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The world in 2025 from a Weberian-Polányian perspective: An interview with Iván Szelényi[1]

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Introduction by Iván Szelényi[2]

In July 2014, in Tusnádfürdő, Transylvania, outside the country's borders, Viktor Orbán clearly stated in a public lecture that caused noticeable international ripples that he wanted to build an *illiberal system* in Hungary.[3] Orbán then utilized several other platforms to reiterate and expand on this idea. His starting point was a critique of liberalism. Liberalism, Orbán says, focuses only on the rights of individuals and does not represent the interests and rights of the nation, the community. According to him, one of the main tasks of nation-building is the creation of national institutions, including a new national bourgeoisie. The government of the nation must defend national sovereignty against globalism, mass migration that threatens national culture and ethnicity, and the actions of international capital and the global market that violate national sovereignty. The Christian national culture also needs to be defended against the values represented by international liberalism and the LGBTQ movement – for example, because of their acceptance of non-heterosexual behaviour.

Since 2014, in several papers written in collaboration with Péter Mihályi, we have attempted to describe the mechanisms of illiberal regimes, particularly the Hungarian illiberalism implemented by Orbán, as clearly as possible. This is the subject of two of our books in English, *Rent-seekers, Profits, Wages and Inequality*[4] and *Varieties of Post-communist Capitalism,*[5] which were also published in Russian, and six joint publications in Hungarian in *Mozgó Világ*.[6] In these writings, we have already raised some unanswered questions

[1] The interview was first published in Hungarian in Mozgó Világ: Szelényi Iván – Melegh Attila – Mihályi Péter: A hatalom természete az illiberális rendszerekben. *Mozgó Világ*, 2025, 5: 3–23.
[2] Written by Iván Szelényi and Péter Mihályi in May 2025.
[3] Speech by Viktor Orbán at the XXV Bálványos Summer Free University and Student Camp, 26 July 2014. https://2015-2019.kormany.hu/hu/a-miniszterelnok/beszedek-publikaciok-interjuk/a-munkaalapu-allam-korszaka-kovetkezik
[4] *Rent-Seekers, Profits, Wages and Inequality – The Top 20%*. Palgrave-Macmillan, 2019.
[5] *Varieties of Post-communist Capitalism: A Comparative Analysis of Russia, Eastern Europe and China*, Brill, 2020.
[6] "Köztársaságunk alapállapota – a kezdetektől fogva", 2024. 2–3., "Van-e értelmisége a Fideszne k?", 2023. 7–8., "Fajok? Etnicitás, rasszizmus", 2022. 10., "Harminc év után (A szocializmusból a kapitalizmusba való átmenet ellentmondásai)", 2021. 7–8., "Amerika már visszafordult, Magyarország még nem", 2021. 2, "A morális pánik természete. Bevándorlók, járványok, gazdasági, társadalmi és politikai válságot a 21. században", 2020.6.

about the illiberalism of Orbán. If the 'national interest' cannot be identified by liberal intellectuals, who can identify it? Are there illiberal FIDESZ intellectuals? Is the liberal intelligentsia part of the nation at all, or are they an anti-FIDESZ intelligentsia? If the government, which perceives the national interest, interferes in the functioning of the market, does it not create incomes and rents that are higher than would occur under free market competition? Does it not then mean that rent-seeking has become common practice? If, in the interests of protecting Christian national culture, a ban is imposed on the expression of certain opinions; if foreign support for press which is independent of the state media and receives little or no state funding is banned and penalised; and if the government also threatens individuals who have multiple nationalities who speak out against the interests of the nation with the possible suspension of their citizenship, is not freedom of speech being infringed?

Over the past four decades, our thinking has been inspired by the theories of Max Weber (1864–1920) and Karl Polányi (1886–1964). Weber regarded any system in which subordinated individuals obey without force as legitimate. In our joint papers, we took this as a starting point and extended the analysis to post-communist countries, distinguishing six types of actually existing systems of rule in relation to the Weberian (ideal-typical) model of the capitalist system. On the one hand, there are *liberal*, *conservative*, and *illiberal* versions, while there are also *autocracies*, *dictatorships*, and *despotic political systems*.[7]

Polányi's concept of a redistributive economic system is our other starting point. Following this, we analyse the roots of the rent-seeking that is found all over the world and argue that, at the macroeconomic level, there are three main sources of income: *wages, profits*, and *rents*. Contrary to Karl Marx (1818–1883), under conditions of free competition, we consider profit to be legitimate income that serves the interests of both capitalists and workers. Rent is different; it is a reward that, in many cases, is based on a natural monopoly (e.g., the benefits of owning agricultural land, mines, building sites, and economies of scale).[8] But in many cases, the source of rent is that the clients of the executive become owners of high-value capital assets and/or additional incomes, not because of their productivity but because of their loyalty.

Looking back from the present, it is striking that in some Soviet-style socialist regimes (especially in Hungary), from the second half of the 1960s onwards, intellectuals with transcontextual knowledge claimed some kind of centrally allocated benefits (e.g., an apartment, priority health care) in exchange for their loyalty to the party-state and for actually doing responsible managerial work.[9]

We find it remarkable that the biggest political debate in the world today is related to the trade policy of President Donald Trump in the United States, which represents a radical break with the traditions of previous decades. Tariffs are also a form of rent, *based on*

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[7] See e.g. Szelényi Iván – Mihályi Péter: The six competing types of domination in the early 21st century – towards a new Weberian taxonomy, *International Political Anthropology, 2021, 14*(2), 175–183; Mihályi Péter – Szelényi Iván.: Karl Polányi: a theorist of mixed economies", *Theory and Society, 2021, 50,* 443–461.

[8] Szelényi Iván – Mihályi Péter: R*ent-Seekers, Profits, Wages and Inequality – The Top 20%*. Palgrave Pivot Series, Palgrave-Macmillan, 2019.

[9] Konrád György – Szelényi Iván: *Az értelmiség útja az osztályhatalomhoz. Esszé.* Published by the European Protestant Hungarian Free University (Bern) in Paris in 1976.

the state's monopoly on lawmaking. (Of course, it is a far-reaching question whether these tariffs ultimately generate rent for foreign or domestic companies or the Treasury.)

These three forms of income have been present in all complex societies and remain so. Under free-market capitalism, wages and profits are dominant, whereas in pre-capitalist and modern illiberal systems, rents are dominant. Therefore, pre-capitalist societies are not class-based societies. It would therefore be a mistake to consider illiberal capitalism as equivalent to state capitalism. In the former, the role of the state is not more, but different. The members of the dominant political order provide rent to their own clients (for example, through public procurement or privatisation). But by limiting competition, there is no strong economic constraint forcing clients to invest such rent efficiently; rather, this money is used to pay for the ostentatious capture of clients. This is true, but it is also true to say that those who benefit from the rent do not steal it; they receive it.

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The interview[10]

Péter Mihályi:

Would you agree with me that the most significant output of Iván's oeuvre is the 'intellectual book', i.e., the 212-page sociological study he wrote together with György Konrád in 1973-74?[11]

Iván Szelényi:

It's for sure that this book of mine is the one that received the most attention in Hungary, and even in Germany and America at that time. It got less attention elsewhere. In Hungary, too, it only received attention for a while, because today nobody actually talks about this book in Hungary, and it has no significant influence on intellectual life. I have been self-critical about it and have even written a critique based on this self-criticism.

