

Singapore Management University

Institutional Knowledge at Singapore Management University

Research Collection Yong Pung How School Of
Law

Yong Pung How School of Law

1-2012

Observations of Budapest since 1992

Howard HUNTER

Singapore Management University, howardhunter@smu.edu.sg

Follow this and additional works at: https://ink.library.smu.edu.sg/sol_research



Part of the [Politics and Social Change Commons](#)

Citation

HUNTER, Howard. Observations of Budapest since 1992. (2012). *Hungarian Review*. 3, (1), 48-56.

Available at: https://ink.library.smu.edu.sg/sol_research/3285

This Magazine Article is brought to you for free and open access by the Yong Pung How School of Law at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Research Collection Yong Pung How School Of Law by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email cherylds@smu.edu.sg.

OBSERVATIONS OF BUDAPEST SINCE 1992

By Howard Hunter

Published in Hungarian Review, 2012 January 23, Vol. 3, No. 1, pp. 48-56.

http://www.hungarianreview.com/article/observations_of_Budapest_since_1992

My wife, Susan, and I flew into Budapest from Moscow in the summer of 1992. It was our first visit to one of the former “satellites” of the USSR, although by 1992 we had spent a good deal of time in the Soviet Union – and then Russia. My work on a joint university project in Moscow had been difficult because of the dramatic changes taking place almost daily in the early 1990s, and we were looking forward to a few days of relaxed tourism in a country that was new to us. I also was intrigued by the plans for the new Central European University and was looking forward to meeting colleagues who would tell me more about the new university and their aspirations.

My expectations of Hungary were based on a collection of unrelated bits of news, history, and culture. I expected music from the city of Liszt and Bartók.

I expected some degree of romantic drama, or maybe melodrama, based on colourful characters such as the Gábor sisters. Susan, a photographer, was eager to visit the city that produced many of the twentieth century’s greatest photographers. I knew there was much to be seen of historical interest. The Danube connects the core of Western Europe with the East. The great plains that begin East and South of Buda and continue for hundreds of kilometres provide grains that have fed large parts of Europe for centuries. These plains also have provided open fields for migrations, battles, and conquests. The 1956 Revolution had made a great impression on me as a ten year old who saw the story unfold on television and who, with excitement and fear, participated in elementary school air raid drills as the situation deteriorated.

First impressions are important, and Budapest passed the test. Our last few hours in Moscow had been tiring, and the dismal Sheremetyevo Airport was barely lit with what seemed to be 25-watt lamps. An airport hostess tried her best to move us through the interminable process of presenting papers to one uniformed official after another, and she became as frustrated as we were with the process. Eventually we climbed aboard an aging Tupolev painted in the Malév livery. It was filled with well-dressed, dark haired people speaking a tongue, which, despite being musical, was utterly foreign to our ears. When the plane took off they all burst into spontaneous cheers and laughter as if they were fleeing a prison. About three hours later we entered a spanking clean terminal with bright lights where we zipped through immigration and customs in record time. The transition from puzzled uncertainty and surreal disbelief to bright efficiency and welcoming smiles was stunning. The Budapest Airport has become much busier, more crowded and somewhat less efficient in the succeeding nineteen years, but it remains a reasonably well-run, easy airport to navigate even with all the additional security measures. In advance of our arrival in Hungary we undertook some research with the assistance of a travel agent and decided to book a room at the famous Gellért Hotel. Who could resist the opportunity to stay at a grand old landmark atop some of the most famous natural baths in Europe? In the tourist brochures it looked magnificent, especially in comparison with the almost comically bad Hotels Intourist and Moskva at which we had stayed several times in Moscow. When we approached the hotel at night, it was bathed in

lights and the limestone façade shimmered with reflections from the waters of the Danube. But, like an aging madame, the Gellért was not quite as impressive behind the well-lit façade. The carpets were threadbare. The beds were hard and tiny with thin sheets and even thinner pillows. The service was desultory. Cheap furniture and ill-kept kiosks diminished the grandeur of the public spaces within the hotel. The TV in our room was not much larger than a transistor radio, and, in any event, there was only one channel available and it was in Hungarian. We had requested a room with a Danube view, but we had not figured on the tramlines and the traffic circle in front of the hotel, which made the room so noisy that it was difficult to carry on a conversation unless all windows were tightly closed, and the curtains drawn. It was not all negative. The trams stopped running around 11:00 pm, and the view was lovely. The breakfast buffet was lavish and delicious – especially the yoghurt which was locally made and perhaps the best

I have had anywhere in the world. The dining room, although socialist in style and size, offered good meals at reasonable prices along with a wide variety of Hungarian wines that complemented the food.

