

RESCALING STATES – RESCALING INSECURITIES

RURAL CITIZENSHIP AT THE EDGE OF THE HUNGARIAN STATE

By
Alexandra Szőke

Submitted to
Central European University
Department of Sociology and Social Anthropology

In partial fulfilment of the requirements for the degree of Doctor of Philosophy

Supervisors: Professor Ayşe Çağlar
Professor Prem Kumar Rajaram

Budapest, Hungary

2012

Statement

I hereby state that the thesis contains no material accepted for any other degrees in any other institutions. The thesis contains no materials previously written and/or published by another person, except where appropriate acknowledgment is made in the form of bibliographical reference.

Budapest, June 30, 2012

Abstract

This dissertation examines how the ongoing neoliberal state restructuring in Hungary affects rural areas through the lens of two remote villages and analyses the ways in which rural inhabitants/officials reposition themselves and their locality within the currently emerging state spaces. The capitalist scalar restructuring along with the post-1989 state decentralisation and accession to the EU has brought a variety of new opportunities for remote rural places, but has also produced manifold insecurities. Extending the theoretical framework of neoliberal state restructuring to rural localities outside the core economies allows for a critique of the popular interpretation that the ‘post-socialist transition’ can explain Hungary’s current wide-scale unemployment, entrenched poverty, ethnic tensions, high levels of individual indebtedness and uneven development.

This dissertation utilises ethnographic methods to delineate the present form of these processes with a particular emphasis on the practices of local state officials in three crucial areas: social security, development and access to resources. The responsibilities in these areas are shifting from the centre to the local state and to individuals and their families, resulting in a rescaling of insecurities. The dissertation examines the social processes through which state rescaling is taking place, the ways local officials/inhabitants cope with the consequent rescaling of insecurities and the ways these reconfigure the relationship between rural inhabitants and the state. It is argued that the consequences of this state rescaling on social citizenship can be only captured by a spatially sensitive conceptualisation of citizenship, which integrates the experience of rural inhabitants. Delineating what rural citizenship might entail, it is shown that such a conceptualisation should not only encompass rights, obligations and claim making but should also take into account: 1) interactions between inhabitants and state officials (the spatial closeness of state actors and citizens); 2) positionality (the unequal relations between localities and scales in the continuously shifting global hierarchy); 3) relations to place (the belonging and identity citizens ascribe to their locality).

Acknowledgments

First of all I would like to thank to my supervisors, Ayşe Çağlar and Prem Kumar Rajaram for guiding me through this often strenuous and difficult journey and assisting me with their invaluable insights and advice throughout all these years. Without their great personal and intellectual support this thesis would not have reached its present form. Furthermore I would like to thank for the Department of Sociology and Social Anthropology at the Central European University for the great intellectual base it has provided throughout both my MA and PhD studies. I would particularly like to thank Dan Rabinowitz who took up the challenge of leading the PhD writing-up seminar for several years and offered in-depth comments and great guidance to all of us who were struggling with the difficult process of transforming our material into something with academic worth. I would also like to thank all the participants of the seminar and especially my dear friends and colleagues – Neda Deneva, Anca Simionca, Ayşe Seda Yüksel, Olena Fedyuk and Elisabeth Schober – whom I could always count on not only for critical comments and inspiring discussions, but also immense emotional support. I am very honoured to call them my friends.

I would not have been able to accomplish this work without the generous support of the Central European University and the Max Planck Institute of Social Anthropology, both of which provided great intellectual, financial and instrumental support for the realisation of my project. In addition, I would like to thank the Volkswagen Foundation for their generous support, which made it possible to extend my research as part of the excellent project ‘Local State and Social Security in Rural Hungary, Romania and Serbia’. Moreover it provided the possibility to work within a great team (Stefan Dorondel, Slobodan Naumovic, Ioan-Mihai Popa, André Thiemann) that proved to be an unforgettable experience. The project also gave me the chance to meet a great friend and colleague, Gyöngyi Schwarcz, who was always an invaluable source of information and support (at any time of the day or night). I would particularly like to thank Tatjana Thelen, Keebet von Benda-Beckmann, Andrew Cartwright and Larissa Vettters who at various times during the project took the time and effort to comment on my research and writing. Their insights and resourceful comments were invaluable. Special thanks goes to Katalin

Kovács, who never ceased supporting me and believing in my project from the very beginning to the end, whose work and personality served as an inspiration throughout the entire process and who has been a precious guide and a good friend for almost a decade.

My biggest thanks, debt and gratitude goes to the inhabitants of Tiszacseke and Kislapos for welcoming me so warmly, helping my research and for always believing in its importance. Special thank goes to Ida for sharing her house, food and love with me and for accepting me as part of her family during my stay in Tiszacseke. I am also greatly indebted to Anita, Katika, Szidike, Anikó, Borika, Stázi and Rozi for letting me become part of their everyday work and life and guiding my way in the two villages. I would also particularly like to thank Szilárd, Csilla and Miklós from the ‘Hospitalier’ for assisting my research in Kislapos, accepting me as their everyday companion and putting up with my enduring presence in the meetings, events and everyday work of the organisation.

I furthermore owe thanks to Keith Hart, Charles Howie, Derek Hall, Thomas Sikor, Judit Bodnár, Andreas Dafinger, Balázs Vedres, György Lengyel, Zsombor Csata, Luís Silva, Elisabete Figueiredo, Andrew Sanchez, Jessica Sklair, Tereza Dvořáková and Klára Vomastková, for sharing their ideas and commenting on chapters, presentations and articles written or held at various stages of this dissertation.

I am deeply indebted to my parents, Margit Csáti and László Szőke, and my sister Diána Szokolayné Szőke, who never ceased believing in my goals and who supported my decision to follow the academic route with unimaginable efforts. The Sanathana Natyalaya dance school in Mangalore, and especially my guru Sharadamani Shekar has given me a much-needed sanity, inspiration and perspective in the final months of writing, to which I owe life-long indebtedness. Finally, and above all, I would like to express my gratitude to Ian Cook for his unconditional love and unwavering support; for being always there, often putting his own work aside to discuss my ideas and (rescaled) insecurities, whom I could always count on for giving honest and critical comments as well as for helping me rethink my material in new, creative and deeper ways, and who took up the unrewarding job of strenuously editing and proofreading all of my texts during the past five years.

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Introduction

The question this dissertation seeks to address can best be summed up by the mayor of Tiszacseke¹ - one of the two villages on which the following study is based:

First of all, they should decide whether or not there is still a need for villages. And if there is, then they should look at what kind of problems we are struggling with in the different localities ... Because the present thinking, it seems, is to somehow eliminate, to close down villages. But then again, there are easier ways to do it. They shouldn't put all this money into this half-starvation. They should just take a drastic step and say, 'ok, enough now everyone, let's move to the cities'. And then it would be done. But then again the big problem is that what will we do with so many people in the cities, they will have to start building ghettos. So, to go back to my original line of thinking, then I say that still we should keep people in villages.²

The dissertation examines the present effects of the ongoing neoliberal state restructuring in rural areas of Hungary through the lens of two remote villages with particular focus on the local state. This restructuring process entailed a particularly extreme form of decentralisation in the early 1990s, which resulted in the setting up of autonomous local governments in even the smallest settlements. These local governments have an immense range of responsibilities, including the welfare of the local populations, the development of the locality and, as such, play an important role in mediating access of inhabitants to state and non-state resources. I analyse the present-day effects of this on-going *state rescaling* process in rural areas, the ways local state actors and local inhabitants conceive and cope with the resulting *rescaling of insecurities* and the ways these transformations reconfigure the basis for *rural citizenship*. A rural focus seems especially important, not only because a large part of the population (still) lives in rural areas in Hungary³, but because the results of neoliberal state restructuring in general are relatively understudied in rural contexts. Focussing on remote rural places that are not so advantageously situated within

¹ The name of my fieldsites and all personal names were changed in order to protect the anonymity of my informants.

² Interview, 26/02/2010.

³ According to 2012 statistics by KSH (*Központi Statisztikai Hivatal* – Central Statistical Office), 30,3 percent of the total population lives in villages, whereas by the New National Rural Development Plan 2007-13 (NNRDP), which follows the EU criteria in defining what is rural, 87 percent of Hungary was qualified as rural area, that included 97 percent of the country's settlement and 47 percent of the total population (p.13.).

the uneven socio-spatial landscape can further our understanding of the state rescaling processes, which so far have been predominantly studied in urban places and regions in the cores of the global economy.

Focusing on three areas – social security, development and access to resources – my analysis delineates those opportunities and limitations that rural inhabitants and local officials face whilst trying to reposition themselves and their locality within the newly emerging state spaces. Through the ethnographic study of two villages, the dissertation engages with three interrelated aspects of state restructuring: (1) the actual practices and processes through which insecurities become rescaled to local and individual levels; (2) how local state actors and other rural inhabitants cope with these insecurities as they use various resources when making arrangements for their social security and when constructing their relationship to their locality; and (3) how it transforms the relations between the state and rural inhabitants. Ultimately, my dissertation seeks to set the grounds for the understanding of *rural citizenship* in an era of *neoliberal rescaling of insecurities*.

The political economic transformations after the collapse of the socialist regime in 1989 triggered a substantial restructuring of the state in Hungary. It entailed, among others, the decentralisation of welfare provisions, the changing financing and institutional frames of development and the setting up of autonomous local governments. As a result local officials (along with a number of regional, micro-regional and civic actors) gained prominence as actors who mediate access to various resources. Localities were, furthermore, given the hope that they could substantially determine their trajectories. At the same time, it also involved the devolution of a large number of responsibilities from the central state to individuals and their families. Local authorities and individuals are increasingly encouraged to look after their own needs and contend with the aggregated effects of political economic restructuring, while central financing and welfare provision are continuously shrinking. At the same time, with EU accession in 2004, new channels of financing opened up and the EU emerged as an important institution which further influences the ongoing reconfiguration of the state's spatial scales.

These ongoing transformations crucially alter the access of various communities, groups and

individuals to different state and non-state resources. They furthermore have significant effects on the ways people can make arrangements for their present and future *social security*, drawing on and strategising between both formal state provisions and arrangements with relatives, neighbours, NGOs and religious organisations among others (cf. von Benda-Beckmann and von Benda-Beckmann 1994). It also has crucial effects on the ways people relate to their locality; it influences how they phrase their identity and belonging to their place as well as how they undertake development efforts. As such, these transformations have significantly reconfigured the relations between the state and its citizens as well as the ways citizenship is understood, practiced and negotiated by and between inhabitants, families and officials. The dissertation examines the present forms these processes take in two rural settlements and the ways local inhabitants and officials reposition themselves and their settlement within the national landscape.

Whereas my analysis takes important historical trajectories – specifically the post-1989 changes – into account, its primary focus are the forms that the above transformations were taking at the time of research in 2008-2010. Whilst the transition from state socialism had fundamental consequences throughout Hungarian society, more than two decades since the system-change, it is no longer credible to explain everything through the ‘post-socialist’ lens. Instead of producing another analysis of the ‘post-socialist transformation’, this thesis situates these changes and transformations within the ‘neoliberal capitalist’ qualities of the current economic system, yet without disregarding the importance/relevance of historical and cultural specificities.

The restructuring of the state has been taking place along with numerous socio-economic changes, which further destabilised many of the formerly taken-for granted securities for a large part of the population. Privatisation and marketisation have cut off many from formerly universal resources, such as land, housing and employment among others. Some 1.5 million jobs disappeared in the early 1990s, but only a fraction of that number has been recreated. While initially the sudden shock of *economic insecurity* was blamed on the ‘transition’, it is by now clear to most that these problems are not of a transitory nature. Currently nearly 1.2 million people live from pension type assistance without being of retirement age; and from the 500,000 unemployed, 400,000 are permanently so (Bódi 2010a). Hungary has one of the highest inactivity

rates in Europe – for the 2 million who are socially assisted there are 4.5 million tax payers⁴. And it varies greatly along gender, ethnic and spatial lines⁵. Despite improved living standards, the majority of the population increasingly feels they are the losers of the restructuring (Ferge 1996, 2010). The last two governments announced that the country was in an economic crisis and introduced budget cuts, but they could not stop the severe devaluation of the forint or the large-scale mortgage related indebtedness for swathes of the population. For more and more people permanent feelings of insecurity became a dominant experience, in lack of official and full-time employment, permanent income or property (Szalai 2007:113). Such feelings furthermore are strengthened by the past experience – when compared with the ‘quasi-welfare’ of the late-Kadarist liberal socialism, which provided general securities of employment, housing, pension, education and healthcare to most citizens (cf. Róna-Tas 1997), the ‘achievements’ of the capitalist restructuring seem doubly disappointing to many.

While the current political economic system is bringing unprecedented welfare and novel opportunities for some, in ‘less advantaged’ parts of the country inhabitants lack basic medical services, have limited or no education opportunities, struggle with scarce transport options and face near permanent unemployment (Bódi 2010a; Kovács 2010). The aggregated economic adversities have been coupled with an increasingly narrow and uneven provision of welfare, as the state undergoes immense transformations in terms of its roles, responsibilities and relations to its citizens. Whether conservative or socialist-liberal, all of the democratically elected governments have followed a largely liberal and in many elements neoliberal social policy over the past twenty years (Szalai 2004). Dropping any former pretensions, the latest National Development Plan 2007-13, calls for “increasingly self-managing citizens and the making of self-reliant individuals”⁶. And all this in the face of shrinking public spending and severe austerity measures. These *insecurities of the restructuring state* can be felt acutely in Hungary’s villages, especially those small remote settlements that are on the periphery in many senses.

⁴ In 2010 the activity rate (percentage of total population aged 15+) in Hungary was 50.6 percent, while the OECD average was 65.4 percent and EU average 62 percent.

(<http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do> and <http://www.indexmundi.com/facts/hungary/labor-participation-rate>). Retrieved on 23 May, 2012.

⁵ See data in the report by TARKI published in June in *Social Policy Review: Hungary*.

⁶ The New Hungary Development Plan – National Strategic Reference Framework of Hungary 2007-2013 (NHDP). Made by the Government of the Republic of Hungary. Date of decision of the European Commission: May 7, 2007. P. 11-12.

The declining importance of agriculture has further altered the possibilities of rural inhabitants, and contributes to *insecurities of belonging* in rural areas. The percentage of the population involved in agricultural production has reduced by half since 1991, and by 2005 only five percent of the country's workforce was employed full-time in agriculture⁷. The reorganisation and changing importance of farming has excluded many rural inhabitants from their main source of living, and it has also shaken much of what constituted their identity and role in the nation for many decades. Presently, as reflected in the opening words of the mayor of Tiszacseke, there is a dominant feeling in many villages that the main political parties fail to address their everyday realities and needs⁸. In political and public discourse rural areas and communities are often described as 'hopeless', 'underdeveloped', 'declining' and 'disadvantaged' even by the Prime Minister⁹, whereas EU grants promote the development of rural places into sites of tourism and consumption. It is in these frames of rescaling insecurities and uneven socio-spatial developments, amplified/created by neoliberal state restructuring, that rural areas attempt to reposition themselves in the newly emerging state spaces.

The story of 'declining' rural areas, however, is not a new one. It has been discussed outside the post-socialist context extensively, in relation to industrialist modernisation and capitalist production (see Araghi 1995). Neither is the story of uneven development unique to Hungary, with neoliberal restructuring amplifying unevenness in various parts of the world (Harvey 2005a). Yet explanations in Hungary regarding the changes of the past two decades nearly always

⁷ New Hungary Rural Development Programme 2007-2013 (NHRDP). Made by the Government of the Republic of Hungary. February 19, 2007. P.14.

⁸ The FKGP (*Független Kisgazdapárt* – Independent Small-Holder Party) is the only political party which explicitly represented the interest of farmers and rural populations in general after 1989. They were in the government coalition for two cycles (1990-94 and 1998-2002), however after 2002 the party fell out of the parliament and ceased to be a major political force. The more recently established LMP (*Lehet Más a Politika* – Politics Can be Different) does pick up rural issues from time to time, however it happens rather haphazardly, without any broader concept for rural areas, with such issues only occupying a marginal place in their policies. Furthermore, rural inhabitants know little of the party, which so far failed to find ties to the rural population. Recently *Jobbik* (a word play on better-righter), a far-right parliamentary party, has become popular in some rural areas, as was shown in their parliamentary (hold 27 percent of the seats) and local government election results. However this is probably linked more to their far-right discourses against the Roma minority and social beneficiaries, than to the existence of a coherent rural programme.

⁹ The Prime Minister Victor Orban described such places as hopeless in reaction to the events that escalated in Gyöngyöspata, a village of 2,750 in northern Hungary that gained international attention due to activities of a far right paramilitary group that intimidated Roma inhabitants leading to their 'evacuation' by the Red Cross.

emphasise the importance and uniqueness of the post-socialist experience and/or socialist legacies (Laki 2005, 2006; Szalai 2005; Szalai 2007). This is despite neoliberal reforms being widely introduced not only in Hungary, but also in many post-socialist countries, becoming one of the main structuring forces for both rural and urban localities.

Neoliberalism, however, is not an all-pervasive force and is never the fully accomplished project as espoused by some of its protagonists. It should be rather understood as a policy project which is never fully achieved in its pure/advocated form (Clarke 2003). Thus studying its various materialisations in specific settings is vital for our understanding of this currently significant process. What is particular in post-socialist countries, and especially so in Hungary, is the unshakable stronghold of neoliberal ideology and scarce opposition (both political and academic), in spite of its immense negative socio-spatial results (Szalai 2005). This is rooted in the particular orientation of the ‘system changing elites’, which partly originates from their strong disregard for the socialist past. In 1989 the intellectual opposition’s aversion to dictatorship and struggle for liberal rights coalesced with the (former) Kadarist technocratic elite’s embrace of the neoliberal free market’s image of liberty (Ferge 2010; Szalai 2005). This has crucial consequences that can be felt even up-to-day with many of those same ‘system changing elites’ currently in positions of power, leaving little room for imagining other alternatives to neoliberalism and excessive privatisation (ibid).

For my analysis, the conceptualisation of neoliberalism by Wacquant appears the most useful¹⁰; it defines neoliberalism “as a transnational political project aiming to remake the nexus of market, state and citizenship from above” as carried out by a newly emerging global ruling class (2010:213). Against many dominant conceptualisations that regard it as a predominantly economic force, he proposes a “sociological characterisation”, which goes beyond its reading as reassertion of market prerogatives, and rather depicts the institutional structures and symbolic frames through which neoliberal principles become actual. Accordingly, he delineates four dominant constituents: 1. economic deregulation; 2. welfare state devolution, retraction and

¹⁰ His conceptualisation is useful even though it is based on the transforming Keynesian welfare state, which he argues is a main criterion; in countries where this state form did not exist, according to him could not be called neoliberal. Yet, his definition of what neoliberalism entails, appears to aptly describe the Hungarian situation, given that we understand the constellation during late Kadarism as a ‘pre-mature’ welfare state as has been proposed before (cf. Kornai 1992).

recomposition; 3. extension of penal apparatus in order to contain disorder generated by diffusing social insecurity/deepening inequality and to reassert the authority of the state¹¹; 4. the cultural trope of individual responsibility which provides a dominant discursive motive for the construction of the self in all spheres of life. By taking such conceptualisation, it becomes possible to study and understand the various materialisations and complex localised effects of neoliberalism in specific settings where it intermingles with local cultural specificities and historical trajectories (cf. Brenner and Theodore 2002).

This dissertation uses the theoretical framework of state rescaling to highlight the neoliberal nature of present social, economic and political processes in Hungary, rather than providing another explanation of ‘post-socialist transformation’. This framework was developed from close analysis of changes to the Keynesian welfare states following the crisis of Fordism (Brenner et al. 2003). With the reconfiguration of spatial scales on which regulations and institutions are made, significant capacities have been devolved to both the supra-national and the sub-national levels. In the wake of decreasing central financing, localities and regions are encouraged to look after their own development (Brenner 1999b; Goodwin and Painter 1996; Jones and MacLeod 1999; MacLeod and Goodwin 1999).

The scalar transformation of the state has brought larger possibilities for local and regional areas to influence their own trajectories, but, in the highly competitive environment, it is places with better competitive advantages that can better capitalise on the available resources and successfully reposition themselves in the global economy, whilst the less advantageously positioned localities/regions struggle to alter their trajectories. Hence such state rescaling in fact strengthens former spatial inequalities as well as creating new ones (e.g. Brenner 2003; Lovering 1999). Contrary to popular understanding, however, the central state has not withdrawn, but retains an active role in determining the ‘rules of the game’ (Brenner 2003, 2004a; Brenner and Theodore 2002; Peck and Tickell 2002). With its various financing, regulatory, discursive

¹¹ Currently in Hungary the state punishes homelessness, sets up cameras in the “crime-ridden” zones of cities and binds social benefits to public work. As Wacquant rightly argues, describing similar measures in the US, these are measures taken by restructuring neoliberal governments to contain (urban) disorder brought by economic deregulation through “the joint action of punitive welfare-turned-workfare and aggressive penal bureaucracy” under the “disciplinary philosophy of behaviourism and moralism” (2010:198).

mechanisms it continues to alter the ways in which different places can reposition themselves within the uneven state spaces.

In this understanding, state restructuring is a continuously on-going process, in which communities constantly renegotiate and reconstitute their identities, role and position of their settlement within the newly created spatial inequalities of the state. While these theorisations acknowledge the significance of local specificities, their insights are predominantly based on the analysis of urban areas situated in or near the core of capitalist economy. What this framework adds to my analysis is a spatially sensitive focus on the ongoing restructuring of the state, as opposed to a framework rooted in post-socialist exceptionalism. Furthermore, my analysis contributes to the literature on state rescaling processes by extending the approach to rural settlements in a neoliberal/post-socialist country, hence deepening our understanding about the nature of this process and broadening the explanatory capacity of this frame.

While the concept of rescaling furthers a spatially sensitive understanding of the processes related to state transformation, it usually retains a policy oriented institutionalist angle, leaving little room to explore the individual actors of the process or how these processes are acted out (Glick Schiller and Caglar 2011a). Thus I complement this framework with a conceptualisation of the state that highlights its multiple actors, institutions and agencies that represent the state and act on many different levels (cf. Gupta and Sharma 2006). Thus the novelty of my proposed frame of analysis is that it both takes the scalar position and construction of localities seriously, whilst at the same time conceptualises the state as constituted by individual actors and their practices. As such, my analysis highlights the social processes through which state rescaling is unfolding, rather than examining it on the level of abstract policies; thus my analysis is an anthropological study of state rescaling.

Such a focus acknowledges that the scalar reconfiguration of the state is a social process, not a deterministic structural given. In fact, a novel aspect of the analysis is that it shows, through the everyday practices of various actors, the ways in which rescaling is (re)negotiated in localised processes. In order to delineate the complexity of the ways that neoliberal restructuring is localised, my analysis is built on anthropological research in two remote villages situated in

different parts of the country: Tiszacseke and Kislapos¹². This strong ethnographic focus is also complemented with policy and secondary analysis of the post-1989 institutional, financial, regulatory transformations.

My study addresses the particular aspects that characterise the specific position of those rural places that are the least favourably situated in the uneven socio-spatial landscape, i.e. areas that are 'remote'. The villages I study are remote in three senses: firstly in the physical sense they are a considerable distance from the capital and other important urban centres where officials, medical and educational facilities and employment can be found. The distance is compounded by poor quality and costly transport infrastructure. The second sense in which these villages are remote is in their scalar position in relation to other variously situated localities. This remoteness is largely determined by the role of the localities within the national/global economy. Linked to this is the remoteness which is connected to the roles and characteristics that are accorded to them by dominant discourses in the country. This is particularly important because state rescaling processes have been examined predominantly from the perspective of places which are more centrally positioned in the global economy, such as growing cities, development nodes, and regional centres in North America and Western Europe. Therefore delineating the opportunities and limitations that state restructuring has brought for rural places that are remote from these cores makes the strong spatial focus of state rescaling studies even more nuanced.

My two research sites were chosen accordingly, as they are two relatively small villages situated in parts of the country – Kislapos in the northern part and Tiszacseke in the north-eastern border region – that are considered the most 'disadvantaged', 'peripheral' in both physical and discursive sense, and where the insecurities of the capitalist restructuring appear in highly visible forms. Understanding the ways such places and their inhabitants can alter their position and cope with the rescaling insecurities allows for a fine-grained understanding of the complex spatial effects of state restructuring. The two villages, although similarly positioned, were chosen because of the differences in their utilisable assets. Tiszacseke has natural/cultural assets for

¹² The pseudonym of Kislapos is borrowed from Peter Bell (1984), who undertook ethnographic research in the village during 1975-6. For reasons of continuity the same name is used here.

developing tourism, is in the vicinity of the Ukrainian and Romanian borders and has maintained a relatively strong agricultural base. Meanwhile in Kislapos the presence of a nation-wide civic organisation plays a significant role as does the fact that the local population is mostly Roma¹³, who are the largest ethnic minority in the country and have been strongly affected in various ways by the economic and state restructuring.

My analysis depicts both the difficulties and the newly arising opportunities that decentralisation and neoliberal state restructuring in general has created for rural inhabitants in terms of 1) social security, 2) development, and 3) access to resources. These three areas have been strongly affected by state restructuring and the consequent formation of local states. They constitute significant areas in which local actors (both state and non-state) gained particular prominence in rural areas due to decentralisation (cf. Thelen, Cartwright, and Sikor 2008), and hence are relevant areas through which to examine the complex effects of state rescaling in rural localities. In these three fields of study, my analysis focuses on the interplay between the local state and the practices of local inhabitants.

Development throughout the analysis is considered in two senses. On the one hand I take the operative definition used by local state actors, which describes efforts and initiatives that – relying on various local, national, EU or private funding resources – is believed by those who realise it to bring about a ‘positive change’ to the locality or its population. In another sense I understand development, as a way through which people frame their relationship to their locality in terms of belonging and identity: how they imagine their own and their children’s present/future as derived from and entwined with the present/future of the place.

¹³ Officially inhabitants are designated to be of Roma ethnicity through self-identification in Hungary. However, this often does not coincide with identification by the majority population. Regardless of people’s self-identification, as a consequence of the prevailing practice of discrimination and exclusion of this ethnic group in contemporary Hungary, the majority society recognizes people as ‘Roma’ by their skin colour, family name, way of life or poverty (Kovács 2002). Because such “ethnicisation” by the majority ‘non-Roma’ population has significance for social relations, self-perception, and is strongly built into dominant notions of deservingness, throughout the text I use this ethnic ‘category of practice’ (cf. Brubaker and Cooper 2000) to describe those who are considered Roma by local officials, and a majority of local inhabitants (which in most cases, although not always, coincides with the interviewees’ self-identification). (Schwarcz and Szőke, nd.)

Social security is used in various ways in different contexts. For my analysis the broad understanding of *social security* proposed by Franz and Keebet von Benda-Beckmann (1994) appears the most useful as, according to this conceptualisation, the notion of social security goes beyond formal institutional provisions and includes:

the efforts of individuals, groups of individuals, and organisations to overcome insecurities related to their existence, that is, concerning food and water, shelter, care, and physical and mental health, education and income, to the extent that the contingencies are not considered a purely individual responsibility, as well as the intended and unintended consequences of these efforts (p.14).

Social security in this understanding emerges through diverse practices, relationships, ideologies, policies, and institutions. Following from this, *rescaling insecurities* refers to the relegation of certain (often state) securities to the level of local government or individuals/families. But it also describes the structural constraints emanating from capitalist state restructuring that are fundamentally changing the ways in which individuals, groups, and organisations can mobilise their efforts and resources in establishing their social security.

In order to separate state provided benefits and services from this broader view of social security, I term the distributional practices of the state (that include state provided social benefits and social care services) *welfare provision* while *social security* is used as described above to include *both* the distributional practices of the state and the mechanisms people use to acquire the fundamentals relating to their existence mentioned above. However, the two are crucially entangled (von Benda-Beckmann and von Benda-Beckmann 1994, 1998), which is also reflected in my analysis. Thus despite the dissertation's focus on local state practices, these are constantly related to other local arrangements by individuals, families, groups, organisations and the like.

Finally, *access to resources* is a major constituent of both social security arrangements and development. Due to state restructuring, local state actors along with civic organisations, religious organisations and development agents have become important actors who distribute and mediate the access of local inhabitants to various state and non-state resources (cf. Cellarius 2004; Dorondel 2008; Sikor 2005; Verdery 2002). Following Ribot and Peluso (2003) I refer to *access* in a wide sense, to connote the right to use and benefit from resources rather than just signifying legal property relations. Despite taking their analytical example from the usage of land (which they argue one can profit from in many different ways, not only through ownership), I

apply their approach also to social provisions and other resources. For example certain child benefits might be directed to mothers or children, but could nevertheless benefit the entire family or other members of the family who are not their target. In addition, *resources* are considered here to encompass a wide range of assets consisting of (monetary and in-kind) state assistance, natural resources, productive resources, information, personal contacts/networks and education. Resources in this understanding play a crucial role for both individuals/families and communities in ensuring their present and future *social security* and can be utilised for local *development*.

The individual practices and interactions of local state actors and local inhabitants are not only instructed by the ongoing institutional, financial, regulatory transformations of the state but also, crucially, by the norms and moral underpinnings on which these are established. Accordingly, the analysis explicates the moral discourses of deservingness on which distribution of resources and access to different possibilities is based as well as identifying the social norms that these discourses draw on. As such, practices of local state actors regarding social security, development and access to resources as well as discourses on deservingness are strongly tied to local forms of inclusion and exclusion (or membership). For this reason, *social citizenship* – here understood as the forms and terms of social participation of various groups – is the underlying theme throughout the analysis. Focusing on the changing grounds for and notions of social belonging allows for a more rounded understanding of personal practices and relations – not as actions determined by structural frames or individual ‘rational choices’, but rather as social constructions embedded in complex social histories and relations between various groups.

Thus following Isin et al. (2008) I understand social citizenship as a process, which is deeply contested in character “in terms of both the defining criteria of who are eligible members and the particular historical and place-bound rights, entitlements, obligations, performative dimensions and identities to which it refers” (p.11). The concept thus extends beyond identifying a set of static rights and obligations to connote instead “the art of being with others, negotiating different situations and identities, and articulating ourselves as distinct yet similar to others in our everyday lives, and asking questions of justice” (Ibid. 7). As such, it refers to complex social processes and relations, which produce grounds for exclusion/inclusion, claim making and contestations.

In this dissertation I show the ways in which social citizenship is being reconfigured by neoliberal state rescaling; I argue that this process can be best comprehended through a spatially sensitive conception of citizenship that pays attention to specificities of the rural experience. Ultimately I delineate three aspects that a spatial conception of social citizenship should take into account. Even though this re-conceptualisation is based on ethnographic findings in remote rural areas, its applicability may extend to other settings¹⁴.

The first is emphasis on the *interactions* between state officials and citizens. As the ethnographic material reveals, the closeness – i.e. physical proximity – of state officials and inhabitants can have crucial implications in rural settings: the mayor is the mayor, but he is also the man behind you in the shop queuing for bread in the morning, your cousin's husband or your neighbour. The discretionary decisions of local officials have significant roles in the way policies translate into actual practices and hence affect local inhabitants' lives (Lipsky 1980). The local embeddedness of officials (i.e. the multiple ways and varying degree to which they are connected to other local inhabitants) largely affects this translation process including the ways in which discretionary power is used (cf. von Benda-Beckmann and von Benda-Beckmann 1998). With neoliberal restructuring and extreme decentralisation these local state agents have gained immense local importance. It is through the everyday interactions with these officials that local inhabitants most often experience the state, make claims on it, and negotiate their identities as citizens or the grounds of their eligibility as members of the local society.

The second important spatial dimension is related to the *positionality* of places within the newly emerging state spaces of capitalist economy. This concept refers to the relational inequalities between places in the shifting global hierarchy; how the prospects of localities shape and are shaped by the regional, national and global scales in which they are embedded; and how the future of places depends on their connections with other localities and scales (Sheppard 2002). My analysis reveals the ways in which the positionality of places influences how their citizens construct their relations to the state in terms of their expectations, the fulfilment of needs,

¹⁴ I am not arguing that these three spatial dimensions are not important in the urban setting, but rather that they are a means through which to understand the rural nature of citizenship.

possibility of making claims, and the ways they can negotiate the terms and grounds of their membership. Whereas decentralisation allows local governments to adjust their policies more closely to local needs, it also produces large variations between different places in the way social services/redistribution is organised. As such, it matters greatly where you were born and live in terms of what you can expect from the state, and the particular policies and everyday practices of local officials influence greatly what experiences you have of the state.

The third important spatial dimension is the relation to place – the belonging and identity citizens ascribe to their locality. Woods (2006) notes that citizenship is also a mark of belonging – to the nation state when it becomes a status, but more commonly to a locality. He highlights that citizenship is most frequently performed at the local level, in a particular community, where it is defined through customs and practice. Drawing on examples from North America and Western Europe, he argues that claims of *rural citizenship* are inseparably entwined with the post-Fordist reconstruction of rural spaces, as these claims are crucial domains and means through which people define their identities and that of the places they inhabit (ibid: 459). He argues that, from the onset, citizenship has been strongly tied to the city – from the Greek polis through to the Middle Ages, when special entitlements were given to those living in cities, to the Enlightenment when the status of urbanite and citizen were connected. In comparison, the rural was often characterised as the “antithesis of citizenship” lacking equality, displaying no institutions of civil society, and dominated by agriculture that bonded rights to property, which were consequently enjoyed by only a few individuals. Recent transformations of the state have problematised (more than ever) this construction.

The ongoing dynamics of citizenship are usually analysed in urban contexts by social scientists, even though the recent restructuring of the state, devolution of responsibilities to new levels and the instigation of local participation is also evident in rural areas. A growing strain of literature is in fact concerned with the urban as privileged site where these transformations are the most visibly played out, and hence recent struggles and practices of citizenship can be best studied (e.g. Holston 2011; Holston and Appadurai 1996; Isin 2008). However, my analysis shows that rural places are similarly important places for studying the ways state restructuring and

neolierablisation have transformed the relations between citizens and the state and that they are sites where struggles of citizenship take place.

The following analysis thus explores the complex links between citizenship and place/space. Claims of citizenship, i.e. negotiations about rights and responsibilities are strongly entwined with efforts of individuals, groups and institutions when defining their identities and that of the place they inhabit. In this sense, my analysis of the opportunities and limitations that decentralisation have created for rural communities is ultimately about the form and content of present-day rural citizenship. Or, in different words, it is about the ways neoliberal state restructuring is changing the grounds on which rural groups/inhabitants make claims on the state in forming their relations to their locality (through development); in their attempts to secure their and their children's social security; and in their negotiations over accessing certain resources with local representatives of the state or other local inhabitants.

In chapter 1 I situate my analysis, by reviewing three fields of literature that address state restructuring: Hungarian studies on the post-socialist transformation and its effects on rural areas, state rescaling and recent anthropological analyses of the state. This is followed by an introduction to my two fieldsites – Tiszacseke and Kislapos – and my research methodology. The main body of the dissertation is then divided into three main sections.

Part I examines the effects of state rescaling on social security, with particular emphasis on the distributional practices of the state and Hospitalier¹⁵, a civic organisation present in Kislapos. This part is made up of three chapters. In chapter 3 I discuss the institutional, financial and regulatory changes of the welfare reforms and their effects on local state practices of welfare provisions. I argue that the decentralisation of welfare is a rescaling of insecurities to the level of individuals/families and local authorities. I show, by pointing out the particular ways the financial, institutional and regulatory frames affect local organisation of services/redistribution, that the present frame recreates existing socio-spatial inequalities. In chapter 4 I take the example

¹⁵ The name of the organisation was changed.

of public work and by analysing the differences in the ways it is organised in the two villages I delineate those limitations and opportunities that decentralisation of welfare brought for local state actors in remote rural localities to address certain local needs in their redistribution practices. I argue that, through welfare decentralisation, certain local state actors were accorded with a large regulatory power to practice discretion. This allows them, as evident in public work, to not only reproduce local grounds of belonging but also alter these contrary to the locally/nationally dominant notions of deservingness on which they are based. Chapter 5 examines the effects of the Hospitaliers' practices on social security in Kislapos. It juxtaposes the role and position of the civic organisation to that of the local state, arguing that as part of a nation-wide charity they can address long-term and more structural problems that the local government cannot. Furthermore, the chapter shows that as the organisation is made up of different actors who are differentially embedded in the local context, similarly to local state actors, their relation to the local needs and inhabitants are different. They practice their discretionary power differently and along differing notions of deservingness. As such they produce divergent expectations in the local society in terms of their services and assistance.

Part II analyses state restructuring through the lens of development and its consequences in my two fieldsites in three chapters. Chapter 6 delineates the institutional, financial, regulatory aspects of this rescaling process in relation to EU-led regionalisation. By examining the particular aspects of the newly established structures and mechanisms of rural development through the eyes of local actors in the two research sites, I show that the positionality of places is of utmost importance for the ways localities can access the new resources and find ways to reposition themselves in the competitive frames of rural and regional development. Chapter 7, by depicting what trajectories/possibilities the main development actors envisage in the two villages highlights that the present frames not only have limitations for remote rural areas with little assets, but also (unexpected) opportunities as the example of Kislapos shows, where the publicly considered 'disadvantages' have become a resource. In addition, I show how the consequently materialising development efforts relate to social security, affecting both the self-identification of local inhabitants, their possibilities outside the village and their relations to their locality. Chapter 8 looks at a national development programme called LHH that is targeted to 'disadvantaged micro-regions' and examines the collision of views of the different actors who have been involved at

different levels in the two localities. By highlighting the differences in their scalar embeddedness and the way it influences their agency, the chapter examines the local effects of what is coined a new 'project class' and the way they contribute to the creation of 'rurality'.

Finally, the two chapters in Part III brings into focus the complex relations between local state action and the social security arrangements of local inhabitants with specific emphasis on accessing non-state resources. Through the analysis of the farming practices of four families in Tiszacseke, chapter 9 examines the effects of local state practices on the way different categories of people can presently access land after privatisation and the changing markets altered the ways rural inhabitants can profit and use land and related resources. I argue that the redistributive practices of the local state has important effects on the way local inhabitants can utilise land for their social security or that of their children. It furthermore has an important role in local forms of inclusion/exclusion. Chapter 10 looks at the ways informal credit in Tiszacseke is utilised in local social security arrangements, and the ways it is related to practices of the local state. I show that the indebtedness of the local government and its short-term way of thinking in its redistributive practices on the one hand, and the indebtedness of local unemployed and the short-termism evident in their consumption practices on the other, are results of the same phenomenon, namely the rescaling of insecurities. In the epilogue, I draw on the ethnographic results and propose a spatially nuanced conceptualisation of citizenship that highlights the specificity of rural places as sites of citizenship struggles and practices.

1. Studying decentralisation, state rescaling and local state formation

In this chapter I establish the basis for my analysis of state rescaling in rural areas, by bringing three bodies of literature together that address state restructuring and decentralisation, delineating their usefulness and limitations: (1) Hungarian analytical interpretations of the post-1989 transformations of the state, (2) neoliberal state rescaling developed in critical geography and (3) anthropological theorisations of the state. First I present the main aspects of decentralisation in Hungary providing a historical perspective and underlining the specificity of its present form from the angle of local state formation. Secondly, I discuss the existing interpretations and theorisations of recent state restructuring in Hungary and the affects of the post-1989 transformations on rural areas. I argue that this ongoing transformation of the state has not been tackled by existing works in an integrative sense. For a more nuanced and spatially sensitive analysis I propose to integrate some of the analytical insights of two fields – state rescaling and anthropological studies of the state.

Studies of the transformation of the Hungarian state often overemphasise the relevance of the socialist past and consequent post-socialist transition as explanatory forces, thereby stressing the uniqueness of the present processes which is linked to the post-socialist experience. Meanwhile, analytical works which acknowledge other explanatory forces often address only the larger structural changes and remain at the level of policy analysis, depicting the state as a homogenous and singular entity. Consequently, the decentralisation process is very confusingly interpreted either as ‘state withdrawal’ or as an unaccomplished or often even failed state reform which left the socialist legacies of a strong central state untouched (Ferge 2010; Kovách 2002; Szalai 2007). These interpretations obscure the complexity of post-socialist state transformation and the variety of ways the state continues to influence local lives while going through significant transformations. The local processes of state transformation, from which such complexities and their various effects on different localities could be addressed, are little discussed. Studies on local state formation tend to focus only on one area or another of state action, rather than attempting a more encompassing study of local state practices.

I argue that the theoretical framework of state rescaling as used in critical geography can help to put the post-1989 state restructuring into a broader perspective and underline its present day ongoing transformation as well as its neoliberal nature. However, this theoretical frame is predominantly policy-oriented and exclusively focuses on urban processes in regions situated in

the core of global capitalist economy. By extending it to more peripheral areas of remote rural localities situated in post-socialist Eastern Europe, my analysis furthers recent understandings about the nature of the rescaling processes in so far understudied settings. While the concept of rescaling allows the retention of a spatially sensitive understanding of the processes related to state transformation, I complement it with a conceptualisation of the state put forward by recent anthropological studies that brings the state's multiple actors into perspective. The state in this understanding is not a singular entity, but made up of the practices of different actors, institutions, and processes existing on many different levels (see Gupta 1995; Ferguson and Gupta 2002).

My study contributes to the analysis of neoliberal state restructuring and consequent local state formation in rural areas in several ways. Firstly, it proposes a conceptualisation that takes both the scalar position of places and embeddedness of actors seriously while also concentrating on the local mechanisms established by individual practices, thus it enhances the anthropological study of state scales. Secondly, it opens up post-socialist approaches to discuss broader neoliberal processes, and thereby critically access those limitations and opportunities that the political economic change and consequent transformation of the state has brought – in particular for rural localities less centrally situated in present global structures. As such my study contributes to a more complex and nuanced understanding of those state practices that are locally and scalarly created through decentralisation in present-day Hungary. Finally, neoliberal state restructuring and its consequences are well analysed in urban settings, however the ways rural places and inhabitants experience these changes and can reposition themselves in the new state spaces can be very different, yet it is rarely discussed. It is particularly important because these forces are also affecting rural inhabitants, who still constitute a significant part of the Hungarian and global population.

In this chapter, after reviewing the usefulness and limitations of existing theorisations in these three fields of study, I set out a conceptual frame that combines scalar analysis with a focus on the local state actors and their local embeddedness. With the help of these analytical tools I propose the concept of *rescaled insecurities* for a more integrative analysis of the present opportunities and limitations that decentralisation is posing for remote rural areas that delineates

the particular mechanisms neoliberal tendencies are producing in such localities. The concept describes the relegation of certain (often state) securities to the level of local government or individuals/families, but also the structural constraints emanating from capitalist state restructuring that are fundamentally changing the ways in which individuals, groups, and organisations can mobilise their efforts and resources in establishing their social security.

1.1. Decentralisation, capitalist restructuring and rural areas

The decentralisation of administration and services along with the devolution of power to various sub-national levels constituted an important element of the political economic transformation in many of the Central Eastern European countries (Péteri and Zentai 2002). It has been major part of the broader restructuring of the role, apparatus and mechanisms of the state. In Hungary it entailed a series of institutional and regulatory changes, which resulted in the setting up of local self-governments that received large financial and regulatory autonomy. Administrative and service responsibilities have been devolved to new sub-national levels as part of the reform of social policies and the transformation of regional and spatial planning. EU-led regionalisation brought about new structures for development along with new ways and sources of financing. Furthermore, the wider changes in the channels and methods of financing have significantly altered the relationship between the various spatial levels of the state.

In Hungary efforts of democratisation and the deconstruction of former socialist structures, i.e. the abolition of strong central power and the enhancement of local autonomy, fuelled the above processes. As such, decentralisation not only signalled a broader transformation of the state, but was also part of a new settlement policy that offered autonomy to every local community regardless of their size, something that many smaller rural settlements were devoid of during the former decades of socialist rule. *Act LXV of 1990 on local governments* was one of the first laws of the first democratic government and, after its introduction, all settlements had the opportunity to set up their own self-government. Consequently, in comparison to the 1500 existing local councils of the late socialist period, by the beginning of 1990s over 3000 local governments were set up with their own personnel, institutions, budgets and local regulations (Bódi and Bódi

2008:92). The 1990 Act defines the main rights of self-governments, listing the right to property, right to independent regulation, administration and law-making, right to entrepreneurship and to own income, right to local taxation and right to political symbols among many others. It furthermore delegates a range of compulsory and assumed tasks to local governments ranging from the maintenance of public place and local institutions through local development to social services and redistribution. In general, it entrusts every ‘local matter’ to the local authorities, with intervention from the central state or other organs only in exceptional cases.

The newly accorded local autonomy was particularly welcomed by rural communities, which were for a long period without the ability to influence their trajectories in substantial ways. Rural settlements became part of the general public administrative hierarchy in 1871, when *Act XVIII on Settlements* established the first nationally uniform system of local administration until the Soviet council system was created in 1950. The 1871 Act determined the legal status of settlements, their responsibilities and the organs of local public administration along with their roles and obligations.

Ethnographic studies of the period list a number of local officials who were present in rural settlements at the time (see Bell 1984; Fél and Hofer 1969; Lichtenstein 1990). Local governments in villages were made up of an elected mayor, an appointed secretary and two local councils. The local board attended the everyday assistance of inhabitants and fulfilled practical executive tasks while the board of representatives was responsible for deciding on the main affairs of the village, supervising financial matters, making nominations, organising elections and could grant residency to newcomers. The mayor was the president of both boards and arranged most local matters ranging from the harvest to collection of local tax. The appointed village secretary was the only qualified and trained administrative personnel which received an official state salary, hence gained more and more significance as the structure of bureaucracy diversified over time. In addition, a judge was usually in charge of settling small local disputes, a treasurer took responsibility for the local budget, which was largely made up of local tax, and finally a public guardian/tutor looked after the orphans of the village and organised poor relief. Priests and school masters also had some influence on local matters (Fél and Hofer 1969; Lichtenstein 1990). According to Pálné Kovács, while the established administrative structure integrated every

settlement for the first time into a unified system of local governments, its political representation was very limited, especially in rural areas (2008:121–22). Furthermore, reforms throughout the period saw increasing centralisation (ibid.).

The *First Council Act of 1950* significantly changed the public service and administrative structures by establishing a hierarchical and strongly centralised system of councils with the Socialist Party at its top (Pálné Kovács 2008:125). Local councils were stripped of all formal power: they lost financial autonomy and became executors of the will and economic planning of the party. According to a contemporary description, “[l]ocal councils are not the organ of local state power but the local organs of power” (Beér 1951 cited by Pálné Kovács 2008:123). Thus the local governments, renamed as local councils (*helyi tanács*), became strongly integrated into a hierarchical system of county councils (*megyei tanács*), which made all significant decisions affecting settlements under their jurisdiction. Officially power shifted to the county organs: they communicated the ‘central will’ to local councils, distributed financial funds and as such controlled local councils in a financial, regulatory, and even a professional sense (Enyedi 1997).

The local authorities of small rural settlements had especially limited chances to influence (by formal or informal means) the distributional channels and lobby for financial resources that were mostly allotted to more significant urban centres. The regulations relating to councils were changed various times during this period, however they all betrayed similar tendencies – an unmistakable preference towards larger cities over other settlements. The local representatives of the state and their roles were also transformed. The mayors were replaced by council presidents (*tanácselnök*) who, according to some contemporary village studies mostly fulfilled nominal roles (cf. Bell 1984; Lichtenstein 1990). They were elected by higher party organs, often stayed only for a short period and were not chosen from the locality but moved in from elsewhere, often having no local ties. Nevertheless, it is also shown that initially they played important role in furthering the anti-kulak goals, collectivisation and the collection of quotas as determined by the party organs (ibid.).

Later, however, smaller villages, such as Kislapos lost their administrative status along with their right to have their own council president (Bell 1984), while in larger settlements the

presidents could slowly gain importance in influencing the distributional channels for development resources (Hollos 2001). In contrast, the appointed party secretaries (*párttitkár*), the local hands of the party, supervised local politics and consequently held much greater power. In addition, the presidents of collectives/enterprises also had importance as they presided over employment, organisation of production, allocation of household plots as well as distribution of social services/assistance that were organised through work places during the period. Although, as Tardos (1994) points out, the latter was not characteristic in village collectives, which in comparison to state enterprises only assisted local institutions rather than individual persons and, even then, more as an exception rather than the rule (see also Haney 2002). These ‘anti-village’ policies were formally sanctioned by the 1971 Settlement Development Conception, after which smaller villages lost not only many of their local institutions but also some of their local state officials and much of their financial resources.

In light of earlier tendencies it is not surprising that the newly gained local autonomy of the 1990s was particularly welcomed by local actors in rural areas (Csíti and Kovách 2002, Kovács 2008). Due to these various transformations over the past century the local organs of the state have changed several times; with this the state actors’ competencies and relations to other state officials on different geographical scales has transformed, which has recently been further complicated by emergence of regional, micro-regional and EU levels. According to the 1990 Act, the locally and democratically elected mayors are the new head of local governments and they are accorded the largest regulatory power and competencies among local officials. However, it is not a one-headed system; in order to balance the mayor’s power the notaries are appointed to head the mayor’s office. They have the legal authority to supervise local governmental decisions, financial actions and are the persons who can legally authorise documents issued by the local government. The body of the local government is made up of locally elected representatives of the community and has significant roles in setting local regulations and decision making. In addition, the mayor’s office contains various local officials who attend to local financial, social and other administrative matters.

The new structures that resulted from the decentralisation process and the entire political economic restructuring were marked by a strong aspiration to break with the socialist policies of

the past and to create distance from its trajectories (e.g. Szalai 2007). This inevitably determined the major policy reforms of the 1990s. High hopes were pinned on the capitalist transformation, which has over the years inevitably given way to disillusionment. Criticisms concerning various aspects of the transformation have multiplied during the past two decades, particularly in relation to rural areas, which are widely held to be one of the main losers of the process. Furthermore, the initially highly celebrated local autonomy came to be viewed in less positive terms.

1.1.1. 'Post-socialist' state transformation and local autonomy

At the time of the reforms, the political elite was driven by the desire to deconstruct the overly centralised and bureaucratic state structures of the former socialist regime, establish the basis for democratic participation, create a more targeted and less costly system of welfare redistribution and promote more equal social participation (Szalai 2007:70–74). Thus the first steps included: establishing the institutional and regulatory guarantees of democracy, strengthening civil participation and the devolution of central power to other state levels and to non-state actors. Furthermore, the welfare system was to be reformed to 'correct' the over-spending practices of the socialist system that were considered to contribute to the crises of the socialist economy as they were financed through large international debts (Bódi 2008a).

International pressure also played a crucial role in determining the form of the changes (Ferge 2010; Szalai 2005). The post-socialist countries, serving as new potential poles for capital accumulation for Western European interests, were quickly pushed to open up to foreign investments and take international loans in the early 1990s. The latter often led to extreme marketisation and neoliberalisation of the region. As Szalai (2005) rightly argues, the inner competition among the countries of the 'Eastern bloc' pushed many into a quick introduction of market friendly measures and opening up to foreign investments, with Hungary boasting one of the largest¹⁶. Whereas Poland, Slovakia or the Czech Republic opted for various forms of domestic accumulation and the formation of national propertied classes, in Hungary the late-

¹⁶ Between 1992-99, the foreign ownership of economic assets went up from 11 percent to 50 percent in the country (Ferge and Tausz 2002:177).

Kadarist technocratic elite pushed for a transnational model and unconditional liberalisation (Drahokoupil 2008). By 1997 two thirds of the large companies were privatised and in 1992-93 the land and assets of most cooperatives and state farms were distributed among private owners (Báger and Kovács 2004; Harcsa, Kovách, and Szelényi 1995; Kovách 2002). Further waves of privatisation followed as the national budget needed to cope with its increasing large international debts. By 2002, strategic sectors such as the energy industry, telecommunications, and the entire banking sector had been sold off. Postal services, transport and other state providers were partially privatised too, while privatisation of hospitals and health care was only put on temporary hold due to large public opposition¹⁷. However, twenty years since the changes the project of such ‘de-statisation’ invites puzzling and often controversial interpretations.

Similarly to studies focusing on the decline of the welfare state in Western European contexts, various accounts have observed the decreasing role of the Hungarian state in numerous fields, but especially in welfare provision (e.g. Ferge 2001; Ferge and Tausz 2002; Gábos, Szivós, and Barczaházy 2006). They furthermore note the greater involvement of non-state actors and the increasing privatisation of social services. Studies highlight that decentralisation was not only a devolution of power and a significant aspect of the dismantling of strong central state structures, but in fact a devolution of the responsibilities of social redistribution to local authorities (e.g. Bódi 2008a; Ferge and Tausz 2002; Horváth 1995; Ladányi 2000; Szalai 1995). Both Ferge (2010) and Ladányi (2000) argue that the withdrawal of the central state from influencing local solutions for social and ethnic tensions have largely contributed to growing racism towards and differentiation of the Roma minority in various local settings. Some studies demonstrate that the substantial withdrawal of the state from its regulatory and financial responsibilities in the past two decades transformed the basis of social membership and led to the exclusion of a considerable segment of the population (e.g. Ferge 2010; Szalai 2007).

Whereas the above studies interpret the state restructuring of the past twenty years as a continuous withdrawal of the central state, political and policy discourses claim that substantial reforms have not yet taken place and the power of the state is still too strong (Szalai 2007:64 and

¹⁷ The conservative FIDESZ party, when in opposition in 2004, instigated a referendum that partly addressed privatisation of hospitals and health care as well as the introduction of tuition fees for higher education, through which the public unequivocally voted against these measures.

see Állami Számvevőszék 2009). Ferge (2010:98–99) notes that often arguments about the curtailing of a large state confuse two aspects, which might not coalesce – an extended bureaucratic apparatus and large social spending. She shows through various data that while the first might lead advocates of neoliberal policies to argue for further state withdrawal these advocates usually use arguments about large social spending for the promotion of neoliberalism, pushing for further welfare cuts. However, currently social spending in Hungary already constitutes much smaller percentages of the national GDP than in most Western European countries¹⁸ and social spending is unsubstantial in comparison to other areas of state spending¹⁹.

In relation to decentralisation, the nature and content of local autonomy invited intense public and academic interest (some examples are Barta et al. 2005; Böhm 2000; Finta 2008; Koós and Virág 2010; Pálné Kovács 2008; Péteri 2007; Péteri and Zentai 2002; Szörényi 2010; Táll 1993). The new regulations and institutional frame accorded local representatives of the state, and mayors in particular, with a large power over deciding about the allocation of local resources (existing in the locality or received from the central state, EU or other channels). The new local state actors can, to a considerably degree, control access of local inhabitants to various state and non-state resources, such as state-provided benefits/assistance, different services (social, educational, administrative), natural assets, and the benefits of various development projects. Nevertheless, most studies have been so far concerned only about the power of mayors and their influence on local politics (e.g. Böhm 2000; Böhm, Szögyi, and Táll 2000; Táll 1993, 2000).

In the broader Eastern European context various ethnographic studies have also addressed the establishment, form and use of power by particular local state actors, who were imbued with new responsibilities and authority (e.g. de Waal 2004; Dorondel 2008; Staddon and Grykien 2009; Verdery 2002). They argue that it is an important characteristic of post-socialist restructuring that local leading officials, mayors specifically, could attain dominant roles in the local formation of socio-economic changes. The existing research mostly examines the reason for and the ways in which local leaders, chiefly mayors, obtain control over productive resources (see studies above).

¹⁸ According to EUROSTAT data in 2006 the welfare spending in Hungary was 22 percent of national GDP, while the EU-27 average was 27 percent (Ferge 2010:99).

¹⁹ It is also supported by Gábos et al. (2006:4), who show that in 2003 while the EU-15 average of social spending was 28.3 percent of GDP that of Hungary was only 21.4 percent.

Studies focusing on the issue in the Hungarian context agree that the future of the different settlements largely depends on the personal aptitude, network and in many cases social and political capital that was accumulated by local leaders during the socialist period (e.g. Baumgartner, Kovács, and Vári 2002; Böhm 2000; Táll 2000; Utasi 2000). While these studies on mayors are very comprehensive in certain respects, they hardly reflect on the ways their discretionary and distributional practices might affect local populations in other fields, such as social security. Furthermore, even though decentralisation has brought a large number of new local actors into play in various rural settlements, ranging from nurses and carers to family assistants and child protection officers, along with a number of new non-state actors, little thus far has been said about their role in local social security arrangements or distribution of other resources.

Local governments have more recently received academic and policy attention in terms of public service delivery, with focus on the effectiveness of the new administrative and service delivery system (e.g. G. Fekete et al. 2002; Horváth 2007b; and see edited volumes by Kovács and Somlyódyne 2008; Várad 2008b). While the autonomy for all settlements regardless of size was initially welcomed, more recently it is shown that it resulted in an “overly decentralised” system which accords many small municipalities a large sphere of responsibilities²⁰ and led to an overgrown bureaucratic apparatus which is increasingly considered ineffective and costly (e.g. Horváth 2007a; Koós and Lados 2008). Such analyses during the past few years have paralleled policy makers’ and politicians’ interests in making public services and the administrative system ‘more efficient’. Thus the past two democratically elected Socialist governments²¹ made efforts towards some sort of centralisation, through the promotion and financial/legal enforcement of micro-regional cooperation and service delivery. Academic accounts also agree that some sort of centralisation is needed, particularly the strengthening of the ‘middle levels’ and the instigation of further micro-regional cooperation between smaller settlements, which are unable to offer quality services and struggle to maintain local institutions (e.g. Kovács, Lados, and Somlyódyne 2008; Somlyódyne 2008). Yet so far substantial reforms of the post-1989

²⁰ Thus it diverges and combines elements from the two main European models, which are characterised by large municipalities with wide responsibilities (considered to be the northern model) or by small municipalities with narrow sphere of responsibilities (the southern model).

²¹ Coalition of MSZP (Hungarian Socialist Party) and SZDSZ (Association of Social Democrats).

structures have been stalled²² by the reluctance of local communities to give up on their regained autonomy (Kovács 2008a; Pálné Kovács 2008).

1.1.2. Capitalist restructuring and the countryside: ‘winners’ and ‘losers’

Whilst most social scientific studies agree on the long-lasting negative effects that socialist policies left on the economies and social structure of rural places (some examples are Böhm 1992; Enyedi 1997; Kovács 1990, 2005; Kovács 1993, 1995), their conclusions about the influence of present restructuring are more ambivalent.

A large number of studies document the diverse influence that the transformations had on rural populations in terms of the role of agriculture, the changing market and property relations (e.g. Csikó et al. 2002; Hann 1996; Harcsa, Kovách, and Szelényi 1998; Kovács 2002; Laki 1997; Swain, Andor, and Kuczi 1994; Thelen 2003a). The overall role of agriculture within the national economy has fundamentally changed. Production has significantly dropped in comparison to the socialist period; moreover, a large number of rural inhabitants were denied access to land and productive resources as well as to the means of production²³.

The number of small-scale farmers is constantly decreasing, while those who own large segments of land are growing both in number and size; the majority of land is held by large company-style owners with thousands of hectares under their ownership (Kovács 1996, 2002). This is not only linked to the social restructuring that followed 1989 which benefited particular economic and political elites (cf. Stark and Bruszt 1998), but also to the changing means of the production market (largely influenced by EU schemes), which favours large-scale company-style, machine-intensive production over work-intensive, small-scale quality-oriented farming. Parallel to this, the continued importance of subsistence farming is highlighted, mostly in relation to the disappearance of other forms of employment possibilities and the large numbers of unemployed

²² The 2006 administrative reforms left the structures of public service and administration largely unchanged (See more on this in Kovács 2008a and Pálné Kovács 2008).

²³ According to statistics from 1999, agricultural produce constituted 6.2 percent of GDP, 8 percent of export and 7.1 percent of employment, one third of records from before 1989, which is often mentioned as the “Golden Age” of agriculture in comparison (Kovács 2002)

in rural areas (see Kovács 2002; Kovács 2005; Laki 1997; Nemes and Heilig 1996; Podrutzsik 2003). Some of these tendencies have been also documented in relation to a wider restructuring of the countryside outside the ‘post-socialist’ Eastern European context and has been linked to industrialisation and the growing importance of the service economy and the consequent reconfiguration of rural areas as consumption zones and tourist sites (see Aitchison, MacLeod, and Shaw 2000; Cloke and Goodwin 1992; Green 2005; Hall 2004; Hoggart, Buller, and Black 1996; Kalantaridis 2005; Wilson 2001).

Demographic changes, such as aging, low birth rates and migration of young skilled labour from smaller villages to cities significantly intensified during the 1990s (Csire and Kovách 2002; Kovács 2010), changing the composition of rural populations. Furthermore, changes in the employment possibilities that went alongside the capitalist transformations affected different settlements and particular regions in the country in diverse ways (Barta et al. 2005; Csire and Kovách 2002; Koós and Virág 2010; Kovács 2010). The disappearance of local employment possibilities (that resulted from the collapse of collectives and their industrial branches), the closing down of urban factories and the worsening possibilities for commuting resulted in a large number of unskilled unemployed labourers who are mostly concentrated in villages and who have no incentives or the means to move to urban centres. In fact, it is shown that unemployment more significantly affected rural areas than urban settlements for the above reasons and due to the decline in the capacity of agriculture to provide a means of living (see above studies). The main contribution of this body of analytical work is that it not only recognises the varied effects of the more recent political economic processes on urban and rural areas, but it also underlines the broader regional inequalities that have been deepened by the capitalist restructuring.

These processes affected rural areas in different parts of the country in very different ways. On the one hand, the 1990s saw the suburbanisation of better-positioned areas such as the villages in the vicinity of Budapest or near to other larger cities/regional centres in different parts of the country, which became the living places of educated better-off families who worked in the nearby towns (Csanádi and Csizmadý 2002; Váradi 1999; Váradi and Timár 2000). Such population movements restructured the local societies of these suburban areas, with the appearance of new elites who continued working in cities. Other studies observed the movement of lower skilled

impoverishing urban families to the mostly underdeveloped regions in the hope of cheaper living costs (see Koós and Virág 2010; Ladányi and Szelényi 1997). Csité and Kovách (2002) furthermore note that the restructuring and new autonomy instigated large infrastructural developments, such as the building of sewage systems or connection to the water and gas mains, in many rural places.

These socio-spatial processes of the 1990s intermingled with the unequal investments in and uneven development of particular regions and resulted in the formation of “ghettoised areas”, where unskilled, unemployed, and often Roma inhabitants became concentrated (Koós and Virág 2010; Kovács 2005, 2008b). Kovács (2010) consequently argues that there were both winners and losers of the transition, depending on the situational embeddedness of villages in regional, geographic, transportation and other structures. While the agglomeration of Budapest and the Northern Transdanubian region appeared to profit more (regardless of being urban or rural) from the capitalist restructuring, the Northern Great Plain, the Northern Hills region and some parts of the South and West Transdanubia, where ‘tiny villages’²⁴ are concentrated, are increasingly considered as ‘lagging behind’ and as going through serious marginalisation. This led to tiny villages with an aging population that are slowly ‘dying out’ on the one hand (Tóth 1999) and to the formation and reinforcement of poor ghettos with mostly Roma inhabitants on the other (Ladányi and Szelényi 1997). Furthermore, while many scholars were originally enthusiastic about the new local autonomy accorded to small rural localities, more recent studies now point to the difficulties that arose especially in the more remote underdeveloped localities which struggle with maintaining their ‘reclaimed’ institutions or providing the wide range of mandatory services that were delegated to them through decentralisation (Bódi 2010a; Kovács and Somlyódyne 2008; Kovács 2008b; Váradi 2008a).

While approaches differ in their particular understanding of the casual forces (be it the post-socialist transition or the introduction of liberal capitalism), the majority of above mentioned works highlight the spatially differentiated effects of decentralisation and the socio-economic restructuring in Hungary. This spatially sensitive approach is rather nuanced, pointing to a diversity of factors that influence the ways recent processes hit localities and their inhabitants.

²⁴ It is an official administrative category, *aprófalu* in Hungarian, denoting villages below 500 inhabitants.

Hence it is a useful starting point for understanding the complexities of the socio-spatial effects the above processes have produced, as well as for understanding the opportunities and limitations they brought for different localities/groups. However, what is almost entirely missing from these analytical works is the *role of the state* in the creation and recreation of these spatial inequalities. The theoretical frame of critical geographic studies on state rescaling is useful in this regard. By emphasising the role of the state in the creation of socio-spatial inequalities, they can broaden the existing spatially oriented Hungarian theorisations. Furthermore, the theoretical tools and empirical conclusions of this field can be well adapted to the Hungarian process, which shows significant parallels to state rescaling documented in other contexts (cf. Brenner 2004; Glick Schiller and Caglar 2011a; Goodwin and Painter 1996; Ilcan et al. 2007; MacLeod and Goodwin 1999).

As I have shown above, Hungarian theorisations of the state restructuring are multi-fold, focusing on its effects on welfare, local state formation and autonomy as well as changing institutional and regulatory structures (e.g. Bódi and Bódi 2008; Böhm 2000; Ferge and Tausz 2002; Finta 2008; G. Fekete et al. 2002; Horváth 2007b; Pálné Kovács 2008; Szalai 2007). While these works are useful for understanding the larger structural transformations in various areas of state action, they predominantly approach the state as a singular entity with clearly defined boundaries and modalities. Thus the post-1989 transformations are almost exclusively interpreted within the analytical confines of ‘state withdrawal’ while political and policy discourses see it as an unaccomplished reform with a still undesirably strong state (Szalai 2007). Such interpretations fail to account for the multi-layered character of the reconfiguring state, as well as the multiplicity of actors, institutions and state bodies whom, on various levels, continue to influence the life of local inhabitants (cf. Read and Thelen 2007).

Nevertheless, in the Hungarian context there has been no systematic attention given to the variety of actors who make up the state in both local and other newly established administrative levels and to the ways in which their practices influence how these structural forces become localised (cf. Gupta and Sharma 2006). Similarly, little analysis has been directed to systematically examining the various fields of state action through the local practices of those state actors that have become more influential through decentralisation. By discussing one field of state action or

another, without examining the ways these different areas, such as development, welfare and control over access to resources are deeply interwoven, the present analysis of local state formation remains rather limited in Hungarian theorisations. My study fills this gap, by utilising a conceptual frame that approaches the state as both a multi-layered and multi-actored entity, and which studies the various fields of state action in their relation to each other, through the practices of different actors in given local settings.

Another major aspect and limitation of the existing studies (apart from a few notable exceptions²⁵) is their strong emphasis on the uniqueness of the post-socialist experience (see for example Bayer and Jensen 2007; Csikó and Kovách 1995; Hann, Humphrey, and Verdery 2002; Harcsa et al. 1998; Kovách 2002; Kovács 1993, 1995; Landau et al. 1997). Most of the discussed studies overemphasise the socialist past as a determining force. The dominant analytical approaches usually interpret the recently unfolding political economic and social processes to be caused almost single-handedly by the surviving legacies of the socialist experience or, at best, as triggered by the post-socialist ‘transition’/‘transformations’. Such an approach not only understands the present processes as specific for a culturally constituted area, but also accords their uniqueness to a specific historical modulation, as if it has overwritten former historical legacies in these countries. Thus it makes present interpretations of processes recently unfolding in post-socialist countries not only limited in their historical view, but also in their spatial one.

