to this duality. Thus the message for the Soviet Union was that internal affairs were stable and the new model of socialism was Gorbachevist, in other words, liberalisation aimed to save the system, not abandon it, and instead of breaking the alliance, Hungary, on its part, wished to modernise it. The Soviet Union was unable to help Hungary tackle economic problems because it had just withdrawn from the competition with the West, so was in need of assistance itself. As for opening up to the West, Gorbachev gave the Hungarian leadership free rein, nevertheless, he warned against the overriding influence of the International Monetary Fund and World Bank.

The essence of the message for the West, however, was that they should appreciate the effective steps and the ten-

dency of development and not denounce the inefficiency of democracy as measured against their standards. During American negotiations, Grósz primarily promoted investment opportunities in Hungary while trying to fend off complaints about human and civil rights matters.

The third element of model overhaul was the setting up of a “socialist democracy” and the transformation of the party state into a constitutional state. There were several motives behind the decision on democratisation. In relation to the reformer party opposition and the growing pressure of the opposition, a view was adopted that earlier reforms failed because of their exclusively economic nature and because of the lack of any political reform. Nonetheless, party leaders wished to present democratisation as a guarantee for long-term changes, which they were in dire need of, both to generate western support and acquire social legitimacy.

The grandiose reform package of institutional changes, as far as topics were concerned, promised fundamental changes in public law, since it dealt with the transformation of suffrage, the freedom of association and assembly, the new Press Act, the granting of the right for strike, the reform of the Parliament, the establishment of the institution of the president and of the Constitutional Court, and, last but not least, the passing of the new constitution. However, if the programme was analysed in terms of its content as well, it obviously aimed to enact a constitutional one-party system, therefore, political limits built into the rule of law dominated. Through these constitutional changes they did not want to start a process towards democracy but aimed to establish a solid, long-lasting institutional structure and legislative background in the new socialist model.

The fourth element of the overhaul of the model was the concept of socialist pluralism, which also served as the basic principle for political reform. The concept centred on the unquestionable role of the Communist party, thus, they

wanted to rule out the possibility of becoming the rival of MSZMP, which was regarded as a “public party”, in a struggle for power. Otherwise, they did admit that to make politics more effective, it was advisable to mirror the fragmented interests of society in the political system.

First and foremost, they wanted to channel non-governmental representation of fragmented interests, the various civil organisations into the reconciliation of interests in order to restore national consensus. With the development of corporate reconciliatory structures they wanted to prevent the conflict of interests from leading to an open clash. They attempted to construct mechanisms which would remove these conflicts from the spheres of power. Another important feature of socialist pluralism was the reinterpretation of confederate politics; in this framework a greater freedom of opinion and action would have been granted to those independent organisations, which declared that “they were keeping their feet on socialist ground”. Only vague principles could have been worked out as to what the acceptance of socialism meant, however, this was not the intention of MSZMP leaders. They defined, in terms of power, which organisations they would enter into a partnership: those which accept the leading role of the party and do not query the one-party system.

When political pluralism started to evolve and new organisations wanted to be independent, while the projection of their image and the differentiation according to their programmes were on the agenda, there was little chance of integrating them into a more extensive sphere of confederate politics in accordance with the concept of socialist pluralism. Imre Pozsgay conducted negotiations as minister of state overseeing social relations, however with the consent of the Political Committee, with the representatives of the new political organisations in order to find out whether they would be eligible according to the specified parameters, and whether they would be inclined to cooperate. However, the results were not very promising.

At the time, Imre Pozsgay also argued for the maintenance of the one-party system. He supported his argument by highlighting the need for stability and stressed that this standpoint lacked any ideological basis. Rezső Nyers had stated already before the party congress that the formation of the multi-party system was inevitable, however, then he believed this to be the result of a process of many years. In contrast, the de facto multi-party system had evolved in a matter of months in the autumn of 1988.