FROM SHEREMETYEVO TO THE HOTEL GELLÉRT

My wife, Susan, and I flew into Budapest from Moscow in the summer of 1992. It was our first visit to one of the former “satellites” of the USSR, although by 1992 we had spent a good deal of time in the Soviet Union – and then Russia. My work on a joint university project in Moscow had been difficult because of the dramatic changes taking place almost daily in the early 1990s, and we were looking forward to a few days of relaxed tourism in a country that was new to us. I also was intrigued by the plans for the new Central European University and was looking forward to meeting colleagues who would tell me more about the new university and their aspirations.

My expectations of Hungary were based on a collection of unrelated bits of news, history, and culture. I expected music from the city of Liszt and Bartók.

I expected some degree of romantic drama, or maybe melodrama, based on colourful characters such as the Gábor sisters. Susan, a photographer, was eager to visit the city that produced many of the twentieth century’s greatest photographers. I knew there was much to be seen of historical interest. The Danube connects the core of Western Europe with the East. The great plains that begin East and South of Buda and continue for hundreds of kilometres provide grains that have fed large parts of Europe for centuries. These plains also have provided open fields for migrations, battles, and conquests. The 1956 Revolution had made a great impression on me as a ten year old who saw the story unfold on television and who, with excitement and fear, participated in elementary school air raid drills as the situation deteriorated.

First impressions are important, and Budapest passed the test. Our last few hours in Moscow had been tiring, and the dismal Sheremetyevo Airport was barely lit with what seemed to be 25-watt lamps. An airport hostess tried her best to move us through the interminable process of presenting papers to one uniformed official after another, and she became as frustrated as we were with the process. Eventually we climbed aboard an aging Tupolev painted in the Malév livery. It was filled with well-dressed, dark haired people speaking a tongue, which, despite being musical, was utterly foreign to our ears. When the plane took off they all burst into spontaneous cheers and laughter as if they were fleeing a prison.

About three hours later we entered a spanking clean terminal with bright lights where we zipped through immigration and customs in record time. The transition from puzzled uncertainty and surreal disbelief to bright efficiency and welcoming smiles was stunning. The Budapest Airport has become much busier, more crowded and somewhat less efficient in the succeeding nineteen years, but it remains a reasonably well-run, easy airport to navigate even with all the additional security measures. In advance of our arrival in Hungary we undertook some research with the assistance of a travel agent and decided to book a room at the famous Gellért Hotel. Who could resist the opportunity to stay at a grand old landmark atop some of the most famous natural baths in Europe? In the tourist brochures it looked magnificent, especially in comparison with the almost comically bad Hotels Intourist and Moskva at which we had stayed several times in Moscow. When we approached the hotel at night, it was bathed in lights and the limestone façade shimmered with reflections from the waters of the Danube. But, like an aging madame, the Gellért was not quite as impressive behind the well-lit façade. The carpets were threadbare. The beds were hard and tiny with thin sheets and even thinner pillows. The service was desultory. Cheap furniture and ill-kept kiosks diminished the grandeur of the public spaces within the hotel. The TV in our room was not much larger than a transistor radio, and, in any event, there was only one channel available and it was in Hungarian. We had requested a room with a Danube view, but we had not figured on the tramlines and the traffic circle in front of the hotel, which made the room so noisy that it was difficult to carry on a conversation unless all windows were tightly closed, and the curtains drawn. It was not all negative. The trams stopped running around 11:00 pm, and the view was lovely. The breakfast buffet was lavish and delicious – especially the yoghurt which was locally made and perhaps the best

I have had anywhere in the world. The dining room, although socialist in style and size, offered good meals at reasonable prices along with a wide variety of Hungarian wines that complemented the food.

