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Doctoral School on History

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Innovation in the Socialism

The History of the Bábolna State Farm
between 1960-1990

ABSTRACT
OF THE DOCTORAL (PH.D.) DISSERTATION

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I. Research assignment

The PHD dissertation grew out from a more-year-old research. The Heller Farkas Institute of Economics together with the economic historian workshop of the Doctoral School on History of the Pázmány Péter Catholic University started an overall research work, with the aim of working up Hungarian agrarian history in the XXth century. Within the frames of this programme I participated in the specific examination of the history of the socialist state farms. Agrarian history is an underdeveloped field of Hungarian economic history in the Modern Ages. Within this the historical demonstration of the Hungarian equivalence of the Soviet type sovkhoz is an extremely neglected topic, although the contemporary government expected a lot from this type of factory representing sample farm.

It became obvious from the beginning that it is impossible to work up this field historically with scientific thoroughness, if we cannot reveal the history of the individual companies. Bábolna¹ in the examined period meant one of the tops among state farms and this resulted in that a lot of one-sided misconceptions circulated and circulate about the operation of this farm.

Socialist ideology tried to verify the correctness of the system with material aims, and the manifested intention was to build a modern society. Later they regarded the main reduction of economic reforms to reduce the efficiency lag as related to the capitalist farms. According to this they had to carry out such changes in the system by which they would reduce the lag. The reformers and the technocracy joining them wheedled concessions out of the political leadership with the promise of higher standard of living and greater effectiveness necessary in the race of systems.

In agriculture beside the policy aiming the improvement of the standard of living and the effectiveness of the production, the second aim closely related to the former was to justify the legitimation of the big farms, its more developed state. Till the beginning of the sixties as a consequence of collectivization agricultural production reduced with 10 per cent at the same time. It was obvious that considerable development, the provision of the supply, the increase of the standard of living among new conditions could be carried out only by total technological reconstruction.

The Bábolna State Farm was in foreground from the sixties, from the appearance of Róbert Burgert as a leading company of the socialist Hungarian agriculture. What Nádudvar meant among co-operatives or the Győri Wagon and Engine Factory in the industry, that was Bábolna among the state farms: a special experience, seeking ways beyond the economic reform. The farm was generally known as the most significant agrarian innovative centre from the seventies. It

¹ Bábolna State Farm, National Company (1948-1967), Bábolna State Farm (1967-1973), Agricultural Combinat, Bábolna (1973-1990).

played leading role in developing and spreading the professional production systems. As a result of closed organizing of production being introduced to different sectors, it had decisive part in raising intensive variety, both in the cultivation of plants and in live-stock farming, and took its share from the establishment of specialized large-scale live-stock farms and from the additional technologies.

The aim of the dissertation was to demonstrate what kind of factors led to the outstanding state of the Bábolna State Farm, and what kind of role it played in the company system of the socialist Hungarian agriculture. The socialist system had distinctive characteristics different from other systems which characteristics showed internal unit. The elements of the system fitted to one another and assumed one another. Certain characteristics were at the same time “more basic” and thus were out of question eg. state property or the monopoly of the communist party, and the operation of these resulted in other less basic (“derivative”) characteristics such as paternality and selectness.

During the working up of the structure of success it was a central question what kind of role the basic and derivative characteristics of the system and the introduction of the so-called market elements played in that. It was my goal to get picture of the difficulties a socialist agrarian company introducing production innovation met with and to demonstrate its efforts in order to eliminate them. So, through the history of the company the basic features of the modernisation of socialist agriculture became palpable and that to what extent it was able to get rid of the dysfunctional features of the system and to what extent was this the smith of effectiveness and an indispensable precondition.

II. Adopted methods

The research field inside the economic history belongs to the factory history writing. This historical discipline needs wide, complex social scientific, moreover mechanical overlook, so in terms of the topic technical history (introducing and the effects of new means of production, technologies) played great role.

The comparative studies as a historical comparing method was essential during the research. The great volume of sources without employing comparative method is unusable. In terms of the comparative method first of all the quantification was important. It was difficult that the available data are from more sources having different aims, so the used methodology to count this is often different.

The importance of political historical examinations in the given period can hardly be questioned. The local, regional and of course first of all the national policy (perhaps international political connections) can not be separated from researching the topic, as local policy as well as national policy was reflected in the life of the company and determined significantly its development and the working conditions and circumstances of life of the workers.