Even those texts that do not rely on post-socialist uniqueness emphasise the specific ways capitalist restructuring has been taking place in Hungary, suggesting (even if usually not explicitly) that the present formation is a halted, deterred or alternative form of the aspired for ‘ideal typical’ democratic capitalist model found in Western European countries. Such understanding fails to acknowledge firstly that the form liberal capitalism took in Western Europe is just one form among the many, as capitalism always unfolds in specific ways in the different historical and social contexts. Secondly the often similar detrimental effects of such forms of capitalism are also widely criticised in the Western European countries, and there they cannot be explained through unaccomplished transformations or specific Eastern European socialist legacies.

²⁵ Such as Barta et al. 2005; Ferge 2010; Szalai 2004; Szalai 2007.

The opening up of this retrospective area-bounded concentration on the uniqueness of the Hungarian (or perhaps Eastern European) experience, can bring in further casual explanations and turn our attention to processes that can also be observed elsewhere. This can lend more theoretical relevance to the studies that focus on the post-socialist changes, but which have been criticised because they remain limited in their larger theoretical contribution exactly due to such orientations (cf. Thelen 2011; Tímár 2003). Some novel attempts have been made more recently by anthropological studies to engage with post-socialism in a more theoretically nuanced way (Kay, Shubin, and Thelen 2012:55). By putting the experience of ordinary people into the focus of analysis, they problematise grand narratives of the transformation and point to the diversity of ways people experience(d) socialism/post-socialism and to the different subjectivities of transformations (see Flynn and Oldfield 2006; Stenning and Hörschelmann 2008; Thelen 2011 and articles in the special issue by Kay et al. 2012). Nonetheless, studies in this vein still emphasise the specificity of the post-socialist experience over other significant forces at play in these countries.

Similar processes in other recently neoliberalising countries with no socialist past are hardly acknowledged as the processes that are researched in Eastern Europe are considered unique to the post-socialist transition experience. In Hungary, it is rooted in the orientation of both politicians and the dominant intellectuals and elites who turned welcomingly to neoliberal solutions, which were and still are considered the only option vis-à-vis the former system (Laki 2005; Szalai 2005). Such a favourable attitude towards neoliberal ideas and policies was motivated by the strong will to distance the country from the socialist policies/practices and led to two major aspects of present orientations – both public and social scientific. Firstly, little room was/is left to approach the unfolding neoliberal reforms and their effects in a more critical manner²⁶. Secondly, while neoliberalisation is still mostly kept on an unassailable pedestal, the unpleasant and unforeseen effects of the changes are considered unique to the transition and mostly blamed on the socialist legacies or post-socialist transformation process. Such blurring of various processes needs further clarification and a more nuanced disentanglement. While it is beyond the scope of

²⁶ Apart from some notable exceptions of those scholars and intellectuals who are concerned with social policy reforms and some on regional inequalities (e.g. Barta et al. 2005; Ferge 2010; Szalai 2004; Szalai 2007).

my study to provide a comprehensive comparative analysis that would put the Hungarian processes in a wider global or longer historical perspective, my proposed analytical framework points in this direction by broadening the analysis to examine neoliberal orientations and their effects. Such clarifications and comparisons are much needed and urgent in the light of more expansive processes prevalent both in and beyond Eastern Europe.

1.2 Problematising the state: neoliberal state rescaling and local state formation

The Western European welfare states have also undergone significant transformations during the former decades, which invited various analytical interpretations. The earlier dominant notion of the state as nation-bounded territorial unity, which is identical to its national community, has been seriously challenged by a number of processes during the 1960s-70s. Globalisation and wide-scale migration of large portions of population has dismantled the “iron grip of the nation-state on the social imagination” (Taylor 1996:1923) and the associated image of space as static, bounded entity. Similarly the crises of the Keynesian welfare state and introduction of neoliberal reforms have called into question the close link that the Keynesian welfare model established between the nation-state and economic, social and political management (Harvey 2005a). This socially constructed coupling was disrupted in several ways by the crises of North Atlantic Fordism from the 1970s onwards (Brenner et al. 2003) due to increasing internationalisation of economic relations, the resurgence of regional and local economies, the dismantling and questioning of ‘overloaded’ state bureaucracy, the reconfiguration of state-provided welfare and increasing cross-national mobility of a large number of people. These changes instigated the decentralisation of the nation-state and the resurgence of institutions, projects, and struggles on both supranational and subnational levels (Brenner 1999a; Brenner and Theodore 2002; Clarke 2003; Jessop 2002; Peck 2002; Peck and Tickell 2002; Smith 2003).

These earlier conceptions of the nation-state were strongly based on the particular constellation that came to dominate after the Second World War in the Western democracies and culminated in what is usually connoted as the Keynesian ‘welfare state’ (Brenner et al. 2003). In fact on both

sides of the Iron Curtain, the national states of the 1950s-60s, albeit with very different political structures, all possessed a number of common features concerning the role of the state. During the period of the post-war reconstruction and economic boom, national economic planning to promote growth and to ensure a balanced economic development within the boundaries of the nation-state were the main priorities (Edelman and Haugerud 2005). Large infrastructural developments were launched and the structures of universal welfare were established.

Despite of the variety of welfare states (and their political and structural difference from the socialist countries), on a general level the developmentalist states of the period on both sides of the Iron Curtain rested on a broader consensual agreement about the role of the state and its elements. The interventionist states of the time relied on an extensive bureaucratic structure, an expansion of the number of civil servants and an expanding public spending. The underlying principle of policies was equality and equity and the (at least stated) objective was to build national unity with balanced growth over the entire population and national territory (Jessop 1999:382–3). And the state was accorded with the ‘positive’ roles of achieving these; the state not only could but was supposed to intervene into both economy and society to ensure these ends. These objectives were furthermore reflected in territorial policy, which emphasised centralisation for better collection and redistribution of resources in equitable manner and hence expansion of national welfare to the entirety of national population and territory (Loughlin 2007). Consequently, even in federal countries with strong regional traditions, such as Germany and Austria, subnational units experienced a considerable decrease in their role and autonomy during this constellation. In most European welfare states, local governments were only agents that delivered or transmitted central regulations to local inhabitants, at least in terms of regulatory and institutional capacities. Furthermore, as Loughlin (2007) underlines, financial centralisation further curtailed the autonomy of subnational units at the time.

Such system of strong internal national development however could only be achieved in a strictly regulated international environment, which was seriously challenged by the 1970s by promoters of open markets and neoliberal ideologies (Harvey 2005a). With the breaking up of Bretton Woods and neoliberal policy shifts, states have undergone serious transformations. The nature and functions of the state itself have changed along with its relationship to the economy and

society, which have reconfigured the conceptualisation and understanding about its roles (Jessop 1999). According to the neoliberal advocates, state intervention was to be decreased to minimal levels and should only be used for a better promotion of capital accumulation and mobility (Harvey 2005b). Thus welfare expenditure and the expansive bureaucratic apparatus (both in number and political influence) were significantly curtailed in many countries, state control over the private sector was deregulated, and the principle of equity and equality were exchanged for entrepreneurialism and competition for resources. Without denying the significance of these transformations, Clarke (2003) argues that in spite of the immense international pressures and challenges posed to the ‘welfare state’ of Western Europe, it proves to be rather resistant to change. Not only have the expectations of citizens in terms of welfare not decreased in many countries, but the national governments continue to dictate the directions, character and institutional setting of welfare policies to a large extent.

During the post-war period the governments of Western democracies (along with the socialist Eastern European countries) promoted equal development and advancement within their national borders. Even though, as shown by Feminist studies (see Orloff 1996), such advancement have rested on rather unequal gender roles and division of labour, at the level of rhetoric a general desire for balanced growth and equity still existed. In comparison, the system of new open-market capitalism openly rests on the conditions of uneven development, which is the basis of capital expansion and growth that is eventually supposed to trigger down to the less favourably situated groups, regions and people (Harvey 2001, 2005b). As Loughlin (2007) shows, such reforms of the welfare state went along with a series of political and/or administrative decentralisations in many Western democracies, giving larger roles and autonomy to various subnational units. The consequent revival of local autonomy and EU induced regionalisation process have been particularly well documented in various European countries (see Deas and Lord 2006; Deas and Ward 2000; Goodwin and Painter 1996; Jones and MacLeod 1999; Keating 2009; Lovering 1999).

These transformations in the structure and role of the state have also instigated changes in the relationship between the state and its citizens. In the early 1950s T. H. Marshall (1950) described how social rights were extended universally to all members of a national community as a result of

working class struggles following the gaining of civic and political rights. This concept of citizenship has become so strongly interlinked with the development of the Western welfare states of the post-war era that social citizenship usually refers to those social entitlements that were guaranteed universally to national citizens of these countries (Brodie 2008; Castel 2005; Fraser 2003; Katz 2001). However, such right-based notions have been widely challenged by works who called attention to those groups to whom such universal rights were not extended (see Fraser 2003; Lister 1990, 1998). They propose to construe citizenship as an active engagement and struggle for recognition instead of the static right-based approach of the Marshallian vein.

Multiple studies called the attention to recent processes that have seriously challenged the dominant understanding of citizenship bound to the nation-state by pointing to the multiple scales of belonging, guarantees of rights and claim makings (e.g. Bauböck 1994; Bauböck and Guiraudon 2009; Desforges, Jones, and Woods 2005; Keating 2009; Soysal 1994). These global processes have important effects on how people experience citizenship and can practice their rights. The significance of new supranational agencies such as the EU, and sub-national sites through regional and local governance are highlighted to offer new platforms for claim making and new bases for belonging (Bauböck and Guiraudon 2009; Keating 2009), which led to multi-layered approaches to citizenship (cf. Bauböck 1994; Parry 1991; Soysal 1994).

Studies furthermore underline the ways that neoliberal reforms have crucially reconfigured the basis of social membership (see Castel 2005; Katz 2001; Keating 2009; Wacquant 2010). Focusing mainly on social policy changes, they document the withdrawal of the state from its former role of guaranteeing universal welfare rights. Such policy changes have been particularly well documented in the UK, US and Australia; they involve shifting former welfare responsibilities from the state to individuals under the political discourse of fighting dependency, introducing workfare measures and narrowing of social rights. These studies (above) note that discourses have shifted from the importance of rights (for social membership and welfare) towards a growing emphasis on citizens' obligations. Somers (2008) describes these changes as the contractualisation of citizenship, i.e. the reconfiguration of former relationship between citizens and the state based on non-contractual rights/obligations according to the principles and practices of market exchange.

Over-viewing the changes in state-provided securities of the past century both Katz (2001) and Castel (2005) describe similar tendencies about the marketisation of citizenship. They furthermore argue that the recent reconfiguration of welfare has led to the increasing stigmatisation of those who still rely on state assistance, with an alleged separation of the ‘good’ citizens, who can still count on encompassing welfare provisions from the state (on the basis of their contribution through work), from the ‘undeserving’ second-rate citizens, who are deemed unworthy of substantial state provisions beyond the stigmatised and minimal assistance for the poor. Wacquant (2010) goes even further pointing to the increasing incarceration and criminalisation of the poor as a way of the penal state to manage the urban poor who have fallen victim of welfare retrenchment and the multiplying social insecurities of global capitalism, and thereby restore its legitimacy (lost amidst decreasing market regulations and social spending).

While in popular understanding these changes that underlay the transformation of the welfare state and introduction of neoliberal policies were often described in terms of the decline, demise or the hollowing out of the national state, several strands of critical geographic and sociological literature have called attention to the new spaces and scales of state regulation and power (see Brenner 1999a, 2004; Brenner and Theodore 2002; Jessop 2002; Peck 2002; Peck and Tickell 2002; Smith 2003). Thus while globalisation studies often put the emphasis on the new supranational formations that dismantle the earlier hegemony of national power, spatialised approaches to state restructuring turn attention to the multiplicity of newly established regional and local institutions and newly emerging territorial governances that arise in response to the crises of Fordism. Studies in this vein are neo-institutionalist and concentrate mostly on policy as well as institutional transformations, examining the unprecedented revival of local/regional governments and public agencies in Western Europe (see Deas and Ward 2000; Goodwin and Painter 1996; Jessop 2002; Lovering 1999). With the resulting reorganisation of the spatial planning systems, the urban and the regional scales were noted to becoming crucial sites of regulatory intervention and governance (see Brenner 2003; Deas and Ward 2000).

The spatial reconfiguration of regulatory frames accorded localities/regions with much greater responsibility and potential to bring about their economic revival by drawing on their own

resources (Brenner 2003; Brenner and Theodore 2002; Deas and Ward 2000; Jessop 1999; Lovering 1999). This however pushes localities to compete for national and international funds, attract investments and exploit their own potentials, while they are less and less able to rely on state assets and welfare provisions. However, this does not mean the hollowing out of the state. In fact, due to the renegotiation of regulatory arrangements across a range of scales, states continue to influence economic development outcomes of localities. The differential distribution of state assets and the positive discrimination of certain sub-national sites for economic development that are to be positioned strategically within global economic flows, places certain regions/localities in a more advantageous position, hence often recreates former regional inequalities while also creating new ones (see above studies).

As Peck (2002) underlines, scale in this understanding is not an absolute entity, but a relational one. They are not a series of hierarchical levels to which social processes are just attached, but rather scales are constituted through complex power relations and discursive practices; they are the objects, outcomes and media of political economic struggles. They are constantly produced, and this process is heterogeneous, conflictual and contested. Thus “social and regulatory processes cannot be categorically assigned to specific scales, and neither is the scalar constitution of these processes theoretically pre-given or historically fixed” (ibid: 337). Or in other words, the global cannot be simply portrayed as the scale of immutable economic imperatives and managerial capacities, while the national as the scale of deregulatory and regulatory facilitator or accommodator of these global forces, and the local as a simple adaptor.

Within this analytical understanding neoliberal restructuring cannot be simplified to a unidirectional process of deregulation/marketisation, for which globalisation accounts are often criticised (cf. Brenner 1999a, 2003). But as Peck (2002) argues it also should not be pictured as a zero-sum regulatory redistribution across scales. What is taking place is rather the

qualitative reorganisation of state capacities, involving shifts in the structural form and strategic orientation of different tiers and levels of the state, and a complex reconstitution of state/market and government/governance relations. These developments certainly should not be mistaken for a rollback of the state in general, when they are actually centred on a critique and recomposition of a particular *historically and geographically specific form of state*, the Keynesian welfare state (p. 339).

Even though the main theoretical works on state rescaling and the spatial restructuring of the state are dominantly concerned with policy changes in the North American and Western European context, their approach can bring important insights for the interpretation of state restructuring and analysis of decentralisation within the ‘post-socialist’ context. Parallel processes that these studies transpose can be presently observed in Hungary. As such, this approach can help to raise the analysis of state transformation and decentralisation from its area-bounded focus that interprets many of these global processes as unique to the post-socialist transformations and/or in juxtaposition only to the socialist practices. By utilising the conceptual frame their approach proposes, decentralisation in Hungary can be also interpreted as state rescaling. As such it can help to theorise the changing role of state in the ‘post-socialist’ setting in a more nuanced way, that allows for reflections on how the state continues to act on new levels and through other institutions/actors, thereby continuing to influence people’s lives in diverse ways (cf. Read and Thelen 2007). With the theoretical insights of these studies, we can more critically approach decentralisation and local state formation, the core topic of my analysis.

While I acknowledge the specific forms these processes take in different settings, their global character, which is linked to neoliberal reforms also in areas with no history of state socialism, contain important theoretical and critical elements. Furthermore, the approach of these works can bring a more nuanced spatially sensitive analytical angle to post-socialist studies by introducing the role of the state in these processes. Hence it furthers a theorisation of state restructuring and its effect on different localities. They lend useful analytical tools for analysing those opportunities and limitations that these transformations bring for particular localities. The latter depends on the *positionality* of localities in the global capital economy (Sheppard 2002), which is constantly reconfiguring and cannot be described by simplistic urban-rural dichotomies or regional inequalities. However, the majority of this analytical work focuses on core regions and urban centres.

Even though the above studies on state rescaling acknowledge that the positionality of places largely influence the ways localities can reconfigure their place within the global/national economy as important tourist destinations, cultural poles or educational hubs, they unequivocally focus on large cities in the core regions of global capitalism (Glick Schiller and Caglar 2011b).

As such their theoretical contribution stays to some extent limited due to their specific empirical focus. By examining the ways remote rural places less centrally positioned (in both the national landscape and global capitalist economy) experience these processes and can mobilise their capacities in repositioning themselves, the insights about the nature of rescaling processes can be deepened. It can thus serve as the basis for future comparison between differently positioned areas/places, which can lead to a better understanding of what constitutes the more universal aspects of these processes and what constitutes local specificities.

Despite the significant contribution this state restructuring/rescaling approach offers for critical analysis of neoliberal state transformation and its spatial consequences, it has limited usefulness for anthropological study of local state mechanisms. Most of the studies in this vein remain on a high theoretical level (Glick Schiller and Caglar 2011b), and even the more recent analytical works which focus on actual cases maintain a strongly policy and institution oriented view (e.g. Gough 2010; Ilcan et al. 2007; MacLeavy 2008; Mahon 2005; Somerville 2004), with only a few notable exceptions (see edited volume by Glick Schiller and Caglar 2011b). Thereby the interpersonal processes, personal practices and motives that such changes involve or could influence are almost entirely missing from this approach. Little notice is given to the actual policy makers, officials and clients who act within such frames, and whose actions produce or counteract the different politics of scales and the changing modes of governance. Thus, while retaining a spatially sensitive scalar approach to state restructuring, we need to embed these processes in particular local histories, social relations and interpersonal practices. Conceptualisations proposed by anthropological studies of the state can provide some useful tools for this.

1.3. Studying the local state and its actors

The above described transformations have also invited ethnographers and sociologies to challenge the conceptualisation of the state as a monolithic, undifferentiated, and autonomous entity that acts in a consistent fashion. New theorisations emphasise the complex webs of institutions, actors, initiatives and policies, which appear on various local, regional and national

levels (see Das and Poole 2004; Frödin 2012; Herzfeld 1998; Migdal and Schlichte 2005; Mitchell 1991; Painter 2006; Sharma and Gupta 2006; Trouillot 2001). By questioning objectivist understandings of the state as a coherent administrative and coercive apparatus, scholars redefined the state as a “cultural construct”, which is created both through ‘ideas’ or ‘images’ of the state and actual practices, actors, institutions and places, with which people interact on an everyday basis (see Das and Poole 2004; Gupta 1995; Herzfeld 1998; Migdal and Schlichte 2005; Trouillot 2001).

These attempts to understand and theorise the state as a more complicated, multi-actored and multi-dimensional entity, have invited studies which focus on the practices of state actors and local bureaucrats as well as their interaction with their clients in various settings (see von Benda-Beckmann and von Benda-Beckmann 1998; Gupta 1995; Herzfeld 1998; Verdery 2002). Keebet and Franz von Benda-Beckmann (1998) argue that besides practices and ideas of the state, the study of relationship between these local officials and inhabitants appears similarly important, as these local state actors often control and intermediate the access of local inhabitants to various resources. Furthermore, Haney (2002) highlights that local state officials are also important for translating the discourses and images of national social policies about neediness and deservingness into actual practices of social provisions. However, studies that discuss such personalised relationships between individuals or groups of actors within the state often view them as problematic, alluding to corruption or illegitimate usage of personal positions (von Benda-Beckmann and von Benda-Beckmann 1998).

The conceptualisation proposed by Lipsky (1980) in his seminal study detailing the distinct character of what he calls “street-level bureaucrats” is particularly useful for analysing the state. In his attempt to identify the specificities of these locally appointed or elected state officials, he argues that their interactions and relations to their clients are of major importance. Policies and regulations in his understanding are not primarily made in legislature or by high administrative personnel, but in local state offices and everyday encounters between clients and street-level workers. These officials are the ones who receive and handle applications/files/complaints and, while doing so, they often exercise wide discretion in their decisions about the people with whom they interact. As such their actions have significant consequences for their clients; whose

applications they refuse or accept and the labels that they accord to them as ‘social aid recipients’, ‘juvenile delinquent’ or ‘triple disadvantaged children’. Thus through their discretionary power they then often (re)produce notions of deservingness/undeservingness and the respective social values behind them.

Following Lipsky’s conceptualisation I study the above described state rescaling process and its local consequences through the various actors of the local state and their relation to other local inhabitants. Along his lines, I include all those locally appointed or elected state officials among *local state actors*, who directly interact with local inhabitants, ranging from members of the local government to social and health care workers, nurses, teachers and policeman. Thereby my study goes beyond examining only the role of mayors. However, due to the specificities of the Hungarian regulatory system, which accords the greatest power to them, the two mayors of my fieldsites receive the foremost attention in my analysis. Furthermore, following Lipsky, I examine not only the practices and ideas of different actors of the local state, but also their everyday interactions with local inhabitants.

Franz and Keebet von Benda-Beckmann, when analysing the workings of the local state in the Indonesian context (1998), emphasise that local state officials are embedded in local social structures and they are mutually dependent on local facilities, arrangements and social networks with other local inhabitants. Thus while villagers need to enter into various forms of cooperation with civic servants in order to gain access to the various resources that the latter control access to, these local officials themselves are also differentially embedded in the local community and need to mobilise resources for their own personal security. According to their analysis such *embeddedness* mainly depends on the dimensions of living and/or working in the same village (or not) where they control access to various resources. While such an approach is useful for understanding the complex relations between local state actors and local citizens, I propose to broaden this understanding with some further elements.

Due to the scalar restructuring of the state, (state and non-state) actors and institutions have multiplied at various levels ranging from EU, national, regional, micro-regional to the local. Furthermore, such scalar reorganisation of governance and institutions also has presented local

actors with a multiplicity of resources, which are not necessary embedded in local structures. Due to the heightened competition over formerly and newly available resources, actors have to enter into a series of competitions and networks. With the scalar reorganisation of the state it is not only the *embeddedness* of local state actors in local formations which influence their scope of agency, but in fact their *embeddedness* and access to resources at *various scales*.

My analysis thus critically examines post-1989 state restructuring and local state formation by detailing *the mechanisms of local state* through the *practices of local state actors* (working and embedded on various levels) and some *newly appearing non-state actors* (such as civic organisations, charities who take up former state responsibilities) in two rural sites of Northern and North-Eastern Hungary. For the critical examination of limitations and opportunities that neoliberal state rescaling created for remote rural localities I focus on three main areas which the transformation of the state has particularly affected: *social security, local development* and *access to non-state resources*. They constitute significant areas in which local actors (both state and non-state) gained particular prominence through decentralisation in rural areas (cf. Thelen, Cartwright, and Sikor 2008).

In my analysis I utilise the concepts of *embeddedness* and *access*, to show the various ways local state and non-state actors can engage with local development, social security and access to non-state resources. These two concepts will help to point to the differences in agency of the various actors as well as help to catch how the continually changing and unstable geographical scales affect the three areas of focus. They constitute two critical elements of what I call *rescaled insecurities*. This concept highlights the increasingly *insecure* environment within which local development, social security and access to non-state resources is produced at *multiple scales* of the state. With such framing my dissertation ultimately contributes to a better understanding of the formation and working of the local state under neoliberal capitalism by delineating its actors, their practices and the underlying mechanisms of the local state as well as the rescaled insecurities it produces in rural areas of present-day Hungary. This approach highlights the socially constructed character of the newly emerging state spaces and spatial scales through analysing the practices, discourses, and interactions of various state and non-state actors, which

constantly reconfigure and renegotiate the relations between the different scalar levels, the responsibilities centrally accorded to them and their position within the emerging spaces of the state.

2. Researching the local state in two Hungarian villages

És más hon áll a négy folyam partjára / And there is a new homeland at the bank of the four rivers,
 Más szózat és más keblű nép / Different words and people with different hearts;
 S szebb arcot ölt e föld kies határa / And the quaint contours of this land take a nicer shape,
 Hogy kedvre gyúl, ki bájkörébe lép / That kindles the senses of whoever enters into its charms.

(Ferenc Kölcsey: Zrínyi második éneke / Second Song of Zrínyi, 1838)

In this chapter I explain the main aspects of my research methodology, after which I introduce my two research sites, detailing their main characteristics and the reasons for their choice. In order to study the effects of decentralisation in rural localities, I chose to conduct fieldwork in two remote, small-sized villages in the northern and the north eastern parts of Hungary. Both regions are considered, in both common discourse and policy categorisation, to be relatively disadvantaged in terms of their position of the newly establishing capitalist structures of the country. They were both predominantly agricultural with larger industries located only in closest the urban centres, with a large unskilled labour force and a sizable Roma population. As such both regions were rather negatively affected by the political economic transformations. Furthermore, despite their differing geographical position, the two regions are relatively remote both in a physical sense and in how they are positioned by discourses within and outside these regions.

It was important to choose areas similar in this respect in order to see whether different localities deal with the newly devolved social insecurities in similar or significantly different ways. The choice of areas in regions which appeared to be the most negatively affected by the changes was also important, because they are usually discussed only with notions of decline. Disentangling the complex ways they have been affected by state rescaling, i.e. delineating the new opportunities along with the limitations that decentralisation and capitalist restructuring have brought, can bring insights into the workings of these broader political economic processes.

To understand rescaling/local state formation, (in)security and rural citizenship I utilised a mixed methodology when undertaking anthropological fieldwork in the two settings. I focused on three

areas that have been particularly influenced by state transformation: social security/welfare, development and access to resources. I conducted nine months of fieldwork in Tiszacseke spread between two visits from July 2009-August 2010 and spent seven months in Kislapos, again over two visits from September 2008-March 2010²⁷.

The main body of the research material was gathered by interviewing all major local state officials, which gave insights to their conceptions of their roles, stated objectives, relations to local needs/clients and institutional/financial frames they work in, regarding the three areas I studied (social security, development, access to non-state resources). Thus I asked questions first about the institutional/regulatory/financial frames that influence their work, the ways they navigate within these frames, and the ways they understand and relate to local needs. This helped to grasp how they experience and deal with state rescaling and the devolution of dealing with insecurities. Secondly, questions about the ways and the grounds on which local benefits are distributed/services organised/assistance given to different people were asked, which helped gather material about the local organisation of welfare, the way it relates to state rescaling and its local consequences for welfare arrangements. Finally, I asked officials about local development projects - their involvement in them, their objectives, and their long-term plans for the settlement. These interviews therefore mainly helped to gather information on what local officials consider to be the main local needs, how they aim to attend to them and on what grounds they prioritise between them, what problems they face through the devolution of responsibilities, and how they aim to go about these.

In addition, I also participated in several events of the local state institutions and observed the everyday interactions of various local bureaucrats and service providers with their clients in different settings, such as during public work, visits of the nurse and child protection officer to families or distribution of benefits in the mayor's office. Thus I also gained insights into the actual practices and relations of the local state officials to the local inhabitants. These observations helped to understand their local embeddedness (within social relations and power

²⁷ Part of my research was done within the framework of the 'Local State and Social Security in Rural Hungary, Romania and Serbia 2008-2011' comparative research project at the Max Planck Institute for Social Anthropology, funded by the Volkswagen Foundation. See further description of the project at http://www.eth.mpg.de/cms/en/research/pglp/project_lsss.html

structures) and the norms/values their practices are based on. Last but not least it provided information on access to resources, i.e. which local actors hold access to what kind of local resources and how they mediate access of other inhabitants to these. Overall, these interviews and observations helped gather information on the way state rescaling has influenced local state practice in the three studied areas and ultimately about the contexts and the content of rural citizenship as it unfolds in everyday practices of local state actors and inhabitants.

In addition to this close focus on the representatives of the local state, I also conducted some 60 interviews in Tiszacseke and 30 in Kislapos with various local inhabitants²⁸. These focused on their interaction/relations to local state officials, their social situation (sources of living, position in local society, relations to other groups/locals), their relation to the village and about their practices or strategies of establishing their own and their families' social security. Thus I examined not only people's sources of living, but how different family members strategise in order to receive all possible benefits while also establishing additional incomes (for example by not registering in the same house or by not marrying). I also paid attention to the values that local discourses and practices (both by officials and inhabitants) transmitted about deserving and undeserving citizens, the role of the state in providing for different groups and addressing certain needs and about the preference for certain present or future securities over others. Attention was given to the temporal dimension of these strategies, which were equally important across generations.

Furthermore, I also focused on the other channels and possibilities that different people use in addition to the local state and the Hospitalier in order to deal with the recent insecurities. For example informal networks between relatives/neighbours or informal income resources were discussed and observed. These could be well studied through obtaining close contacts with a few local families in whose life I became heavily involved and thus with whom I observed such practices first hand, rather than relying only on their narratives about them. By studying the interaction between officials and clients, their discourses on deservingness, and the ways local citizens strategize between different options and plan for their present and future, I obtained

²⁸ Altogether 123 interviews were made in Tiszacseke and 62 in Kislapos.

material on the way state rescaling/local state formation influence individual/family arrangements for social security as well as their access to local resources (state and non-state provided).

Furthermore, these strategies or practices for establishing one's social security and accessing local resources were tied up with the way one relates to the locality, or in other words how one imagines one's present or future in/of the place. This was especially prevalent amongst the elderly who often seemed reluctant to move in spite of severe health problems and the urging of their urban-dwelling children. This could also be seen in families with young children; parents strove to give a good education to their children, which would inevitably lead to their out-migration. These observations/narratives served the basis for examining the relations of social security arrangements and development initiatives on the one hand and people's relation to their place on the other. All the above helped me to gather information about the ways people understand, negotiate, and perform aspects of being a rural citizen.

Since generational and social differences proved crucial, I included various age groups and various social/ethnic groups among my interviewees. Thus various elderly (couples, widows, living with or without their families) as well as families with or without children and younger people who had recently finished or were about to finish their education were interviewed. In addition, both Roma and non-Roma as well as various social segments of both ethnic groups were included among the interviewees. Nevertheless, certain biases were inevitable in the choice and availability of informants. While attention was given to gender differences, I could develop much closer relationships with women, who were also the ones who usually stayed at home with young children, and therefore were more available for interviews and longer informal talks. In addition, those who had regular jobs could not always be reached for longer interviews, while the elderly or unemployed families had much more time to spare.

Another significant aspect is that my mother was born in Kislapos, although she left the village in her childhood. I have no surviving family members in the village, but several elderly along with the mayor still remembered my mother and my grandparents, which opened up various channels for me. Not only were these elderly families eager to talk to me, but it also helped me to develop a much closer relationship with the mayor, thereby accessing information and getting his private

opinion on various issues (for example evidencing his bargaining with the electricity company or the distribution of benefit that will be analysed in later chapters). Yet he himself does not live in the village any more, thus less insights could be gained about his interactions with other locals, which were on the other hand more available in Tiszacseke, where I could observe the mayor in several non-official settings in the village. This partly compensated the lack of a close relation with him. At the same time, my close relation to the mayor, the elderly non-Roma and the Hospitalier organisation in Kislapos, made it more difficult for me to gain access to the local Roma families, who often viewed me as attached to the local state and/or the civic organisation. In spite of these biases, I have tried to balance my position in order to include informants from as varied groups as possible in the two places, whilst paying attention to local specificities.

The ethnographic focus was complemented with an understanding of the financial, regulatory, and institutional framework, within which the local officials and inhabitants can navigate. This was crucial for the delineation of the actual aspects of decentralisation and the sphere of action it provides for local officials in the studied areas (welfare, development and access to resources). Besides collecting information on the most recent benefits and policies about public work and organisation of social services, I also studied the institutional frames of national/EU development grants and the laws concerning local governments. These served the basis for studying decentralisation and its effects on local state practice. In addition, the local social regulations in both localities along with the material of more recent development projects were systematically examined. Local statistics were also analysed and used for further interpretations both on the local social assistance and care programmes, as well as the overall financing of local governments. Finally, in order to acknowledge the scalar embeddedness of the localities and that of the local state officials, their positions in broader regional, micro-regional and national networks along with their relation to various state and non-state actors on these levels were also studied through both interviews and local policy materials.

Studying two localities was significant for several reasons. The two villages were chosen because they share important aspects that are relevant for the ways they were affected by neoliberal state rescaling on the one hand and the ways local governments/inhabitants can deal with its consequences on the other. The two localities are both small villages according to Hungarian

categorisation, i.e. above 500 inhabitants but below 2000. They are similarly remote in terms of access to services, roads, public transport and other infrastructure and they share similar socio-economic problems (large-scale unemployment, poverty, indebtedness, ethnic tensions between Roma and non-Roma inhabitants). They also followed similar trajectories in terms of employment opportunities, i.e. both areas used to be predominantly agriculture-oriented, partly due to the good soil and flat land, while industrial developments were scarce even during the socialist period. Thus most people worked in the local collective and undertook subsistence farming, or were commuters to larger industrial centres outside the region, hence people in both localities were seriously affected by the closure of these sources of employment. Furthermore, the local population in both places is predominantly unskilled, lacking higher/secondary education, thus they count among those who were the most seriously affected by the collapse of factories and closing of collectives. In this sense, the local governments in the two villages face similar needs and difficulties as a result of the decentralisation and new political economic processes that followed the system change.

At the same time, there are also significant differences between the two fieldsites, which makes the comparative angle necessary for the analysis. One of these is the ongoing population changes that are particularly affecting Kislapos. There are also differences in terms of access to various resources: Kislapos is a one and a half hour drive from Budapest by car, Tiszacseke is around six hours from Budapest and three from Debrecen, but profits from its closeness to the Ukrainian and Romanian borders. Last but not least, in Kislapos there is a large civic organisation that actively participates in both local development and social welfare provision.

However, my analysis does not engage in a one-to-one comparison between the two fieldsites, rather I use the two villages as reference points while trying to delineate the common mechanisms. By utilising such an indirect comparison I can highlight first of all how the local state works in different but comparable settings. Secondly, the role of various actors for local state formation and its mechanisms of work can be delineated, in particular the presence of state and non-state actors. As in Tiszacseke there is a very strong local state, while in Kislapos the presence of the civic organisation makes it possible to analyse their role and relation to the local state and local inhabitants within my three fields of focus (local development, social security,

accessing non-state resources). Finally, the two sites can contribute to a closer locally-oriented analysis of state rescaling, i.e. how the positionality of the two villages within the present development structures and unequal regional development of the country creates local possibilities as the two localities have the same basic disadvantages, but with differing possible bases for overcoming these. As such the role of local actors and their embeddedness in scalar networks/structures can be well studied.

2.1. Tiszacseke – a village “far from everything”

“The region where I reside is wild, rather closed and far from everything...” –so wrote the nationally famous local poet Ferenc Kölcsey. Though he wrote these lines around 150 years ago, many locals still find his words appropriate. Tiszacseke is situated in the Northern Great Plain near the Ukrainian and Romanian borders. The area is rather isolated, due to its geographical position and limited transport infrastructure. The Fehérgyarmat micro-region, of which it is a part, is characterised by ‘tiny villages’²⁹ and a small centre of only 9000 inhabitants, Fehérgyarmat, which is the only urban settlement in the vicinity. The region lost its former regional centres (Beregszász, Szatmárnémeti and Tiszaújlak) with the rearrangement of borders after the First World War (Kiss 2007). Until 1969, the three constitutive *járás* (Fehérgyarmat, Csenger and Mátészalka) did not even have one urban settlement; Fehérgyarmat only received urban classification in 1978. The remoteness makes it hard for rural inhabitants to access work, services or other resources, something that was often mentioned by many locals. The nearest larger town, where specialised medical services are available and where several administrative units are based, is Mátészalka, which is a good hour bus ride away. But in order to reach the regional centre, Nyíregyháza, which is in only 89 km away, one needs at least two hours in a car, or 4 hours travel by public transport.

Of Tiszacseke’s 1600 inhabitants most people are of active age (19-61), and the number of children is also high. Thus the population does not show tendencies of aging as of yet³⁰. One fourth of the local population is considered to belong to the Roma minority. The majority of the

²⁹ Administrative category used for villages with less than 500 inhabitants.

³⁰ As is often the case in the more remote small villages of the country.

Roma in the village are young or middle-aged. Tendencies of out-migration and the related decreasing population are also characteristic of the village, as is true for the entire region.

Table 1 - Age structure of the local population in Tiszacseke

Population	0-18 ys old	19-61 ys old	Above 62 ys old	Total
Total	434	876	286	1596
Roma ethnic minority	214	179	19	412

Source: Tiszacseke age structure, Local Government Office, 2009

Unemployment has seriously affected the area, especially since the closing of the manufacturing branches of the collectives and due to the decline of the agrarian sector. There are only two large employers, Metripond and Flip-ker³¹, both based in Fehérgyarmat, but only a handful of people work there from the village. Before the Socialist-era collectivisation the region was characterised by agricultural activities based on interdependent husbandry and land cultivation, while tobacco manufacturing plants provided most of the employment. In Tiszacseke, small peasant farms that combined both husbandry and cultivation predominated and forestry also had a large role in the local economy. The region preserved its predominantly agricultural orientation even during the Socialist-era industrialisation, which led to the establishment of several manufacturing branches in Fehérgyarmat. During this period a large number of people commuted to other regions and within the area for their living, or worked in the local collectives. After the local cooperatives were dissolved following the changes of 1989, many lost their employment opportunities. In addition, the structures for commuting have also been severely disrupted, which also contributed to the large unemployment in the area.

This tendency is also evident in the village itself, where a large portion of the local population is unemployed. According to a survey in 2005 (Kiss 2007:41), at least one member in each of the 252 households that participated was unemployed. Out of this, about 60 percent were long-term unemployed, i.e. without employment for longer than a year. But according to the local government, 90 percent of the active aged population is without permanent employment. As for

³¹ As a result of economic crises Flip-ker had to close part of its local branch and made most of the employees redundant in summer 2010.

local employment possibilities, the local government is the largest employer, with numerous institutions, such as a school, nursery, and elderly day home. Besides these, the few larger farm owners employ two-three regular workers and rely on further seasonal labourers for a few months a year. There are also a few small businesses in the village, such as shops, pubs, hairdressers, a few larger guest houses and a camping site. However most of these are small family businesses, often run from inside the owner's home and securing employment only to family members. Thus local employment opportunities are scarce and for many they are restricted to seasonal agricultural labour in orchards and cucumber lands. The possibilities are further restricted by the low level of education: 71.4 percent of the inhabitants completed only eight years of primary education or less, while 15.4 percent went to secondary school and 3.2 percent received higher education (Kiss 2007). This is much below the national and regional average (Kiss 2007). At the same time, subsistence farming and small-scale production as well as tourism and the vicinity of the border offers some further opportunities.

In Tiszacseke the local government is made up of the mayor, the notary (she is shared between two villages, but she spends equal time in both), the vice-mayor, the social issues clerk, financial clerk, tax issues clerk and two administrative personnel. It is the *social issues clerk* who works most directly with social benefits. She is a street-level bureaucrat, who collects and prepares local requests for social benefits to be decided upon by the responsible authorities, which are the mayor, the notary, or the board of representatives (depending on the particular benefit). However, she already decides on the claims that are judged invalid or not applicable by her, and often she herself decides about the 'evident' cases, thus only passes on the more ambiguous ones to the responsible person. There are ten elected representatives who attend weekly meetings and are responsible for voting on certain local regulations and making decisions on certain local matters as defined by the 1990 Act on local governments. This board of elected officials contains shop keepers, pub owners and other significant members of the local society. The law accords quite extended power to the board, however, as in Tiszacseke, it is often delegated to the mayor, leaving little more than a nominal role for these representatives. As one of them put it, "we just sit there every week and nod. Whatever the mayor says we just have to agree. Once or twice I

tried not to, but it is not worth the effort, because at the end he pushed it through anyway and became my enemy for a while.”³²

The local government in the village administers all the compulsory social services, such as catering, home assistance for those who are unable to care for themselves³³, and child protection, and some non-compulsory services like family assistance³⁴. Catering and home assistance are organised through the *elderly day home*, with a head and six carers. Local social regulations define the cost of participation in each service, which is mostly covered by the local government, with minimal payment from the clients’ side. The elderly day home also provides space for an elderly club, where the participants can gather during the morning and engage in communal activities, such as chatting, watching TV, singing or sewing.

At the moment the same person is attending the task of family welfare and child protection, due to financial constraints. *Family assistance* (*családsegítő*) is a service that offers help to families or persons in case of social and ‘mental hygiene’³⁵ problems or in crisis situations³⁶. The aim is to assist through prevention, helping families cope with crisis situations. Thus on various occasions it involved helping families obtain glass for their windows before the winter or heating wood in times of severe cold, especially if conditions threatened the well-being of children. Assistance on filling out various social aid requests and dealing with official issues related to these or unemployment registration constituted regular part of the family assistant’s job. Furthermore, she is often asked to conduct studies on living circumstances when the mayor’s office needs to decide on certain aid applications.

However, her work collides with her second job as a child protection officer. *Child protection* (*gyerekvédelem*) is a voluntary service in its first stage, which offers information and advice on available benefits and provides ‘helping discussions’ to families that are supposed to enhance the personal, physical and mental development of children. The social worker also regularly consults

³² Interview, 13/10/2009.

³³ E.g. single elderly, people with disabilities

³⁴ Social care service, which would be only compulsory in villages above 2000 inhabitants.

³⁵ This is a direct translation from the Hungarian ‘*mentál higiénia*’. It left the original phrase, because the term nicely summarises the way in which the state can view its citizens.

³⁶ Source: http://www.webbeteg.hu/cikkek/jogi_esetek/1352/a-csaladsegito-szolgalatok

other officials who have influence on the development of children, such as the nurse, teachers, etc. Furthermore, she is the one who needs to take up contact with the families where problems with the child's well-being are reported. These usually involved a range of issues from too many unaccounted days off school, to continuing misbehaviour, or under-age pregnancy, which was a common issue in both villages. If the conditions do not change during this first stage, the child will be taken "under protection". In this stage, it becomes compulsory for the parents to cooperate, and it means regular, usually weekly or even more frequent visits to the family to help them change and supervise the "problematic" condition. However, if conditions continue for an extended period and in spite of official efforts, the child is lifted from the family to be first placed in a temporary care institution and then in a foster family. For the initiation of such procedure however the legal order of the notary is needed. In the past three years, three such cases occurred in the village, whilst the child protection officer was assisting over 20-30 families who were classified as "under protection" at the time of research.

In relation to child care, there is also a *nurse* (*védőnő*) in the village, whose role is to supervise the healthy development of all children within her district, with special emphasis on pregnant mothers, mothers with new-born babies and the protection of women in general. But she is also responsible for supervising the regular check-ups and the healthy social, physical and mental development of children from their birth until they enter school. This service was already established during the socialist period with the specific aim of extending it to rural areas until it covered the entire country. Thus nurses are the most widespread social service in Hungary (Bódi 2010b).

All the above services are free for the clients. In Tiszacseke all the state officials are from the village and live there, apart from the nurse, who comes daily from Fehérgyarmat. In addition, the local government maintains a primary school and a nursery. The former has been threatened with closure on a number of occasions, but so far the mayor managed to obtain some additional grants every time.

In the first phase of my research I focused more closely on these actors of the local state. During the interviews I concentrated on the following aspects: the main goal of the particular service or

job, the main responsibilities and tasks of the officials, their everyday work routine, how is it organised and who decides on it, how the job itself is organised and financed (local level, micro-level cooperation, etc.), what is their experience and opinion of the village (in terms of development and social issues), what is their experience with and how do they describe their contact with their clients, who are the main targets of their services, and who are the most common clients, with whom they cooperate in their job, how this cooperation happens and for what reason, what are the main problems/difficulties in their job, and how they deal with them. In this phase of my research I mostly tried to get a view on the above aspects from the perspective of the officials, that is how they themselves describe and present them.

Following on from these initial interviews, I made regular visits and observations in the elderly home, school and nursery. I also frequently visited the nurse and the family assistant/child protection officer in their office. While it was against their code of ethic to observe them with their clients in their office, I had the opportunity to accompany them in their regular family visits around the village over a three-month period, where I could obtain important material about their relations to and behaviour with their clients. In addition, I also accompanied two of the elderly carers on a regular basis for a period of one month. While in the first part of my research I focused more on local state officials and their side of this relationship, in the second half more attention was given to those who were the targets or clients of (or fell out from) these services. The interviews and observations of everyday practices of these different street-level bureaucrats provided the main basis of my analysis of the local state and its relation to other social security arrangements in the village.

2.2. Kislapos – “the Hospitalier village”

Kislapos is situated in the Northern Hungary region, at the meeting point of the Northern Hills and the Great Plain. It lies on the bank of river Tarna, near to the M3 highway, but with no direct connection to it. Thus it can be only reached by a subsidiary road in bad condition, which branches from the roads between Kál-Erdőtelek and Nagyfüged-Heves, on which bus connections are scarce. This makes it difficult for locals to reach any place of considerable distance despite a train station being situated close by.

The Northern Hungarian region is considered one of the most disadvantaged areas in the country by political discourse and policy categorisations. The region is characterised by small villages, which have rather bad infrastructural access to the few urban settlements in the region. Problems of the post-socialist economic restructuring appeared here in a particularly concentrated and accumulated form. In public discourse however, these problems are tightly linked to the large Roma population, which unavoidably weighs heavy on its present and future perception and possibilities.

Kislapos is one of these small settlements, with around 800 inhabitants. It is considered to be one of the poorest settlements of the region and has a particularly large Roma population. According to the statistics of the local government, in 2008 the number of total inhabitants was 818, of which the majority was considered to belong to the Roma ethnic group. Even though no direct statistics are available about the actual number of Roma, local informants and officials extrapolate from other local registers that the number of non-Roma inhabitants is about 120-140. Most of the elderly are ethnically non-Roma and in addition about 10-12 families with younger children are considered locally to be non-Roma. The rest of the population belongs to the Roma ethnic group.³⁷ Other sources say that the ratio of the Hungarian and Roma ethnic groups in the village is 35 and 65 percent (Szuromi 2007:20). Consequently, in spite of its size the village also does not exhibit tendencies of aging (similarly to Tiszacseke).

Table 2 - Age structure of the local population in Kislapos

Population	0-3 ys old	3-7 ys old	8-18 ys old	19-29 ys old	30-61 ys old	Above 62 ys old
Female	31	48	83	58	115	68
Male	40	35	87	67	149	37
Total	71	83	170	125	264	105

Source: Kislapos age structure, Local Government Office, 2008

³⁷ In Hungary there is no direct statistical information on the number of Roma population, there are only estimates (related to the fact that officially self-identification is the basis, however it often does not collide with majority opinion), unless the local government makes records on its own initiative.

Due to the good soil, agriculture offered the main source of living for decades. The cooperative farm, which was later enlarged, bringing together the collectives of three neighbouring villages, was famous for its success (Bell 1984). It provided employment to the majority of the local population until 1990, when it was privatised and the workforce was significantly reduced as it switched to machine-intensive production. Presently, it only employs two persons from the village for occasional jobs. The majority of restituted land was sold or is presently rented to the enterprise. During the socialist period, a minority found work in industries in the nearby town of Heves, whilst some even commuted to Budapest. In 1970, 76 percent of the local population worked in agriculture, while 12.5 percent worked in industry (Bell 1984:16).

Similarly to Tiszacseke, a large segment of the local population became unemployed after the fall of socialism due to the closing down of factories and the transformation of the collective farm. As the area is generally considered unfavourable, because of its bad infrastructure and unskilled labour force, the industries were not replaced by new companies or investments. The more well-to-do young left the village already during the 1980s-90s, leaving only the unskilled, uneducated workforce in the locality. Those who stayed in the village are either pensioner and/or live from small-scale farming. A majority of the population however lives from state benefits. Out of the 389 active-aged people (a majority of whom are Roma), 313 are unemployed according to the local government's statistics. They are either receiving social aid, unemployment benefits or are employed in the new public work program³⁸. In addition, about one third of the families are raising three or more children, thus receiving different child benefits³⁹ (Népszámlálás 2001). In 2008, according to the data of the mayor's office, 298 children received regular child protection benefit, which supports parents on low income⁴⁰.

³⁸ In 2009 November 90 people were employed in it.

³⁹ 1. family allowance – a universal benefit which however rises according to the number of children, according to disability of child, or for single parents. 2. child care support which is a universal benefit for parents until the 3rd year of the child. 3. the means-tested regular and irregular child protection benefit. (For more details see Appendix 1.)

⁴⁰ Families where the average income per person is below 130 percent of the minimum pension, that is below 37,050 forint.

Table 3 - Distribution of unemployed in Kislapos

	Female	Male	Total
With permanent employment	12	8	20
Unemployed	93	113	216
Long-term unemployed	17	39	56
School leaver unemployed	15	26	41

Source: Local government office, 2008

Besides the out-migration of young wealthy non-Roma in the 1980s-90s, other changes have also affected the local population structure. Over a 100 Roma families were settled in the village in 1974 after a flood in the neighbouring village of Tarnazsadány, which was followed by the growing in-migration of mainly Roma and mostly poor urban families. This eventually led to the present situation, when the ethnic group constitutes the majority in the village and the former inhabitants are small in number. The details and relevance of these population changes are examined more substantially in chapter 4.

The local government in Kislapos is made up of the mayor, the notary (who is shared between two villages and only spends one day a week in Kislapos), the vice-mayor, the social issues official, the financial clerk, the tax issues clerk, and two administrative personnel. The local board is made up of seven elected representatives. The local government also fulfils the social services of *catering* and *home assistance/elderly care*, but it cannot maintain an elderly day home. Thus there is only one local woman who works as a regular carer, ensuring the home assistance service. Only a few of the elderly take advantage of the service though. Firstly because it is only partially covered by the local government, they need to pay the rest. Secondly, most of the elderly are non-Roma, and if they cannot take care of themselves they usually ‘escape’ from the village to live with their children in cities because of fear from attacks/robberies by the Roma youth. Most of the single elderly reported they had been robbed at least once if not more, and many of them complained of being physically attacked. Consequently, this is the most widely discussed issue between the non-Roma elderly, who connect the issue of crime with the rising number of Roma, reflecting nationally dominant views on this ethnic group.

The *family assistance and child protection* are also organised as part of a micro-regional cooperation, like Tiszacseke, but the two tasks are fulfilled by different persons and by outsiders. The family assistant comes only once a week, and the child protection officer visits three times per week. The *nurse* has constantly changed over the last years, with often no one fulfilling this role at all. At the time of research it was only covered by a substitute who rarely visited the village. In Kislapos, none of the officials are from the village, apart from the mayor who was born and grew up here, but does not live there any more. The rest all live in Heves, the micro-regional centre.

The local government also runs a *primary school*, where teaching is divided between classes 1-4 in the morning, and 5-8 in the afternoon, due to lack of space. The building has been recently renovated from a national grant. After various financial struggles over maintaining the school, eventually the local government decided to enter into institutional cooperation with Tarnazsadány, the only predominantly Roma school in the vicinity. As the mayor described it, “no one wants to enter into cooperation with a 100 percent Roma school, right. So instead of taking our children to Boconád or Erk, which are only few km away, we had to enter into this arrangement with Zsadány which is a full 20km from here.” This would have been too large distance for children to take every day to reach school, so the arrangement is that the school in Tarnazsadány is the institutional host/maintainer, which manages also their own nursery, and the school and nursery in Kislapos, thus four institutions altogether. Nevertheless, the head of school still complained that the central contribution is not enough for its maintenance, which now with this new set-up also requires extra administrative work. Thus they try to obtain extra resources from grants supporting educational institutions with children that have multiple disadvantages⁴¹. Recently the Hospitalier organisation won a grant to run the school as a religious institution as of September 2011.

⁴¹ Multiple disadvantaged children (*halmozottan hátrányos gyerek*) is a technical term established in public education (but now also more widely used) to mark those children who are eligible for special social support in terms of their educational disadvantages. It is held to be caused usually indirectly by their family background, i.e. the parents lacking the basic 8-years of primary education, which puts them into worse position in the labour market, often leading to unemployment and low or no income, thus reproducing unemployment throughout generations.

The Hospitalier first appeared in the village in the role of a civic organisation in 2004, when it launched a pilot project in Kislapos. The ‘host village’ programme was originally targeted at the homeless problems of the capital, and involved by resettling homeless families from Budapest into empty houses and the creation of jobs for these families in the village. However, the programme grew into a complex development project, which entailed the renovation of various public buildings, the establishing of new institutions and a complex social service that was extended to cover the entire local population. Thus by now the organisation and its local employees are of utmost importance in the locality.

As in Tiszacseke, interviews with local state officials were conducted along similar lines and topics. In this case, I was also more often in the mayor’s office, where I had a chance to participate and observe on various occasions the way the employees of the local government office related to clients. In addition, I participated in local aid distribution twice, which provided very important information about the attitude of officials to aid beneficiaries and the way local forms of belonging are constructed. In comparison, the staff of the mayor’s office in Tiszacseke was relatively reluctant to have me for extended periods in their office, apart from the notary who regularly provided me with information on newer social cases and development objectives as well as their resolution. In Kislapos due to the lack of a full-time nurse and the regular absence of the substitute, I could not observe her with clients. Instead I could accompany the child protection officer in her family visits at various times.

By developing close contacts with various employees of the Hospitalier, I could attend several events organised by them in addition to regular observations and interviews in their various local institutions (workshop, children’s after school house or playhouse, youth club). I was present at the Father Christmas celebration, the distribution of blankets and other goods, attended various project meetings organised within their closer group of leaders as well as those organised by them with various micro-regional actors. I also accompanied them several times for their “field visits” in preparation for their new projects and collected donations in Budapest before Christmas, which then was distributed in Kislapos. Through these meetings and insider talks I could gain insights into their objectives and understanding of the village and its inhabitants, which largely determined their position in the local context and their initiatives. In addition, I

accompanied their local employees various times when they provided services, distributed benefits, or interacted in other ways with local families in the village. As such I could gain a significant insight into their role in the village for service provision, development and, in a broader sense, in local social security arrangement and citizenship. Finally, in Kislapos I also put emphasis on conducting interviews and participating at various events of different families/individuals to learn about their practices vis-à-vis the Hospitalier, the local state and other local groups.

PART 1

SOCIAL SECURITY, DECENTRALISATION AND THE LOCAL STATE

The structures of welfare provision were greatly transformed with the capitalist restructuring, and have been under constant, often haphazard changes ever since. Part of this process was the devolution of service provision to the local and micro-regional levels. Similarly, socio-economic redistribution was also delegated to local governments, something that went hand-in-hand with reductions in central funding. The lack of matching central contributions that regularly fail to meet the multiple local needs/expectations leads to innovative and ‘illegal’ solutions by local authorities in places with scarce resources. Moreover, faced with a lack of resources, local state officials are ‘pushed’ to prioritise among particular claims/needs and various local groups of claimants. Such processes not only create or recreate local inequalities but also resonate broader views on social citizenship, i.e. which ‘citizens’ or which categories of ‘citizens’ can pose legitimate claims on the state and whom should be cared for and whom should not. Such notions intermingle with local histories and particularities, such as the leading decisions makers’ and local state officials’ views, interests and beliefs leading to very different outcomes in different localities.

Finally, reforms in social policy not only accorded local governments with larger responsibilities, but also led to a larger involvement of civic organisations, NGOs and churches in social provision and assistance, often taking up former state responsibilities (cf. Read 2005; Read and Thelen 2007; Thelen, Leutloff-Grandits, and Peleikis 2009). Furthermore, transformations of the state and its provided assistance as well as the above mentioned pluralism of welfare providers have important consequences for the social security arrangements of individuals and families in the different local contexts (Haukanes 2007; Kay 2011; Read and Thelen 2007; Thelen 2007), i.e. what other resources they can draw on, how they can navigate between the various state and non-state arrangements, and in general how they conceptualise what security means and how can they construct present and future arrangements.

In this section I argue that, from the point of view of local governments with limited resources and multiple needs, such as Kislapos and Tiszacseke, the decentralisation of social provisions and the devolution of redistribution to the local level is in fact a *rescaling of those insecurities* that are evoked by neoliberal capitalism. I show how regulatory, institutional and financial changes have furthered such rescaling of insecurities and go on to detail the ways in which the two particular local governments in Tiszacseke and Kislapos deal with these insecurities; what local state practices are created through the various actions and regulations of local bureaucrats, and how the local inhabitants attempt to ensure their present and future securities within these frames.

Thus first chapter 3 provides a background for the further analysis, by summarising the main structural changes in social policies since 1989 focussing on social assistance and social service provisions in terms of eligibility, financing and levels of distribution, as well as their effects in remote rural areas with aggregated social problems. The popular solution of micro-regional cooperation and some openings the present frame offers are also discussed. While this chapter heavily relies on literature and policy analysis, its consequences are related to the empirical specificities of the two villages.

Chapter 4 deepens the above analysis by discussing the particularities of how the local states in the two villages organise socio-economic redistribution, service provision and the satisfying of different local needs. More specifically it explains along what principles, interests, larger social values local claims are assessed; what notions of deservingness-undeservingness underlie local decisions; and what local tensions it creates. By highlighting the inequalities of access for various categories of people within the two localities, the importance of socio-spatial differences that are explained in chapter 3 are explored further. I argue that such inequalities are strongly linked to notions of deservingness-undeservingness that underlie local and broader public notions of belonging. The latter are recreated by local regulations and local state actors in their interaction with clients, but also negotiated in various situations by the social aid recipients and other local groups. The example of the public work programme is used to illuminate the above aspects, as it is one of the main realms where local state actors have a large sphere of discretion.

Finally, in chapter 5 I turn the attention to the practices of a large civic actor, the Hospitalier in Kislapos. I examine in what ways the organisation fulfils former state roles by providing services and distributing aid to local inhabitants. The underlying norms furthermore are juxtaposed with that of the local state officials in targeting (thus including and excluding) certain categories of people within the local population. I examine whether this non-state organisation recreates the same grounds for social citizenship as the central/local state or provides alternative channels for those categories of people/claims that are otherwise deemed ineligible. While the practices of local state actors and the Hospitallers are the main focus of this section, they are constantly related to the individual arrangements of local citizens that both capitalise on interpersonal networks (within the family, neighbourhood, community) and the services/benefits provided by the former actors.

3. Decentred inequalities: social policy reforms and the changing distribution of responsibilities

Reflecting on the major aspects of social policy reforms, this chapter examines the main regulatory changes in the field of social assistance and service provision in relation to decentralisation. By looking at the policy reforms from the point of view of various local state actors, I highlight how the decentralisation of welfare provision affects local state practices. More particularly, I delineate those constraints and opportunities that local state officials tackle within the present regulatory, financial and institutional frames when they distribute benefits and organise services in the settlement. Through this some of the spatial effects of the decentralisation of welfare are highlighted. The chapter argues that, from the point of view of more remote settlements with aggregated needs and few local resources, the devolution of service provision and redistribution to local authorities is a rescaling of insecurities to lower spatial levels. Furthermore, it not only produces very diverse forms of welfare provision in different settlements, but it also strengthens socio-spatial inequalities.

Studies analysing the effects of welfare state transformations are numerous, but often limited to examining the changing role of the national state for redistribution/service provision or the social effects of the changes for various groups (see Milbourne 2010). Others underline that globalisation and the rise of new supranational agencies have become an important force for the reorganisation of welfare as well as potentially the basis for the formation of new alliances (see Keating 2009). Various studies document the shift from government to governance in relation to the multiplication of actors who, through state restructuring and globalisation, can influence regulations in addition to the central authorities (e.g. Carmel and Papadopoulos 2003; Goodwin and Painter 1996; Ling 2000; Mahon 2005; McEwen and Moreno 2004). At the same time, little attention is given to the ways welfare is produced and delivered by particular actors in local contexts (some exceptions are Crook 2003; Elander and Montin 1990; Haukanes and Pine 2005). This is especially surprising given that the reorganisation of the state devolved significant welfare responsibilities to local levels in many countries.

In order to understand the full complexities of the recent reorganisation of welfare and related state transformations, analytical works need to more substantially address the practices of the local state officials, especially in contexts where decentralisation devolved significant responsibilities to local authorities. Furthermore, as Milbourne (2010) argues, since decentralisation can lead to significant differences in local practices, a spatially sensitive analysis for such examination is required. The few existing case studies of this kind disagree on the social

and spatial effects of welfare decentralisation (see Costa-Font 2010; Crook 2003; McEwen and Moreno 2004; Merten and Haller 2009; Rodriguez and Ezcurra 2009; van Berkel 2006). Therefore it remains a question how state restructuring affects local welfare arrangements, which requires further empirical research and a more systematic examination.

My analysis shows that in spite of the original hopes, instead of making services and assistance less costly, more efficient and more targeted, these changes led to the rescaling of insecurities created by global capitalism, which poses large problems for local officials in places with limited resources, such as my two fieldsites. The problems that such rescaling creates for particular localities with scarce resources are discussed by examining the changing relations between central and local state in terms of financing, division of responsibilities, and aspects of regulation and control. My material shows that large responsibilities are devolved to the local governments, but they are not coupled with appropriate central coverage. Moreover, due to the vagueness of the regulatory frame that allows for various local interpretations of how to satisfy these tasks, social welfare decentralisation appears to rescale socio-economic insecurities to the local and individual spheres. Secondly, it highlights that the particular way decentralisation is taking place in Hungary leads to large differences in the way that various categories of people in different localities can access services and provisions, which often further deepens socio-spatial inequalities.

3.1. The social policy reforms of the 1990s

The social welfare system was largely affected by the restructuring process of the 1990s. In fact, this sphere has suffered from the most numerous (constant), controversial and often haphazard changes in policies and institution creation that are often hard to follow even for experts. The five different governments in charge since the first democratic elections followed different social policies that were often contrary to each other (Ferge 2008: 13). Similar to other spheres, reforms of the 1990s in this area were also strongly driven by the rejection of socialist practices and the ‘correction’ of their effects. In addition, as several studies (e.g. Ferge and Juhász 2004; König 2004) point out, international pressure from supra-national agencies such as the IMF and World Bank and later the EU accession also had undeniable influence on the direction of the changes.

The social policy of the socialist period is usually discussed in terms of universalism, narrowed social differences and encompassing social services. Universalism was achieved as most benefits were tied to employment. The policy of near full-employment (along with the limited differentiation in salaries and state subsidised prices) meant that social inequalities were considerably narrowed by the 1980s, while the state-guaranteed employment secured a source of living for almost the entire population (Ferge 2006). According to 1982 calculations the rate of (unofficial) actually existing unemployment among active men was estimated to be as little as 1-2 percent (*ibid*). In addition, a large number of services and provisions were linked to employment, hence available to most of the population. The family provisions, child care services, universal health care and pension were considered relatively generous. The former system was held to assure security – albeit on a relatively low level – to basically the whole population in terms of labour, health care, education, family provisions and housing. As such, the present withdrawal of the central state from many of its earlier responsibilities is felt acutely by many, while capitalist restructuring brought new insecurities into many people's lives.

Studies from the time, however, highlight that in spite of the political silencing, poverty did exist and appeared in various forms (Ferge 2006; referring to Bokor 1987; Kemény 1992; Utasi 1987). Those who were not or could not be linked to the employment structures entirely fell out from the systems of provisions and assistance, for example elderly with no history of employment, widows or divorced full-time mothers without education. Politics denied the existence of most situations that called for assistance, such as unemployment or poverty, hence provided no institutional solutions for these (Ferge and Tausz 2002). Furthermore, difficult personal situations such as disability, long-term care for sick relatives, death and other family crises situations were not addressed by central means hence were completely relegated to the realm of the individual (Ferge 2006). As a result the 'traditionally' poor, i.e. those day labourers and unskilled workers living in urban or remote rural ghettos along with the Roma living in segregated settlements without modern amenities⁴² remained in deep poverty (Szalai 2002a). One of the main shortcomings of the system was that it failed to address such social problems altogether, for they were considered non-existent by the political leadership.

⁴² In 1965 a national program started, aiming to abolish the Roma ghettos/segregated settlements outside villages, where still the majority of Roma population lived, by offering loans with favourable interest to those Roma who had regular salary, to buy or rebuild abandoned peasant houses (Kállai 2005:16; Szalai 2003:106).

In addition, as Bódi (2008a) and Haney (2002) show, even the proclaimed universalism, whilst existing in principle, was often missing in practice. Haney provides various examples of the ways in which work-related benefits often differentiated between those in different parts of the employment hierarchy; those at the top received wider options and extra benefits, such as guaranteed nursery placement for children and holiday opportunities organised by the enterprise. Bódi argues that the generally considered commons were in fact quasi market-based goods. At the end of the day one needed to pay additional fees or make extra sacrifices in order to receive more than the bare minimum. Nevertheless, it is often emphasised that the institutions of general welfare, similar to that of the Western welfare states (albeit in different forms and without the existence of civil society), were established by the 1970s (Ferge 2010:73). And the general well-being it secured was also evident through the growing consumption and improvement of housing (Róna-Tas 1997). However, this general welfare was built on large public expenditure, which many claimed led to the country's international indebtedness.

Thus one of the main priorities that was advocated at the time of the reforms were cost-efficiency; making social assistance more targeted, hence less prodigious and more just (cf. Kornai 1990). As part of marketisation, public spending was significantly decreased, by devolving responsibilities to multiple actors besides the state, and by channelling benefits to more targeted groups and needs. This process was strongly supported by supranational agencies like the World Bank, IMF and later the EU, which considered the social benefits of the socialist system too generous (Ferge and Juhász 2004). 'Correcting' the shortcomings of the former system as well as distancing the country from its dominant ideologies had a crucial role in the setting up of the new institutions and developing new policies. Benefits in general have increasingly become means-tested and target-oriented over the past two decades, resulting in a substantial decrease in beneficiaries⁴³. Studies (e.g. Ferge and Tausz 2002; Szalai 2004) furthermore note that in spite of the introduction of new provisions and the continuation of

⁴³ According to a survey that aimed to overview the general situation of social assistance in Hungary in 2003, it was shown that the number of beneficiaries has decreased by over 200,000 people in comparison to 1998, and the real value of social spending decreased by 10 percent. In addition, the threshold for provisions has considerably decreased as the relational base (which is the minimum value of the old-age pension) constitutes smaller and smaller portion of the average wage and average pension (König 2004:38).

numerous former allowances (albeit often in new forms), in general the real value of benefits have considerably decreased since 1989⁴⁴.

In particular, the health and pension systems were reformed with the introduction of both state insurance schemes and private pillars; some of the former family benefits were changed (although this area was the least affected by the reforms and shows the most continuity with socialist practice), and new forms of social provisions/assistance were established to address the newly arising social needs and inequalities that became apparent after the political economic change. The large-scale unemployment of the 1990s demanded particular attention. Between 1990 and 1993 the overall number of jobs decreased from 5 to 3.8 million, while the wage level remained low until the end of 1990s (Ferge and Tausz 2002). The employment rate of people of a working age fell from 76 percent to 60 percent. Consequently, provisions and schemes were introduced to address situations related to unemployment and poverty, such as unemployment benefits, social aid, old-age allowance and public work. However, as Ferge and Tausz (2002) show, social policies were changed in a quick and rather haphazard manner as the various governments failed to establish a clear welfare policy; decisions were often made based on political interests and ad hoc ideas.