THE QUESTIONS OF 1992

In many ways the Gellért typified Budapest in 1992. The city boasts some of the finest examples of belle époque, art nouveau, and art deco buildings in the world. There is a lovely grace to its layout with carefully organized Pest to the East and rambling Buda on the other side of the Danube. Despite the intrusion of some horrible newer buildings, such as the brutalist Marriott Hotel, the perspective along the river is one of the finest in Europe with several graceful bridges connecting the sister cities. In 1992 what was happening behind the art deco façade of the Gellért was the same thing happening throughout Hungary – the old socialist order had been thrown over but it was not yet gone and there was excitement but also uncertainty about what might come next. Elements of the glory days of the belle époque remained alongside the colourless and pedestrian buildings and bureaucracies of socialism. How were Hungarians to be integrated into the mainstream of Western Europe? What was to become of the long-standing and very real economic and cultural ties with other countries of the former socialist bloc? Yugoslavia was tearing itself apart with internecine warfare. Other former communist countries were in various stages of upheaval and change. Germany was once again trying to be a single nation. Even the first home of the CEU was heavy with symbolism. This new, liberal university was housed temporarily in buildings that had, until recently, been used for military communications among the members of the Warsaw Pact. For a Western visitor to Eastern Europe, the early nineties were thrilling days. Democracy seemed to have been vindicated. The once mighty Soviet Union and its vassal

states from the Baltic to the Black Sea had rejected many of the core principles of communism. But even a casual visitor – at least one who was willing to look behind the tourist sites – could readily see the underlying tensions.

The socialist governments were far from ideal, especially from the perspective of liberal democrats, but the governments included people with experience in governing. Those who led the various democracy movements were smart, brave, idealistic, and sometimes charismatic. Many had good organizing abilities in terms of developing plans and patterns of resistance, but very few had any practical experience in the business of governing. Even a stodgy old bureaucracy usually employs a number of civil servants who know how to run the day-to-day affairs of government. Were the new democrats to “learn on the job” or were they to co-opt members of the previous establishment to assist in the routine affairs of governing?

What was to be done with the economy? How quickly was the country going to move from state owned enterprises subject to attempts at central planning to privately held enterprises subject to the rough and tumble of open markets? There is no easy way to undertake such a transition and the opportunities for corruption and theft of publicly held assets were huge. Hungary had advantages over several of its neighbours because the Hungarian economy was less strictly controlled and slightly more market oriented than others.

How were Hungarians to trade effectively and efficiently? The forint was a non-convertible currency in 1992. Susan and I took a hydrofoil from Budapest to Vienna. I had a few forints and US dollars but no Austrian schillings, which we planned to obtain once in Vienna. I went to the coffee bar but was told I would have to pay in schillings or German marks. Forints were not accepted, and the barista did not want to take my \$50 bill because the change would use up most of his schillings. There was no coffee on the Danube for us.

ALMOST TWENTY YEARS LATER

Now, almost twenty years later many of these questions have been answered. Hungary is a member of the European Union. The forint remains the national currency, but it is easily convertible. Indeed, it has become much stronger against the US dollar. Consumers have access to the same range and quality of goods that are available in all the major capitals of Europe. New buildings have gone up all over the city. The Millennium Centre has added comfortable venues for the performing arts as well as a fine modern art museum. The Four Seasons Hotel occupies one of the best examples of art nouveau architecture to be found anywhere. Streets that were decrepit and shadowy are lined with smart shops and inviting cafes. Budapest is a regular stop for international performing artists – pop culture and high culture – and these offerings enrich what was already a vibrant local cultural scene. Coffee houses have had a renaissance. The number of good quality restaurants has increased manifold. Some of the most attractive and interesting are moderately priced, and others are breathtakingly expensive. Most of the state owned enterprises have been privatized, at least in part. The country has had four major national election cycles with two changes of government. There are numerous political parties but there are two large centrist parties and allies – one tilted to the left and one tilted to the right – that have alternated in power. More radical groups on either side appear to have been marginalized.