It is also true that the book, which in structure and style is in fact an essay, a kind of fiction, could be misunderstood. Exactly what we thought at the time would be difficult to provide clear evidence for. I can only speak of what I think about it today. One could interpret the book as if we were saying that the intelligentsia was becoming the ruling class in late state socialism. I don't think we ever wrote that, nor did we ever think it. Our idea was that a fraction of the intelligentsia had class ambitions. And this was connected with the fact that János Kádár made a triple concession in 1963 to make up for some of the atrocities he had committed between 1957 and 1963, of which the execution of Imre Nagy was the most serious, even for Kádár.

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[10] The conversation took place on 15 March 2025 in Iván Szelényi's Budapest apartment, almost simultaneously with Viktor Orbán's "bugging" speech. Attila Melegh is a Hungarian sociologist and the president of the Demographic Committee of the Hungarian Academy of Sciences. Attila Melegh was awarded the Polányi Károly Prize of the Hungarian Sociological Association for the best publication in 2023 – the same honour that Péter Mihályi and Iván Szelényi received in 2020 for their joint book. Peter Mihályi is a macro-economist, Professor Emeritus at Corvinus University of Budapest. The tape recording and transcript were made by Ádám Kerényi (Phd).

[11] Konrád György – Szelényi Iván: *Az értelmiség útja az osztályhatalomhoz. Esszé*. Published by the European Protestant Hungarian Free University (Bern) in Paris in 1976.

The very first concession was made to the peasantry, largely under the influence of Ferenc Erdei, who hoped for the emergence of a Hungarian peasant bourgeoisie. While he was relentless in the creation of producer cooperatives, he innovatively organised them, and the peasantry benefited relatively significantly. In fact, members of this strata were forced into the cooperatives, their horses were taken away, their machines were taken away, but they were left with about one acre of land on which they could farm as they pleased. The cooperatives had no say in what they would plant or how they could sell their produce. In fact, the cooperatives even had a role in buying up the products and taking them to market. In this way, the peasantry began to earn a considerable income. It was very good for the whole country. Overnight, the markets were filled with foodstuffs that had been unavailable until then, and that were not even seen in the surrounding countries. There was fruit, meat, etc. Everything you could imagine was produced. At first, the peasants only had one acre; then they were allowed to rent another acre, but some people farmed 4-5 acres. It was very intensive work, but from intensive work you could get a considerable income. So that was the first compromise. As a result of that, Kádár realised that what worked was to let people work on their own land, in a kind of tiny private enterprise. It's good for them because then they're still working on the farm, and it's good for the country because agricultural production increases. They had to work a lot, but never in their history had Hungarian peasants lived as well as they did under the post-1963 Kádár regime.

Kádár then realised that the market elements could apply to industry. Such were the enterprise working groups. If someone worked their eight hours, they could stay on afterwards at the state enterprise to work with the company's machines, but privately, for a market income. So-called 'gebin' enterprises also developed. These were formally subcontracted to the state enterprises, but were managed by the 'gebines', who earned market incomes.

After 1962, Kádár also made a compromise for the intelligentsia. I myself experienced this directly. Over the next 25 years, freedom of publication increased. Some journals published quite critical things – for example, *Valóság*. Sociology was allowed to exist, which, up to then, was considered a bourgeois pseudo-science, but suddenly, the Institute of Sociology was founded. They allowed intellectuals to go abroad on study trips. Even to America. I went there in 1964 on a Ford scholarship for one year.

It had a huge impact on my later career, and the one year I spent partly at Columbia and partly at Berkeley was crucial. The intellectuals felt that their freedom had increased considerably, and they began to publish critical texts. I also wrote numerous studies with György Konrád (1933–2019), which were very critical; however, we wrote them very carefully in our early work. I even did a bit of Marxism in my very first paper. It was published in *Demográfia* in 1962 under the title "The Study of Leisure in Bourgeois Sociology".[12] Putting the adjective 'bourgeois' in front of sociology was itself a gesture toward the official Marxist line. It was also an article sympathetic to Marx in content, because I said that the problem in modern societies is that man's life is not fulfilled by work. Marx somehow thought that man's personality is fulfilled when he does what he wants to do in relation to

[12] *Demográfia*, 1962. 1.

work. If he has only his free time, it is not enough. The worker must be able to express himself at work. Looking back now, this was a pointless direction, but the point is that we were allowed to publish. With Konrad, we wrote some very tough, critical articles – for example, on the question of housing distribution.[13] Back then, I was invited to Marxist-Leninist evening classes. I remember that down in the countryside, perhaps in Szombathely, I told them what we found wrong with the housing situation. That workers were disadvantaged in the distribution of housing. This was true in the 1960s. That changed in the 1970s and 1980s. When they started building mass factory housing, workers started to get housing. But in the early housing estates, essentially only people close to the Party or the government, and mostly well-educated professionals, got housing to reward them for their work. Their salaries were low, and to compensate for this, they had access to new, though not very good quality, housing. So this was a lecture in which we said that it is interesting that a society that calls itself a proletarian dictatorship does not favour the proletarians, but rather the intellectuals with better skills and expertise. The audience murmured, and we – my co-author Konrad and I – said that we were not happy about it, but those were the facts. Let there be sociology because these are facts that do not correspond to ideologies! This was a very important development for intellectuals.

Konrád and I started writing more and more impertinent articles in the early '70s, and we began to suspect that sooner or later this would lead to trouble. The first one was published in 1971, entitled "Social Conflicts of Delayed Urban Development".[14] Interestingly, the editors of *Valóság* knew then that this was going to be embarrassing, because here we were already starting to write about the planners' club – the fact that planners were conspiring to do things like help create the national urban development plan. So, then they attacked me. The editors of *Valóság* also knew there was a problem, so they asked Iván T. Berend, who was a member of the editorial board, to write an article in the same issue saying that cities had not developed sufficiently under state socialism. Our article said urban development was delayed. Our article was not stupid either. But it is also true that the insufficient development of cities was not so much the result of an anti-urban policy as of an anti-infrastructure policy. But that was unacceptable, and then there was a Party journal that did a special issue on this article, in which several of my good friends attacked us.

So, all I can say about the Konrád-Szelényi book is that there was really no question of the intellectuals becoming the ruling class, but there is no doubt that the Kádár regime made gestures towards intellectuals after 1963. Quite a few intellectuals felt that they could live under such conditions and that, after all, pretty much anything could be written. Even things like the article on delayed urban development. The 'intellectual book', on the other hand, was beyond the limits of publishability. But within those limits, almost anything could be written if written with enough composure. That is why we had the strange situation that when in 1988-1989 we were told that everything could now be published freely, we expected that now they would pull out of the drawers the social science masterpieces that people had written years earlier, and we would even be able to read a

[13] See e.g. Konrád György – Szelényi Iván: A lakáselosztás szociológiai kérdései, *Valóság*, 1969. 9.
[14] *Valóság*, 1971. 12.

series of books like *The Intellectuals on the Road to Class Power*. But there were no such books! People who could write knew how to write a little more carefully. So what they wrote was published, with very few exceptions. And then the possibility of foreign publication or samizdat was still open. In the 1980s, people could distance themselves from Marxism. You couldn't be openly anti-Marxist, but you didn't have to refer to Marxism.

So, I think the basic idea of the 'intellectual book' is that the gestures made by the Kádár regime after '63 were attractive to the intelligentsia. Because of that, people were inclined to be interested in positions where they could even make decisions that would influence the politics of the country. Even if they did not make the decisions there, the party-state leaders would listen to the intellectuals, and what they said would not be without effect. They would be listened to. In retrospect, I think that was *The Intellectuals on the Road to Class Power*. That's why it had the word 'road' in it – the idea that the intelligentsia had not yet become a ruling class, but it contemplated a socialism in which the intelligentsia, especially the technocratic intelligentsia, would even have class power.