Scholars are rather sceptical about the actual effects of the newly established welfare system, arguing that it not only failed to decrease the number of people living in poverty, but even worsened the situation for the majority of the poor (see Ferge 2006; Ferge 2008; König 2004; Szalai 2004; Szalai 2005). Furthermore while the existing social policies considerably improved the situation of the upper middle segments, it left certain (often the poorest) groups without any assistance at all. According to a survey in 2001, some 40 percent of the poor did not get any means-tested benefits, while over half of them were entitled to it (Ferge and Tausz 2002). What is more, with the institutionalisation of social services and new forms of provisions, assistance for the poor and unemployed has become strongly stigmatised (Ferge 2008a; Szalai 2002b, 2002a, 2003). This is felt particularly hard by the Roma minority, who constitute the largest number among the unemployed and the poor, giving poverty and notions of deservingness a strong ethnic

⁴⁴ This is partly explained by the fact that most benefits are measured in relation to the minimum of old-age pension, the value of which was hardly changed in comparison to the minimum salary and overall living costs over the past two decades.

dimension. Interestingly, this process has gone on alongside international pressure to include and the actual inclusion of such ideas as ethnic and minority rights, gender issues and general human rights into regulations (Ferge 2010; Szalai 2007). In addition, the alleviation of poverty with special attention to children's poverty, and stressed efforts to direct development grants to the most disadvantaged groups and regions came to the forefront since EU accession in 2004, though according to Ferge with only very limited success (2008:13).

3.2. Decentring services and assistance: the problematic of the 3,125 social regimes

The most important regulation that presently instructs social policy in Hungary is the *Act III of 1993 on social administration and assistance*, which specifies most of the statutory benefits in cash, in kind and in the form of personal social services that local authorities must provide. It does not cover the insurance-based schemes, whilst child assistance is regulated by the separate *Act XXXI of 1997 on Child Protection*. Both the insurance-based benefits and child assistance are managed and distributed by the regional offices of the National Treasury. As pointed out earlier, social provisions in Hungary at the moment rests on two different principles. A large number of provisions have been brought under the contribution based insurance-scheme (including health care, pensions, some unemployment benefits and some maternity benefits). Other forms of assistance are usually distributed through the local government; these are often means-tested and highly stigmatised. Policy makers hoped that by bringing the examination and fulfilment of certain needs closer to the locality, social assistance would become more targeted hence more effective and less costly (Szalai 2002a).

The distribution of all the non-insurance based benefits, apart from family benefits, was delegated to the sphere of local authorities. However, they differ in terms of the division of roles between the central and local state authorities. Thus two types can be differentiated among these income supplementing benefits:

1. Income supplementing regular benefits, which are regulated entirely by central criteria and financed mostly from central funding: *regular social aid and availability benefit, care*

allowance, old-age allowance and regular child protection allowance. Concerning these benefits, the central budget given to local governments covers the major part of the benefit⁴⁵; the criteria are set strictly by the central regulation, hence the local authorities have little sphere of legal influence on their distribution, even though local bureaucrats do have some discretionary power concerning the interpretation of such criteria.

2. In comparison, the second group comprises of those usually one-time benefits, which are partly or entirely delegated to the sphere of local decision making, such as *housing allowance, public health vouchers, funeral aid, crises aid and irregular child protection benefit*. These are usually irregular benefits linked to a specific or temporary life situation, with the exception of the first two, which can be given on regular basis with yearly re-considerations. The central criteria are only instructive and local governments can set the specific eligibility criteria and the basis of decision making in their local social regulations. These benefits, however, need to be covered entirely from the local budget, although all local governments receive a nominative sum for general social costs given according to the number of inhabitants, which they can use for such expenses. But the social clerks in both Tiszacseke and Kislapos complained that it is not enough for covering all local costs. Consequently, in both villages, the majority of these one-time benefits are only occasionally distributed and only in a very limited amount, with the exception of the housing allowance and the health vouchers.

The summary of the most significant benefits can be found in Appendix 1, detailing the sources of financing, eligibility, decision making bodies and value as of the time of research⁴⁶.

The law furthermore makes a clear distinction between different forms of benefits in regards to which local actors are bestowed with the competency to decide on entitlements; the two main

⁴⁵ The central financing does not cover the entire expenses of local governments regarding these benefits; varying among the different benefits the central coverage ranges between 75-95 percent, the rest however needs to be covered by the local authorities.

⁴⁶ Many of the benefits changed several times even during my research, especially in terms of their amount and eligibility criteria. While in some cases I reflect on these changes, the in-depth analysis of the various benefit changes is beyond the scope of my research. Usually I take the most relevant form that was in effect for the longest time during my research.

agents being the notary⁴⁷ and the body of the local government⁴⁸. In cases when the notary is the appointed agent to establish entitlement, the central state delegates only executive tasks to the local level, as was mentioned earlier in relation to the regular benefits. The eligibility criteria and the value of benefits are regulated by the central law, (s)he operates only as implementer of the centrally designed policy, albeit with discretionary power on how these regulations are locally interpreted. In all other cases when the central law designates power to the local level to widen entitlements, the decision making power is in the hands of the body of the local government. However, in the case of the two settlements, the body of local government delegated their decision making competencies to the mayors in all locally significant benefits, i.e. those which are most commonly distributed in the village (cf. Schwarcz and Szőke n.d.).

This setup thus accords certain local state actors with significant power over social redistribution in two ways. Firstly, they have discretionary power to interpret central regulations. The social clerk in Tiszacseke for example told me that land as an asset should be counted into the income assessment of certain benefits, but they do not enforce this rule. So even if the officials know the applicant has some land, they do not insist on its declaration. The social clerk explained:

so if they have 2-3 hectares, because those with 50 obviously won't come in asking for aid, what does it mean?! We know it very well; we all have some land, but you cannot live from it. With the present state of the apple and plum prices, a few hectares would hardly bring them anything at all. In fact they are lucky if they don't end up losing on it. You know, here we say, 'everyone has to get by somehow!' So we don't tell them to put that few hectares on the form, even though officially they should do it. We overlook it.⁴⁹

The discretionary power of local bureaucrats is not an unusual phenomenon and has been discussed in other contexts too. Lipsky (1980) argues it is a constituent element of the particular position of street-level bureaucrats who on an everyday basis interact with their clients. In these interactions they can practice high levels of discretion on decisions relating to the applicability of persons to the regulatory descriptions, eligibility criteria set by policy formulations, or by overlooking some individual aspects and emphasising others. Oftentimes such criteria are drafted

⁴⁷ The notary is the head of the mayor's office as such (s)he has the legal authority to supervise local governmental decisions, financial actions and any documents issued by the local government. It is an appointed position, not elected like the mayor. Thus her/his appointment is for an undetermined time, hence not aligned to the election cycle of mayors.

⁴⁸ The body of local government is made up of locally elected representatives of the community.

⁴⁹ Interview, 26/04/2010.

vaguely or in ways that allows for individual judgements and interpretations of the client's circumstances and applicability. Hence street-level bureaucrats in order to ease their heavy work load and driven by various personal values and norms select, stereotype and categorise clients. As such they, to some extent, determine, rather than simply follow regulations. De Koning (1988) furthermore delineates the particularities of the distinct positions of clients and bureaucrats in their interaction. While detailing the different norms and values that affect the relation of the bureaucrats to their clients, he also adds that their images of what their position ideally should be also affects how they relate to the latter.

By devolving the regulatory power over several means-tested benefits to local bodies, power over legally determining the groups of beneficiaries has been given to local actors. In the drafting of local regulations certain local groups and needs are given preference, by setting the eligibility thresholds and criteria in ways that makes certain categories of people eligible while closing off others. The housing allowance is a good example for such local differentiations. In Kislapos the local regulation is drafted with more generous thresholds so as to include as many of the few non-Roma local elderly as possible. In our interview, the mayor explained that it is important, as otherwise these elderly will not receive most of the benefits, even though their pension is rather low (although still often larger than the per capita income in many unemployed Roma families). He therefore considers that through this benefit he can assist the elderly - even if it is with only 2000 forint⁵⁰ per month - who he thinks would otherwise feel abandoned by the central and local state.

In comparison, the local government in Tiszacseke set a much lower income threshold, i.e. families with less than 200 percent of the old-age pension⁵¹ per capita income could receive it. Most of the elderly are not eligible, as can be seen in the ratio of recipients: while 230 active aged households receive the benefit (most of the active aged households), only 31 elderly households receive it. The criteria are further complicated in Kislapos through regulations pertaining to the amount of people and number of rooms per household, which differentiates in favour of small households living in a few rooms, as opposed to large families living in many rooms within the

⁵⁰ The average exchange rate during the time of research was: 272 forint – 284 forint for 1 euro.

⁵¹ The income criteria for means-tested benefits are set in relation to the old-age minimum pension, which was 28,500 forint at the time of research.

same 100 square metres. By not drafting such an additional clause in Tiszacseke larger families are not closed off from the benefit, although some Roma families are (or at least the sum of their benefit is often smaller) as the costs of house maintenance is part of the criteria, but in their case it is often much smaller as their homes are often unconnected to the water supply and gas mains.

Table 4 - Number of aid beneficiaries in Tiszacseke and Kislapos (calculated 2009 average)

Benefit type	Number of recipients in Tiszacseke	Number of recipients in Kislapos
Regular social aid	13	10
Availability benefit	164	9
Public work	175	76
Regular child protection benefit	388	298
Irregular child protection benefit	230	0
Nursery assistance	54	0
Old-age allowance	0	1
Housing allowance	250	118
Care allowance	14	2
Crisis aid	7	32
Funeral aid	5	6
Public voucher	181	25

Source: Local government statistics in Tiszacseke/Kislapos, December 2009

In terms of one-time benefits, the situation is very similar in both villages – due to a lack of financial resources they are hardly distributed at all. In other settlements, such as Sziroda⁵², however, they can become significant sources of additional aid (Schwarcz and Szőke n.d.). With these legally sanctified decisions particular segments of the population can find themselves completely closed off from assistance in situations of crises or distress when they would have nowhere else to turn, for which in principle such benefits are established.

As these examples show, the large sphere of influence over determining/altering ways of social redistribution and eligibility of benefits has resulted in a large variety of local solutions concerning social assistance and care. In fact, as often mentioned, it led to the formation of 3125

⁵² Pseudonym used by Gyöngyi Schwarcz for the other Hungarian settlement that was researched as part of the LSSS 2008-11 project conducted by MPI and supported by Volkswagen Foundation.

little local ‘social regimes’; with each local government determining its own social policy (Gyulavári and Krémer 2006). However, this diversity does not necessarily coincide with better service provisions, broader local coverage of needs or even more targeted assistance, as was originally expected. It often leads to very individual solutions in the different localities, which frequently enhances ethnic discrimination, and a large variation in the range of those who can benefit from them, often reflecting the interests of local elites or majority groups (see Horváth 1995; Ladányi 2000; Szalai 2007). In the present frame therefore where you were born and live largely determine whether and in what ways you can access certain social services and receive particular social benefits. As such these transformations have important affects on the ways local inhabitants see the state in terms of what they can expect from it, what claims they can legitimately lay on it and how they can use state provided assistance within their social security arrangements.

Decentralisation did not only bring power but also responsibilities. It is the *Act LXV of 1990 on local governments* that enumerates the mandatory and the more general assumed tasks for local governments. It lists the provision of drinking water, the maintenance of nursery and primary school, the provision of basic social and medical services, the provision of street lights, the keeping of public roads and cemetery and the enforcement of ethnic and minority rights as compulsory tasks, which “the law can obligate local governments to satisfy”. While some of the social services that need to be run by local authorities are connected to settlement size (thus smaller settlements have to attend to less), the compulsory social services have to be attended by each local government⁵³. However, the regulation allows for various ways of attending these tasks in case the local government lacks resources, for example through micro-regional service cooperation, cooperation of institution maintenance between two settlements or by employing private agencies for its organisation.

Ferge (2008:8-9) argues that the large local autonomy has by now proven to have various drawbacks, especially in the light of the large inequalities that prevail among the different local governments. She underlines that in addition to the earlier socio-spatial differences that were

⁵³ These comprise child protection, family assistance, home assistance (with daily carers and a day institution), and catering for the elderly/sick.

particularly enhanced by the socialist centralising anti-rural policies, present financing and regulations further deepens the existing differences.⁵⁴ Such differences inevitably influence the ways local governments can organise services or provide for needs. As my analysis shows, the present regulations divide responsibilities between the central and local states in terms of management, control and financing instead of alleviating, further amplified these inequalities. Due to decentralisation the way of organisation, quality and presence of services/assistance are highly varied among different localities, which often further complicate the existing socio-spatial inequalities.

3.2.1. Regulatory ‘anarchy’: the new regulations and social inequality

The problems partly originate from the vague formulation of regulation as well as the lack of control over local governments. The proposed range of tasks in the *1990 Act on local governments* is wide, but the local authorities can determine, “depending on their available resources and needs of local population“, which tasks and in what form they attend to (Pálné Kovács 2008). This can be well illustrated with the example of home assistance or elderly care (as commonly referred) in the two villages. As a compulsory social service, both offices need to attend to the provision of social catering and home care services for the sick and/or elderly in their locality. In Tiszacseke, this is organised in the form of a micro-regional cooperation, with the head office residing in Fehérgyarmat (the nearest town that is also the micro-regional centre). The social centre in Fehérgyarmat arranges the financing, management and the organisation of services for the five nearby villages, usually employing local staff in each however. Thus in Tiszacseke, a day institution was established, which has a local head that looks after the local staff, budget and organises service provision that comprises of six trained local carers. The local government from time to time designates two to three public workers to the centre, who temporarily help out with running errands such as collecting prescriptions, cleaning the day institution or helping deliver the food as part of catering.

⁵⁴ The diversity of socio-spatial inequalities and their development is explained in more details in the following section on local development.

While the law makes clear the particular tasks micro-regional cooperation can cover and how financing should be arranged, the actual ways the service should be organised are not detailed. As a result large differences prevail, which depend not only on local needs and financial constraints, but also on the personal views and understanding of local officials about the criteria and aims of the service. So in Tiszacseke the carers take up a relatively large range of roles, which also includes looking after the gardens and the graveyards of relatives for the elderly as well as bringing water from the street pump for daily use (sometimes even the elderly with mains water connection want to save money this way). Yet the carers still fail to satisfy one of the main job criteria – a minimum of one hour care for each client of the daily care service. This ‘failure’ comes from the local limitations: according to data from May 2010 there were 47 elderly to be looked after by the six trained carers.

Carers also have to deliver food around the village as part of social catering to another 59 people, which takes up a couple of hours around lunch time. In addition, they also have complicated paper work that has to be completed daily, which usually takes up the afternoon along with gathering medicine, accompanying the elderly to the doctor and the like. The usual conduct is that carers only shortly pass by the elderly in the morning, drop off the shopping and medicine, collect the new requests, quickly wipe up the floor and ask how they are doing, which I observed on various occasions when I accompanied the carers on these visits. However, it was also often mentioned by the carers themselves as well as their clients. According to regulations, every carer should spend a minimum of one hour or more depending on the health condition and mobility of the elderly person, and should satisfy their physical/health needs and their emotional well-being, as well as reserving time for longer conversations. In spite of complaints about failure to do this, the service is considered rather well organised by the participants and constitutes a significant part of local state action. The local regulation accords a rather generous sum to the catering and daily care service, which only needs to be complemented by a small amount by the clients. Furthermore, the more mobile elderly who regularly visit the elderly day home are financially supported to attend festivals or make regular trips around the region.

In comparison, in Kislapos the service is marginal, even though the circa 120 elderly people who remained in the village are usually without any local relatives or help. Nevertheless, there are

only five beneficiaries of the service according to the data from January 2010⁵⁵. There is only one carer in the village who is also the general courier and ‘run-around’ for the mayor’s office, hence has only limited time to attend to caring tasks. Thus her daily work is strictly limited to delivering the food from social catering, getting the medicine or making occasional shopping trips for the participants, but does not involve cleaning the living environment of the elderly, washing clothes or tending the garden as is the case in Tiszacseke. The carer is employed by the mayor’s office within the public work programme and she is not supported with a well equipped institution where the elderly could gather for daily activities and socialise as in Tiszacseke, or where their clothes (or the elderly themselves) could be washed. Furthermore, there is no supervision of the carer’s daily job, which also lacks further professional institutional assistance. In comparison, in Tiszacseke the local head of the institute has to attend regular meetings held by the Centre of Social Services in Fehérgyarmat and local carers are expected to fill out daily attendance sheets as well as attend regular training sessions.

Similar differences prevail in the ways the child protection and family assistance services are organised. In Tiszacseke, they are managed as part of the same micro-regional cooperation as the elderly care, but again employ a local person, who works every day for 8 hours and is available 24 hours 7 days a week in the village. People can approach her any time with their problems, even though this is not an official requirement of her job. The mayor explained that he insisted on having a local and full-time employee, even if it burdens the local budget with additional costs. Furthermore, the head of the micro-regional social centre also prefers to employ local personnel in the participant villages whenever possible⁵⁶.

In contrast, the office in Kislapos could/would not negotiate such favourable conditions within the micro-regional arrangement, which is run by the Social Service Centre in the nearest town, Heves. In this set-up, one person attends family assistance/child protection in two settlements, so she spends only four hours three times a week in Kislapos. This inevitably leaves much less time to attend to the needs of the clients or be approached by them. She also admitted that she prefers

⁵⁵ Which was the most recent data before I left the field, however it reflected the tendencies of 2009 and 2008 too, when this number was more or less constant.

⁵⁶ She believes it is more advantageous for professional reasons, but it also arose from the high number of settlements that entered the micro-regional cooperation, which eventually made it impossible to run services from a single centre.

to be based in her office, in case she needs to attend other official matters with members of the local government or consult with other local officials, hence only conducted family visits once a month. Clients, if they need her assistance, therefore had to come to her office within the mayor's office complex and during her office hours. She emphasised however the advantages of not being from the village, especially for her own safety:

This job is tough, you have to go and intrude on families and check up on how they are living. And when a child is taken under protection, you have to make regular visits and eventually, if the situation does not improve, you have to take it to the worst possibility, you have to take the child away. It does not happen often, but people know when you visit them there is a problem. And of course with some people, they also get violent and start shouting at you or threaten you with setting their dog on you. I am happy I can go home in the afternoon and they don't know where I live or where to find me. I would not feel safe if I had to live here.⁵⁷

One occasion during our common family visits I also witnessed that a father threatened her with violence if she did not let slip his child's school attendance record. However, such a negative attitude towards Edit could also originate from a general mistrust of the locals towards officials in general. All officials are from outside the village, apart from the mayor, and all are non-Roma. According to my observations, it played some role, as the local beneficiaries were less comfortable to approach any of the officials with trust, apart from the mayor and the employees of the Hospitalier – i.e. those actors who were constantly present and were strongly embedded in the local community.

Szerénke, the child protection and family assistance officer in Tiszacseke enjoys a general level of trust, not least for being present on a daily basis in village life. She makes weekly visits to the local families and encounters them on a daily basis as an individual, simply by living in the settlement. As such locals appeared to trust her more; she was not only considered an official, but another local inhabitant too, who formerly raised their kids in the nursery, and whose husband is also unemployed like them. While this presence and general personal relation made her more available to local inhabitants, she also complained about its major draw-backs. Such everyday interactions made it impossible for her to switch off from her job:

People will call even on Sundays, or they would pass by my house in the evening. Because you see if someone works during the day, that's the only time when they can come and talk to me. But I am sorry, my working hours finish at 5 o'clock, why should I then, I ask, be ready any time of the day, in my own

⁵⁷ Interview, 23/11/2009.

free hours to help them?! But what to tell people when they approach you in the shop, asking this or that, how to get one benefit or what papers to fill out for it? They cannot expect help from anyone else. But often I tell them to come to my office [during working hours].⁵⁸

The large difference in organisation of this service among the two villages does not necessarily reflect a significant difference in the local needs. Indeed the number of children who receive regular child protection support, i.e. who are considered the potential target of child protection service and whose families are often also the clients of the family assistance⁵⁹ are comparable. While in Kislapos 298 children are categorised as destitute, in Tiszacseke with its roughly double population size it is 365. In fact, in the case of the latter the numbers are even less because the local government expanded this benefit to every child who attends the local school, even if they would not be eligible on a financial basis. They had two reasons for this, firstly it was part of the mayor's strategy to save the school from 'ghettoisation' - to give the non-Roma parents a financial incentive to keep their children in the local school. Secondly, the notary explained that by extending this benefit⁶⁰ to the few better-off children, they believed it prevents the further deepening of social differences. In her words, "why should one stick out for having richer parents? Just because his/her parents are teachers or in the border guard they shouldn't receive it and stick out from the rest?!"⁶¹. In the meanwhile, due to financial constraints, the mayor in Kislapos complained of not being able to fully finance the free catering of those who would be legitimately eligible for it; hence parents also needed to contribute if they wanted to receive this benefit when the office faces shortages.

The above examples reveal how differently even the mandatory services can be organised in two localities. Horváth shows through the example of crises aid that in fact such variation originates from the very aspects of the regulations (Horváth 1995: 262). Firstly, the Social Act only assert that "financial social assistance *can be given*"⁶² to those eligible for complementing or supplementing his/her income" (25.§/1/) and that "local governments *in the case of social need*"⁶³ can allocate within the framework of social assistance unemployment aid, housing allowance,

⁵⁸ Informal talk, 14/10/2009.

⁵⁹ For long-term unemployment of the parents and their consequent financial problems

⁶⁰ That involves free catering and school book support in addition to a twice-yearly nominal sum (see Appendix 1).

⁶¹ Interview, 20/09/2009.

⁶² My emphasis.

⁶³ Emphasis by author.

care allowance and crises allowance for *the eligible*⁶⁴ according to terms set in this law and the individual regulation of local governments” (25.§/3/). Thus the law only makes it possible but does not bind local governments to distribute these benefits. What is more, by establishing the possibility of provisions to only those who are ‘eligible’ and ‘in need’ leaves room for discretionary practices and local modifications of extending or narrowing the range of those who can benefit from assistance. This is often the case, as Ferge (2010:170) also shows. And since no clear social minimum is determined in the Hungarian Constitution, it is not at all clear that everyone should receive some assistance in order to maintain a minimum level of financial or social security.

Even in the case of mandatory tasks of local governments the law is not very definite, as it only orders that authorities “have to ensure” certain services for their inhabitants, but it lacks instructions concerning the level, quality and extent of these services and whether it should be made available for every part of the local population. As a consequence, staying with the example of elderly care, the beneficiaries of the service appears to be a highly selected and favoured group in the village, who only constitute a small segment of the local elderly. Many of the participants explained that they became drawn into the service after the mayor approached them; they were related to or in other ways affiliated with him, by being school mates with his parents for example. In other cases many participants got into the programme through their family ties to the carers. For example all the elderly relatives of the caretakers are among the circa 50 elderly who enjoys the home assistance service. Although they fulfil the basic health and age criteria, they were nevertheless neither without living relatives in the village to care for them, nor were they immobile in a way that would prevent them from arranging basic hygienic, cleaning and shopping tasks. Thus it was rather the discretionary decision of the service providers that their relatives and the elderly ‘recommended’ by the mayor were all included in the service and in fact constituted the majority of participants.

At the same time, on several occasions especially in the more remote parts of the village I met single elderly people with no local relatives to take care for them and with severe health issues that made them immobile, but who were not included in the service. Many of them did not even

⁶⁴ Emphasis by author.

hear about this possibility or were misinformed about its price, hence decided not to apply for financial reasons. The head of the local institution explained:

We have no time to go around the village and knock on every door to explain what it [the service] is and to convince people to apply.... People should know about it by now, they can see us going around distributing the food every day. And you know, in a village things spread around by word. Whoever really needs it, can get it, I don't think people are left out. Whoever is not getting it, it is probably because they don't want it.⁶⁵

However, even more tellingly not a single Roma elderly was benefiting from the service. While reasons for this could be diverse, and could also be due to lack of interest from the side of possible beneficiaries, the attitude and decision of the head of the institute and the other carers appeared to contribute to it. A Roma man in his 70s with severe back and bone problems and with no living relatives in the village applied and was part of the programme for a few months. However after every carer refused to visit him on the excuse of “being harassed”, he was soon taken out of the service in spite of satisfying all eligibility criteria. The explanation of the relevant carers and the head of institute was that he also wanted them to shop for him, while “he was apparently in a good enough condition to go to the pub every day”⁶⁶, thereby they reasoned that he can surely take care of himself as well. Furthermore, the carers often expressed their concerns over having to care for a Roma elderly or even having a Roma carer working among them. Their opinion was quite clear, “I would never go to a Roma family, and anyway they are very family oriented, they wouldn't need this service, it's different there with them.”⁶⁷ In contrast, another non-Roma family was kept in the service in spite of their heavy drinking habits that seriously distressed their carer, who frequently complained about having to go far beyond the sphere of her job description when she had to clean up “piss and shit from all over the flat and burn the cloths and sheets as they were entirely covered in it”⁶⁸.

As the example shows, the lack of clarity and strict instructions on service provision can lead to both diversity and unequal access. Szalai (2002a) argues that the large autonomy and discretionary power of local governments, without central control over their actual practices, is one of the main channels for ethnic discrimination. Furthermore, Bódi and Bódi (2008) show that

⁶⁵ Informal talk, 25/05/2010.

⁶⁶ Informal talk, 11/05/2010.

⁶⁷ Ibid.

⁶⁸ Informal talk, 24/06/2010.

the existence and quality of the various social and health care services often varies according to the size and possibilities of the different settlements, with small remote places often lacking even the basic provisions in many cases. As such the present frame sustains social disadvantages; those who would often need extra services and more assistance, as they are born into ‘less privileged’ remote localities with little possibilities, often have worse access to services, because they cannot be maintained ‘cost-effectively’ in their settlements or lack local (human and financial) resources. Similar conclusions about the socio-spatial effects of neoliberal decentralisation in rural Appalachia (USA) were reached by Tickamyer and Henderson (2010). Similarly, in rural Texas and South-Dakota (USA) Harvey and Pickering (2010) conclude that welfare decentralisation has led to the institutionalisation of racism in the context of majority-minority populations.

Another significant and related issue is the lack of central controlling agencies. The local governments are in principle accountable to two authorities. The Constitutional Court (*Alkotmánybíróság*) checks whether local regulations are in line with the constitution; however only in cases where they receive a report from the Public Administration Office (*Közigazgatási Hivatal*). The latter should collect all forms of local regulations and report on their lawfulness. However, often it only remains a possibility, as the documentation of the latter is chaotic and difficult to access and to overview due to the numerous and frequent changes; it is only usually by chance that any unlawful local practices are discovered (Pálné Kovács 2008). Even if it happens, it rarely leads to sanctioning, as it usually takes decades for the Constitutional Court to reach a decision (*ibid.*). In terms of economic activities, the local governments are accountable to the National Audit Office (*Állami Számvevőszék*), which makes occasional but regular check-ups on the financial activities of local governments. There is no authority to check the professional work of local governments – that is how well they manage their mandatory and assumed tasks, and the range, quality and coverage of services offered. Such practices are uncontrollable for the central government, and as Ferge (2008a) points out it might not be conducive for the centre to attempt control as it is obvious that the majority of local governments cannot perform their tasks in a satisfactory manner, hence it would have undermined the dominant desire for ‘de-statisation’ and decentralisation.

This is partly why Tiszacseke can use the various central grants nominated to specific tasks for more immediate issues, leaving no resources for those that the money was intended for. This strategy also seemed to serve as a basis of managing daily financial problems and the general lack of resources, as was suggested by the notary. Such unofficial ‘playing’ with the directives and targeted central money was done by all local institutions managed by the local government, including the school and the nursery. As was suggested by some head teachers and local government officials, this was how they kept the school from closure. However, it was not assessed equally positively by everyone. The notary, who is legally accountable for the practices of the local government, revealed her worries about these “informal rearrangements”, as she would be the one who would be called to account if the misconduct was discovered. During my time in the village she at various times suggested she might not be able to cope with such “job requirements” for much longer, and thus in January 2011 the local government was indeed advertising for her position

3.2.2. Issues of financing and socio-spatial inequalities

With the 1990 Law on Local Governments financial autonomy was also guaranteed to local authorities. However, as Pálné Kovács (2008:160) argues the regulation is vague and does not ensure normative guarantees that the central state would secure the financial basis for local needs. The budget of local governments is made up of two main sources of income: 1. centrally allocated resources⁶⁹ and subsidies to satisfy the compulsory tasks and 2. their own resources, which consist of local income tax and other transferred incomes from communal incomes (e.g. car tax and other taxes, shares from the health insurance fund). In addition to these, local governments can obtain further additional income by capitalising on local resources, such as natural or physical assets, tax on larger companies in their confines or from grants. The main expenses for local governments are the compulsory and assumed tasks, which are mostly welfare costs and public building and physical place maintenance. In addition, the running of institutions⁷⁰ and services also constitute a major expense. Besides these, the paying of public

⁶⁹ Mostly given according to centrally accorded compulsory tasks – the actual sums are distributed according to the number of users of institutions and clients of services/social benefits, plus a general sum is given for these calculated on the basis of local inhabitants.

⁷⁰ Education, health care, elderly care.

utilities for public areas and institutions, and organisation of cultural events also burden the local budgets.

As Pálné Kovács (2008) points out, even though the law makes the central state responsible for allocating the needed resources to local authorities, there is no clear law that instructs the central state in terms of the actual amounts allocated for these. It is usually determined every year in the annual central budget. This is drafted after numerous negotiations and abruptly changes each year, according to political, economic and other pressures. Thus, not only it is not guaranteed that local governments will have enough resources to meet their (growing) responsibilities, but they cannot even calculate their yearly budget ahead due to these yearly changes. Moreover, Pálné Kovács (*ibid.*) has shown that the increase in local responsibilities over the past two decades has not come with a growth in budget allocation.⁷¹

This has been further complicated with the multiple regulatory changes: the Social Act was changed some 58 times since it was first drafted, that is on average four times a year, (Ferge 2010: 172). Similarly the child protection law was altered 41 times during 12 years and the law on family benefits⁷² was changed 29 times during 10 years (*Ibid.*). This means an enormous amount of incalculability not only for local governments, but also for social workers who need to cope with these changes and, above all, for the beneficiaries, who often do not understand why they are suddenly ineligible for a benefit that they had received for years and had factored into their household budget.

These changes are especially significant in places where the large social burdens put extra pressures on the finances of the local government office and it does not have substantial extra incomes. For example in Tiszacseke, as explained by the notary and supported by the yearly statistics, most of the expenditure is on social welfare:

The majority of our income is from the central contribution and is given to set tasks like particular benefits, or children's school books and education. However, even these we have to complement. Each year our overall budget is about 500 million forint, but we start with a 100 million minus, already at the beginning of the year. This is the sum missing from the annual central contribution given to us, which we need to complement in order to fulfil the basic tasks. Social spending is big, every month about 10-15

⁷¹ Szalai (2004) highlights similar tendencies in relation to central social spending, by relying on figures of the period 1990-2002.

⁷² *Act LXXXIV of 1998 on family benefits*

million forint, depending on the size of the public work programme. But the maintenance of buildings like the school and nursery also takes up lots of money. The heating in the public buildings costs so much that for many years now we had to switch back to heating with wood, as we couldn't pay our heating bills. Our own income? It's next to nothing. Some tax from agricultural enterprises. Or it happens that occasionally local entrepreneurs offer things like wood. Some tourism tax, but this is minor. Most visitors are students or retired, on whom the holiday home owners don't need to pay tax. The rest we have to obtain ourselves; we are actively applying for grants, both EU and national ones.⁷³

The high number of elderly, unemployed, and social aid beneficiaries can put extra pressures on the local government budget, because even though the majority of social spending is covered from central contribution, it still needs to be locally complemented. If the settlement has a large number of beneficiaries, it requires much higher sums to be added from their own resources. These pose extra difficulties to authorities, which have little additional income. The mayor in Kislapos complained about similar issues, when explaining how the local budget is made up:

Apart from the central contribution, we have no other important income. We have no tax from cars, it's basically zero in the rows. Then entrepreneurial tax, nothing, there is nobody who would pay it. We have this workshop run by the Hospitalier but it works on social basis, it is a non-profit institution. So we can't put tax pressures on them, when they hardly survive anyway. And the expenses: basically everything. Salaries of the staff, the public work programme and an especially big burden is the children's catering. Whoever decided that local governments should cover the catering of school children was an idiot. I ask, how? We have 88 children of nursery age and then the school children, now the government made up this stupidity that it is not only the nursery children [who should be fed], but also primary school children up to Year Six. The catering of all children who are needy has to be covered by the local government. But where did these clever people think I should feed so many children daily?! It needs a warm kitchen, a proper catering place meeting the hygiene standards. And from what should this stupid local government pay this from? – I ask. Because I say, that 200 something forint, which the state gives for this per child is not enough. I would look at which person can give three meals per day from this. We have to add the same amount per child. So I say the state is not thinking. Then the maintenance of institutions, material expenditure. All of it. But the largest are the social issues; they take up 90 percent of our budget. We usually have a 13 million forint minus at the start, that's how we start the financial year.⁷⁴

This is the irony of the arrangement: those local governments that require extra income are more often than not those who receive little additional resources. Moreover even the central contribution, as Szalai (1995) shows, furthers existing spatial disadvantages and inequalities, as these targeted central contributions do not differentiate between different settlements in terms of their social disposition or local needs, they are given according to number of inhabitants. Hence they end up advancing better-off settlements and especially urban areas⁷⁵, where the settlement does not need to overcome difficulties of service provision. Therefore in these places it can often

⁷³ Interview, 13/07/2009.

⁷⁴ Interview, 23/11/2009.

⁷⁵ According to her calculations, urban governments can count some 11,000 forint more per capita in their total income than can rural ones.

be used either for further development of the quality of services or invested into entrepreneurial or development activities, whilst local governments in Kislapos and Tiszacseke have to creatively manage their books even to guarantee the most basic services. Moreover, in more remote places the maintenance of even the basic institutions often costs more than in ‘well to do’ settlements.

There has been some recognition at the unsustainable nature of the budgeting, with some specific grants established already in the 1990s. As Pálné Kovács shows (2008: 218), while these additional grants for local governments unable to self-maintain (*Működésképtelen önkormányzatok*) or disadvantaged at no fault of their own (*ÖnHiKi - Önhibáján kívül hátrányos helyzetű település*) came to constitute significant part of local budget for many authorities, their conditions have been worsening in the past decade. For example, both mayors complained that they were refused the ÖnHiKi grants every single time they applied; the reason was that because they managed to undertake development projects, they were no longer counted among the most disadvantaged local governments. However both offices complemented their yearly budgets with minor sums from the *Működésképtelen önkormányzatok* grant, which helped them balance some outstanding debts.

3.3. Decentralisation: rescaled insecurities and enhanced inequalities

As the above analysis shows the recent social policy changes in Hungary are not simply a withdrawal of the state from its former social responsibilities. Due to decentralisation, the former relationship between the central, local and mid-scale authorities has been transformed, resulting in a continually enlarging responsibility for local governments and a gradually decreasing role taken by the central authorities in terms of service provision and social redistribution. Nevertheless, in many ways the central state maintained its strong regulatory power and its role in determining the financial rules. This resulted in a system where local governments have been entrusted with large autonomy but insecure financial guarantees that are not only insufficient in many cases but also incalculable and uncontrollable.

Furthermore, by examining the main aspects of social regulations, it can be seen that decentralisation in this field has triggered further inequalities relating to access to services and assistance in several respects. While under the former socialist regime, local institutions such as

schools, nurseries and local state offices were slowly abolished in smaller rural settlements as part of the intense urbanisation and centralisation policies, these were quickly restored when local governments were given autonomy. However, the initial hopes were not fulfilled. Many of the more remote rural settlements struggle with the maintenance of local institutions and the provision of local services. With the decreasing central contribution and the encouragement of reliance on local resources, the more remote settlements with multiple local needs are the ones who truly struggle to cope with the new autonomy. They are often forced to omit certain tasks, which are either provided at a much lower quality than in places with better assets or are given up entirely. Thus smaller settlements are increasingly forced to give up their ardently guarded autonomy and enter into various forms of cooperation to satisfy service provision and institutional needs. These micro-regional and institutional cooperations, which are particularly prevalent in the case of running primary schools, nurseries or organising various social services have been in fact encouraged by the central government, leading new waves of recentralisation in the past few years (Kovács 2008a; Váradi 2008a).

However, while the particularities of financing and devolution of wide responsibilities to local governments appear to enhance socio-spatial inequalities by posing difficulties for smaller, more remote and less developed rural settlements, the new frame also offers some opportunities. Even though financing is constantly decreasing and often haphazardly changing in uncalculable ways, local state actors and particularly mayors appear to have gained a large sphere of action to navigate these regulatory and financial constraints. Tiszacseke, in the lack of appropriate central control, can rearrange the central and international resources in 'innovative' ways to the advantage of the locality in order to 'keep the show running'.

Nevertheless, resources are scarce in such villages, villages that were particularly strongly hit with the new insecurities created by the capitalist restructuring, i.e. by sudden large-scale unemployment, the early retirement of unskilled workers, the decreasing importance and volatile markets of agriculture and the new requirement to compete for resources as well as investments. Inevitably, this leads to the setting of priorities among the various local claims and needs, often along local lines of family relations/affiliations, existing structures of inclusion-exclusion and last but not least according to the personal views, abilities, interests and understandings of the

influential local state actors. In the following chapter, I analyse the ways such normative and value orientations are embedded in local structures and public judgements about deserving/undeserving citizens and how they affect the local organisation of the public work programmes in the two villages.

4. A Road to Work? The reworking of deservedness, social citizenship and public work in rural Hungary

In this chapter I use the example of the public work programme to show how decentralisation can lead to unequal access to state-provided assistance due to the large regulatory and discretionary power of certain local state officials. However, in comparison to the previous chapter, which showed that inequalities of access to social assistance are partly produced by the inadequacies of financing and imprecise regulations, here the importance of local historical and social relations as well as the values along which membership is established through the practices of the local state when distributing assistance is highlighted. As such this chapter engages with the complex relations between the redistributive practices of local state actors and social citizenship. It brings important insights into the practices and relations through which social belonging is established/negotiated and through which the relations between the local state and citizens are configured and renegotiated. Furthermore, the example is used to highlight one of the ways decentralisation has brought certain possibilities to local officials, namely through their social policies to go against and occasionally overwrite dominant notions of deservingness and establish a new basis of belonging for certain categories of people.

“I got poor, and I got no bread, I lost my work, now tell me what to do...” – the words ring out across the room as the village band starts a locally popular pop song. The large hall of Tiszacseke’s cultural house is filled with over a hundred women. The mayor’s office organises an official celebration with dinner and live music to mark International Women’s Day every year, to which all female employees of the local government are invited. In spite of the initial reluctance some of the local officials showed at attending the same event and sharing a meal with the mainly Roma public workers, the teachers, social officers and local government officials nevertheless sit alongside the numerous public workers at the long tables. While the two groups encounter each other on a daily basis as ‘unequals’ in official settings, at the celebration they are present as ‘employees’ of the local government, enjoying the same treatment and status. At the occasion the mayor praises the significant contribution of female employees, and particularly points out the achievement of the public workers. The sight, which is rather unusual in present-day Hungary, is followed by an even more remarkable scene. Once the dinner is over the officials begin to slowly leave the celebration, while some of the public workers start dancing to the live music. “I know what I will do, I go up to the office, bang the table and say I’m dying of hunger...” - the words of the song are greeted with a rueful smile by the mayor, who leaves the other officials to join the dancing social aid recipients. As the chorus starts – “Mayor, mayor, I don’t ask for nothing but some aid, so I can get some booze in the pub and forgot my pain” – the beneficiaries gather round

the brown-skinned late middle-aged mayor dancing, clapping and singing along to the chorus of the song. The notary sitting at my side quietly remarks, “and there goes the cult of personality again.”⁷⁶

Public work in Hungary has become a significant constituent of the state-guaranteed monetary assistance for long-term unemployed since January 2009, when changes in social regulation strictly tied the reception of regular social aid to attendance in publicly organised communal work. Known as the ‘Road to Work’ programme, it was launched by the previous Socialist (MSZP) government with the stated aim that “the able-bodied permanent unemployed take part in some form of public employment with a much bigger intensity than before, in order to receive regular income... and ultimately to become once again integrated into the world of work”⁷⁷. Thus the long-term unemployed can no longer receive regular social support from the state unless they undertake public work when it is offered to them by their respective local governments; its refusal closes the beneficiary off from any social assistance⁷⁸. In many ways the new law was in direct line with the main tendencies of recent social policies in terms of making assistance increasingly means-tested, narrowed and stigmatised while pushing the responsibilities of dealing

⁷⁶ Fieldnotes, 8/03/2010.

⁷⁷ My translation. Cited from Tájékoztató az “Út a munkához” program céljáról és feladatairól. Foglalkoztatási és Szociális Hivatal Rehabilitációs és Szociális Igazgatóság Szociális Főosztálya. Retrieved on 14 December, 2009. (http://internet.afsz.hu/engine.aspx?page=full_utamunkahoz).

⁷⁸ The unemployed can receive two main types of benefit in Hungary. Insurance-based unemployment benefits - (two forms exist: *unemployment benefit*, *unemployment aid*) which are accorded to those who have spent the required days in official employment during the preceding four years (set by centrally defined criteria). The actual value of the benefit and its length are determined in relation to the former salary and days of employment of the applicant. For the long-term unemployed who failed to fulfil the required days of former employment *regular social aid* is granted. However, since January 2009, this form was divided into two types of benefits. For those who are capable, in terms of their age, health and family situation to take up work, the so called ‘*availability benefit*’ (*rendelkezésre állási támogatás*) is only provided during the period during which the local government cannot offer public work for the recipient. If they are offered public work, they have to accept it; its refusal results in receiving no social assistance at all. At the same time, the former *regular social aid* is now only distributed to those who are not capable of work due to their age, health or family situation. In fact, the new conservative FIDESZ government, in power since 2010, has further modified the criteria of unemployment benefit and public work, making it even stricter (now aid beneficiaries must spend a minimum of 30 days in public work in order to receive any social assistance and have to take up offered public work even if it is far below their education level and within 200 km from their home). Furthermore, since 2011 private companies, churches and civic organisations can also participate in organising public work with guaranteed financial state support. The outcomes of this new modification are nevertheless still unclear, would need further empirical research and hence are beyond the scope of my study. Here therefore I will only concentrate on the organisation of public work which was prevalent during the time of research and which also served the basis for the present (slightly modified) form. Nonetheless, the swift and multiple changes in the regulation of one of the most significant social benefits even during this limited time frame is very indicative of the insecure and incalculable climate in which local officials and beneficiaries have to match their means to the ends.

with unemployment and poverty to the recipients and to local authorities. Workfare measures that required proof of active job searching or employment in public work has existed since the 1993 Social Act (Csoba 2010). The organisation of public work was assigned to local governments as a mandatory task in 2000⁷⁹, albeit with limited results due to the lack of proper enforcement. This act linked the granting of regular social aid to participation in public work, which was gradually made stricter by enforcing cooperation of aid recipients with local employment agencies, child protection officers and family assistants.

However, despite the various public work, training and other unemployment programmes, the number of those living on aid and who are without official or permanent employment for years (or as is often the case two decades) did not significantly decrease. As the original hope of quick solutions to economic upheaval passed, social tensions multiplied. There has been growing alarm about the high number of those long-term unemployed⁸⁰ who live, along with their families, far below the poverty line, and who appear to suffer from marginalisation and social exclusion without much hope of reintegration - trying to manage mostly from social aid with little hope of finding employment (e.g. Ferge 2008a; Kozma, Csoba, and Czibere 2004; Ladányi 2009; Laki 2008). Others who appear in the unemployment statistics rely on social aid as their only *permanent* income, whilst they supplement this with occasional and unofficial employment or a few months of public work. Their spatial and ethnic concentration is even more alarming⁸¹ which, as seen below, can trigger ethnic tensions. Thus finding solutions to unemployment and the related social issues has become particularly urging for the different governments. The resulting workfare reforms, and the discourses that accompany them, has fed the growing discontentment amongst the ‘good hard-working’ citizens, who have become impatient towards the ‘benevolent’ aid system that helps ‘lazy’ people stay on benefits while they struggle with keeping their consistently low paying jobs and maintaining their living standards (Ferge 2008b).

The ‘Road to Work’ programme constituted a remarkable change that invited much public debate. Firstly, it made the acceptance of public work (when offered) the condition for the

⁷⁹ Set in *Act CXXXII of 1999* about the modification of labour and social assistance.

⁸⁰ Some estimates are as high as 400-600 thousand people.

⁸¹ Two thirds of the unemployed live in the 47 most disadvantaged micro-regions of the country (Ferge 2008b), 75 percent of the Roma living in these areas live below the poverty line and about half (46.6 percent) of the inhabitants of these regions live from less than 60 percent of the median income (Bass 2010).

reception of social assistance. Secondly, with that it delegated the responsibilities of dealing with unemployment entirely to the local authorities, which were also financially instigated to organise encompassing public work programmes in order to take as many people off social aid as possible⁸². However, the programme has been so far highly criticised for not only failing to re-integrate the long-term unemployed to the “world of work”, but also for locking them to their often remote locality and binding them into cycles of unemployment/deep poverty (see Csoba 2010; Szalai 2009; Váradi 2010; Virág and Zsolnay 2010). It has also created immense difficulties and tensions for local governments (Szalai 2009; Virág and Zsolnay 2010). Furthermore, analytical works have maintained that the scheme further deepens the stigmatisation of the unemployed and deepens the divisionary line between those with regular jobs and the permanently unemployed, a division that has crystallised into unbridgeable differences and heightened social tensions in the past two decades (see Ferge 2008b; Szalai 2009; Váradi 2010).

According to Júlia Szalai, the programme constitutes a landmark as “it now distinguishes openly and legally a group from among the principally equal citizens, who become deprived from practicing some of their basic rights, and ensures that the local Roma ghettos produced by social policies are clearly separated, in their institution and procedure, from the system of supports for the majority poor⁸³” (2009:39). As such it fits into the emerging system of social policies, which solidifies the division of the population into first-rate and second-rate citizens, separating those who (even if impoverishing) still enjoy full rights on the basis of their contribution and those who have to suffer intervention and inspection in different spheres of life⁸⁴ or have to work in communal programmes in order to receive state support (Csoba 2009, 2010; Szalai 2002b, 2004, 2005, 2009). Such a distinction often coincides with ethnic discrimination and differentiation of the Roma poor, which according to the above criticism, is particularly enhanced by giving high discretionary power to local authorities in social matters, as will be shown below.

⁸² The change made this form of unemployment support financially less constraining for local governments, which left many without much choice in light of already huge budget deficits and constraints. According to the change, local governments need to cover 20 percent of the provisions for active-aged unemployed (the availability benefit of circa 100 euro per month), while only 5 percent of the minimum wage of the public workers (which is around 250 euro). Even though the difference seems small, the 8-10 euro difference for a large number of applicants every month can be a rather significant amount for many local governments.

⁸³ My translation.

⁸⁴ E.g. on how they raise their children, what lifestyle they lead and how they spend their money.

Such workfare policies have been often discussed in terms of changing grounds of social citizenship in other contexts. The introduction of workfare measures have been widely documented in the US and Australia as part of neoliberal state and welfare restructuring of the 1990s and more recently in many Western European countries (see e.g. Handler 2004; McDonald and Marston 2005; Peck 2001; Rose 1995). Usually it involves making formerly rights-based benefits conditional on active job seeking or participation in (sometimes communal) low-paid and socially devalued work. Welfare to workfare policy changes aim at ‘integrating the socially excluded’ back to society through labour, but they also seek to ‘restore the work ethic’ and curb the dependence of social beneficiaries on the state while instigating their more active participation in stepping out of unemployment. By turning them into ‘responsible, active citizens’, it aims to ‘restore their social membership’, which is considered highly dependent on labour participation.

As Peck (2001) underlines, workfare measures always go along with decentralisation, i.e. the scalar reorganisation of welfare and regulations. Thus they constitute part of the neoliberal reorganisation of the state, which ‘dumps’ welfare responsibilities and the dealing with risks on the local level and on the unemployed themselves while advancing welfare retrenchments. As such, within the broader transformations of the basis of citizenship, it signals a significant shift from the rights-based entitlements of the Keynesian welfare constellation to conditional or contract-based assistance that stress citizens’ obligations (Goldberg 2007; Handler 2004; Paz-Fuchs 2008; Roets et al. 2012). Most of this work, however, stays at the level of policy analysis, without considering how these forces are played out in individual lives or social encounters. Those works which do examine related issues of citizenship through social relations describe workfare programmes in terms of control and discipline, and highlight the unequal power relations between the street-level bureaucrats and their clients (see Cope 2001; Pollack and Caragata 2010; Rose 1995). Overall, works are for the most part critical in regards to the ability of such policies to reach its stated goals, i.e. the integration of the unemployed into the labour-market/society and the decreasing of unemployment.

In comparison to other documented workfare policies, however, the case of Tiszacseke and Kislapos (and numerous other villages in Hungary) presents an extreme example of workfare,

where a large part of the local population permanently relies on this programme for their main source of living. For many locals the occasional opportunity of public work and the social benefit tied to it are their only significant income. The difference between the two, however, is considerable. Public workers receive the minimum salary of 36,750-73,500 forint (150-300 euros) per month⁸⁵. The monthly availability benefit for those out of employment (regular social aid for active people) is only 28,500 forint per month (around 100 euro).

A specific aspect of the Hungarian workfare programme is that it is left to local state authorities, and mayors in particular, to organise, plan, construct such programmes and to choose participants, divide and organise work among them. This makes many beneficiaries highly dependent on the decisions of mayors. This can lay the foundation for ‘personality cults’ and clientalist relations between social aid beneficiaries and mayors, who can capitalise on this programme for strengthening their electoral base, as seen in the opening vignette. However, the example also shows that the effects of the programme on social citizenship are more complicated and diverse than existing analysis explicate. The particular way public work is organised in Tiszacseke, and the ways participants are publicly treated by the mayor, provides grounds for renegotiating dominant understandings of social citizenship and not only creates a general well-being in the locality but can also offer a sense of ‘worthiness’ to the participants.

By examining the way public work is organised in the two settlements, I show that the practices and approach of local officials are strongly linked to local historical and social relations as well as dominant notions of deservingness/undeservingness on which local claims and negotiations of belonging are based on. I argue that depending upon the ways in which it is organised public work can have very different consequences both in terms of individuals’ material welfare and social citizenship. Accordingly, my analysis not only complicates existing analysis of workfare programmes by examining the effects of an extreme case of workfare for the reconfiguration of citizenship, but also nuances existing findings by embedding the claims/negotiations of social

⁸⁵ Local governments have to guarantee the minimum wage to the public workers, but the final salary depends on whether they were employed in four, six or eight hour per day positions. Whereas in the earlier forms of public employment, usually four or six hour positions dominated and participants were only employed for short time periods, the new programme minimize the participants’ employment to six-eight hours per day and for a minimum of three month period.

belonging in broader social and historical structures that go beyond the usual interpretations of unequal power relations between clients and street-level bureaucrats.

4.1. On a road to where?

Upon returning to Kislapos in October 2009, about one and a half years after my first visit, I was greeted by a familiar picture. A dozen middle-aged Roma men were busy cutting the small shrubs along the road leading into the village. Another group was engaged in demolishing one of the many abandoned dilapidated buildings. While during my former visit in autumn 2008 the very same men were performing similar actions in the hope of gathering some firewood or sellable metal and stones, on my later visit they were ‘cleaning the public roads’ and ‘tidying up public spaces’ as public workers employed by the local government.

The 2009 regulation, by making public work financially advantageous for local governments, considerably raised the number of public workers in many settlements. Even though *Act CXXII of 1999* already made participation in public work the criteria for receiving social aid and a mandatory task of local governments, it was neglected in most places. This was also the case in Kislapos, where earlier only five to ten persons were employed each year. This tripled with the start of the Hospitallers’ ‘host village’ programme, nevertheless it was still far from covering the entirety of local unemployed. However, in the early summer of 2010 the mayor presented a very different picture, “now we are employing 90 people, we have been raising the numbers each month by 10-15. It requires pre-financing, so we cannot take everyone at once... but the target is that by August we will bring every social beneficiary into the scheme. That means 106 people.” His explanation for the large rise in the number is the advantageous central financing:

If I keep them on aid the local government has to cover 20 percent of their benefit, but if we employ them, I only need to pay 5 percent of the minimum wage. And this 5 percent is much less. So for every person whom I leave at home on aid the local government loses out. It is a forced motivation. But in a small settlement like this, this is a matter of life and death.⁸⁶

He goes on to explain that financial considerations overrule other concerns and dominate the entire programme. Consequently, questions of efficiency and quality of work are less often

⁸⁶ Interview, 7/07/2010.

addressed. All of the workers engage in open-air jobs like cutting grass, maintaining roads, demolishing buildings or helping with construction work, hence satisfying the mandatory tasks of the local government that it would otherwise struggle to undertake. During my visits, given the large number of workers in the programme, I was surprised at the small number of people that could be seen daily on the streets. The explanation was provided during my visits to local families in November-December, when I often found many of the workers cooking or doing other tasks at home during different parts of the day. When it turned out that they were in fact public workers, they told me that they had just quickly nipped back home to do some housework as there was little to do and no one was checking on them. Furthermore during the winter months even if the local government tries to employ a similarly large number of people as in summer, there is not as much outdoor work, nor can people be kept in the cold for extended periods, thus are often sent home. The work accomplished by the public workers, although considered to be a great help by the local government, is not taken seriously and is rather considered as a form of social aid. In the mayor's words:

It is a highly debated issue now, whether it is good or it's just a new form of aid. I say that it depends on the mayor. You can give work to the people, but it is a lot of effort and it doesn't always work. But at least you are giving salary to these people, for whatever work it is they have done.... Even if I let them sit around the ditches and whistle all day, it still worth more than if they just lay around at home on aid. At least they left their home. And the next generation sees that mum or dad is going to work in the morning.⁸⁷

The situation in Tiszacseke is very different. Since the 1990s the village has been locally known as a place with large public work programmes, long before the 2009 regulation. On average about 80-120 people are usually employed for 3-6 month periods, thus the programme overall circulates over 200-250 people from among the 300 eligible locals. The mayor believes the maintenance of a large public work programme is one of his major responsibilities. The local government is the only large-scale employer in the village and public work substitutes permanent employment for many locals. In fact, in several cases it became a permanent job for the participants; numerous informants reported that they have worked in the programme continuously for over 10 years, albeit on short contracts that are constantly renewed. It also involves a wide range of people, from unskilled to qualified, from fresh job seekers to aging inhabitants, and both men and women. Another significant aspect is that a large emphasis is put on equally employing Roma

⁸⁷ Interview, 23/11/2009.

and non-Roma inhabitants in the programme, who usually work together in both skilled and unskilled jobs, although the Roma are more frequently found in the latter. This effort also relates to the fact that in the village the Roma and non-Roma families are equally affected by the widespread unemployment.

Similarly to Kislapos, the additional work force is used to fulfil compulsory tasks of the local government, such as maintaining public spaces and institutions or fulfilling service provisions. Thus workers are usually divided into groups of 10-12 with a head in each, and are strictly supervised by the main organiser of the public work programme, an employee of the mayor's office, who checks attendance on a daily basis, along with the intensity and quality of the work. Furthermore, the mayor regularly visits the various groups during working hours and unjustified absences or badly done work is often punished with overtime, as I have observed on various occasions. Nevertheless, most locals still consider the intensity of work to be much below the general level of that in regular employment. The majority of work brigades undertake unskilled labour such as cleaning public places, restoring ditches or cutting grass. People in these jobs are rotated more often than those in the more qualified or more 'valued' positions, which often guarantee more or less permanent employment if the mayor is satisfied with the worker's ability and motivation, as he explained in one of our interviews. These 'permanent' groups undertake qualified jobs, which are indispensable for the local government, such as substituting carers in the elderly day home, or doing mechanical repair work at public institutions. Furthermore, several groups are kept for maintaining the important tourist sites, such as the wooden mark cemetery, and a 'woman's group' exists which regularly represents the village in festivals and prepares local products for promoting the village.

The importance of the jobs accomplished by the workers is not only enhanced by the seriousness of the officials, but also by the attitude of mayor towards the workers. Not only are they involved in locally significant and indispensable jobs, such as the organisation of the annual International Plum Jam festival or public building restoration, but they are given the same status as the other employees of the local government. This was evident at occasions such as the celebration of International Women's Day. Obviously, the wide support of social beneficiaries, who constitute a large part of the local population, ensures that he has significant electoral support, as is often

mentioned by locals. What is more, the programme is widely criticised by many inhabitants for various reasons, not least among those who have been denied participation for many years due to personal conflicts with the mayor. Yet it still has various positive effects in the village, which complicate the conclusions of the above discussed scholarly critiques.

Firstly, it has become a regular source of income for a large number of local inhabitants. Because it is a long-term arrangement⁸⁸ it can serve as a basis of security in a locality where few other employment possibilities exist or can be envisioned to exist in the foreseeable future. Even those who are not kept on permanently can count on being ‘called in’ to at least one of the two large programmes each year. As such, it not only provides a source of security in Tiszacseke, but also establishes a general level well-being that is extended to a large majority of inhabitants. This is very visible in the housing, way of living and general appearance of the village, from which one could not guess the high rate of unemployment. The mayor claims that the most important motivation behind public work is the extension of such general well-being for most inhabitants, hence the large numbers involved. Further crucial motivations include preventing people from sinking into deep poverty and criminality and supporting those who try to advance by themselves but lack the resources for it. In his words:

...it is an unimaginable effort; it requires lots of energy to make this work... But then it is not a coincidence that Tiszacseke has the best public security in the area. Because here you don’t have fights on the street, you don’t have gangs, or big problems of stealing, apart from the occasional wood cutting or small appropriation of crops, and we are fighting strongly against the few loan sharks too, they are afraid here...this makes a big difference.⁸⁹

In comparison, participants did not feel the same level of job security in Kislapos, where it appears to follow the rapid changes of central government policies. The mayor explained: “I cannot tell what will happen next year, with the change of government, if they take away this ‘Road to Work’ programme I am not sure what will happen. But until then this is what we have, so we keep it”. Admittedly, the position of the two villages, although they are both remote and struggling with serious unemployment is slightly different – in Tiszacseke people can still utilise some local resources such as subsistence farming, tourism and border activities. Additionally, it is also important to highlight that while public work constitutes one of the main priorities in the

⁸⁸ As people are often kept in employment continuously instead of the usual few months period.

⁸⁹ Interview, 26/02/2010. Katalin Kovács and Gyöngyi Schwarcz participated in the conducting of the interview.

village, it sucks up resources from other spheres, which often materialise in failures to satisfy other tasks. As the notary pointed it out in relation to the costs of the programme, all public buildings have a large mortgage, the gas has been long switched off at the school and on occasion other benefits are paid with a few months delay.

Nevertheless, differences in permanency and reliability of this option also manifested themselves in the way participants and other locals spoke about it. In Kislapos, like in many other places, participants were referred to as “public workers” in a rather pejorative tone, not much different from social aid beneficiaries, who need to be supported by the state as they do not want to take care of their own welfare. Thus the same moralising and stigmatising discourse was used about them as the social aid recipients in general. In contrast, the regularity, long-term maintenance and the wide scale of the programme in Tiszacseke somewhat ‘normalised’ this form of support, although not entirely. Thus often people did not identify themselves or each other as public workers, but rather as people “working for the office”, referring to their status as employees of the local government similar to local officials.

Furthermore, due to the seriousness, local importance and often public appreciation of the work, many of the participants felt pride in their job. A middle-aged Roma woman explained her experience:

We were working in the far end of the cemetery when I heard some tourists talking. They said how nice the cemetery looks now, how well kept it was in comparison to last time they were here. It felt really good. I was so proud; we did not work for nothing....⁹⁰ And the mayor praised us in front of the whole team, it was very good, the others were all jealous of us.

Another woman in her thirties who was leading a team trusted with the maintenance of the little square near the cemetery told of a similar feeling of pride, “last year our team worked in that little square, taking care of the flowers, bushes and grass there. By the end of the summer it looked so nice, it was all cleaned up and many people told us how much better kept it was during that time. I really liked that, I liked working there.” A Roma man in his early 50’s spoke similarly,

our team does different tasks every week, whatever is asked of us. Last time we did the ditches, then the external roads, whatever is told. You can see now they are all very organised. I always had work in the old system. It is a good feeling to work for your money and not just sit at home, I am still one of those

⁹⁰ Informal talk, 12/07/2010.

who grew up like that. Some of these young people, they are not like that any more. I hope now that when my year is over they will prolong my contract.⁹¹

The workers in Kislapos in contrast did not feel appreciated or in any other way valued. In the explanation of my interviewees, taking part in the programme for them was more like a criterion that had to be fulfilled, a duty to attend to, or an obligation to at least show up at to receive their rightful benefit.

Another important aspect is that Roma and non-Roma are equally involved and often work together in the same brigade in Tiszacseke. The qualified Roma are employed in places such as the mayor's office, elderly day home or the mechanical skilled labour group. In general the mayor was often mentioned to particularly support the Roma in the village in various ways, especially of compared to other places. His positive and inclusive attitude is often related to his family background; according to local rumours he has some Roma origin. Regardless whether it originates from his family background or in the seeking of electoral support, this inclusive orientation offers more possibilities for the Roma minority than in other settlements and the division between different ethnicities is not so pervasive across different spheres⁹². Most Roma inhabitants told me they vote for him in the village, even if they are not necessarily personally favoured by the mayor. The explanation given by a woman of five children and her mother, who both live in serious poverty, is resonated in other local opinions:

...here the Roma will have an easy time as long as he remains the mayor, because he likes the Roma and does everything for us. Here, if anyone else would get into his position, there would no longer be any Roma called in to work. They would not even be able to put their foot into the office. Once we had a notary, who only allowed people in during Tuesdays and Thursdays between 14 and 16, but here the Roma are not used to this, we are used to going any time we want to. Then the mayor told her it is not how it is done here. She left not much after... As long as he stays the mayor it will be good for the Roma. He calls us brothers and sisters. The problem is that he often helps those who don't deserve it⁹³, those who go to his office to shout every day, they are the ones who are helped the most.⁹⁴

In light of these accounts, the local popular song and its reception by the local beneficiaries recounted in the opening vignette take on a new light. The song more or less describes local

⁹¹ Interview, 30/05/2010.

⁹² One example would be Sziróda, the other Hungarian settlement in the LSSS project of the MPI (see Schwarcz and Szőke n.d.)

⁹³ This sentence gives yet another layer to the dominant notions of deservingness, which usually describe everyone who lives on benefit and would be able to work as undeserving, showing that other understandings exist, even if they do not become dominant.

⁹⁴ Interview, 24/06/2010.

practice – whoever goes up to the office and asks the mayor for help, can often get it. And due to the present regulations, mayors enjoy a large amount of power to alter the means and conditions of those who are dependent on them for their aid. Such power in small communities can also give way to personality cults and favouritism.

The situation in Kislapos is very different. Even though I observed that the mayor has a similarly paternalist view and often helping attitude towards the Roma inhabitants⁹⁵, public work nevertheless is organised in ways that further strengthens the line between the Roma and non-Roma in the locality. While the few non-Roma public workers are employed for administrative work inside public institutions, the rest of the public workers are all ethnically Roma and work in the unskilled low level jobs of grass cutting and ditch cleaning, ‘in front of the eyes’ of the whole village. Due to this distinction, the positions of the two local groups are publicly demonstrated and asserted.

Another performance through which this distinction between the statuses of the two groups is ‘made clear’ is the distribution of aid (Thelen et al. 2011). The usual practice is that aid beneficiaries have to queue in front of the mayor’s office on the day it arrives. However, the few non-Roma beneficiaries usually receive their housing allowance or other benefits through a courier or can collect it personally another day from the local clerks. Thus it is only the Roma who have to queue publicly in order to receive their rightful benefit or public work wage. Moreover, the procedure is accompanied by humiliating comments and gestures by the officials present about the smell and behaviour of the applicants. When the beneficiary enters the room, (s)he finds oneself in front of a committee consisting of the entire mayor’s office and the social worker from the Hospitalier. First someone announces the types of benefits one is eligible for and their total sum. Then another official lists all the advances and debts of the person, such as missing payment of nursery meals, advances on public work wage and the like.

This is followed by the mayor theatrically checking off what he calls “Schindler’s List”, a list that contains the loans he has given from his personal money to locals when in dire need of funds⁹⁶.

⁹⁵ For example in lack of local government resources for giving crisis aid to people in urgent need, he often lends from his own money.

⁹⁶ More on such informal credit options is explained in Chapter 10.

Finally, the Hospitalier social worker checks if the organisation has any further claims on the beneficiaries' monthly allowance. Then after all the above is publicly announced, in the company of endless condescending and humiliating jokes about drinking or 'uncivilized' ways of living such as "you have how many, five, six children?! You are going to get rich today, hm?" or "look at little Maugli! When was he washed? Last year?!" the final amount is announced and given to the person. Again along with joking remarks about the ways the recipient should spend it.⁹⁷

4.2. Social citizenship and local social relations

The distinct ways in which public work is organised in the two villages produce very different outcomes for social citizenship. Social citizenship is a highly debated and complex concept, which in its most general understanding denotes those social rights/entitlements that were obtained and universally extended with the establishment of Western welfare states in the post-war era (Brodie 2008; Castel 2005; Fraser 2003; Katz 2001). Such rights and status-based conceptions were however largely challenged by various (often feminist) scholars who focussed attention on those groups to whom such universalisms were not extended and advocated a view on citizens as active political agents part of a wider collectivity, instead of atomised passive bearers of rights (for detailed overview see Lister 1998). However, the two approaches – one which considers social citizenship as struggles for redistribution, and the other which looks at it as struggles for recognitions – are still predominantly treated as separate and often competing approaches. Thus Isin et al. (2008) argue for a more complex understanding of the 'social' in citizenship, which does not forcibly separate these two, but rather apprehends the complex social processes and relations which produce grounds for exclusion/inclusion, claim making and contestations.

They instead turn attention to the process-oriented and contested character of citizenship, and propose to examine how social processes underlie the formation and definition of social groups who are granted fuller or lesser rights, as well as those social struggles which aim to attain equality. In their view, the 'social' in citizenship means that "these groups are socially

⁹⁷ Based on fieldnotes, 30/11/2009 and 28/01/2010.

constructed, social processes of inclusion/exclusion are at work for each type of right... and differentiated rights can ameliorate historical inequalities and injustices“ (Isin et al. 2008:11). In their understanding citizenship is “the particular historical and place-bound set of rights, entitlements, obligations, performative dimensions, and identities” (ibid. p. 11). Along these lines I show in this chapter that the ways public work is organised produce opportunities for different claims of citizenship in the two villages, something which is highly contested/negotiated along lines of existing social relations. The claims of various local groups are enacted and negotiated vis-à-vis local relations and structures of exclusion and inclusion as well as resonating broader views on deservingness/undeservingness.

