CHAPTER-I
INTRODUCTION

The unprecedented demise of Soviet and Eastern European socialist systems and disintegration of authoritarian political structures into democratic liberal system which proceeded with establishment of multi-party, parliamentary or presidential state has almost finalised with in a decade. The triple way transformation affecting all three levels: nation-building, constitution-making and the allocation of scarce resource is in almost ultimate stage. The issue of democracy that means, the dissolution of monopoly claims of party and its replacement by constitutionally limited authority is established. Meanwhile states of central and Eastern Europe are working in an environment where party competition is permitted and individuals are guaranteed with basic human and civil rights.

The proposed study 'Political Development in Hungary, 1990–2006' is attempting to examine the Hungarian change from existing theoretical background of 'political development'. It is an effort to understand the systemic transformation has taken place after 1989 in Hungary and its experience to build democratic, constitutional and liberal state. Here the study would like to investigate to what extent political development in Hungary as a post-socialist society can be adequately explained with help of available theories on political development.

The present chapter is an attempt to know whether the aspects of political development are holding conformity to the same process which is natural to the Western liberal model of democracy or not? The work will investigate the foundation of constitutionalism, relationship between constitutional changes and working of various institutions to establish parliamentary liberal democracy. Meanwhile, the study will examine the specificity of Hungarian political culture and its relation with stability of the regimes.
I. What is Political development?

The concept of Political Development is derived from the liberal tradition of the West. It projects Western liberal democracy as a model of a developed society. If we see from theoretical point of view the term lacks in precision and any particular definition. The term is often used interchangeably with political modernisation, political transformation or political change. Thus, political development in broad sense means, the changes those are taking place in political culture of a state. The political culture comprises a complex bond attitudes, sentiments, myths, ideologies, and goals in a state relating to political role. It includes the sense of individual identity and self-respect, and the concepts of rights and duties that characterise the people in general. This implicates that polity becomes more developed as its political culture achieves a sense of national identity and which can be expressed through active citizenship. Political development also, tries to understand the origin and evolutions of political institutions and their current position. Political institution includes the rules and procedures of elections, political parties (including opposition), decision making by the governing organisation (executive, legislature and judiciary) and civil society.

The lack of conceptual precision and jurisdiction of 'political development' is rightly defined by Hagopian in his noted work, 'Political Development, Revisited', he writes, 'in the past half century, the field of political development virtually belonged to comparative politics alone, and there was no area of comparative politics that lay legitimately outside its scope. At mid-century, political culture and political institutions, and political order and political breakdown, all came under the scrutiny of best the brightest of a generation of post war comparativists. Indeed, when the field of political development was new in the 1960s, it constituted the conceptual frontier of comparative politics' (2000:880).

If we examine the literature on political development then it falls broadly into three categories—traditional (mainstream) and modern (non-mainstream) and recent (post-soviet). This segregation gives clear understanding about political development and aspects to qualify as modern nation-state. These three distinctions are not evolved in
different phase of history but presents different definition of political development. Both traditional and modern theorist worked in the postcolonial phase and examined the contemporary new states of Asia, Africa and Latin America. They asserted that western democratic model, nation-building and modernisation are the panacea to state-building in these states. Hence, states role is to ensure stability and order; provide citizen with freedom as well as rights with enduring persistence. But, the modern theorists are very critical about the colonial exploitation of these states, defended self sufficiency and autonomy as sole solution to get rid of any kind of dependency. Third and recent type of theorists who lost their faith in people’s democracy and socialism argue for democratic and liberal market economy as the ‘one road to freedom’ (Kornai, 1995: 1) to establish constitutional democracy. These groups either critically discussed reform movements of those repressive socialist systems or tried to trace the failure of those governments and the internal or external actors penetrating democratisation and market economy.

A wide-ranging work has been conducted in political development as an attribute presenting modernity. But its conceptual identification is not yet finished. Eminent theorists are sharply differ among themselves try to conceptualise political development. The debate to conceptualise political development is very cumbersome and persisting. To be very specific, political development usually depends not only upon changes in the economic system, but also upon alterations in social structure, administrative capacity, and that set of attitudes and expectations which has come to be called ‘political culture’ (Packenham, 1966: 195). There is no measuring rod to quantify political development. It is

1 The situation in these new states has been created was of completely different from the states came into existence after the systemic transformation in 1989 in East Central Europe. Later was of a situation created by decolonialisaton and former is of dissolution of Marxist-Leninism as predominant ideology of ruling party. Here, democratic institutions are dismantled social organizations are destroyed under party rule. Not market but party was controlling the factors of economic production and distribution. But in both of the cases the opposing dissident groups and civil society were suppressed or unheard by state terror apparatus. The difference was that some amount of market mechanisms was present in colonial sates of Asia, Africa and Latin America.

2 Theorist, who took American liberal state as their role model; with out judging specific conditions peculiar to different states.

3 A neo liberal story line has also given rise to the TINA syndrome: ‘There Is No Alternatives’ to capitalism.

4 Packenham defined political development in relation to American Foreign aid programme where goal of U.S. Foreign Policy is to cerate a community of free nations cooperating on matters of mutual concern, basing their political systems on consent and progressing in economic welfare and social justice. From post World War II America has been facilitating the establishing of liberal democracy in new states.
a very relative and broad term and varies individual to individual and state to state. Political development is a contested issue. Moreover, as Pye says, 'No single scale can be used for measuring the degree of political development' (Pye 1963:14–23). He points out that observers in both developed and developing societies are uncertain and ambiguous about the very notions of ‘underdeveloped’, ‘advanced’ or ‘backward’ and some of this uncertainty stems from lack of knowledge about the similarities and differences in the two kinds of society. Yet he concludes; ‘Everyone seems to sense that some forms of differences are acceptable, while others are not’ (ibid: 14).