In a way, it was a *third-way* idea. I no longer believe in the third way, but when we wrote this book, I still believed in the possibility of a third way. I don't know exactly what Konrád thought about it. I think his thinking changed after he stayed. My thinking changed a bit when I left. We just went in opposite directions. I became more left-wing, and Gyuri became more distant, and even towards the end of his life, he became more anti-left-wing. Péter Mihályi was also influenced by third-way ideas, as documented in a study he published in Germany in 1983.[15]

In the first self-critique, I said that we were even wrong to think that Kádár's gesture to the intelligentsia meant that the intelligentsia would actually have an influence on any decisions. The Kádár bureaucracy attempted to counter this policy as early as 1973, seeking to reassert the power of the bureaucracy. Many intellectuals became frustrated by this; many of them, incidentally, including prominent members of the liberal intelligentsia, had flirted with the idea that changes had to be made within the party. János Kis, for example, imagined that change had to be made within the party and within Marxism. The Bence-Kis-Márkus book[16] was actually written in this spirit. It was perceived that a different kind of Marxism must be cultivated; Marx must be read in his original form, not Soviet Marxism. And I imagined the desirable future in a third way, from which I only distanced myself much later, but even in 1989-90 I was, in a sense, a believer in the third way. My thinking was quite different from Péter Mihályi's in 1989 and the early 1990s: whereas he was explicitly in favour of capitalism at that time, I thought that a third way version could be developed here, in which a form of capitalism with a human face would emerge, which I imagined as a third way.

ATTILA MELEGH:

I have a few questions that relate to what Iván Szelényi said. But first, let me state that *The Intellectuals on the Road to Class Power* has had a huge impact on all of us. I cannot think of anyone who did not wake up from reading that book feeling that they had something very

[15] "Das ungarische Modell", *Osteuropa Wirtschaft*, 1983. 2.

[16] Bence György, Kis János and Márkus György [1972, 1992]: *Hogyan lehetséges kritikai gazdaságtan?* Budapest, T-Twins Kiadó.

important in their hands. I still think so to this day, and I note that I even still recommend this book in my university courses. One of the great innovations in this book was the use of Karl Polányi's name, the application of Polányi's theory to the conditions of socialism.

Where did Polányi idea come from? How did you meet him? The other question is about what you just said – that from the early 1960s, the Kádár regime moved towards a more mixed economic format, so towards pluralism on institutional principles, which Polányi would have approved as a suitable dierction. To what extent do you see this as a critique of the way you described socialism as a kind of monolithic redistributive system? The next question, which we'll come back to later, was whether there was another big attempt by the intelligentsia at regime change. Because I think that was when the intelligentsia also gained control over property, thus truly became some kind of a class.

Iván Szelényi:

I didn't even know Polányi's name. At the Karl Marx University of Economics, the name Polányi was not even mentioned. When I was at Columbia University in 1964, my mentor at that time at Columbia, Terence K. Hopkins (1928–1997), once told me that Polányi had taught there. He told me who this Karl Polányi was and what he did. That was the first time I had heard about the concept of a redistributive economy, which really got me. Interestingly, this mentor of mine was a very close colleague of Immanuel Wallerstein (1930–2019). But Wallerstein was somehow not receptive to Polányi's concept of redistribution. He did not recognise that, in fact, the concept of the World System, which is very important in Wallerstein, was already being used by Polányi. In other words, Wallerstein does not refer much to Polányi in his books,[17] which has always bothered me.

Attila Melegh:

But Wallerstein did use Polányi in a couple of places! We wrote this ourselves in our joint article.[18]

Iván Szelényi:

Yes, yes. I would continue the story. I started using the concept of redistribution after I came home from America in 1965. Many people didn't understand why I was writing about a redistributive economy and not using the term 'planned economy'. Well, I replied, it is because there is no planned economy under socialism. In the Netherlands, there is a planned economy. We don't have a planned economy; we do what the bureaucracy decides. So, it is not planning.[19] When I was in exile and went to Australia, my first study

[17] Wallerstein's most important work, the four-volume *The Modern World System,* was published between 1974 and 2011

[18] Melegh, Attila – Szelényi Iván: Polányi Revisited. Introduction, *Intersections. East European Journal of Society and Politics*. 2016. June.

[19] Addendum by Péter Mihályi: Around the same time, the Marxist philosopher György Lukács (1885–1971) came to almost the same conclusion. "The later planned economy was also developed without a theoretical Marxist foundation, as an attempt to (…) accomplish certain practical tasks at any cost (preparing and defending the Soviet Union against Hitler's threatened war of aggression, etc.) Even if we acknowledge the historical necessity of the tasks thus set, we must nevertheless conclude that these initiatives have given rise to bureaucratic voluntarism and subjectivism, dogmatic practicalism, which has repeatedly turned various daily contents into dogmas." (Lukács György (1976): A társadalmi lét ontológiájáról, II. volume, 319 p. Budapest: Magvető Kiadó.)

was on the inequalities of redistributive state socialism. Interestingly, like Hungarians, my English-speaking readers did not understand what I was saying. They imagined that redistribution is what the welfare state does. So how could I say that a redistributive economy creates inequality? A redistributive economy actually reduces inequality. So, for 10 years or so, my study was not referred to until, at one point, an American friend and colleague of Chinese origin, Victor Nee, referred to my paper on the redistributive economy when he started applying the concept of the redistributive economy to the Chinese economy in his own articles. [20]

Péter Mihályi:

How do you see it today? Did the 'intellectual book' apply only to the Kádár regime or to socialist regimes in general? The second question follows from the first. There were and are many kinds of socialisms. But clearly, there were and are countries that have not been characterised by their friendly treatment of intellectuals. I am thinking here of China in particular, but also Cambodia, Kazakhstan, and North Korea. In other words, systems that cannot be denied their socialist character, but which do not operate in any way like the Kádár system.

Attila Melegh:

The book is about socialism – obviously. The idea that socialism is a monolithic system is wrong. Institutionally, it was not a monolithic system. If there are *Varieties of Capitalism*,[21] then there are and were *Varieties of Socialism*. So, this should be taken back, and I think the dynamics of the phenomenon have been misjudged. Apart from the few systems mentioned above, this claim of socialism's monolithic nature became less and less true or ineffective. Therefore, as with any economy that aims to satisfy needs at a high level, in the absence of certain institutional conditions (no capital market or no land market), other social institutions must automatically emerge to satisfy needs at a high level. Following Polányi, I think what Chris Hann[22] describes well is that socialist regimes have moved towards institutional pluralism, and there would have been even more diversity if this kind of mixed economy had persisted. But it did not. There are many reasons why this happened, but it is probably not worth going into them now. I think that politics had a huge role to play in this. To that extent, I would also criticise the book on intellectuals, because I think it paints a rather overly monolithic picture of socialism. Because there was a great deal of redistribution, but also a great deal of reciprocity. There were also different kinds of markets, for example, the housing market, and they were also very different institutionally. So I think this monolithic vision of socialism that social and political discourse today wants to maintain was not justified.

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[20] Nee, Victor: A theory of market transition: From redistribution to markets in state socialism", *American Sociological Review*, 1989, 54.

[21] Peter A. Hall – David Soskice (eds.) (2001): *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford University Press.

[22] https://merce.hu/2019/09/24/a-piaci-szocializmus-magyar-modellje-sikeresebb-lett-volna-hosszu-tavon-is/

PÉTER MIHÁLYI:

Was this image of intellectuals that your book gave us valid for North Korea or Albania?