As was shown in the former section, in Tiszacseke the positive attitude of the mayor towards the Roma and the public workers in general leads to a more inclusive citizenship than the presently dominant one in Hungary, which often treats these groups as second-rate and undeserving citizens. However, such differentiating practices and discourses also appear in the village, especially among the other officials who thus continue to reproduce these dominant notions of social citizenship that distinguish members of the community by their contribution through ‘valuable’ work. Thus on various occasions the notary or the social aid clerk complained about the practices of the mayor in his preference for Roma beneficiaries. In the notary’s words:

Here I must say they are overly spoiled. He gives them advances on aid and their salary. They can come to the office any time, so every day there are 10-15 people waiting around asking for him. This is not normal. And this large public work programme, it is beyond our abilities, and I am not saying that we should not do anything, but it is too much. They have too good a situation here.⁹⁸

In general, officials as well as local inhabitants who work in permanent jobs often felt that the number of public workers was outstandingly high for the amount of work they do. They believe that most of the public work is not useful and far from efficient, hence it undermines the local work ethic, and takes up too many resources (both human and financial) from the local government. At the same time, they also admitted that without this option, the majority of locals would not be able to survive. In many cases those distinguished few who have permanent jobs acknowledge that they could also easily find themselves among the public workers and social aid recipients due to the insecurity of the labour market. In fact the line between those who have

⁹⁸ Interview, 13/07/2009.

permanent employment and those who live on benefits is often rather thin and is only marked by the comparable security that a regular wage can give. However, in most cases, those who earn, such as carers or those who work in the nearby factory, receive the minimum wage. What is more, many of them have also experienced shorter or longer terms of unemployment before.

In the broader national context studies have shown that the thin margins between the impoverished and impoverishing⁹⁹ often leads to a competition among the poor for resources in a milieu where both jobs and state resources are continuously shrinking (e.g. Csoba 2009; Ferge 1996; Kozma et al. 2004; Szalai 2003). Ferge (2008a) argues that the impoverishing feel that not only is their social position and welfare threatened, but also the availability of resources. In order to re-establish or strengthen their position they often re-enforce notions of deservingness-undeservingness as a justification of their worthiness for state support, while arguing it should be denied from the ‘undeserving’ poor.

Such a division between deserving and undeserving citizens is also prevalent in the Western European/American context and has been strongly linked to the decline of welfare state and the introduction of neoliberal reforms in the 1970s-80s (Castel 2005, 1993; Csoba 2009; Katz 2001). Katz (2001) argues that even though the separation of the deserving and undeserving poor goes back to the first charity and relief programmes and has long rested on principles of ‘work’, the neoliberal reforms solidified these through the institutional separation of two forms of state support - insurance schemes (which are not stigmatised and do not involve intrusions into the beneficiaries life but are given as citizens’ rights) and the often means-tested, stigmatised social assistance programmes for those without permanent employment, therefore dividing inhabitants into first and second rate citizens. Such stigmatisation and workfare measure are furthermore shown to be instigated by political interests and often used to accommodate welfare cuts by individualising and moralising the reasons for unemployment and poverty as well as turning the poorer social segments against each other. Other studies note that such practices are integral for the running of a capitalist economy, by maintaining a large pool of readily available unskilled and cheap labour (Csoba 2009).

⁹⁹ A growing segment of sinking lower middle segments who are threatened by unemployment through the insecurities of the labour market.

In an over-view of the changing policies of poverty assistance during the past 120 years, Ferge (1998) also arrives to the conclusion that in those periods when assistance for the poor was separated from general welfare provisions the public stigmatisation of the poor, the separation of deserving and undeserving citizens and individualisation of the reasons of poverty were always amplified. These periods, as shown by Csoba (2009) in her analysis of European welfare policies, always collided with economic austerity and the narrowing of state-provided provisions and other resources. In such periods the public becomes especially sensitive about the ways public wealth is spent (Ferge 1998:125–6). This leads to increased supervision of officials over the spending of “the sums arduously produced by good responsibly working citizens” (ibid. p. 125), in order to avoid the appearance of unjustly giving away the highly valued tax forints. The consequent strict supervision of the lives of those in need therefore inevitably leads to the differentiations between the deserving and undeserving poor. The former can legibly share from the commons (if resources allow) for their situation is considered to be caused by forces beyond individual control, such as death of a spouse, sickness or accident.

In comparison, the undeserving are considered to be responsible for their own fate, hence are not legible for the public’s assistance. Similar strengthening of public concern about social assistance and public spending of tax-payers contributions has become particularly prevalent in Hungary in the past few years. In public discourse it is often blamed for the strengthening of racist feelings and discriminatory practices, including heightened far-right group activities and ethnic attacks in various parts of the country.

In Tiszacseke, in spite of the above mentioned relative ‘closeness’ between those in and out of employment, feelings of injustice between those with a job and the local beneficiaries do exist and often result in the replication of public stereotypes and moralising discourses about the laziness, unthoughtful reproduction habits and irresponsible spending of the latter in the village. Furthermore, they fuel local complaints about the unjustified support of the mayor and the central state to social beneficiaries. Thus on several occasions people in lowly paid employment complained about the ‘undeserving’. For instance László, a man in his forties, who is employed

by the water company as dam-keeper, while also taking up various repair jobs and orders for the wooden cemetery marks whenever he can, says:

I don't understand how this works. Those people, by just laying around all day receive as much from aid as I do from very heavy work... The state basically punishes those who work. One has to pay such high taxes that we have hardly anything left from our salary. Then you see these people receiving social aid, housing allowance, not to talk about all those child benefits... I am telling you they easily receive over 150-200,000 forint or more a month. And then now this public work! If you look around, all those people employed by the mayor, they do nothing all day, and still they receive the minimum wage. And me, on the other hand, I have to do 10-12 hours of hard work for the same. This is somehow just not right.¹⁰⁰

Such local opinions thus further reproduce the dominant notions of 'worthy' and 'unworthy' citizens on the basis of contribution through 'valuable' or 'proper' work.

Such a distinction however is not only phrased on the level of discourse, but also enacted by local social workers, such as the nurse. I frequently accompanied the nurse during her family visits and she continually made a strong differentiation between the more well-to-do and usually non-Roma mothers and the poorer women whose families relied mostly on public work or benefits. Not only did she react and related differently to these two groups of women, but during her daily practice of supervision and family visits, she also imparted advice on controlling children's behaviour, child bearing and motherhood practices to the different groups of women, which resonated mainstream norms. While the first group of 'citizens' were rarely visited and hardly ever inspected or even briefed about basic child-bearing practices, the latter groups were regularly questioned in a condescending and shaming manner about their practices and were consequently scorned for not adhering to the 'proper' ways of keeping, raising, feeding or otherwise looking after their children.

Moreover, she exerted strong supervision over reproduction and other bodily practices of the latter group. During my fieldwork it was endlessly discussed by her and the child protection officer which Roma or Romanised (often non-Roma families who lived on benefits were termed *elcigányosodott* by her i.e. 'turned into Roma'¹⁰¹) women were pregnant again and what

¹⁰⁰ Informal talk, 5/02/2010.

¹⁰¹ This in itself reflects a very important aspect of local state practice and discourse (that was often displayed also by other inhabitants). Namely that it categorised and codified certain people as 'Roma' not necessarily through their ethnicity, but rather through their poverty and lifestyle. As such these practices/discourses are also very telling about local definitions of 'Roma' and 'non-Roma'.

measures should be taken to prevent them giving birth or against their future pregnancy. Such supervision was entirely absent in the case of better-off families. Thus during their daily interaction with clients, very similar to those in Kislapos, these local state officials became local agents of state regulation and control over various groups of women and their behaviour, replicating dominant notions of social citizenship.

Nevertheless, such discourses and practices were often ‘contained’ in both places, admitting that there are certain human rights that should be universally adhered to and which has become more influential in the past two decades. Such human rights and ethnic rights discourses were also regularly used in both places by the Roma beneficiaries when certain benefits were not allocated to them or they felt mistreated by local state officials. Thus on a few occasions they threatened to take the case to the ombudsman or referred to state support as their human right. While such claims were frequently made in both villages, in Tiszacseke they more directly affected the notary (and other clerks in the mayor’s office) who said:

One has to treat them nicely now, with all those human rights, you cannot just tell what you want, even if sometimes they come here and shout at you, curse your mother... and talk to you with really bad manners. But you have to treat them nice and reply back nicely. And sometimes, as a young woman, it is very difficult not to answer back, but you cannot just tell them what you want to. Because now they can go to the ombudsman, they know very well their rights. This type of the public servant is dominant, right?!

¹⁰²

As was revealed through the above example of aid distribution, however, such discourses had a less practical effect in Kislapos.

The complexity of claims and negotiations through which local notions of social citizenship unfold in Tiszacseke can be best captured through the opening vignette of the International Women’s Day celebration. Through the invitation and actual gestures of the mayor during the event, the local beneficiaries were accorded the same status as local state workers. Therefore the event, along with other local measures of the mayor form basis for a more inclusive social citizenship which, although not dominant presently in Hungary, appears to positively influence local practices and negotiations of inclusion/exclusion. However, this kind of inclusionary understanding was strongly rejected and attempted to be renegotiated by many of the local state

¹⁰² Interview, 20/09/2009.

officials who originally did not want to participate at the event because they did not feel that the local beneficiaries should enjoy the same level of treatment and attention from the local state as themselves who do ‘valuable’ work.

The mayor, nevertheless, not only contravened these notions of deservingness-undeservingness prevalent in the other officials’ and inhabitants’ understanding of social citizenship, but offered the ground for the local beneficiaries to regain an equal status as female employees of the local government. Finally, those public workers who attended and initiated the joyful and loud celebration of the mayor by reciting the words of a song that celebrates poor people asking the mayor for social assistance to be spent on drinking, also enacted a claim for inclusion that contravenes mainstream opinion in the country and the locality. Moreover, it appears to be a frivolous display of the subversion of locally dominant norms. In full knowledge of local opinion about aid beneficiaries and of the dissent its display would trigger from local officials, the participants nevertheless celebrated it, while also ‘forcing’ the mayor to join in. In fact, this song and its celebration by local beneficiaries with the mayor at its centre appeared in every local celebration, and as such has become the epitome of local practice in public understanding.

Local claims and negotiations of social citizenship in Kislapos are not only linked to the particular organisation of public work, and are not only determined by the attitude of the mayor towards local beneficiaries. Rather they strongly stem from local social relations that are intertwined with claim makings on the locality and are based on contributions to its development, something which has become the basis of belonging and claims for the attention of the state. The local society is divided along ethnic lines, between the mostly elderly non-Roma who were born and lived in the settlement all their lives and the “new-comer” Roma who were settled in the village three decades ago. Thus local discourse does not identify the post-socialist restructuring as the main reason for local disintegration and economic hardship, even though it is recognised as major factor for the disappearance of jobs and decreasing living standard (Thelen et al. 2011). Rather, the 1974 flood that washed away the *Güdrös*, a segregated Roma settlement in a neighbouring village and the consequent resettlement of the subsequently homeless Roma in Kislapos, is perceived as bringing about the decline of the locality.

After this planned settlement, more spontaneous migration of Roma families followed during the 1980s-90s¹⁰³, eventually leading to the present situation where the Roma constitute the majority population of the village. Such population changes are considered unwanted and detrimental to the prospects of the village by the remaining non-Roma inhabitants and even by the original Roma inhabitants. The ‘original’ residents believe that the appearance of the newcomer Roma in the 1970s triggered the decline of the village. According to those who hold this view, their lifestyle and sheer numbers resulted in the devaluation of houses and the further influx of even poorer segments of society, which in turn instigated further out-migration of those who could do so. “No one wants to live next to a Roma” – is today a local saying across the region.

This is used by the ‘original’ inhabitants to justify and claim their rights vis-à-vis the local state through their belonging and contribution to the place. The local government has only limited resources and admittedly cannot satisfy all local needs. Thus even though the local elderly live from very meagre pensions, in most cases it does not justify their eligibility for further state support, while the majority of the local Roma live from benefits and also enjoy the beneficial social programmes of the Hospitalier. Feelings of injustice are apparent in often mentioned local claims by the elderly, who accuse both the central and the local state of unjustly supporting the local Roma. As Erzsébet, an elderly lady put it:

We built the country and this village after the War. You should have seen, you would not recognise it now. It was a beautiful, rich place. This village was flourishing, big houses, pigs, cows everywhere, and the land is very good here. People were rich and lived well. And now, what can you see? Just houses torn to pieces, dirt and decline. Every house with no inhabitants gets to this state – they take away the bricks, sewage pipes, you know for the metal, everything that they can move.... I don’t understand it, and the state just continues to support them. The aid they receive, together with the family benefits and what not, it is much larger than our pension. And we, we don’t get anything in this village.¹⁰⁴

In negotiating local claims, however, local state officials who feel they cannot equally provide for the local elderly, use practices such as the distribution of aid that was described above to re-establish the distinction between the two groups of citizens.

¹⁰³ These new Roma families, often arriving from other villages or from nearby urban ghettos could buy with a loan from the state bank the houses that were sold by the better-off non-Roma young and middle-aged inhabitants when they migrated to cities.

¹⁰⁴ Interview, 17/11/2009.

4.3. Final remarks

The 2009 ‘Road to Work’ programme that strengthened workfare measures through social assistance is usually discussed in highly negative terms, and held to recreate public notions regarding first and second rate citizens along lines of deservingness-undeservingness. The analysis of the remarkably different organisation of public work in these two similarly remote villages has shown that due to decentralisation the outcomes of this programme can be influenced to very different ends. While in Kislapos the organisation of public work replicates dominant notions of citizenship further strengthening the line between the locally considered ‘deserving citizens’ and the ‘undeserving’ living from aid, in Tiszacseke it establishes not only a general minimum level of welfare and security for most people, but also blurs the lines between the deserving and undeserving and thus lays the grounds for social beneficiaries to (re)claim their equal status as citizens.

However, such local claims and understandings of social citizenship should be examined in the context of existing social relations and struggles for inclusion/exclusion that stem from particular local settings. Thus my analysis shows that local notions of social citizenship unfold along the complex processes of various claim makings and renegotiations that are diverse and relate to local social divisions and relations. In Tiszacseke the strong support of the mayor towards the Roma and social beneficiaries in particular established a situation, where although their claims for equal status are locally renegotiated by other officials and the ‘properly working’ inhabitants, they are nevertheless taken seriously. In contrast, within the scattered social relations of Kislapos, local state official practices, including the organisation of public work, fall prey to re-establishing and strengthening the lines of division between the Roma and non-Roma. What is more, local claims for social citizenship by the non-Roma elderly are made on the grounds of belonging and physical contribution to the place, which attempts to re-establish their former position in a situation when they became the minority and feel less supported by the central and local state in comparison to the ‘new-comer’ Roma.

The above analysis provides an important contribution towards a more processual and locally-embedded understanding of social citizenship in relation to neoliberal reforms by complicating

analytical approaches to workfare programmes and related transformation of the grounds for social citizenship. Furthermore my analysis nuances the existing critiques to neoliberal workfare programmes and underlines the long-term effects of such policies in a context where there is no work or any foreseeable possibility for its creation. Hence in Tiszacseke and Kislapos, the devolution of responsibilities of dealing with large-scale unemployment to the local states has created a situation when large and expensive public work programmes are maintained, working for the most part as a kind of ‘social’ employment for the local unemployed in order to stabilise the local employment/poverty situation, as larger structural changes are beyond the capacity of these local governments. While these programmes can establish a minimum welfare and keep, even if momentarily, local social tensions at bay, they do not lead to long-term solutions and slowly deepen the large indebtedness of the local governments without offering long-term securities for the participants. Thus, even though the public work in Tiszacseke can be seen as a positive example in terms of its effects for local membership of the participants, it raises questions about how long such extreme work programmes can be maintained financially and what will happen to them if the present promoter, the mayor, leaves office.

5. “The secret is that we’re there” – The Hospitalier, the local state and social security in Kislapos

This chapter examines the role of Hospitalier, a large civic organisation present in Kislapos. I look at to what degree the organisation fulfils complementary roles vis-à-vis the local state, in terms of assisting certain categories of people and how their practices alter the grounds for social belonging, i.e. if they provide for and include groups/individuals who miss out on state provisions or target the same groups of needy and therefore reinforce the same notions of deservingness and belonging as the local state actors. My chapter shows that similarly to the local state, the organisation is made up of individuals who are differently embedded in the local society, which largely influences the way they relate to local needs and claims. This however leads to divergent expectations by the local inhabitants. As such, the chapter adds an important dimension to the earlier analysis on the ways local state actors influence the grounds for social belonging and local lines of inclusion/exclusion, as well as revealing some of the sites and practices through which citizenship is established, practiced and recreated.

And they were interested in only one thing, which is why David is still there. The salary is a joke, there is unbelievable poverty, they smashed the containers and David was beaten up. An extremely superb guy; there is only one idiot who beat him up, otherwise everyone likes him, all the women are in love with him. And he likes it there a lot. And the conditions are beyond imagination. The radiators were dismantled at least four times in the *Tanoda*¹⁰⁵, everything gets stolen all the time. And the police never show up. And in spite of all this, there is one guy *who is there* and goes on doing it. And he should receive a Nobel Prize for this and not a net 80 thousand¹⁰⁶. But he is still there, because he has the facilities. Not like the staff of the family care centre or the child protection service. He has the facilities, he can change things! The only limit to it is his time and patience.¹⁰⁷

The Hospitalier became a significant local actor in Kislapos in 2004, when they launched their ‘Host Village Programme’ that has attracted immense public attention ever since. The programme involves the voluntary resettlement of homeless people from the capital to empty houses in Kislapos. The Hungarian Hospitalier Service is one of the largest Catholic charities in Hungary, which assumed significant roles in the field of social care during the past two decades. The charity was established in 1988/89 with the explicit aim of providing social assistance to

¹⁰⁵ It is an alternative institution, which is usually run by civic organisations or community initiatives as a complementary institution to schools. It is targeted at ‘multiple disadvantaged’ children, who lack those conditions in their families and schools which could enable their educational success. Its stated aims are: to offer extra-curricular activities in order to enhance the possibilities and success of these students in the school environment; help their way to higher education and eventually the labour market; and enable their better social/communal integration.

¹⁰⁶ About 270 euro, only a little more than minimal wage.

¹⁰⁷ Interview, 7/11/2008.

Hungarians in need.¹⁰⁸ With its central office in Budapest, the Hospitallers have by now extended their services to several regions of the country, building a network of care institutions for the homeless and support services for poor families and orphans. The organisation also developed some special model programs, financed by the EU and from other international funds along with private donations, which aim to fill in gaps in existing social services, focusing particularly on areas related to homeless issues, elderly care and the youth. The ‘Host Village Programme’ was one of these large model programmes, which was prepared while the vice-head of the charity was a ministerial commissioner entrusted with homeless issues in the Ministry of Social Affairs. Thus originally the programme aimed to create a model for easing homelessness in Budapest, while taking advantage of the depopulation of villages. However the scheme has grown into a complex rural development programme and the charity, now in the form of a civic organisation, came to fulfil important roles in local service provision and assistance.

Whereas the two former chapters examined the practices of local state actors in the fields of local care provisions and welfare¹⁰⁹, this chapter concentrates on the Hospitalier, who as a non-state charity/organisation play a crucial role in the organisation of local care and redistribution. In particular I focus on the ways they organise services and participate in attending to local social needs in Kislapos. That is, I examine: what kind of services/assistance are offered by the organisation, what are the main aims and motives behind their local activities, which groups/individuals are the main target of their help and how such distinctions relate to the services and the redistributive practice of the local state. While fulfilling important social services besides or instead of the local government, the agents of the organisation aim to provide support for different categories of people based on certain social norms and often select certain individuals as deserving of their assistance over others. Thus the question arises, does the organisation fill a gap and offer securities for those who are left out from the state-provided provisions, or if their assistance targets the same clientele, do they reinforce the same divisions

¹⁰⁸ The Hungarian branch of Hospitalier, which is a Roman Catholic religious order, was founded by a German woman of Hungarian origin and a Hungarian priest, with the explicit aim of helping the needy. The organisation also played an important role in supporting East German refugees before the fall of the Berlin wall. Due to these activities it has achieved significant political and popular legitimacy, which resulted in close ties to the various post-socialist governments of the country as well as to foreign donors.

¹⁰⁹ According to the distinctions made earlier in the dissertation, these refer solely to state-provided care/benefits, whereas social security is a broader concept that involves also other individual, organisational and institutional arrangements that emerges not only through policies and regulations, but also through diverse practices, ideologies, relationships and institutions.

between deserving and undeserving citizens as the local government? This, in a broader sense, raises questions about the role of civic organisations in local social security arrangements and the effect of their activities on social citizenship.

5.1. Civic organisations, state restructuring and social security

With the democratic changes, freedom of self-organisation was re-established by law. In fact various civic groups already played a crucial role in the changes of 1989, thus the beginning of 1990s saw a mushrooming of numerous foundations, civic organisation and NGOs; by 2006 the number of non-profit organisations had reached 58,242 with a combined membership of almost five million¹¹⁰. In addition, religious organisations also regained their right to run institutions and provide certain services. This quick growth of the civic sector is related to the multiplying social needs created by the socio-economic changes, such as unemployment and homelessness, but also reflects new interests/needs concerning legal representation, human rights enforcement and environmental protection (Nárai 2005:112).

It has been noted that local governments increasingly share their responsibilities, especially in the field of compulsory service provision, with the non-profit and the private sector¹¹¹ (Szémán 1996). The possibility of various forms of cooperation is enabled by *Act LXV of 1990 on local government*, which only sets the obligation for local authorities to guarantee certain services, but is not instructive about the actual organisational form it should take. Thus local governments can meet their responsibilities of organising the mandatory or assumed social services in various ways: by providing the service themselves in publicly run institutions, by contracting other agencies (private or civic providers) to run the relevant institutions and organise the service entirely, or by hiring other service providers to satisfy service provisions but in the institutions run by the local government. However, the local authorities usually keep the right to oversee the way financial resources are used and services are run in all the above cases.

¹¹⁰ According to statistics by KSH (Central Statistical Office), relying on data in 2006 cited by Ferge (2010: 112) from <http://portal.ksh.hu/pl> Statisztikai tükr, 2008/35

¹¹¹ In 2002, 6777 institutions were registered to be run by civic organisations providing social services or child protection services (Kákai 2007).

Since often local governments lack the required resources for maintaining local institutions or providing local services, there is a growing tendency to involve or share these tasks with civic organisations, charities, NGOs, religious organisations or private providers, who can sometimes capitalise on additional funding opportunities (Nárai 2005). In general, it is the smaller settlements and the economically disadvantaged which can least satisfy their service provision responsibilities (Kovács et al. 2008). However, as Kákai (2007) shows, it is these settlements where civic groups, charities, and non-profit organisations are the least likely to be present, although the statistics reveal an increasing tendency of their involvement in social services even in these settlements. Nárai (2005) explains that by utilising additional resources from donors or grants, larger organisations can often provide a much better quality service or additional services where it would be impossible for local governments to do so. Such diversification in the actors of service provision and social assistance has been promoted by the central government since 2004, when the law made civic organisations eligible for state financing, i.e. they can receive the same central contribution as the local governments, if they provide mandatory social services. Consequently such non-state organisations have become important actors for local welfare arrangements in various settlements (Kuti 2008).

The growing involvement of non-profit organisations in public services is often linked to the crises of the welfare state, implementation of neoliberal reforms and third way solutions in the US and various Western European countries. Weisbrod (cited by Bartal 2005) argues that the sudden large growth in their number has gone hand in hand with growing doubts over the credibility of state provisions and the ability of the state to treat social problems. Thus often clients-turned-into-consumers choose the services of these organisations or private providers over the public ones. The growth of the former is also connected to the reorganisation of state responsibilities (such as decentralisation and devolution of service provisions) as well as to the multi-dimensional restructuring of welfare, which has promoted the sharing of these former state tasks with a wider range of institutions, agents and participants (Austin 2003; Fyfe 2005; Trudeau 2008). Proponents usually argue that non-profits have the capacity to deliver better quality and more responsive services in cost-efficient ways (Bennett 1990; Salamon 1995), thus often their partnership with local governments is promoted in service delivery.

Their involvement is further expected to enhance empowerment, democratic participation and larger public involvement of local inhabitants in comparison to state-provided services (Trudeau 2008). However, in the Hungarian context, according to Ferge (2010:117–8), the civic sector so far failed to satisfy this role, partly because they are so strongly dependent on the state for their resources and position. Similarly, Wolch (1990) warns us that in general strategies of state restructuring might lead to the production of a “shadow state”, when the non-profits operate only as an arm of the state apparatus, rather than becoming autonomous actors dissipating democracy and empowerment. In addition, Hemment (2007:52–3) highlights that often what lies behind the propagation of partnership with civic organisations is a neoliberal logic, which promotes individual responsibilities and the ‘empowering’ aspects of self-help or voluntary work.

While analysing the relations of the state and the nonprofits, Trudeau (2008) also warns against taking their positive effects for local empowerment for granted. He instead argues that the relationships between the two is complex; whereas in some respects the civic organisations often remain only “junior partners” to the state organs, in others they bring opportunities for local empowerment by addressing those groups which are more peripheral and instigate their social involvement. A number of related works address the question of citizenship vis-à-vis the growing participation of non-profit organisations in social services/care (e.g. Milligan and Fyfe 2005; Lake and Newman 2002). However, most of them focus on whether their activities lead to ‘active’ or ‘passive’ citizenship of the participants.

Studies examining the complex involvement of these new actors in relation to the local organs/actors of the state and in regards to local social security arrangements are quite limited in number. Some examples of research that does focus on this are case studies that bring to the fore the complex arrangements that have been developing through state restructuring in various post-socialist settings (see Haukanes 2007; Kay 2007; Thelen 2007). According to these works, it appears that post-socialist state restructuring brought multiple actors and institutions into play who participate in local care arrangements, which cannot be described within clear-cut distinctions of public and private or state and non-state (Read and Thelen 2007).

In this chapter I take this more nuanced approach to analyse the effects of the Hospitalier for local arrangements of care and welfare. My analysis highlights that such organisations are often made up of various actors, and like local state actors, they are differentially involved in local arrangements, have different aims and values about who is deserving of their services and who is not. This therefore leads to very complex outcomes in the way the presence of the organisation effects local security arrangements and the way its practices can be examined vis-à-vis the local state. It is something that cannot be simply understood in terms of civic empowerment, promotion of active citizenship, or substitution of state services. The analysis of the complex relations between the organisation and the local state and the notions of deservingness they communicate in their local practices shed lights on Hospitalier's complex involvement in local social security arrangements that cannot be reduced to simple fulfilment of formerly state provided assistance. Thus, in what follows, I first detail the major steps and local activities of the Hospitalier programme in Kislapos. Then I examine the main aspects of their local involvement and its effects for local social security arrangements in relation to the practices of the local state.

5.2. From 'Host village' to 'Hospitalier village'

The Hospitalier first appeared as a charity in Kislapos in 2004, when the vice-head of the organisation, who was a ministerial commissioner in the Ministry of Social Affairs at the time, obtained some national resources in order to realise a model programme addressing homelessness. Thus the 'Host Village Programme' was launched as a cooperation between the charity and the local government, initially entirely financed from a national ministerial grant. The programme garnered wide political and public attention as it was unique in the Hungarian context: the project moved homeless families from Budapest to the uninhabited houses of a depopulating village. The organisation bought 10 abandoned houses in Kislapos and started to settle in homeless families who were chosen along various criteria. The participants were offered furniture, food packages and heating wood obtained from charity donations. In addition, the organisation secured the participants jobs with a nearby employer and provided assistance with subsistence farming. In the initial phase a social assistant from the charity also lived in the village and helped the families full time.

In spite of the resources and efforts the project was for the most part unsuccessful and has been sidelined¹¹² although it is not openly admitted by the project conductors/coordinators. According to Szabolcs, one of the main coordinators of the programme, some 100-200 families moved to Kislapos during the past seven years. Most of them stayed less than a year in the village and at the time of my fieldwork only one of the initial families was still living there. The rest went back to, in the words of the head of the programme, the “luxury of the rich bins of the capital”, where one could manage easier from begging and foraging through rubbish than “in the village with such a paucity of resources”.

In the meanwhile the programme has turned into a complex rural development project as the organisation became a significant service provider and aid distributor in the village. As Imi, the vice-head of the project explained to me, it was not planned but rather evolved through a long process of always fighting from one step to the next. Their participation was originally fuelled by the need to establish accountability and legitimacy for the programme and their presence among the villagers, “we had to show that we were there for the whole village and not just for our families”¹¹³. Secondly, it was also part of the original agreement with the mayor that the programme would serve the interests of the entire village and would also bring advantages to the other inhabitants. Consequently, a number of smaller projects were realised over the past years.

The larger achievements included the renovation of the nursery in 2005, which was enlarged, given modern heating and cooking facilities and was equipped with new toys and learning tools that were formerly absent. In addition, a ‘playhouse’ was also built in 2006 within the auspices of a larger project that offered training to twelve local Roma women, financed from two HEFOP¹¹⁴ grants of 30 and 15 million forint. At the moment, only two of the women have the opportunity to work in the playhouse run by the Hospitalier. However the playhouse is used for catering and

¹¹² Though the organisation still owns the houses in the village it no longer actively searches for families to live in them and many remain empty. However, if a family approaches them asking about the houses they are resettled in the village.

¹¹³ Interview, 11/11/2009.

¹¹⁴ A HEFOP (*Humánerőforrás-fejlesztési Operatív Program* – Human Resource Development Operative Programme) one of the sectoral programmes within the National Development Plan. Financed from EU and national funding, it targets the development of the labour force and the increase of employment. For more details: <http://www.hefop.hu/page.php?PageID=156>

after-school activities by the school children, thus resolving the former issue of providing warm meals for pupils, who previously had to eat in an unheated room on the floor of the cultural house. Furthermore, since the school is run in morning and afternoon shifts, while one shift had classes in the school, the rest of the children had nowhere to stay indoors. Now children wait there until their shift starts, receiving assistance with their homework or playing games. Most recently the playhouse also started to host various community activities, such as a youth club with possibility of internet use aimed at teenagers and young adults. Another recent activity is the music group, which is organised weekly by a professional music therapist with the aim of community building among the younger children.

As Szabolcs explains, the programme then took a step in a different direction:

After the nursery and the playhouse, which were really urgently needed, I mean the children had nowhere to eat properly, the next thing was employment. We realised that one of the largest problems is the lack of local employment options, and there is a large pool of unskilled labour, which cannot get outside the village because of the bad transport situation. We knew that this is what had to come next. And to be honest, we did not want to get into employment, we don't have experience in this, and it's not our profile. So we would have been much happier if there was a local business man who picked it up. But it didn't happen; there was no one to do it. So we got into it and now we are the main employer in the village.¹¹⁵

The organisation addressed the issue of employment in two ways. On the one hand, they started to run a village bus, which originally transported some 15 people to the nearby pick-up place of a large social employer from Eger. However, within the onset current economic crisis in 2009 the workshop which employed some 600-800 people with “changed employment capabilities” from all over the region went bankrupt. Thus the bus is only occasionally used by local elderly for their hospital visits or for transportation of Hospitalier employees to micro-regional meetings. A much longer lasting achievement was the establishment of a workshop in a former stable bought and renovated by the organisation in the centre of the village. It was opened in 2007 and currently provides unskilled work to 30 inhabitants including the ‘Hospitalier’ homeless families¹¹⁶. The workers dismantle used metal machineries under the supervision of a professional and an administrative manager employed from Heves. It was originally established from an OFA

¹¹⁵ Interview, 30/09/2008.

¹¹⁶ In order to stay in the project one of the family members has to work either in the firm or find employment elsewhere.

grant¹¹⁷ of 160 million forint, and works as a non-profit enterprise. It suffered considerably with the start of the economic crisis, but eventually managed to survive thanks to private donations and numerous smaller national grants the organisation obtained in 2009-10. While the above achievements were assessed as the more successful projects, the representatives of the organisation also referred to less long-lasting initiatives, such as the cinema, a working-out room, and the yearly agricultural projects.

With the shift to service provision the form of their presence has also changed. In order to participate in national and EU grants, the organisers of the programme established a civic organisation, which can have a larger sphere of action and financing than a charity. The social assistance that originally focused on the Hospitalier families was gradually extended to the entire village as their programmes became more encompassing¹¹⁸. In the words of Szabolcs, “we do not talk about a retreat from the village. Now the plan is to maintain these institutions, to keep them running. There is no closure to the Host Village Programme as such. We have responsibilities as service providers. We cannot just leave the village on its own like that.” He adds jokingly, “that would be a catastrophe!?”¹¹⁹.

5.3. The ‘junior partners’ – negotiations and role divisions between the local government and the Hospitallers

The Host Village Programme originally developed through the mutual cooperation of the charity and the local government in Kislapos, or more specifically between the two heads of the programme and the mayor. According to the accounts of each participant a mutual understanding was reached already after their first meeting in the village, when the mayor simply claimed “you won’t leave this office until you promise that this programme will be made here and nowhere else”. However, the start was not so smooth, the mayor claimed that it took large efforts from his

¹¹⁷ OFA (*Országos Foglalkoztatási Közalapítvány* = National Public Employment Foundation) was established in 1992, since then it supports employment development projects, events and other related activities that help to promote employment and mitigate unemployment.

¹¹⁸ For instance, presently there is a full-time social assistant, who lives in the nearby city of Eger, but works every day in the village and can be approached by anyone.

¹¹⁹ Interview, 30/09/2008.

part to ensure the acceptance of the organisation by the villagers; he held regular public meetings “to explain over and over again” how the inhabitants would also profit from this enterprise. He also felt he had to constantly negotiate to ensure benefits for the village.

Overall, in most of the projects the Hospitalier seek some kind of cooperation with the mayor, which not only secures accountability for their services, but also help them address locally important issues with their different programmes. The latter was especially needed in the beginning according to the mayor, “we sat down here with these sociologists, doctors of sciences, all these big brains, but it was the first time they had been in a village. And then my task is to make them walk on the ground. Because they came with ideas starting from bio-goat rearing to cherry *pálinka*¹²⁰ production. And then I told them, ‘people, be serious’.”¹²¹ At the same time, he wanted to use their knowledge and expertise in the social field to “have a study or overview of the main problems of the village, to set up the social diagnosis of why this settlement is ill” and to seek the best remedies. In the meanwhile, the head of the Host Village Programme claimed to have a significant influence on the mayor’s attitude:

He is a great fellow. He even enrolled himself to a social management training programme. And he stopped swearing. One time he came and told me that it was his Christmas resolution that he would stop swearing and he did. Because we always told him that maybe when Father Imre visits he should restrain himself. He improved a lot, he’s a very good co-operator. At the same time he still brings these rural mayor type ideas, probably compulsory for them like the sewage system...¹²²

On the contrary to various studies that portray civic organisations as junior partners to the local authorities, it does not appear to be the case in this situation. This partly relates to the particularities of decentralisation and its consequences for local states. As was already explained in the former two chapters, the local government has limited financial and human resources. There is little scope for improvements of existing services or application for grants that would support extra services. Before the Hospitalier arrived to the village, the mayor, although energetic and ready for action, could only obtain small grants to renovate and modernise the mayor’s office and the medical office. Due to the lack of experience in grant application procedures and of the personnel to spend time on them, even that took extreme efforts for the office.

¹²⁰ Hungarian fruit brandy.

¹²¹ Interview, 15/07/2008.

¹²² Interview, 7/10/2008.

But according to both accounts, the start of the programme inevitably turned public and political attention to the problems of the village, which helped him lobby for further resources and new possibilities. Yet still most resources were brought by the organisation because of their personal connections, including to the Ministry of Social Affairs. These connections also brought about previously impossible deals, such as with the electricity company when the Hospitaliers backed the mayor's efforts to have families reconnected after non-payment of bills. Furthermore the Hospitalier employees simply had more time to devote to the programmes on which they worked full time, unlike the local government personnel who struggled to attend to even the most urgent tasks.

Thus as a nation-wide charity with international reputation, wide contacts, certain experience and expertise and adequate human and financial resources, the Hospitalier cannot be seen as the junior partner in this relationship. They are not just facilitators but can crucially alter the decisions of the local government, as was revealed by the following incident told by the programme's head¹²³:

When we arrived to the village, Zsolt told us the news with great enthusiasm - there will be gas in the village. An investment of 300 million¹²⁴, and the gas is coming, with only 5 percent co-financing. And true, the village will be indebted at least for 5 years, but the gas system will be built and Kislapos will finally step into the 21st century. And then we started to argue about it, why it would be a good thing if the gas was installed. How much will it cost? Who will want to connect to the mains, apart from the 22 families who already have canisters? And then he said, yes, but through these county grants they will connect everyone to the mains. And we said, ok, that's really good, because then everyone will use it too. They will buy some unbelievably old pieces of junk [for heating], and so even if no one is blown up, they will be all using it and who will pay for it? And then he started to go grey, he said that it's ok, he hasn't signed the contract yet.¹²⁵

However, another important aspect needs to be mentioned. The organisation could also obtain an influential position vis-à-vis the local government because they preserved their independence from them. They did not take up responsibility for any mandatory service provision in the village. Thus the relationship is not based on strict contractual terms, where the Hospitalier fulfil roles of service provision and the local government maintains their right to control the financial operation and the quality of service fulfilment of the former. The services the organisation brought to the village, like the playhouse or the workshop, although crucial, constitute complimentary services

¹²³ And was also confirmed by the mayor at another occasion.

¹²⁴ Around 1 million euro.

¹²⁵ Interview, 7/10/2008.

that address very specific problems, such as unemployment or “social development and integration” of children. As these ease the burdens on the local government it is in the interest of the mayor to maintain good relations with the organisation and keep them in the village.¹²⁶

The relationship between the Hospitalier and the local government is complicated and constantly negotiated, with the nationwide reputation of the organisation an important aspect of this. This can be seen through the issue of heating, which appeared to be a constant issue throughout my visits. The playhouse and the local government office is connected and hence heated by the same gas source. While the Hospitalier are responsible to run the playhouse, the local authorities run the mayor’s office. However, feeding the school children is the responsibility of the local government, and this happens in the playhouse and is partly paid for by the Hospitalier¹²⁷. In the beginning the Hospitalier often ended up paying the entire gas bill for both institutions, because the local government complained they lacked resources. More recently, the organisation started to pressure the local government to share the bill. This resulted in the gas being constantly switched off in the playhouse, where the two employees and the children had to play all day in the cold, with the heating only turned on during the 1.5 hours of lunch time – thus gas was strictly restricted to those hours when the institution fulfilled the responsibilities of the local government. This led the Hospitallers to consider paying the bills in full, or to establish a separate heating system, because they were worried about the reputation of the charity, which cannot be seen to run institutions where children are in the cold.

Finally, another specificity of the organisation’s presence is that it relies on consecutive funds. All of their institutions, services (apart from more recently the workshop, which is currently self-sustaining) are run on a project basis, i.e. after a grant/project expires they need to look for new sources for their maintenance. This makes them ‘unreliable’ as providers of long-term and constant services. So far the organisation managed to sustain the most important institutions, like the workshop, playhouse, village bus and youth club by constant applications and lobbying for

¹²⁶ Not least, because these achievements undoubtedly contributed to the consecutive re-election and support of the mayor by local inhabitants.

¹²⁷ The local government receives a certain central contribution to cover the warm catering of children with ‘triple disadvantages’, which however does not cover the actual costs of the three meals per day that the law sets. So multiple times the local government claimed they cannot cover the catering on their own, thus demanded contribution from the parents. However, as Szabolcs phrased it, “a charity, like the Hospitalier, cannot let children starve”, so the organisation ended up complementing the sum from their budget.

new grants. However, they themselves have serious concerns about the newest development, the complex social service centre, which currently receives 200 million forint for a two-year period, but will then need to find a constant source if it is to be maintained. Szabolcs voiced his concerns as follows:

For the moment I am happy, there will be lots of new positions, lots of exciting things and we are responsible for it, we have control over the money and how it's spent. But at the same time my other eye is crying, because I don't see yet what will be its future after the grant expires. Surely the local government won't have assets to keep it running. We will have to look for new grants. And in these economic circumstances and with political changes, nothing is sure.¹²⁸

Despite such concerns and struggles, the services and institutions run by the Hospitalier are not more endangered by short-termism and sudden ruptures than that of the local government (as shown in chapter 3). Thus in a village like Kislapos such project-based maintenance of institutions does not necessarily mean less reliable and less sustainable compared to those run by the local state.

5. 4. Multiple engagements and differing involvements in social security

5.4.1. From aid relief to social development

The influence of the Hospitalier on local social security arrangements has various aspects and cannot be fully interpreted within the conceptual framework of increased active/passive citizenship, substitution of state services or (dis)empowerment of the participants. First of all the stated/acquired objectives of the organisation were transforming throughout, which also influenced the roles it played vis-à-vis the local state in local arrangement of social security. At the early stage of the programme, the organisation appeared entirely as a charity and their relationship to the villagers was predominantly as the distributors of frequent aid packages (food, furniture, cloths, cleaning materials). As a local woman put it,

it was good back then, whenever they came, they always brought something. They came with huge trucks packed with furniture or flour, tinned food, different stuff, and then it was all distributed... Once the

¹²⁸ Interview, 3/11/2009.

whole village was washing with Domestos, because they brought so much; that big room in the office was full with cleaning liquid. It was good, every second week or so they brought something.¹²⁹

Ili néni, a local inhabitant and a clerk in the mayor's office has a different interpretation however. She complained that the decision to give more of the goods to families with more members was unjust. She explained the reasons as follows:

It was obvious if some came for the third time to take a whole box of Domestos that it's not for their own use anymore. With that much Domestos, you could wash the entire village, right?! They were selling it and then spent the money on something else, like cigarettes or alcohol. Or bought other goods from the shop, because they don't just want to eat the tinned food, it's not good enough for them. It is good enough for me, but to these people, all living on aid, living from the state, it's not good enough for them. They eat the expensive bread and cold-cuts, they don't eat tinned food. I mean it wasn't that good, ok, so we gave it to the dog, but we didn't waste it, right. But if you don't have money and you don't know what to eat the next day and stuff, you ought not to be choosy, it is not that bad that one couldn't eat it.¹³⁰

However, such issues with the initial, often unaccounted and unequal, distributions caused discontent and led to constant complaints. Exactly for this reason the mayor has become wearier of accepting such charity donations, as he explained in one of our interviews. He now only participates in such a distribution if there is an exact amount that could be divided equally among the entire local population. If this is not the case, he leaves it to the Hospitaliers. Consequently, he did not take part in the most recent action, the distribution of blankets taking place during my visit in winter 2009.

However, after these initial swathes of large aid distributions, which also served to establish legitimacy and support of the Hospitalier presence in the village, they were reduced in number. While there are still occasional aid supports¹³¹, the coordinators of the project turned their attention and energies towards the maintenance of the new institutions and the development of the different smaller projects facilitated by the various grants. These projects, which involved the establishment of a workplace and provision of various services to the local children, have a very different logic from aid distribution, but also from the social assistance guaranteed by the local government. The social benefits distributed by the local state and the state-run social care services such as elderly care, public work, family assistance and the child protection service are all reactive in their nature, just like the aid packages. They try to mitigate surfacing problems

¹²⁹ Informal talk, 4/12/2009.

¹³⁰ Interview, 23/11/2009.

¹³¹ Whenever the charity offers goods for the programme like the above mentioned blankets, the coordinators bring it to the village and trust their local social assistant or the mayor's office with its distribution.

with short-term remedies by allocating different kinds of small aid to the poor/unemployed. In comparison, the different projects of the playhouse and the new services of the complex social centre aim to address the broader and more structural disadvantages of the local children and unemployed that originate from living in a remote, peripheral locality and in unemployed, uneducated and poor families¹³². Similarly, the workshop offers certain, if limited solutions to the structural problems of uneven spatial development, as a result of which certain rural areas lack local job opportunities.

The various internal discussions about the new programme were driven by the desire to create pre-emptive and complex service provisions that local children lacked (a reasoning that was reiterated by Szabolcs and Csenge, the two coordinators, in an interview). Their goal is that through complex assistance schemes that follow all important stages of a child's development they can combat the multiple disadvantages faced by local children. Thus the Sure Start House aims to offer new-born babies (up to their third year) a supportive and more advantageous environment that is often missing in their homes through poverty. The nursery is already considered to be up to national standards due to the earlier investments of the organisation.

As the children grow older, the services of *Tanoda* and the playhouse are supposed to provide an alternative environment, where the problems of the present school system could be addressed and pre-empted. Both the Hospitallers and local parents complained about the negligence and inefficiency of the teachers and the inadequacy of the teaching methods. However, most parents do not have the resources to take their children to schools in other settlements that might live up more to their expectations. The Hospitalier also set up a the youth club with internet access and an employment assistance office to actively help people find employment and to better negotiate their positions vis-à-vis possible employers through individualised services – which they believe the regional Employment Office fails to do. Thus in their view, these complex services reduce the chances of children ending up unemployed and socially marginalised. Such a view betrays a much longer term view that targets not only effects but also causes, which is usually not possible for a local government with little resources within the present confines.

¹³² Such interpretation comes from official educational categories which designate such children as multiple disadvantaged. Educational institutions such as schools and nurseries are eligible for extra financial support according the number of such children, who are also eligible for certain social benefits accordingly.

The project coordinators also engage with issues on higher spatial scales. In addition to establishing the complex service centre that is to dissipate services on a micro-regional scale, the head and the implementers of the project picked up various social issues and brought them to broader public attention. One such issue was the fight against loan sharks, which the programme head continuously advocated for during his term as homeless commissioner. Negotiations about complex debt programmes and the installation of pre-paid electricity counters to indebted poor households constituted another example. The project coordinators made arrangements for pre-paid counters for their homeless families in the village from the very start. However, after gaining more familiarity with individual problems in the village, they had complaints from many families who were cut off due to failure to pay the bills. In their view, it also related to indebtedness with loan sharks as well. According to some local accounts by people who had taken such debts, the loan sharks would even threaten or physically harm them. They further recounted how the loan sharks would wait outside the mayor's office on the day of aid distribution to collect their payments. In such situations, my interviewees complained they had no money left to both pay their electricity bills and feed their families/themselves. Thus the bills remained unsettled and the debts to the electricity company grew. In comparison, the situation was slightly different with the Hospitalier families, as was explained by the programme head. With the pre-paid counters they could only use as much electricity as they had previously paid for. So no over-use was possible, hence they could not become indebted to the electricity company. According to his reasoning, it also taught them to be 'responsible consumers' as they had to watch how much they used.

5.4.2. Colliding notions of deservingness and aspects of local involvement in a multiple-actor civic organisation

Formally, all Hospitalier services are open to anyone from the village and the aid packages are to be distributed among all. Yet, upon closer inspection, it can be seen that participants need to comply with certain rules and norms set by the organisation and aid is distributed along particular order of preferences (Thelen et al. 2011:523). For example children are not allowed to come unwashed and with dirty clothes to the playhouse. Furthermore, they can be sent home if they

behave disrespectfully, such as talking loudly, insulting other children or cursing. Such rules were partly set by the two Hospitalier coordinators, but were also negotiated by the two Roma locals employed by the organisation to work in the house. The two women continuously complained about having to suffer from the bad smell of unwashed children who come in dirty clothes. The coordinators already offered to buy a washing machine which could be used to wash the clothes of those children whose families do not have such facilities and to install a shower at the compound. However, the two local employees refused to “wash the dirty clothes and children of other villagers, who are too negligent to wash even if they have such facilities of their own”. Thus it remains a constant source of local dispute as well as a discussion point between the Hospitalier actors. Some locals say that that is the reason why they do not allow their children to the house because they would acquire the bad smell, dirt or fleas from other children. Others do not like the way the two local women in the house make distinctions between the children and “apply their own rules in the place”.

Likewise, the administrator and the manager of the workshop who are both employed by the organisation to run the facility but are from the nearby towns, negotiated or translated the stated aims of the coordinators of the programme in their everyday practices. In the mind of the coordinators, the workshop is supposed to disseminate values to the participants about the significance of work. A major goal of the workshop is to socialise local long-term unemployed to regular work, so that, in the words of the administrator, “the children whose parents never worked can now see their fathers/mothers leaving for work in the morning and arriving from it in the evening” (Thelen et al. 2011:523). Szabolcs and Csenge proudly pointed out to me that even a local “tradition” has developed – at the end of each working day the wives of employees wait with their children at the entrance of the workshop, then walk home together via the shop (ibid.). However, while the reinforcement of regular work attendance and teaching of work ethic has no openly ethnic underpinnings in the eyes of the coordinators, in the discourse of the two local managers and their everyday interactions with the workers it is often openly expressed as a “Roma problem”. Thus the ethnic belonging of the workers is often brought up as an explanation if people do not turn up for work, or if metal goes missing.

When I discussed this with Rózsi, the administrator, she explained that their position is complicated. They have to maintain a certain authority and have to keep the workshop running. Initially, they had severe difficulties making people do any kind of work at all and not stopping every five minutes for cigarette breaks. Now the arrangement is that “unlike in a normal factory where people only get a break in every four hours”, in the Hospitalier’s workshop workers can have a five minutes cigarette break every hour. Furthermore, she also recounted that they had frequent problems with thefts by the employees and initially had to discipline the workers for not attending work on a daily basis and for eight hours. In the words of Ottó, the manager:

Some just showed up on Tuesdays, as on Mondays they were still recuperating from the weekend parties and on Fridays all were missing, they were getting tanked again. We had to establish some kind of credibility of this workshop here, to show that it is a proper working place, in which people would want to be employed. And now I think it is. We always have 10-20 people waiting for openings. And we are well known now in the market as a proper and trustworthy workshop. People do not just come here to hang around and then get paid for it. They work like in a, well almost like, in a normal job.¹³³

As for the ethnic aspect, Rózsi’s explanation was as follows:

Some people might say I am a racist. I am not. I work with these people every day, and I know them well and we work well together. So I talk from experience. My husband is the mayor of the next village, I know what I am talking about. They need discipline and the present system of benefits is wrong, it simply makes it possible for such people to take the easy way and not want to work. All I say is that if Hungarians¹³⁴ are required to fulfill certain obligations as citizens, why the same is not required from them [the Roma]. It is just about equality, isn’t it? That’s all I want too, equal treatment by the state, employers etc.¹³⁵

Alike to the employees of the playhouse, Rózsi also complained about the workers’ general behavior that needed disciplining. She often raised her voice and reminded the workers to speak less loudly or in more acceptable manner, explaining to me that:

Even such things you have to teach them. First I thought they were all angry at each other, they spoke always so loudly. Then I learnt that that’s their normal tone, that’s how they speak at home too. But here with the noise of the machines and all, it gets too much, so we had to also teach them to speak less loudly. It’s also a kind of socialising work.¹³⁶

¹³³ Interview, 16/11/2009.

¹³⁴ In several contexts non-Roma informants used the word *magyarok* (Hungarians) to make a distinction between the non-Roma population and those publicly considered as Roma, who were never referred as *magyar*. While it is also dominantly used in public discourse of the entire country to denote two different ethnicities, such use also has a strong connotation about national membership, suggesting that the Roma are not considered Hungarian, or first-rate citizens of the country.

¹³⁵ Informal talk, 1/12/2009.

¹³⁶ Informal talk, 18/11/2009.

Despite of such attitudes, which strengthen ethnic stereotypes and racial boundaries, she still allows the workers to exchange their used fridge/tv/stove with a better one if they come in to the workshop to be dismantled. Or workers are given leave if they want to attend family occasions or deal with their administrative issues without having to take holidays. However, these favorable conditions apply most of the time to the “trustworthy workers”, who have proved they are worthy for such treatment through their compliance to the required norms.

These examples show that while the coordinators of the project had certain stated values in mind with the workshop and the playhouse, these were renegotiated by the local employees often according to their everyday on the job experience, personal values or even interests. In both cases, the underlying principles of the two facilities gained ethnic tones, which were not openly emphasised by the head and coordinators of the organisation.

The distribution of aid packages further demonstrates certain preferences vis-à-vis their recipients. Even though they are meant for the entire village, often the method of distribution communicates otherwise. What is more, the order of preference further seems to reinforce local compliance to the behavioural values and norms required by the organisation (Thelen et al. 2011). Thus aid packages are firstly aimed at the Hospitalier families, who always receive a share. Then the workers in the workshop and regular attendants of the playhouse are usually supported. On various occasions, workers explained they could also turn with individual problems to representatives of the organisation. Similarly, the Roma women who are employed in the playhouse were assisted with medical or legal issues several times. Christmas or Father Christmas packages were distributed only to the employees and participants of Hospitalier services. In fact at the distribution of the latter, a point was made about more strongly supporting those children who regularly attended the playhouse. The support and aid is extended to the rest of the villagers only if large quantities of goods are at the disposal of the organisers. Through such practices, the organisation indirectly reinforces attendance and conformity of locals to the values dissipated within their services.

As shown by the former examples, the various Hospitalier actors who are involved with the village and who can influence local social security arrangements in fact have quite different ideas

about their goals, which also affect their everyday practices and relations to the local inhabitants. Furthermore, their views on the possible target of Hospitalier assistance, and their interests as employees can be very diverse. These are also partly influenced by their embeddedness in the local context/situations as well as their positions in the organisation. However, they also result in different views on who is deserving and who is not of the services of the organisation, which further leads to multiple and often confused expectations from the local inhabitants.

Such differences often came to light in the accounts of the different Hospitalier actors, when they explained who was rightly supported and who was not by the organisation. Antónia, the Hospitalier social worker, often voiced her disapproval about the fact that István, the head always helps out particular Hospitalier families even though they frequently fall prey to the loan sharks. Her explanation was:

I wouldn't give her anything anymore, you put it into her one hand and the loan shark takes it from the other, and then it is her eight children who suffer. Now she is crying her head off that she's got no money. And it's only the start of the month, she just received aid! And she kept sending text messages to István [the head] until eventually he called, all the way from Germany and ordered me to give her 5000 forint immediately. My petrol was not covered for four months now and they said we cannot issue more payments until the end of the year because the organisation has got no money. But now, when Mici needs the money, he phones me even from Germany!¹³⁷

The head of the programme during our initial interview explained to me that he indeed sponsors certain families. For instance he emphasised that being himself a father of six he would never leave big families in trouble, even if they fall prey to loan sharks over and over again. This was seen in his support of Saci, a widow of a painter to whom he personally promised to look after his family after he learned he would soon die of cancer. He recalled the story as follows:

He has six children just like me...And one day Saci calls me to say that Bettike is out on Gyöngyösi Road. I ask why is she there? She said, because she is selling herself and says that I should bring her back. I said that the Gyöngyösi is long, how should I find her there...? And so the next day she calls again saying that in the end the police brought her back, and while we talk Bettike shouts from the background that 'I went there because of you, you idiot. Because the loan shark said if I stay for another month, we can pay back our loan'. And so there is a point when she is not concerned about what ways she is used, and these are very difficult. I like this girl a lot and not only do I not think of her as a prostitute, but rather as a hero. We only see the sin, but it comes from the unbelievable poverty and vulnerability. It is a lovable world, and the essence is you have to be there for them, right there and then. Not tomorrow, not after the weekend, right there and then, when they are at the edge, and they need you. This is what supervision truly is, I believe.¹³⁸

¹³⁷ Informal talk, 12/11/2009.

¹³⁸ Interview, 11/11/2009.

Besides his inclination to help large families, his accounts show he is also motivated by a certain social worker ethic and his Catholic religious values. In relation to another family, he explained that he bails them out every time they get into the grip of loan sharks, because:

When they have eight kids and a debt of 3 million, how can you overlook that?! So we, yes, we the Hospitalier go and bargain with the loan sharks and make deals with them to bail these families out. Every single time. Some families I bailed out seven to eight times at least and I will do it again and again when it happens. And what is the limit?! One thing: I always ask myself, how many times our Father would forgive me... and so we have to do it 77 times if it is needed.¹³⁹

In comparison, Rózsi and Antónia complained about such individual preferences and the strong support given to certain families by the head. Rózsi believes it strongly compromised their position/practices as social workers and inhibited their work:

I am happy that István is not coming so frequently anymore to the village, because it was very difficult for me in the beginning. Whenever he came, he always distributed a few million forint a day. And then I was left here, on my own, the next day, when the people came and asked why the others received money and they didn't and that they are also in shit and also would need this and that much to get out. And I don't have such amounts at my disposal. So it became very difficult to deal with them, and to make them understand that maybe they should also do something themselves, not just to wait to receive.¹⁴⁰

Similarly, Antónia had different understandings of who is deserving of the Hospitalier's support and who is not, which was often implemented in her local practices. For example, with individual assistance of villagers, despite of the clearly set 'order' by the coordinators, she made her own judgements in various situations about the actual beneficiaries. One local, Ella, complained that whenever she approached Antónia with her problems, she would not make efforts to help her. Ella is a Roma woman with eight children; she has never worked as the children were born one after the other with one to two year intervals from when she was 16. Her non-Roma husband was working in the nearby enterprise of the former collective until about three years ago when they cut the employee numbers and he became unemployed. He however did not register as unemployed at that time in order to capitalise on informal job opportunities, which in the end did not work out well for him. Many times the entrepreneurs who employed locals without papers refused to pay their salary. Now he has to wait before he could be called in for public work, as one needs to be registered for a year in order to appear among beneficiaries and public work applicants. Thus she explained that they live in very severe situation. They all sleep in one room

¹³⁹ Interview 11/11/2009.

¹⁴⁰ Interview, 8/12/2009.

during the winter in order to spare on firewood. Often they live on collected mushrooms from the nearby forest, and she said her family also resorts to stealing from the large orchards along with other locals during the summer months. From this she also makes jam and pickles for the winter. However they still have problems making ends meet, so she has turned to loan sharks several times.

She complained that often she has no other possibility as both the mayor and the Hospitalier refuse to help them. She recalled of going up to the office to ask the mayor for crises aid, but every time his answer was no¹⁴¹. What, however, she was more intrigued about is the attitude of the organisation. She explained to my surprise that they are also a Hospitalier family. Originally, at the start of the programme, some local families were also chosen to be closely assisted by the organisation because of their severe paucity of resources. They were moved into a Hospitalier house, since the local loan shark took theirs and they were living in a dilapidated building. They were given furniture and firewood on occasions and the head gave them money to stave off loan sharks. However, more recently, she explained that they have not received any support even though they are also a Hospitalier family. They have not seen the head for a long time so could not approach him for help and she said that Antónia refuses to help them. She said that once when they were really on the edge and she had no more money even for bread and they had another five days until the family benefits, she went again to ask her for some money, so as to at least be able to buy bread for her children. She recalled:

At the end because I was so desperate, she gave me 2000 forint. But then right after I received the housing aid, she was here to ask for the water bill, which the Hospitalier had balanced for us previously. I see that the Hospitalier also have to get the money from somewhere, they also have to pay for things too, nothing is for free... So one day she gave 2000 and the next she asked it back. It wasn't that important to ask it back immediately, was it?! She could have waited, when she knew that I was there asking her for help just the other day and that we have nothing to eat.¹⁴²

While from this account it appears that she would expect that the organisation assist her family at least in severe situations and to momentarily overlook their debt, the opinion of Antónia was very different. Her understanding of such assistance to her and similar families came to the surface

¹⁴¹ The monthly budget that the local government can spend on crisis aid is 30,000 forint, which the mayor told me he distributes on first come first served basis. In addition, he often lends people his personal money which, according to the locals, he does without interest and is deducted directly at the "aid distribution" as was explained in chapter 4.

¹⁴² Interview, 15/12/2009.

when I accompanied her during the blanket distribution. She was sent some 40 blankets by the charity to distribute among the villagers. Since it was a very limited amount she decided not to follow the usual method of first giving to the Hospitalier families and then to other locals, “because it cannot be that the Hospitalier families and the large families always just get. Every year I give them ten blankets and the next year it’s nowhere, they burn them and what not.” So this time she emphasised that she wants to give the goods to the “lonely elderly, who never receive anything”.

However, as she was not familiar with the neediest elderly, she turned to the social clerk of the mayor’s office, who administers local aid applications and asked her advice. Thus they compiled a list of the possible elderly and those ‘deserving’ local families who could receive the blankets. During this discussion, families like Ella’s were mentioned as undeserving for “they already receive at least three types of benefit, they are helped enough.” Antónia also considered such people undeserving for “they have such a big mouth, they always just want to get, and even if they get they still shout all the time that they didn’t receive anything.” Thereby, both the local social clerks and the Hospitalier’s social assistant invoked the dominant public notions of deservingness and popular stereotypes when decided to whom to give the blankets. They held the lonely elderly in need of assistance, while begrudging aid to large Roma families on the basis that they treat their goods carelessly, taking advantage of the benevolence of the charity and in general are unthankful for what they receive. Thus the Hospitalier social worker, by following her own ideas of deservingness, often contravened the ideas of the head and the coordinators about whom should be assisted by the organisation.

Differences in notions of deservingness amongst the different Hospitalier actors strongly relate to their local embeddedness. Whereas the local employees worked closely with local beneficiaries of the organisation’s assistance, the head and the coordinators were much less involved, if at all, in the personal problems of the locals. Not only were the personal problems not in their remit, but because of the nature of their work they spent much less time in the village. They act as coordinators whom assist the local employees of the organisation, develop the practical aspects of the programme and write grant applications for its maintenance. As such, they phrased their goals in the leftist liberal language of socially inclined Budapest intellectuals and echoed phrases from

the Hungarian ‘project world’ fused with broader EU technical terms. Hence they often talked about addressing child poverty, redressing the disadvantages of children or addressing the social integration of the unemployed or the Roma poor. And these were the values they also tried to ingrain in the local Hospitalier employees.

In comparison, the social worker and other Hospitalier employees were, as part of their job, approached with multiple claims and requests by local inhabitants on a daily basis. They furthermore witnessed the frequent support certain families receive from the organisation, while they often had to wait for their salaries or the money to cover the fuel of their work trips. Thus often the above accounts by the social worker on the undeservingness of certain families were connected with the efforts and ‘sacrifices’ she has to make as an employee of the organisation, which she often felt was not rewarded. It was rather a normal situation in the organisation that, at times of financial shortage, the salaries of employees and coordinators of the programme were the last to be paid, after the maintenance cost of local institutions and aid instalments for individuals was satisfied. Even though it was not a welcomed situation it was accepted by the head and coordinators. However, for the local employees it posed much bigger problems, partly because many of them were also not financially well disposed. Therefore, the aid recipients were deemed unthankful and ‘bold-headed’ with their support, especially when it was sold or ‘wasted’ as heating material. In this respect, Antónia and the other local employees of the organisation displayed a very similar attitude towards the local beneficiaries and exhibited a very similar understanding of deservingness as those local state officials who had everyday interactions with local beneficiaries.

5.5. To be present

The Hospitalier in Kislapos have developed multiple and changing roles in the village, roles which have made them significant actors for social security and local development. They maintain various local institutions and provide numerous services ranging from local employment to community integration activities for children. The organisation has evolved to become more than a ‘junior partner’ sharing in local service provision and care. Backed by a

large nation-wide charity apparatus and possessing the resources to obtain larger grants, they are the ones who dominate this relationship - while they are not dependent on the local authorities in many ways the village has become dependent on them, though it is something the mayor would never openly admit. Nevertheless, as was shown, the local government has opportunities to negotiate their terms with the organisation, partly because the Hospitalier is a large publically well known charity, who has to stay accountable to a larger public. This is in contrast to local governments in remote areas, as they are not closely controlled or monitored by the centre, as seen in chapter 3. The position of the organisation further allows its actors to address systemic and structural issues on a higher scale, which the local government has no possibilities for.

This chapter has shown that the involvement of the Hospitalier organisation in local social security arrangements is complex and cannot be analysed within simplified conceptual frames of empowerment, passive/active citizenship or mere substitution of the withdrawing state. In fact the roles the organisation has played in local care and welfare arrangements has been transforming over time, from mere aid relief to more complex social development aimed at the broader structural disadvantages of the village and its inhabitants. Motives and goals have changed partly due to the locally gained experiences of the project staff, but were also motivated by availability of grants, changing tendencies of dominant themes in the project sphere, and not least by the changing interest and need of the organisation's representatives to ensure accountability and local support for their presence.

Finally, it was emphasised that the organisation itself is made up of multiple actors, who are differently positioned in the organisation and within the village. They therefore have very different views of the goals of the organisation, and make distinctions over the beneficiaries of the programme according to very different norms. The individual choices of the members/employees to include/exclude certain people reflect differing notions of deservingness. These partly originate from the local embeddedness of the different Hospitalier actors, who consequently co-operate with different local officials in their daily activities or have different opportunities and basis to interact with local beneficiaries. While the local employees rely much more on the local state officials and have closer interaction with local beneficiaries, the head and coordinators of the programme mostly engage with their own local employees or the mayor and

can preserve a certain distance from individual local claims. Some of the notions of deservingness apparent in the practices of Hospitalier actors differ radically from the norms apparent in the discourses and redistributive practices of local state officials. Yet in other cases, more particularly the understanding of the local employees of the organisation who work closely with local beneficiaries similarly replicate dominant public notions as in the case of local state actors. Such varying norms and practices then create multiple and often differing expectations among the local beneficiaries, which often remain unsatisfied.

PART 2

LOCAL STATE AND LOCAL DEVELOPMENT

Enyics is a small dead-end village in Somogy County in Western Hungary, with barely 200 inhabitants and with more uninhabited houses than occupied ones¹⁴³. It has the familiar story of an aging village; the young are leaving, while foreign and Hungarian city dwellers are buying up the houses for second homes, slowly turning the village into a holiday settlement. The number of children of nursery age is five and of school age it is ten. Nevertheless, the newest ‘development’ in the village, which came in June 2007, was a brand-new, wooden, EU-conform playground, realised from an EU grant of a few million forint. The mayor told me this with pride, but he need not have bothered as it was proclaimed on the large sign that is mandatory with all EU grants. The mayor explained, “well, in this election cycle that was the only available grant that we could afford with the co-financing, and you have to do something, some developments, right?! As a mayor, the inhabitants want to see that you did something in the past four years, that something happened in the settlement.”¹⁴⁴

Many mayors, like the one from Enyics, perceive local development as one of their main tasks, even if it means chasing unrealistic targets or ill fitting aims and uses excessive resources and efforts of the stretched local governments. With decentralisation came the possibility to apply for newly available grants that promised fresh possibilities for rural places to alter their trajectories. The altering frames multiplied the development actors ranging from civic organisations to regional development experts, EU audit officials to micro-regional development agencies. In this section I engage with local development as a significant sphere of action by local governments and local state officials. By examining the changing frames my analysis delineates the new opportunities and limitations for local actors as they engage with their localities’ potential futures. Furthermore, the complex entanglement of local development efforts with social security is also substantiated.

¹⁴³ I visited Enyics in the very beginning of my fieldwork, when my present fieldsites were not yet finalised. I spent a week in the village and conducted 10 interviews with local government officials as well as local inhabitants mostly about local development efforts and possibilities.

¹⁴⁴ Interview, 20/09/2007.