It is clear that by analysing those similarities and differences one can segregate the conditions of political development. The argument has been positively appreciated by Huntington. To him political development is different from economic development on the character of which there seems to be more general agreement and which is measurable through fairly precise indices such as per capita national income. He asserted that the definition of political development has itemised a number of criteria (Huntington, 1965: 387). Hence this study would is an attempt to identify the measure criteria or aspect of political development post-Soviet, Central and Eastern European states in general and Hungary in particular.

I.1 Aspects of Political Development
Despite the above mentioned criticism against the conceptualisation of political development, there are proved theoretical matters which can be useful in segregating the aspects or conditionalities of political development. These aspects are common and general phenomenon which appears in distinct sequence in every nation-state in making.

a. Building nation-state (define it with citizenship and reorganisation of minority) b. Rule of law or constitutionalism (codification of law with limiting the power of authority) c. Institutionalisation (codify rules, regulation and procedures of work for legislature, executive and judiciary). This could have similarity with Pye’s view of differentiation or specialisation on an ultimate sense of integration d. Equality: Universal adult suffrage and recruitment to political office through achievement norms. e. Rational administration
(creation of competent civil service, relates to capacity of government) f. Existence of political forces (allowing multiparty system and civil society to create active citizenry)

I.2 Political Development as Democratisation, Modernisation, Capacity or Order- Building

Traditional or mainstream political development theorists examine a country’s case from the political dimension only, while modern theorists prefer to take various dimensions for analysis in which economic is the major one. That means, the traditional literature on political development emphasises on political development as modernization, growth, change, stability and order. They assert democratisation of a state is inevitable till final stage of growth. Traditional theorist like Bryce in his book *Modern Democracies* (1921) and Carl J. Friedrich’s *Constitutional Government and Democracy* (1937) underlined democracy as a precondition for political development of a state. A group of political theorist in 1950s also tried to understand political development in terms of democratic consolidation. Among them Tocqueville and Almond & Verba (1965) were given very concrete and comparative hypothesis in favor of democracy and a participatory civic culture, which can be obtained through most peaceful manner In his treatise *Democracy in America* (1961) Tocqueville asserted that democracy was an inevitable and irreversible development throughout the whole Western world. He found the American democracy as most flowering and developed democracy. It means development had taken shape in most peaceful and natural manner in America (Packenham, 1966: 169).

In difference to above maintained theorist the modern theorist, tries to study political development of a country by applying systems approach. They point out that political system, by and large, is a sub-system of the social system. That means a sub-system always receives its challenges as well as its sustenance from the social system. The social system in the meantime affected by politico-economic and cultural structure of the state. It explains political system as an interdependent whole and a change in one constituent of system may affect the complete system. The names like Lucian W. Pye, Almond & Powell, Laswell, A.Rustow, Joseph La Palombara, Riggs, Lipset and a host of other social theorists have contributed to the lexicon of political development. These
outstanding scholars had shown a deep insight into understanding of the socio-economic forces and the political culture determining the nature of political system of a country.

Among them Lucian Pye has analysed the concept of development in depth and left an abiding impression on entire literature of political development. Alike all other traditional theorists Pye also acknowledged democracy as a positive liability to development (Pye, 1966: 41). He elaborately presented his arguments in his significant work *Aspects of Political Development* (1966: 33–44). He has argued that the concept has diversity of definitions generally associated with modernisation, change, stability and administrative order which are taking place in a state. Pye identified that political development has three characteristics-equality, capacity and differentiation. Equality implies mass participation and popular involvement in political activities. It means that recruitment to political offices reflects achievement standards of performance and not on the basis of ascriptive consideration of traditional social system. Capacity of political system refers to governmental performance to provide welfare means to their citizens. It also means effectiveness and efficiency in execution of public policy. Differentiation implies the process of specialisation of structure. The offices and agencies tend to have their distinct and defined function, means separation of power with ultimate end to integration (ibid, Pp 45–46).

The above definition creates three levels of impact in the governance of the state. Here, equality creates changes in political culture. In this state people involve actively in politics, state becomes democratically vibrant where mass mobilisation, party formation, election, and space to civil society becomes regular phenomena. Subsequently, capacity poses challenge to the state to effectively manage resources and to resolve conflict efficiently. The authoritative structures of government become sensitive to raising issues and problems of citizens. The question of differentiation touches both non-authoritative and authoritative structures and general political processes. Thus, according to Pye political development revolves round the relationship between political culture, the authoritative structure, and the general political process.
This notion of political development distinctly presented by Samuel Huntington in his article, *Political Development and Political Decay* (1965: 386–430). His main argument was that, political institutions decay and dissolve as well as grow and mature with the time. He defined political decay as a reflection of instability, corruption, authoritarianism, and violence resulting in the failure of development. He related Political development as one aspect, or as intimately connected with the broader prospect of modernization of society as a whole. To him modernisation affects all segments of society; its political aspect constitutes political development. His criterion for development was institutionalisation of political organisations. The institutionalisation is the process by which organisations and procedures acquire value and stability. The level of institutionalisation of any political system can be defined by the adaptability; complexity, autonomy, and coherence of its organisations and procedures (Huntington, 1965: 394). Thus political institutions are thus not created overnight.