IVÁN SZELÉNYI:

Let me refer to István Bibó (1911-1979). After he was released from prison under an amnesty in 1963, I worked with him in the library of the Central Statistical Office. We talked a lot at that time. He once said to me, '*The biggest lie of this system is that it says it is a dictatorship of the proletariat, while it is a dictatorship of the intelligentsia*'. I didn't understand much of what he was talking about. But there is a truth in what István Bibó said that is true of all socialism in general. Now, what is true in North Korea or Albania, I don't know exactly, but it is true in general, just not for the intelligentsia as a whole. The point is that it was not a proletarian dictatorship, and it was not proletarian revolutions that shaped the destiny of these regimes. In Russia, there was no proletarian revolution in 1917, but a radical intellectual coup. It was after this that the Communist Party came into being, and it was in response to this situation that Lenin invented the idea of the Communist vanguard. But it is true that this party also included some excellent intellectuals, such as Lenin himself. This is very important. This radical intelligentsia also claimed power decades earlier than the technocratic intelligentsia. The communist elite tried to justify its claim to power as proletarian power. Looking back today, it is very important – and perhaps we did not emphasise it enough at the time – that what we were trying to say was not about the radical intelligentsia's claim to power, but about the technocratic intelligentsia's claim to have a prerogative on making economic and social decisions.

However, I have reservations about the *Varieties of Socialism* metaphor. The mass murderer Pol Pot (1925-1998) studied for five years at a university in Paris. Although he was not particularly successful there (by his own admission, Karl Marx's text was a bit difficult for him), he preferred to read Stalin (1878-1953) and Mao Tse-tung (1893-1976) while he was a member of the French Communist Party. So he was just an intellectual after all. Now, let us think of Hungary from this point of view. Mátyás Rákosi was also an intellectual, and a radical intellectual at that, and he started out as a liberal intellectual and went from liberalism to radical communism, because liberalism did not provide a sufficient answer to what he was criticising, which was capitalism. Lenin was radicalised by it. The truth is that, in fact, all the so-called proletarian revolutions can be seen as coups by radical left intellectuals who then tried to justify themselves as proletarian dictators. This is also true of the post-Rákosi period after '45. But Rákosi did not cease to be an intellectual.

I have just praised the Kádárist Hungary to the skies and explained what social innovations it involved. But even so, it is true that all communist parties have had and still have common features. None of them was a proletarian dictatorship, and all of them oppressed the vast majority of citizens in similar ways, if not to the same extent. They abolished private property and allowed only a minimal market.

ATTILA MELEGH:

Péter Mihályi is raising an important point. I think North Korea, Albania and partly Nicolae Ceaușescu's (1918–1989) Romania were monolithic experiments. Polányi would define them as monolithic utopias that cannot really work, which is why these regimes become so oppressive. I see this as one version of the socialist experiment and limited in time.

Intellectuals have no choice but to adapt to the monolithic experiment, because if they don't adapt, they will, at best, be marginalised or something will happen to them. I am absolutely certain that no monolithic experiment can work. Now, let's turn it back around: the market utopia doesn't work either, because it has to be pluralised to remain institutionally viable. Besides, I would point out that the October Revolution, at least, would have failed without the mass support of the Soviets, and therefore, we cannot talk of a mere intellectual dictatorship. And the post-war socialisms in Eastern Europe did not only develop internally.

PÉTER MIHÁLYI:

We have discussed how this story is not a Hungarian one. The next question is: How significant is the kind of Marxist historical materialist tradition that existed in Eastern Europe and Russia, which started from the assumption that this form of socialism as it was created in the Soviet world, was not the best of all possible worlds? This existing world (in the GDR it was called *real existierender Sozialismus*) must therefore be constantly reformed. I first heard from János Kornai (1928–2021) that leading Soviet economists had discovered in the early 1920s that the Soviet economy was a shortage economy, but that nothing happened to them, although they said so and wrote it down. From then on, the ideology of reform, of constantly reforming the system, was constantly present, which allowed for critical thinking. In other monolithic cases, such as the Iranian revolution or the Arab world, the fundamental ideology does not allow for the idea of reform. Those worlds are entrenched in the framework of tradition, and anyone who wants to look outside it has to leave. However, intellectuals can play a role if, in principle, they are and can be pro-reform. I was shocked to hear Béla Csikós Nagy (1915–2005) saying at one of these reform meetings in the 1970s that '*the comrades are aware that what we are doing is an anti-state conspiracy*'. Because it was. The state-party (but you could say the 'party-state') was trying to figure out how to change the economic and legal framework of the existing system.

ATTILA MELEGH:

It is really important that socialism involved continuous experimentation. It starts as a monolithic utopia. The monolithic utopia develops operational problems quite quickly, but at this moment it starts to innovate on an institutional level, on institutional principles, in which intellectuals have a role and influence, but I would not overestimate this, because in addition to the intellectuals, there were also more impulses from practice, either from intellectuals or for instance from people working in the cooperatives. I would rather say that an alliance was formed along the lines of reform, which at some points faltered and at some points remained workable. I would disagree with Péter Mihályi, because I see Iran as a much more complex thing, very much a modern state in many ways, taking on all sorts of traditional things, but in its functioning, it is much more flexible than it might at first appear. I think the same thing about Syria, where, under Bashar al-Assad's regime, there was a lot of experimentation about how to make it work really well. So the Arab world is not as monolithic as it often seems. The big problem is that the economic sociology and economic history that would refine this picture, and that is so badly needed, is being sidelined. Political schemes are often false and misleading. I am also glad we are having this discussion, because it is an absolute sin that what is happening here is that economic

history and economic sociology are disappearing, and especially their institutional analysis, as the study of institutional development and institutional change is no longer needed. In the 1980s, this country was rich in such analyses. We have now lost that due to market nihilism.

Iván Szelényi:

I would like to add that there was and is a tendency in the history of socialism for this original, radical left to come to power. This is what happened in Russia in 1917 and in Hungary in 1919. Béla Kun (1886–1938) was also an absolute intellectual, and there were a lot of intellectuals alongside him. There was almost no intellectual who was not in favour of the Communist Party, as they called it then: "the Commune", in the spring of 1919. It is clear that intellectuals who were historically recognised as philosophically excellent but who were nonetheless mad, such as Lenin, later lost their power and were replaced by intellectuals who were still intellectuals, just not particularly good intellectuals. They were more interested in the acquisition and exercise of power than in theory.[23] That was Stalin. But you can't say that Stalin was not an intellectual. He was an intellectual; he even made some contributions, for example, to the nationality question, so he even thought about intellectual issues. In any case, after a few years, he was no longer interested in that, but in the exercise of power. And this happened continuously, everywhere. This process is still going on today. A lot of universities are squeezing out excellent intellectuals and replacing them with people who cannot be said not to be intellectuals, but who are not really intellectuals; they are critical thinkers only insofar as their criticisms fit into the reform movements promoted by the ruling party.

Péter Mihályi:

The play *The Genius*[24] by Tadeusz Słobodzianek, translated by György Spiró, about Stalin, is currently being performed at the Katona József Theatre in Budapest. The main character in the play is not Stalin, but Konstantin Stanislavskiy (1863–1938), a great theatre director who fought for creative freedom for artists against Stalin. In the play, Stalin speaks to him as a debating partner about what *Pravda* had written 10 years earlier concerning one of his theatre productions. Because they both remember it. Stalin also knows what was in that review, and who wrote the article, who gave it its title, what was taken from it, etc. So, Stalin behaves in an amazingly intellectual way. Imagine how many politicians today could recall off the top of their head a *New York Times*, *Pravda* or *Népszabadság* article from 10 years ago. It is a very interesting thing, but at the same time, going back to the past, I would not think of Kim Il-sung (1912–1994) or Enver Hoxha (1908–1985) as intellectuals. But it is also possible that we do not know enough about them.[25]

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[23] According to Bolshevik legend, Lenin often quoted his favourite author, Goethe, who, in Faust, put these words into Mephistopheles' mouth: "All theory, dear friend, is grey, but the golden tree of actual life springs ever green"

[24] https://katonajozsefszinhaz.hu/eloadasok/bemutatok/43576-a-zseni

[25] All we know about Pol Pot in this regard is that he went to a French-language school from the age of 6 and spent a few years at university in Belgium, so he must have spoken and read a lot of French. Enver Hoxha also spent several years at university in Paris. Ho Chi Minh (1890–1969) studied at a French-language grammar school, lived in London for two years, etc.