What local development is as a goal, a process and a perceived achievement in Hungary is understood in manifold ways by various actors and participants. The vagueness of the relevant regulation does not help to define specific objectives or contents either. *Act LXV of 1990 on local governments* defines local development as one of the assumed tasks of local governments. Concerning these broader tasks, clause **8. § (2)** states that “the local government determines – according to the needs of its population and its financial resources – which tasks and in what manner it provides them.” Thus while the compulsory tasks are more strictly regulated and are financed mostly from central contributions, the law leaves rather large room for local officials to decide how and to what extent they arrange, finance and reconcile the assumed responsibilities. Thus there are very few directives informing local officials about what ‘local development’ is and what should they accomplish within it. Nevertheless, as Péteri (2001) points out, the overall aims and particular goals of ‘local development’ change over time in relation to larger trends of economic development models and discourses as well as political interests. These discourses strongly influence individuals/organisations’ understanding of ‘development’ as a process in a broader sense.

The idea and practice of ‘development’ has been strongly criticised for being closely entangled with larger political economic endeavours and for actively contributing to the underdevelopment and unequal power relations between the developers and the groups/populations to be developed (see e.g. Cooper and Packard 1997; Escobar 1995; Esteva 1992; Ferguson 1990; Harvey 2005a; Mitchell 1991; Pieterse 1998; Sivaramakrishnan and Agrawal 2003). Nevertheless it constitutes a leading concern for local officials and citizens in many settlements in Hungary. Moreover, the EU structures of regional and rural development, and the funds that come with them, keep the idea of ‘development’ highly relevant. For the purposes of my analysis I discuss ‘local development’ in the sense that it is disseminated by these frames and understood by its participant actors: it broadly designates efforts/initiatives/interventions that are believed by those who realise it to bring about a ‘positive change’ to the locality or its population. I mainly focus on development efforts in relation to local governments, which however involve multiple actors from the local population and from other spatial scales. In this understanding, it can entail a wide range of goals including infrastructural developments, renovation of public buildings, the

promotion of tourism, the provision of new services or the instigation of cultural/social/mentality changes in the settlement. At the same time, in some settlements, development projects are often strictly limited to the maintenance of basic services/institutions or even the ‘simple’ running of the local government. However, as these are understood as local development efforts by the involved participants, and they are placed as such within the larger institutional and discursive frames, I include these efforts too. For similar reasons, some projects which have also great social security relevance would be also discussed here as they constitute parts of broader efforts to ‘develop’ the locality.

In spite of utilising the actors’ conception of development I nevertheless maintain a critical stance vis-à-vis such conceptions. However, my aim here is not to produce (yet another) critique of development as such, in terms of mismatching goals and outcomes or in terms of its regulatory mechanisms for the targeted population. Rather my analysis contributes to those works (see Li 1999, 2007; Mosse 2005), which aim to show, based on minute ethnographic details, the ways development programmes unfold through the negotiations, encounters, practices of various actors involved, and how these open up new opportunities or close particular actors or groups off from resources in altering their future trajectories. This is especially important as ‘development’ constitutes a crucial aspect of the relationship of local citizens to their locality, conveying ideas of belonging and identity. Thus the analysis of local development efforts not only reveal dominant ideas about present economic development discourses and can point to structured possibilities for places to reconfigure their positions within the global economy, but also betray feelings, ideas and attachments of local inhabitants to their living place. Development processes feed into ideas about how and why people want to live in a certain place, who has rights to its formation, who belongs to it and ultimately about how, if at all, people can imagine their future or their children’s future in it.

Thus in the following chapters I examine some of the limitations and opportunities that the new institutional, allocation and discursive structures of development created for rural areas and their local governments, such as Tiszacseke and Kislapos. In chapter 6 my analysis shows that local governments are increasingly encouraged to rely on their own assets and EU grants for achieving local developmental goals/needs, while they can only draw on continuously decreasing central

contributions. Thus villages often have to compete with each other as well as with towns and cities in order to attract external resources, such as investments, inhabitants, and EU or national grants. Such competitive frames not only create new and often unexpected possibilities for villages, but also put certain localities into more advantageous positions by enhancing particular competitive assets thus recreating existing socio-spatial inequalities. Chapter 7 examines the ways local officials and other major ‘development actors’ attempt to reposition the two localities within the present global/national economic structures, while also highlighting the effects these development strategies have on local social security and the possibilities inhabitants have to access resources outside the village.

In chapter 8, I address the appearance of new actors who have multiplied as a result of the EU-led regionalisation and *projectification* of development. They often work and are embedded at various scales (EU, national, regional, micro-regional), but engage across scales in multiple ways with the local state and its actors, and often closely influence local decisions. This not only affects the possibilities available for rural actors to attract or use resources, but also produces competing views on the present and future of the place, who has the right to determine it, which groups and interests these visions favour and how such actors influence the self-identification of inhabitants. By addressing these issues, this section uses a spatially sensitive analytical frame in which local state mechanisms and the effects of the decentralisation processes can be more closely analysed, by retaining the relevance of the positionality of localities as well as the social-spatial embeddedness of development actors, local governments and local citizens. Secondly, it addresses the issue of multiple responsibilities of local governments and the various ways particular local governments prioritise among them and consequently among various local needs and groups.

6. “The poor are the poorest”? – New frames of development: new possibilities, old inequalities

This chapter examines the results of EU-led regionalisation and the consequent transformation of the institutional and allocative frames of development from the perspective of remote rural localities. I explicate some of the ways the new mechanisms and structures of development strengthen existing and create new spatial inequalities. By examining these structures and mechanisms through the eye of local actors in the two research sites, I show that the positionality of places is of the utmost importance for setting the ways in which localities can access development resources and find ways to adjust within the competitive frames of rural and regional development.

Passing by the shiny school building on the main road in Tiszacseke, marked with an EU flag and the tag line as the ‘school of the 21st century’, I arrive to a small shabby house that sticks out from rest of the village centre with its renovated houses, tarmac road and flower-lined pavements. This is the village nursery, located at the end of a dusty side road, in the middle of a dusty courtyard with a few rusty iron toys and a broken bench. The head of the institution later explains that the building has not been properly renovated for decades as the local government did not manage to obtain grants for it. The walls, long awaiting renovation, are partially given a sense of neatness by the little hand-made decorations - patchworks and drawings made by the staff. While showing me around, they point out the leaking toilets, open showers, broken tiles and the decades-old camping beds on which the children sleep - leftovers from the socialist period. “Tools and educational devices?!” the head exclaims, “hardly any.” She goes on:

We work with the same tools that were bought before the system change. The ones that survived. Outside, the monkey bars are 20-30 years old; we needed to pull some down because they became too dangerous... We have grown out of the rooms. Now we have some 90 children, another 10-20 coming next year and our three rooms are suitable for about 15-20 children each. I don’t know what we will do!¹⁴⁵

“The nursery in Kislapos is up to the most modern standards and can compete with any regional or even national institutions”¹⁴⁶ – the head of the institute tells me proudly. Thanks to the Hospitalier, the former building was fully renovated in 2005, equipped with modern amenities for heating and cooking and filled with new toys/tools and educational devices. In addition, the organisation bought the unused mansion next to the old nursery building, which after renovation

¹⁴⁵ Interview, 21/07/2009.

¹⁴⁶ Interview, 8/12/2009.

offered additional space for the growing number of children. When I visited, children were learning poems from brand-new books and with the aid of large colourful posters, and in another room, the older group was busy preparing for a drawing competition that, according to the staff, local students always win. After leaving behind the bright-yellow walls decorated with the different products of the children's activities and the piles of toys and books I get back to the muddy, unmade streets of the village. The nursery is surrounded by dilapidated houses with missing windows and broken fences.

As seen in the previous chapters, decentralisation led to complicated forms of autonomy in Hungary. Despite the new autonomy and the various EU/national grant schemes, many localities could not take advantage of the new opportunities that many hoped for. In fact, as a large number of studies highlight, regional inequalities and socio-spatial differences have been deepened and diversified in the country with the capitalist restructuring (for example Barta et al. 2005; Koós and Virág 2010; Kovács 2008b, 2010). The present grant/allocation mechanisms not only did not mitigate these effects, but rather intensified them (see Bódi 2008b; Fekete 2008b; Nemes 2000). As the micro-regional coordinator of National Development Agency (NDA) in the Fehérgyarmat micro-region aptly summarised the issue:

The main reason for EU money is to induce the increase of GDP, right?! That's why we receive it. But on the contrary, we just made a survey, and during the last period the Northern Great Plain region came out near the bottom. Even the Northern Hungarian and South Great Plain regions got ahead of us. So not only have differences not decreased in this period, they even increased. In spite of the EU resources! What it says then: there must be some crucial problems with the system.¹⁴⁷

The different states of the village nurseries and their surroundings point at something beyond issues of uneven development and differentiated possibilities of localities however. The effects of the present development structures/allocation mechanisms have been even more complicated. Both settlements are in a rather unfavourable position in the present competitive frames, as they lack of infrastructural, financial and human resources. Nonetheless, development efforts by the respective local governments have led to very different results. The local government in Tiszacseke, despite its financial constraints, managed to attract several larger grants over the past decade. These were mostly for local employment/training programmes or rural tourism. Yet they

¹⁴⁷ Interview, 25/02/2010. Katalin Kovács, Andy Cartwright and Gyöngyi Schwarcz participated in the conduction of the interview.

have not addressed the villages long standing concerns for a sewage system or the renovation of the nursery. In contrast, in Kislapos, no developments were undertaken until the former mayor “fled” the village midterm in December 2001, and the present mayor was, in his own words, “elected to a village with massive unemployment, deteriorating and worn out institutions and complete hopelessness”. While they managed to win some small grants for the renovation of their main offices, it was the presence of the Hospitalier from 2004 onwards that brought significant additional resources resulting in such projects as the brand-new nursery that is envied across the region.

The chapter engages with those mechanisms that contribute to the recreation of socio-spatial inequalities in the new allocation frames that crystallised due to decentralisation and EU accession. First the spatial effects of the socialist development policies are discussed, then the main steps of institutional formation since 1989 and the presently crystallising structures of rural and regional development are analysed. Throughout the analysis I reflect on some of the ways the new allocation and redistributive mechanisms recreate former and incite new inequalities, by highlighting those new opportunities and limitations that are created by the present development frames in my two fieldsites.

The socio-spatial consequences of unequal competition for grants in the neoliberal frames of regional/local development and state rescaling have been well documented (e.g. Brenner 2003; Deas and Ward 2000; Jones and MacLeod 1999; Lovering 1999; MacLeod and Goodwin 1999). However, such works almost exclusively focus on urban areas and on Western European/North American settings. As such, the theoretical considerations that aim to explain the unfolding and consequent effects of regional competition within the conceptual frame of scales and state restructuring, bring insights mostly to the areas more centrally located within the capitalist socio-economic structures, i.e. ‘global cities’, rescaling middle-scale cities or newly recreated regions of growing economies. By extending this approach to more ‘peripheral’ rural places such as Tiszacseke and Kislapos my analysis delineates the ways neoliberal restructuring affects how such places can alter their development trajectories and take advantage of or are limited by the new competitive allocation/discursive frames.

6.1. Rural underdevelopment and the socialist policies

Rural development came to the forefront already in the mid 1980s, when groups of intellectuals turned the public attention to the problems and depopulation of villages (Kovács and Bihari 2001). While there were several approaches that explained the reasons for the decline and visible underdevelopment of rural areas in comparison to urban settlements, the dominant discussions focused particularly on the negative effects of the socialist policies (see Kovács 1990; Kovács 1993, 1995; Vági 1982). One of the main issues concerning the socialist period was the strong emphasis on industrialisation and related urbanisation, which was considered as the key for national advancement. It was believed to automatically solve the problems of service delivery and infrastructural coverage for the inhabitants, bringing an equal and egalitarian development for the entire population. However, against the main discourse of balanced spatial development by the political leadership, in fact these efforts resulted in an over-prioritisation of urban areas during the entire period (Enyedi 1997).

Usually the 1971 National Settlement Development Concept (*Nemzeti Településfejlesztési Koncepció*) is held as a cornerstone in this regard, as it introduced a new, clearly planned, encompassing regional political structure. In fact, in addition to the socialist priorities on industrialisation and urbanisation, the structures and mechanism of redistribution were also often highlighted as significant causes of rural underdevelopment (Koós and Virág 2010). There were two elements of the new regional politics that is of special importance in this sense.

First of all, it created an official hierarchy of settlements, which made a clear distinction between settlements with a centrally significant function and those without one: with Budapest as the national centre; the five other cities as the higher level centres; the 23 county¹⁴⁸ centres as the partially higher level centres; the 103 smaller urban settlements as mid-level centres and partially mid-level centres; and the remaining rural places with either only basic functions or no function at all (Enyedi 1997). Each of the categories was accorded with different functions in terms of the overall industrial, infrastructural and housing developments of the country and in terms of public

¹⁴⁸ Counties were middle-range administrative units between the nation-state and settlements, presently their role is only nominal.

service delivery tasks. At the same time those settlements which were considered to have no centrally important function were termed ‘not worthy for development’, a category that according to Fekete (2008b:241) appeared for the first time in the country. Thus the settlements which were considered to perform central functions, mostly urban or to-be-developed urban areas, were accorded with the tasks to provide the public services of the remaining 3000 settlements ‘without function’ which accommodated about half of the country’s population at the time (Kovács 1990). Consequently, public services such as schools, nurseries and medical offices were closed down in those villages.

Linked to this was the top-down resource allocation system, which closely followed the above settlement hierarchy (Enyedi 1997). Most of the large national investments went to the larger settlements with important central functions, which often served as a legitimisation strategy to explain the lack of funding for villages. In addition, the allocation mechanism at the time had two levels, both of which prioritised larger urban settlements¹⁴⁹. As a result, the settlements ‘without function’ were left with little central funding, hence local developments could be only achieved from the incomes and efforts of local inhabitants or through the occasional ‘patronage’ of the local collective farms.

As Vági (1982) points out, this development policy triggered strong differentiation between settlements, where those at the bottom of the hierarchy, that is smaller rural places, suffered. While urban centres became the sites of larger infrastructural, industrial and housing developments, in settlements ‘without function’ development was restricted to building connecting roads leading into the village and connecting settlements to the national electricity grid. As a result of these policies, by 1980 only ten percent of the development resources went to villages where about 47 percent of the country’s population lived, while the 132 urban settlement of central function shared the remaining 90 percent of the resources (ibid). Vági also argues that such mechanisms also created inequalities between counties; Budapest at the top and the eastern

¹⁴⁹ The National Planning Agency allocated specific resources from the central budget for settlement development, which was divided among the counties. According to one of the most in-depth analysis of the socialist allocation system made by György Vági (1982), these funds already more substantially benefited the capital and the five main cities. In the second level of redistribution, the counties were allotted the role of redistributing the development resources among the settlements residing within their confines. And since these resources were often rather limited, they were almost always given for larger urban development projects realised in stronger and larger settlements of the county, who had better assets for lobbying for these resources.

counties (like Szabolcs-Szatmár-Bereg) at the bottom. However, he also adds that the strong differentiation was masked by the discourse of the socialist party that proclaimed their desire for a balanced and equal development of the country.

6.2. Post-socialist promises - decentralisation and EU accession

As mentioned earlier, the end of socialism brought decentralisation, which gave villages considerable freedom to alter their own development trajectories. Part of this process was the establishment of the new institutional basis for rural and regional development, which was crystallised largely through the alignment of the country's institutional and allocation system to the European Union. Thus in 1989 a separate ministry was set up and a Regional Development Fund was created for the purpose of resource allocation, which for the first time made it possible for regional development to address specific rural issues. The next determinative step was the division of the country into new regional planning and statistical units, achieved by the *Act XXI of 1996 on Regional Development and Physical Planning*. This was partly done to align the institutional and administrative structures to that of the EU, thus ensuring access to pre-accession funds. As a result a new hierarchy was established according to the five-level EU nomenclature of territorial units (NUTS), where regional development councils were at the top (NUTS-II) level, county development councils¹⁵⁰ in the middle (NUTS-III), and sub-regions¹⁵¹ (LAU-I) and settlements (LAU-II) at the bottom (Kovács and Bihari 2001). As a result development councils at all levels became important agents of rural and regional development.

Initially the county councils were the most influential, as they had some historical roots unlike the other newly created territorial units, and thus half of the grants were decentralised to be under their control. The role and responsibility of regions was rather unclear and the micro-regional associations of sub-regions were not allocated any financial resources (Csirté 1997). From 1999 onwards there was a central effort to strengthen these regions and, as a result, Regional

¹⁵⁰ It involves the partnership of local authorities, active participants of economic life, representatives of central governments and the representatives of various interest groups and that of the micro-regional associations

¹⁵¹ Initially voluntary associations of local governments, then later statistical units were also created, which became more important through legislative and financial measures by the central governments.

Development Agencies were set up, which were responsible for cooperating with the Regional Development Councils in preparing their own development plan and development priorities and for coordinating ROPs (Regional Operational Programmes of the National Development Plan). Furthermore, after 1999, statistical micro-regions became the basic units of spatial planning, and their importance was further instigated by governmental financial measures after 2002.

In terms of development priorities, during the first years of the 1990s, efforts were clearly concentrated on redressing the negative effects of the socialist development policies, thus national efforts targeted remote villages in backward areas (Csíte 1997). Significant national programs were created for the infrastructural development of small, remote settlements, which included sewage, gas and communication developments. From 1992 onward local governments of villages that were categorised as ‘disadvantaged’ received extra subsidies from the central government and the national redistributive mechanisms also favoured these areas by granting larger shares from common assets, such as from local income tax. Accordingly, the number of supported settlements raised from 964 in the late 1980s to 1,325 in the early 1990s (Horváth 1998). Parallel to this, the differences between urban and rural settlements were also seen to have significantly decreased (Csíte and Kovách 2002).

However, following the 1996 Law on Regional Development and Physical Planning and the consecutive establishment of the EU-aligned planning system, the earlier equalising national objectives and the extra resources for disadvantaged settlements were reduced. It was the start of a new era of decentralised redistribution of development resources (Pálné Kovács 2008:217). Parallel to this, pre-accession funds were already available from as early as the 1990s; the most important of which for villages were the PHARE¹⁵² grants and from the year 2000 SAPARD¹⁵³ grants. While the former concentrated on economic development, institution building and the advancement of restructuring (hence it mostly supported infrastructural and entrepreneurial

¹⁵² It was established in 1989 as the “Poland and Hungary: Assistance for Restructuring their Economies” (PHARE) programme by the Council of European Union, however later was extended to the other pre-accession states in Central and Eastern Europe, and became one of the three main pre-accession funds. For further details: http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/phare/index_en.htm

¹⁵³ The Council of European Union established the SAPARD (Special Accession Programme for Agriculture and Rural Development) in 1999 to assist Central and Eastern European countries with structural adjustment in their agricultural sectors and rural areas, as well as in implementing the common legislation regarding the Common Agricultural Policy. For further details: http://ec.europa.eu/enlargement/how-does-it-work/financial-assistance/sapard_en.htm

projects), the latter was set up with the aim of preparing the institutional frames of the country to receive the agricultural grants available with accession.

Indeed since the country's EU membership from 2004 the available development resources have significantly increased (a 53 percent increase in available development grants for local governments), and further multiplied after 2006, when the country became fully eligible for the structural and the EMVA¹⁵⁴ grants (Bíró Nagy 2007). Thus for the current 2007-13 planning period, the country is to receive 25.8 billion euro, to be allocated through two main institutional structures – regional development and rural development¹⁵⁵. Structural and cohesion funds¹⁵⁶ are available through the Regional Development Programme, which is directed by the New Hungary National Development Plan (2007-13)¹⁵⁷. These are allocated along operational programmes, which are prepared for every region, and for every development sector based on the determined priorities. Currently, there are seven Regional Operational Programmes (ROP), and seven sectoral ones. In comparison, rural development grants are available from EMVA, organised along four axes that determine the main development priorities, the first two axes concentrating on agricultural development while axes III-IV on diversification and community building, i.e. non-agriculture related rural projects. These are directed by the nationally conceived New Hungary Rural Development Plan.

From the very outset of the institutional formation, two parallel structures were established, that of regional development and that of rural development, however with the clear dominance of the former (Kovács and Bihari 2001). Originally, the two areas were coordinated under one central institution. It was only in 1998 when regional development was transferred from the responsibilities of the Environmental Ministry and was placed under the Ministry of Agriculture and Rural Development (MARD), the first time rural development had been separated from regional development (Nemes 2000). Both received their own departments within the Ministry of Agriculture, with separate budgets for allocation after 2000. Furthermore, after 2004 the National

¹⁵⁴ EMVA (*Európai Mezőgazdasági és Vidékfejlesztési Alap*) from the Hungarian name for European Agricultural Fund for Rural Development.

¹⁵⁵ According to the data by the National Development Agency:

http://www.nfu.hu/uj_magyarorszag_fejlesztési_terv_2 (Retrieved on 18 December, 2011).

¹⁵⁶ These two funds are the main financial tools for the implementation of the cohesion policy, i.e. the regional policy of the EU. For more detail see: http://ec.europa.eu/regional_policy/index_en.cfm

¹⁵⁷ Retrieved from www.nfu.hu in 19 September, 2010.

Office for Regional Development¹⁵⁸ was set up, and in 2006 was transformed into the National Development Agency (NDA)¹⁵⁹. The NDA was, at the time of research, responsible for the preparation of the sectoral and regional operation programmes in every development cycle within the National Development Plan, which sets out the development priorities for regions and the different sectors in alignment to the respective EU priorities.

Yet regional development institutions and schemes have been strongly dominating over rural development considerations. In 2000, 11.5 billion forint was allocated to the implementation of regional development policies, with only 3.7 billion forint for non-agricultural rural development projects. However, the two together was only one tenth of the total amount of agricultural subsidies (Kovács and Bihari 2001), showing that the development of rural areas has been mostly conceived in terms of agriculture. During 2007-13, according to the New Hungary Development Plan 2007-13, Hungary is eligible for 22.4 billion euro of cohesion funds (divided through regional OPs), and 3.4 billion from EMVA and EHA¹⁶⁰. This shows the strong dominance that regional development continues to have over rural development considerations in the overall national planning, in spite of their separation. At the same time, the majority of rural development funds continued to support agriculture related projects (Bíró Nagy 2007:22–23). Only more recently, since the new planning cycle of the New Hungarian Rural Development Plan, has this been slightly offset by EU objectives on rural diversification and support of local community cooperation (LEADER initiatives), which constitute the III and IV axes of rural development.

6.3. Recreated inequalities

Numerous studies show that the capitalist restructuring reinforced former regional inequalities in Hungary, with regional and rural development schemes unable to decrease this unevenness (see e.g. Barta et al. 2005; Koós and Virág 2010; Kovács 2008b, 2010). Not only have regional

¹⁵⁸ Nemzeti Fejlesztési Hivatal

¹⁵⁹ Nemzeti Fejlesztési Ügynökség

¹⁶⁰ Comes from *Európai Halászati Alap* (European Fishing Fund). This was also made available together with EMVA, however it constitutes only a minor sum compared to the total available EU grants.

inequalities deepened in the past years, but certain rural areas have been transformed into ‘ghettoised segregates’ – with aggregated problems of high unemployment, deep poverty, heightened ethnic and social tensions, and poor access to services and other resources (Kovács 2005, 2010). The changes in employment structures in the early 1990s – especially the closure of factories and the dissolution of agricultural cooperatives – affected rural areas and their inhabitants especially hard. At the same time, while employment opportunities for unskilled labour significantly decreased, the newly opening employment options mostly awaited skilled and qualified, highly mobile labour, in the growing service and knowledge-based innovation development sectors.

Furthermore, foreign and domestic investments tend to favour those areas where there is a concentration of skilled, qualified and mobile work force, with a developed infrastructure and other resources (Barta 2005; Bódi 2010b). Hence most investments are concentrated in the capital agglomeration (including areas such as Győr, Székesfehérvár, Kecskemét, Tatabánya, Esztergom, Komárom), and North-Western parts of the country - particularly in the city of Vas and in Győr-Moson-Sopron county. Such regional differentiation in capital investment and employment creation was also promoted by national government incentives such as favourable taxation or indirectly through the influx of national infrastructural grants that made these places even more attractive for such capital flows¹⁶¹ (Bódi 2008b). Similarly, commerce, financial and business services are also concentrated in Budapest and the fast developing North-West of the country (Nagy 2005), thus on the one hand reinforcing the century long capital-centred structures and on the other creating a new regional elements to uneven development.

Parallel to this, the rest of the country and particularly the northern and north-eastern regions were further marginalised. The north-eastern border regions, where Tiszacseke resides, were among the places that were hit particularly hard by the political economic restructuring. The Fehérgyarmat micro-region, of which the village is a part, is now constituted as an ‘outer periphery’. With the redrawing of borders in 1920 the the region’s larger urban centres, that

¹⁶¹ Bódi’s study reveals that the allocated and appropriated subsidies for local governments (which constitute the largest part of nationally available development resources) favoured the capital, larger cities and in general the more prosperous regions, while more remote rural micro-regions received more of the decentralised regionally equalising grants, that however appeared to not instigate significant changes in their situation.

served as main agricultural markets, as well as cultural and industrial nodes, became part of Romania (Kiss 2007:12–3; Kovács 2008b:17–9). In addition, in this area the former collectives disappeared entirely, unlike in the Transdanubian region or in the centre of the country. Another specificity of the region is the large number of people who went into early retirement or are on benefits due to physical problems (Kovács 2008b).

In northern Hungary, where Kislapos resides, the collectives were dissolved or restructured (often becoming large private companies) and factories were closed. Ethnic tensions, a growing Roma population and the out-migration of the skilled youth led to the formation of ‘ghettoised rural cores’ (see Koós and Virág 2010; Kovács 2005). In many areas, but specifically in the Western and Southern Transdanubia, there are small sub-regions characterised by ‘tiny’ villages with bad access, an aging population, and in-migrating urban poor/unemployed (Csire and Kovács 2002; Koós and Virág 2010).

Rural areas, like cities, have followed very diverse trajectories in relation to the socio-economic processes over the past 20 years (Barta et al. 2005; Koós and Virág 2010; Kovács 2005, 2010). Places in the agglomeration zones of larger development poles such as Budapest or the crucial investment points in north-west Hungary, attracted new city-dweller inhabitants and profited from the developments of their urban centres. This is in contrast to the two regions in which the two fieldsites are located. In the world of Katalin Kovács,

after the system change, the roads for villages were leading both “up” and “down”, there were both winners and losers of these processes, and what trajectories rural places took is largely dependent on these places’ regional embeddedness, i.e. the employment position, settlement structure, access and infrastructural situation of the particular region in which they reside (2010:97).

In sum, remote rural areas, when formulating plans for their development do so on the foundation of century-long capital-centrism, half a century of socialist-era rural neglect and two decades of constant re-drawing of development policies and intense capital restructuring that serve to favour already advantaged areas. It is within this context that we can now analyse the specific development efforts in Tiszacseke and Kislapos.

6.3.1. Competing for development

In comparison to the earlier grants of the 1990s that were clearly directed to underdeveloped rural regions, currently most the grants are available on a competitive basis, in which participants (mostly local governments, but also entrepreneurs, farmers or organisations) from rural settlements often have to compete with numerous other applicants not only from places that have similar assets but also from more developed urban areas. Parallel to this, as detailed earlier, the central resources designated for local governments have been continually shrinking, leading to an increasing reliance on their own resources and (mostly competitive) additional grants (Kovács 2010:113).

Such competition appears to favour places which are already in a better position for numerous reasons. Firstly, the way development priorities are set up still follows a rather hierarchical system, in which micro-regional and local actors have the least influence. This again disfavours smaller rural places, which have little or no representation at the higher scales. The type of grants and the money allocated for different themes, available during a particular development cycle, is decided through the following structures. First a National Development Plan is prepared by the government in line with the EU objectives/principles, which when accepted materialises in a programme document. Then the regions ought to prepare their plans and programmes along the nationally set priorities, which then largely determine the development objectives and grants available for the actual settlements and micro-regions within their regions. While this process should lead to better participation and representation, in fact it unfolds as a very top-down hierarchical process, which maintains a concentration of power at the national level, rather than leading to its distribution among other levels as was the original motivation for the EU-led regionalisation (Pálné Kovács 2008:292).

Places with a better lobbying position, such as regional and county centres, can enforce their goals much easier in such structures. According to the accounts of both mayors (in Tiszacseke and Kislapos), the earlier structures of county development councils offered slightly better lobbying positions for them to fight for their interests. This was partly due to their personal contacts to the council's representatives whom they often knew from before 1989 and partly due

to the relations between county and local governments that were strongly established already during the socialist period, even if with often negative effects for the village. The accounts of the mayor in Kislapos agrees that the introduction of the regional development schemes somehow even further distanced decision making from the locality, in ways that makes it more difficult for him to compete with better-off towns:

And there, in the county development council, the persons knew which street is where in Kislapos, who lives here, and what are our needs, and why we apply exactly for that grant. But this new regional system with the scores and the people. Now these people sitting there, they don't know anything about Kislapos, and they judge applications on these made-up "objective" criteria... But nobody should tell me that it is possible to give scores to applications, without any subjectivity. It's rubbish, not possible. Because what is worth 100 points for me, for a Sopron¹⁶² it is worth only two. So already there cannot be objective criteria, which this new regional system tries to promote.¹⁶³

In addition, with the arrival of the EU and a larger international competition for grants, capital and other resources, the national development priorities have also shifted. In contrast to the initial objectives of the early 1990s to 'balance' the effects of the socialist policies, later on the enhancement of the country in international competition increasingly superseded the earlier considerations. Consequently, there is now a tension between the development of the country as a whole and the development of different areas within the national territory. In the last two national and regional development documents, the priorities were clearly set for the enhancement of the country as a whole by strengthening regional competitive advantages, the establishment of a network of urban developmental nodes, and the promotion of service and knowledge based innovation development (Pálné Kovács 2008; National Development Plan 2004-6, New Hungary National Development Plan 2007-13). While the more recent document also highlights the government's efforts to create employment and compensate for the unequal socio-spatial effects of the restructuring, the often mentioned solidarity remains only as a discourse whilst it emphasises personal responsibility and communal involvement instead of state intervention to reach these goals.

The notary in Tiszacseke, like the micro-regional actors¹⁶⁴, strongly felt that the present grant schemes prioritise and in fact help better-off places more than the poorer ones. When talking

¹⁶² Well situated town in the Austrian border region.

¹⁶³ Interview, 23/11/2009.

¹⁶⁴ The micro-regional coordinators of the National Development Agency in Fehérgyarmat, the head of HVI office (Local Rural Development Office)

about differences in possibilities, the notary pointed to important aspects while comparing Tiszacseke with the other village in her confines (as she is a shared notary between two villages). She is closely involved in writing and arranging grants for both villages and in her experience, Kölc is more successful in grant applications simply because of its geographical position:

Because geographical and other natural endowments do matter greatly for grants. Kölc is smaller and in a way Tiszacseke has a much more central role among its neighbouring villages, it always had. Still, Kölc is in a much better position as it lies on a main road and is much nearer to the micro-regional centre. What road you are on, be it near primary routes, near high-way, or just secondary or even no rate roads counts a lot. But then for Tiszacseke, the vicinity of the Tisza is an asset. All these dispositions count enormously, because if you are on a more important main road or for example have significant natural assets, you have much better chances for grants.¹⁶⁵

This was also largely supported by other development actors I talked throughout my research from diverse rural areas of the country, such as the earlier mentioned Enyics in the ‘tiny’ village region of the Somogy Hills or the highly successful Alsómocsolád in Baranya county in the Southern Transdanubia region. According to these accounts, places with better geographical position and with natural, human and financial resources are in a much better position to compete. In the regional development schemes, the priorities are, as mentioned above, to support those areas/regions, which are already doing well in terms of attracting investments, playing on local assets, promoting significant enterprises or activities that can enhance the advantages and development of the nation as a whole. In contrast, places with few advantages to play on have worse chances in a competitive grant scheme, let alone stopping the out-migration of inhabitants or attracting investments and enterprises, which also prefer areas with good access, services/enterprises and other resources. As such, the present schemes often reinforce already exiting advantages/disadvantages.

Similarly, a number of studies have drawn attention to the enhanced competition between regions/cities that neoliberal state restructuring have amplified in the past two-three decades in other contexts (Brenner 1999b, 2003; Harvey 2001; Deas and Ward 2000; Lovering 1999). In addition to the emerging influence of supranational regulatory agencies such as the EU, decentralisation has, in many countries, led to the revival of local/regional governments and development planning institutions (Deas and Ward 2000; Goodwin and Painter 1996; Jessop 1994; Lovering 1999). Focusing mostly on urban/regional development projects in Western

¹⁶⁵ Interview, 12/07/2009.

European countries or North America, studies by critical geographers underline the unequal socio-spatial effects of such inter-spatial and inter-regional competition for development resources. In contrast to former models of nationally regulated development which aimed at balanced distribution of growth within state territory, the new 'glocal' developmentalism seeks to promote "global economic competitiveness within strategic subnational territorial sites such as urban regions and major industrial districts" (Brenner 2000:9). In order to maintain or improve their position in the global economy, places are urged to compete for resources, investments and inhabitants. In this frame, urban entrepreneurialism, the enhancement of place-specific competitive advantages, place marketing and regional cooperation become the biggest game in town (Brenner and Theodore 2002; Harvey 2001; Jessop 2002)

However, it is shown that certain regions/localities, with more developed infrastructure, more advanced technology and the like, are in a more advantageous position to begin with (Lovering 1999). By putting the responsibility on the localities and thereby encouraging competition, incompetent or non-compliant localities often lose all chances for rejuvenation as they are increasingly 'played out' by more advantageously endowed places. As Pieterse (1997) argues, the promotion of 'new localism' is a winning strategy, which is by definition available only for a few 'top locations', which at the same time draw resources away from the ones that are left out.

Furthermore, studies underline that despite the rhetoric about state retrenchment, states continue to influence the development potential of localities in significant ways (Brenner 2003; Jessop 1997; Jones and MacLeod 1999). They demonstrate that recent urban restructuring exemplifies the re-territorialization and rescaling of state power, rather than its rigorous erosion. The new institutional arenas are established from above; their functions, capacities, financial resources and their spheres of influence are, to a great extent, determined by the state (Jones and MacLeod 1999). Moreover, the differential distribution of state assets and the positive discrimination of certain sub-national sites for economic development that are to be positioned strategically within global economic flows, places certain regions/localities in a more advantageous position than others, hence often reinforcing existing regional inequalities. Whilst the responsibility to deal with economic development and social problems is shifted to localities, which are to be blamed

for their own success or failures, many times they are not provided the resources to bring about their economic revival (Brenner and Theodore 2002).

Sheppard (2002) takes such arguments even further by introducing the concept of positionality. He borrows the term from Feminist theory, where it was coined to describe the situated positions of subjects/researchers from which they come to know the world. Whereas in this theoretical line it highlights how social situatedness in terms of gender, race, class, sexuality along with other aspects of social difference influences one's construction of knowledge and perception of the world, Sheppard extends it with the idea of geographical situatedness. He proposes that the concept should be used to best highlight the relational inequalities between places; to capture "the shifting, asymmetric, and path-dependent ways in which the futures of places depend on their interdependencies with other places" (ibid. p. 308). As such the concept helps to capture both spatial and temporal aspects of how local trajectories are shaped under global capitalism. In his understanding, the prospects of localities depend on place-based processes and both shape and are shaped by the regional, national and global territories in which they are embedded. Thus certain places can successfully channel the uncertainties of globalisation to their advantages due to their competitive advantages as they offer attractive conditions for global capital investments, while in others these uncertainties accumulate. The concept helps to capture not only the relational aspect, but also the unequal power relations as well as the continuous challenges posed to and the reproduction of these configurations.

Although focusing on urban areas situated in the core regions of global capitalism, these analytical observations also resonate with the present experience of rural places in Hungary. Certain places, especially in those rural areas where the problems of the capitalist restructuring accumulated start from far worse positions in the competitive grant application frame. To begin with, many of these villages have very different priorities from urban settlements and from already more developed places. These partly originate from former historical trajectories that were deepened by socialist policies. While most urban places had running water, households were connected to the main gas and electricity system and had established sewage by 1989, in the majority of rural areas these public utilities were still missing (Enyedi 1997; Kovács 2010:112). Moreover, often roads were often not covered by bitumen in smaller settlements. The situation of

institutions also added to this; schools, nurseries and medical offices were often unused for decades due to the centralisation of socialist services, thus needed substantial renovations and modernisation when local authorities tried to reopen them after regaining their autonomy.

Speaking about these inequalities the mayor in Tiszacseke pointed out:

While here I am striving to fix our muddy roads, or cannot get that damn sewage done now for 10 years... a Győr or a Pécs is thinking about what kind of frenzy-fancy EU-conform nursery they should make or how to build an extravagant main square with singing fountains and what not. These are crucial differences, you see. I still have to consider that from some parts of the village people cannot get to the shop or school in the winter or that often the entire village smells from shit.... Not to speak about the nursery. I bet if some EU guys come and look at it, we would have to close it down. We can't even talk about basic EU standards; it was not renovated since the 1970s ...how can I compete then with a Győr or Pécs?¹⁶⁶

This was also backed up by the mayor in Kislapos, who went further suggesting that it is impossible to raise these villages to the same level of infrastructural and institutional development through competitive schemes,

Because if you want Kislapos to catch up then you should give us an open grant, not the ones bound to objectives. And then I can tell, ok, this village needs now some roads. And only when we are at the same level as everyone else, and the whole village doesn't look like a mud pond, and when people coming to my office don't look like they went through a swamp, then we will apply for a sewage system and then we can develop our bus stop with nice frilly wooden sings and all that EU stuff. Because you either want us to come to the same level as all the others or not... I can't compete with a Heves¹⁶⁷, or Jászapáti¹⁶⁸, because I will never come out a winner. They should give us an open grant, and let us decide what comes first and second to this village, so that we can follow our own steps ... you don't give *gulyás*¹⁶⁹ to a baby, because his stomach won't take it, it is simply not for him.¹⁷⁰

Another significant issue is access. Infrastructural access seems to determine further advantages and disadvantages. The experience and accounts of many locals are strongly articulated by Éva the head of micro-regional social service centre in Fehérgyarmat, to which Tiszacseke belongs:

First one should overview what constitutes the disadvantaged position of these villages.... If you get up in Budapest, when you have to go to the ministry in the morning, maybe you get up at 7 a.m., and you are in the ministry by 8, right? But if I want to be there by the latest at 9 or 10... I need to get up at 5 or even 4.30. There are already such basic disadvantages, which we need to surmount. The people who live here always have to battle with some 100-160 km.... if a person living in these border villages, like Tiszacseke, wants to travel to Nyíregyháza to the hospital, they have to travel 150 km there and the same back. Not to speak about the financial costs of it! Because just speaking about the bus one has to get from their village

¹⁶⁶ Interview, 26/02/2010.

¹⁶⁷ The micro-regional center.

¹⁶⁸ Nearby smaller town with thermal springs.

¹⁶⁹ Type of Hungarian soup.

¹⁷⁰ Interview, 23/11/2009.

to here [Fehérgyarmat], it costs 1400 forint¹⁷¹ one-way. And then we have to add another 5000-6000 forint to get to Nyíregyháza. They can't afford that. For people on social aid or minimum wage, that would take a fifth of their salary or even more. So there are already such basic disadvantages based on the kilometres¹⁷².

Kislapos is only one and a half hour ride away from Budapest. However, that is only if one owns a car and can pay for the petrol, which most locals cannot afford. For the majority of inhabitants it is actually rather difficult to get beyond the micro-regional centre (Heves) due to infrequent and badly connected public transport. Public transport is a serious problem in villages across the country with the number and frequency of lines cut several times since 1989 on the grounds of efficiency (Fekete 2008a). If one needs to go to Budapest from Kislapos, or even to Eger the regional centre, it is impossible to do the round-trip within one day due to the bad connection and scarcity of buses/trains. Echoing to the dominant every-day experience of most of my informants, the development actors from both regions suggested that disadvantages based on access and distance from Budapest or from other centres of decision making and specialised services, should be taken into consideration when the central budget is distributed¹⁷³.

6.3.2. Financial constraints – issues of co-financing

Such accumulated problems of underdevelopment are further strengthened by budget constraints. As discussed in detail earlier, local governments like those in Kislapos and Tiszacseke struggle to make their budgets cover even their mandatory tasks. Budget constraints significantly determine participation in grant application. As most of the available grants need at least 20 percent, and sometimes up to 40 percent co-financing, the lack of local resources is a large constraining force for local authorities (Kovács 2010:102). There are similar problems with pre-financing. If the local government has no significant assets to invest in the realisation of a particular project until the grant is paid (that can often occur one to two years after the project ended), they have little chance of applying, unless they can/are willing to rely on bank loans.

¹⁷¹ About 4.5 euro.

¹⁷² Interview, 26/02/2010. Katalin Kovács, Andy Cartwright and Gyöngyi Schwarcz participated in the conduction of interview.

¹⁷³ It is allocated on the grounds of registered inhabitants or users of local services, thus not differentiating between localities in terms of disadvantages originating from the disadvantages faced by inhabitants or the distance from services, resources and decision making.

The notary of Tiszacseke explained that all the buildings owned by the local government have a mortgage to cover the multiple loans the local government has taken before. They took all sorts of loans ranging from loans to finance salaries, through co-financing or pre-financing for projects to covering bills and institution running. During our interview in July 2009 she explained that an earlier LEADER grant realised in 2006 had only just been closed, and they were still waiting for the final instalment. This is not a unique case, Kislapos also had several bank loans and numerous studies report that many local governments in Hungary are severely indebted, partly as a result of the present system of wide responsibilities coupled with shortages of central financing (e.g. Pálné Kovács 2008; Vigvári 2010).

The existing financial assets largely determine what grants are actually available for particular local governments, regarding the constraints of co-financing or pre-financing. The mayor in Kislapos explained:

Of course, one can find faults in this order [of local development steps]. But it all depended on the available grants at the time, and also when and how much co-financing we could afford. For example, we were saving our assets for the grant to renovate the school for three years. In the meanwhile, we had to do something though. Because then you cannot just not do nothing as a mayor. What would the people say, when they look back on these four years, and there were no developments. They would say: well, he did nothing. Because that's how the electorate judges us.¹⁷⁴

However, what makes it even more difficult for places that do not have substantial local incomes, is the yearly changes and incalculability of budgets. It is hard to save up for several years for projects or investments, when the local governments do not know ahead how the next years' budget will look.

Both mayors added that budget pressures along with the availability of grants greatly limit their space for planning and the realisation of development steps that they believe are locally most needed. It is partly because most grants are directed towards very specific objectives. If there are grants for example for school renovation, one cannot use them for road building. This was also evident in the ethnographic vignette that I started this section with. At the same time, the mayors I talked to felt that they should still apply for various grants. Even if they believe that the projects

¹⁷⁴ Interview, 15/07/2008.

are not always needed by the local inhabitants, or are not the most immediate priorities in the locality. This is largely a reaction to the requirements of the electorate, at least in the understanding of the mayors. They reason they need to do something visible that materialises in some tangible results, which is also reinforced by the present development discourse and structures.

This chapter examined the various aspects of the present development structures that enhance the recreation of regional inequalities in the country. My analysis showed that the positionality of places within the present socio-economic structures largely influence the sphere of action by local officials and the possibility of different local initiatives in the present frame. As such it appears that the decentralisation of decision making, setting up of new development institutions and new mechanisms of distribution did not bring equal opportunities to all settlements. Within a highly competitive frame, remote rural areas with aggregated problems are less able to influence their own trajectories when compared with ‘development nodes’ with more resources and better competitive advantages to reposition themselves in the present global economic frames. The central state furthermore plays crucial roles for such regional differentiations through various national grants, investments and through the promotion of certain areas as development poles through to preferential taxation for companies or foreign investors.

By referring to my two fieldsites it was furthermore shown how the local state officials, in this case most often the mayors, interpret these changes and phrase their possibilities as well as the local disadvantages within the new discursive and allocative frames. Their practices and accounts show that decentralisation and the EU frames made development a prime concern for local authorities, which cannot be neglected even if local resources are lacking. Similarly, the mayors felt their activities are most strongly judged by the local citizens through the development achievements they managed to bring about during their term. In addition, decentralisation and the new discursive frame of development have also shifted responsibilities of local advancement to the local level from the previously centralised structures. This puts a heavy burden on local officials, and especially mayors, who are often limited in their possibilities by various financial, and other local constraints. Under such constraints however often projects that are not locally

relevant/needed or objectives which are beyond the local capabilities are often realised in some places. This further reinforces those opportunities and limitations that the present structures offer for certain localities in altering their trajectories and repositioning themselves in the present global/national structures.

7. (Dis)illusions of development: trajectories, positionality and the creation of locality

In this chapter I explain the dominant trajectories that the main development actors envisage in the two villages and how they conceive the position and possibilities of the two settlements. By examining the ways that the consequent development efforts materialise in the two localities, I highlight the limitations and opportunities that remote rural areas face in the present development structures, thus deepening my former point on the importance of positionality. Furthermore, the effects of such development programmes for social security are explicated along with the ways they affect the self-identification of local inhabitants and their relations to their locality. As such the importance of development conceptions and programmes for local belonging is shown.

The former chapter detailed how the main local actors of development from my two fieldsites interpret the unfolding changes and how they see their position and related possibilities within the present structures of development and resource allocation. In this chapter I turn the attention to the actual initiatives of development in the two villages. I explain the dominant strategies local development actors take and their opinions on the ways in which Tiszacseke and Kislapos can alter their trajectories and negotiate their place within the present frames. First I analyse the attempts at building rural tourism in Tiszacseke and then the possibilities that the Hospitalier project opened up in Kislapos. As such my analysis further strengthens my former argument about the role of positionality of places and the ways this can affect the locally envisaged possibilities in the present grant competition frames. However, I also emphasise that the new developmental frames brought opportunities too, often in rather unexpected and incalculable ways.

Secondly, the chapter underlines the various effects these development efforts have for local inhabitants in terms of social security and local identity. While different local groups can profit differently from various projects, if they profit at all, these development initiatives nevertheless have significant consequences for the self-perception of local inhabitants and their relation to the place in which they live. As such, development is also indicative of the ways people relate to their locality; the way they imagine their present/future and that of their children linked with that of the place, the way they construe their identities in relation to the place and how envisage their possibilities in the settlement.

7.1. *Tiszacseke - the 'tourist paradise'*

Before I first came to Tiszacseke, my excitement was triggered when I came across a tourist brochure made by the local government advertising the place as a 'Tourist Paradise'. The village is renowned for its two international food festivals which, according to their website, draw over 1000 people every year to the settlement. The brochure, along with the village website offered a very different picture from the one I drew from the few second hand sources I came across before starting the ethnographic research, which detailed the 90 percent unemployment, poverty, difficult access, poor public transport and its location in one of the least developed micro-regions. The 'Tourist Paradise' moniker also did not match my first impressions. Before moving to the village it took great efforts to find temporary accommodation. When I called from Budapest all but one of the advertised tourist homes refused to host me (the only one which did not was actually a second home whose owner lived in Budapest), explaining that they only receive guests during the two days of the festival and, in any case, even then it is usually arranged through the mayor¹⁷⁵.

In recent development discourses¹⁷⁶ rural tourism is usually promoted as one of the most popular solutions for rural places who lack other possibilities due to their remoteness, declining local economy and population, or limited resources (see Hall 2004, 2005; Szörényi 2010). Under the system of global capitalism, coupled with the EU common market and differentiated agricultural subsidies to the various member states, agricultural production has become more competitive and less favourable for small-scale producers. Thus rural areas are increasingly encouraged by various EU grant schemes, such as the LEADER¹⁷⁷, to engage in alternative economic activities.

¹⁷⁵ I did not want to arrange accommodation through the mayor at the start of my research, because this would have connected me too closely with the leading official in the eye of other inhabitants and possibly affect their perception of me, which I wanted to avoid.

¹⁷⁶ See several pre-accession PHARE funds, and recently the LEADER, which has been promoting rural tourism since the 1990s in the country.

¹⁷⁷ LEADER is an EU grant support scheme, which is available through axis IV of the European Agriculture Rural Development Fund 2007-2013 and supports the diversification of rural economies. It has a novel approach in comparison to the other rural development grants of the EU, as it encourages bottom-up development, and hence the local participants can propose the development priorities, rather than having to fit to directives given from

As such the various forms of rural tourism are expected to provide new or complimentary forms of living, as well as contribute to the overall development of the place. It is furthermore believed to help to give ‘new identities’ for rural areas and their citizens. The particular strength of this developmental view lays in its conviction that rural tourism could be a solution for every rural locality - even those which lack other advantages - and could lead to the reintegration of places into the global flows of the economy (cf. Hall 1998). Thus it is believed that even remote rural areas with no entrepreneurial attractions could develop successful tourism in their locality, if only they are creative enough to (re)invent some local traditions or could build on natural assets. Thus ‘selling’ the place, promoting its cultural and natural uniqueness to attract tourists became an important development strategy for many rural localities (Szörényi 2010).

The leadership of the local government in Tiszacseke have also appropriated this view. In many instances tourism was mentioned as the most promising measure for “stepping out of the negative and disadvantaged position” of the village. The tourist efforts are partly built on the village’s vicinity to Hungary’s second largest river the Tisza, on which water sport tourism has taken place for decades. While during the socialist period water tourism was going well (as often group excursions were officially organised from schools/work places, or kayaking camps were part of the school curricula, which brought plenty visitors during the season), in the early 1990s it was realised that the natural assets were not enough. By themselves they would not bring crucial changes for the local economy, such as more jobs or investments in the village. Most of the water tourists usually stop for one night in Tiszacseke as part of a kayak tour on the river, only visit the camping site at the river bank about two kilometres outside the village and hardly ever walk into the settlement itself. Thus, attention was also given to the cultural heritage of the national poet Ferenc Kölcsey and the cemetery, which has unique wooden marks in the shape of boats instead of gravestones. The memorial and the museum dedicated to Kölcsey along with the cemetery are always kept in good condition; there is always one or two teams of public workers trusted with this task, who look after the general appearance and cleanliness of these sites (see chapter 4). Furthermore, in 2010 the local government obtained a LEADER grant for the full reconstruction of the cemetery, which in their view would also further its attraction among visitors.

above and applicants obtain the grant directly rather than through the national/regional/micro-regional structures as is the case with other EU grants.

The mayor, however, gives most attention to the two international festivals based on the culinary heritage of the region, which he sees as a ‘take-off point’ for the village. In fact, the International Plum Jam Festival and the *Cinkefőző*¹⁷⁸ festivals were developed some 12 years ago as part of larger micro-regional effort between several neighbouring settlements with the aim of “offering something additional” to tourists. Through a series of connected events in the second part of August the micro-regional effort seeks to keep visitors in the area longer than one day, thereby bringing profits to the guest house owners and small business owners in the region. The festival series capitalises on local “traditions and culinary heritage”, according to the micro-regional co-operation¹⁷⁹ website. Ideally, tourists would go to a fish soup festival in one village, then spend the next day at the plum jam festival in Tiszacseke, before moving on to a nearby nut festival, then a traditional market before ending their trip eating strudels in a fifth village. As part of this micro-regional effort to build tourism the villages installed common wooden signs in public places through a larger LEADER programme in 2006, which also saw some tourist sites renovated. In addition, an investor from the nearest town also started a touristic enterprise that involves five of the neighbouring villages that aims to promote local products such as plum jam, plum *pálinka*, honey and local handicrafts, sold in wooden *Szatmárikum* houses.

Yet these efforts are largely instigated from above and are not always joined by other inhabitants. This partly explains why it was so difficult to find a place to stay during the summer in a village openly advertised as a ‘Tourist Paradise’ and why I was instead referred to the mayor. As I learnt later, the main tourist catering is provided by four large guest house owners. These offer accommodation and food for large groups throughout the entire year. One of these guesthouse owners is the mayor, who is the main instigator of the local tourist efforts. He reported that he promoted the establishment of local guest houses by other inhabitants through different grant schemes in the early 1990s. However, he felt it was not entirely successful, because “people did not manage to acquire the proper mentality” needed for large-scale tourism.

¹⁷⁸ *Cinke* is considered to be a “traditional” food of the region made from boiled potato and flour and seasoned with various toppings, such as jam or bacon and cream. The festival is dedicated to the cooking of different variations of this regional meal.

¹⁷⁹ Felső-Tisza Multi-purpose Micro-regional Cooperation, which combines the neighbouring settlements and mainly has significance in bringing together local tourist efforts.

For many people who own a guest house it is considered a supplementary income, which is rather meagre and not even counted upon within the household budget. For this reason, the owners usually do not make large investments. Rather when someone inherits a house the family repaints it, fixes the bathroom and then the guest house is open for visitors. Or, as is often the case, single elderly people decide to open up a room in their large house for occasional visitors, without making any alterations. Most of the houses/rooms are not advertised beyond a sign in the garden and guests are arranged through personal contacts of relatives or acquaintances living outside the village. Unsurprisingly, most of the guest houses only have a few guests throughout the year. Guests usually stay only one or two nights and mostly come during the two festivals or national holidays. Thus tourism has not become a significant income generator for most people and did not attract further investments to the village.

Even those who run the larger guest houses do so as a secondary income, in addition to running a small shop or working in a local state institution. Moreover, these enterprises rely only on a few temporary employees in addition to family members. According to guesthouse owners the remoteness of the village along with the lack of easy access prevents the development of larger tourism in the region as a whole and the village in particular. This was also mentioned as one of the main reasons for the limitations of tourism in the whole micro-region in an evaluation document of the possibilities and capacities of the region¹⁸⁰. The other aspect emphasised by the document was the lack of proper marketing. As such, in spite the large number of guest places (the Fehérgyarmat micro-region has double the national average), the guest stays were in fact almost half of the national average.

Furthermore, the benefits of the festivals were often questioned by locals. They require huge local efforts that the local government alone is not able to fulfil. The local government always applies for some extra grants (usually from the county development councils) to realise the two large festivals each year. However, according to the notary they are not enough to cover the event, so they also require some additional resources, which are taken from the local budget. The tents, stages, cooking teams, plums and VIP arrangements for regional politicians not only put

¹⁸⁰ Fehérgyarmati kistérség – LHH kutatás terepösszeí, prepared by Kai consulting company, written by Ivánku Zsuzsa, 2010 summer.

financial pressures on the local government, according to some in the local government more than it returns, but also demands huge personal efforts from the locals. All public workers and all employees of public institutions are expected to help, often in their free time, both during the festival and during the initial preparations, which take up most of the month before the event. When I was in the village in August 2010, teachers were stuffing cabbages¹⁸¹ on weekends and everyone employed by the local government had to spend the two days/nights of the festival on the site working as cooks, hostesses, entrance ticket sellers and the like¹⁸². Obviously the majority of the employees were not very happy with these expected but unrewarded efforts. What is more, those inhabitants who were not involved in its realisation were hardly interested in attending or could even afford to go. Kati, a lady in her 50s, was responsible as a public worker for maintaining the toilets at the venue explained it so,

No, I even wouldn't be here if I was not told to. Otherwise I never bring my family here. It would cost too much. Because then my partner would have to have at least one beer, otherwise what's the point? Then I would have to buy some sweets for the children, give them some money to go on the rides, and so it would be already a few thousand forint. For what? To watch this? It's the same every year. So they don't come, they stay at home.¹⁸³

Several members of the board of representatives were also very critical of the whole event. Beyond the individual critiques about the particular realisation and aspects of the programme, the main criticism was directed towards the actual gains vis-à-vis the invested energies and resources. Not only did all the food have to be bought from the local state resources, but for years now the time of the festival is at the peak of public work employment, which of course means high financial constraints on the local budget. Several informants, whose main income comes from various forms of benefit provided by the local government, complained that each year around the time of the festival their housing allowance was late by several months. The explanation was that the local government had a budget shortfall. Members of the local board of representatives furthermore complained that there is no actual record of the financing of the event, i.e. no receipts of the different costs exist and there is no procedure for counting the income either. They claimed it is difficult to judge the financial returns, which for them appeared rather ambiguous. Besides the tickets sold, which cost 500 forint each¹⁸⁴, and food sold in the

¹⁸¹ Stuffed cabbages are a regional speciality.

¹⁸² The festival is a non-stop 48 hour event because of the nature of the way the plums are cooked for the jam.

¹⁸³ Informal talk, 21/08/2009.

¹⁸⁴ About 1.5 euro.

“Tiszacseke tent”, all other incomes benefited only the private caterers/entertainers who had their stand in the festival.

The results were considered ambiguous in other ways too. Part of the stated aim of the festival is to popularise local products and help small producers finding market for them. However, according to many participants, channels of personal contacts and power were used by the mayor during the festival mainly to sell his own products in larger markets. Similarly, in the local stands only two local producers received a place, and they both admitted that this was due to their close tie to the mayor. The fruits and vegetables used for the festival were, at least in 2010, bought from large supermarket chains instead of local producers as the latter were much cheaper given the large quantities needed. Many locals complained how their plums were rotting on their trees, while the mayor was making complicated arrangements in order to get enough plums from different supermarkets to satisfy the festival’s demand. In addition, some producers explained that obtaining quality markers for their products is also a major obstacle for selling both at the festival and in the already mentioned *Szatmárikum* houses¹⁸⁵. At the same time, the people who have to participate in the festival by cooking and serving food for tourists can often use the opportunity to sell their jam or *pálinka* in unofficial ways. On various occasions I observed the elderly carers who were responsible for selling local culinary specialities to guests offering their products in the back of the tent, when they were asked where one could obtain plum jam or *pálinka*. Yet usually they were the local state officials/employees or the pensioners from the elderly club, some of the few people who have permanent income in the village.

Nevertheless, the mayor (along with several local government members), following the mainstream discourse about the ‘magical effects’ of rural tourism for places who can capitalise on natural or cultural assets, believe that tourism is the only path¹⁸⁶ for the long-term

¹⁸⁵ Often these tourist spots sell larger brands like the *Panyolai plum pálinka* instead of the produce from small producers, or are closed down entirely as in Tiszacseke.

¹⁸⁶ He in fact believed in two major ways of turning negative rural trajectories of places like Tiszacseke, where the agricultural production gains and ownership transformations have considerably broke down local production efforts, and larger companies and industries are missing. Besides rural tourism, he also strongly believes that the reinvigoration of agriculture, through building local markets and establishing local cooperatives from producers, could possibly change the present position of the place and its inhabitants. However, he felt that individual efforts are limited within the broader frames of the EU, which according to him acts against such efforts in the newly joined countries through its double measures and support schemes for the original EU members and the new

development of the village and for re-connecting the village to the national/global economy. Thus the project of turning the village into a ‘tourist paradise’ marches on.

7.1.1. Tourism as a resource: social security and local identity

Whether or not the rural tourism initiative proves to be successful or not in the long run in Tiszecseke, it still has important implications for social security and local belonging. Public places, streets and institutions in the village are for the most part in very good condition, something that can be beneficial for all even if the intended targets are tourists. This is noticeably different from Kislapos, but is even so in comparison to some less ‘touristy’ settlements in the vicinity. And for such maintenance often large numbers of public workers are used, which consequently gives employment for a significant number of people for several months of the year. Thus while tourism might not profit the guest house owners significantly, it indirectly provides jobs for many local unemployed.

On a higher level, it also points to a common strategy of mayors who lack the financial ability to fulfil local government responsibilities and developmental aims: the substantial utilisation of public work to satisfy the main tasks of local governments and often even to adventure into some infrastructural or other developments through these work programmes. The mayor in Tiszecseke claimed he won only a small portion of the grants he applied for in the past 20 years¹⁸⁷. He blamed it, besides the above mentioned shortcomings of the development frames, mostly on his political affiliation; in his interpretation he was on the wrong side of the governing party most of the time¹⁸⁸. But he could often satisfy local needs of renovating public buildings, keeping public places in good shape or realising the festivals by employing a large number of public workers. Thus the two – development and social support through public work – appears to be strongly interwoven in the village, bringing possibilities for negotiating established discourses and values in both spheres for local state actors (see chapter 4 for more on public work).

Eastern European ones. However, I will return to some local initiatives in this vein in Part III when I discuss access to non-state resources and subsistence farming.

¹⁸⁷ Although several large projects were realised: they had five large EU projects (two for training and employment, the renovation of the school, renovation of elderly day-care home within a larger micro-regional grant and a large LEADER programme they took part in with all the neighbouring villages for tourism) and numerous smaller mainly national grants for building renovations, road repair, tourism etc.

¹⁸⁸ He is in the conservative FIDESZ party who came to power nationally in 2010 after eight years in opposition.

The attention of tourists has also influenced the way many locals relate to the village. In spite of the complaints, many local informants spoke with pride when talking about the festivals and the fame it brings to the settlement. They felt that tourism in general helps to popularise the place beyond its immediate surroundings, that the way the village is represented to those from outside was important and that it gives them a sense of pride. One long-term public worker described an occasion when he and his friends represented the village in a nearby festival:

We were all dressed in these old style cloths, these traditional ones. With the peasant hat, boots, and we had the whip too. And as we were marching among the other participants, we had to crack the whip, and the women were all in costume too, they were offering plums to the observers. And when they announced Tiszacseke on the speaker and described our village, I felt this huge pride, I really felt proud about being from here.¹⁸⁹

Another, even if not direct result of the public attention and local pride is that many young people, even in lack of local options, decide to stay in the village or return after working elsewhere. The best example of this comes from two brothers, who made considerable money by working their way up the ladder in a hotel in the Italian Alps. In the past five years more and more young people have decided to follow their example and became waiters, receptionists or cleaners in the same ski resort. They plan to spend only a few years there, saving up money through hard work and then come back and settle in the village. The two brothers were promoted to managerial positions in the hotel. However, in summer 2009 they decided to return to the village and invest their earnings in establishing a pizzeria for tourists in Tiszacseke. Their example was mentioned by various local officials as well as young people when referring to ways of being able to make a living in the village (or with the village in mind).

Whilst this is a very concrete example of the links between the tourism drive and the creation of possibilities, it is actually part of a broader feeling amongst young people in the village: that they imagine their future in Tiszacseke. This is surprising because in smaller remote villages with bad access to employment and services it is usual that the younger people use education as a spring board to leave for larger and more advantageously positioned urban areas (cf. Koós and Virág 2010). According to the local government's population statistics, the size of out-migration in the past ten years was limited to yearly 20-30 people, which was partially compensated by in-

¹⁸⁹ Informal talk, 13/09/2009.

migration of about 10-20 a year¹⁹⁰. In fact I met various people who, even though they had completed higher education, returned to the locality, in some cases even leaving professional jobs behind and returned to farming or established a family business. The returning young people whom I talked with explained that they had ties/attachment to the place; they were longing back to the village and wanted to manage there. Zsuzsa, a newly established farmer explained:

We were living in Nyíregyháza [largest city of the region], we had a house, good job, everything. My husband was working as a lawyer and I had a good teaching job in the college. We lived the city life, going to the theatre, cinema, exhibitions, all that. But it just wasn't good somehow, after a few years we came back. I just didn't feel good there. I still like to do all that from time to time, but I like living here, I am somehow attached to Tiszacseke. And even though we have to work much harder now, during the agricultural season I literally don't see my husband for weeks...we made a family business and both work in farming, still I feel much better living here.¹⁹¹

What was particular about this return migration is that it is not the urban poor/unemployed moving to rural areas in hope of cheaper living, as often is the case with remote rural settlements. Nor is it a form of suburbanisation, which usually affects the agglomeration of urban centres and involves either wealthy retirees or better off families who commute daily to their urban work places. Rather, in several cases, successful professionals (lawyers, accountants, media experts) returned the village to establish a local enterprise or pick up farming. These young people often explained their return through their strong attachment to the place, or their future possibilities in the village. There is of course still a desire amongst some to leave; several parents said they wanted to give a good education to their children so that they can have more opportunities elsewhere. Nonetheless, it appears that the tourist efforts served as an important counter-point of the usual public image of villages in 'crises zones' as disadvantaged, underdeveloped, remote and abandoned. The promotion of the village to outsiders has indirectly influenced the perception of inhabitants concerning their locality, giving people both pride and the possibility to imagine their future there.

¹⁹⁰ Only few people were actually out-migrants, the statistics indicates a fluctuation of mostly Roma families, who according to the local nurse, the family assistant and my experience often left the village to live with relatives elsewhere for some time (particularly the winter months), but later returned to the village. As was mentioned by the relevant officers, such temporary movements make it very difficult in fact to keep track of their clients. Also while some of Roma families never return, new families also settled from nearby villages.

¹⁹¹ Interview, 12/03/2010.

7.2. From deposit of aid to deposit of waste? – the ‘Homeless Village’ of Kislapos

When I first talked to the mayor of Kislapos in the summer of 2008, he explained proudly how he caught the opportunity to have the first ‘Host Village Program’ realised in his village. He quickly took advantage of a random visit of the Hospitalier organisation’s representatives who followed a homeless family back to Kislapos¹⁹². In his recollection, the two sides quickly reached a common agreement about the general social problems and their solutions, and after realising their interests were the same in the matter, he insisted the then-hypothetical programme should be made nowhere else than in his village. Nevertheless, when I spoke to the mayor four years after the programme’s start and he was assessing its actual benefits and the future of the village, he admitted with regret that in fact the inflow of aid did not really solve their problems and he was now thinking of offering some land in the confines of the village to a waste deposit company, in order to try to balance deficits in the local budget.

In the end the waste deposit idea did not materialise. When I returned to the village in November 2009, the place was on a somewhat different trajectory, having won a 200 million forint grant to implement one of the large, complex social and health service projects of a government programme financed from EU resources (*Leghátrányosabb Helyzetű Kistérségek projektje*¹⁹³ - LHH hereafter). However, his way of thinking - namely that the best possible scenario he could envisage for a village, in his words, “with high Roma population, large unskilled labour and notorious level of crime”, was to become a ‘deposit of waste’ - underlines issues that go beyond the particularities of the village itself. It points to the overwhelming power of the dominant views/discourses sustained by the present structures, which offer only limited possibilities to such ‘depressed’ places with no competitive advantages in the global/regional economy. Within such thinking, a thinking that appeared to have been internalised by the mayor, the village has no possible resources on which to build. It lacks good access, has no natural assets and due to the population changes has little cultural heritage to play on. It lacks advantages to attract enterprises

¹⁹² The family was originally from the village but had been living in Budapest in homeless shelter for a while. The Hospitalier employees met the family through their homeless assistance services. As a follow-up, the Hospitalier employees came to see whether the homeless family managed to settle back in the village.

¹⁹³ Programme for the Most Disadvantaged Micro-regions

built on unskilled labour too, as the predominantly Roma labour force is usually held to lack the required work ethic/experience needed (cf. Koós and Virág 2010). This lack of assets inhibited the village from attracting extra grants or resources. As detailed in chapter 5, the arrival of the Hospitalier had significant effects on the entire village and not just the chosen Hospitalier families, as they distributed aid throughout the village partly to win acceptance of the locals. Nevertheless, the mayor felt that the activities of the organisation were not enough to significantly change the trajectories of the village.