Political development, in his sense is slow going phenomenon than economic development. In some sense he clarified and differentiated political development from economic development. Later in his book *Political Order in Changing Societies* (1968) placed more emphasise up on order and stability in the face of the rapid social and economic changes that accompany modernization. Order is threatened when the level of political mobilisation exceeds the level of administrative institutionalisation within a society, and that, as a result of economic development, political mobilisation will increase faster than the appropriate social, political, and economic institutions to handle said political behavior, thus leading to instability. As a solution, there must be a stronger emphasis on institution-building in a society’s development, most important, the establishment of a stable political system. He advocated a control and regulation of the process of modernisation by contrasting new groups from entering into politics, limiting exposure to mass media and access to higher education, and suppressing the mobilisation

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To him modernisation implies industrialisation, economic growth, increasing social mobility, and political participation
of masses. He preferred the notion of stability and status quo against the excessive increase in demands leading to greater participation may lead to decay and instability.

W. W. Rostow's work Stages of Economic Growth: a Non-Communist Manifesto (1960) and later Politics and Stages of Growth (1971) outlined several stages of growth in the development of state. In his treatise he outlined six stages; a) traditional society, b) preconditions for take-off, c) take-off, d) drive towards maturity, e) age of high consumption, and f) search for quality. Rostow's understanding of stages of growth claims to bring all societies under some or other stages of economic growth, He is silent about other aspect of political development. He gives a process of one-dimensional growth and optimistic about the classification that it has some utility. However, Rostow's stage theory has been adopted by many political theorists. A.F.K. Organski examined the role of government through four stages in his Stages of Political development (1965) a) primitive national unification, b) industrialisation, c) national welfare and d) abundance. He defined political development in terms of increasing government efficiency in the mobilizing human and material resources towards national ends. Both the scholars argue that each nation will have to pass through various stages of economic growth before reaching the stage of abundance. They sought to treat economic growth an integral part of political development and projected various stages are inevitable to come in future growth (Chilcote, 1981: 223).

David Easton in his A Framework for Political Analysis (1965) identified 'persistence' as central feature of to modern political system. He analysed development of a political system in terms of its proven capacity to persist and to allocate the value. This capacity would involve the ability to satisfy demands, to handle stressful situations, and to maintain support. He argued that political life as a system surrounded by a variety

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6 Political decay is highlighted as increasing dominance of disruptive social forces, the demagoguery political expression leading towards political degradation of institutions where private interest precede public interest.

7 Abundance mainly indicates that the state has completed its developed shape. But it is completely a relative term, very difficult to measure.

8 To him system is a means whereby the inputs of demands and support are converted (conversion process) into outputs. This is the allocative aspect of system behavior which checks its success and failure through feed back in corrective manner.
of environments. Because it is an open system, it is constantly subject to possible stress from these environments. Yet, in spite of these dangers to political life, many systems are able to take the measures necessary to assure their own ‘persistence’ through time (Easton, 1965: vii).

Leonard Binder, James S. Coleman, Joseph La Palombara, Lucian W Pye, Sidney Varba, Myron Weiner, eds; *Crisis and Sequence in Political Development* (1971) defines political development as a multidimensional syndrome of governmental capacity, differentiation and equality. It has seen as a political system’s ability to cope with five crises: legitimacy, identity, participation, penetration and distribution (Binder et al, 1971: 65). He specially referred governmental capacity as the ability of governing elites and crises were therefore seen from the perspective of the threats to their position and the necessity of elite for the maintenance of changing order. This argument was especially apparent in the chapters on legitimacy by Pye, political participation by Weiner and governmental capacity by La Palombara (ibid: 141–273). *Crisis and sequences in Political Development* articulates many of the themes expressed by Huntington (1968) regarding the capacity of governing elite to preserve order and stability which is differently termed as crisis management by Binder (Higgo, 1983: 20). In this way the literature on political development in 1970s supported the view on elite and preservation of order to establish persistence in society.

La Palombora (1967) related bureaucracy with political development and modernization. To him a modern system would be one in which achievement rather than ascriptive criteria in political recruitment and where role differentiation is maximized. In that modern society group interest has to be articulated by a plurality of competing voluntary interests in turn aggregated by more than a single political party. Here the citizens would keep ultimate control over the governmental institutions. That means modern state must have elaborated electorate with universal adult suffrage, high degree of political participation and a secular and rational bureaucracy with active citizenry. He identified a higher degree of structural differentiation and neutrality in case of bureaucracy in developed states which may not be useful for developing states. He
concludes that bureaucracy has to play very significant role for state and nation building in those new states of Asia, Africa & Latin America. To some extent he realised the widening role of the government—particularly the bureaucracy has intimate involvement in every developmental work. This view is very much reflected in Pye’s notion of equality, capacity and differentiation.