IVÁN SZELÉNYI:

Stalin is indeed very interesting, because we know that he went to all the major shows. He went to the musical performances and the theatrical performances, and he gave his opinion on them. Yes, but he was the one who banned the works that he didn't think were right. But he had an intellectual judgment about the plays performed there. This is relevant to the Kádár era as well. Although Kádár himself was not really an intellectual, there were real intellectuals in the government in his place, such as György Aczél, who understood absolutely what was at stake, because he had read everything. I have often said that I wish I could access Aczél's library and look at the book recommendations that dedicated his novels to Comrade Aczél, and with what texts. '*Dear dear Comrade Aczél, or Dear Gyurika, with respect and many thanks for the publication of my book*'. When I started having political problems in the early 1970s, Ágnes Losonczi (1928-2024) persuaded me to go to see Comrade Aczél, because if he saw that I was a human being, he would behave differently with me. Well, I didn't feel like talking to Aczél, but for once I thought that Ágnes Losonczi might be right. I called the Party headquarters, asked for the telephone number of his secretary and said I wanted to speak to Comrade Aczél. They asked who I was, and I said I was Iván Szelényi. The secretary handed the phone to Aczél, who said, 'Comrade Szelényi, what do you want?', to which I replied, 'I would be happy to speak to you'. This was at 10 a.m. Aczél said that 4 o'clock the same afternoon would be fine with him. I said OK, I went at 4 o'clock and he gave me a full lecture. He spoke as if he had read everything I had said. He had an opinion on everything. He said, look, we agree on this, we disagree on that. It was a conversation between absolute intellectuals that I had with Aczél, and there was not enough time for one of his colleagues to tell him that Szelényi had written this and that, so Aczél had read what I had written earlier.

PÉTER MIHÁLYI:

I would like to recall a moment when Viktor Orbán listened to Iván Szelényi. Let's talk about that!

IVÁN SZELÉNYI:

Indeed, when I came home in 2014, I received a call from Orbán's secretariat shortly afterwards asking if they could bring a letter to me. I said yes. An official came and handed me the letter, which was a very polite letter: 'Dear Professor! I am glad to hear that you have moved back to Hungary. I would like to talk to you sometime, would you be willing to come to my place for a coffee?'. I told him that I would, of course, respectfully come to see the Prime Minister of Hungary for a coffee. Nothing happened for a long time after that, and the official called me once or twice more, saying that he was sorry, but there was a war going on in Ukraine, and the Prime Minister was busy with other things. Then one day he called me and said he was free that day, could I come in, he wanted to talk to me, and they would send a car for me. I said, 'OK, come and get me', and the official came with the car. The driver asked how long he should wait. I said I was planning to stay for 15 minutes, and the official said 'let the driver wait and we'll see how long the programme takes'. He arrived and called me into his room. We were alone. We talked for two and a half hours. He did most of the talking; I just listened. A day or two later, he went to Transylvania and gave a lecture on illiberalism.

In fact, in retrospect, the main purpose of the discussion was to hear what an intellectual thought about his concept of illiberalism. Orbán gave his critique of liberalism. In response, I said to him, 'Prime Minister, you are right that there are social interests as a whole that sometimes the state has to uphold by imposing on individuals. For example, people must wear their seatbelts in their car, and if they do not wear them, they can be fined by the police. Then it is in vain for the individual to say, 'Please, I want to be free, and I will decide when to put it on'. This is not reasonable, because if it is not on, there is a much greater chance of a serious accident, the cost of which society has to pay. So that's why we can make it compulsory to buckle up. But who can decide what is in society's interest if individuals don't know what is in their interest? Does the government know, or is it the prime minister who knows? If he knows, how does he know? Has he received a letter?' He said, 'no, but we just have a better idea of what society wants, because we serve the whole of society here'. He said something like that, but it wasn't really an answer to the question of who he meant by 'we'. I don't know that Orbán would have dared to say that he knew better, because that would have been the truth, and in fact, that is what he is doing, how he acts, because he 'knows'. Orbán does not need a circle of intellectuals to tell him what is in the interest of society. It is enough for Viktor Orbán to know.

Péter Mihályi:

Looking back from here, is there any relevance to this whole intellectualism idea if it culminates in the Prime Minister being the only one who knows what the public interest is? Is the expertise of the intelligentsia, be it agriculture, foreign policy, inflation, or whatever, still relevant?

Iván Szelényi:

Orbán, when I visited him, asked me if the professor didn't think he should write a new book on intellectuals. I said no, because I think the concept is outdated. It was specifically about the Hungarian situation in the early 1970s. However, there was a similar attempt in Czechoslovakia to make it the technocratic intelligentsia, not the bureaucracy, that made the decisions there. This failed. Orbán said in response that he did not think it had failed, which is why it would be worth writing about the role of the intelligentsia in determining what is in society's interest.

Attila Melegh:

The difference between the two eras is that under socialism, things were not based on the market system. That's why the redistributor was important in Iván's book, and why there were a lot of other roles that professionals could take on. Now, under market conditions, it is not the job of universities to prepare for such roles, and the principle is always stressed that they should serve the needs of the market as much as possible. I would go back to the fact that a large proportion of intellectuals have now become rather rent seekers. So this infers the embodiment of a kind of inequality in the market-society relationship, and, in light of this, this involves a kind of hunt for rent. I think that the kind of universal telos that Iván Szelényi and György Konrád wrote about back then has been lost, because the market has no need of it. The market order seems to be such that it is, in fact, insurmountable, whereas in socialism, on the other hand, there was always a need to transcend, or

some kind of universal telos. Under market conditions, what do intellectuals do, what are intellectuals interested in, and to what extent do they want to be listened to? I don't think that market players call in intellectuals as a group to give them any kind of advice, because market players tend to see this area as their competence.

Péter Mihályi:

I'm wondering, and I really don't have an answer to this in my head either, how to interpret the fact that, in principle, rent existed in an economic sense even under socialism, but then, following the principle of redistribution, nobody benefited from this rent. The centre collected all the rent through state ownership, so intellectuals as individuals did not share in it. No one benefited because there was no private property. However, after the change of regime, private property gained ground, and from then on, various people, who could be considered intellectuals to various degrees, got access to rent and went on rent-seeking. If the hunt for rent is huge, say much bigger than in Hungary, such as with the Saudi Crown Prince pocketing billions of dollars in rents partly on behalf of the state and partly on behalf of himself and his family, is the situation different? But in the Hungarian context, Lőrinc Mészáros is also a rent-seeker. I cannot say for sure what I think about this, but somewhere I can see that rent-seeking was not possible under traditional socialism because the redistributive system did not allow it.