The rich cultural life of Budapest has become even richer. The Opera House has a busy season. The new Millennium Centre theatres are filled with performances. There has been a veritable explosion of interest in modern dance with strong companies not only in Budapest but also in Győr, Szeged and other cities. I have attended several dance concerts during each of the past two dance festivals in April 2010 and 2011 and have been impressed by the quality of the dancers, the knowledge of the audiences, and the creative work of the choreographers. Though, the better seats at the Opera House now tend to be filled by tourists who have come along because an evening at the opera is part of their tour package and not because they have any special interest in opera or classical music. The true local fans have moved to the upper tiers, maybe because of substantial increases in ticket prices. Meanwhile, those of us who love the acoustics and architecture of the Academy of Music look forward to its re-opening after renovations are completed.

Not every change has been positive. Inflation has been difficult for many people. The new capitalist system is not as secure for some workers as the socialist system, and unemployment has replaced underemployment as a problem. Homeless people are visible throughout the city. Petty crime seems to have increased. A lack of respect for public spaces is apparent in the graffiti, trash, and broken bottles in many parks and along shopping streets. Prostitutes openly work tourist areas, especially the area around Vörösmarty tér at the top end of Váci utca. Beggars are abundant and sometimes aggressive.

From our first trip in 1992 until today I have been impressed by the ease of using public transportation in Budapest. The buses are old, and they rattle, but they run on predictable schedules and they move people around the city easily with due allowances for rush hour across the Danube bridges. The trams are attractive and distinctive, and every tourist wants to ride the Number 2 along the Danube. I am not sure why, but the old Millennial Underground (Földalatti), the first built on the European Continent, seems to be almost free from graffiti and trash. The little yellow cars are clean and the stations are neat. By comparison, the suburban tram cars are covered with graffiti and are rarely tidy. The Red and Blue lines of the modern Metro remind me of the Lexington Avenue line in New York – aging and creaky but reliable and efficient.

The various apartments provided by the CEU for longer stays, two on the Buda side and three in Pest, have provided glimpses of ordinary Hungarian life. I always bring along two cloth shopping bags and keep at least one in my briefcase for stops at a market. Opening hours for food stores have become longer, which is a great convenience for office workers whose hours did not necessarily coincide with those of shops in 1992. A reliable elevator in an apartment building is really useful. One apartment was just across the street from the CEU in a handsome old building, but the 73 steps from the street to the door meant that one had to plan shopping expeditions carefully. Every apartment I have used has had a multitude of locks and a heavy ring of keys to carry around. Unlocking one of them required such acrobatic contortions that I decided to be risky and simply use the one lock that was easy to negotiate. The most recent apartment came with a sheet of written directions plus a diagram for operation of the locks. Once learned, the process was simple, but without the diagram I never would have gained entry. Cars parked along the streets of residential neighbourhoods invariably have massive steel bar locks across their steering wheels and some even sport wheel locks similar to those used by police on parking violators. All these locks suggest a fear of crime that must be well founded. Fortunately, I have not experienced any thefts or break-ins, but I do take precautions against pickpockets and many of my local friends have had unfortunate experiences with burglary, car theft, or similar crimes. There seems to be

little physical violence against ordinary citizens and visitors, but the concerns about property crimes are substantial.

Lack of respect for the property of others carries over into the public sphere. Many parks, plazas, and buildings in Budapest have been cleaned, upgraded, renovated, and otherwise improved since 1992. Almost as soon as a newly refurbished space is opened to the public it becomes marred by graffiti and strewn with trash and broken bottles. The lack of respect for “public goods” by some members of society suggests the possibility of anger or anxiety about changes or dashed expectations.

I like to walk north from the CEU buildings through the park beside the American Embassy and further along to an area near the Margit Island bridge where there are galleries and antique furniture shops in beautifully maintained buildings from the early twentieth century. The park, which has been much improved since the completion of an underground car park, has become an area for the occasional political rally. I stood to the side and watched a crowd of perhaps 150 gather one bright, sunny day for a far right wing rally. I could not understand the speeches being amplified by bullhorns, but I recognized the flag and posters from newspaper reports on the various political parties in Hungary. There was no mistaking the emotions of those gathered. The red faces screaming slogans were angry. There were a few older people and about a dozen skinheads in tight jeans and leather jackets, but most in attendance were between 25–40 and looked like ordinary middle class couples. Some had brought along their children. Other passers-by skirted the area as soon as they saw the gathering, and the only observers were a handful of curious foreigners and three men in suits who were so obviously police that they could have been from a motion picture casting agency.