Another relevant model of political development was advocated by Gabriel Almond and G. B. Powell *Comparative Politics: a Developmental Approach* (1966). It is based on structural-functional analysis of political system. This model identified also three characteristics of developing political system—structural differentiation, secularisation of culture and expansion of capabilities. Structural differentiation implies the evolution of distinct structures, organs and institutions for the performance of different functions in a political system. It operates at two levels - at input level, it emphasised the emergence of suitable socialising agents like family, school, peer group, political parties, mass media etc., and at output level it embarks on separation of power between different governmental organs performing the function of rule-making by legislature, rule application by executive and rule adjudication by judiciary. Secularisation of culture denotes the process by which people gradually acquire more rational, empirical understanding in their political thinking and action. In particular, it gives birth to a participant political culture. Expansion of capabilities implies an increase in capability of political system to regulate polity, distribute the scarce resources efficiently and to become responsive to necessity of citizen. Thus he defined, political development in terms of the increased differentiation and specialisation of political structures and the increased secularisation of political culture. He explained that a political system is more capable when it will solve rising problems in effective and efficient manner. On the other hand while writing in *Comparative Politics: A Developmental Approach* (1966) with Powell he asserted democracy to the inevitable form of government in future (pg: 5). They found non democratic systems or unstable democratic systems as deviation from democratic ideological norms. He was very

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9 that means distinct structures, organs or institutions of the states to perform different functions in a political system (both at input level and output level)
optimistic about two historic version of stable democracies—British parlimentarism and the American separation of power system. They distinguished between democracy and dictatorship where dictatorship representing political pathology or error, and democracy representing truth and political health. They all analysed American political process of the 19th century with attention to issues like elections, government and policy implementation and preferred Western democratic model and tried to build a unilinear relation between democracy and political development.

Almond and Verba in their work *The Civic Culture* concluded with the same understanding that western democracies are presenting preferable model of democracy and development. They analysed five democratic countries and their political cultures. They summarised the democratic model of Britain and the United States as more stable than Germany, Italy and Mexico. He asserted that the 'civic culture' many create a stage of democratic stability and increases participation. To him it is a political culture of participation and this revolution if occur in worldwide might lead to the participation explosion. To him civic culture is a mixed political culture. In it many individuals are active in politics, but there are also many who take the more passive role of subject (Almond and Verba, 1965: 339).

The traditional mainstream theorist has emphasised on democratic and liberal political state. They described the participatory political culture as most inevitable to bring modernisation and freedom in society. It empathised for personal liberty, freedom, and social justice which are basic in development of individual dignity. The state here regulates the public affairs through mass mobilisation and institutionalises parties to come up with stability and order in society.

1.3 Political Development as Economic Self-sufficiency & Self-dependency

The mainstream theory on political development has been criticized by theorist who took 'economic dimension' as major approach. Here theory building mainly sum round
concept like surplus, class, dependency, imperialism and mode of production over modernisation, nationalism, order, stability and basic of democratic values. These theories mainly lay emphasise on international exploitation of colonial states with present underdeveloped position. The impetus for development of dependency theory evolved out of the growing dissatisfaction with the role of Economic Commission for Latin America (ECLA) headed by Raoul Prebisch of Argentina. ECLA assumed a nationalist and anti-imperialist stance on development of third world countries. The commission divided the world into an industrial center and periphery producing raw material. They assumed that maximisation of production; income and consumption would benefit both center and periphery.

3.1 Development & Underdevelopment

In 1963, Raoul Prebish outlined the essentials of 'structuralist' position of economic development (Higgott, 1983: 48). He articulated the view that development and underdevelopment were seen as linked in a causal relationship in which the advanced industrial west was able to develop only because it was under-developing the third world. Later this view has been strongly presented by Andre Gunder Frank with a unique relation between metropolis-satellites. Here the satellites were kept dependent by sucking out of surplus by the metropoles. He argued that an adequate theory of development could not be formulated without attention to the past economic and social history of underdevelopment of suffered nations. Nevertheless, Frank took the structuralist rejection of the diffusionist capabilities of international trade, capital and technology transfer from the developed to the developing world and formulated his own ideas into the 'development of underdevelopment' thesis (ibid 48–49).

Later he studied the development of underdevelopment in more explicit term the real development not the stage or a state, but as a process encompassing economic, social, and technological changes by which human welfare is improved and established

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10 The doctrine which divide world economic system into two different, strongly opposing types- core vs. periphery and metro pole vs. satellite. Both metro pole and core represents developed economy with highly sophisticated society and others as underdeveloped and traditional society.
with its political, cultural, and perhaps spiritual dimensions. For Frank, unlike many others, actual development is instead a cyclical global dynamic by which some regions/peoples temporarily assume leading 'developed' position while others are underdeveloped as a result (Chew et al., 1999: xii). Keeping the non-Marxist and anti-imperialist tradition of the modern development theorist Furtado wrote in his treatise *Development and Underdevelopment* (1964). He examined various trends in the development of the European industrial economy and noted that expansionism led to dualism—some structures characterised the capitalist system and perpetuate the features of the previous pre-capitalist system. He then analysed the structural causes of external disequilibrium in the underdeveloped countries. Furtado opposed imperialism and foreign penetration into domestic economy and favored autonomy as a solution to national development (Chilcote, 1981: 230).