Attila Melegh:

Private ownership of capital was obviously not present, and ownership remained part of a closed relationship. The cooperative was also a *closed system of relationships*,[26] while it also earned its income through the market. In terms of the quality of land, there was also the differential rent, on the one hand, and the rent from any kind of knowledge monopoly, on the other, but property was not subject to market exchange. I think the punchline was that not everything was trickled down by the state, and in fact, property was not shared in the corporate, economic labour community, and so the role of social rent was less, since there was no land market and no profit-based capital.

Péter Mihályi:

But a much smaller cake was distributed.

Attila Melegh:

Now I was not thinking about the size of the rent, but I was simply trying to think in terms of economic sociology – whether there was a rent under socialism. I think it is important, and I use it in my teaching because we are always trying to understand the nature of the interconnection between society and the market. What does society do to the market, and what does the market do to society? What kind of order does the combination of this form have? What trends can we discover in this? Rent is a key element of this interaction as an inequality factor. That is why I consider this to be a very important question.

[26] The concept of open and closed relationships in sociology was introduced by Max Weber.

But now I will ask why Péter Mihályi and Iván Szelényi thought it important to write about the problem of rent in 2017-18?

Iván Szelényi:

In the book about rent, we write that there are three forms of income: wages, profits from capital, and rent. Rent is the form of income that arises in some way from the limitation of the functioning of the market. So one receives a rent if one receives an income in which market competition is somehow not effective. A particular form of this, let's say in Viktor Orbán's view, is when the state intervenes in the functioning of the market and does not let market competition decide who wins an EU or a larger state subsidy. We know the techniques of this: they pretend that there is an open competition, then the competition takes place, and then they say that now we have to see who is capable of doing it and who should be selected. A new competition is announced, and in the new competition, now only those who are clients close to the government, that is to say, those who belong to the estate, will be involved. Because the notion of *client* is very good here, the people who participate in the rent-seeking represent some kind of an estate. This is my statement: that there are wages, profit, which come from capital, and there is rent, which comes from the restriction of competition. In its pure form, this is actually only true of market capitalist societies. Today's Hungary is a capitalist society, a particular society in which the state, and Viktor Orbán in particular, has an extremely important role to play in limiting competition and in providing its own clients with high incomes. And so today, one of the two richest people in Hungary is a schoolmate of Viktor Orbán, and the other is Viktor Orbán's son-in-law, who is a dollar billionaire. We also know for a fact that they are rent-seekers because they have acquired great fortunes through competition restricted by the state. Another question is, how long will they even remain clients? So, after a while, they have so much wealth that they would actually win in a normal market competition, because it is not only state intervention that can limit competition, but also the excessive concentration of capital. If there is monopolistic accumulation of capital, then small capitalists cannot really compete against monopolies. One of the main features of the Orbán system is that here the state restricts free market competition.

As a criticism, I would say that there is no such thing as a free market; in a sense, the concept of a free market is an ideal type. This is also true with the concept of democracy, which is also an ideal type – a pure democracy, such as that described by János Kornai in his book on this subject, which is very much based on economics, not political science, and which is a very ideal type of pure democracy. What Kornai calls democracy does not exist anywhere in this form. Nor is it quite a free market. The freedom of the free market in Hungary today is limited not primarily by the accumulation of capital, but by the interference of the state and, literally, Viktor Orbán in the market, which situation limits and allocates rent income. Those who refuse to remain clients and rebel, like Lajos Simicska, may find themselves in trouble. Because then, on the one hand, members of the regime will take away the rents that they have received until then; they will not be allowed to take part in competitions, they will be excluded from competitions for various reasons, and the regime will even somehow find a way to take away a fairly substantial part of the income that they have accumulated up to now. As long as Simicska had kept his mouth

shut, he would have had enough left over to make a good living. So he had accumulated enough rent to support himself and his family for the rest of their lives, which is why he will not rebel against the Orbán regime.

Péter Mihályi:

One of the important points of our book is that if we consider the concept of rent important for explaining the situation, then we necessarily say that it is not theft. This is a rather controversial idea today, even in 2025, because both the Hungarian public, social researchers, and investigative journalists are deeply convinced that theft is happening everywhere, and where theft is happening, there will be prosecutions, property will be taken away, and these people will be brought to justice. That will be the second, the 'real' regime change. But we believe that the redistribution of social wealth is basically occurring through access to rent, so that those who receive the surplus income do not steal it; they receive it. And that makes a huge difference legally, politically and emotionally. We think that the Hungarian stories that readers know fall basically into this category. There is very little theft. To promise or hope for a second regime change is irresponsible.

Iván Szelényi:

With Péter Mihályi, I once wrote that they didn't steal it, they received it.[27] The point is that in the Orbán system, people receive rent from the system itself.

Péter Mihályi:

It is very important that it comes directly from the system. In a market economy in the traditional sense, you also receive your rent from outside, from external forces. The Saudi rich do not get their money from the Saudi government, but from foreign buyers. Of course, they can sell at high prices because the oil market is limited, but it is basically through exports that they can get their rent. Even in the situation in China, I think, the politically favoured Chinese state-owned enterprises or private companies basically get their profits from abroad, and so they are in a different position from those who get rich on the state teat.

Iván Szelényi:

The situation in China is very complex. I tried to follow it for a while, but then I gave up because there are too many Chinese billionaires and they are changing too fast. All of a sudden, they become billionaires out of nowhere; at other times, the money of billionaires disappears. Exactly how this happens can be terribly difficult to find out. I don't know enough Chinese to read what is written there that is important. What is clear is that there is a large internal market in China, and in this internal market, there are people who make profits and get rich by making profits and not by getting rich.

[27] Mihályi Péter – Szelényi Iván: "Lopták vagy kapták?", *Élet és Irodalom*, 2021. July. 2.

ATTILA MELEGH:

I have a few more questions about the book. I think in many ways it's very useful that you're expanding the concept of rent, you're talking about all the extra income that people get from closed relationships. To understand rent, you have to understand this closed relationship itself first of all. Weren't you afraid that the concept had become too general and that you would lose something of it, so that everything could become rent? Everyone is in some kind of closed relationship when there is no market independent of society. That is the old Polányian argument; there is no functioning market without being somehow embedded into social relations. The other issue is that in the chapter on globalisation, you write about how rent has become prevalent in the midst of attempts to have a global market. Now, almost everyone is talking not about globalisation but about deglobalisation, 'blocisation', and securitisation. Do you think that means the importance of the rent is becoming even greater? Or what will happen now? How do you see this new situation that has arisen since the writing of the book?

IVÁN SZELÉNYI:

Obviously, for my part, I don't mind if we are generalising rent. I think that I would be in agreement with Polányi here, because Polányi would also regard as rent, for example, the benefits received by those who earn income without working. So, in a given case, it could also be a charitable action to give rent to those who do not have to work for it, either because they do not want to work or because they cannot work. Because we all live in closed societies at one level, there has to be some level of income for all, including some form of support for children and elderly parents. I would still regard the income provided in this way as rent, which is, of course, a socially positive rent.

PÉTER MIHÁLYI:

Here, it would be worth referring to Weber, because this is where the distinction between open and closed relations comes from. Some of these closed relations are completely natural, legitimate and moral, such as support for the unemployed, but we can also include here the functioning of the whole trade union movement, where the weakest trade union worker will receive the same wage as the best trade union worker. This is because the union is fighting for them collectively. Similarly, closed arrangements, such as say, a hundred years of practice in the pharmaceutical industry or copyright, also come under this heading. Someone acquires a right, and it protects them against competition for a certain period of time, and that is fine. So by definition, we do not see rent as something morally wrong. We write separately in the book about the fact that many kinds of rent are perfectly fine.