7.2.1. 'Disadvantage' as a resource? – The Hospitalier project

The village did not become a deposit of waste however, and exactly that is the reason why it exemplifies another significant aspect of the current development structures. As shown by the mayor's lamentations the confines of development frames left few imagined alternatives for the village. The options included the occasional renovation of a few official buildings (as happened before the Hospitalier programme started) from smaller national grants and the proposal to attract a waste deposit firm in order to obtain some extra income in tackling financial problems and the large indebtedness of the local government. However it was exactly this lack of options that attracted the Hospitalier after their chance encounter with the mayor. In the words of the programme head:

This programme could not have been done anywhere else. Of course, we could have taken it to Győr or Nagykovácsi, and Szabolcs and the others [the conductors of the project] would be all well there enjoying themselves. But it would not have made sense. It could not have been replicated then later on in less advantageous places. It is easy to do it in a good settlement, but in a Kislapos you have to work for it and you learn a lot during the process. We learnt a lot. Kislapos was a great field for us. I still maintain it could have only been made here. Now in the nearby Erk, we are doing fine, it is a much easier settlement, and due to our experiences in Kislapos, it works smoothly there, no problems, no difficulties. And there was one more consideration. In a Kislapos whatever you do, it can only make things better. You cannot do anything wrong. Here you cannot make mistakes, because everything you do can only bring something.¹⁹⁴

As detailed in chapter 5, the aims and targets of organisation were also transformed as they became more and more deeply involved in the village – moving from focussing on the chosen homeless families from Budapest to try and tackle the wider problems (unemployment, poor

¹⁹⁴ Interview, 7/10/2008.

access, unused gardens, loan sharks) faced by the village as a whole. The result is the current complex programme, which addresses multiple issues of ‘depressed’ or ‘highly disadvantaged’ rural areas such as Kislapos. As proudly mentioned by the implementers, it was used as one of the three “successful examples of complex projects” in the leaflet of the LHH grant call. What is more, by now the organisation became a major micro-regional actor in rural development whereas previously its focus was homelessness. They are soon to realise three out of the ten larger-scale projects within the frames of LHH, each with a 200 million forint budget. One of them is to be established in Kislapos.

Thus even though it was not originally envisaged as such, the homeless project grew into a complex rural development programme, which was evaluated positively both by the mayor and many inhabitants. In the mayor’s words:

A modern nursery, a playhouse, children’s catering, a firm with 30 jobs.... these are just the headlines. This village would have never been able to make that all, not within 30 years, if we had to do it by ourselves. But obviously I had to be there, I had to represent the interest of the village god damn well... the palm of a shy beggar is empty, so I had to go and ask and ask.¹⁹⁵

Beyond the various institutions the Hospitalier established in the settlement, their personal networks and the fame that the village gained from their projects also brought further grants and a better position from which to lobby on the micro-regional and regional levels. The mayor halted one interview we had together to take a call from a high up official from the electricity company, with whom he was negotiating the reconnection of houses in the village. After the phone discussion he explained that now, since the ‘Host Village Programme’, he can talk with such officials from a very different starting position, and that naturally he managed to get what he wanted. He highlighted that it is a different thing to be the mayor of the ‘Host Village’, than just simply of a village with no prospects, a large Roma population and high crime. He also explained that many of the grants used for local institution renovations, were in fact won through the help and personal contacts of the Hospitalier.

Another less significant but recurrent element of the ‘Host Village Programme’ is land cultivation and husbandry. In order to instigate farming activities in the village and resurrect the

¹⁹⁵ Interview, 3/11/2009.

significance of subsistence farming, the charity organises a training programme every year with a popular celebrity farmer when stocks, seeds, potatoes and fertilisers are distributed to all participants. In addition it is required that the incoming homeless families, who at the time of their settlement in the village receive animals (mostly chickens, sometimes a pig), small plants, grains and potatoes, cultivate for their own consumption. According to the locals, Kislapos and its surroundings have very good soil; agriculture served as the main source of living for centuries. Some locals remember that the collective was famous for its large production and good quality of the melons and potatoes, while many women also used to regularly take their products from their household plots to the Heves or Budapest markets. Presently, however, only one family in the village engages with farming. Most of the former collective employees/land owners either sold their shares or rent it to the former collective that was turned into a private enterprise. It is the largest land holder in the entire region; however it relies on machine intensive grain and fruit cultivation, and only one person from the village works there. Even though some of the able bodied elderly inhabitants would still like to do some gardening for their own consumption, most say they gave it up due to the regular thefts by the unemployed Roma, although I could not verify this.

As Marika explained,

it is not worth it, it is so much effort to grow... and then overnight it is all gone, all the fruit of your hard work. These nothing-to-do people, they don't like to work, they would not do it themselves for anything. If you look at their gardens, it is all bare, all dust, they do not even have grass. They don't have the need or inclination for it. The gardens are full of garbage, clothes, blankets, old baby trolleys, who knows what, things they had burnt or summoned from somewhere. But it's good [for them] if someone else grows it.¹⁹⁶

The Hospitalier employees told me that they target those local groups, mainly the Roma and the formerly urban homeless, who do not have strong relations to and experience with agricultural activities. In the view of the project conductors, growing vegetables and keeping livestock, at least for their own consumption, could considerably ease the difficulties of the local unemployed. However, so far their attempts proved unsuccessful; in their account the majority of participants ate the distributed potatoes and slaughtered the young pigs and chickens. The local worker of the organisation and the project conductors explained this was because the mostly Roma participants and the formerly urban dweller Hospitalier families have no connection to the land or experience

¹⁹⁶ Interview, 19/11/2009.

with agricultural activities. Nonetheless, the land cultivation idea is important for it reflects a particular view of the organisation about the role of rural places as sites of agricultural production.

While several EU grants, such as LEADER¹⁹⁷, try to promote an alternative view and instigate additional activities in declining rural areas, such as tourism and cultural heritage promotion, many development actors in rural areas believe that subsistence farming and social or cooperative style agriculture is the only viable solution for Hungarian rural areas if they are to alter their present negative trajectories. Thus similarly to the Hospitalier employees in Kislapos, the mayor in Tiszacseke, the micro-regional coordinators of NDA in Fehérgyarmat or the employees of the Szatmár LEADER group (all of them rural inhabitants) all see the strengthening of subsistence farming and the establishment of social cooperatives among small-scale farmers as the way for rural areas to regain an identity, role and importance within the national economy. Nonetheless, it was also added that the present EU schemes make such developments difficult if not impossible. The majority of rural development grants (most importantly axis I. and II. of EU provided rural development grants) support large-scale producers, which makes it even more difficult for small and middle-size farmers to manage within a highly competitive international environment. Their chances are further worsened by, in their words the ‘double standards’, in the EU agricultural support schemes, that offer much smaller grants to the newly joined member states than for the original members, where farmers already enjoy a much stronger position.

In summary, we can say that even if not everyone has benefited from the arrival of the Hospitalier in Kislapos, the presence of the organisation and their projects have opened up new opportunities for the village and many of its inhabitants. Many of these advancements also have high social security relevance. As was shown in chapter 5, these encompass a permanent workplace for the local unemployed, several training programmes, children’s services that can help them contravene their ‘disadvantages’ originating from their living circumstances, and a new complex social service centre, which in addition also will provide support in finding jobs for the unemployed. It also involves the support and assistance of a social worker available for all villagers most of the time. Thus in this case, the relations between development projects and

¹⁹⁷ See Chapter 6 for an overview on the available grants for rural localities.

social security are even more tightly interwoven, because they openly address the social problems and social service limitations of the locality.

However, what brought this opportunity for the village is exactly those disadvantages which made their position unfavourable in the present competitive structures and pclosed off possibilities such as tourism, entrepreneurial activities or accessing multiple grants in the competitive schemes. In this case, these disadvantages were turned into a resource. The Hospitalier chose Kislapos exactly because it was a place “where nothing could make things worse” and “where whatever one does it can only make things better”. As such, the example of Kislapos underlines that the present frame not only has limitations for those ‘disadvantaged’ rural places which are not well positioned in the present structures, but they also brought new, often unexpected and incalculable opportunities.

7.2.2. Inhabitants of the ‘Homeless village’ – subjectification and accessing resources

However, being ‘disadvantaged’ or being an inhabitant of the ‘homeless village’ (as Kislapos is often referred to) does not only opened up access to new resources, but also has some negative implications. While doing my research I have often met people from surrounding villages who would be surprised why someone would voluntarily come to Kislapos. They further claimed that they would rather take a longer route than have to go through the village, let alone spend a longer period of time there. Such verbalised opinions outside the village, even if exaggerated, can strengthen a negative image of the inhabitants. In various situations local informants stated that of course they are ‘disadvantaged’, for in the words of a 50 year old inhabitant, “I am Roma, uneducated and living in a remote village, of course I am disadvantaged. I am not a peasant, am I?!”¹⁹⁸

The reasons for such identification lay partly in the present support schemes which have established the categories of ‘double’ and ‘triple disadvantaged’ children, adults, and localities.

¹⁹⁸ Informal talk, 28/11/2009.

Such official categorisation often serves as the basis for some sort of financial or material state support directed to school children or their families. More recently it has also been appropriated by various development interventions and used to legitimise their relevance, thus making the ‘double’ or ‘triple disadvantaged’ groups the target population of various forms of services, monetary support or social programmes. As such, it also started to serve as the basis of various claims making by those who are usually designated as various degrees of disadvantaged by these categories. While these claim makings promise to open up access to additional resources, it appears to close access to other possibilities at the same time.

First of all, such labels are not only strategically used by the designated population, but often can become part of their identity influencing how they imagine their own possibilities. Secondly, they can have significant material consequences too, in terms of accessing various services outside the village. Numerous informants complained that they were approached with a negative attitude and felt they received worse treatment at different public service providers in Heves, or the employment centre in Boconád because they are from the village. As Ani, a middle-aged woman who married into the village during the early 1980s explained, “as soon as they hear that our permanent address is Kislapos, in the hospital in Heves or everywhere outside the village, they immediately change and start to treat you as if you are also homeless or a Roma criminal.”¹⁹⁹

Of course it is not only the ‘Host Village Project’ that gives the village a bad reputation. It is just as much related to the fact that the Roma constitute the majority in the village and that there is high unemployment and crime. However, these characteristics also contribute to the ‘disadvantaged’ label. In the official categorisation, disadvantages originate from low education, long-term unemployment, poverty and from living in a remote rural locality. As the ratio of people with low education, unemployment and poverty is relatively high among the Roma ethnic group (not least for reasons of age-long discrimination), often being a Roma automatically is linked to being ‘disadvantaged’. This came out both in conversations I had with development agents and local inhabitants.

¹⁹⁹ Informal talk, 24/11/2009.

A formerly homeless family who moved to the village through the programme five years ago, complained about their limited possibilities, which in their mind are strongly linked to the large number of Roma in the village and which have even worsened due to the homeless programme:

We are planning to move for sure. There is nothing here for the children - it's very bad for them here. The school is horrible, the first time I took them they got lice and were beaten up. So now I take my children to Boconad for the school, and I can't even tell how much better it is there. They have programmes, activities, here they only get beaten up by each other. We have been planning to move from the village for a while. My husband works in road construction, he is away most of the time, but he earns quite a bit from it. And then I raise the animals, so we are ok. But it's not enough to save up. Once you are here in Kislapos, it is impossible to move. I feel like we have been tricked into this by the Hospitalier, I must say. I feel we are stuck here... We were looking [for a house] in Boconad, it starts from something like 5 million for a house. Here in this village, you are lucky if you can even sell it. And maybe you could get a million, for a house in good condition like ours.... István [the head of Host Village Programme] is often angry and asks me why I don't take my children to the local school. But it is easy for him to tell me this from Budapest. And that we should not move! But I simply don't want my children to grow up here. There is nothing here, no possibilities, nothing!²⁰⁰

The broader negative image attached to Kislapos also influences her relation to the place, and the way in which she can imagine her or her children's future there. Others added that while house prices have been low since the 1990s due to the large Roma population, they have been further decreased as a result of the homeless project, making it impossible to move for those who would wish to. In the words of an elderly lady who has lived all her life in the village,

people don't want to be the neighbours of a Roma, but they also don't want to live next door to a homeless. I am not saying that, they are really quiet and all, they don't stir up any problems, we also have one just opposite to us and I am in good contact with them. They are quiet. They are no problem, really. But... people just don't want to live in a homeless village, right?!²⁰¹

Such limitations in their possibilities and access to services outside the village along with the negative images of the village reinforce feelings of hopelessness in many local families. It not only strengthens their view of the village as 'disadvantaged' and a bad place to live in, but also influences their self-perceptions. Furthermore, such labels also strongly influence the ties of the inhabitants to the place. As many locals emphasised, they want to ensure a good education to their children, as it was seen the only possibility to leave the village and move elsewhere with better opportunities.

²⁰⁰ Interview, 7/12/2009.

²⁰¹ Interview, 18/11/2009.

The chapter showed the (very different) dominating ideas of development in the two fieldsites; how the main actors perceive the disadvantages and possibilities of their locality, what they believe to be the alternatives and how they go about realising these. Since mayors are particularly important for framing dominant development initiatives and practices I focused specifically on their opinions during the analysis. In Tiszacseke the mayor, along with other local officials, see possibilities for changing the ‘disadvantaged’ position of the village mainly through rural tourism, for which huge local efforts are made. However, in spite of these efforts and the prevailing EU wide discourse on the merits of tourism, it does not seem to significantly change the position of the village in the broader economic structures.

Even though rural tourism did not contribute to the establishment of tourism jobs and did not become a permanent source of living, it did have significant influence in terms of social security and local identity/belonging. Due to the large utilisation of public workers for a neat and presentable village, many receive at least a temporary work opportunity in the public work programme. In addition, their work is used to maintain institutions, public places and roads, which are neat and in good condition, which would otherwise be difficult from local resources to upkeep. And last but not least the festivals and general knowledge of visitors about the village brings local pride for the inhabitants, which strengthens their ties to the village and their local belonging, hence preventing large-scale population decline in spite of the scarce local opportunities. Even though its importance should not be overestimated, it appears that the maintenance of institutions and neat look of the village along with the large popularity of the festivals does foster a favourable image, dissipating pride and strengthening ties of the inhabitants to the place.

In contrast, in Kislapos the Hospitalier project arose exactly due to the highly disadvantaged situation of the village, thereby do not contravene popular conceptions, but still managed to bring new opportunities to the local inhabitants that are directed exactly towards overcoming these disadvantages. However, it appears that in a certain sense becoming a ‘homeless village’ not only opened up new resources for the local inhabitants, but also closed down others. The programme has ill-famed the village in especially the neighbouring settlements, where the people from Kislapos are treated with negative attitude and often feel they receive worse services than other

clients. Furthermore, the imagery of the programme reinforced former ‘disadvantages’ in terms of house prices and in the self-identification of inhabitants as ‘disadvantaged’ and without other possibilities. In this respect, both examples show the very complicated and unexpected opportunities and limitations linked to the positionality of different places in the present structures. While in certain respects these opportunities can bring new resources to the localities and the development efforts appear unsuccessful in changing local trajectories, their implications for social security and self-identification should not be forgotten. They can furthermore largely determine the ways local inhabitants link to the place and imagine their or their children’s’ life and future in or with the locality.

These ideas and images about the development trajectories and possibilities of the two villages furthermore reflect local conceptions about the role of rural places within the national and global economy. Whereas in popular discourse rural places and inhabitants are often described in terms of decline, diminishment, remoteness and underdevelopment in these two cases the local development efforts have rejected these deterministic categorisations. As such these two development trajectories are also important for they also reflect a particular view of what the role of rural places should be. They signify an attempt to find new identities in rural areas whose identity has been shaken due to the declining importance of agriculture during the past two decades in Hungary. However, despite these attempts to create new roles, in both places the dominant actors of development agree about the need to revive (subsistence) farming in rural areas.

8. Projecting the ‘disadvantaged’: project class, scale hopping and the creation of ruralities

This chapter analysis a national development programme targeted at ‘disadvantaged micro-regions’ in Hungary from the viewpoint of the various actors involved in the programme at different levels. As such it explicates the multiplicity of actors who can affect local development efforts/trajectories as a result of ransformations in the development structures/mechanisms. By examining the collision of views and the differences in the scalar position of these different actors, the differences in agency in terms of influencing local trajectories are underlined. As such, it is shown that members of the new ‘project class’ have great importance in constructing how ‘rurality’, its ‘disadvantages’ and futures are conceived. The chapter also brings insights into the particular images and roles that are accorded to rural places within the present development discourses and the way these collide and effect local trajectories.

Kossuth tér is the main square in Kislapos. It does not really look like a square though. It is rather a block of buildings at the meeting of two parallel roads and a third intersecting one connecting them. What makes this part the centre nonetheless is that it is home to all the important institutions of the village. On one side there is the renovated villa that hosts the new nursery sponsored by the Hospitalier. Next to this stands the electronic dismantling workshop run by the same organisation, hidden behind the large green doors of the renovated former stable. On the other road, one can find the doctor’s and the primary school. Finally, the pink building in the middle of them all hosts the mayor’s office along with other social service bureaus, next to which stands the freshly painted yellow front of the only food store and the playhouse run by the Hospitalier. Hidden among these blocks one finds a small broken establishment covered by a plastic roof serving as the post office. The main bus stop is also here, but one can only find that out by asking around, as the signs have been removed. The nurse’s office which is also on this block can be only approached through the grassy backyard, usually displaying the results of the daily achievement of the public workers, i.e. large bags of grass or leaves. As one crosses the street there stands the dilapidating unused People’s House²⁰² marooned amidst high grass and surrounded by a half-torn down rusty wire fence.

²⁰² The village preserved the former socialist name for the cultural house or communal building used for village events.

The future of the square became a major collision point in autumn 2008, when differing views of development came to the fore after a formerly unprecedentedly large grant was made directly available to the 33 areas designated as ‘most disadvantaged’. Like many mayors in small remote villages the mayor welcomed the opportunity to undertake a development project, and he hoped to obtain the 60 million forint²⁰³ needed for the renovation of the square. Yet upon my return in November 2009, the square remained visibly unchanged. Perhaps the wire fence was torn down in a few more places and the road became a little worse than before. As it was a rainy day the aid recipients were standing in the muddy road side in front of the mayor’s office, waiting to receive their monthly benefits. Some of the elderly were trying to pass through the large patches of water to enter the shop, while the post office and nurse’s office were all but impossible to get to through the uncovered muddy yard. Opposite, a group of children were walking in the middle of the road from the school towards the playhouse (where they usually receive their lunch), as the pavement had become non-existent - it had been washed away or covered by water and dirt. Yet the workers were busy with the reconstruction of the People’s House - the site of a 200 million forint EU funded development, as the familiar blue plaque revealed.

When I asked the mayor about the new developments, he explained:

And so this is how I could at least fit in the renovation of the People’s House into this [LHH²⁰⁴] scheme. It is not called renovation, but we squeezed it into a several-year long complex social programme, and it will be the site of that. 15 percent renovation and 85 percent social programmes... And we will play nursing, and father-mother club and heavens know what for years. And it will take immense energy from us again ... But when I said [to the LHH officials] that we are walking in mud in the middle of the village, and I would need some 60 million for the main square’s rehabilitation, [they said] but Mr. Mayor, don’t you understand that we are not giving money for that?! And we were telling what we needed, each settlement [was telling] what would come next in their lives. But no, [they said] we are not giving money for that. And the 2.7 billion²⁰⁵ accorded to this region was spent basically like [makes hand gesture]... that not much got to the small rural settlements, and even those who got something, it was not for what they needed it for. This is how rural development happened. According to the 2006 statistics, those big guys up there worked out that this region does not need economic development for example²⁰⁶. According to the 2006 data.²⁰⁷

²⁰³ About 200 thousand euro.

²⁰⁴ See below.

²⁰⁵ About 9 million euro.

²⁰⁶ He referred to the fact that despite the initial rhetoric (the project originally only proposed certain development priorities for each participant micro-regions), in the end these were used as main selection criteria and projects within those themes were given preference. For the Heves micro-region, where Kislapos resides, the two priorities were human resource development and health care. Thus economic development, transport and education, among others, were not set as priorities, based on the analysis of expert committees before the grant call was made public.

²⁰⁷ Interview, 23/11/2009.

The developmental outcomes however were far from being predictable or pre-ordained in this case. They evolved through a complex process of negotiations, and from the collision of various developmental conceptions of the different actors that were involved in the grant scheme at several scalar levels. The institutional establishment and *projectification of development*²⁰⁸ opened up new opportunities and demands for a variety of actors to participate in the rural and regional development process. NGOs, development experts, EU monitoring boards, regional and micro-regional agencies all became crucial agents who are closely involved with local development efforts. Often these actors work on multiple scales ranging from the international to the local. They do not live in the rural locality in which they work and often come from urban backgrounds. Nevertheless such actors can have an immense influence on the realised projects and all have very distinct ideas about the development of particular rural places. These views stem from a particular understanding of what constitutes the present ‘disadvantages’ or ‘underdevelopment’ of rural areas within the country. But how do these views relate to the self-image of inhabitants and the views/ideas of more locally embedded actors?

In this chapter, I examine the differing views of the various actors involved (at multiple scales) in a recent rural development programme entitled *Leghátrányosabb Helyzetű Kistérségek projektje* (hereafter LHH) Project for the Most Disadvantaged Micro-regions, directed at the most disadvantaged micro-regions in Hungary. My analysis sheds light on the specific aspects of the particular position of these different actors; positions from which they can significantly alter different developmental goals and practices in rural areas. As such, it will further the analysis on the emergence of a ‘project class’ (see Kovách and Kucerova 2006) by delineating the particular aspects of the position of these ‘development agents’ within the different scales of the restructuring state and the ways these affect their relation to local ideas/needs.

The LHH program started in September 2008 and is the largest development scheme in Hungary aimed at the complex development of the ‘most disadvantaged micro-regions’. The programme proposed a qualitatively new understanding of rural problems and a significantly different method of application. Thus the 33 most disadvantaged micro-regions were delineated according

²⁰⁸ By which I mean that development is now done through time-bound projects, usually involving a competitive grant procedure.

to various statistical variables, and were then provided with a set amount of grants available for various social development and infrastructural projects without competition. During my consecutive ethnographic visits throughout 2009-10 I had the opportunity to witness different phases of this project. In addition, I conducted interviews with various actors operating on different scales (the national head of the programme, different employees of the Hospitalier, the micro-regional coordinators, the mayors, social workers), participated in numerous micro-regional discussions and witnessed the first steps of the materialisation of the project.

Unequal power relations between development actors and the local population and the implications for development efforts have been widely studied within the frames of colonial and post-colonial studies (see Leys 2004). In the present Hungarian setting however, the multiplicity of actors involve local agents of development as much as NGOs, EU officials and micro-regional stakeholders. Moreover, the following analysis shows that differences in their agency do not necessarily come from unequal geo-political relations and do not always fit to simplified categories of ‘governing state’ and ‘governed populations’ (cf. Mitchell 1991; Scott 1998) or imperial international donors and dependent recipient third world (cf. Cooper and Packard 1997; Escobar 1995; Esteva 1992; Ferguson 1990; Sivaramakrishnan and Agrawal 2003) and post-socialist countries (cf. Wedel 1998). Instead I argue, following Kovách and Kucerova (2006), that the new frames of rural/regional development and decentralisation have led to the rise of a variety of actors who have gained supreme importance for local development in rural places, and which have come to constitute a new project class.

The chapter delineates the specific characteristics that arise from the particular position of these new development actors by utilising the conceptual tools of scales to describe the differentiated access of these actors to knowledge, networks, ideas and other resources as well as their different levels of agency. Their differentiated embeddedness and scalar access influences their possibilities as well as their relations to local needs. Furthermore, their particular conceptualisation of ‘disadvantages’ have significant effects on the self-perception of local inhabitants and the possibilities they have within and outside their village. Thus they have supreme importance for the material and discursive outcome of development efforts. As such my argument furthers recent propositions on the importance of geographical and social scale for the

analysis of development actors and their effects on rural areas (see Gould 2004; Wiber and Turner 2010).

The LHH programme is a suitable case study of rescaling and development for various reasons. Firstly, because it is a unique programme which utilises a bottom-up planning process through the direct participation of the micro-regional and local actors and a non-competitive application for these disadvantaged areas. To the best of my knowledge this is the only programme of its kind within the present development schemes. Secondly, my two fieldsites reside in two different micro-regions that were both chosen among the 33 disadvantaged who are targeted in the programme. As the programme was in the phase of decision making/realisation of first-round projects while I was doing my research, I had the opportunity to study some of the actual process and interactions between the different participants. This makes it possible to reflect on the variety of actors involved, their views and resources and how their encounters led to particular developmental outcomes. Even though LHH is unique, some of the aspects discussed in relation to the actors and their interactions go beyond the actual programme, hence could serve to highlight more general aspects about the actors involved in recent development processes. In what follows I will underline some related aspects of the ways the LHH programme unfolded in the micro-regions of my two fieldsites by reflecting on the above issues.

8.1. A programme for ‘disadvantaged’ areas

The LHH programme was developed as part of larger governmental efforts to single out and direct separate resources for the most underdeveloped areas in the country. According to the descriptions of one of the main preparatory programme documents²⁰⁹, the 33 chosen micro-regions are pre-dominantly rural, have the highest rate of unemployment in the country, and whilst 10 percent of the total population lives in these micro-regions they are home to about one third of the total Roma population. The delineation of the targeted micro-regions was followed with a complex programme, starting in October 2008, which allocated separate resources from

²⁰⁹ *Módszertani útmutató a 33 leghátrányosabb helyzetű kistérség projekt-csomagjának összeállításához*, prepared by National Development Agency, LHH Programme Office, September 5, 2008

the New Hungary National Development Plan and the New Hungary Rural Development Plan, into three relevant operational programmes: regional (ROP), human infrastructure development (TIOP), and human regeneration (TÁMOP). For the 2009-13 planning period, some 100 billion forint²¹⁰ is to be allocated as a separate grant, 75 percent of which aimed to support investments with the rest allocated for projects of training, employment and health care. The programme relied mostly on EU resources, but was managed by the National Development Agency (NDA). During my field research in Tiszacseke and Kislapos the programme was already in the phase of realisation, i.e. the first round of grant distribution had taken place, encompassing a majority of available resources, and already a second round had been launched for the remaining money.

The original idea behind the programme, at least according to Ádám Kulmann²¹¹, the head of the LHH at NDA, was based on a particular view about the *reasons for the disadvantages* of these areas. He told me that the disadvantages were not a result of receiving less EU grants than other areas, but due to their particular geographical, economic and social position, which could be corrected only by readjusting the mechanisms of the present grant allocation schemes. For example, they appeared to profit from extra resources during the first National Development Plan in the 2004-2006 cycle, which nevertheless did not manage to alleviate the effects of the dominant socio-economic processes. What is more, some sub-regions, groups and settlements in these areas had much smaller shares or did not receive anything at all from these resources. Thus according to the original idea of the programme, it is not necessarily more money which can ease these disadvantages but rather the adjustment of the regulatory and operational frames.

Accordingly, the overall goals of the programme were described as the following:

The goal of the LHH programme is to halt and reverse unfavourable socio-economic processes through the decreasing of regional inequalities. In the most disadvantaged micro-regions, even in international comparison, the employment rate is low, education is not competitive and the indebtedness of the population is dangerously increasing. These processes affect the Roma population in multiple ways, which leads to segregation and the negative discrimination of the Roma.²¹²

²¹⁰ About 375 million euro

²¹¹ His name was not changed, as he agreed to the interview as a public figure and the use of his real name.

²¹² *Where the Paved Road Ends. Regional Disparities and Roma Integration – Report on the Interim Results of the LHH Program*, prepared by KAI Consulting Ltd. On behalf of OSF's MtM Program, March 2011, page 1.

Such understanding was strongly reflected in the method and concrete goals of the programme, which resulted in some unique characteristics. Kulman pointed out three distinctive aspects. First of all, as was mentioned above, it aimed to allocate separate resources that were available only for the 33 most disadvantaged micro-regions, which hence did not have to compete with the more advantageous micro-regions of the country. Kulman said that was because in the more recent development cycles the OPs and ROPs had a strong bias toward supporting the better-off regions²¹³. Due to the reorganisation of funds, i.e. the rural development funds were separated from the structural funds, but at the same time the cohesion funds which typically support large enterprises (like the building of a fourth metro line in Budapest) became included within them, the 33 disadvantaged regions received considerably less resources within these frames. In addition, the Economic Operational Programme opened grant applications first, which also resulted in an unbalance in spending these development resources. This does not favour disadvantaged micro-regions, who generally do not perform well when competing for economic development grants due to the lack of enterprises within their boundaries.

However, as he stressed not only during our interview but also in several public forums, a crucial issue was not that there are differences between the disadvantaged micro-regions and the rest of the country, but that there are significant differences even among the 33. Thus he underlined that even though it was an immense battle to push the idea through the ministry, the concept of the programme nevertheless recognised the differences between the different micro-regions when it came to allocation of resources. In contrast to what was originally planned, namely dividing the 100 billion forint equally among the 33 micro-regions, it was divided in a way that reflected differences in settlement types and total population. Thus eventually one third of the total money was divided into 33 and distributed; the next third of funding was given according to the number of inhabitants in the micro-region; the final third was given according to the number of settlements in each micro-region. This reflected a very particular understanding of disadvantages

²¹³ Kulman himself admitted that the various planners and agents involved within the national level of the NDA were often in disagreement on several issues. Thus of course it would be difficult to describe a universal and general view for the whole organisation. While obviously there were general public statements on its major goals and processes, according to Kulman the actual goals and the methods of achieving them were diverse, often colliding, even among the different leading figures of the project. The same applies to the processes of grant application and distribution of the resources. According to his experience, the final materialisation was a product of various political and personal interest battles, unexpected and uncalculated incidents and changes in elected officials.

and inequalities by the project leaders, i.e. that settlement size plays significant roles in developmental ‘disadvantages’ and local possibilities, which also resonates with analytical conclusions of related academic works (e.g. Bódi 2008b; Kovács and Somlyódyne 2008; Váradi 2008b).

The final significant aspect that was highlighted was the complexity of the planning process, which aimed to involve bottom-up participation from the micro-regional project applicants. The idea was that the different micro-regional actors (mostly mayors) would divide the available sum given to the whole micro-region among themselves, deciding as a group which individual projects would become part of the micro-regional package, which would then be sent to the national agency. In this way a pre-selection process was made at the micro-regional level by the involved actors themselves. Again in the explanation of Kulman the reasoning behind this was based on his and his colleagues’ former experience. When mayors are asked to draft developmental plans for their locality for an unbound grant (a grant not bound to specific targets/themes), they usually list everything they can think of, instead of setting up particular priorities among the different goals.

By putting the discussion process on the micro-regional level, the planners of the programme expected that the different actors would force each other to set up priorities, as the money would obviously not be enough for everything, hence an arrangement would have to be reached between the actors regarding who could apply, with what project and for what amount. They expected that this would also push the micro-regional participants to divide the accorded sum among themselves “in a more just way”; the micro-region had to send a uniform document, which reflected a common agreement. However, such agreements could not be reached so easily in every micro-region, which slowed the process down. For example, in the Heves micro-region, where Kislapos is located, discussions were still going on without reaching agreement when the first round of grants was already decided upon in Fehérgyarmat (where Tiszacseke is located). The mayor in Kislapos described the difficulties during an interview in November 2009 as the following:

We have to send our micro-regional package together as one package. And then someone was left out for who knows what reason, and their nursery is leaking from at least 36 holes in the roof, of course they

can't take that they won't get a damn roof from the 2.7 billion just because it doesn't fit the themes²¹⁴. This is a big issue. So there is still no agreement, because the package can be only sent if all participants agree.

Because there is no inter-regional or inter-project competition once a project is accepted in the pre-selection cycle, the project managers only need to fulfil the centrally set criteria for the development of a full project proposal to get the grant. Thus a project is only refused if it does not satisfy the criteria proposed by the LHH planning document. This was not as simple as it sounds however, as both the following examples will show – there were strong preferences amongst those in the NDA, many of which clashed with the ideas of the mayors, and the NDA used its discretionary power to reject or change proposals that were selected by the micro-region meetings of mayors.

The process had two phases; in the first step applicants submitted their project proposal of three pages. If the project was accepted, they had to obtain all related documents and prepare a full project plan. The advantages of this were also underlined by Kulman, who argued that this saved money, time and effort for the project applicants. In the usual procedure, about three to four times more applications are prepared than can be accepted. The full proposals are lengthy and involve the collection of all related official documents, authorisations, and the like. In the second phase only a few projects were refused – those who after several resubmissions could not fulfil the general criteria. In general the application procedure meant that these remote rural areas had a much better chance of receiving a grant than they normally would in other EU schemes, with the exception of LEADER – which does not have such intensity in its funding²¹⁵.

8.2. Whose views? - development actors and scales

Despite its original objectives, in both villages the mayors and micro-regional actors complained at having to face significant restrictions and consequently transform the formerly agreed micro-

²¹⁴ As will be shown below, at the end the LHH leading committee did suggest certain themes for each micro-region, and even though selection of applications were not competitive, certain projects were refused because they did not fit into these pre-defined development themes or did not fit some other practical criteria.

²¹⁵ For the seven years of the 2007-13 period the value of available grant within LEADER amounts to 70 billion forint in Hungary, which constitutes only small parts of the LHH grant as divided for all LEADER groups covering the entirety of the country. Thus in terms of available resources it means much smaller amounts for the disadvantaged micro-regions in question.

regional package they submitted. They felt this was against the stated bottom-up approach of the LHH scheme. Moreover, it resulted in a complex and costly development project in Kislapos that the locals feel rather sceptical about and no successful grants in Tiszacseke at all. Both mayors felt that the problem did not lie with the cooperation of micro-regional participants, who with more or less difficulties managed to reach a decision over the list of individual grants in both micro-regions. The mayor from Tiszacseke recalled:

We went through the whole thing twice, it was decided and accepted by the micro-region twice, and it became twice as good even, and despite all this, the money did not go where it should have. Even Tiszacseke would have got something, and nobody would have loose out, because here we know each other's situation. Because Túristvándi can tell me that they also want a shiny new school, but we know that their school is still better than the one in Kisar. You will also have a shiny new one, but then the one in Kisar is about to collapse, we need to fix that one first. We could check on each other, and see if the money would really go where it is most needed. And why did it not go there when we, for three months were quarrelling and disputing, calling each other mums all sorts of names? When finally we stood up from that table, as friends, said that 'ok we could not have put a better one together', now it can go up to the agency.²¹⁶

While obviously the mayor's account describes the process in slightly idealised terms and is formulated from his personal view/position²¹⁷, it still reflects an overall feeling that was also supported by the micro-regional coordinators of NDA in Fehérgyarmat, who closely participated in the process. Agreement was more difficult in the Heves micro-region, nevertheless the micro-regional actors involved said that there was a similar feeling – the main participants there knew what was most needed in the different settlements and could eventually reach a common agreement, even if after a much longer process. Yet these local decisions, gained through long and strenuous debates and agreements, “were crossed out with a single line by the NDA” in the words of Kislapos' mayor. The feeling among the local actors was that again it was decided by “inexperienced *macskajancsik*²¹⁸ in the ministries with no relation to villages” who had no notion of what is needed and required for the development of these remote rural places, as the mayor referred to it.

In Tiszacseke the rejected proposal was for the renovation of three different road segments that are not covered with bitumen hence are difficult to use during winter or periods of heavy rain,

²¹⁶ Interview, 26/02/2010.

²¹⁷ He was often mentioned as one of the most successful and strong mayors in the micro-region, who is well connected and often managed to push through his views in these forums. So even though he claimed everyone was satisfied, it might not have been a view shared by all mayors.

²¹⁸ *Macskajános* is a Hungarian vernacular, literally meaning Kitty John, implying somebody unimportant.

which was rejected on technical grounds by the NDA. According to the micro-regional representatives of the NDA who assisted in the process, there were two priorities determined by the LHH leadership for this micro-region: transport and health development, yet at the end all kinds of projects were submitted and accepted. As the road renovation fitted to the set topics, this was not the problem in Tiszacseke. The village notary told me that despite the former micro-regional agreement about the development package, in which they participated with the road renovation proposal, they were refused because in this region grants were given only for renovating roads in segregated areas. Accordingly, the local government applied with road segments that are situated in the Roma part of the village - a rather secluded part of the settlement that lies behind a u-turn at the end of the village. It is mostly made up of dusty potholed roads that are unusable in bad weather, separating their inhabitants from the rest of the village. Yet according to national statistics it does not count as segregated. As Sipos (micro-regional NDA coordinator) told me:

According to the KSH statistics, the Fehérgyarmat micro-region has only two segregated areas, but in reality there are many more. Because if people cannot get to the centre of the village to the shop or the doctor and to the main offices during snow or rain, or they have to walk much longer distance to do so than the rest of the village, and there are many of these in the settlements, then it is segregated, right?! But not according to the KSH.²¹⁹

He furthermore told a story, which serves an extreme example for the very divergent views about the local needs and possibilities between the national and the more locally embedded actors. He explained that there was a project application for a complex Roma training project, which fitted perfectly the determined objectives within this micro-region. However, it was refused by the NDA. His suspicion was that the application was not accepted because earlier the applicants refused to change the main elements of the project according to the proposal of the ministry. When I asked what the ministry proposed, he answered laughing:

They wanted the Roma to make necklaces, bracelets and other jewellery from reusable waste. This would have been a 100 million forint budget project, to make training sessions, programmes and what not for this. They said that, it is because these things are very popular at the Sziget Festival²²⁰. And then the mayors started to think it through: if we go now and tell this in front of the village, they will think we are crazy and chase us out of the village. And we would bring the collected plastic bottles and plastic tops in big rubbish bags, pile it up in the middle of the village and the Roma will sit and start rummaging through the piles of rubbish and make beautiful necklaces?! And they stopped the national expert at his second

²¹⁹ Interview, 25/02/2010.

²²⁰ Large international music festival in Budapest organised yearly on an island on the Danube.

sentence. And he was trying to convince them, “but it creates traditions”, and they were like “ok, but we do not have *such* traditions”.

The situation revolving around the initial proposals in the Heves micro-region was slightly different and even more telling about the different understandings of what constitutes disadvantages for rural localities and how they should be overcome. As was mentioned earlier, the mayor in Kislapos understood the LHH grant, along with other mayors in the area, as an additional and unexpected source of finance, which would grant some millions to each settlement to encounter whatever development projects were most needed locally. This was also suggested by the bottom-up decision process, which first required the micro-regional actors to agree on a common development package. Thus he wanted to undertake the rehabilitation of the main square, which would have involved the reconstruction of roads, the establishing of a park and playground and the renovation of the People’s House that would have served with a new canteen for the school children, nearer to the school. Yet, his expectations were dashed. His explanation was:

So what happened was that we, mayors, were damn happy that now these small settlements will all develop with 60-80 million each, the larger ones in larger value. And so we divided the amount among ourselves, so that it more or less covered the total sum for the micro-region. And then came the cold shower. That no, here it’s only possible to develop in this human resource bullshit and health care, we only give money for these and nothing else. They told that in this micro-region, in Heves, we can apply only in these two topics. And we were banging the tables saying that we do not need that... all that human health care training and what not... this is not where we are right now. Here even the basic needs are not satisfied, so how can we enhance in aesthetics and advance in our life style?!²²¹

However, even though the original project did not happen, the local government still managed to obtain a considerable grant, which covered part of the original idea within the LHH frames. It was thanks to the co-ordinating role and broader networks of the Hospitalier, who, after receiving information about the ‘preferred’ topics, pushed the mayor (along with two others from the area) to change their proposals and apply with a ‘more suitable’ project. Hence the application was changed into the complex social centre project, which included the renovation of the People’s House. Although he was largely sceptical of its outcomes, nonetheless the mayor believed that without the information and knowledge of the organisation he would not have won any grant at all.

²²¹ Interview, 23/11/2009.

According to the Hospitalier coordinators, due to their earlier projects they had developed contacts both to the NDA and several micro-regional agencies in the region; when compared to mayors they had a much better overview of what is preferred and what the LHH officials wanted in the region. As explained above, even though the grants were not awarded on a competitive basis, the proposals still had to be accepted by the NDA, making understanding their conceptions of development crucially important. Moreover, through their contacts they could receive insider information about the preferences for project contents, something which was only ever suggested to me, but never directly confirmed. All this and their better familiarity and general overview of the dominant trends of present EU grant schemes, which were also reflected in the LHH scheme, gave the organisation the advantage to push the mayor towards a the eventually successful application.

However, the overall idea of human resource development and bringing social services closer to the local inhabitants also fitted to the earlier projects of the Hospitalier in the village. The playhouse, bus service to distant work places, programmes for treating public utility debts and the renovation of the nursery as well as the individual training programmes and community building activities all point towards a long standing conception of the local needs, and therefore disadvantages, in Kislapos. As the organisation phrased it in the project document:

The great social disadvantages that are characteristics to the Heves micro-region, such as low employment activity, lack of jobs, low education, are particularly present in this village where the Roma constitute more than 50 percent of the population. It is very difficult to access the village; it is situated far from the main transport lines of the region. The locally lacking public services can be reached only by great difficulty in the nearest town, and there are no socially accepted local possibilities for spending free time; there are no public spaces in the village for communal activities, the people often pass time by aimlessly hanging around in the streets.... The population of the village lives largely segregated from the neighbouring settlements, the young people live closed away from information characteristic of their age; they are not informed about different educational and employment possibilities... The message of refusal from the broader society and the feeling of uselessness appear to determine the dominant mood in the village²²².

Thus in comparison to the mayor, who believes that first the most basic and immediate needs (hunger and unheated houses) should be satisfied and the basic infrastructure constructed (good roads, renovated institutions) the Hospitalier take a different view. They believe that the

²²² Hevesi Kistérség Tervdokumentum. Komplex felzárkóztató programok készítése a leghátrányosabb helyzetű kistérségekben ÁROP- 1.1.5/B, prepared by Regionális Fejlesztés Holding Rt., Budapest, 29 January 2009, p. 62.

disadvantages of the local population originate from broader structural aspects, such as lack of jobs, access to services and information and a lack of community. Consequently, the new LHH project targets these through ‘soft’ social development or ‘human infrastructure development’ projects that address the ‘structural disadvantages of the population’ - in similar vein to earlier programmes of the organisation. This is in sharp contrast to the mayor whose preference for infrastructural development in part stems from his desire to solve the most immediate problems/needs and in part stems from a lack of resources to address broader structural problems. Moreover, as we saw in chapter 3, he cannot be sure of what resources he will have one year to the next, which also makes addressing long-term disadvantages more difficult.

Csenge, one of the Hospitalier coordinators, explained the conceptual reasoning behind the new project:

The social service programme has three main pillars. And all these elements build on one another, and also on our earlier projects, building into a complex programme that addresses the multi-fold local disadvantages. The Sure Start House will target the new-born and their parents by providing an environment that will enhance the optimal development of children, which they often lack due to their family circumstances and poverty. So they will then step into the nursery already with fewer disadvantages. Then the nursery, we renovated it years ago and it’s already working well. It ensures a good place for starting the socialisation of children. Then the school. It’s a huge problem still and we have not yet figured out what to do with it. But we partly compensate its disadvantages through the existing playhouse, which was originally aimed at younger children, but now has been complimented with a youth club for older ones within the LHH project. And the *tanoda* will also aim at compensating exactly those disadvantages that originate from the present school system. Then there is the already existing workplace with 30 jobs, that partially at least targets the unemployment situation. And in the new project there will be an employment assistance centre. And we will be also strongly relying on the locals who have been working and were trained in our programmes earlier; we hope we can employ them in these new project elements.²²³

As for the conceptualisation of the ‘reasons for disadvantages’ the national head of the LHH programme had also a slightly different approach. When I asked him why they limited the topics for the applying projects and how it fits into the idea of bottom-up development originally promoted by the LHH scheme, he explained that in the broader context of the entire programme it was important to suggest particular limitations for the different micro-regions:

We wanted to avoid that quasi every micro-region calculates how much they would need from the different resources (infrastructure, education, health, etc.), and that each micro-region creates a sort of unified package with human infrastructure, transport, education and the like. Or that everyone applies with the two favourites – roads and education. Because participants would have opted for these two possibilities: either to develop a unified package applying for everything or to apply for the two

²²³ Informal talk, 4/11/2009.

favourites. Both would have been bad. We wanted to send the message that each micro-region should look at their own needs and then, focusing on these, choose their priorities, and thus apply with a package that reflects these.²²⁴

To my direct questions about the two settlements of my research, he further explained that he does not believe that schools and roads are unimportant. However he suggested that ‘content type’ developments, such as trainings and alternative/complementary activities, would bring more advancement than a simple building renovation. As for the road, he also agreed that as a basic need it is of utmost importance, but if there are no jobs or services to access with the road, then they are useless. He furthermore added that often the problem is with the attitude of the mayors; he believed that they need to be more creative in their ideas and start engaging with, for example, things like job creation. While road reconstruction is widely considered an important mayoral task, he thinks mayors assume that job creation is not their responsibility. As for how this has changed the bottom-up nature of the project, he argued:

I don’t think that the mayors can always make good decisions on their own. Earlier the entire decision making lay with the national organs [i.e. NDA], so at least with the LHH process we managed to move away from this a bit. Now it is quite a good combination between the two I think [i.e. local decisions and set priorities]. Because, you know, there is something in that, that roads and schools are so popular. The wife of the mayor is often the head or teaches at the school, and the road, the road is very visible, good for elections...

Although Kulman suggests that the mayor’s priorities are driven by short-termism and self interest, the mayor of Kislapos does reflect on the sustainability of development projects and his critique of such ‘complex’ proposals is rooted in everyday experiences:

I would have been able to renovate the People’s House from a small portion of this massive grant. Because this 170 million will have to be spent on the realisation of social programmes is stretched over two years. But it is not what comes next in the life of this village. This would suit an affluent mid-sized agricultural town, where the mother, in her boredom, would pass by with her pram to chat with the nurses, have a coffee, well situated middle class and all that, and not the Roma woman, pushing her pram with its broken wheels, stumbling through the mud, using the house to warm up. But yes, so now we will have this service earlier than a city. And now the next big task will be how we can get a circle of clients to come inside. So for the first step I thought we could give 10,000 forint at the birth of every new-born, and this could be the place where we give it to the parents, so already they will come inside. Then every time someone comes in, the nurses can offer coffee [for free], so each time they pass by as they are going around they would come in, and at least they won’t be sitting at home with the three year olds in the unheated houses. But it will consume unimaginable efforts and resources from us... and the project only covers two years of its running. What happens then? Who will finance it? Who knows?!²²⁵

²²⁴ Interview 11/05/2010. Further quotes in the text cited from the same interview.

²²⁵ Interview, 23/11/2009.

8.2.1. Conceptualising the ‘project class’ – scales, access and agency

The divergence of views goes beyond individual interests and intentions. All the above actors, ranging from the mayors to the Hospitalier representatives and from the micro-regional NDA coordinators to the national head of the programme all appeared to have good intentions regarding the development of disadvantaged localities through this scheme. Yet their views about what constitute these disadvantages are very different, something which greatly influences their understanding about how to address these. Furthermore, as the above case in Kislapos shows, their different scalar positions also allow differing degrees of agency in terms of influencing local directions.

The differences between and collision of different kinds of knowledge – expert/lay, global/local – has been extensively discussed in relation to development projects (see Tovey 2008). Studies often explicate the unequal relations between these two. It is shown that the professionalisation of development paved way for certain actors to claim expertise based on their particular knowledge, which then ensures them authority and justifies their intervention while debarring lay citizens from participating in policy formations (Kothari 2005; Parpart 1995). In the arguments about the unequal power relations between expert and lay knowledge, the importance of technical and certain technological knowledge is often emphasized.

Partly as a reaction to former criticism that pointed to the inefficiency and the damage caused by modernist development projects and the ignorance of local expertise/experience towards local particularities, over the past decades there has been a clear move in development practice and theory toward the appreciation of local knowledge and the involvement of local actors in development planning (see Leys 2004). The importance of utilising lay knowledge has also been emphasised in academic work in relation to development endeavours (e.g. Long 2001; Scott 1998). This resulted in new forms of development practice that often uses participatory methods and puts a larger reliance on local or lay knowledge. In these conceptions however, the two types of knowledge are seen as opposites, mutually exclusive and usually laden with value judgements. Yet it appears that the collision of views in our case cannot be described with such simplified binaries.

All participating actors in our story are considered and accepted as ‘experts’ in one way or another within the present development structures. They have extensive experience and knowledge about the rural development process and structures, and they all participated in different development projects before. Their overview of the process and access to networks or information might be different, and their understanding of the local or the broader processes doubted by each other, yet their ‘expertise’ as such was not questioned. The collision of views also cannot be simplified into the opposing categories of local and global knowledge, which do not capture the complexity of differences in the position of these different actors and the way it affects their understanding of development as well as their sphere of action.

To better account for the multiplicity of actors I employ a scalar analysis that integrates the concept of ‘project class’ allowing for a more nuanced understanding of the complex relations between these agents and the development outcomes. Often local groups/actors need partners in the development, management and materialisation of projects as they lack local personnel who could engage in such activities full-time. Usually in smaller villages it is the officials of the mayor’s office or members of the local government who embark on project applications, though sometimes resources are so stretched that nobody at all has the capacity to apply. Despite their experience in project related activities, these officials often have multiple responsibilities, which therefore make it difficult for them to use their full potential in project related activities that demand lots of time/effort ranging from application, procurement, accounting, realisation, and preparing audit related materials. This is the case both in Tiszacseke and Kislapos.

EU accession has made projects the main form of organisation, management and redistribution of resources for regional and rural development in Hungary. This established a need for certain intermediary actors who have the capacity, necessary knowledge, networks and resources to connect local initiatives/ideas with larger grant structures. Thus a new group of professionals has come into being who retain ‘expertise’ through full-time employment in projects. For reasons mentioned earlier (local lack of personnel to engage with projects, multiple responsibilities, lack of local resources for co-financing and often lack of networks) often these ‘professionals’ or ‘experts’ who engage with project related activities as a full-time job are required and became

closely involved in local projects. They are often academics, NGOs, researchers or private agencies and most often do not live in the particular locality.

In the proposition of Kovách and Kucerova (2009) these full-time project workers came to constitute a certain class for various reasons. They engage with the same professional activity, which largely determines their identity and often permeates other spheres of their life. Furthermore, this new role is more than a profession; it also brings their participants a prestigious social position and financial gains. As the grants channelled through projects became virtually the sole resource for development, these professionals assume real economic and social power. They are the ones who can most powerfully influence the channels of this redistribution through their intellectual capital, which provides legitimacy for their position, but also ensures certain social and material gains, as (often a large) part of the allocated money is used to pay their salaries. Thus exchanging their intellectual capital directly into material/financial capital raises these ‘experts’ to become a new elite group.

Even though the authors have never developed their concept of ‘project class’ any further and their conceptualisation of class is not entirely convincing, it still appears to be a useful term to describe the multiplicity of new actors in the new regional and rural development process who engage in local development efforts. But what constitutes the uniqueness or significant characteristics of this group? In the following I take the above conceptualisation of project class one step further to delineate the dominant characteristics that determine the position of this group by utilising the concept of scale and scalar embeddedness.

The role of the Hospitalier is particularly important in the allocation of LHH funds, which they could fulfil not only thanks to their particular knowledge gained from daily experience of the development structures/processes, but more importantly because of their ability to work on and move between various scales. They had access to information, resources, and certain development ideas due to this position, which makes them able to move along and access resources on a range of scales, something that is not possible for the local mayors. Not only did the employees of organisation have regular contact with the different national actors/agencies of development, but they also have relations to various micro-regional actors and could access

information and resources much easier, even at the EU level they had access as a large nation-wide organisation that had realised various EU projects in the past. Therefore they had information about ‘what is hot’, how the leading actors of the LHH modified the rules and objectives during the process and what kinds of projects are likely to be successful. They furthermore had contacts to some of the larger applicants in the micro-region, whom also served them with relevant information. They also approached various different micro-regional organisations and offices, which were developing similar programmes within the LHH and other national/EU schemes in the Heves micro-region. Not only did they utilise these contacts for their own project and strengthening their position, but also initiated various micro-regional meetings among the actors who barely knew about each other earlier. As such they contributed to the establishment of a wider cooperation and network among the different local and micro-regional actors that has relevance beyond the LHH scheme, but did not meet before their co-ordinating activities.

Another activity that exemplified their ability of moving between scales was the preparation of the project. As part of the project generation process, the two main Hospitalier coordinators first of all had a series of discussions with the mayor in order to convince him to change his proposal to the present one, which fitted the priorities of the LHH scheme better. In addition, they also contacted several local officials, such as the head of school, teachers and nurses who are more closely involved with children in order to discuss with them the main issues concerning disadvantages for the young in the village. After winning the grant they collected information through their broader national network about various exemplary projects. The Hospitalier coordinators approached the project managers and the local conductors of these initiatives, discussed their experience with them and also asked for reflections on their plans/ideas. This also involved several field trips²²⁶ with those local employees (playhouse workers, youth representative) who were already working in the Hospitalier institutions in Kislapos and most likely will be employed in the new service centre, with the aim of learning first-hand from the experience of these established projects. Last but not least, the organisation contacted those actors – mayors, teachers, social workers, doctors, police – who are active and have an interest in children/youth-related issues, with whom they discussed the ways the new project can connect to

²²⁶ To the *tanoda* in Bátorterenye and the youth club in Salgótarján.

other initiatives/institutions/services and its possible sustainability after the two years of project funding. In addition, they also established relations and brought together on several occasions those project managers who won similar projects – within the area.

Accessing the diversity of ideas, networks and other resources on these different locations and scales would have been beyond the practical capacities of the local officials, and often prevented by colliding interests between local mayors or other local actors. At the same time, this offered the Hospitalier a much higher level of agency than the latter could obtain, which greatly determined the outcomes of the initial negotiations and the materialisation of the project. Of course the mayor also has contacts to the relevant persons in the ministry and micro-regional development agency and some of the local officials, especially because they are not from the village, have contacts to other social service providers/officials in the area. However, their capacities to use these contacts and relations are often much more limited – partly due to their everyday work engagements. As the head of the LHH programme quite pointedly put it,

You just need to look at the contacts in the mobile of your mayor and then the ones in my phone or the ones in the Hospitalier for that matter – it says it all. [You can see] [t]he differences between my sphere of action and his. If you can calculate and put it in financial terms how much his relations worth and the way he can actually utilise them in comparison to mine, then you see the difference.

The non-governmental nature of the organisation furthermore means that the Hospitaliers are differently embedded in the locality. Their particular position makes them accountable to the local inhabitants in a very different way than the mayor, who needs to sustain the support of the electorate, local officials and various local groups. In this sense the organisation is not necessarily dependent on the acceptance or support of the local inhabitants, who also expect different things from them than from the mayor. The mayor, along with other office employees, explained that they are approached with people's everyday difficulties including lack of food, money, heating wood and the like on a daily basis. While the Hospitalier social worker has to deal with these everyday matters as well, the two project coordinators have no such responsibilities or involvement in the local setting. Whereas the organisation can, if it chooses, turn away from such matters, the local officials cannot if they want to continue working and often living in the village. This position, therefore, makes it possible for the project coordinators to be locally involved, know about the local issues, have strong contacts to local officials, social workers, employees of their projects, and yet not get entangled in the everyday practical problems of the local

inhabitants. Moreover, such work does not constitute part of their proposed project, which is aimed at the correction of “broader social disadvantages” in their words and not the everyday treatment of their consequences.

The scale hopping allows partial spatial dislocation from the village, but this ability of project staff to remove themselves from the everyday immediate problems of the village further reveals the differing temporal dimension too: namely, that they work according to a very different time frame/line than the local officials. The involvement of the project managers/coordinators with the locality is restricted to the timeframe of single projects, while mayors or other local actors live and/or work in the village long term, therefore would have difficulties to restrict their involvement in local matters. Grants can vary between only a few months, as in the case of training projects, to several years as is this case with different service provision grants. However, grants rarely last beyond one or two years. As such, in cases where projects address “boarder social disadvantages” the results, if any, would not become apparent for many years, and often once the organisation is no longer present.

The relatively short cycles also means that the Hospitalier staff depends on newer and newer projects in order to finance salaries, but also in order to stay involved with the development of the settlement. In comparison, the mayors’ time frames are related to the election cycles, which entail four year intervals. Within these, they have to ensure the continuous support of the majority of local inhabitants, satisfy at least to a minimum level everyday responsibilities and running of the local government and fulfil some expectations of their electorate. These expectations might not always lay in bringing about development projects and different local groups might support/prefer different development attempts. Moreover, the mayors’ election cycle and the development project cycle run on different clocks resulting in projects that straddle different mayors (with different views on the project) or mayors that take credit/blame for projects on which sometimes they had little influence. Thus it can be more difficult for a locally more embedded official to balance within the local webs of interests and expectations than for the project class members, who are instead accountable to officials or agencies at the national and EU scale; in most cases they are not controlled on a daily basis, but rather through intermediary/final accounting, project documentation and occasional monitoring.

This collision of temporal ordering has crucial effects for the longevity of the services that are provided within the frames of projects. As noted above, in Kislapos the organisation and the mayor have immense concerns about the fate of the complex service centre once the two-year grant is over. This brings up one final point: sustainability. As mentioned earlier the organisation initiated various meetings with different local and micro-regional actors, institutions in order to discuss the possibilities of sustaining its three large service-oriented projects in the micro-region beyond the frames of the two-year grant. However, it appeared that despite of the good intentions and stated aims of the organisers, these discussions did not succeed. Csenge and Szabolcs, the two Hospitalier coordinators, were highly disappointed after the two meetings I also participated in, complaining about the ignorance and lack of participation on the part of local/micro-regional actors.

Yet, I think part of the problem lay in the fact that in these forums equal standing was not given to the local actors, in spite of the best intentions of the organisation's representatives. The local actors were only provided with the opportunity to find ways of joining the already developed idea of the Hospitalier, which was comprehensively explained to them at the beginning of the meeting as a ready-made concept. Thus the local officials, teachers, nurses and other actors could only address the ways in which they could connect to a developed project plan, rather than being active participants who could influence the directions of its realisation. This was further strengthened by the reactions of the Hospitalier staff to complaints that other local needs were not addressed in the project. Most of the time these local concerns were discarded under the already established project elements, rather than used to critically access or modify the existing plans. This way the participants felt – as some of them later told me – that they could not really relate to the sustainability of the project, which does not require them as active participants and coordinators, but at best as employees who work on an already developed concept.

The organisation, despite raising doubts about the longevity of the project nonetheless endeavoured to bring about its materialisation. They are aware that the local government does not have the resources to maintain the running of the service centre but hope to, as happened with previous projects, prolong the project through further grants. This momentum, however, is

important not simply for the ill-matching discourse and practice of the organisation, which are often emphasised in development studies (see e.g. Escobar 1995; Esteva 1992; Ferguson 1990; Li 2007). More importantly, it underlines another crucial characteristic of the “project class”, namely that sustainability is necessarily a contradiction for this group. While it is often promoted and is one of the most popular notions in project circles, there is in fact a conflict of interest in making projects locally sustainable, because it would then close off the “project class” from their main means of living and the professional legitimacy that secures it. As Imi, the deputy head of the Hospitalier programme in Kislapos, phrased it quite tellingly after their “homeless village” project ended in the village, “no, there is no end to it. We have to keep running these institutions in the village, so we stay... And anyway what would they do without us?!²²⁷” Thus the short-termism of existing projects often serves as a reason for the project management to apply for newer and newer grants that would ensure the projects’ continuation, hence establishing the basis for members of the ‘project class’ continued involvement in the village. The instability that the projectification of development creates for rural inhabitants further intensifies the rescaling insecurities.

8.3. Creating ruralities

The case of how the LHH project unfolded in the two villages highlights some important characteristics of the present rural and regional development frames in Hungary. The projectification of redistribution (of development resources) has given way to the rise of a new group of elites that could be considered a kind of ‘project class’, which has utmost importance for the material and discursive outcome of projects in different settings. However, due to their specific position – namely their professional knowledge or expertise of working full-time with projects – they hold important power over the distribution of massive resources that both determine rural/regional development and provides themselves with paid employment. Part of their peculiar position that grants them both legitimacy and influence over certain modes of redistribution is that they have the possibility and ability to move easily between scales. This enables them to access knowledge, networks, ideas and other resources that are indispensable for

²²⁷ Informal talk, 6/01/2010.

the success of projects in these highly competitive structures. This often grants them not only legitimacy but also a possibility to get involved in local development initiatives; as such scale-movement is hardly in the capacity of most local officials or inhabitants in remote rural places with little assets. This therefore gives them a possibility to act as transmitters between local actors/efforts and the broader channels of redistribution.

Yet the case also underlines that these new project-related development actors are significant not only for their position to influence presently dominant redistribution channels, but also because their local practices have important effects on rural areas and their future trajectories. While frequently they do not live in the locality, the way they conceptualise local problems/disadvantages can strongly determine the developmental outcome of local projects. As was in the case in Kislapos, the Hospitaliers had a crucially different conception about the local disadvantages and the way they should be overcome than the mayor and other local officials. Unquestionably their views were partly influenced by their differentiated local embeddedness (of local webs of relations and interests), differences in accountability to the local population and divergent interests. Yet, it also originated from very different understandings of rural problems or disadvantages in general and the way they should be addressed.

There have been extensive academic and professional debates in development circles about the underdevelopment, depopulation and decline of villages since the 1980s in Hungary (e.g. Borsos, Csité, and Letenyi 1999; Csité 1998; Csité and Kovách 1995; Koós and Virág 2010; Kovács 2008b; Szörényi 2010; Váradi 2008b). Much of this discussion concerned itself with the different ways villages attempt to regain their former roles (through tourism, alternative activities, regeneration of agriculture), stop their declining population (by turning into residential districts of urban development nodes, tourist zones or ‘1 forint estates’²²⁸) or engage in infrastructural or soft human development projects. Others, in contrast, point out that urbanisation and the consequent decrease of rural population is a natural process and has been long part of industrialisation in all parts of the world (see Enyedi 1980; Szelényi 1981).

²²⁸ See Szőke (2007).

However, to put it bluntly what eventually it comes down to is that a large number of people – ranging from academics, PhD students, development agents or officials in complex EU schemes – tell rural inhabitants how to live their life and ‘save their place’. This may be rooted in good intentions and often involves immense personal efforts and close personal engagement/attachments, but they hardly ever acknowledge that, in the end, often what rural inhabitants want is to be able to make the same claims on the communal ‘goods’ that are enjoyed by the rest of the country. That is not to have their seven year old child taking the only existing bus at 5 a.m. and waiting two hours outside the school before it starts; not paying twice what urban dwellers pay for bread in the local shop while selling their cucumbers for a sixth of the price that it is sold for on the shop shelves; to be able to walk to the post office or doctor even if it is snowing or raining; not having to wake up 4 a.m. and travel three to four hours each day if they want to get a decent job; and to be able to offer a good education to their children so that they have better options in life than their parents. Simply put, to enjoy access to the same possibilities and services as other citizens of the country. Yet these are often not the objectives of top-down development projects.

PART 3

DECENTRALISATION AND ACCESSING NON-STATE RESOURCES

In the previous chapters I focused on two main fields that have been transformed through decentralisation and the wider rescaling of the state in the past two decades – social welfare/security and local development. It was shown how responsibilities were rescaled to local state officials and to local citizens who now have to contend with the various insecurities of neoliberal capitalism. Secondly it was also detailed how local actors deal with these new responsibilities in remote rural areas, how the related limitations and opportunities influence their everyday practices in relation to social security (and state assistance) on the one hand and local development (and local belonging) on the other. In addition, the importance of locally and nationally dominant values and power relations were also emphasised as crucial factors which influence individual practices and decisions. Finally, the role of the Hospiatlier civic organisation was discussed in relation social security and development. The analysis highlighted the ways these different practices recreate or sometimes contravene lines of exclusion/inclusion in the two localities.

While in the previous two sections the chapters concentrated on the ways state provided resources have significance for local opportunities and the security arrangements of inhabitants, this section focuses on non-state resources. Decentralisation and privatisation have transformed the opportunities for accessing various productive resources, ranging from land and machines to seeds and water. These can have significant effects on the ways families and individuals make arrangement for their present and future securities. In addition, especially in areas where resources are scarce and the assistance offered by the local governments is limited, access to and income from such resources is vital for social security arrangements.

However, such access has been significantly transformed with privatisation and with the changing economy, making it very difficult for certain categories of people to access local resources. For example the Roma were often left out from the land restitution process, depriving

them from the possibility of subsistence farming or generating income from the small-scale selling of fruits and vegetables. The elderly often have difficulties in capitalising on the property they received during the restitution process as they lack the financial/human resources to work the land and get its products to the wider market. These new limitations add further layers to local forms of exclusion/inclusion and social belonging that are demarcated by state provided assistance and local development projects. Yet it has also given rise to various unofficial channels that are frequently used by a growing number of people, such as the appropriation of crops/wood, smuggling goods across the border, working without registration or opting for informal credit. These have vital importance in the securing of additional or sometimes main means of living. As such they gained particular importance in the social security arrangements of rural inhabitants in many parts of the country as they make it possible to invest in the education of children or ensure mutual help between neighbours or between employees and unofficially employed labourers.

Whereas access to these opportunities is not usually controlled directly by the state, the practices of local state officials can have significant effects over the access to these resources. Local regulations as well as discretionary decisions can close inhabitants off from state provided assistance by taking such unofficial income sources into account, but it can also provide opportunities for certain categories of people to be able to access such resources through state mediated projects, such as social land programmes for the Roma minority. If local officials follow the rules strictly, such as if an inhabitant refuses public work when called upon by the local government in order to pursue subsistence farming in the summer months, it should result stopping of benefits, but often it does not. In other cases, local government officials might distribute informal credit to inhabitants in need if the local state resources fail to provide for them.

There are numerous other ways the practices and decisions of local officials can affect the ways individuals or families are able make arrangements for their present and future securities through accessing state and non-state resources. How people access state resources (through the mediation of local state actors) is influenced by and influences the ways they can access non-state resources. This constitutes the topic of the following two chapters, where I examine the complex relations between the practices of local state actors and access to non-state resources, as well as

how these complicate existing forms of inclusion/exclusion in the two villages. Chapter 9 examines the role of farming for social security and belonging vis-à-vis the redistributive practices of the local state. Chapter 10 focuses on informal credit as an important source of social security but also a basis to reclaim social belonging through consumption for certain categories of people that are deemed ‘undeserving’ in the broader public opinion. Again the relation of these arrangements to practices of the local state is highlighted.

9. Accessing land and the local state: farming, social security and social belonging

The chapter examines the role that access to land has in local social security arrangements in Tiszacseke. It shows that, as a result of privatisation and the changing market, the way different categories of people can profit from land and use it for their or their children's present/future security is largely dependent on other forms of access. The particular role of the redistributive practices of the local state for such arrangements is detailed, whilst the importance of land for local forms of inclusion/exclusion is underlined. As such the chapter offers important insights into the ways local inhabitants conceive the responsibilities of the state towards them as citizens and their consequent expectations towards it.