Samir Amin in *Accumulation on World Scale* (1974) and *On Equal Development* (1976) discussed about the notion of accumulation on world scale. To him, model of global accumulation has two distinct patterns of development for the center and the periphery. In the center, economic development is characterised by the satisfaction of mass consumer needs. At the periphery economic activity is characterised, on the one hand by the production of luxury goods (or their imported for small elite), on the other hand by the production or extraction of primary product or resources for export (Higgott 1983: 60–61). The thrust of his major arguments is that all nations of world, socialist and capitalist alike, are integrated in varying degrees into an international commercial and financial network. To him only one world prevails—the capitalist world market. He has drawn the conclusion that the growth at center has an integrating effect and therefore, has development at periphery. This growth may produce the development and underdevelopment in the periphery.
3.2 Dependency

Dependency is a concept popularly used in comparative analysis of Third World countries in Asia, Africa, and Latin America. It evolved in Latin America during 1960s and later it found favor in some writing about Africa and Asia. Contemporary perspectives of dependency identify the contrasting forms of dominance and dependence among the states of capitalist world. Dos Santos (1970) identified a historical form of dependency. He identified that the situation in which the economy of certain countries is conditioned by the development and expansion of another country in which former is subject to later. 11 Dos Santos outlined several types of dependency—colonial dependency, financial industrial dependency and the new dependency. The theory of new dependency as elaborated by him emerged after the Second World War and was basically based on investments by multinational corporations. The new dependency theory attempts to demonstrate that the relationship of dependent countries can not alter without a change in internal structure and external relations of third world countries (Chilcote, 1981: 238–39).

This perspective later was elaborated by Chilean economist Osvaldo Sunkel in his work (1972) Big Business and 'Dependencia' in Foreign Affairs. He assumed that underdevelopment is a part of process of universal capital growth. This universal expression can polarised into two phenomena—one the world between industrial, advanced, developed and metropolitan countries and another poor, peripheral and dependant countries. He argued for a necessary transformation of structure through planning and control of nations, which may lead towards autonomous growth in a state (ibid)

Their core argument is that countries with a high degree of dependency have very low rate of economic growth or they suffer from disease of 'dependencia'. The growth rate in a satellite country is high when their link with the center is at its lowest. For

11 Development and underdevelopment constitute the two sides of same coin that is capitalism. The periphery is underdeveloped because of the development of center.
instance, Frank cites the examples of the World Wars and the period of Great Depression when the Latin American economies did very well. Another strong argument is that involvement of foreign direct investment can lead to greater inequality in income and aggravate foreign indebtedness. So, dependency theorist dismiss the argument of conventional economists' view that foreign aid and trade is beneficial for growth. But they did not suggest for isolation in foreign trade but preferred self-sufficiency and autonomous growth. Like development theories dependency theories also silent about the over all assessment of development—mainly the political aspect. Though, the economic development or growth in trade is necessary but, not a sufficient condition of political development.

3.3 Imperialism

Imperialism is generally related to the activities of some dominant nations in the world. It may be Pax Britannica and now new imperialism headed by America. It is a relationship of effective domination or political and economic control over one another. It can happen through direct or indirect intervention. The principal forms of imperialism are identifiable in history during sixteenth-seventeen century. European mercantilisms are the examples of classical imperialism. Portugal, France and Britain were the mercantilists' powers ruling almost any part of world.

Lenin applied the Marxist interpretation of imperialism, which to him is the highest stage of capitalism. He combined the contribution of Rosa Luxemberg, Hilferding and Nekolai Bhukharin have made their unique contribution to Marxist theory of imperialism. This approach is later enriched by Paul Baran, Paul Swezzezy, and Harry Magdoff.

12 Dependency also took over and transformed in more active way the trend in nationalist thinking—not only in Latin America— in the late 1950s and the 1960s towards the view that causes of apparently multiplying difficulties of the national development process were located 'outsider' rather than 'insider' the national society. The crucial juncture came to realization, first in Latin America and East Asia, last elsewhere, that industrialization by import substitution was deepening rather than resolving serious social inequalities and balance-of-payments problems.
Among non-Marxist\textsuperscript{13} liberal Hobson has given the theory that domestic underconsumption as the basic cause of imperialism. He believed that an increase in domestic consumption would decrease excess of good or capital. There would be no expansion into foreign markets; savings would be used at home to ensure full employment among the working class, and imperialism would wither away. Hobson’s view has been criticised as it had done theoretical mistake by relating capital investment abroad and domestic underconsumption (Chilcote, 1981: 253–54). Kautsky attacked Lenin and Bolsheviks for undermining the democratic essentials of Marxism. He believed that the rise of the Bolsheviks to power in Russia was followed by dictatorship of proletariat represented by party. This dictatorship was unacceptable because it lacked universal suffrage and popular participation. To Kautsky the class conflicts of communism and capitalism itself would diminish through peaceful manner-parliamentarism, strikes, demonstrations, the press, and similar means of pressure. These institutions are very natural to democracy where people have self-mastery over their economy and polity (ibid: 254–55).

Paul Baran and Sweezy referred to Hilferding, Luxemburg, and Lenin as major contributors to a Marxist theory of imperialism. Their own contribution to a theory of imperialism concerns what happen to economic surplus, defined as ‘the difference between what a society produces and the cost of producing it’ Baran and Sweezy, 1966: 9; Chilcote, 1981: 261). They discussed about monopoly capital advancement. Harry Magdoff in \textit{The Age of Imperialism} (1969) traced the pattern of new imperialism and a new period in world capitalism. He distinguished between the old and new imperialism. To him new imperialism marks a new period in the world capitalism and distinguished by, first, the rise of such industrial powers as the United States, Germany, France, and Japan to challenge England. The power of monopoly capitalism has shifted to small,

\textsuperscript{13}The group resists the Marxist conception of History that the economic development of society and, in particular, changes in the modes of production which give rise to the division of society into classes and produced the class struggle. Marx divided historical epoch into five prevailing mode of production and several conceding classes like master vs. Slave, lord vs. serf, capitalist vs. worker, worker in power vs. former capitalist, a classless society (last two phases are of ideal type). To quote him from \textit{Capital}, he says, “the foundation of every division of labour that is well developed and brought about by the exchange of commodities is the separation between town and country. It may be said that the whole economical history of society is summed up in the movement of this antithesis”.