The topic is in close connection with social history, too. The factory, the company is also a social unit with its own society. We have to rank the aetiological research among the field of social history. The history of the Bábolna State Farm cannot be divided from the local history, the relationship between the firm and the village is characterised by a kind of dual connection, a there-and-back effect, in which the effect of the company remained very strong till the end.

III. The structure of the dissertation, starting points

As a precondition of the fulfilment of the task I demonstrated the production history of the farm in the examined period. The introduction of production systems meant such qualitative change which was not experienced in the history of Hungarian agriculture before. The main aim is to demonstrate the specific and dominant elements of the mechanical development of social agriculture through the example of the Bábolna State Farm on the basis of main characteristics, such as:

- The spreading of mechanical energy and mechanical machines
- The development of plant improvement (first of all hybridization)
- Artificial fertilization, cross-breeding in live-stock farming
- More perfect soil-ameliorating improvements
- Introduction of constructional improvements

In the second, analytic part of the essay I concentrated upon the emphasis and examination of those factors which - in my opinion - determined the development of Bábolna different from the average Hungarian State Farms in a special way and contributed to its outstanding status and success. So I attributed great significance to political and economic background (company profitability, supports), to organizational structure and its changes and to human factor (work discipline, interestedness etc.). The investment can promote growth only associated to the overall impression of these factors and not by itself.

IV. Main points of the essay

1. Production history

1/1. Live-stock farming

– Socialist ideology tried to change the producing proportions, push forward the segments having higher efficiency, and increase the output rapidly in agriculture. Bábolna before the poultry-farming programme was informed by international data and foreign literature about the rapid industrialization of the poultry meat and egg production in the developed countries, in consequence of which this sector

guaranteed the largest crowd, most equal quality and cheapest meat production within the briefest period. As a consequence of the great proliferation of the poultries the rotation of the production is also quick, so it was appropriate for producing great mass of meat year by year. Its adaptation ability was remarkably wide and coped with every phase of the professional production. So in case of poultry meat and egg production the economic and political profile became compatible with each other.

In Bábolna the theoretical and practical basis of the professional poultry-farming was worked out on the basis of western model from 1960 and the first agricultural sector organized into system was created. With state support the conditions for profitable production were created. For Bábolna the allowance of the role of a farm responsible for a business meant great advantages, which at the same time meant individual exception from profile constraint.

The opening to west of the Hungarian agriculture was also connected to this sector and to Bábolna. Egg production started in 1962 with Lohmann-type poultries imported from West-Germany. Then they organized the building of poultry stables within the farm, which were built in construction appropriate for the close production system. With the cut off of the elements of natural environment and with the industrial type portioning it became possible to measure and regulate all producing factors in all time. They created strict harmony among farming, propagation, incubation, raising, settling and slaughtering. The activities of all factories was organized according to a closely connected programme.

Thanks to the poultry-farming we got a world-wide significant role in the innovation of agriculture. The “Tetra hybrid” innovated for intensive egg production was kept in mind among the three most famous hybrids in the world in the eighties. As a consequence of the significant internal supply and the relatively cheap price national poultry meat and egg consumption suddenly increased, and in 1985 Hungary was ranked among the first five countries in the world per capita. The production made possible a significant export. Bábolna exported significant breeding eggs, breeding and profit live-stock poultry and complex poultry farms year by year. The most progressive role was played by poultry-farming in the Hungarian large-scale live-stock farming till the end of the examined period, and in its level it became the closest to the leading countries in production.

– Bábolna also played pioneer role in the practical realization of the professional pork production. In the field of large-scale pig breeding they wanted to reach competitiveness with creating large-scale conditions similar to the poultry. In the beginning of the programme pig farms operating on the closed technological principle already existed in the developed capital countries, but their proportion was smaller than the capacity of the farms built in Hungary (with an issue of generally 600-700 sows, 9-12 thousand porkers). The production with a new method – although this started on wide research-developing and producing base and by which they used numerous foreign experience and innovating results – remained

problematic till the end. In course of the planned investments they often overdrew the financial budget with 40-60 per cent. The buildings and the new farming technology did not fit to the nature of the animals. The production proved to be more material- and energy-demanding than the planned, that is why most farms could not realize the nominal emission.

By the introduction of the system the main fault was that during the carry out they copied the poultry-farming programme mechanically, and accordingly the initial phase – farrow, early selection (28 days) – happened in Bábolna, which is the most critical period in case of pigs. Then they settled them for fattening to the surrounding co-operatives. It turned out that they cannot take over everything from the poultry-farming, because by the poultries the most difficult part of the process, the incubation was good to solve, but at the same time by pigs the early phase caused numerous further problems.