ATTILA MELEGH:

I think it is worth clarifying the relationship of rent to the concept of social capital when the extra resources from community membership are also included. Or inequality in itself – when the Congolese miner's kid crawls into these holes called mines at the age of 14, everyone from the Congolese ministry to the military gangs, to Western companies, to Nokia, takes rent off their backs. Should we not perhaps go back to the classic problem of inequality, or specifically to the concept of social capital? The problem of rent is an important thought experiment; it just needs to be placed in relation to the other concepts.

IVÁN SZELÉNYI:

Inequality is not a crime in itself. Societies are necessarily unequal. The profit from capital competing in the market is in no way negative. We do not have a concept like Marx's exploitation. Having capital and investing it under competitive market conditions and making a profit from it is inevitable and necessary. We need capital, and we need to invest it to create jobs. In addition, the capitalist still has a wage, since the capitalist is usually involved in the management of his business as a manager. He is paid a wage, if you like. The phenomenon of wages is emerging as a new concept in modern societies. The concept of wages also appears in capitalism. On a feudal estate, it is not wage labourers who work, but serfs. Serfs do not receive a wage; they receive a right. After 1963, János Kádár gave the peasants land; they were given the right to work on a small area and live off the income from it, and in return, they had to work on the land of the cooperative. It's a huge change when it becomes a capitalist big business, because the capitalist big business starts using wage labourers. The emergence of the wage worker is a very important step in the development of capitalism. I can already see that a capitalist enterprise is beginning here, that they are not using serfs, but are starting to use wage laborers. In economic history, that's exactly what we do: we look at people who are already wage workers, people who work for wages. Clearly, the serf is not a wage worker.

PÉTER MIHÁLYI:

By the way, these social forms can survive very much longer. A personal experience: I was in Kosovo when the economic situation was very bad, the shops were empty, nobody could buy anything, and it was striking that in shoe shops and other small shops, you would see two or three employees walking around doing nothing. I asked the locals, if there are no customers, why are there two or three employees? The answer was that they were relatives employed to bring in some money to the family. These people, who were apparently hired workers, salesmen, were actually there because the owner was hiring a nephew. In Hungary, it has not been common for a very long time to employ people for family reasons.

ATTILA MELEGH:

I would also add that capitalism started not only with wage labour, but to a large extent with forced labour. Forced labour in agriculture and in some other sectors was of enormous importance for a long time. Then there were the transitional variants – indentured labour, which was semi-free, rooted in colonial systems. So even in these cases, market and wage labour prevailed only within certain limits, and very large amounts of another type of social relations were involved.

PÉTER MIHÁLYI:

You're right about that, and Piketty writes about it in great detail in his latest book,[28] that there is not just inequality among capitalists vs. workers, but slaves vs. slave owners, conquerors vs. natives.

[28] Thomas Piketty (2024): *Az egyenlőség rövid története*. Budapest: Corvina Kiadó.

ATTILA MELEGH:

And servants, and the examples could go on…

PÉTER MIHÁLYI:

Undoubtedly, this has not been much addressed in theory. The theory hasn't really looked much at slaves. This is a relatively new discovery or emphasis on an old thing, because it happened two hundred years ago. And I have one other comment about how long inequalities can persist. It's in our book that the problem with inequality is that it's often not accepted by society as legitimate. If you don't accept inequalities but think that the rich are just stealing and cheating, then that undermines social stability. I think that is a perfectly logical assumption.

From this point of view, the recent US presidential election was a huge surprise. Before the election, the public debate was about how the elites were running the country, whether the electorate would revolt against them, and whether there would be some sort of democratic alternative when there was a change of government. That is not what has happened; with Donald Trump, the oligarchs have come to power. Social inequalities will most certainly be much greater than they were before. The dissatisfaction with inequality that has been echoed in political debates has not determined the course of events, but something else. It is constantly written about in American newspapers, and it is quite obvious that there have never been so many rich people in government as there are now.

ATTILA MELEGH:

Capital has partly taken over the government. It is usually the other way round – the state serves as a source of capital but maintains a certain autonomy for itself. But the state has to maintain its autonomy.

PÉTER MIHÁLYI:

Yes, but we expected the opposite.

ATTILA MELEGH:

I'm not very surprised. It was obvious that some references to inequality or the problem of rent would be used for something quite different. It is a classic thing in politics.

PÉTER MIHÁLYI:

Our logic was that inequalities due to wealth and income levels would force a fairer distribution, but that's not what happened.

IVÁN SZELÉNYI:

The concept of *autocracy* is also useful. The Orbán system is actually an autocratic system, where there is a central power that can make decisions about all important issues, and quickly. There is an anti-elitist ideology in this, because this is the new autocracy, this central power that can make decisions against the elite. That is what we are seeing with Trump, for example, in the wrestling with universities; he is actually taking anti-elitist steps. Here, Trump's main opponents are the world's most prestigious modern universities, Columbia, Harvard, and Yale, which he harasses and tries to get their leaders fired,

and attempts to transform them into an administrative system similar to that of the Orbán regime's universities. So, autocracy has its attractions, as opposed to democracy, which is a chaotic system. Autocracy can act quickly and efficiently. That's what Trump does so quickly – he can change in a day important previous decisions, such as whether to send arms to Ukraine. He does not need to rely on experts or advisers because he is an autocratic, authoritarian leader. In many ways, he is like Viktor Orbán.

ATTILA MELEGH:

I wouldn't exactly call it an autocracy, but I would use the term the literature uses: a competing authoritarian system. It is not a complete autocracy, but it operates within certain limits. It is said that many democracies were created during the early years of globalization and later many democracies have begun to deteriorate, which involves a series of steps. Hungary is also a failed democracy. I don't think it's any different in America either, where there is no sudden big turnaround, but where they are also building frameworks step by step. More and more, I see that the previous management of the market order has failed; something has gone wrong there. In today's era of deglobalisation, the difficulty of managing the economy is like a magnet; it starts to suck in certain people who were not so important before. Trump is precisely representative of the quasi-entrepreneurial political attitude of *'let's get it right! [...] The only problem here is that it's a mess, there are too many civil servants, they need to be fired so they don't burden us'*. If necessary, protective tariffs should be introduced, or if they are necessary, they should be abolished. This is partly true of the Orbán regime, too, in that they represent an entrepreneurial attitude in the political sphere, and the two have just come together, both in the economy and in politics.

PÉTER MIHÁLYI:

Again, you say deglobalisation.

ATTILA MELEGH:

Based on data. In terms of the share of foreign capital investment, for example, we are going back to the level of the 1980s. Many people have said that there are cycles, and now I see that we are at the end of a cycle, and we have a very different economic situation than, say, in 2004.

PÉTER MIHÁLYI:

Could this be an illusion? Similar to what Iván Szelényi talked about in relation to his own third-way views? So, there is a situation where some people, like Iván Szelényi, outline that now a new system is coming, the third way.

ATTILA MELEGH:

I don't see this as a third way. I think the concept of the third way is basically a transition between capitalism and socialism. Nobody is moving out of capitalism here. Trump would be the last person to move out of capitalism; it's more about being a new manager. I would say the previous management was an attempt to build a single market under US hegemony. It actually failed because China was growing too fast. Instead, a process of blocisation has started, and instead of a single market, the emerging blocs want to make the transport routes safe for themselves again. They say, *'I cannot depend on Taiwan; it is better to have*

something in Malaysia, because politically, I can still control it'. In fact, the Russian reaction has been the same: to control these relations, which creates a situation of conflict, and these conflicts are now going through the roof. A significant part of world trade occurs within supply chains, and some German analysts say that America is trying to turn away from China and Russia by channelling 25% of world trade. This is going forward as a self-exciting process, and I think it is not good for globalisation. So the data that shows that. It is scary that the flow data indicates that foreign direct investment (FDI) has fallen to 1-2% of GDP. It is down from 6%, which was a much more significant figure. We have seen these cycles before.