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integrated industrial and financial firms—the multinationals—which have become especially predominant since the Second World War. He examined patterns of U.S aid and trade and looked at the foundation of the ever expanding U.S empire (ibid: 261).

These developmental writings emphasising dependency and under development have certain tendencies to look at conditions of exploitation, poverty, and inequality in capitalist development of state. They definitely ignored mainstream political development theorist view but ‘they stimulate awareness of problems associated with delayed capitalist development’ (Chilcote, 1981: 268) and historical reason of persisting unequal development process.

I.4 Political Development as Political Transition & Democratic Consolidation

The ‘third wave of democracy’ (Huntington, 1991, Almond et al, 2001: 23) created a cartel of new states who opted for democracy without any confusion about other alternatives. Fukuyama’s debate has created a tabula rasa situation where liberal democracy became the only, unchallengeable and ‘the final form of government’ in the recent history (Fukuyama, 1989: 3–18). Because all the states of central and eastern Europe switched on to democracy by latest 1 January 1993 (the day created as separate republic of Czech Republic and Slovakia). This proliferation of democratic states having equal historical background has created mystery among political scientist to draw generalising argument in favour of democracy and liberal economy. Fukuyama maintained that the liberal democracy contains no basic contradictions and that it is capable of fulfilling deepest aspirations of mankind. Its victory has heralded an end to the struggle either with fascist expansionism or communist internationalism in the past. So, literature of this period mainly discussed the causes of failure of communism as alternative economic system and turbulent situation taking place due to this transformation and ongoing institution buildings in these states.

The post-communist literature on political development mostly focused on the process of transition in one point and democratic consolidation in other. Political theorist
here either discussed failure of communism and assimilation of those new states to
democratic processes. The literature focusing on these systematic changes are
acknowledged as ‘transitology’. What does the term ‘democratic transition’ mean?
Before examining concrete modes of transition, it is useful to clarify the concept of
democratic transition. This concept appears in democratisation theory and relates to
political transformations in Latin America in the 1970s–80s. Democratic transformation
was viewed as a transition from authoritarian rule toward democracy. Later on, the
historical experience of many states in transition that did not reach real democracy
or even moved backwards enabled political scientists to review the concept of
democratic transition and broaden it by adding a new necessary condition—
democratic consolidation. As a result, it can be concluded that democratic transition
is a multi-stage process.

Summarising different sequences of transition offered by Rustow (1970), Linz
and Stepan (1996) and Agh (1998), the following set of stages can be drawn: a) First
stage – erosion or pre-transition period – is characterised by the crisis of the
authoritarian regime and appearance of tensions on the one hand between the ruling
leadership and oppositional forces, and on the other hand between the ruling hard-
liners and soft-liner; b) Second stage – breakthrough or democratic transition-consists
of the collapse of the authoritarian regime, the dismantling of old institutions, and the
emergence of a new democratic system, with a new institutional structure and new
rules of the ‘political game’. This stage ends when the first free elections takes place. c)
Third stage – consolidation – when the fine-tuning of all societal systems to the
new democratic political system happens.

But disagreeing with their awkward conclusion and preconceived generalisation
few scholars like Anna Seleny tried to trace historical distinction among these countries.
She rightly criticised; scholars who has given attention to study how countries make
democracy work and why democracy is final and successful form of governance in
Eastern European counties. She found that all the counties have been superficially
generalised despite their difference in history and political culture (Seleny, 1999: 484).
But she interpreted the recent political development in two eastern European democracies: Hungary and Poland. She rightly insisted that, the present difference in political development could be traced back in ‘the dynamics of pre-transition conceptual frames and informal political settlements’ (ibid: 486). Agreeing with this historical institutionalist insight many scholars concluded that the process of institution building and creation of democratic ethos is unevenly developed across the region (Jha & Sarkar, 2002: 106).

Political theorist, who studied post-communist Eastern European transition, differentiated political consolidation as more deepening and higher stage of development. Transition originate at the point when previous totalitarian system begins to collapse, leading to the situation when, with a new constitution in place, the democratic institutions become routinised and the political elites adjust their behavior according to liberal democratic norms (Pridham and Vanhanen, 1994: 2). During this phase, a system witnesses the formal establishment of minimal criteria for democracy: the ratification of rules relating to a set of inalienable basic rights and liberties, the competition for central positions of political power through the channel of participation in elections, and the submission of government institutions to rules of political accountability and rechtsstaat (Plasser et al, 1998: 13, Kopecky 2001: 4–5).

At the other end democratic consolidation provides much strong phase after or in the time of transition which, gives emphasise on institutionalisation of democratic practices like- election, organisation and procedure of political parties and mass mobilisation. This pragmatically indicates strengthening of their normative and behavioral patterns of every governing agent. That means it describes a political society where, major political actors and social groups expect the government leaders would be chosen through competitive election and regard representative institutions and procedures as their main channels to become part of governing agent. Conversely, a non-consolidated democracy is for example is a system which satisfies formal procedural criteria of democracy while at the same time the major political actor considers alternatives to elections as viable or possible method to grab power (Kopecky 2001: 7).
The alternatives can be concretised by forceful intervention in policy process or indulging in coup to overthrow a regime which was legitimate on governance.