The failure of the programme is shown by the fact that we could not manage to join forces with the international leading group with the farming and the producing results, and meat quality also fell behind eg. the Danish and Dutch standards. The losses caused by death and the so-called technological rejects were remarkably high (from 100 only 68-71 reached the slaughterhouse). The national spread of the professional farming and the stabilization of the results on internationally week middle level resulted in the most potential loss of Hungarian agriculture. In Bábolna the production following the initial increased capacity stopped at a low rate and per cent in the production value of the company (1976: 4 %, 1986: 1%).

– The industrialization of the sheep-farm ended with a spectacular failure, as it was less compatible with the biological capacities of the animals. Bábolna dealt stressed with the innovation of the sheep-farm from 1973, when after a central decision the state farms of Szendrő and Putnok joined the company. Significant part of the area of these farms were pasture. By the industrialization of the production the farming on closed tread grating caused foot problems and get lame within a short time, so the animals were later fattened within traditional circumstances but with intensive fodder supplement.

1/2. Cultivation of plants

– The closed system of the professional commodity production was firstly developed in the production of poultry products, despite the fact that hybridization as the main incentive was taken over by the poultry farmers from corn growing. Corn came to the centre of the interest of experts examining the possibilities of intensive, professional production already in the sixties. Among the cereals this plant has the greatest productivity, and it contains the most energy in a unit quantity, and because of these two attributes it was the most appropriate for the realization of the aims of the corn and meat programme announced by the upper leaders. In Bábolna

different researches took place already from the beginning of the sixties. They examined the possibilities of increasing the yield, the question of one-crop cultivation all-round, made experiments as concerning variety-comparing and artificial fertilizer and looked into the effects of different weed-killers and machines of different foreign companies.

The operation of the corn production systems were allowed by the Agricultural and Commissariat Ministry in 1971. They used foreign exchange constructional credit form in the import of the necessary production lines. According to this they had to create the conditions of the development of the corn growing with the export of a part of the surplus crop. The CPS (Corn Production System) started its operation basically with capital machine system, although later they managed to substitute some machine type for some produced in Hungary. They used the technological system of CPS in 1972 on 60 000 hectares, in 1973 on 124 000 hectares. The centre of the system was the Bábolna State Farm in the first year. The result of the corn production suddenly increased, so it became necessary to create a separate company. On 30th March 1973 the Bábolna Corn Producing Mutual Company CPS was born.

In Hungary corn became the primary plant of the production systems of cultivation of plough-land plants. Its main attribute which made it appropriate for this was the good monoculture-patience. The average yield increased by 25 per cent per hectares from 1970 till 1980. Besides creating fodder base the technical and organizational causes also played a role in that the production systems got one-crop nature. Experiences, however, showed that within a relatively short time monoculture resulted in problems of different nature, whose neutralization required considerable material sacrifices. Such were the unfavourable physical-chemical and biological alteration of the soil. A lot of problems arouse eg. the harsh spread of some resistant weeds connected to certain monoculture, and the accumulation of chemicals. The cut of the optimal time meant further disadvantage in the production during the yearly working.

1/3. Other activities

– With the establishment of the production systems Bábolna, as a state farm playing pioneer role in introducing professional systems got key position in organizing the production of certain collateral industrial products and components.

Bábolna emphasized the system-based approach of planning and manufacturing these kind of products and the adjustment to the main requirements of the wide-spread professional corn and live-stock farming systems in course of producing and selling industrial products. The characteristics and exceptional great advantage of the industrial product-activity of the combinate was that these products were planned as an important joining element of the production systems and they sold it first of all organized in the partner farms and more or less separated from the market amplitudes.

– Bábolna got independent foreign trade right to bring in breeding sport saddle-horse and breeding poultry from 1968. Previously the state farm did this activity through the Terimpex Foreign Trade Company. Later this foreign trade right was completed with the export right of poultry and egg production, pork production and lamb production systems to capital markets.

The company built his business policy on three main markets. The commercial connection of the farm widened with the socialist countries from year to year, primarily with the Soviet Union, Czechoslovakia, German Democratic Republic and Poland. In order to develop capital export and to form independent breeding co-operations were created with certain companies of the European capital countries. The Middle Eastern countries became the most dynamically developing and most significant export market as regarded the currency volume. The 30 % of the whole Hungarian poultry meat export was directed to Middle East. In order to widen market price structure they worked out the practice of programmed air-transport and they built effective consultant network.