“Competitive one-party system”

In the autumn of 1988 it turned out that the concept agreed to at the party congress had serious weaknesses. The political fermentation accelerated, reforms did not act as a brake on the development of the opposition; on the contrary, they opened the way for them. Publicity had been changing fast and divergent viewpoints were given greater publicity, which clearly reflected the differences of opinion among state-party members. The leaders of MSZMP and government politicians kept making contradictory statements. However they wanted to put the matter off, internal conflicts had begun to manifest themselves.

Reformers, who were in a minority in the leadership, could primarily rely on external pressure while they had to produce results inside the power structure. They had to tirelessly promote their politics publicly as well in order to be successful inside the party, which provoked attacks from their opponents. Members of the reform wing failed in their efforts too sometimes as they started to contradict themselves. Their statements were mostly full of model-changing radical reform rhetoric, however the intention to stop power erosion made them give way to hardliner comments from time to time.

During the transformation of the party state, the leaders of MSZMP invented the idea of a “competitive one-party

system". They spurred themselves into political action consistent with the logic of pluralism, while rejecting the multiparty system outright. Thereby they admitted that MSZMP was a state-party but they wanted to prove their democratic commitment, hence they made the way their party leadership worked unusually transparent. Nevertheless, they only made internal conflicts even more obvious, which gave an advantage to their rivals.

At the sessions of MSZMP's ruling bodies the relationship with "alternative organisations", as organised opposition groups were euphemistically called, counted among the evergreens of debates. They did not achieve practical results during these talks, which was no wonder as many options had come up, from the danger of a direct counter-revolution to the possibility of a quasi-coalition. There was still no other way to set the criteria according to which they differentiated "alternative" groups from opposition groups than analysing how each opposition organisation saw their relation to the socialist system or to what extent they contradicted MSZMP in the debates about the transformation of the system. They did not have effective means against opposition tactics. Opposition groups broadened their room for manoeuvring little by little, just enough not to provoke attacks by the authority. MDF was much more cautious in this matter than the Fidesz or the Network from which the Alliance of Free Democrats (Szabad Demokraták Szövetsége, SZDSZ) was formed in November.

Leaders of MSZMP did draw the conclusions from the differences in statements and attitudes. They classified MDF as a party which would be ready for cooperation and dialogue, while they tried to marginalise Fidesz and SZDSZ as anti-regime, uncooperative, aggressive groups. At the beginning the party leadership played down the seriousness of the situation and considered these small opposition organisations as harmless, but later on apprehension prevailed.

Hardline pressure was always felt in the party's governing bodies. The most pregnant expression of hardline

attack was that of János Berecz at the Central Committee meeting at the end of September, which Gyula Horn flatly rejected. Those who viewed that the approval of the multi-party system was inevitable were in a minority. Consequently, in November the Central Committee declared its unwillingness to give up its position in favour of the one-party system. The leftist pressure conjured up the terrifying vision of an offensive against the reform wing, while the strengthening of the opposition made it obvious that the concept of socialist pluralism was untenable. The headway made by new organisations helped facilitate the reorganisation of historical parties, which created a new situation. It was impossible at that point to act as if independent organisations were not taking on the function of opposition parties.

In the autumn of 1988 it also turned out that the power centre of the party state was not able to stop the process of constitutionalisation. Public debates on bills revealed the contradictions resulting from political considerations and political leaders were obliged to comment on them.

The fate of the Free Association and Assembly Acts in a way modelled the process in which legislation became an agent of the system's "self-liquidation". The two acts were originally included in the constitutional process to fix the limits of the freedom of association and assembly and to be able to legally penalise violations. The social debate arousing the masses, in which reformers and the opposition alike took up a firm stand, clearly demonstrated that the principles put forward in the acts are unacceptable by a democratic constitutional society. As a result of the public debate, they were completely redrafted in the Ministry of Justice, and in January 1989 the Parliament passed actually democratic acts.

The Free Association Act – based on the then valid stand of MSZMP – theoretically acknowledged the freedom of forming parties, however it ruled out the multi-party system, hence it placed the regulation of the establishment

and operation of parties within the purview of a separate law. As for the Party Act, they wanted to formulate that much later, as soon as the constitutional process was completed.