Institutionalisation is inevitable and necessary for consolidation of democracy. Through institutionalisation the constitution would come of with its applicability stage. It will define the rules, procedures of working; organisational standard for each and every organ of government agency. So consolidation can be better identified as habituation to democratic procedures and stabilisation of such political behavior, practices and attitudes as are likely to facilitate the normal functioning of democracy. This process creates dual effect on elite behavior (exist in society is legitimise through institutionalisation) and creates a democratic participatory culture among citizenry. Almost a decade after transition democratic consolidation has strengthened the institutionalisation process in central and Eastern Europe. It has created culture of mass participation through regular elections at national and local level. The democratic process is widening with successful working of civil society and human right groups in central and eastern European states. Their assimilation to European value and norm system, created most fashioned notion that they all have completed the major criteria of Pey’s three characters (equality, differentiation and capacity).

Numerous states, international organisations, and international non-governmental organisations take an active interest in promoting democracy and human rights across the globe. Alliances, trade pacts, and economic assistance are offered as means to encourage political liberalisation or foster democratic consolidation (Kubicek, 2003: 1). After 1989 a substantial literature has developed the international dimension of democratisation in these countries and their ongoing political development. The integration, of East European countries to European Union (by 2004 May 1) by completing democratic conditionalities (Schimmefenning and Sedelmeier, 2005: 2–16) of Maastricht Treaty or the most recently Copenhagen Criteria have proved itself milestone in the political history of these states. The European Union is acting as an external agent of democratic consolidation in central Eastern Europe. But singling out external agent as main agent to promote democracy may prove itself wrong as new imperialism. So, while examining the
supportive role played by these external agents one must focus on the role of political elite, political cleavages in a given state and public support for democratic norms and institutions. These are the factors that vary according to specific history of every county in central and Eastern Europe in general and Hungary in particular.

Thus while discussing Hungarian Political development 1990-2006 the study would mainly analyse both the external and internal dimensions responsible for democratization. In the internal dimension the study would like to check in the extent to the goals like—equality, differentiation and capacity is realized after 1990. In external dimension it would critically examine, the role of NATO and European Union’s conditionalities as factors to enhance democratic consolidation.

The above discussion have subjected to various analysis and criticism by scholars in diverse manner. Among them view arguments have their own creditability to explain the conceptual understanding of political development in post-socialist phase, 1990s. The literature on political development has mainly taken place in the phase of decolonisation in early 1950s. The process of political change in these then Asian and African countries took place in absolutely different socio-political scenario. The post-colonial states were fighting for their independence from foreign colonies and for their national identity. Even when they gained independence they carried the legacy of poverty, backwardness, lack of industrialisation, etc. as a result of a long period of colonised exploitation. All these factors made a strong impact on their processes of political development and nation-building.

But, the systemic transformation taking shape in central and east European countries has been of distinct kind and form. Unlike the post-colonial states of Asia and Africa the states in central and eastern Europe were industrialised, economically reasonably developed, had wide spread education, skilled work force, educated middle class and urbanised society. There problem had been of a different kind. They were kept under political rule of a monolithic party and Marxist–Leninist ideology which ruled out any possibility of democratic dissent, freedom of choice, liberty of expression and
organisation, etc. All these states were under an authoritarian political order. Economically, these states were largely cut-off from major developed countries of the world and suffered from stagnation and competitive decline. The economies were increasingly losing the capacity to fulfill the rising expectations of the people, thereby losing their legitimacy. In this context, the existing political development theories may provide guidelines to understand the ongoing changes in political culture of these states. It may help proposed research to segregate the conditionality of political development and its major aspects. The proposed study is an attempt to understand the process of systemic transformation that has taken place in central and eastern European states in general and Hungary in particular. It will mainly discuss the aspects of political development and their endeavor to make Hungary a viable and sable parliamentary democracy.

The theories on political development before 1950s were never successful to given any scientific and sustained definition of recent situation. In the post World War II period political development of states has been examined as success of liberal democracy in contradiction with fascism. On the other hand the reputation of Marxism had fallen due result of excessive Stalinism. In the 1950s the process of development has seen as modernisation or transformation of traditional, less equipped state into politically, socially and economically modern society. Here State has to mobilise resource, investment and plans to modernise it. The direction of development usually comes from the state development plans and by means of the by controlling scarce foreign exchange reserves. Here the state alone was credited with the ability to think and act in the long term interest of its entire citizen. Here market would play only a supportive role. In the context of the change that taken place in Central Eastern Europe state is not only agent. The presence of external agent (USA, EU and other international agents) and free market economy played inevitable role. In case of central eastern European States political and economic changes have proceeded simultaneously. The factors responsible for change has definitely played distinct role in case of these states which can not be eventually similar to third world counties of Asia, Africa and Latin America of 1960s. In both the
cases democratic norms became very common goal to accomplish towards politically developed stage.

Second, the literature on political consolidation and transition are silent about the nationalism or civilisational debate emerged as post-cold war phase. They have overemphasised the process of democratization and marketisation as only panacea to all problems. Third, the non-mainstream theorists (economic understanding of development) are silent about the ideological factor of eastern European satellite countries. They divided the world in two core and periphery only on the economic exploitation and capital investment which hardly includes eastern European states of post 1989 era. So, existing theoretical approach can not be applicable to Eastern Europe as satellite state of Soviet Russia. Last, the process of Europeanisation could be otherwise debated as creation of different world order, challenging the American hegemony. But hardly any theorisation has taken in to account the critical dynamism of American headed market oriented democratisation. There is a basic contradiction between democracy and free market. Democracy gives equal rights to each person while market gives weightage to the rich and efficient person.