– In agriculture the integration activity of the big farms became a characteristic developmental direction beside the centralization process. The increase of the company size was changed with horizontal and vertical relations. New type co-operation forms were created and the process of production concentration and specialization got new content. In agriculture company systems came into being with lot of functions and rich profile. In the scope of the company supra-company type of organizations (systems, associations) were formed.

The existence of production innovation assumed changes in the factory organization, and this went together with the spread of different associative forms in agriculture. These had significant task in the development of the technical-technological innovation. The role of the system centre as innovation centre was based on the genetic, technical-technological and farming complex system, where research development activity had more and more role.

The most characteristic feature of the co-operating process was, that certain previous company functions were often separated from the frames of the company and found employment on other organizational level of the integration. The production systems represented technological and organizational innovation and most of them operated as an organization spreading innovation.

In Hungary system centres operated within two legal forms:

- Within a founding organization (farm responsible for a business) with more or less company independence
- As mutual company having independent legal person.

The history of Bábolna can be an example of both. Most system centres belonged to the firstly mentioned, eg in Bábolna the industrial type poultry-farming and pig breeding systems. The Corn Production System operated as a mutual company. This differed from the farms responsible for a business (simple

association) in that it had independent legal personality. Another important characteristic of the production system is that within it relations (co-operations) between the member farms were not characteristic, but the co-ordination of all important factors of the production as process organizer was realized between the system centre and the member farms.

The most important task of the member farms was the production by which they followed the instructions of the system manager. The member farms did not make research and experimental activity, but through sharing their production experiences with the system centre they helped its research activity. The system centre operated as a service organization, which got income for its service activity.

2. The anatomy of a success history

2/1. Political background

– In the socialist system the over-determining role of the political system was felt in the relation of the social subsystems. The inner movements and formation of every social sphere was determined by the political power, crossing the special regularity and internal rationalization opportunities of these spheres. The course of the economic process, the place of a leader, the award of state allowances were also determined most basically by the power relations. So success of the individual companies depended considerably on the lobbies of state ground and significant differences evolved among the challenging companies. Certain sectors enjoyed allowances because the party leadership on the peak of the power hierarchy preferred the given fields because of ideological or personal causes. This sectoral support can partly be explained with the ideology of the leaders (the improvement of heavy industry and mining also arose from this), when the important element of the order was which sectors has priority against the others, but such kind of support also existed which was the result of an arbitrary decision of the upper party leadership. The second one can be seen in case of Bábolna, although the compatibility of the new production system with the large-scale production played important role in the agreement of the plans beside the provision of the supply for long-distance.

– Bábolna received significant scope, material means and support from 1960. The upper leadership supported the development and spread of the production system and the co-operative activities of the company. Among the numerous individual allowances the most important was that it received the opportunity of western import. This was the most important allowance achievable on the highest level, because the western technologies and machines bought for convertible foreign exchange helped the farm for a great advantage in the economy. Other different supporting forms were the allowance for introducing new activities (eg. launching the nutriment production and incubation) or providing certain monopole rights (for independent breeding-propagating activities, production).

Till the appearance of Róbert Burgert in Bábolna local party organization reigned all fields of the economy exclusively, so launching the central poultry-farming programme interfered with numerous political interests. In the first half of the sixties attacks from the district and county levels were permanent against the leaders of the company and the new production system represented by them. They explored themselves to the enemy with “getting lost” of the economic party life in the shadow of the new economic order. It defines the sticking points, that political examinations were due to such notices or titbits, that few people read the party press or the party assemblies has no atmosphere. Beside the personal conflicts the difference in the opinions and interests arising from the situation occupied in social structure and division of labour was also reinforced by that fact that the participants saw the results on the basis of different values. The leaders of the farm preferred the principle of economic rationality and profitability, as a result of which every activity which did not contribute to producing profit was secondary. Those representing the party organization approached the events on the base of political rationality. The central element of this thought was the reinforcement and “enlarged reproduction” of the political power. In this respect the intention of realizing profit was pushed into background. From the beginning of the sixties the influence of the local party organs on the economic leadership constantly declined. In the end the political influence of the economic leader became so stronger in the upper party organs (in 1966 Róbert Burgert was elected to the Central Committee), that changes in the local and district party leaders were realized.

– The support of the highest level was not a constant advantage, but the possibilities of the farm also changed with the changing of the political elite and the external relations significantly. Burgert often moved on the borderline between allowance and prohibition with his investments, so it is no accident that as a consequence of the changes and shifting of accent in the upper political leadership which recently belonged to the category of “just endurable” or supported, later with the strengthening of conservative forces was pilloried as the germ of capitalism.