Parliamentary events in the autumn of 1988 also showed the signs of a more active political life: suddenly serious political debates were initiated and there were more and more speeches with critical remarks. In November, Imre Pozsgay reported on planning to adopt the democracy package, which raised hopes that the constitutional process is not limited from the start. At the same time Zoltán Király called attention to the concept of planned and limited multi-party system, which was developed by Mihály Bihari for the transition to a pluralised democracy.

It was not just the nature of the debates that had changed but the situation of representatives had also become uncertain. Statements questioning the legitimacy of the Parliament had been mushrooming and after the famous voting on the Danube dam initiatives were taken to revoke representatives, which was permitted by existing laws. Demands were voiced one after the other to dissolve the Parliament and hold a legislative national assembly.

Inside the MSZMP tension was heightened by the fact that the state-party was forever lagging behind the latest happenings. The repeated declaration of party unity did not slow down the party's disintegration, of which the rapid drop in the number of members was only one of the symptoms. Competing party leaders avoided public confrontation in spite of the fact that their views differed greatly. The Central Committee had called on the Political Committee to investigate the contradictory statements of party members, however, the top governing body arrived to the conclusion that no clash of principles could be found in these statements.

Reports had been prepared about the internal fragmentation of the state-party, which confirmed the hypothesis that MSZMP was in effect the coalition of "several parties"

and the differences among these groups were greater in certain cases than in relation to some opposition groups. The establishment of the Ferenc Münnich Society, which was to provide against counter-revolutionary actions and aimed to expand its sphere of influence in the Workers' Militia, caused alarm inside and outside the party. Fights intensified between those members who pressed for platform independence and those who opposed factionalism. Internal tension mounted when corruption cases and abuses of power, which had been concealed, were publicly discussed throughout the country, and the need to expose past sins increased.

Reform-oriented party members observed that changes stopped at the city and county borders. Local leaders and most members of the apparatus tried to prevent a complete transformation. While the opposition movement manifested itself in the countryside as well, fights to organise local party meetings and rearrange the party leadership were raging in the MSZMP. By the end of the year three levels of MSZMP's reform wing had been formed. In the party leadership Pozsgay, Nyers and technocratic reformist sympathisers made every effort to implement the transition. Prominent members of the radical reformer intelligentsia expressed their views publicly, thereby expanding the room for manoeuvring of reform politics. From the end of the year the dramatically growing movement of reform circles strove to democratise and transform relations inside the party. After accepting the concept of a systemic change they tried to democratise the MSZMP, eliminate its state-party nature, and prepare it to stand their ground as a modern left-wing party in the conditions of a competitive multi-party system.

The acceptance of the multi-party system

Shocked viewers in the whole country were watching Károly Grósz on television delivering his speech at the party assembly organised in the Budapest Sports Hall on 29 November 1988. The general secretary, who had handed over the position of prime minister to Miklós Németh only a few days before, spoke about aggressive counter-revolutionary actions and class struggle, as well as warning people about the possibility of white terror, which he urged his party to oppose. Afterwards, he discussed at great length the subject of continuing democratisation, but the essence of his message was that there would be no systemic change, the new constitution would be socialist, MSZMP would remain at workplaces, would not let anyone harm the Workers' Militia and would definitely restore party unity.

Grósz's attempt to stop erosion, unite the party and launch a counter-offensive only accelerated polarisation and disintegration. The concept that had been put forward ever since the party congress, while it had invariably powerful supporters, failed by the end of 1988. The acceleration of systemic erosion turned the concept of the model overhaul a much more conservative one. The general secretary made an attempt to react to this unstable situation by strengthening the party's position.

It was impossible to arrest the process of crisis management and economic liberalization since that would have resulted in an immediate economic breakdown. The International Monetary Fund imposed stringent conditions on the government at loan talks because economic indicators were worse than planned. It was obvious that difficult decisions had to be made and that a further fall in living standards was inevitable. The inescapable steps of liberalisation were increasingly difficult to incorporate into a party's ideology which considered itself to be communist. There was no way to legitimise the maintenance of one-party soft dictatorship by liberalising reforms any more.