The size of the ultra far right does not appear to be large, and every country has its share of fringe groups. What is more disturbing to a visitor has been the increase in disparaging remarks by ordinary people about Roma, various Balkan ethnic groups, Jews, and others who might pollute the purity of Magyar culture. Many people in many different countries and cultures harbour biases about those of different religions, races, or ethnicities, but, for the most part, people will keep those biases to themselves when in the company of foreigners or strangers. It is disquieting when a visitor hears an ethnic slur or an anti-Semitic remark dropped casually into conversation. Some politicians, perhaps without intending harm, seem to be able to capitalize on the biases underneath the surface by talking about the glory of “greater Hungary”, which often irritates neighbours in Slovakia, Romania, and Serbia.

Since 1945 Europe has enjoyed a remarkably long period of peace. It was not an easy peace for many of those years, and the countries of the East lost much ground to those of the West. There were, of course, the various civil wars in Yugoslavia that began in the early 1990s and there have been some internal disruptions, but, all in all, the past 66 years have been among the most peaceful since the collapse of the Roman Empire. We tend to think of recent history as the norm, when, in fact, it has been an unusual period of quiet in Europe. That is why a student of history pays attention to warning bells about the resurgence of tribalism and fear of “others” that has caused so many problems within Europe in the past. I worry less about the unreconstructed communists, of whom there are more than a few, than about the ultra nationalists. There is no longer a central unifying force around which the communists can rally, even though there is nostalgia for those days when life was more predictable.

Despite some troubling indications of tribalism, Hungary can proudly point to the success of its several national elections and peaceful, respectful changes of government. The elections and the transfers of power are signs of a remarkably healthy and robust democracy. The Hungarian electorate has been

consistent in choosing governments that operate from the centre rather than from the fringe. This recent history bodes well for the long-term future of Hungarian democracy so long as one or the other of the major political groups does not find itself in the position of being leveraged too much by a cohesive and consistent party on the extreme.

One of the biggest challenges for the nation in the next two decades is to establish a comfortable and successful role in the European and world economy. As a small economy on the edge of the powerful major economies of Western Europe, Hungary has felt the blows of the various economic problems of the past few years perhaps more sharply than the leading economies. All small countries face similar issues about how best to prosper when so many competitors come from much larger countries. Hungary has a strong agricultural base, a moderate climate, an educated population, reasonably good infrastructure, and easy connectivity to the business and financial centres of Europe. How it uses those advantages will be key to the further development of a stable, prosperous economy.

AN EXAMPLE FROM ASIA

For most of the past decade I have worked in Singapore. The five million inhabitants of the Republic of Singapore live on an island that is about 42 km (East to West) by about 24 km (North to South). There are no natural resources on the island or within the small maritime area controlled by Singapore. In 1965 when Singapore became independent, it was a poor, third world nation with an economy heavily dependent upon the presence of a major British naval base. The British Navy left in 1971, but, today Singapore is one of the richest nations in the world with a per capita GDP of about US\$45,000, a well-educated population, a large and strong middle class, and virtually full employment. Books have been written about the Singapore economic “miracle” and there is no need to repeat the story. What worked there may not be possible to replicate elsewhere, but there are a few key points in the Singapore story which can be used by any nation: (i) maintain a strong educational system from earliest elementary school through university level; (ii) maximize whatever strengths may exist; (iii) be open to free trade, foreign investment and the recruitment of talent; (iv) maintain a competent civil service with zero tolerance for corruption; (v) be friendly with large countries and develop close collaborations and opportunities for sharing with other smaller countries; (vi) avoid religious and ethnic conflicts.

Hungary has a different history and its political structure is different. A single dominant party has governed Singapore for its entire history. The government, from time to time, has been more authoritarian than would typically be welcomed in a European democracy. Hungary has a well-defined cultural identity and its location is vastly different from that of a tropical island sandwiched between Malaysia and Indonesia. Nevertheless, there are elements of the Singapore experience which are relevant to the Hungarian situation.