In the beginning of the seventies the attack of the retrograde forces started contrary to the reform. The target of the conservatives was Bábolna, which was in the first flight in the realization of the new economic mechanism, and by means of the reformer-politicians in the Central Committee there was a possibility for numerous “irregularities”, which the other side tried to destroy as the “germ of capitalism”. Numerous examinations happened as concerning the farm, what primarily aimed at the American connections of Bábolna. The solution for the critical situation was the personal meeting of Burgert and János Kádár. It was important for Kádár to show economic development to Bresnev against the forces attacking him (Béla Biszku, Zoltán Komócsin). So the economic creative force and the importance of the production of Bábolna was appreciated in the compromise play of Kádár.

The sociological content of the attacks can be drawn in that the retrograde forces wanted to weaken the alliance between the reformer-communists and technocracy with the attacks on the technocracy. The taking over of the technocratic economy-directing methods made the political order possible in reality not to make glaring economic political mistakes. So it could avoid the economic crises for a short time, could provide the increase of the standard of living, the relative balance between stocks fund and solvent demand and avoid that economic discontent would result in political convulsions.

– Bábolna, as system centre became an essential part of the Hungarian agriculture for the seventies. Parallel with economic success the leader of the farm gained significant influence in political life. Burgert from his CC membership in 1966 was re-elected in every four or five years, so he was able to influence the decisions of the central hierarchy, moreover to come to a dictatory position. High state and party leaders visited Bábolna continuously in the whole period. Foreign delegates arriving Hungary were also guided to the sample farm, whose leader achieved an outstanding position in the diversified, lobbyist network of the official system of the Kádár regime.

2/2. Economic background

– The state sacrificed 50 million Forints for the realization of the poultry-farming programme in Bábolna between 1960-1963, twice and half as much as for the development in the poultry sector of the state farms in 1959. The Bábolna State Farm started stable development from 1963. For 1967 it increased its income fivefold (to 339,454 million Forints) and sextupled its profit of 1961 by relatively constant producer and procurement prices. In 1967 the farm was that of its highest total producer value, and it realized the highest profit among the state farms. In the same year it was also the first in respect to the accumulated producer value per capita.

In the net income and profit of the farm a sudden growth can be seen between 1968-1970. In the background of the results the following cause-consequence connections can be pointed out on the basis of deeper examination and economic historian summary:

- Bábolna doubled its profit between 1968-1969 by almost constant costs besides the negative balance of the supports and withdrawal of funds. The most important cause of this was that in 1968 it obtained the right for foreign trade. The 10 per cent growth in agrarian procurement price realized in 1968 also contributed to the growth.

- The sudden profit growth was also promoted by the economic reform of 1968. Within its frame state farms had opportunities to do subsidiary activities, in whose frame they produced mainly the industrial products of agriculture. Although the company started producing certain subsidiary products (eg. stable elements)

already from the introduction of professional production system, from 1968 this activity started to develop and soon it won an important place within gross production value. In the industrial factories it produced such products, with whose production other industrial sectors did not deal, but which were at the same time indispensable for the operation of the production systems. With this the farm formed a role for itself which made it necessary in agricultural life.

- As third reason we can mention the forming of the order of getting foreign exchange credit in 1968. Its goal was to develop the exportability of the farms. With the help of the foreign exchange they could buy up-to-date, modern machines, technologies and know-hows. For getting foreign exchange credit the farm had to undertake surplus production so to be enough for the export, for repaying the foreign exchange content of the products for internal consumption and the foreign exchange credit for import.

- The seventies brought diversified results. In this period agricultural state production prices increased with 43%, and market production prices almost with 70%. The two price level together – because of the greater proportion of the state – increased with 48%:

The situation of the agricultural companies from 1975 continuously got worse, which tendency can be seen in the case of Bábolna State Farm. Although from the data of the farm an almost twice and half profit growth can be gathered between 1975-1982, the production costs in the same period were tripled, so the specific profit of the farm decreased.

The share of Bábolna from the profit of the state farms constantly increased till 1972, and its value exceeded its proportion to its share from the costs. A serious breaking happened in 1976, when the level of the share from the profit declined under the other index. This tendency later became constant and the share of the farm from the costs of the state farms represented higher proportion till the end of the eighties, than from the profit.