Consequently, there was only one solution: by transforming into hard dictatorship and strengthening power positions they ensured that reforms would not exceed the limits of the model overhaul. However, the limits could only have been strengthened by aggressive measures.

While Károly Grósz pointed it out several times that there were forces ready to defend the system with arms, and emergency plans were drawn up as well, forceful restoration was out of the question. The question had to be raised: what would happen next? There was no doubt about the answer: international isolation, financial bankruptcy, economic chaos, the immediate dissolution of the state-party and the narrowing of the power base, the radicalisation of opposition forces, the outbreak of conflicts; all in all, a civil war situation. The threat of an emergency situation was much more of an attempt to stop the process of losing power than a hardline restoration in its traditional sense.

The most significant factors which minimalised the chance of restoration were the latest developments in international relations. The last thing Gorbachev, who was the main target for his opponents' critical attacks, needed was to launch an aggressive action in the region, which could have been interpreted as the fatal consequence of perestroika. From Moscow's point of view, the negotiated solution of a restricted sharing of power, which was in the offing in Poland, seemed to be viable. The surveys conducted by Gorbachev's associates clearly showed that Hungary was going into the direction of increasing western orientation, pluralism and parliamentary democracy, and that the Communist party could only preserve its governing position in a coalition. The surveys also confirmed that these developments could not be obstructed without eradicating perestroika.

Rezső Nyers shared this view at the meeting of the Central Committee in December, and he not only pinpointed that the multi-party system was the most realistic choice but deemed the plan to form a coalition on a "purely

socialist" basis, irrational as put forward by György Fejtő, secretary of the Central Committee responsible for opposition matters. Consequently, a committee was set up under the leadership of Grósz to work out MSZMP's stand on the questions of multi-party democracy and the relationship with independent political organisations. The problem in what power relations should the political structure be reorganised had to be addressed earnestly.

The proposal of the New March Front on 11 January 1989, which revealed that MSZMP had to face the difficulty of the changeover from a one-party system to a representative democracy, greatly helped raise awareness of the fundamental shifts in the political sphere. As far as the motion was concerned, it was not how it aimed to realise a peaceful negotiated transition that was vital, but that it forced the state-party to exercise self-criticism.

The shock of Imre Pozsgay's second "public coup d'état" came at a critical phase for the MSZMP. On 28 January 1989, Pozsgay, referring to the conclusion of the party's historical sub-committee, declared that the events of October 1956 were a popular uprising and not a counter-revolution, with which he instantly swept away the remains of Kádárist legitimacy. A ferocious argument ensued in the party leadership and many members called for his head to roll but whatever they said, there was no way to withdraw the re-evaluation of 1956.

Polarisation was picking up speed and party leaders did not procrastinate any further over making decisions in the most essential matters. At the meeting of the Central Committee on 31 January 1989, in the first phase of the settlement of the Pozsgay case, Rezső Nyers emphatically declared that they had no option but to introduce the multi-party system. There was no person who could refute his argument. A week later the committee regarded it as a fact that the party would declare the multi-party system, thus it submitted its proposal to the 10–11 February meeting of the Central Committee.

After heated debates and with some reservation the governing body acknowledged the announcement of the re-evaluation of 1956, and accepted the resolution that the peaceful transition to a multi-party democracy was on the agenda. This was a major breakthrough, however, party leaders would not have thought that their decision would give way to the rapid implementation of systemic change. They intended originally to have changes in public law accepted based on their own constitutional concept and drafts, then to win early elections as the most powerful party and as a dominant force in the coalition retain most of their positions. It was no fault of theirs that events were to take a different turn. The decision made in February marked the beginning of a new phase: it provided an opportunity to begin preparations for a negotiated systemic change.

Translated by Ágnes Tóth