I.4 Political Development in Hungary in Post-Communist era

Among the mainstream and traditional political theorists Pye has given a non-philosophical and pragmatic view to study political culture that is affecting political development of a state. His three characteristics (equality, capacity and differentiation) otherwise pronounce by Binder as ‘political syndrome’ has a nature of universal applicability. To Pye, the politics of one country is deeply rooted in the native genius of each nation (Pye and Verba, 1965:3) and each nation has its own distinct political culture. This distinct or separate political tradition is nurtured by the socio-economic forces. His assertion about political development in relation to political culture has eternal impact in the study of comparative political analysis. He embraces the historical approach which

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14 He argued political development means to suppress all the irrationalities, emotionalism, and widely contending forces, in favor of coldly efficient, intelligent, and farsighted management of public affairs (Pye, 1966:15)
traces the evaluation of institutions and the contemporary political culture of a state. To Pye, the concept of political culture also provides a useful basis for examining the link between social and economic factors and political performances.

In this study this has to be tested by taking case of Hungary in particular and central Eastern Europe in general. This work is an attempt to see as to what extent political development in Hungary in post-socialist society has deeply rooted in its distinct political culture. How the environment in Hungary nurtured a non-authoritarian democratic culture? This long existing democratic culture can be traced back from the landmark events of the October revolution of 1956 and to acceptance of New Economic Mechanism (NEM) in 1968 by Kadar. The Hungarian Revolution of 1956 posed a significant challenge to Stalinism and an authoritarian state. NEM had also made a serious attempt to introduce quasi market mechanism, within the planned economy. These market mechanisms had created a competitive environment of profit in state enterprises, within state controlled economy. This reform had brought a significant institutional change in the economy and created strong background for the pro-market institutional environment in 1990s. By analysing the process of Hungarian Political development the proposed work wants to answer—

- What are the key elements of political development in Hungary?
- What are the external and internal factors responsible for the political transition to a democratic and plural state in Hungary?
- What is the role of political institutions in Hungarian state building?
- Is Hungarian transformation to democratic and plural state successful in the CEE region?
- What are the factors contributing to the Hungarian political stability?
- What are the converging interests compelling both European Union and Central and Eastern European countries to unite together?

In the beginning of writing Pye has discussed about the general understanding on political development. First, for some people political development means primarily prerequisite political environment essential for economic and industrial development. Thus, political development becomes merely the creation of political and governmental
condition necessary for realising higher economic performance. Second, he related political development with governmental performance, and their development involves an increase in administrative efficiency. This means a greater capacity of administration to manage public policies effectively and efficiently. On the other hand, the development prospect to build a bureaucracy on the basis of rationality, neutrality and impartiality.

Third, he asserted that Political development must be modern instead of traditional phenomenon. It can come as a process where achievement consideration replaces ascriptive standards and when functional specificity replaces functional diffuseness in social relation, and when universalistic norms supersede particular one. Fourth, the concept of political development involves the test of general performance of entire system and the capacity of both the administration of government and polity as a whole to meet increasingly heavy demands and exacting challenges. Finally, political development means to create a nation (embrace it with state citizenship), democratic development (mass participation, equality, universal applicability of law- rule of law, institutionalisation (rule, procedure for parliament, president and judiciary) and the greater advancement of liberty, popular sovereignty, and free institution.

While writing about political development in relation with political culture Pye tried to understand the dynamics of political development in terms of the ways in which people develop, maintain, and change the fundamental basis of their political behavior (Pye and Verba, 1965: 6). The emphasis has been given on collective stability and instability taking place in a political system. Thus, stability and instability does not create its impact in the vacuum but affects the attitude and sentiment of people as collective whole. So, political culture is the product of development or progress of the collective history of that political system. The culture here includes the life history of those individuals who occupies political office and the opposition coming up with tangible alternatives. By bring these arguments into applicability we can study the dynamics of popular political behaviors and their impact on political changes taken shape after 1990 in Hungary.
To summaries political development — it is a process towards undefined but progressive end. This is a process of growth and maturity towards modernisation (political) and transformation towards democratic consolidation which, is concretised by political institutionalisation. Political development is a process of greater human freedom, liberty and right where an individual can aspire in a civic society. The concept of political development is not in opposition to offer a model that can be applicable uniformly to all the countries of the world. But by discussing the major work on political development, change and modernisation one can identify some regular features in changing state system which invariably appears at the time of transformation, transition or democratic consolidation of any state. In the light of this discussion the study would focus on the capacity of Hungarian the then political system to adjust with new liberal democratic environment. The study would examine the institution building, the form of government, the working of constitutional court and lastly the bureaucratic impartiality of Hungarian state after 1989.

The present work is an attempt to understand the theoretical claims of political development in a changing scenario of post-socialist era. It also focuses on the basic aspects of development like — state-building, institution-building and their current eventualities. Meanwhile, the chapter also examines the socio-political inheritance of Hungarian state which has given the foundation of stable and successful political system. The work is mainly an effort to understand Hungarian political tradition which has created a sufficient milieu brought forward the democratic consolidation to reach politically developed phase.