- The period between 1980-1989 was characterized on the level of national economy mostly by growing state withdrawals and decreasing state support. In the state farms withdrawal in proportion of the profit between 1980 and 1985 increased from 37 per cent to 45 per cent. In case of Bábolna the opposite tendency is noticeable at the same time. While in 1980 the withdrawal in proportion of the profit was 31 per cent, in 1985 this decreased to 23 per cent.

In the increase of the effectiveness of the company it was poultry-farming within live-stock farming which played far the greatest role, which was accompanied by the emphasized state of the activities outside the basic and the subsidiary activity. Such individual exceptions and opportunities lead to the outstanding role of Bábolna eg. the exception from profile constraint or independent export right. These made possible for the farm to get significant income as innovation base and system organizer. Its innovative role was based on the genetic,

technical-technological and economic complex system, where research and development activity played more and more role. In respect of the profitability important task fell to the lot of subsidiary activities.

Keeping the outstanding position from the beginning of the eighties was possible only with rapidly growing supports – these were mainly export support and price subsidies. This shows that while in the state farms the balance of supports and withdrawals turned to become negative at that time, in Bábolna this happened inversely.

2/3. Structural system

– With the introduction of the professional production technologies the sectoral directing form directed to the product came into foreground, whose conditions were created by the use of developed means of production (the mass appearance of special and target machines) and production techniques. With the change of profile they centralized the former district (territorial) direction, sectoral directing order was formed. The reorganization significantly changed the local decisive and power relations. The leaders of the districts enjoying certain independence before became the executives of central decisions. With the change of the task structure and of the power and supervisory circumstances of the organization a structure formed and directed by centralized requirements being in sharp dependence was established.

Specialization of the leadership was realized till sectors in the sectoral production organization. The specialist of the sector became the chief of producing a product belonging to his sector within the whole territory of the company. Every independent production unit, sectoral group or sector had a separate organization of work.

– In agriculture the concentrating process having started at the beginning of the sixties became faster in the seventies. As an effect of the succession of reorganizations and unions huge agricultural companies came into being, whose producing value rivalled with industrial large-scale works. Within the farms more large-scale sectors were created. Within the agricultural large-scale works at the beginning of the seventies the so-called combinates were born. The combinates and state farms integrated more and more territories, created huge production volume with the improvement of agriculture as well as food industry and different industrial activities. The increase of the production, the appropriate internal information made the decentralization of the direction of the company and the structural construction at a certain grade necessary. The state farms, the combinates tried to break down the large-scale structure into smaller directing and interest units, in order to made the directing of the production easier to comprehend and to insist the interestedness of the workers of a unit to reach more conceivable targets.

In Bábolna creating the works manager-chief engineer-manager type directing system the structure of the large-scale works became easy to survey and manage. In this structural system the finding employment of the leaders of the sectors and the production periods of this and the territorial leading of the external farms were also able to be solved. The basic unit of the production became the “factory” (accounting entity), the unit of the working structure became the team (brigade) under the direction of the works manager.

– Besides defining the structural frames Bábolna devoted great care to deciding the conceptual elements of the accounting. By the realization of the independent factory it became necessary to provide numerous conditions. Such were the real and punctual task, the order of the accounting, the supply of the necessary means and materials and the definition of the input, term, capacity use, return optimum, the gift of right of disposal over workforce in respect of the operative realization of the economic activities.

The production units – as accounting entities – had independent plan belonging to a part of the plan of the farm. This contained the production tasks, the direct costs, the capitalized income value and the general costs closely in connection with production. The production unit had defined wage fund inside the wage bill fixed to the production volume of the farm, as a consequence of this the leaders of the production unit also practiced the disciplinary jurisdiction.

They carried out changes for the improvement of the effectiveness of the operation of the company in the factorial structure and directing. The relation of return-costs was changed by the relation of income-expense, so they took the total used costs (wages, material, service, interests, taxes) into account on the real market price. Instead of the former return they thought on the income, and the role of the settle price was substituted with commercial price. The production to the store did not bring result, only which was sold in market. They could trade with one another freely and make agreements. In Bábolna accounting entities were called as enterprising factories.

– The introduction of the property of the company in 1984 brought significant change in the structural-directing system of the state farms. The law granted the owner’s right to the collective of the company and the council of the company representing them. This step was destined to strengthen the identification with the company and the motivation of the workers. The introduction of the new directing form resulted in confused dependence relations in Bábolna: the council of the company became the employer of the leader, but in the hierarchy of the company every CC member was the employee of the director. In the council of the company the upper leaders were dominant. Their participating proportion far exceeded their proportion in the company. As the CC members were not responsible materially for the wrong decisions, the organization – while emphasizing the improvement of the

internal interestedness of the company – was doomed to disinterestedness from the beginning.