Iván Szelényi:

I have one more question that we haven't talked about, and that is the relationship between the Orbán government and intellectuals.

Péter Mihályi:

We have already written about this several times in *Mozgó Világ*.

Iván Szelényi:

It's an interesting question. If we understand intellectuals as critical, free-thinking, then it's as if Fidesz doesn't have many intellectuals. However, the support of the MCC[29] and the attempt to take over domestic and foreign universities are noteworthy. Fidesz is trying to create an intelligentsia for itself. It therefore gives various perks to intellectuals, which are very hard to refuse. Some people cannot even resist this. There are excellent intellectuals who, one way or another, Fidesz can use as if they were its own intellectuals. In this respect, the most shocking case is that of Imre Kertész (1929–2016), who left the care of his works to Maria Schmidt. It was allegedly his wife who did this for Imre Kertész as he aged. Imre Kertész was critical of the Orbán regime for a long time, but he became weak and contributed to it. Imre Kertész was made into a Fidesz intellectual. Károly Makk (1925-2017) is also very interesting from this point of view. I have personal experience of this. Károly Makk was offered a position as the country's national film director, which would have meant a large income, a million forints a month for the rest of his life, just because he was the 'country's artist' – a position he would receive from the Hungarian Academy of Arts, not from the Széchenyi Academy of Arts. Károly Makk's last wife was a rich Canadian woman who was very reluctant for Károly Makk to accept this and to show that he was taking this money from the Hungarian Academy of Arts. So his wife then said, 'I will pay you one million forints a month – just refuse, don't accept it!' But Károly Makk could not resist the temptation and accepted. If you look at all the awards that are associated with very high incomes, the greatest artist in the nation, the greatest movie director in the nation. The Hungarian Academy of Arts is obviously a government-subsidised institution, unlike the Széchenyi Academy of Arts, which doesn't get a penny from the government.

[29] The Mathias Corvinus Collegium (MCC) was founded in 1996 as a talent management institution. The assets of the foundation that runs MCC were negligible before 2020, when it suddenly received a portfolio of shares worth hundreds of billions of forints and more than 100 billion forints in cash from the government.

The members of the Hungarian Academy of Arts now receive a similar amount to the members of the Hungarian Academy of Sciences, just 400,000 forints a month, which is not a very large sum of money. It is interesting why it is so important for the regime to have a circle of intellectuals who seem to be the intellectuals of Fidesz, at least to legitimise Fidesz.

Péter Mihályi:

I agree.

Attila Melegh:

If the question is whether Fidesz has an intelligentsia, the answer is that it does. And this intelligentsia also receives a stipend, the press also promotes them, they also have a role to play, so there are many things. I would like to add that, compared to the 1970s, I think that the attitude of this intelligentsia to research and to real intellectual work – and I can look at this from any political side, not just from the perspective of Fidesz – is in very great decline. Compared to what Iván Szelényi did in the 1970s, intellectual life has almost disappeared. I do not see any intellectual training at universities, and as much as we would like to, we are not producing a supply of intellectuals. On the one hand, the very social science courses that would be important from this point of view are disappearing. The student population has changed a great deal, and the researchers coming out of it are in a very precarious situation. Now all kinds of institutional changes have taken place around them, which have made the situation even worse. They have been degraded to an extremely low level, both financially and in all sorts of other ways. The impact of this on the development of society is, in my opinion, deadly – in terms of the need to consider alternatives, to consider what alternatives this country, this region, not to say the world as a whole, has. That is what we should be doing, not political infighting.

Péter Mihályi:

Agreeing with what you say, I think there is a process here, and when we wrote about this a few years ago, the situation was different. There were quite a lot of arguments then that claimed that Orbán is an authoritarian personality who doesn't need intellectuals. Since then, the situation has changed. I don't know whether it's a matter of principle or practicality, but there are enormous resources being mobilised by Fidesz to create their own intelligentsia in 2025, which includes the MCC and many other initiatives. So the situation is a bit fluid. My deep conviction, which we have also written about before, is that this new Fidesz intelligentsia is made up of bag-carrying, careerist young people who are only in the hierarchy for 2-3 years to boost their own CVs. They do not want to become teleological intellectuals with a lasting commitment, but simply want to occupy a socially better position, financially, institutionally, perhaps PhD-wise. In fact, they don't give a damn about the papers in those bags they carry for the bosses. They don't think they should read them or care. They serve the Orbán regime. A symbolic manifestation of this, which Klub Rádió regularly discusses, is that the authors of articles in *Magyar Nemzet* do not sign them. The nastiest articles are not signed, just closed with 'from our reporter'. Of course, people write them – of course. The kind of intellectual perspective that *'if it's about my thoughts, I want to sign it*' has been completely eliminated. I'm not sure I'm right, but that's how I see it.

ATTILA MELEGH:

I think that this political power involves a bit of an entrepreneurial mood, and I think that the intellectuals who are entering it are part of a more pragmatic, entrepreneurial strata.

One other factor we haven't talked about that has significantly changed the role and position of intellectuals is the press. On the one hand, the press as a function came about because of the parallelism along political blocs, so that journalism that tried to speak across blocs was no longer there. Let us remember that Karl Polányi was a journalist for a while at an economic newspaper, where he had to do deep and complex analytical work. Let us look at what the situation looks like today, and we will see something quite amazing. The press has become hostile and takes great pleasure in how it can misinterpret the various sentences of intellectuals as best it can and channel them into certain campaigns. This is a very serious change, and I do not know what the answer to this might be. The way I see it now is that there are so many positive answers such as mini-newspapers that are being created to serve intellectuals, like *Qubit*, which is trying to maintain some intellectual autonomy and operate accordingly. This is a key issue for critical intellectuals.

IVÁN SZELÉNYI:

It is interesting how important it is for the Orbán regime to win over Hungarian Nobel Prize winners. Ferenc Krausz is a special example, an outstanding natural scientist. After he received the Nobel Prize, he received a tremendous amount of support from the Hungarian government, which practically nobody else did. Ferenc Krausz does not take any political role, but in any case, he does not say a single bad word about the Fidesz system; he does not say anything critical about the conditions in Hungary. Katalin Karikó is a bit of a similar case. As far as the press is concerned, it's interesting to note that Fidesz tabled a bill a few days ago, which has become a matter of controversy within Fidesz. This bill would allow Hungarian citizenship to be suspended, and if someone is a dual citizen, they could even be expelled from the country if they do not represent the interests of the nation sufficiently. The 'interest of the nation' is, in Fidesz's parlance, the interest of the government. We always read that when someone attacks the government, they are attacking their own nation. We know that when Fidesz came into opposition in 2002, it said that the nation cannot be in opposition, because by nation, of course, they mean the Fidesz government. What I have said here could actually lead to my Hungarian citizenship being suspended, because I have American citizenship, and I could even be deported to America, because I have made enough critical remarks about the Fidesz government here to be treated as an enemy. I don't think so, I don't think it's realistic, I'm not important enough for the weapon of expulsion to be used against me. Moreover, there was immediate criticism of this proposal from within Fidesz. According to Máté Kocsis, this needs to be reconsidered because it is not clear whether this bill can be legally enforced at all. The aim is obviously to intimidate those with dual citizenship. The current proposal is to suspend the Hungarian citizenship of certain people and send them abroad to live according to another citizenship. The emphasis is clearly on restricting freedom of speech so that people dare not speak as I have just spoken.