Hungary has a long and proud tradition of education with historical strengths in mathematics, physics, and several of the biomedical sciences as well as the arts and humanities. Continued investment in education from the earliest years to the universities will be of great long-term benefit to Hungary. Even a simple job today requires that a worker be comfortable with information technology and have a solid grounding in basic mathematical skills. The 2011 OECD Report on Education re-confirms the important connection between levels of education and economic success.

Hungary, unlike Singapore, does not border the busiest commercial waterway in the world, but it does have a favourable geographic location midway between all the major population centres of Europe and along the path between West and East. However, the domestic train system is not up to Western European standards, and the Budapest airport, although well run, remains a secondary port. Improvement of ground transportation to and from the airport would be helpful. A long-term project for improving the overall quality and speed of train service would help to integrate the Hungarian economy with other major EU countries. The road system is good in many areas but substantial improvements could be made to allow for more efficient road transport as well as safety. These are long-term and expensive infrastructure projects, but having long-term goals in mind assists with shorter term planning.

Hungary has a strong agricultural sector. The temperate climate and the rich soils of the plains will allow Hungary to continue to be a major supplier of agricultural products for Europe and the world. Increases in world population and changes in agricultural productivity due to climate change and population movements will create even greater demand for food products from those countries with the capacity to produce large amounts of food. Hungary has, in addition, various specialty products that could be marketed more aggressively.

Membership in the European Union has opened the doors of more than two dozen other European nations for the free flow of citizens and trade. That step alone has brought Hungary into the modern capitalist economic system, but it also means that Hungary's decisions on free trade and the movements of labour can no longer be made with complete independence. For the time being Hungary is fortunate not to be a member of the eurozone. The government can act independently to assure the integrity of the forint.

The importance of an honest, competent civil service that minimizes bureaucratic restraints on the free flow of trade and commerce cannot be emphasized too much. A smaller economy, such as Hungary's, cannot afford the bottlenecks caused by unnecessary bureaucracies, incompetence, and corruption. To the extent these problems exist in modern Hungary it should be a priority of the government to sort them out.

Hungary seems to be going about its relationships with other countries rather well, except for the occasional nationalistic slogans about "Greater Hungary". What can be learned from the Singapore experience is that a conscious effort to develop close ties with other smaller economies can result in dividends for all parties. For example, the close ties between Singapore and Switzerland have helped Singapore to become a major financial centre in Asia and have opened Asian markets for Swiss banks. Singapore companies have developed joint projects with Israeli companies, and Israeli venture capitalists have assisted in developing a stronger entrepreneurial base in Singapore. There are similar stories of collaborations with various Nordic countries. Such ties can evolve naturally, but they can be fostered by conscious decisions. In recent years an active Hungarian Embassy in Singapore has expanded the connections between Hungary and Southeast Asia, and that could be an area for further attention. The President of Hungary made a well-received visit to the region a couple of years ago and elicited considerable interest in Hungary's efforts to promote the development of green technologies.

Singapore is a multi-cultural society with no dominant religion. Tolerance of varying ethnicities, religions, and language groups is an existential necessity. Hungary has a more homogeneous culture, but as a nation it is part of a heterogeneous continent with a long history of ethnic and religious conflict. The civil wars that ripped apart Yugoslavia ended just a few years ago, and that country once had been

hailed as a model for successfully creating a multi-cultural society. Sarajevo was a beacon for tolerance and peace during the 1984 Winter Olympics, but eight years later it became known for irrational ethnic hatreds.

What are the next two decades likely to hold for Budapest? I am an optimist about Hungary. None of the problems being faced by the current government is insurmountable. The country is at peace and the economy, although sluggish, does not suffer from the serious problems affecting some other EU members.

If nothing else, Hungary can muddle along and manage to perform acceptably within a slowly improving European economic climate. But, if Hungary were to choose to focus its energies on a few undertakings that build on existing strengths or advantages, it could leapfrog to a stronger position as one of the leaders of the new Central and Eastern Europe while also opening the door for greater East-West flow with the emerging economies of Asia.

For my own part I will enjoy being an observer during regular visits. Walks along the Danube, concerts, lengthy lunches and dinners with friends who enjoy serious conversations about politics and the arts, superb bookstores, coffee houses, fresh cherries and strawberries from vendors outside metro stations, and an excellent little gelato place on Párizsi utca are plenty of reasons to return again and again.