2/4. Human factor

– In the years before 1960 lax production and working discipline was characteristic. The lower levels of the leadership get more and more independence. With starting the poultry-farming programme the reconstruction of discipline and order was of primary importance. One of the most important requirements of the professional production was the discipline: the adjustment to the punctual condition system of the content, duration and the method of the working.

The first concrete steps were the liquidation of the drinking during the working hours and stealing, and steps were taken to strengthen discipline. Who was caught on drinking or stealing, was immediately dismissed. Effect of the radical steps by all means soon arose, and significant improvement seemed in discipline. The judgement of the offences against the farm later also remained the most stringent in national relation.

Both the used methods of creating discipline in Bábolna, both the dismissals were regarded as glaring in the contemporary ideological climate and economic practice. Only the “upper patrons” and the significant economic achievements guaranteed, that the political power did not intervene but protected the leaders of the farm from the attacks of the local, county political leadership.

– As in a resource-limited planned economy the mobilization of the population capable of working could be regarded as total, there was no workforce reserves. So it meant important task to create interest in order to entice the workers and keep them besides harder working conditions.

Socialist wage regulation prescribed fairly complex formulas directed by the theory of income equalization, which weakened the lucidity of the system. This blunted the urging effect in itself. Besides this the incidental, ad hoc type interventions were frequent in the financial situation of the companies in order to take the best part of the “too high” incomes and to compensate the losses caused by “objective difficulties”.

The bonuses system determined by the effectiveness and the realization and over-realization of the plans showed the forming of the new approach as related to the basic conception of waging from 1968. The farm prescinded such allocation for premiumization from the wage bill, by which the workers could get surplus income of a sum of 10-15 % of their yearly income – in case of good and effective work – over the ordinary frame (payment by ranging or result). This premium was given according to regulated order, but it could be controlled to allow payment already within the year after the result certainly considered. In Bábolna profit sharing played an important role in forming the average income, as growth of the profit of the company was very dynamic.

It was a general principle in constructing the bonuses system of the factories, that they took the planned or realized profit of the premium system or the decrease of the planned loss into account. They divided the part of the profit sharing applied for interestedness according to incomes, period of service and outstanding working.

– Because of the levelled demand management indirect material allowances had an important role in Bábolna. The farm tried to widen the allowances in kind. It originated “egg-ticket system”, in accordance with the workers of the farm could buy determined number of eggs at a symbolic price per capita. They could buy at a reduced price in a shop created by the company. It belonged to the allowances in kind, that workers of the poultry-farms (poultry gave more than half of the whole production value) got a defined quantity of eggs at a reduced price a week and they got a refrigerated hen on every Friday from the slaughter factory of Győr of the company for nothing.

The farm itself also invested a lot in the village from 1960, and supported the settlers in different ways (it gave building plot, remains of a demolished building at a nominal price) and played an active role in developing the village.

– In course of the intensive, professional production such disadvantages of the socialist system were more and more implemented, as indifference, estrangement from the consumers and the underestimation of small amounts. So humanization of the work became an important element of the leaders of the farm being constantly in the foreground. In the professional environment a small mistake could cause great deficiency, and could endanger production in a significant degree.

The company emphasized promoting the possibly best human behaviour, which it wanted to reach in two ways: at one hand it was necessary that the workers feel the relation of convenience with the company and on the other hand that everybody be responsible for his work directly. The leadership built consciously upon the fact that people loves to be important for the organization. In Bábolna the “personalization” of the work gained high attention in all fields of the farming. This was realized by the different working types in different ways. Above the machines dealt with by skilled workers they stated the name of the operator (responsible) and the value of the machine. In the egg-classifier they reached the same by introducing cards. The card was taken to the cartons by the worker, so they could feel the responsibility of their work to a greater extent. This was essential for precise work, and at the same time it raised the worker’s sense of responsibility and self-respect. The typical examples for the “personalization” of the work were the large boards stood up on the verges of the land of the farm, which contained the name and photograph of the sower together with the main production data.