In Hungary, as in other Central and Eastern European countries, the political economic restructuring of the past decades has brought with it a massive transformation in property rights. In fact, state-led privatisation was one of the crucial processes of the transformation and played a significant role in the building of new political economic structures. As a result, property relations have considerably changed, significantly affecting rural inhabitants and their access to land. However, the process was far from equally beneficial for everyone; while some managed to retain larger pieces of land others were already closed off from ownership during the restitution process and the consequent bargaining over buying and leasing.

Changes in property relations further affected the access of various local groups in regards to the usage of land. With the socialist collectivisation in the 1950s-60s access to land, crops, machines and the like depended mainly on membership in the co-operatives. As is often pointed out, household plots had more important roles for families than the income from state enterprises or co-operatives (see Kovács 2005). Members could retain 0.5 hectares of land for their own use, which however also served as a main source of income, as selling the products privately often amounted to more than the regular wages of the plot holder (Harcza et al. 1995; Laki 1997).

However, this quasi-private household plot system largely depended on the cooperatives, as members relied on the crops, machines, pesticides and the like that could be borrowed or was often distributed as a payment through the state enterprise. Thus the income from these household plots constituted a significant part of local social security arrangements along with the access to different productive resources available through membership in the co-operatives. As

Harcza et al. (1995:24) explain, the gains from this extra resource was mostly used for improving the quality of houses and the everyday consumption of rural inhabitants, as well as for local development projects that were otherwise missing in villages in this period. Thus the income of household plots is seen responsible for the relative increase in living standard, improvement in housing and local infrastructural improvements in the countryside (Kovács 1996). However, as Harcza et al. (1995:24) emphasise this also weakened the productive capacity of agriculture, as the gains were not converted back into agricultural investments, but were used up through 'consumption'.

As the co-operatives were dissolved in 1990s agriculture underwent fundamental transformations, not only reconfiguring earlier forms of rural living, but also further complicating rural forms of exclusion. With the collapse of the Soviet market, changes in institutional frames, ownership structures and production methods, access to various other resources have largely changed. Thus the newly gained property rights do not guarantee that everyone can equally extract benefits from their own land. It is closely linked to other forms of access and exclusions in the rural setting, such as access to markets, credit, labour, technology, machinery and the like. Furthermore, the transformation of agriculture²²⁹ (along with changing means of commuting and the closing of many factories) has led to large-scale unemployment in rural areas, especially among those who lost access to land as a result of the new property rights.

Extensive work has been done on documenting the effects of these changes on the local social structure and rural areas in general in both the Hungarian (e.g. Csicsvari et al. 2002; Hann 1996; Harcza et al. 1998; Kovács 2002; Swain 1993; Thelen 2003a) and the broader post-socialist Eastern European context (e.g. Cartwright 2001; Cellarius 2004; Hann and the "Property Relations Group" 2003; Verdery 2003). Many of the works on the agrarian transformation and related privatisation of land examined the social consequences of the changes particularly in terms of local employment possibilities, their new institutional structures and social restructuring (see above studies).

²²⁹ Some evidence of changes of the transformation of agriculture is often mentioned in terms of its contribution to national economy, which has been reduced considerably. At the time of the regime change it produced 13.7 percentage of the GDP, employed 17.4 percent of the labour force, while now it contributes only 3.6-4 percent to GDP, and employs only 4.7 percent (MARD 2008).

Some studies however also underlined the importance of local officials in determining the outcomes of privatisation and the crystallisation of new ownership structures (e.g. de Waal 2004; Dorondel 2008; Hollos 2001; Sikor 2004; Swain 2000; Verdery 2002). At the same time, a more thorough analysis of how local state and local officials can influence present access to land and how the practices of these officials can affect the ways people use related resources in their various arrangements of social security is less examined thus far (some exceptions are Cellarius 2004; Dorondel 2008; Thelen 2003b). While the earlier works that focused on the immediate effects local state actors have on privatisation and new forms of land use are significant, further analysis is needed about the new and often indirect ways the practices of local officials continue to influence local forms of access to productive resources and land use through decentralisation, even after the first waves of privatisation.

In this chapter I examine various ways in which accessing different resources can enable the extraction of benefits from land, and the role such arrangements have within the diverse social security arrangements of different families. I conceive access to land in a broad sense, following Ribot and Peluso (2003), considering not only relations of ownership and enforceable rights to land, but also *access to the usage of land* or other ways of being able or not to benefit from it. As such, my research shows that unequal access to land is strongly linked to other forms of differentiated access in the rural setting, such as access to markets, credit, technology, labour and, above all, to various forms of social security arrangements. These are in strong relation to, or often dependent on, the practices of local state actors, but at the same time have important consequences for local forms of inclusion/exclusion. More particularly the variegated access of different people to resources is examined vis-à-vis the redistributive practices of the local state, namely the allocation of social benefits, and their effects on social belonging. This is explored through the farming histories of four families in Tizacseke. Each story highlights a different aspect of existing forms of exclusion and the ways accessing land and productive resources relate to local social security arrangements. In each case I start with a longer description of the families taken from my fieldnotes, which is followed by a broader analysis.

* * *

1.

Driving through the darkness, the car leaves the last house of the village behind and, after a few minutes of driving on the unlit road surrounded by fields, we finally turn into a dust road that branches into the fields of maize. After several phone calls, the biggest land owner in the area had finally agreed to meet with my three colleagues and I in his home after his daily duties are done. The huge agricultural machines that lie to our left as we park, some of them in pieces, bespeak of better days of the former co-operative. Large guard dogs barking behind an iron fence deter unwanted passers-by. The huge fence on the right hides the home of the farm owner from our sight and, after a couple of minutes of searching we find a sign on the fence, signalling that we have arrived to Kaszás Farm. Kaszás L., a man in his 50s, is currently the largest private land owner in the village. In fact, he was born in the neighbouring settlement, and now holds most of the fields between the two villages, “but I am accountable to Tiszacseke; that’s where I pay the entrepreneurial tax at least.” At the moment, his lands are 440 hectare, consisting of about 320-330 hectare arable land, 100 hectare of forest and 8 hectare of orchards (mainly apple and some nut trees). “In the neighbouring village, there is the Piros Ildikó Zrt., they use company style farming. She bought up several thousand hectares in the area; it is already of industrial size. But in Tiszacseke I am the largest, here we don’t have such companies yet.”

Our host explains that he received his degree at the agricultural technical institute in the nearby town Mátészalka, but that farming is also a hobby for him. “That’s what the younger generations often don’t understand - you can’t do it just for the money. It’s also a life style... And if you approach the matters of life as a normal person, and bring the right values from your family, you will find the beauty in this thing.” He tells us he worked in the local Haladás MgTsz²³⁰ in various different positions, but left the co-operative when he was made the main sector manager in the North-Great Plain Natural Protection Inspectorate. After leaving the co-operative, he worked in the Hortobágy National Park for another 18 years, engaging in natural protection matters.

While he and his family already complimented their state income by selling cabbages from their household plot outside the state economy from the end of the 1970s and were renting land before the collapse of co-operatives, it was the restitution which provided the family with the opportunity to start large-scale farming. In his words it was a ‘forced entrepreneurship’²³¹; after his father received his compensation vouchers they went into *degresszió*²³², which raised the value of the voucher to its full price, however only in return for a long-term commitment to agricultural activities by the family. His father received 27 joch²³³ of arable land, pastures enough for 12 herds of cattle and 17 flocks of sheep, 14 joch of forest, and two serf houses. “This was what raised the value considerably, my

²³⁰ MgTsz stands for *Mezőgazdasági Téesz* (agricultural co-operative).

²³¹ Forced entrepreneur (*kényszervállalkozó*) is a term that became popular in the early 90s, designating those people who were ‘forced’ to become self-employed and establish limited liability companies in order to save themselves from unemployment. However, the newly forming economy did not make it possible for the majority of them to successfully run their own company. The meaning of the word thus has slightly changed, describing now those who are employed under the condition of obtaining an entrepreneurial card, thus as self-entrepreneurs, while actually being employees of a company. This exempts the employer from paying the various liabilities, and at the same time puts employees into a rather vulnerable position.

²³² At the compensations, one could not buy land in the 100 percent value of their voucher, unless they committed themselves to establishing and maintaining an agricultural enterprise for at least 3 years.

²³³ *Hold* in Hungarian. It is an old form of measurement that has been used for land since the 15th century, and is still in use. 1 cadastral hold is 0.5755 hectare.

father was a mid level peasant, but in our village he was rated as a kulak”. Similar assets were received through the father of his wife as well, which was also complemented with two years of *Recske*²³⁴ in his case. This is how it started. From 1993-2001 he ran the farm as a private entrepreneur; they grew slowly every year, developing the enterprise with machines, technology and the acquisition of more land. Eventually the enterprise was transformed into private limited company, and later to a family enterprise when his wife, children and his sister also joined. Currently his sister is responsible for the accounting from the nearby city of Nyíregyháza, and his wife helps with the administrative work.

While L. is telling us his future plans for the next years before his retirement – to expand his self-owned land to the optimal size of 500 hectare – the door opens and a young man in his early 20s enters in expensive motorcycle leathers and shyly strolls towards his room. Kaszás explains that his son is still very young, but he is potentially interested in taking over the farm from him eventually. This is also evident in his schooling; he is studying in the Agricultural College in Nyíregyháza. “Now he is young, and as every young man he is more interested in drinking, women and motorcycling, but he will take over the farm for sure” – explains L. with unquestionable confidence in his voice. He goes on:

My daughter? Her sense will bring her back too, from that *panel*²³⁵ ghetto in Budapest, it’s for sure. That’s not for humans. She is earning her second degree in tourism. But she has enough sense and enough attachments to her birth land and family, and she can compare what she has to do for the same wage there, to work in a treadmill, and for what?! Just to eat and to pay the bills. I bought her a flat there, a car and everything, because I did, it wasn’t a question. But ... she could have never done it by herself. To retire from renting the same prefab’s walls? What perspective is that?! She will come back, because she will. I will offer her 1.5 times her present salary and a part-time job. She will have enough sense to come back.²³⁶

Our host did not want to explain in-depth how he obtained his land through the restitution, but what is clear is that now he is one of the four farmers who own the former assets of the local co-operative. The story about how the co-operative was abolished is also unclear, with diverse interpretations. According to the mayor, who was in a mid-range managerial position in the Haladás MgTsz from 1990, the co-operative was abolished in 1992 with total bankruptcy:

We tried to privatise the assets and instigated the ‘naming’ of valuables, but it was too late, the creditors put their hands on everything. Nothing stayed in the village... The co-operative had debts, and the creditors had claims on more than what the entire value of assets amounted to.... Then later I and five other land holders bought back the main part of the co-op, but now it is only four of us who still have assets there: me, Kaszás L., the vice-mayor, and M. Z.²³⁷

²³⁴ During the restitution process in Hungary, military imprisonment, labour camp and torture were also compensated in addition to membership in the collective or former land assets.

²³⁵ Houses made from prefabricated material, usually referred to as *panel* in Hungarian and used rather disparagingly to connote socialist era mass housing.

²³⁶ Fieldnotes and interview, 26/02/2010. Katalin Kovács, Andy Cartwright and Gyöngyi Schwarcz also participated in the conduction of interview. The following excerpts are cited from the same interview.

²³⁷ Interview, 5/07/2009.

However, in the opinion of some former employees of the co-operative, it was privatised and divided among the different managers, who all started their farming enterprises with the machines and other assets of the former co-operative. While the exact process is unclear, it can be noted that those who held higher positions in the former state-farm constitute the largest agricultural entrepreneurs in the village at present, and currently hold some of the former co-operative assets.

In fact, as discussed in various accounts, it was typically the mid-range managers who also had well-to-do peasant backgrounds that were successful in establishing viable farms after 1989. Due to their position in the former co-operatives or their involvement in local politics they also had sufficient access to information during the compensation period in order to obtain preferable assets (Harcza et al. 1998; Kovács 2002; Swain et al. 1994). In addition to this, family background, i.e. coming from former mid level peasant family who were considered *kulaks* in the local setting, also contributed to Kaszás' ability to establish a large agricultural enterprise, similar to the case of the other larger land owners in the village (cf. Thelen 2003a). The family's standing not only helped to successfully negotiate the acquisition of assets during the restitution, but also to turn their already extensive private enterprise based on house-hold plots into a viable capitalist alternative after privatisation.

According to the mayor, in Tiszacseke more or less everyone received some land through the privatisation process (apart from the Roma inhabitants). However, most of these holdings were rather small, one to five hectare size farms. Only 3-4 large land-holders exist (with more than 100 hectare), they are the ones who can make a living from agriculture, purchase technologically advanced assets and grow in size. In addition, there are another 8-10 middle-scale farmers, who work about 30-60 hectare land, but most of them only as part-time farmers. They nevertheless are still considered as large agricultural entrepreneurs in the village, as they live primarily from the land. They own all the needed machinery, have more or less established markets for selling their products and improved their technological assets often through credit or EU grants. In addition, another 20-30 families hold land below 10 hectare, however, they usually only undertake agriculture as a side-activity, it does not serve as their main source of living. Finally, the rest of the population have one to five hectare lands, which is only used for subsistence farming and the

occasional selling of products. This is only enough to complement the main source of living, such as social benefits (or public work) and temporary agricultural labour.

The newly crystallising ownership structure more or less reflects the land structure before the socialist collectivisation, which consisted of mostly small holdings of on average 10-18 hectares with only 1-2 larger manorial land-owners having above 60 hectares and 20 percent of the population classed as serfs, who were dependent on the land owners for their living. The present property relations were by in large established as a result of the restitution; only minor purchases have taken place in the past two decades, as the largest owners increased in size by buying up smaller plots, sold by those too old to work them or by the young inheritors who have migrated to cities and are uninterested in agriculture. This has not crucially changed the general picture however. Thus renting is not predominant in the area, though some smaller land-holders lease their one to five hectare of land to the larger owners, often only in exchange for crops or for the land-based agricultural support²³⁸. Kaszás explains that change in ownership is not a very competitive process in the surroundings because in every village there are maybe around three families who are able to buy larger plots of land.

However, he claims there were no big changes in the past five years in his farm, apart from the most recent cutting of the orchards. They were planted in 2000, most paid for with an EU grant that was given for new orchard plantations, and for which he had to keep the orchards for 10 years. He says:

It's not profitable though, so now they will all go, I will cut both the apples and the nuts. But if you look at the fields, there is about 3000-5000 hectare apple orchards in the vicinity. This summer I swear 70 percent of it will be uncultivated, probably already 3-5 percent was already cut down during the winter.

Part of his reasoning, however, involves problems with recruiting a labour force:

I am constantly developing the machines; they are always of the most up-to-date technology. So I can run with maximum two to three full-time labourers. I have my men, the ones I usually work with. And that's it. Now with the pulling up of the apple trees I won't need to bother with seasonal labourers anymore.

He blamed the difficulty of finding 'good' labourers partly on the extensive public work programme and the very supportive social policy of the local government. As a result, occasional

²³⁸ This is distributed yearly to every land owner, its sum varies and is given for every hectare of worked land.

employment in public work has become the main source of living, in addition to aid and subsistence farming, for a large segment of the local population in the village (see chapter 4). While the possibility is obviously welcomed by many inhabitants, Kaszás discusses the programme in very negative terms, blaming it for destroying the work ethic among the inhabitants and the ‘value of work’ in general, especially for those who ‘do proper work’ in his understanding. He explains:

I do pay competitive salaries; if the usual daily labour is 400 forint, I pay 500. So for a day’s work, that’s 4000 forint or 5000 if one works 10 hours. But for this you have to be here by 7 a.m. and work full steam. In the public work you can get the same or a little less, but for doing nothing... Morally it would be even better just to give that money to the people without any public work. At least then I and those who work properly wouldn’t vex myself looking at 10 able-bodied men standing over a ditch leaning on a scythe.... It is nonsense; they are messing around for a whole week, 10 able-bodied grown-up men over some few meters of ditch. Come on, I could get it done in a few hours by myself, just as a morning exercise. This has no value whatsoever; this is work in name only.

Not only does Kaszás not agree with the main social policy of the local government, but he also complains about facing the consequences of the failure of the local government to fulfil its basic responsibilities, such as maintaining the agricultural roads. “I understand they are short of money and I know all about the debts, that their phones are switched off and they heat with wood because the gas was switched off in the institutions. But I am their biggest tax payer. And what do I get?!” He tells a story about being called upon recently by the local officials to clear away a bridge, which was looked like it might fall down on the border of his land, so he took it away. “And then the ‘citizens’ started to complain that they can’t get to the fields to cut from the forest. Because here there are no rights, you can only do it in *schwarcz*”²³⁹. So I had to restore the bridge.” He adds that normally he has to take over and fulfil the tasks of the local government; each year he says he spends four to five days cleaning the agricultural roads.

Talking about the present situation of agriculture and possibilities of farming, he claims the year will again be a bad one; already last year the price of the wheat was only fraction of what it was a few years before. He could also see it with the 50-60 small producers he is ‘integrating’²⁴⁰. In his

²³⁹ Usually there are restrictions on cutting wood even for the owners of private forests during most part of the year, thus according to my observations and local accounts even owners would cut their wood illegally, or in *schwarcz*, as he calls it.

²⁴⁰ While there are numerous initiatives to form new co-ops for production, storing produce and common marketing, these are usually instigated from above and due to the former experience with the socialist collectives have a bad reputation among producers. However, often larger producers also integrate small farmers on personal grounds. In case of wheat, rye and similar produce, the smaller farmers would not be able to sell it at a favourable price

opinion, small production is in steady decline; they are highly dependent on the intermediary wholesalers who take most of the profit, as the larger manufacturers and supermarket chains are not interested in buying small quantities. What is more, they are forced to sell their produce right after harvest due to the lack of storage and drying facilities. “As for me, I have no such problems, I can wait until the prices are better, I have a large storage room, the drying room, everything. Such production is still profitable, I can still grow and advance.”

2.

I knew Ica néni²⁴¹ from the Protestant church, where she is the treasurer. When I arrived to her house one morning for an interview I found her and her son Lacus in the front room, which, as apparent from the desk and the several shelves stuffed with paperwork, serves as her office. However, as it is first room that greets you as you enter the house, the small hall is also the room to receive visitors. Thus I sat down at the desk, while Ica néni put on some coffee. Lacus was standing around with his playful permissive smile, quietly sipping his coffee and betraying a trace of bitterness on his lips throughout my talk with his mother. The family are middle-scale land holders in the village, with 50-60 hectare of arable land and about 6 hectare of apple orchards. Most of their land was obtained through the compensation process in 1992, when Ica's husband received land owed to his father and both Ica néni and her husband received golden crowns²⁴² for their membership in the co-operative. After the compensation was given, her husband started to buy up some land when the people were too scared to keep it, especially those with smaller lands: “people scared each other with talk that those who received land will have to pay huge taxes on it, that it will cost a lot.” They also bought land from relatives. Now they own most of the land they work, apart from about 20 hectare which they rent. “But we will stop renting now; people are jealous, if they see that you are doing well, they want everything.”

The whole family is involved in the business; Ica néni does the paperwork, while her son and husband work the land. Ica néni and her husband are officially retired, hence can run the enterprise as a family business without losing out on taxation. At the same time, Lacus now holds an agricultural permit and officially only owns and works 17-18 hectares. Earlier, when he started to work in 1995, he was also providing services to the other land-holders, such as harvesting, ploughing and the like, which according to Ica néni was a forced enterprise:

We had all the machines, we always invested in that. We could have also bought expensive furniture or developed the house. You can see, the furniture and the house, they have been like this since the house was built. We have not invested in these. We spent always on obtaining the most up-dated machinery. Now we have everything ourselves; we don't need to ask favours from anyone or pay for the service.

without storage capacities and they have too small amounts to be bought by larger wholesalers. However, he gains a few percent from these arrangements.

²⁴¹ Hungarian word for addressing elderly ladies.

²⁴² Golden crown is a unit, which has been in use since 1900 in Hungary, to describe the quality of land. It describes the economic value, productivity, position and other qualities of one land unit. Consequently its value is different in different parts of the country (the average value of 1 hectare land in Hungary is 19 golden crown).

However, the taxation on private entrepreneurs became so high that Lacus had to pay more tax than what he earned, so they stopped. After this his status was changed to holder of agricultural permit so that he can still pay into his pension and health insurance, but at a more advantageous tax rate.

Their first machine was bought from a saving (*takarék kassza*) of 180,000 forint that Ica néni was paying into from the birth of his son. They bought a used Zetor²⁴³ from it. They both laugh as she explains:

When we bought our first more serious machine, he told me, ‘Mum, I am so happy’. I asked him ‘why?’. ‘Because what I do for my living is also my hobby’ – he said. He learnt to be a mechanic, but then he doesn’t do it as his profession, he never worked much in it. There are not enough cars around here to live on that. I always tell him: you could have been a doctor or lawyer, anything. Because he is not stupid, but he was lazy in school, he was content with this. Now he is wearing himself out on the land, because it can be very strenuous and monotonous. So often I tell him when he is tired; go on then and do some hobbying.

She looked at her son and added in an admonishing tone:

The only thing is that there is no one to do this whole thing for. We work hard, because we do, that’s why we are going ahead. And people are jealous and if you start having something and it goes well for you, they start talking about why we do better... But my big sorrow is that there are no grandchildren. Lacus is very lazy in this sense, he is well into the age now, he is 37. But he will just have to pull himself together. It would make him happier too.

A man came in and Lacus offered to show me their assets. With the pride of a father he first showed me the large storehouse where the already harvested large red apples were gleaming, packed above each other in countless wooden crates. After this I was taken to the end of the garden where the arable land starts. There are only 2 hectares here, he explained and then trailed off as his glimmering eyes rest on a bright new machine that is so clean it looks as if it has never been used. Then I was driven to the land closest to the village, where the apple orchard is. Lacus walked around the branching apple trees and noted with a satisfied smile, “We have good produce this year - the trees are settling in well”.²⁴⁴

The apple trees were planted with the help of an EU grant in 2000, and they are just starting to bring returns. In fact, orchards began to constitute significant role in local production in the 1970s, before which local agricultural activity was concentrated mostly on husbandry (cattle, pigs and poultry). However, partly in accordance with the growing Soviet demand for fruits and vegetables, both household production and the state farms increasingly turned to these fields. Thus while gardens and orchards covered only 50 hectare in the 1930s, they grew to 150 by 1962, and again doubled by 1984, mostly dominated by apple and plum trees. The increasing production not only satisfied the growing Soviet demands for fruits mainly used for juice, but

²⁴³ Tractor manufacturing company originating from the Czech Republic.

²⁴⁴ Fieldnotes, 18/10/2009. Following excerpts cited from the same interview unless otherwise indicated.

also ensured larger freedom and often a generous additional income for the producers. According to local accounts, one could double or even triple their income with fruit production. As another local orchard keeper explains,

the price of the apple in the 1970s-80s was so good that those few who could afford to plant orchards in their plot became rich from it. They bought cars, a house, washing machines, everything from the apple. Back then it really made you rich, if you rented a plot from the co-op, had some few hundred trees in your garden. Then in the 1990s, after people got back their land, took it out from the co-operative, everyone started to plant apples, seeing that it was a good income. But then the Soviet market was not there anymore.²⁴⁵

My hosts concur that it is very difficult to sell the apples and that in the last years they had to sell them well under their value. While the price of the apple for juice was always much lower than the price for apples for eating, earlier the consumption apple was sold for 70 forint or even 80-90 if it was good quality. But since the accession to the EU, Ica néni complains that the competition is too strong and the Hungarian apple is not supported. “There is apple from Poland or who knows where in the supermarkets in Nyíregyháza. You can buy it for 200-300 forint per kilo. And here we are struggling to sell ours for at least 40-50 forint per kilo.”

There are a couple of companies buying apples for juice in the region, but they seek to sell theirs as consumption apples, as they satisfy the highly regulated EU standards. However, for the latter, the regional market is less busy and extremely unpredictable in terms of price. Most recently the former Eastern ties are being slowly revived; some locals are able to sell their produce to Romanian wholesalers. “He pays higher prices, so we agreed to sell ours to him this year. But it is very slow, he can come only weekly, and can only take a couple of hundred crates with one lorry, and you see how many we have?!” – complains Lacus, “he might be able to slowly take it all away by end of November or December. The question is whether they will stay in sellable quality until then. We don’t have a cooling house, you see, only the storehouse. Otherwise we will just have to give those left by the winter away for the price of juice.”

He goes on to explain that it would cost another 10 million forint to upgrade the storehouse with a cooling machine, which would make the family less dependent on selling their products right after harvesting often for low prices. Nevertheless, the storage house still helps them in

²⁴⁵ Interview, 5/10/2009.

comparison with smaller orchard owners, who have to sell their apple immediately after it ripens and cannot wait for the Romanian wholesalers. The storage room, just like the tractors and other machines were purchased through EU and national funds. In their account, the family takes every opportunity to capitalise on funds. However, as they explain, this needs capital from their side too. Moreover it puts them into large debts, which for such small producers constitutes a much higher risk than for a large farmer like Kaszás. This year the family was especially concerned about being able to sell the apple for a good price, because of the large loan on the new Fendt²⁴⁶ machine they purchased. She explains the situation:

You get some grants for it, but it hardly covers 40-50 percent; you have to match the rest. So we took a bank loan again. But now if we don't have enough return from the apple, we will have to give it back, no matter how much Lacus likes it. It is a lot of stress though. Last time, when we built the storehouse in 2002, we took a 7.8 million loan from the credit union in Fehérgyarmat, we had only 5 million of our own. They wanted double the value of the loan as a guarantee, thus all the machines, the house, everything was mortgaged. Luckily we are done with that now - it was too much stress, my health suffered from it. I developed diabetes and I have to take tranquilisers, I have all sorts of problems since we went into all these loans.

However, as a consequence the family has every machine they need for the different farming processes. Even the apple production is mostly mechanised, i.e. the pruning, spraying and mowing between trees is all done by machines. Hence the family can arrange the majority of the work on their own; they only rely on a few seasonal labourers for picking the apples.

However, the agent in the Local Rural Development Office, who is responsible for offering assistance to local agricultural entrepreneurs in the area for obtaining rural development grants, claimed this was a Hungarian specificity:

During the time of the collectives three or four villages had all the machines together and it worked perfectly well. But if you look at the fields now, every single producer, even the middle-range ones hold every possible machine they need. Here with five machines you could plough the area there and back. Instead now we have every single Tom and Dick and whoever, with five of their own. But it is also the fault of the grant schemes. If you look at the I-II axis in the EMVA funds for rural development, they are all given for machines or development of storage capacities. Not a single one of these is creating jobs in the locality. For me, the worst decision of all was when they created the first tenders for supporting the buying of new machines. This also entirely kills small production, those who work with manual labour cannot compete, it is not worth it for them.²⁴⁷

²⁴⁶ German producer of agricultural tractors and machines.

²⁴⁷ Interview, 10/03/2010.

It was not only the hard work of my hosts that allowed them to secure such facilities, but also their ability to ‘stand on several feet’²⁴⁸. If the profit from the apple is not guaranteed, the wheat, rape and trikitálé²⁴⁹ would balance the loss, as their price is slightly more calculable and slightly more stable. In addition, for Ica and her husband the monthly guaranteed state pension also offers some securities. Similarly, in the case of Kaszás; his wife earns regular salary from teaching in the primary school and he also owns an accounting company in Nyíregyháza led by his sister. In local accounts ‘standing on several feet’ is a common strategy, even among those who are in better-off positions such as agricultural or other family entrepreneurs, officials in local institutions or the border police, which are the most preferred and prestigious jobs as they are said to ensure the best income security in the area.

3.

I stood in front of a 2000 metre cucumber parcel whilst M. Sándor explained that they started to grow cucumber 15 years ago, back then only a with few hundred meters. Now he is doing it together with his daughter and son-in-law; he is working on 1200 metres and his daughter’s family on 800. “We work on it together, but they are putting their own earning aside, they want to buy a house for 500,000 forint at the end of the summer”. In fact, Sándor is one of the few larger producers in this part of the village, and one of the few with access to a preferable piece of land. When I arrived to his house on Lenin Street, I could not help but recognise that this is a more ‘peripheral’ section of the settlement, an area that is referred to by the locals as the “Roma part” of the village – several dusty streets branching out from the main road at the edge of the settlement. His house is relatively big in comparison to the others; however it is in equally bad condition from the outside, although there are no missing walls or doors as is the case on some of the others. Nevertheless the entrance is unpainted and it appears that it has been under construction for many years. As it turns out later, the house that now gives home to Sándor, his wife, his two daughters and one son-in-law was built from Szocpol money, a very favourable state credit construction that supported families with adequate resources in obtaining their own house²⁵⁰. The courtyard, just like the neighbouring ones, is dusty, full of various unused bits and bobs. However, once I am invited inside I find new modern furniture, comparable to those I saw in the more central part of the village. The walls were also freshly painted and the smell of fried sausage and liverwurst hit my nose as we sat right next to the kitchen in the hall/lunchroom. Sándor claimed proudly that he was the first cucumber producer, and now also one of the largest among the Roma minority of the village.

He started growing cucumber on a few hundred acre parcel in their back garden, “then later when I became a member of the local minority government in 2000, I could get a hold on this land at the

²⁴⁸ Direct translation of a common Hungarian saying *több lábon áll*, meaning to draw on multiple resources/possibilities rather than just trusting your fate on a single activity/income/resource.

²⁴⁹ Mixture of rye, wheat and barley, usually used as fodder for animals.

²⁵⁰ Szocpol is a state loan given according to the number of children and with very favourable construction (some parts non-returnable, no interest) that was introduced in the 1980s.

back of my garden. They had this social land programme, that's how. It is not officially mine, but I am using it since then. It is only one person who officially owns land around here, he used to do tobacco on all that land" – he gestured to the surrounding fields.

The rest of this land you can see here now can be used by anyone who wants to cultivate it... We were the first, but slowly more and more Roma realised that the cucumber is worth it, it is the only thing that can bring such large gains from such small land. And even if the growth is not particularly good, at least you have a little more to spend on food. Here from the social aid and family benefits you cannot put anything aside.

He explains that most of the family just receives the 27,800 forint social aid per month. Only lately, in the last year, he and his son-in-law were taken for public work; right now he is approaching the end of his one-year employment in the scheme. "But then, we weren't taken, none of us, for 10 years before this. We all lived just from the social aid and the cucumber. He [the mayor] was cross with me, so we weren't taken. But now he got over it or something. Also the law changed, so now he has to take those nominated by the system".

As we were talking his younger daughter passed through the room towards the kitchen and he added he will now have to find two labourers to help him out as his younger daughter is pregnant and his son-in-law is still in public work. He learnt the ins and outs of cucumber growing on his own, along with his two daughters who are usually equally involved with the production. The family holds an agricultural permit, the type for those who earn below 3 million forint per year, but it is in the name of his wife, whose health insurance is covered on it. It is important, as otherwise she would not be covered, as she did not have official employment since the three-year child care support²⁵¹ expired. "But it is very difficult to find a good labourer in the summer, because people are either in public work, do their own cucumbers or don't want to work at all"- explained my host. If you know the tricks, the cucumber can bring good turnovers. It is very popular among people with no larger pieces of land, as it does not require large space, neither does it need large investments from the producer; it is pre-financed by the wholesaler:

So you start with a large advance, for the 2000 metres we started with a 700,000 forint loan; this covered the plants, pesticides, new nets and the sticks. Then once it starts growing, when you take the product to the wholesaler, one day they take the price out from your advance, the other day you receive some money. Usually, if the weather is good and you know how to treat the plant, because it is a lot of hard work and requires a lot of knowledge as this plant is very sensitive, it can bring as much as a 1000 forint per metre, but in a good soil, not overused, it can bring even 1700-2000 forint.²⁵²

The Hungarian Law on Compensation and Land Privatisation was passed in 1992 as the result of intense political debates and resulted in an extremely complex and ambiguous compensation system. The process of privatisation followed principles of compensation, i.e. giving financial compensation in the value of lost land, rather than giving back the confiscated land directly to the former owners (Harcza et al. 1998; Kovács 2005). Moreover, the applicants were not directly compensated but received compensation vouchers (*kárpótlási jegy*), which they could use not

²⁵¹ See Appendix 1.

²⁵² Fieldnotes and interview, 2/06/2010. Following excerpts cited from the same interview unless otherwise indicated.

only to obtain land, but also to buy other property like houses or even consumer goods. Three groups of people were eligible for compensation: 1. those who brought land into the cooperative and hence were “holders of shared property”, 2. those whose land was collectivised but they lost title to it in the process, 3. landless members and employees. The first two groups could acquire compensation vouchers. The latter received property-share certificates²⁵³.

However, the dissolution of co-operatives and the following transformation of property relations have removed many from their former means of benefiting from land. Often those who were just members did not or could not take their entitled land or property share early enough from the co-operatives, or sold their vouchers to speculators and opportunists for amounts far below its real value. As Kovács (2002) points out, often the people who were devoid of their former access to land were also the ones who were most affected by the growing rural unemployment and the elimination of family plots. The latter depended heavily on the usage of other assets from the co-operative, such as machinery, crops, and the like, which after its collapse could not satisfy such needs any more. In the case of the Roma minority, they were often not even entitled to receive any land, partly because they worked mostly in the industrial branches of the co-operatives. My host explained that towards the end of 1980s he joined the timber industry unit, where he worked for a while. However, as he did not have a member’s status, he did not receive any compensation after its dissolution. In the village he knows about only one Roma man who actually received some land during the compensation process.

Nevertheless as part of a larger national programme, numerous local initiatives sprung up in the early 1990s in rural areas with the aim of dealing with rural unemployment and poverty (Rácz 2009). In Tiszacseke the social land programme was initiated by the local government in 1995; it involved mostly the Roma minority and aimed to assist those who were interested in agricultural production by providing the means to establish subsistence farming. At its start the programme was entirely conducted and managed by the local government, mostly personally by the mayor, who is well known for his socially inclined paternalistic local initiatives and support of the Roma in the village (but later it was brought more closely under the supervision of Roma minority self-

²⁵³ Members without land received certificates for the value of 30 Gold Crowns, while employees got certificates worth 20 Gold Crowns.

government). In the first years, the local government ensured some eight hectares of land, divided these into 800 and then 600 acres each among the increasing number of interested families. They also offered potatoes and sunflowers, which were grown communally and mostly for self-consumption.

Later, with the help of the minority self-government they ventured into tobacco growing, which was undertaken on some 30 hectares of land owned by the local government. The latter arranged the marketing of the products, the working process and integrated the different producers for more preferable negotiations between them and the manufacturer. However, by 2004-5 the local government backed out of the scheme; at the moment only one family is occupied with tobacco growing with some of those who stopped venturing into cucumber growing, either in their own back gardens or on the land secured by the minority self-government that was formerly designated to the social land programme. The programme was stopped, according the mayor, because it was not capable of helping people advance - it only made people dependent on external assistance. Nevertheless, he admits it did help those who wanted to engage in agricultural production among the Roma to have access to land. What remains dubious is under what title the divided acres of land are used by the present producers. In the mid-2000's processes of bringing the divided property under the name of the users were initiated within the minority self-government, but according to Sándor it has not yet been resolved.

Not everyone could take advantage of this possibility however; Sándor was able to because of his former position in the minority self government, but others missed out. At the moment Sándor's family use the land to grow cucumbers. This is also the case with the current head of the minority government, who is also a large cucumber grower in the 'Roma part' of the village. Indeed cucumbers have become, like apples were in the past, a locally important asset. This is especially true for the Roma and other poor, less locally embedded families, who did not receive any land after restitution or sold it, hence they can only use their small back gardens for growing. Cucumber is considered an important source of income amongst these families not only because it does not need much land, but because it does not need any significant initial capital too, as pointed out by Sándor. What is more, whilst cucumber growing is labour-intensive, it does not need machinery, which also makes it a more readily available option for many. A family can

sustain a 600-800 metre parcel by themselves, if at least two members constantly work on it. For larger parcels, one needs to employ daily labourers during the peak times, when it grows the fastest and needs to be picked every day. For these reasons and in the face of present low price of fruits, many turn to invest in growing cucumbers for additional income, while the old apple orchards and plum trees are gradually disappearing. This in turn has reduced the employment options for daily labourers.

Nevertheless, in spite of its quick and seemingly large returns, Sándor points to the fact that even in his case (a 2000 metre parcel is considered as a large farm locally) it only brings some seasonal relief to the family:

We couldn't otherwise put money aside from the social aid or the minimum wage [received from public work]. But from the cucumber, if you need let's say a new bed or shelves or a TV, such things, we can save up for. If we want to renovate anything in the flat, now for example we should renovate the kitchen, or if the children need things for the start of school, to have more than one set of clothes, then we can only arrange these from the cucumber money. Otherwise it would be impossible.

Nevertheless, he explains that they often have to resort to buying on credit in the local shops, and twice they took credit from Provident, a credit union that lends small amounts of short-term credit to people without guarantees, but at a high rate of interest (70-120 percent). Last year he also tried to make some extra money through the selling of fertiliser; he took out more from the wholesaler than what he needed for his cucumbers with the aim of turning the fertiliser into cash by selling it to other growers. However, he could not balance his debts with the wholesaler from his produce, so ended up with 120,000 forint debt, which was taken from his public work salary, 5000 forint each month:

Now I can't go back to this wholesaler any more, even though I used to go to him for 12 years. I know it was my fault. But I had no choice, we were tight, it helped us out then. Because here, if you live from the public work wage or the social aid, it has to last from one aid until the next arrives. And then it is really tight, and if it does not come on time, you don't know how to get along.

The local government also appears to support those who aim to venture into cucumber growing or other earning activities. This summer the mayor offered 50,000 forint to every family who starts cucumber growing for the first time, and about six-seven Roma families benefited from the initiative. What is more, in order to support "those who are trying to tackle their situation on their own", in the words of the mayor, he does not punish refusal of public work in case of other

engagements like cucumber growing or daily labour, which according to the law he should. My hosts were in similar situation:

now that my one year public work is approaching its end, they offered to prolong my status again. But I went up to the mayor and told him I can't, I have 2000 metres of cucumber. Then he said, it's ok then. He would not hinder those who are trying on their own – he told me. So now I will do the cucumber all summer and I will be just on the social aid.

According to the regulations, if someone refuses the offer of public work, they should be denied social aid for an entire year. However, because of the particular approach of the local mayor this does not happen in Tiszacseke.

4.

The local name for the street is the 'Szocpol row'. As I reached the end of the village, I arrived to a single road leading towards the fields. On both sides new colourful houses of bright pink, apple green and yellow emblazoned the road. I could see children's toys strewn around in the front gardens and rows of cucumber in the back. The 'Szocpol row' is a new street that grew out of the village during the 1990s, when many young families without other financial means, took the option of building their home from the non-returnable state loan named Szocpol. Éva, who lives in the very last house of the street, explained that they received the credit when she gave birth to her third son, which helped them to balance their former bank loan on the house. They decided to have a third child three years ago, when Éva was not taken back to her former job in the local ABC grocery shop. "I have been at home with the children for seven years now, sometimes I feel I am going crazy"- said the 33 year old woman while the three boys were loudly chasing each other around in the garden. She had just come up from the back garden, where now the family was growing 600 metres of cucumber. Last year they produced beans, but they lost on it, so they returned to cucumber, which they had grown the year before that, but ended the year with a 170,000 loss due to a cucumber infection.

When we met she was working the cucumber alone, while also receiving family benefit and child allowance for the three children, because her husband was taken for public work for a six month period. Before that he was unemployed for over two years. Now and then he complements his social aid by 'doing business', meaning that he 'gets' used machines, which he resells for higher price after repairing them. But earlier he also worked in Budapest, during which he only saw his family once a month and for some time was employed on Kaszás' farm. "My parents have a seven hectare apple orchard, but it is leased out. They also have cucumber, and my father works as the driver of the mayor. They wanted to take out machines from the co-operative back then, but it was all privatised by the time they realised it could be done"- Éva explained. As for her, they work on half a hectare of land right next to their house, mostly growing cucumber and corn. This year she also ventured into being a middle-man for a wholesaler, by buying up cucumbers from nine producers in the village. She is expecting higher earnings from this, which would augment her income from the cucumbers or compensate in case of losses. Usually middlemen receive six percent on each kilo they take in, but it is a lot of responsibility. She already faced problems:

I started off by taking the cucumbers and paid for their actual amount. I have to measure it right here and I pay immediately according to the kilos. But often the man from the company only takes them in the evening and after drying all day in the heat the 100 kilograms lost one full kilo through the water loss. So I started to ‘measure’ a little less than the actual, otherwise I would end up with ten to eleven kilos loss per day and I don’t want to pay that from my cucumbers!²⁵⁴

Éva’s is one of the many families in the village who struggle to make ends meet. They live mostly from various benefits, occasional public work and sometimes unofficial activities. The family often buys on credit in the local shop and they also had to turn to Provident once when a larger debt was accumulated to the electricity company and they were threatened to be switched off. “I only buy the cheapest things in the shops, but there is no other way. The cheapest pasta, the cheapest juice, always the squash for mixing with water, not the proper cola and the cheapest chocolate. My mother-in-law often mocks us” – she adds with half-bitter laugh, “she often says, ‘what’s all this cheapness for?’ But we can’t do it otherwise - we would not be able to get along.”

She said often she overhears some of the ‘better-off’ villagers talking in the shops about the “state kids”, referring to the fact that for many inhabitants the regular state-provided family allowance and maternity benefit received according to the number of children is their highest income. In broader public discourse, replicated also in the village by people with permanent incomes, people on aid²⁵⁵ are often accused of “producing children” to receive social benefits. Because the accumulated benefits from a number of children can reach an amount which, in the eyes of some in the village, is comparable with salaries, these people often complain that families like Éva’s “don’t need to work”. “I know they were talking about the Roma, but it also applies to us, doesn’t it?!” – she explains. In fact, the circle of people who live without permanent income apart from state benefits and occasional public work is wide and equally affects the Roma and the non-Roma in the settlement. The story of both Éva and Sándor shows the various ways that accessing land, be it often only a few hundred acres or a back garden, can contribute to the alleviation of the prevalent insecurities of their living. Subsistence farming and the occasional selling of produce thus continues to constitute important means of dealing with rural unemployment and related insecurities for many families in Tiszacseke. However, such small-

²⁵⁴ Fieldnotes and interview, 21/07/2010. The following excerpts are cited from the same interview unless otherwise indicated.

²⁵⁵ Since the Roma ethnicity is represented in much higher number among unemployed and therefore aid recipients, it mostly refers to the Roma.

scale farming does not offer the possibility of expansion or even to become the main source of living. As Éva explains,

Now, if we end well with the cucumber in September I finally want to paint the house again. With these little devils you can see how it looks. And maybe we can also afford to buy a curtain finally. I have been waiting for that curtain since we have built the house 10 years ago. Can you believe that, that I cannot afford a damn curtain for 10 years?!

An important difference, however, between her situation and that of Sándor, is her family background and the network of ties to family and friends whom she can rely on for additional resources. This was evident from Éva's stories about how they often borrow devices from her brother-in-law or from her parents. On several occasions, they were also helped out with money from better-off friends who were assisted by her husband in the repairing of machines or with problems around the house. "You help because you can never know when you need help too"-she explains. "We also lent money, the neighbour asked us to help her buy a new lawnmower, because hers went bad. Now we are still waiting for them to give it back. But when we need help, my husband has five to six people he can always turn to."²⁵⁶ Even more importantly, the fact that her sister works for the local government also brings further securities often unavailable for locally less embedded families.

My parents often scold me for taking advantage of her; she took a guarantee for my bank loan on the house, along with my parents. We don't have regular salary, so otherwise we would not be able to take such loans. The same when we had to buy a washing machine recently, when the old one broke. And now I asked her to help me out when the pipes broke in the bathroom and we didn't get enough to repair it from the insurance company.

Having ties to persons with permanent income is crucially important as for most bank loans one needs at least a year of regular employment. In comparison Sándor, along with the majority of Roma, lacks such contacts and so must avail of Provident or loan sharks. In addition, through her sister's connection to the local government Éva also learns significant information from the mayor's office first hand that ensures further possibilities to the family. Just after she told me this, as if to prove the point she had just made, her husband came home during his lunch break from the public work and stated that he is working late tonight, because he was asked by the mayor, along with a group of men, to empty a fish pond of the mayor's friend and were allowed to take home a dozen fish each.

²⁵⁶ Informal talk, 12/09/2009.

The four families exemplify various positions in the local social structure that influence the ways people can access land and use different resources for their security. The position of the four families at the time of restitution as well as the consequent socio-economic restructuration that affected different categories of people very differently has an important influence on the way they can access various resources. Some of these then further influence how these families can continue to derive benefits from land. Furthermore, the local state is important actor that complicates these processes by reinforcing or counteracting existing forms of social exclusion, often depending on the individual conviction and interest of leading local officials, as well as local norms of deservingness and underservingness.

The stories reveal that land still has a crucial significance in securing income and future assets for many people in the village. However, the different families can utilise their accessing of land very differently in their social security arrangements. Kaszás uses the income from his large estate for maintaining his large, fenced house and fleet of racing motorbikes. The profit he gains is also re-invested in the further development of his agricultural assets, i.e. increasing his land, increasing his storage facilities and improving his machinery capacities, giving him further advantages in a competitive ever-changing market. Thus his family can live from farming without struggles. This is less possible for smaller land-owners such as Ica and her family, who nonetheless also plough back their profit into the improvement and growth of their agricultural enterprise. Yet, it is only possible because they receive a stable pension and through diversifying their products; thus they can continue with farming in spite of the shrinking market and low prices. This also allows them to take larger loans along with EU grants to invest in up-to-date machineries and storage capacities, even if not to such extent as Kaszás' family does. In comparison, for Éva and Sándor, the income and profit from the cucumber is often used for immediate needs like food, or at best is invested in the renovation of their house, purchase of a washing machine or curtains for their windows.

The stories also highlight the importance of land in intergenerational ties, especially in the ways parents aim to secure the future of their children. This not only reflects the different possibilities of these actors, but also different understandings of what could secure their children's future within the village. Although education was mentioned by all four, there are differences. Kaszás clearly supports a type of education for his children which would ensure that in the future they would be able to take over the running of the estate. Thereby investment in the improvement of assets is not only seen as a guarantee of his children's future, but also investment in his children's education is a way of securing the survival of his estate, to which he has strong personal attachments. Thus the future and security of the land and his children are strongly interwoven.

This is also the case with Lacus, Ica's son. However, in his case, it is not education (although Ica admits she would have rather seen her son as a doctor or lawyer than doing hard physical work all his life) but investment in good machines, which is seen to ensure both his future as farmer and the survival of the enterprise. It was mentioned that they needed to buy the best machines as Lacus has already developed severe backbone problems, which might soon prevent him from undertaking heavy physical work. Therefore the family opted for improving their machine assets even if it resulted in very harsh and stressful credit situations which eventually also 'cost' the health of Ica. Nonetheless, she was ready to make the sacrifice, even if she feared that eventually it would not be 'returned' as Lacus was reluctant to marry, hence secure the continuity of the family and, in a way, the enterprise. It was hinted by Ica that the running of the farm needed the input of several family members, which will not be the case once her and her husband are too old to do it, if Lacus stays unmarried.

Land had a very different role in intergenerational relations for Éva and Sándor. Sándor helped his daughter and son-in-law by sharing the activities and costs of growing cucumber together with the aim of buying their own house. Even though it would be a very small, unrenovated one in the 'Roma part' of the settlement, it would help them with a start for their new family, which was increasingly difficult after the rules of Szocpol changed/were abolished²⁵⁷. In the past,

²⁵⁷ It was abolished during the previous Socialist government (2006-2010), however, it is presently being reintroduced by the FIDESZ government.

families with no regular income or good financial background could only obtain their own house through this favourable state loan.

Many cucumber growing families mentioned that the profit from cucumbers is invested in buying new clothes for the children for the coming school year. In fact, many unemployed families said it was a major hindrance that they could not afford proper clothing for themselves or their children, which prevented them from finding work outside the village and sending their children regularly to school. At the same time, while education was deemed important by many in the village, several families in similar situations have also pointed out its limitations. Linda, a 32 year old Roma woman referring to the frequent early pregnancy of Roma women in the village, explains, “they know they won’t become teachers, now will they?! So why not then marry a guy whom you are in love with and give birth to children.”²⁵⁸ Tivadar, a 44 year old Roma man further explains the issue,

such poor people like us cannot educate their children to be whatever we want them to be, because simply we didn’t get the money for it. Even if we want to, we could not have our children to be lawyers or doctors, one needs to think realistically. Because already the daily breakfast would cost so much if studying elsewhere, that one could never be able to afford it. So they cannot just go anywhere to learn. But my son got some skills, and my daughter, well, she is not good in studying, so maybe she will get married soon.²⁵⁹

For families in similar situations investing in education mostly means being able to finish the local primary school and maybe getting to the technical college in the nearby small town of Fehérgyarmat, if the financial constraints allow.

The above stories further show that accessing land and being able to profit from it in different ways is largely dependent on other forms of access. Being able to maintain a wide range of machinery, storage, and therefore also access different markets ensures much larger possibilities for Kaszás and Ica’s families, who were therefore less exposed to changing prices, markets, and intermediary wholesalers, when compared to Éva and Sándor. Beyond these more obvious dependencies, access to other forms of security, such as a regular income and ownership of mortgageable assets, also granted wider possibilities for benefiting from land for the two larger

²⁵⁸ Informal talk, 27/05/2010.

²⁵⁹ Interview, 30/05/2010.

producers – although to visibly different degrees. However, accessing these as well as land in fact heavily rooted in their social positions in the local structures.

As detailed above, the position of different families during socialist period and in the newly emerging capitalist structures largely determine the way they can access land and the ways they can profit from it. Thus Kaszás' position in the former collective and his successful enterprise during the last decade of socialism (which partly depended on his family's rich peasant family background before socialism) gave him a good possibility to become a successful entrepreneur in the present frames. Similarly, the former wealth that was partially returned through compensation secured a stable position for Ica's family. In comparison, both Éva and Sándor are from families who held little assets even before socialism and did not manage to obtain an influential position within the socialist structures either. As such they did not profit from the land restitution and privatisation, hence have to rely on small back-garden production. Yet, as was mentioned earlier, there are also differences in the position of these two families, which relate to the decades-long discrimination of the Roma ethnicity that prevent families from becoming more strongly embedded in the local networks of mutual help. Rather their ties are more likely to be to those who are similarly closed off from accessing the main local resources. Sándor's example also reveals differences in the situation of Roma families too as he, like all the families who have large-scale cucumber production, held or hold positions (or are related to members of) the local minority self-government, which influences their ability to access certain local resources.

As such, existing forms of exclusion appear to strongly determine the ways one can use land and related resources for one's social security arrangements. Yet, the above examples also highlight the role of the local state in intermediating and influencing these arrangements. Firstly, the large-scale public work programme in one way or another affected all four farming families. As was mentioned by many larger farmers, they considered the size of the programme a hindrance to finding a 'good reliable' workforce. But even indirectly the socially-inclined orientation of the mayor posed some difficulties for Kaszás among others. In lack of adequate resources to live up to all its responsibilities, the local government gives priority to its social tasks, while leaving some of its other responsibilities to be solved by individual citizens. Thus for example Kaszás cleans the agricultural roads leading to his land on a regular basis, although it is the responsibility

of the local government. Such prioritising among local tasks/needs not only creates a general welfare and manages to include some of the local population that otherwise would be deemed ‘undeserving’ by the public in the local society (see chapter 4), but suggest to some other local citizens, such as Kaszás, that they are not treated equally and are eligible for less ‘care’ than the (in their eyes) ‘undeserving’ public workers.

For those who are unemployed, like Éva and Sándor, public work constitutes the main source of living however. As was shown, it can sometimes collide with obligations related to cucumber growing or in other cases with working as a daily labourer in other farms. In this respect, the approach of the mayor is again significant. He allows people to pursue these activities without losing their chance to be involved in public work, even though by law they should be closed off from benefits. Furthermore, the social land programme that was initiated by the mayor and then managed by the Roma minority self-government is important, for it guaranteed access to usage of land for less embedded poorer (and mostly Roma) families. What is more, he regularly offers monetary support from the local budget to Roma families who want to start cucumber growing. These practices of the local official override some of the disadvantages that certain people are suffering as a result of privatisation and ongoing capitalist restructuring (i.e. the volatility of the agricultural market). Some other local officials, such as the social clerk also spoke of a locally favourable approach to agricultural activities. Since everyone, even the local government employees, has some land from which produce is sold (even if mostly in meagre quantities), the clerk uses her discretionary power and overlooks income from land. Thus even though for certain social benefits land as an asset should be taken into account, along with the income from selling produce, it is not the case in Tiszacseke.

As such the practices of the local state actors in intermediating certain forms of access to land and other local resources also transform the ways these figure in social belonging. Whereas in the broader national understanding ownership and permanent employment are considered as a main basis of social inclusion, in the local setting the practices of the local state partially overwrites these. Kaszás is increasingly becoming segregated and feels excluded from the local community, which is partly strengthened by the practices of the local state that fails to satisfy tasks that would be considered important for his work/living. At the same time, the social land programme and

other favourable practices that help Roma and other unemployed inhabitants to the use of land and to build on it for present/future securities, in certain sense overwrite existing forms of exclusion.

10. Credit to the State? - Informal credit, social security and social citizenship

This chapter looks at the ways informal credit in Tiszacseke is utilised in local social security arrangements, and the ways it relates to the practices of the local state. It is shown that the indebtedness of local government and its short-term way of thinking in its redistributive practices on the one hand, and the indebtedness of local unemployed and the short-termism evident in their consumption practices on the other, are results of the same phenomenon, namely the rescaling of insecurities. Furthermore, informal credit is used to underline aspects of temporality as well as further explicate the ways through which social belonging and citizenship is practiced and negotiated between different citizens and the ways local state actors can influence this.

[*Excited, frightening music plays*].... Little birds happily chirp in a nest of straws, suddenly the nest breaks and one falls. The fallen bird desperately tries to climb back to the nest with no success, it chirps with fear and anxiety. A big scarecrow appears looming over the birds, he moves towards the broken, dishevelled nest; the birds chirp anxiously.... [*the music suddenly changes into a relaxed and comforting tune*] The scarecrow takes his hat off, carefully organises the scattered straws forming a more stable nest inside his hat... he places the fallen bird along with its friends into their new safer home.... ‘If you only need a little more, don’t hesitate to call Provident’ – purrs the voiceover as the advert ends. Provident is the biggest private loan company in Hungary, set up in 2001, its success lays in offering “short-term, small-scale loans for customers with no guarantor or financial coverage”.²⁶⁰

Another quite different ‘advert’ appeared in several places across Budapest before local government elections in October 2010, which was dominated by the picture of a mosquito in the middle of a red circle, firmly crossed out with a red line. The heading of the poster, which was part of the campaign by the far right political party Jobbik, asked, “Do you also want to put an end to parasitism?”. Although the imagery was utilised by an extremist political force, it resonated with a dominant sentiment among many (against the growing number of social beneficiaries living on ‘tax-payers money’), which, if anything has even further intensified since the poster first appeared.

²⁶⁰ <http://www.provident.hu/>

A little over twenty years after the political-economic changes, it has become clear that the capitalist restructuring did not bring gains for all. According to the 2010 statistics²⁶¹ in Hungary some 3.7 million people lived below the social minimum, i.e. from below 64 thousand forints a month. In an interview, Zsuzsa Ferge highlights that the numbers rose rapidly in the past 10 years and are expected to reach 4 million by the end of 2012 (Ónody-Molnár 2012). As was argued previously, many have lost access to productive resources as well as to formerly taken-for-granted securities that were provided centrally by the Kadarist socialist state. In the same interview Ferge explains that this large number reveals that existential insecurities affect a much wider circle than just the most marginalised long-term unemployed. In the past few years the (lower) middle segments have also experienced shrinking possibilities and more and more find themselves unemployed or sinking into poverty due to government austerity measures, rapidly increasing living costs and the disappearance of jobs resulting from the ongoing economic depression.

The increasingly limited available resources and the growing competition between various social segments have intensified social tensions; this has become particularly tangible since the governmental budget deficit in 2006 and the following global crisis. There is a growing vein of public opinion – voiced on television discussions, in newspaper articles and on party political campaign posters – that blames the shrinking possibilities of ‘working citizens’ on the ‘generous’ family and social aid support given (unjustly) by the state to families who are held ‘responsible’ for their own fate²⁶². Opinions about their negative attitude to work (‘they simply don’t want to work’, or ‘you can always find work if you want to’), irresponsible spending (‘because they have to buy crisps and cola for their children’) and ‘un-thoughtful’ production of children (‘who tells them to have so many kids?’, ‘if they cannot eat, why do they have to keep producing children?’) are prevalent in everyday discourses. These opinions have furthermore gained a strong ethnic overtone, which assumes that such ‘irresponsible’ behaviour is the specific character of the Roma minority – frequently voiced as ‘it is in their blood’ or ‘they already learn it as little kids from their parents’.

²⁶¹ Négymilliőan a létminimum alatt. *Népszabadság Online*, May 25. Retrieved 28 May, 2012 (http://nol.hu/belfold/20120525-negymillioan_a_letminimum_alatt)

²⁶² This was also a sentiment I encountered time and time again when I explained my research to acquaintances in Budapest during social occasions – especially in regards to Kislapos.

How well these spreading sentiments are captured by right-wing political associations is revealed by the last national and local government elections, where Jobbik gained 47 seats out of 386 in the Parliament capturing 16.67 percent of the vote and putting numerous mayors in power all over the country. The main divisionary line, on which the Jobbik election poster visibly plays, is now made even more clearly between those who have permanent employment, hence contribute (or have contributed) to the ‘common good’ as ‘good tax-payers’, and those who are long-term unemployed and live from social benefits, hence are the ‘parasites’ of the system.

Returning to the opening vignette, the appearance of Provident and similar credit companies are more closely related to these social transformations than it first might appear. Provident had 225,000 customers in October 2009, according to their communication manager, Mikola Gergerly²⁶³. A majority of these were from poor rural areas and with no permanent income, apart from their monthly social aid/family benefits or temporary public work wage, and were strongly tied into spirals of indebtedness (Miklósi 2006). Amidst the ongoing discursive (re)negotiations of the lines between deserving and undeserving citizens and the grounds on which the state should provide support to them, the ways through which different people/families can make arrangements for their social security have been greatly altered. This is especially true in rural areas, where the changing role of agriculture and the changing ownership relations have significantly transformed the access of different groups to productive resources.

It has been shown by numerous studies (see Kozma et al. 2004; Laki and Mack 2005; Virág 2009) that unemployed and/or impoverished people often become marginalised, which largely limits their options for securing additional resources. Accordingly, informal and often illegal means such as smuggling, appropriation of crops/wood, relying loan sharks or buying on informal credit in shops²⁶⁴ often gain utmost importance for their social security arrangements.

²⁶³ Bajusz 2009. Retrieved 12 November, 2011

(http://www.bpxv.hu/bkik/index.php?option=com_content&task=view&id=5788&Itemid=33)

²⁶⁴ I do not engage with critical discourses on what is ‘informal’ and ‘formal’, although I acknowledge them, as it is out of the scope of this study. For the point of this analysis, I use the concept of informal credit to describe all money lending arrangements which do not abide to any institutionalised legally binding format. In my chapter I particularly concentrate on two forms: arrangements in local shops between shopkeepers and their clients, and arrangements that materialise through the local government between the mayor and social beneficiaries/public workers.

While these might not be available everywhere, in Tiszacseke they are widely present. In fact, half of the regular customers in the local shops buy on informal credit on an everyday basis. Furthermore, advances given on aid and public work wage are everyday occurrences at the local government office and many locals report they have taken Provident loans multiple times in their life.

This chapter examines the role that these wide-spread practices of informal credit have in the social security arrangements of the inhabitants in Tiszacseke. I detail some of the reasons for their prevalence, I show how they are used by individuals/families vis-à-vis other arrangements and how they are morally judged in the local context. My analysis furthermore reveals that unemployed/aid beneficiaries often attach different values to different sources of money, which intermingle with temporal aspects of security and thus ‘over-spending’ becomes a way of seeking immediate security and restoring social belonging through particular forms of consumption. As such my study not only critiques the dominant discourse about unemployed people using informal credit as ‘irresponsible citizens’ un-thoughtfully spending tax-payers’ money, but also reveals its importance for social citizenship. The second part of the chapter delineates the various ways and multiple levels on which these arrangements relate to the redistributive practices of the local state.

10.1. Informal credit and social security

Anthropologists have long been concerned with various debt and credit relations (cf. Peebles 2010). Whereas some focused on its importance for the local economy/market and linked it with the examination of various characteristics of money (e.g. Graeber 2001; Hart 1986; Roitman 2007), others put more emphasis on the nature of social relations that are created through credit/debt practices (e.g. Gudeman 2001; Mauss 1990 (1954); Nugent 1996). Anthropological works furthermore called the attention to the fact that debt/credit cannot be reduced to mere economic relations – even if one of its specific characteristics in comparison to gifts is that its value can be precisely quantified – it is also a social relation loaded with and constituted along moral values and obligations (Peebles 2010:228). As such credit/debt relations can contribute to

the boundary making of communities (often in the differentiation of outsiders/insiders) or enforcement of social hierarchies (as it usually establishes unequal power relations).

Latea and Chelcea (2003) lists a number of empirical examples, which shows that informal credit has been used in various historical/geographical contexts for both everyday consumption of domestic units and for commercial activities in places where the temporary shortage of money needed to be overcome. While these practises are reported to be strongly linked to and based on deep relations of trust, friendship and cooperation between the creditors and the debtors, Latea and Chelcea show it is not the case in its recent configuration in the Romanian countryside. The authors argue that the widespread usage of buying goods on informal credit in certain rural areas is related to the social and economic transformations of capitalist restructuring in Romania, which especially affected rural areas. In these places unemployment, the break-down of commuting to industrial employment possibilities, and the changing productivity of agriculture resulted in the narrowing of local resources and led to scarcity of money (many live from social transfers or small pensions), which is then compensated through bartering as well as buying on informal credit.

While the situation is very similar in Tiszacseke, there appears to be a crucial difference. In the Romanian example the authors report that it is a dominant socially accepted practice in the respective localities, which is based on strong communal ties and is given to people who are tightly linked to the local community. In comparison, the people who participate in these transactions in Tiszacseke (and similar villages in Hungary as shown by Kozma, Csoba, and Czibere 2004; Virág 2009) are usually rather marginalised; they are less embedded in the local social structures and networks, hence are left with very limited resources to draw on. Despite this difference, the above works reveal that informal credit has significant part in social security arrangements, although often without explicitly dwelling on social security as such. Considering its recent prevalence in rural areas of Hungary (see also Kozma et al. 2004; Virág 2009), a more systematic analysis of the ways informal credit relates to other social security arrangements is needed. Accordingly, the following analysis examines informal credit vis-à-vis other personal/family social security arrangements, highlighting that although it is an ‘informal’

practice, the role of the local state and its redistributive practices have crucial roles in its local arrangement/importance.

10.1.1. “It is not possible to live from this” – individual insecurities

According to the KSH statistics, in Tiszacseke 312 persons were officially unemployed in 2008, out of the 720 active aged. This number has been more or less constant over the past years. Out of them, 230 persons were registered unemployed for longer than 180 days. However, my fieldwork experience shows that not everyone registers, and there is a number of women on maternity leave or who are officially housewives receiving child raising support (*gyermeknevelési támogatás, GYET*)²⁶⁵, who do not have a job to which to return. Thus the number of people who have had no permanent employment for a long period is very high in the village. According to the local government, it is in fact 90 percent of the active aged population.

However, several people find occasional seasonal work in agricultural, or in the ‘informal’ economy, by selling goods, smuggling petrol, or doing small-scale repair work without paying tax. A growing number also engages in cucumber growing (see chapter 9), that brings some extra income for the summer months. Apart from this, the families where there is one or more unemployed member receive the availability benefit of 28,500 forint a month, which since 2010 is only available to one person per family. In such cases, the other grown-up members are a) on child raising support until their youngest child turns eight; b) are taken into the public work program and receive minimum wage for a few months, which also counts into the number of days in employment that can result in a higher unemployment benefit; c) receive some kind of pension (or usually old-age assistance); or d) don’t receive any social aid. However, due to the encompassing public work scheme in Tiszacseke, these latter cases are relatively few, although they still exist. In addition, due to the more or less rotational character of public work, people have a chance to gather the needed number of days in employment (especially if they couple it

²⁶⁵ It is a universal flat-rate benefit given to mothers who have more than three children, in the value of 28,500 forint (for more details see Appendix 1).

with ‘official’²⁶⁶ agricultural or other temporary work) to receive the higher type of unemployment benefit for a few months.

Apart from the local entrepreneurs and agricultural producers, whose income is rather difficult to calculate, but who appeared to have the most affluent living standards in addition to the teachers, everyone else in permanent employment receives the minimum wage. Usually, even in families where one member works in a local state institution, the other member(s) are often unemployed or only have irregular incomes from honey production, small-scale selling of fruits, unofficial repair work or periodic involvement in public work. However, those unemployed villagers whose partner has a stable job and regular source of income are still in a somewhat better position than those who do not have such an option. They can find small jobs here and there through the network of their better embedded partner, whose connection to the local state institutions (as is most often the case with permanent job-keepers) provides access to several other resources, ranging from information about job possibilities, occasional work possibilities to free food taken home by the state employees.

Moreover, their partner’s stable income also makes the family eligible for bank loans. A better embeddedness in the local society – here meaning that one has friends or members of one’s extended family in long-term employment or in other strategic positions (i.e. close to the mayor or other officials) in the local social structure – also contributes to social security; it can secure support, information and access to other resources from parents, colleagues or friends, who are likely to engage in long-term reciprocal relations of mutual help. This was mentioned often by several families; the sentence ‘you can never know when you yourself need help’ was a frequently used explanation for such mutual help relations. At the same time these might not be available so easily to those families where all members rely on benefits/occasional earnings, hence have narrower networks and less intense contacts to people in strategic positions.

The case of the local child protection officer and family assistant, Szerénke, is one such example. Her husband has been unemployed for several years, only doing occasional jobs as a welder.

²⁶⁶ The terms ‘official’ and ‘unofficial’ are only used in the text to describe arrangements based on formal contract or which are registered hence taxed, therefore reflecting the bureaucratic perspective, but without attaching value judgements to them.

However, she has been employed since she finished college, first in the nursery, and now in the local social service office. For that reason, her husband was never taken for public work, as their household income was slightly above the eligibility threshold. But Szerénke can participate in festivals on a regular basis, from which all officials take home a large amount of free food, and she gets additional food vouchers at her job. Her husband has made several repair jobs for the other officials or the local government institutions that he found out about through the contacts of his wife. And more recently he became employed in the water company for a short-term period, when they needed an extra worker, through a personal contact to the dam keeper, another well-embedded person in the local society.