V. Conclusions

In Bábolna the successful change of the production profile served as the basis of success. Among its conditions they regarded important to create the human, spiritual conditions, the win of the affected over the material and political support. As the logic of internal and external plan directing differed, it meant advantage that in fields of poultry-farming their value judgement agreed, so its end-product proved to be well-saleable in world market. The success of the programme lead further strengthening of the belief of “positive effect of size profitability” and put the stamp on to the reconstruction of the sectoral proportions of production and agriculture. As the “forced” big enterprise frame not adjusting to the type of the activity in many cases was not effective, the reconstruction in such ways went with much disadvantage. The one-crop corn growing, the ecological conditions, the basic century-old agrotechnical rules, the compensation of the negative effects with chemicals necessarily increased the industrial dependence of the agrarian production, increased their costs with the increase of the industrial prices and started a deteriorate process by soil. Another time because of the characteristics of the products the advantage of the great organization, the closed technological systems, the specialization could not succeed, eg. in the case of sheep-farm.

Market orientation took part decisively in the achievement of the company. The improvements were subordinated to market claims. It was characteristic for the production profile to stand on more foot. In case of poultry the main principle was the “one product, three market”. The role of the socialist market was decisive in reaching appropriate mass production, that of the capital market in information-gaining, by the Middle Eastern markets the function of convertible currency-gaining went into foreground. The leadership put a stress on the quality of the products and taken as a function of they changed internal interest system. The aggravation of qualitative requirements – mainly in the beginning – caused conflicts, because the measure was reaching the “international standard” from the beginning. They constantly followed the international developments of the profession and tried to keep up with them.

They paid special attention to the mechanical improving activity. They particularly dealt with this sphere. The mechanical development was related mainly to buying western licences and know-hows, which they developed on. The relations with western companies had an important role till the end. The purchase and use of developed western technique also helped the change of the production profile and the rise of educational standard of the workers (the training of the workers often went parallel with the installation of new machines) but often the improvement of quality. The company beside the purchase of machines aimed at co-operation (eg. mutual development) with the more developed capital companies. Knowing the western technical, technological level the leadership “became more exacting”. The

relationships stimulated the up-to-date organizing, leading principles. The creating of mutual companies also served the close connections with western producers.

The increased capacity was related to the activity of the primary leader. Róbert Burgert in the whole examined period leaved its mark on the whole activity, on the working style of the company and determined its effectiveness. With his dynamic and initiative personality he was able to captivate certain representatives of the political leadership and his colleagues. He regarded important to co-operate with the social and political organizations, he saw their role in convincing, propagating the leading goals, informing the workers, and mediating the reaction of the workers to the leaders.

The character and possibilities of economic interest vindication of the company changed a lot during 30 years. While in the beginning it was able to become determinant together with the active co-operation of the “allies” (reformers), and together with them it was able to become determinant, in the beginning of the seventies Burgert lost his former potential allies. In the new power construction the privileged social model farm and model entrepreneur, member of the Central Committee manager Róbert Burgert won a considerable position. In this political and economic factors took part together. The company had monopoly in a lot of fields, and its leaders had the technical, cultural capital necessary for the control of the key producing factors, which had strong pressure-putting ability. The leadership put great stress on building up and maintaining personal relations in the political leadership, knowing that these relations and informal separate bargains can have essential role in solving economic problems and in guaranteeing the success of the company.

In the competition for the inputs was not the sum of these – although in the beginning this was outstanding – which was decisive, but its timing. Bábolna, as chosen by the political leadership primarily – or at least among the first ones – from the different investments which advantage it made use of later successfully. As a centre of a system it played an important role in spreading producing innovations. While in the sixties the state support of the great investment was characteristic till the seventies more and more kind of support (price subsidies, dotation) went into foreground and in the end, in the eighties the export support became exclusive. Among its main causes we can mention the greater support claim caused by the declining prices.

Such exceptions and opportunities lead to the significant role of Bábolna such as the exception of profile constraint or the independent export right. These made possible for the farm to get significant income as innovation base and system organizer.

The history of Bábolna outlined and defined the characteristics of success, failure and operational problems of socialist agriculture what were the consequences

of the characteristic elements of the system and the causality among them. It can be stated that besides the basic features of the system it was able to get rid of its dysfunctional features only in a small grade. The 30 years of Bábolna was characterized by the almost heroic struggle against these dysfunctions and emphasizing this. The integration of the leader of the farm to the political power made this struggle and the use of market economic elements possible. The company in reality behaved as the supporting-pillar of the system, its real interests – contrary to the introduction of more market-conform elements- pushed not towards competition and market, but towards the less effective over-allocation, maintaining the monopole right – as dysfunctions- the interpenetration of policy and company.

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