So in spite of officially relying on only one minimum-wage income for years they managed to finance their child's education and language exam, buy a large house with a bank loan, and live a relatively stable life in the village, i.e. they do not have debts in shops, they do not rely on (but also would not receive) benefits, and they do not have major problems with paying their bills. Furthermore, they sell apples from their half hectare orchard every autumn, which brings some additional income; they have a web of relatives and friends with whom they are in a close helping-relationship, and thus during the harvest they do not have to pay helpers, but rely on this group to pick the tonnes of apples for selling. However, in return they would also do the same for those who helped or return the favour in other ways when it is needed, for example through electronic repair work by Szerénke's husband. Such arrangements appeared very prevalent in the village. However families/individuals that are socially more embedded have a much wider network with access to many more resources on which to rely, unlike those who are more likely to be connected to other unemployed people in the village.

Éva is also from a locally well embedded family with a large network of family and friends, but both her and her husband were out of regular employment for over four years, as were many of their friends. She used to work for one of the local shops, but after her second child reached the age of three, she wasn't taken back to her job. Then they decided to have a third child, so she is now on maternity leave and has been out of employment for over seven years. They grow cucumbers and last year she worked as a daily labourer for about five days in orchards with her baby, but she couldn't find other employment opportunities. Her husband used to work for one of

the largest land owners of the region, but received poisoning from the pesticides, and since then could not find regular employment. He was doing ‘small business’ (i.e. ‘getting’, reworking and reselling ‘stuff’) as well as working in agricultural daily labour whenever possible. He was finally taken for public work in spring 2010 for six months. They bought their house with a loan through the Szocpol scheme which they are still repaying, continuously have to rely on credit in the shops, and often struggle with paying their bills and other household costs (for example when their washing machine broke). They find it especially difficult in the winter months, when there is no possibility for any seasonal or additional jobs.

The situation of these two families is typical of others in Tiszacseke; the example of Szerénke for those who work in official, long-term employment, and Éva for those who rely on social benefits and irregular, often unofficial labour opportunities. According to my field experience as well as the account of local social workers, the main dividing line in the local society is not unfolding along the usual ethnic lines (between the Roma and non-Roma) as often mentioned in relation to poverty in the context of Hungary, but rather between those with permanent employment on the one hand, and those who only have occasional jobs on the other (who otherwise rely on public work or social aid). As the two above stories showed, regular income does not necessarily mean a larger amount of income, but it offers a kind of security and access to a wider range of options than the small irregular jobs. As Linda, one Roma mother summarised the problem:

You cannot save up from social aid. 28,500 forint is hardly enough to live on. And the banks don't give credit to you unless you prove six months of employment. Also public work... some are taken for years and years non-stop, you can see, but my husband wasn't called in to work for ten years, only now they gave him three months of work. And again, for three months you cannot ask for bank credit, and even if they prolong him and he can stay for another three to four months, it won't be enough. They give a new work contract for the new three months period. So again we can't go to the bank. How can one advance then? It's impossible, it's impossible... I would also like to renovate my house, of course I do. I also don't like to live like this, do you think I do? But I can't, this social aid is just enough to live on. And now we have 65,000 forint due on our electricity. Maybe from the public work wage we can clear that up, and then of course we also need to pay the mortgage on the house. And that's it. It won't be enough for anything else.²⁶⁷

The regular income makes savings possible, even if with difficulty, and above all it gives the possibility for some sort of future planning, which is almost impossible when you are exposed to the quickly changing social benefits (see chapter 3) or the constantly shifting public work. In addition, one cannot plan with agricultural or manual small jobs, especially when many orchards

²⁶⁷ Interview, 27/05/2010.

remain increasingly untreated due to the low price of fruits or employ Romanian labourers from across the border on a lower wage. As the lives of the above families show, when you have only very small income, which is hardly enough to satisfy the most immediate needs, the practice of economising now for future rewards remains only an idea. The mayor very acutely summarised the issue:

When they come to me and complain that they don't have enough money, I tell them 'what do you want? How come you cannot live from 28,500 forint?!' And then I tell them, 'you go and buy some bread every day, that's 310 forint,' because here the cheapest bread costs 310 forint per kilo and not 160 forint like in the city, that's 10,000 for a month. Then you go and buy a bucket of fat, which is 2500 forint, that's again 10,000 forint a month, and then, I tell them, 'at least you don't starve.' But then I pause. Because what am I telling?! We are already up to 20,000 forint, and they only bought bread and fat for the family. The rest, they pay the bills from, and that's it, we didn't do anything yet, just ate. So I stop, because what can I tell them?! I also feel that something is somehow very wrong.²⁶⁸

These instabilities and insecurities are visible in people's living standards, for example renovation of their house, investments in furniture or other household goods. One crucial practice that is only done by those without regular employment is buying everyday goods on credit. What came out time and time again in the interviews I made with the cross section of villagers was that buying on credit (or not) in the local shops is considered to mark this divisionary line between those who have regular job and those who do not. The shameful situation of having to rely on credit is strongly connected in the mind of the locals to unemployment and living from social benefits. This was also reflected in the account of the present head of the elderly home when she talked about her earlier experience of being unemployed, and the feeling of insecurity and shame that coupled it,

I was also unemployed and my husband too. So I know. My colleague, Szerénke, doesn't know yet, that's why she cannot value her job now. She was always in employment. I was unemployed for several years before I was employed in the elderly home, first I was only a regular caretaker and only since last year have I been the head. And my husband also didn't have a job. So I know how it feels.... It was horrible. Constantly waiting and hoping that one of us at least will be taken for public work. And then you never know for how long or when it will happen. So you had to do all sorts of things. Many times I went and did the worst jobs, like shovelling snow or picking the dirt from the street. And I did it for very small money, because if you didn't, you might not be called in for better jobs when there is a chance. So now I really appreciate my job, because I know how it felt to be so insecure. And ok, it still happens sometimes, because it happens to everyone here, but my biggest fear is that I have to 'go on the list' (*iratkozik*²⁶⁹) again. I try everything to avoid it.²⁷⁰

²⁶⁸ Interview, 26/02/2010.

²⁶⁹ It's a local expression that is used to describe the situation when someone asks the shopkeeper to be written on the list of debtors in the shop or pub, but it has also become a local colloquialism to express the entire phenomenon of buying on credit. As such it does not only describe one particular instance, but rather as a continuous regular practice.

However, even though such a possibility can easily threaten everyone in Tiszacseke, as the above account shows, most people in permanent employment or with regular income such as a pension have a rather negative view on those who live from aid and buy on credit. The nation-wide discourses of being lazy, over-spending and thoughtlessly buying ‘luxurious goods’ (such as cola, crisps, cigarette) are so deeply inscribed that even personal experience or connections through family members or friends does not eliminate them. It is these nationally dominant images that are also used by many in Tiszacseke to delineate those who are ‘deserving’ and ‘undeserving’ in the local context. Similarly, having many children in poor families is often evaluated as a strategy to ‘take as much out of the state as possible’, i.e. giving birth to children in order to receive family support and numerous child benefit.

Many inhabitants with permanent employment even believe that the numerous benefits the unemployed receive amount to larger income than their minimum wage. In the view of Iza, one of the regular carers:

If they have three or four or even more children, these families receive a fortune, I am telling you, they definitely receive more than we do. Because we get the minimum wage, but then because of that we won’t be eligible for any benefits. But they get the family allowance, for so many children even that alone would already amount to above 100,000 forint. And then they would get some aid here, some aid there, the housing allowance, the child benefit, and public voucher and who knows what not. It definitely adds up to far above 100,000 forint. And then they go and ask for more aid.²⁷¹

These opinions, however, reflect more the injustice that those in permanent employment receiving only minimum wage feel towards those who receive several benefits and live on them, than the actual amount the latter receive. The present social benefit system does not make such a case possible; one would not be eligible for most of the means-tested benefits once passing a certain income level (to which other regular benefits are usually counted into²⁷²). Thus if the benefits would amount to more than minimum wage, which already makes certain people ineligible, the aid beneficiaries would also fall out the criteria. What it reflects instead is a larger problem with the present social benefit system, which is often believed to be unfair by those who

²⁷⁰ Informal talk, 17/06/2010.

²⁷¹ Informal talk, 20/10/2009.

²⁷² According to the regulations, the one-time benefits (crisis aid, irregular child protection support, funeral aid, debt management aid) as well as the housing allowance and maternity benefit are not counted as income. However, the remaining, usually regular benefits do.

just fall outside a benefit threshold because of their (minimum wage) salary, and which on the other hand makes it possible for those who do not work to survive on benefits. Thus it contributes to broader social tensions and feelings of injustice towards the state redistributive logic, which then leads to the stigmatisation of benefit users as ‘mis-users’ and ‘parasites’ of the state. Such tensions between those who work in low-paid jobs and those who are long-term unemployed are especially high in areas with low economic assets and scarce opportunities like Tiszacseke, where those in official employment feel they carry an overly large part of social burdens through the high taxation²⁷³. As the dam keeper László complained in a heated manner:

You feel bad, when you see that some people just get that money and they don't have to do anything for it. I work in a job as a dam keeper in the water company, which is basically non-stop [work]. If they call me during the night to say that the Tisza hit the line, I have to go and look after it. I also do these wooden marks, you saw, but that's mainly a hobby, as I receive only about 8000 forint for 1-1,5 days of hard work. And I have now 150 bee colonies, as well as an apple and a cherry orchard. And then I need to work on building the house, so that we can finally move away with the twins from my mother-in-law and have our own place. It does make me very angry then when I see these people just living on benefits, receiving all that money just for staying at home, doing nothing. Because if you want, you can find work. I always did and I always worked in two to three jobs at a time, to advance somehow. And it makes many others angry too. It is not fair. I don't get anything, no housing allowance, nothing. But if I want to do something, I have to register it immediately, and then the state taxes me to the limit. Here in Hungary people who work, who are trying to do something, are the most punished and those who just use the state prosper.²⁷⁴

On another level these notions of deservingness also reflect a certain view on the elementary grounds of citizenship, i.e. conceptions ingrained into public understandings about the rights and obligations that people as citizens have vis-à-vis each other and the state. David Graeber (2009:120–21) argues that the idea of ‘social debt’ was strongly interwoven with the nineteenth century nation building of European states and the consequent myth of national community as bounded entity. Often when we speak of a society, we refer to the national entity behind it (i.e. Hungarian society, Romanian society). However, he argues “what we label “society” – a single totality to which everyone is born with a set of obligations – is not itself primordial” (ibid. p. 119), but the main constituent of the ideology of modern nation-state.

In this view, the well-being of the whole rests on the fulfilment of these obligations by each of its members, and the state arises as the grantor/enforcer of this fulfilment and as such the guard of

²⁷³ According to Eurostat data from 2010, Hungary was among those EU member states that have the highest tax rates on low wage earners (above 40 percent). For more details see:

http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Wages_and_labour_costs, retrieved May 23, 2012.

²⁷⁴ Interview, 16/10/2009.

the well-being and integrity of this bounded entity (Graeber 2011). In return it also holds the right to tax its members who enjoy its nurturing. Thus individuals are seen to be born with a cosmic/primordial debt to each other and to the state. While Graeber deconstructs this belief as part of the nation-state myth, it is still a dominant view deeply ingrained in common understanding that members of society should pay their taxes because they (morally) owe each other (and the state), and if they fail to do so, it threatens the well-being of the whole of this bounded entity. In this view, long-term social beneficiaries/unemployed are considered to break their obligations to the national community and to its individuals, and as such should not hold claims for the provisions of the state and/or share in the common goods of the 'community'.

The practices of the mayor in terms of social assistance were discussed earlier, where it was pointed out that in Tiszacseke a rather egalitarian approach is in place. In addition, personal relations to the mayor and 'banging on his door' were also held important in receiving benefits. However, there are certain additional resources that the unemployed can further turn to. One of these is small-scale agricultural production, mostly cucumber growing for those who do not hold additional resources to invest in anything larger or did not inherit much land. Cucumber can bring as much as 1800-2000 forint per metre if the soil is good and the weather is advantageous, so for 600-800 metre of cucumber, which is the most usual size in Tiszacseke, one can earn more than 1.5 million a season, but even in less favourable situations it brings at least 600-800,000 forint for the 3-4 months of work. So even if one deducts the initial loan given by the wholesaler and the smaller investments of the nest, sticks and additional treatment materials, people can augment their living with a significant sum. However, it is very work-intensive, and starts with a minimum of 150,000 forint debt for 600 metre, that needs to be paid back to the wholesaler once the cucumber starts growing.

As mentioned above, often people living from irregular and small incomes/aid can help ease their situation by purchasing goods on credit from local shops²⁷⁵. According to one of the biggest shopkeepers, 50 percent of her clients regularly buy on credit. Another recently opened shop offers credit to every customer without exception and without limits as a customer attracting strategy. Thus by the second month of its opening many people were shopping there,

²⁷⁵ There are altogether five grocery shops in the village.

accumulating as much as 30-50,000 forint of debt per family per month. Those who regularly buy on credit would balance some of their debts at the beginning of each month after receiving their social aid or public work wage, but already the next day they would come again and ask if they can buy on credit. “This is a trap, they cannot get out of” – commented one of the shopkeepers.

10.1.2. Interlude: the dilemma of the shopkeeper, Provident and other tales

“You cannot refuse to give bread or milk to a mother, when you know she has three children” – explained Kati, the owner of a shop on the main road of the village,

It is a different thing if they ask for alcohol, then I often don't give credit. But for example cigarettes, I do. I somehow think it is not my job to teach people what is good or bad. But they often buy other goods too. When they ask me if they can get another 1000 forint credit, and I tell them yes, thinking that they will get some yoghurt or some banana for their children and they will eat better, then they go and buy the tomato for 800 forint per kg. In the winter! Even I don't buy it in the winter! Or the Bonduelle tin corn which costs double the price of the other type. Then I get very mad. But I still give the credit to them... what can I do?!²⁷⁶

As she explained later, it is mostly the larger families with many children who rely on credit. The elderly are too ashamed to ask, even if they would need it. As it turns out, these large families are considered “the best customers”, even if they buy on credit, because they shop on a daily basis and for numerous goods. While the elderly mostly “just buy their little bread and milk, they have the vegetables in their garden, so what else would they need”, the large families would always buy several things to cook from, meat from the freezer, vegetables, washing powder, sweets for the kids and soda like Sprite or Coke. “If it weren't for them, we could close the shop” – admits Kati. Other shopkeepers also felt they were in a way forced to offer credit to such families, otherwise they would lose their biggest and most frequent customers, even if that meant they only get part of their money back and always with delay, “we know that eventually they will pay for it, otherwise if they don't, they won't get more credit. And if they don't pay here, neither in the other shops, eventually no one will give them credit, then they can go to Fehérgyarmat²⁷⁷. They can see who gives credit to them there.”

²⁷⁶ Interview, 2/06/2010.

The opening of a new shop, a large food store, in Tiszacseke in spring 2010 brought another issue to the forefront. Similarly to what Latea and Chelcea (2003) found in the Romanian context, giving credit to particular customers is also part of the shopkeepers' strategy of dealing with local competition. If one of the shopkeepers starts giving credit to its customers, people start buying there, hence the others could lose their 'best customers'. When the shop opened, very few people shopped there, until the owner decided to offer credit without discretion to everyone. According to Marika, another retailer in the same part of the village, "people would even come from the other end of the village to his shop, just for the credit. So we had to extend our credit too. I didn't like to give to the Roma, only few of them could get credit from me. Now I told them they could come and buy on credit in my shop too".

This brings attention to a related issue. Through the continuous giving of credit the shopkeepers bind their customers to their shop. As Angéla, a 43 year old mother of four children explained:

The first time I just asked for 1000 forint credit, as I didn't have enough money with me for the washing powder. I forgot to buy it in Fehérgyarmat. We usually go there when we get the social aid and shop for the whole month. Then next day I went to the shop again, and he [the shopkeeper] said I can shop some more if I need to he'll just write it on the list. So I bought cola, the expensive one, not the cheap one, some crisps, and some cigarettes and some other stuff I don't remember, food to eat. I didn't really need all that, but since he said I could buy.... I know it was wrong. We usually don't drink Coca Cola, just the cheap type. But he said I can get more credit, so I did buy it. It cost over 8000 forint, so then I owed 9000. By now I owe over 30,000, and I don't know what will happen, because it's only the beginning of the month, and we [the family] only have 120,000 altogether. If I pay the debt, and buy the monthly food for 60,000 in Fehérgyarmat, and there are the bills, we will have nothing left. Then I will have to buy on credit again.²⁷⁸

Shopkeepers²⁷⁹ entangle some of their regular clients in webs of attachment and deepening debt. The clients feel they can take more and more goods, they cannot balance their debts now or in the foreseeable future, but they keep on buying and the seriousness of debt evaporates as they must return each month to pay off some of the debt and also take a little more (cf. Latea and Chelcea 2003). Another, much larger creditor, Provident, works along an alarmingly similar logic.

²⁷⁸ Interview, 24/06/2010.

²⁷⁹ The perspectives and motives of the shopkeepers are also multiple, however it did not constitute the focus of my research. Yet it was often said that selling on credit is not advantageous for them, and in most cases ends with losses (as they have to finance the purchases of their customers, while they themselves also pay the shop-keeping costs and purchase stock), and need a minimal number of cash-paying customers in order not to run at a loss. However, they reasoned that in a locality with limited cash-customers, giving credit was needed for survival, as eventually most credit is balanced, even though only in small sums and stretched over an extended period.

To my question what happens if they suddenly need larger sums (in case of sickness, flat renovation, need of an electronic machine etc.), Sándor a charismatic member of the Roma local government answered without hesitation, “we call Provident”. In contrast to banks, this loan company offers credit to people who have no secure income or guarantor. He went on explaining:

But they ask for almost 100 percent interest, it's like usury, nothing different. A person comes already the next day after you called, asks about your income. You tell them you only get the 28,500 forint aid, and the family benefits. And then he gives you the money, the next day, he already brings it to your house. Then you have to pay back some part at the end of every week. The agent from the company comes to your house and asks for your weekly instalment. It is just like the loan sharks. The only difference is that it is legal, it's a company. And they really give credit to anyone, it doesn't matter if you don't work or have no salary, just your social aid and the family benefits. I bet it's even illegal to give credit for only those. But they still do... I was also in it, already twice. It took me two years to get out of it. But I had to take it. Once I took 60,000 forint for the funeral of my aunt, and once another 30,000 forint, we needed it for food, there was no other option then, nowhere else to go. I paid the instalments for two years, often I had to borrow from friends to pay it, and still didn't manage to clear my balance... It is really the last option - you only go there when there is nowhere else to go.²⁸⁰

However, contrary to public convictions, it is not only the Roma inhabitants who need to turn to this option in Tiszacseke. At the other end of the village, on a road tellingly called the ‘Szocpol row’ in local jargon, as the newly built houses materialized from Szocpol and where larger non-Roma families live, the debt collector of the company is a weekly visitor. Bella, one of the inhabitants in the ‘Szocpol row’, explains:

When I see the black Mercedes stopping, I am thinking, I know who that is and why she is coming. And then I see it stops at every single house in the street, almost everywhere... I know that car very well, it used to come to ours as well... Now I am thinking, maybe I should take a credit again from Provident, I need to renovate some of the house and they offered me some new schemes, they already called me, something for being a good customer and paying my instalments on time

– she points to the freshly painted wall.²⁸¹

Provident is often the only option (apart from loan sharks) for those without permanent job with a long-term employment contract to get larger sums of money. However, the interest rates are not clearly stated on the website: it alludes to the more confusing THM rate and only if you check their .pdf table on the possible constructions and calculate your personal scheme that you agreed on with your personal agent, can you actually comprehend how much your interest will amount to. However, most clients, in lack of internet access, often only know how much credit they

²⁸⁰ Informal talk, 18/06/2010.

²⁸¹ Interview, 1/07/2010.

received and how much they need to pay every week. Often, after failing to balance their debt within the agreed time period, new balancing credit is offered again by Provident, which then prolongs their debt and increases their interest again²⁸².

Additionally, it is stated clearly in the website that one needs to pay additional fees if taking advantage of the ‘personal scheme’, i.e. having a personal agent who brings the credit and collects the weekly instalments, as in comparison to receiving it to their bank account and paying the instalments through bank transfer. However, according to Miklósi (2006) only two to three percent of their customers choose the latter option. A very obvious reason for this is that many of them do not have a bank account, or even if they do, they often need the money immediately and do not want to wait for the transfer.

Even though Provident tries to strongly distance itself from usury, there are striking similarities. The company not only happily offers credit up to 220,000 forint to individuals with no realistic chance of repaying the debt (based only on their social aid of 28,500 forint a month or temporary public work wage that can end from one month to another), but in case of the personal credit (used by most clients) the interest can amount to as much as almost 80-90 percent. While it is not phrased as such on their credit scheme table, with a closer look it is visible that for 100,000 forint credit on a 30 week instalment period, one needs to pay back 153,000 forint. For a 60 week rate, it could amount to 177,750 forint, which could grow even higher if the client fails to pay back the amount by the end of this period. And the latter is not at all impossible. If we take the example of a family with no permanent job, the household income would contain perhaps a public work salary of 64,000 forint (but only for few months), 28,500 in social aid, some family benefits which would not exceed 17,000 per child even if there are more than three children²⁸³ and, if the family is lucky, housing allowance of the maximum amount of which would be 12,000, but most households get much less²⁸⁴. For such households paying a weekly sum of even 3300 forint (that would be weekly 3950 for the 60 week period) – or 13,200 forint per month – could pose difficulties.

²⁸² For more details see Miklósi Gábor’s newspaper article (2006).

²⁸³ Mothers with children would also receive child care support (up till age three) or child allowance (from age three till eight of youngest child) to the value of 28,500 forint.

²⁸⁴ Thus even in the most favourable case the available benefits for a family of two adults and three children would amount to 133,051 forint per month, i.e. 26,610 forint per person.

Buying on credit and borrowing from Provident entangles people in circles of indebtedness with little possibility of repayment in the near future. What is more, by constantly offering new credit without ever expecting full re-payment, both incite further consumption – in a way very similarly to the logic of giving credit cards or large bank mortgages to clients without comparable guarantees, which were discussed extensively in relation to the 2008 global crises²⁸⁵. Whilst there is no clear link between these practices, and different options are available for different social segments/families, the same logic seems to appear in all. Namely the constant recreation of neoliberal capitalism and its tendency for crisis and the management of these crises through the introduction of further neoliberal policies, i.e. privatisation and disinvestments leading to the recreation of those structural elements that led to the crises themselves. Thus if a growing segment of society is losing their consumption power due to poverty and unemployment, the solution is not to create more jobs, but to offer them a credit card with unlimited use. This is apparent now at all levels: people are buying goods on credit cards with no money on them, houses on mortgages, washing machines on fast and non-coverable Provident loans, or 800 forint per kilogram tomatoes in the local shop of Tiszacseke on informal credit. Whereas some of these options, i.e. buying on credit or taking Provident loans can have crucial importance in securing present and future needs of many families, it appears that ultimately the insecurities generated by these broader tendencies are pushed from the higher scales to individuals and localities in marginal positions.

10.2. 'Un-thoughtful' spending or consuming for inclusion? – Temporality and the earmarking of money

In fact, the dominant opinion in Tiszacseke about credit users is that they are not necessarily buying the most necessary goods, but often “have their shopping basket full” even though “they are supposed to be poor”. It is a commonly held assumption that they are not sensible with money, cannot budget well, and buy expensive and unnecessary goods which are out of their

²⁸⁵ See the interpretation of David Harvey of the last global economic crises in a well formulated presentation: http://www.youtube.com/watch?v=qOP2V_np2c0. Retrieved 12 November, 2011.

reach. Since they are believed to receive as much as those who are earning through regular employment (which we saw is not the case in most situations), it must be their fault if they cannot advance, i.e. if they live in un-renovated houses that are falling apart, cannot pay their bills, or cannot invest in new home appliances or in the education of their children. In this image the ‘worst’ cannot even invest in ‘proper’ clothes for their children or a bathroom, hence are dirty, unwashed and unkempt, and even walk barefoot.

In this logic two underlying beliefs about the long-term unemployed and poor comes to the fore. One is that they should not spend if they do not have money, i.e. not buy the same goods that the majority of people who have regular salaries can buy. The second is that if they do buy these goods, they should be condemned for wasting their money, as they exacerbate their own poverty by not spending what they receive economically and sensibly. As a counter-example often pensioners with meagre income are pointed out in such discourses, as they economise and do not spend on goods that are not vital, hence are held ‘deserving’ of public support for not exacerbating their situation by unnecessary/unthoughtful spending.

However, the situation is more complex. As the mayor explains about people who receive unemployment benefit,

...if somebody wants to live according to the standards of the twenty first century, here, today, in Tiszacseke, they can't. Because maybe, maybe, one can get some wood to heat, from the 28,500 forint. But if someone says, damn it, it's the twenty first century, no matter how poor we are, we would like to switch on the TV from time to time, or would like to watch a video sometimes, or buy Coke for the kids. But if he/she does all this, then one already has to pay a higher electricity bill, and if they want to bath, God forgive me, I say such silly things that one might even want to have a bathroom. And they even have a gas heater there. Then already they need to pay the gas, the water, the electricity. And from time to time even pay the emptying of the sewage²⁸⁶. All in all, if someone would like to live according to the twenty first century here today in Tiszacseke, they simply can't.²⁸⁷

Why would then people with small budgets go and buy expensive tomatoes out of season or Coca-Cola and crisps? Before offering a hopefully more complicated explanation of the underlying processes than terming it ‘irresponsible’ or over-consumption, I will first describe some of the spending practices of those in the village who rely on small and often irregular sources of income. In particular, I will explain the ways money is earmarked according to its

²⁸⁶ The village does not have a sewage system. Most houses have cess pits that need to be emptied periodically.

²⁸⁷ Interview, 26/02/2010.

source and is used for different kinds of spending, whilst highlighting the temporal aspect of related social security arrangements (see Zelizer 1997 on earmarking of money).

The majority of my informants told me that as soon as they receive the social aid and benefits or the public work wage, they go and make a “big shop” in the nearby city, which has discount supermarkets. They buy most of their food for the whole month, including frozen meat (20-40 kilograms), flour, potatoes, oil, soda (like Fanta or Coke, though usually the cheaper versions of it), and everything they need for daily cooking. They also get all their toiletries in these discount shops, because the local shops have much higher prices. In the local shops they only buy fresh things such as milk, bread, salami or crisps and sweets for the children. Most families told me that on these monthly shopping trips they usually spend between 60-100,000 forint, depending on the size of their overall budget and family²⁸⁸, i.e. most of their income. From what remains they pay the utility bills, but they always make sure to put aside about 10-20,000 forint for emergencies and to give as pocket money to the children when they go to school. Even though many of them thought it is wrong to maintain this habit, they keep it as in many cases the children would refuse to go to school or nursery if they did not receive it in the morning. Some others also explained that their children cannot get up early enough for breakfast and since they do not want to let them go to school without eating, they give them some money to buy breakfast on the way there, despite knowing that the children usually spend the money on crisps or biscuits.

The better off families in the village can pay all their bills, but not everyone is so lucky. This is especially difficult during the winter, when the heating costs rise exponentially and when there is no seasonal work that can bring additional income. In some cases the 10-20,000 saved each month is also used to buy some extra items, in case they were forgotten during the large monthly shopping trip. However, as many explained, this is a very insecure way of living. In case of sudden sickness or sudden large expense one does not have anywhere to turn to and thus needs to ask for credit. What is more, it is impossible to save up from such an amount. 20,000 forint a month for a family, even if most of the food is brought in advance, is hardly enough in case there are additional expenses. Thus most people ask for credit when they go to the local shop to buy

²⁸⁸ For a family with five or more members it means only 20,000 forint per person for a month, or even less in case of more members.

fresh goods. When examined from this angle, it is not so difficult to see how a family can accumulate 20-30,000 forint debt in the local shops each month.

This creates particular insecurities linked directly to the lack of a regular income. A regular income can help forward planning, which is not possible when one needs to rely on social aid which changes from one government to the next, must react to the changing wider socio-economic situation of the country, or are dependent on abrupt personal decisions and the discretion of local social aid officials. Similarly, public work is rather unpredictable in this sense, and often only helps to balance some immediate debts or solve some of the accumulated problems. Thus saving up and making future plans is almost inconceivable with such an income.

However, there is another aspect which relates to the immediate insecurities. This is described by Ibolya, a middle aged woman with three children:

I am constantly worried that one of my children will get sick. As for me, I couldn't go to the doctor for a long time. It is simply too costly, you need to pay the ticket on the bus or train or here many take a private car and get driven there and back, which costs a lot. The whole trip to the hospital in case of any problems would cost 5000 forint, for an adult, with the bus, 'present' to the doctor, etc. And then the treatment or medicine. How can one afford it when we have at best 10,000 left from our aid and public work wage? So I just pray every day that my child won't get sick, because I don't know how I could afford the medicine, or if we have to go to a hospital. It happened already, my younger daughter has asthma, and last month, we had to take her to many examinations. We had to take loans, we couldn't afford it otherwise.²⁸⁹

In the same vein, such a situation not only makes basic health care and other services less easily available, simply due to lack of money, but also sometimes due to lack of public insurance contributions. This not only affects the current social security and health care situation of the person, but also their pension upon retirement. In lack of regular official salary, one can at most hope for the old-age minimum pension, which would only amount to the same 28,500 forint as the social aid. However, in the perspective of the changing social security system and the precariousness of the state's economic situation, it is rather incalculable and subject to change (like the present social benefits).

Since saving up is not possible, one needs to turn to other resources when in need of larger amounts, for example to buy new clothes for children, the uniform for school in the autumn, or

²⁸⁹ Interview, 19/06/2010.

undertake some renovation on the house. People considered it a big help that the local government offers advances on their public work wage to do renovation work. Several families relied on this when they painted their walls, exchanged or installed missing windows, or built a bathroom. While it would take them very long time to save up such amounts in one sum, paying it back slowly from public wage seems much more conceivable for many people. However, some would use other channels. Many engage in cucumber growing exactly in the hope of summoning a larger amount of money by the end of the summer. Some do use it to raise the amount spent on goods and food during the cultivation months, as Ibolya explained, “we can then at least live a bit better during the cucumber period. We can afford to buy the good meat, not only the buttocks, and we can buy Coca-Cola not only the cheap soda, and some better stuff. Even cakes sometimes.”

However, most people use it to make larger investments, such as buying a new set of dresses and shoes for the children before the school starts, or buying equipment/furniture and making renovations in the house. Thus whereas the monthly public work wage and social aid are used almost entirely for everyday necessities, the sudden larger sum from cucumber selling and summer seasonal labour makes larger, otherwise unconceivable, ‘projects’ possible. In many families similar earmarking practices appeared; while regular income from benefit/public work is spent on immediate needs of food and bills (although this comes last), irregular and often larger income, usually achieved with hard labour (cucumber growing, daily agricultural labour), is nearly always spent on larger investments on the house, clothing of children or sometimes lifestyle items that are otherwise not available from aid.

Returning to the issue of ‘irresponsible’ spending or ‘luxurious consumption’, often my informants alluded to their children. When sitting in their kitchen used as a living room, Éva told a story of buying new shoes for her son:

Finally I managed to buy some new shoes for the boys, they were very cheap Chinese shoes, just from the Romanian seller from in front of the shop. But they are still new, and they are stylish. It looks like it has rips, but that’s the style. I was so happy, because a while back the pipes broke in the bathroom, which we had to deal with, so I had to postpone buying the shoes for the next month, and then another month. And I also need shoes, see, I only have these slippers, I already feel too ashamed to go in these to the school to fetch the children. But I thought I can wait, I would rather buy for the boys. I don’t want my children to

be without shoes. And when I came home happily with them, they asked me, ‘Mum, are we really that poor, that you could only buy us such bad shoes?’ I almost cried, because what can you answer to this?²⁹⁰

Whilst Éva was explaining the story, her younger son was sitting across from us in the living room, desperately stroking a picture of a bike in a Tesco magazine and, from time to time, he asked his mum when she would buy it for him. They originally planned to buy one this month, from the first income from the cucumbers, but since the pipe breakage posed unexpected costs they postponed it to some later date.

Another woman referred to a different aspect when she explained her families shopping habits:

And why should we eat the buttocks every day. Just because we are poor, we are not supposed to have any taste or desires?! We also know it’s nicer to eat the schnitzel, or to live in a nice renovated room. We also know it’s not nice to live like this. And what I am supposed to say to my children, when they tell me they hate the buttocks and they don’t want to eat it anymore!? How do you tell your children, that we are poor and so we eat buttocks?²⁹¹

Many informants told me that they also buy cola, because they do not like to drink water, like everyone else in the village. Or they would buy crisps, chocolates and expensive vegetables, or sometimes even the more expensive parts of the chicken and even ham sometimes. The frustration over the fact that such elements of a ‘normal’ life-style transmitted by advertisements and exhibited by the better-off in the village will never come in easy reach turns many towards what is considered by others as ‘irresponsible’ spending or buying ‘the luxury goods’ on credit. As was argued, such view is strongly linked to public discourses on the unemployed and in general to notions of undeservingness. In such reasoning, if someone is poor/unemployed and has to buy on credit, they should not spend on anything else other than the basic necessities.

Yet saving as well as consumption has a different meaning in the context of ‘10,000 forint put aside in a month’, when compared with regular income from which sums could be clearly earmarked each month for conceivable (even if often with great sacrifice and difficulty) future plans. In this context immediate spending and inclusion in the ‘normal’ community of consumers is chosen over saving, a saving that cannot be envisaged in the long-term anyway. Thus the short-termism of the situation offers strategies to people living in continuous insecurity, and these strategies are directed more towards the present than to a less foreseeable future. Similarly, large

²⁹⁰ Interview, 10/06/2010.

²⁹¹ Interview, 30/06/2010.

debts in the local shop or with Provident are not always taken entirely seriously for the same reason - because the future remains unpredictable and unimaginable in any better terms than the present. Thus immediate consumption and immediate crises solutions through Provident, if it has to be, become more palatable. To put it bluntly, if one cannot foresee a possibility to save up, to have a better pension or stronger basis of social security in the near future, why not have a little bit better food, feel that one is part of the mainstream society who can afford it without problem every day, and make the children happy by buying cola or sweets? As such, these practices become part of restoring social belonging or citizenship, from which its subjects are otherwise debarred in various senses - through moral discourses about their failure to contribute to the common good and by not being able to afford the same lifestyle as other citizens.

10.3. Scales of indebtedness – local state and informal credit

Buying on informal credit in relation to other social security arrangements appears to be linked to the practices of local state officials in several ways and on several levels. The first and the most obvious is that the mayor himself also engages in distributing a sort of informal credit. Advances are frequently given from the public work wage and then deducted from the salary at the end of the month or in consecutive months if the advance is large. Numerous workers told me that this option was a great help for them. Undoubtedly, it is sometimes used to save families from immediate ‘crises’, for example to survive until the next payment if every other resource is already used up. In these cases only few thousand forint is taken and usually spent on basic necessities such as food, or used in case of sudden sickness or severe indebtedness.

A crucial aspect here is that the local government could distribute a one-time benefit called crisis aid meant exactly for such situations. However, according to local statistics and personal accounts only very few people received it in the past years. The social service clerk explained that officially it can be given, but since it should be covered entirely from the local budget, they cannot distribute it frequently. The case was similar with funeral aid, which could be also distributed by local governments to local applicants for whom covering the funeral of close relative would pose extreme financial problems. However, again it should be financed from the

local budget. Thus in the few cases when it was given, it was usually given in form of a credit, i.e. deducted in small instalments from the applicant's aid or public work wage. Thus advances on public work wage partly fulfil the same role as crisis aid, however in form of a credit.

Nevertheless, most often these advances were taken in a larger sum (80-160 thousand forint) and, similarly to the income from cucumber or daily labour, were used for larger investments that could not be realised from the small public work wage/benefits. Thus most often it was used for renovating the house, building a bathroom, or making the first steps to grow cucumbers. Their importance was emphasised by many, because it is not possible to obtain bank loans for such investments based on public work wage²⁹² or social aid. Renovation often had importance in another respect beyond considerations of living standards. Many of the unemployed families had their children under protection (*védelembe véve*), which meant that the child protection officer visited them on weekly basis monitoring the parents' child raising practices, financial background and above all living conditions. Usually these ranged from cases of "under-age" pregnancy to suspected alcoholism of parents and, most frequently, as Szerénke the child protection officer put it, "financial circumstances that threatened the well-being and preferred living conditions of the children."

On the various occasions I accompanied to her on these visits, the houses were inspected for heating possibilities, the presence of windows and doors (that were often missing), clean rooms with proper walls and at least beds (preferably separate ones) if not rooms for the children. If the family however failed to remedy at least some of these shortcomings over a granted period (mostly one year), the child was threatened to be permanently removed from the family and taken away from the parents, who were considered to, in the words of Szerénke, "fail in providing the appropriate and preferred conditions for raising a child". Whereas such extreme measures were only taken four times in the past five years, the threat was extensively used by local officials and discussed in the endangered families, playing crucial roles in considerations over house renovations.

²⁹² Even in the cases of those who are employed more or less constantly in the public work as a regular employment, it happens through short-term contracts which would not make the earner eligible for bank loans. This was explained as a major barrier for making larger investments by many informants.

Though many people spoke in positive terms about the advances, others complained bitterly about the favouritism displayed by the mayor towards certain families – as was also the case with the public work programme (see chapter 4). Officials also objected his overly supportive attitude to public workers/Roma aid beneficiaries. The notary phrased her concerns so, “I understand he wants to deal with these Roma and help them, but the local government takes up efforts that are way above its abilities. They are too spoiled here, while we [the local government] struggle with our own maintenance”²⁹³. (See more on issues of financing in chapter 3).

Advances do not abide by legally regulated structures, i.e. they are based on informal arrangements, but still have to be financed from a very strict, pre-calculated carefully balanced monthly budget. As discussed in previous chapters, the local government struggles to fulfil many of its tasks and was even forced to switch to heating the school and nursery with wood. Moreover, the local government has large bank loans²⁹⁴, and usually has to refuse the local requests for occasional benefits mentioned before, such as funeral aid and crisis allowance. “We don’t have the budget for this” - seemed to have become a saying in the local government office to explain all sorts of refusals. The above issues have already caused several collisions between the notary and the mayor. While the mayor is accountable to the local electorate, the role of the notary is to ensure the enforcement of law above all and she does not have to respond to electoral demands. Thus she was particularly anxious about the advances, as she would have to legally account in case of monitoring.

These practices of the local government can be related to the indebtedness and spending practices of local needy in other ways too. Namely, both seems to be linked to larger political economic phenomena, as was mentioned earlier, that levels insecurities on individuals/families and local authorities. Due the devolution of responsibilities with no matching financial support, this is felt particularly by those who are least advantageously situated in the present structures. The 100 million minus with which the local government starts a year cannot all be covered from local income as resources are scarce as the number of tax-payers (and enterprises) is limited. This is a

²⁹³ Informal talk, 7/06/2010.

²⁹⁴ Although it was not confirmed by official accounts, some local officials talked about 10 million forint debt.

problem faced by many local governments across the country: either some institutions are closed down and local services abolished (which many local offices are reluctant to do) or the local government keeps relying on newer and newer bank loans to fill its budget deficits. The indebtedness of the local government sector rose from 14 percent²⁹⁵ in 1991 to 70 by 2010 (Vigvári 2011:69). After the local resources from selling local government assets were exhausted by the end of 1990s, local governments started to increasingly rely on loans in order to compensate for the decreasing central contributions and lack of monetary resources (Pálné Kovács 2008). Thus by end of 2000 indebtedness was apparent on a mass scale (Vigvári 2011:71). Vigvári (2010) argues the mass-scale indebtedness of local governments has become more prevalent in the past few years, as the central financial deficits are pushed particularly strongly to the local scale.

Due to decentralisation, local governments are also pushed to deal with the social consequences of capitalist restructuring, such as unemployment, social and ethnic tensions and poverty on their own. The local government in Tiszacseke in lack of appropriate financial coverage is pushed to re-arrange its targeted grants within its budget and to go into large debts in order to maintain a certain social peace/order²⁹⁶ and local institutions/services. Thus in order to maintain a large and expensive public work programme (the size of which is not determined centrally), it often uses sums from central grants that are targeted at other mandatory tasks. However, it is not within the local government's power to create and maintain employment or to fundamentally change the long term local socio-economic situation. This then also leads to similarities in temporality as those who buy on credit in shops, i.e. focusing always on the present most urgent matters and investing resources into 'fire-fighting' and immediate surface solutions, rather than trying to make savings for the future.

Finally, a short comparison between Kislapos and Tiszacseke in terms of credit practices highlights that the local state has significant role to play in these 'informal' arrangements that seemingly concern only the shopkeepers and their clients. Even though the scarcity of money and resources in Kislapos appears much more serious than in Tiszacseke, I was surprised to find that

²⁹⁵ Percentage of own and transferred incomes.

²⁹⁶ As discussed in Chapter 4 the mayor believed the large social spending was responsible for the low levels of ethnic tension, crime and loan shark activity.

the local shops do not sell on credit at all. Yet the presence of loan sharks and wide use of Provident suggests that such practices would be much needed and welcome by many locals. The shopkeepers had at one point experimented with various constructions of informal credit – all of which involved the local government. Since the retailers found that they could not enforce their claims on repayment and found it difficult to navigate between the claims of clients (why is the other getting more credit, etc.), eventually they asked the mayor to step in. Thus first they only gave credit to those who came with an authorisation from the mayor, then later it was made even stricter – the mayor gave vouchers to be exchanged in the shop instead of aid or took the credit directly from the social assistance of those in debt. In the end, both parties decided it was too much effort and the whole practice was abolished. One can then legitimately ask: what happens to those who have immediate crisis situations and do not have any more resources to mobilise? Again the distribution of crisis aid financed from local budget is very limited. Thus, as was explained earlier, people turn to the mayor, who distributes informal credit from his own money, to loan sharks or to Provident.

There are two important aspects here. One is the need for an enforcing authority that can ensure some of the credit is at least balanced, which then requires the ‘informal’ intervention of some local state actors, given that the law cannot be utilised for ‘illegal’ or ‘informal’ practices. Such an authority is not needed in Tiszacseke however, which is related to the second aspect: that buying on informal credit can closely relate to the distributional practices of the local state. Several shopkeepers in Tiszacseke explained that they do get back some of their credit at the time of public work salary payment. In addition, they added it is best when many people are taken for public work, because then less credit is asked for, and more of it is balanced each month. However, since public work programmes have been more or less continuous for many years shopkeepers are for the most part confident that the debt will eventually be repaid. This was however not the case in Kislapos, where public work was limited to only a few persons before the 2009 regulatory change and people had less possibilities to draw on additional resources, for example from small-scale produce selling, daily agricultural labour and the like.

10.4. Coda – who is indebted to whom?

The neoliberal reforms, privatisation, discourses of self-help, disappearance of employment opportunities and decreasing involvement of the central state in providing social security has led to new forms of insecurities in people's lives. At the same time, decentralisation also meant that the responsibility of finding solutions for the socio-economic problems and the consequent social-spatial inequalities have been devolved to the local and individual levels. However, the lack of resources, due to decreasing central support and lack of local assets, poses problems for tackling these insecurities, and often pushes both local governments and individuals to deal with them by finding immediate securities, such as Provident, bank loans, or informal credit in local shops.

The chapter showed that informal credit constitutes an important part of the social security arrangement for people who face a shortage of money due to unemployment or irregular employment and have limited access to further resources through local networks/ties to strategically positioned persons. When examined in relation to other arrangements, such as relying on benefits/public work, engaging with cucumber cultivation or receiving advances, the different practices of earmarking various incomes come to light. These intermingle with temporal aspects of security and influence spending. Looked at this way, the use of informal credit and consumption becomes part of the ongoing (re)negotiations of social citizenship within the moral discourses about who are deserving and undeserving citizens.

On another level, the temporal dimension of spending, saving and (in)security amidst continuous financial crises highlights the similar logics at work on the national scale, the local scale and the level of the individual. The previous Hungarian government took the largest international loan in the country's history²⁹⁷. Like the governments that preceded it they struggled to deal with the symptoms of neoliberal capitalism, never mind address the larger structural forces that brought these problems into place. In trying to tackle growing unemployment, deepening and diversified poverty, social tensions and deepening inequalities, the consecutive national governments of

²⁹⁷ At the time this was internationally newsworthy, but the size and scale of the loan has since been dwarfed by the ongoing Euro Zone crisis.

Hungary have become more and more indebted through consecutive international loans. Furthermore, local governments like the one in Tiszacseke, are also becoming increasingly indebted as they struggle to reconcile socio-economic problems and perform their mandatory duties.

Individuals then, many of whom are considered and consider themselves the ‘losers’ of the current political economic system struggle against the growing social inequalities produced by the crises and its treatments at all levels. Thus, clear divisions arise between those in low level regular jobs and those who find themselves long-term unemployed, often relying on benefits and occasional, often unofficial, work. The precarious nature of their situation leads to such personal strategies as regularly using informal credit and ‘abusing’ the already overburdened local government, requesting advances on their public work wage, pre-financed from money that does not yet exist. The same happens in case of the individuals who use informal credit. While the shopkeepers realise that their survival is constantly threatened by the weakening consumer base in an area where most people are unemployed, poor, elderly or minimum wage earners, they feel compelled to offer regular credit to those who, in fact, do not have realistic hopes of escape the webs of indebtedness in which they are tied. Such *rescaled insecurities* then facilitate short-term considerations and strategies, largely based on the use of fictitious money, which is evident at all levels and that induces a prolongation of those same processes that induced indebtedness in the first place.

Epilogue – towards a conceptualisation of rural citizenship

When I was talking about the region around Tiszacseke with Károly, a rural development officer and part time local tour guide, he told me the following story:

Last year all the main tourist agencies visited and I took them around the region. When we started the tour I told them, these next two hours will be like a bikini, it will trigger your interest in Szatmár, but it cannot reveal its essence. And in that two hours I made them cry twice. Once at Kölcsey's grave in Tiszacseke, where anyone who is even a tiny bit Hungarian would become emotional listening to the anthem. And the second time from laughing, when I told the following anecdote: when I was teaching in Kölcse, in 1975, they were renovating the Móricz Zsigmond Theatre in Nyíregyháza. And the village brigades, who worked well, received free tickets to a performance. We went with an entire bus. When the show started, it was the *Úri muri* from Móricz that they played, the row behind us was still empty. And then the late-comers arrived, sneaking with bent bodies to their seats one-by-one, just when the play got to the part where the actor says, 'Hey, peasants, where are you hiding?' And suddenly one of the peasants straightened and answered loudly, 'Where in God's dick would we hide? Our bus broke down in Bakta so we could not come earlier!'²⁹⁸

In the above anecdote and in the various national/identity/policy discourses covered in the previous chapters, the essence of rural citizenship becomes visible. What it is to be a 'citizen' in a rural settlement in Hungary today, and how the transformations of the state reconfigure the grounds for this, are substantially different than in urban localities²⁹⁹. In the following the main conclusions of the dissertation are briefly summarised and then, drawing on these, I put forward a reconceptualisation of social citizenship which integrates the specificities of the rural experience in contemporary Hungary.

The rescaling of the state through decentralisation has greatly transformed the possibilities of places and their inhabitants in rural areas. Whereas it promised autonomy for rural communities to alter their own trajectories, the devolution of power was coupled with the delegation of responsibilities to contend with the aggregated socio-economic effects of capitalism. Cutting back financing on the one hand, and instigating self-reliance, larger involvement of private and civic organisations and the use of local/individual resources on the other, the central state has rescaled the insecurities of capitalist restructuring, and the responsibility for their solutions, to

²⁹⁸ Interview, 10/03/2010.

²⁹⁹ And of course were also different during state socialism or before, however the present analysis focused only on its recent reconfigurations through neoliberal restructuring.

local governments and individuals/families. This has transformed social security, development and the accessing of resources, reconfiguring the relations between citizens and the state in many senses, with very diverse effects on different localities.

My dissertation has three important theoretical contributions. Firstly, by deploying the theoretical approach of neoliberal state rescaling my study furthered the analyses of state restructuring that focussed primarily on socialist/post-socialist legacies, by detailing the production of new state spaces. Moreover, my analysis examined the social production of these processes and their complex effects in rural areas. This brings important additions to the theoretical field of state rescaling in two respects. (1) Whereas it is usually discussed as a highly abstract process and examined mostly at the level of policies, my analysis highlighted the actual actors and practices through which rescaling takes place. (2) By extending its examination to rural Hungary, my analysis constructed a more nuanced conceptualisation of this process, which so far is predominantly based on empirical studies of large cities in the core economies.

My analysis delineated the opportunities and limitations that rural officials and inhabitants face when navigating within the present regulatory, financial and institutional frames. It revealed that remote rural localities are not usually well positioned to access available resources or generate capacities to reposition themselves in the new capitalist frames; the resulting insecurities can often be felt in a particularly severe manner in these places.³⁰⁰ As chapter 3 showed, in Hungary the central funding for the running of local governments is skewed in favour of urban settlements and urban areas are better able to take advantage of even those additional regional development grant schemes that are aimed specifically at disadvantaged regions (chapters 6 and 8). These processes exasperated already existing socio-spatial inequalities that have longer historical roots (see chapter 6).

At the same time, new possibilities have also arisen for altering trajectories, even in these places, through newly opening resources (such as rural development grants as shown in chapter 7 and 8) and newly appearing actors (like civic organisations shown in chapters 5, 7 and 8). The

³⁰⁰ This is not to say that some rural localities have not benefited from neoliberal state rescaling. Equally, I am fully aware that many urban localities have also fared badly – in Hungary especially ‘former’ industrial towns and cities.

discretionary practices of local officials can counteract ingrained social norms, deep lines of exclusion and lack of access to certain resources, such as land or money (chapters 4, 9 and 10). Whereas the decline of agriculture is considered inevitable by many, my analysis demonstrated that access to land can still have utmost relevance in rural settings for survival, as well as for the renegotiation of social belonging (chapter 9). Where the lack of money is prevalent, as in Kislapos and Tiszacseke, informal channels that might not be common or even available in urban settings gain significance, such as the wide-scale use of informal credit in shops, appropriation of crops/wood or unregistered agricultural labour (chapter 10).

These processes have fundamental consequences for citizenship in remote rural localities. I captured these through analysing social security/welfare (both as an individual strategy and state practice), development (as concrete material projects and as local belonging/identity), and access to resources (state and non-state). My analysis demonstrated that the decentralisation of welfare has resulted in large social and spatial inequalities in the way populations can access state-provided assistance, but that it also offers possibilities to address local needs more closely (chapters 3 and 4). Yet local solutions for needs often materialise along local lines of exclusion/inclusion and power hierarchies/relations, hence prioritising certain needs over others.

At the same time, local officials in their distributional practices can not only reinforce, but can also significantly alter the dominant norms that set the grounds for social belonging, reconfiguring local lines of inclusion/exclusion (chapter 4). These are particularly visible in small rural settlements, where relations between local officials and their clients are forged in a narrower social arena, where most people know each other well. Certainly in Budapest or Pécs you could hardly approach the mayor while in the local shop or stop the family assistant in front of her house as her neighbour. Such familiarity, mutual dependencies and interpersonal relations, which I captured through analysing the local embeddedness of officials and non-state agents, are an important part of these relations; hence they change the way people relate to the state. What can further complicate this is the active presence of a civic organisation, such as the Hospitalier in Kislapos, which also influences the local care and social security options of inhabitants and can complicate struggles of citizenship by taking up former state roles/responsibilities (chapter 5).

The analysis of development structures and schemes revealed that these programmes attach and solidify certain identities to rural places and their citizens. Being designated as ‘disadvantaged’ does not only open up new development resources, as shown by the analysis of LHH grant scheme, but also affects the self-identification of rural inhabitants and determines the dominant public image of ‘rurality’ (chapter 8). However, it not only affects the way inhabitants relate to their locality, but also how they relate to the (nation) state. Political discourse/policies and public rhetoric attach certain roles to places and its inhabitants – in this case to the rural – in terms of national identity and development. Being looked upon as ‘disadvantaged’, ‘unproductive’ or ‘without dominant roles’ also reflects how the claims and needs of various groups/populations are taken into account in broader politics/discourses; rural citizens often feel that the state tells them that their needs/claims are not important. Finally, accessing productive resources, such as land or other channels of social security like informal credit, has great importance in rural areas. And the way rural citizens can use these in their present and future social security arrangements are influenced, even if not directly, by the practices of local state actors.

As I have repeatedly shown, neoliberal state rescaling is changing the way rural citizens relate to the state. However, interpretations of neoliberal state restructuring and related conceptualisations of citizenship focus almost exclusively on the urban experience. Citizenship as a concept has been deeply tied to the city from its onset and recent theorisations that address the present transformations argue that cities are the main arena where current negotiations of citizenship are forged (see Das 2011; Holston 2011; Holston and Appadurai 1996; Isin 2008; Wacquant 2010). In this literature, practices of claiming ‘right to the city’ are understood as novel forms of citizenship struggles. The authors claim that these struggles are particular to cities as they are related to the outcome of the localisation of global forces (migration, neoliberalism, transnational flows), which appear in concentrated forms in urban places.

Both Holston and Appadurai (1996) and Holston (2011) argue that it is the “new concentration of wealth and misery” (p. 196) in one place, which leads to struggles over the nature of belonging and claim makings to participate both in the city and, through this, the national society. For them

this is evident in everyday practices of various migrant groups, the marginalised poor or ethnic minorities when they claim rights as “dwellers of the city” through the reappropriation of certain parts of the urban fabric. In comparison, Isin (2008) emphasises that cities are the main sites of citizenship struggles/practices as they are places that can bring claimants together and provide the opportunity for them to make public claims as a group. He argues that the global flows of labour, capital, images and ideas both emanate from and are concentrated in global cities and the “rights of immigrants, ethnicised/racialised groups, gays, lesbians, women, poor and other subaltern or marginalised groups by and large are fought for in cities” (Isin 2002:314). These authors all underline that these struggles are about the appropriation and use of urban space and place as different groups make demands for recognition and redistribution.

However, my empirical evidence shows that the rural is just as much a site of citizenship claims, practices and negotiations as the urban. Furthermore, global processes are also played out, although not always in the same forms³⁰¹, in rural areas and this affects the way inhabitants relate to the state. As a result of state restructuring the levels on which rights and obligations are formed, granted and claimed have been significantly transformed. Due to the particular form of extreme decentralisation in Hungary, which accorded regulatory power to local state actors in even the smallest settlement, small remote rural places have also become important sites where novel struggles of citizenship that relate to neoliberalism (and its rescaling insecurities) are forged. Moreover, due to the ongoing scalar restructuring of the state, the position and possibilities of the place in which people live greatly determines the ways people experience the state, which further influences the practices through which they can negotiate their social belonging in both the national and local society.

I argue that this can be best comprehended through a spatially sensitive reconceptualisation of social citizenship that takes the rural perspective seriously by focussing on³⁰²: 1) interactions between inhabitants and state officials (the embeddedness of state actors in the local society and their spatial closeness with citizens); 2) positionality (the unequal relations between localities in

³⁰¹ Not necessarily by the appearance of multinationals and the related concentration of both poor and extremely wealthy immigrants.

³⁰² In addition to rights, obligations, participation and claim makings.

the continuously shifting global hierarchy); 3) relations to place (the belonging and identity citizens attribute to their locality).

While on the surface the state appears to have withdrawn from social provision in some areas, instigating a reliance on competitive grants or local resources for development and local/individual solutions for social problems, such as unemployment, aging, indebtedness, ethnic tensions, it is in fact still very much present in the lives of rural people. Due to state rescaling, a number of state actors gained prominence in the local context. Having been accorded with large regulatory and discretionary power their practices and interaction with the local inhabitants determine the grounds for accessing various resources locally, thereby influencing the ways people can cope with insecurities and negotiate between various lines of exclusion/inclusion (see chapters 4, 9, and 10). It is through the interaction of these local state actors with other inhabitants that the relations of rural citizens to the state *per se* are above all constructed. The everyday visits of the nurse to supervise ‘proper’ child raising; the negotiations with the child protection officer about the integrity of families; and ‘banging on the door of the mayor’ to get public work are the interactions that determine the daily experience of rural inhabitants in many parts of the country at the present.

It is in these quotidian interactions where the meanings of citizenship are established, practiced and negotiated – i.e. the basis of belonging to the local society, the responsibilities and rights of its legitimate members, and ultimately the grounds of deservingness that separates legitimate members from the rest. Ideas about these are transmitted in the everyday practices and interactions of local officials with other local inhabitants, as well as through locally dissipated discourses about the values that make one a legitimate and deserving member of society and therefore form the basis on which they can make claims on the state. On a different level, rural inhabitants (local officials and clients alike) negotiate their place within the national community as members who deserve the same attention and assistance as urban dwellers. In sum, the spatially unequal and differentiated access to various resources/possibilities and differing local

needs largely influences the possibilities for local citizens to make claims and negotiate their identities/belonging and rights vis-à-vis other places and the national community³⁰³.

As such, we must understand citizenship as a process that is tied to local practices on the one hand and is situated in the scalar reconfiguration of the state on the other. A similar argument is made by Desforges, Jones and Woods (2005) but has not been taken seriously in social scientific analyses, and especially not in relation to rural transformations³⁰⁴. The authors call for a more encompassing utilisation of geographical concepts in the study of citizenship; one that is sensitive to the spatially differentiated rights, responsibilities and senses of belonging. Furthermore, they underline that state rescaling involves not only the restructuring of and contestations about the scales at which the state operates, but also the reconfiguration of the scales at which citizenship is defined/expected/practiced. Due to decentralisation, the local and regional as well as supra-national scales have been accorded with significant regulatory capacities and, as such, gained the ability to more closely influence aspects of citizenship (cf. Bauböck and Guiraudon 2009; Keating 2009). As a consequence, simply put, it matters where you were born and live in terms of what you can expect from the state, what responsibilities are given to you, what claims you can make on it. It further influences what identities as a citizen are attached to you, and what possibilities you have to negotiate your relations with the state. As Woods (2006) highlights, these relations and negotiations essentially unfold in local settings, within particular communities and places. Being of a rural locality is one important aspect of this.

Whereas in globalising cities it is the concentration of extreme poverty and wealth in the same place that appears to ignite recent struggles of citizenship (Holston and Appadurai 1996), in remote rural localities it is the aggregation of poverty and insecurities in the face of limited resources which instigates such struggles. In the last two decades there has been a concentration in remote rural settlements of large numbers of unemployed people living in ‘deep poverty’ alongside those who live from similarly small incomes and are constantly threatened with unemployment. Moreover, these are often situated in the ‘less developed’ parts of the country,

³⁰³ This of course is also true for urban inhabitants but the way rural inhabitants experience these changes and these affect their relations to the state needs to be emphasised because of the implicit theorisation of citizenship based on urban dynamics.

³⁰⁴ For an exception see Woods 2006.

where local resources are limited and thus preferential treatment of certain groups/needs by local officials is inevitable. These instigate everyday claim makings and struggles over both redistribution and recognition between the different groups. The ‘claim makings’ of Roma public workers in Tiszacseke when buying the expensive tomatoes, crisps and cola on continuously prolonged credits can be compared to those practices that Isin (2008:274–5) discusses as specifically urban, such as wearing the headscarf, or turban in public places. Whereas both reflect claims to recognition and redistribution (or in other words claims of rights to have rights), there are certain differences that come from spatial specificities of global cities and remote rural places.

Some of the most crucial specificities are related to visibility. Visibility is important in several senses. One is related to the particularities of public places. In both cities and villages they are often the sites of claim makings (especially group claim makings), but in a city it is much harder to be noticed in a public space where there is a certain amount of anonymity, there is a wider diversity of actions and where it is much easier to be dismissed as ‘eccentric’. In comparison, in Tiszacseke or Kislapos, where everyone knows each other, even the smallest individual actions in public spaces are very visible. Everyone can see when someone goes to ‘bang the table of the mayor’ or buy ‘luxury goods’ on credit in the shop. This affects how one is perceived not just by local state officials but also by neighbours/friends/family members. In cities, such acts of citizenships can remain closed off from other spheres of life, but in a village keeping such actions unknown is almost impossible. As such these practices are part of local negotiations of rights and obligations between different groups.

Another aspect of visibility is the relation of rural settlements to the centre, what importance they are accorded with for national development/identity and how ‘remote’ they are from the centres of decision making. Often families/individuals/officials feel overlooked by the centre as they struggle with unemployment, limited transportation, unusable roads, costly and often poor services and heightened social tensions. Being ‘remote’ from centres of decision making also means that practices of claim makings receive less national public attention, and thus are less likely to influence national discourses, decision making and public opinions. As such, whereas they might change lines of exclusion/inclusion locally, as seen in the way that some of the long term unemployed in Tiszacseke have reconfigured their status as workers and not beneficiaries of

the local state, they rarely alter nationally dominant discourses, as for example acts of citizenship in urban centres might do (cf. Holston 2011). These aspects very much relate to the positionality of localities in the national and global structures.

Related to this kind of visibility is the lack of central control in remote rural areas that allows for leeway in official's practices – such as giving advances on aid in Tiszacseke or lending people personal money, in the absence of aid, in Kislapos. The freedom offered by this 'invisibility' allows certain opportunities for officials and other inhabitants to navigate within the shifting scales of the state, the ever changing regulatory frames and the incalculability of financial resources. However, this same invisibility allows villages to slip further into poverty without anyone in Budapest noticing and also allows unelected civic organisations an almost freehand in 'developing' a locality without taking locally voiced priorities/needs into account.

The insistence of local inhabitants and officials on maintaining local institutions and ultimately to keep their autonomy, despite recent central efforts of financial 'recentralisation' and long-standing 'abandonment', can also be seen very much as acts of citizenship and claim makings over rights to the place – a right to determine the present/future of the village on the one hand and to have a place for the village in the national schemes on the other. It is about the right to be recognised by – to become visible to – the decision makers in the centre.

While these spheres of action reveal that taking the rural into account is important, my analysis underlined that it is not enough. For a more complex understanding of spatiality that goes beyond already deconstructed binaries such as rural-urban or local-global, the positionality of places within larger socio-spatial structures needs to be attended to. The kind of conceptualisation that I argue for therefore is based both on the everyday interactions/practices of local state actors and inhabitants on the one hand and on the scalar reconfiguration of the state on the other. For this, taking into account the embeddedness of local actors in the local, regional, national and supranational structures is paramount. This can influence the ways one can access certain resources, or mediate the access of other individuals/groups. The embeddedness of actors within the spaces of the rescaling state is strongly related to accessing resources, accounting for differing spheres of agency by various local officials or other inhabitants. In such an understanding it is the

positionality of localities and the embeddedness of their actors within the socio-spatial structures that is important, not (only) their urban-rural or local-global character.

Such a (re)conceptualisation of citizenship goes beyond describing rights, responsibilities and claim making. It also involves claims about identity and spatial belonging that are entwined with notions of social inclusion/exclusion and deservingness/undeservingness. Though my argument is based on the empirical evidence from two remote rural localities it does not fall back on long-problematised and essentialist categories of ‘rural’ and ‘urban’, rather it highlights that conceptualisations of citizenship need to take the experience of rural inhabitants more seriously, as well as integrate the spatial aspects of what it entails to be a citizen in general.

To close, I would like to return to the opening quote from the mayor of Tiszaceske, more precisely when he said, “they should decide whether or not there is a need for villages”. This quote is so telling because, despite the large autonomy and devolution of regulatory capacities, rural inhabitants and rural officials still feel that their fate is ultimately decided somewhere else and by someone else. They feel that it is not them but some distant other who decides what role rural areas should have, whether they have a position in the national/global schemes and if their continued existence is relevant at all. However, while such discussions constitute the everyday concerns of rural citizens, they get little attention from politicians or the public at large in the rest of the country.

Appendix 1

Table of the most important social benefits in Hungary 2009-10.

		Name of benefit	Basis of eligibility	Beneficiary	Duration of benefit	Criteria for eligibility	Content of assistance/benefit	Authority deciding on eligibility	Source of finance
Monetary assistance for children		Regular child protection benefit <i>(rendszeres gyermekvédelmi kedvezmény)</i>	Means-tested	Eligible child	1 year	Income + assets: 1. single parents, permanently sick child or student (up to age 25) – income per person below 140% of min. old-age pension 2. in other cases – income below 130% If assets (house, car, land, etc.) are less than 530,000 forint, or less than 700% of minimum pension	- 2 x 5800 forint per year - occasional school equipment support - free school meals up to Year 7 in primary school, after which 50% is covered	Notary	Local gov. (LG) + central contribution
		Irregular child protection benefit <i>(rendkívüli gyermekvédelmi támogatás)</i>	Means-tested	Eligible child	One-time benefit	Income: When the family has financial problems that endanger the child and integrity or survival of the family. Can also be given in-kind Exact criteria are regulated in local social regulation	Sum, or nature (monetary/in-kind) is set in local regulation	Local board of representatives	LG
	CEU eTD Collection	Nursery assistance <i>(óvodáztatási támogatás)</i>	Means-tested	Recipient of regular child protection benefit	Nursery years of child up to age 5	- reception of regular child protection benefit - enrolment and regular attendance of children in nursery - parents have up to or less than 8 years of primary education	2 x a year (June, December): First occasion: 20,000 forint, on later occasions 10,000 forint	Notary	Treasury

Types of family benefits	Family allowance (<i>családi pótlék</i>)		Universal	Parent or adult child (on his/her own right).	Up to age 23 (of child)	Given to each child until completion of secondary education up to the max. age of 23 (from August 31. 2010 only up to age 20)	Families with: 1 child – 12,200 forint/child 2 children – 13,300/child 3 or more children – 16,000/child Sum growth in case of single parenting or permanently sick children	Treasury	Treasury
	Child care benefits	Earnings related child-care grant (Gyermekgondozási díj = GYED)	Insurance related	Parent with social insurance.	After expiration of pregnancy-maternity benefit, and up to age 2 (of child)	If the mother was insured for 180 days during the 2 years previous to giving birth	Dependent on previous salary, but max. 70% of doubled minimum wage (71,500 forint), i.e. 100,000 forint	Regional office of National Health Insurance Fund Administration (NHIFA)	NHIFA
		Child care support (Gyermekgondozási támogatás = GYES)	Universal	Parent, grandparent, guardian, foster parent.	Up to age 3 (of child)	-	Minimum pension, for twins 200% of min. pension	Treasury	Treasury
		Child raising support (Gyermeknevelési támogatás = GYET)	Universal	Mother	From age 3 until age 8 of youngest child	Raising 3 or more children who did not yet reach official adult age (18)	Minimum pension (28,500 forint in 2009)	Treasury	Treasury
	One-time birth allowance (Anyasági támogatás)		Universal	Mother (guardian or foster parent)	One-time benefit	Attendance (min. 4 times) at pregnancy care session.	225% of min. pension, for twins 300% of min. pension	Treasury	Treasury

Social benefits	Cash benefits	Old-age allowance (<i>időskoriúak járadéka</i>)		Means-tested	Above age 62.	-	Income per person: - below 80% of minimum pension for persons above 62 - below 95% of min. pension for single elderly between age 62-75 - below 130% of min. pension for single elderly above age 75.	Benefits are only given until they reach the income threshold set for eligibility	Notary	Local gov. + central contribution
		Benefits for active aged (<i>Aktív korúak ellátása</i>)	Availability Benefit	Universal	Unemployed	Until employment found or taken into public work	- active persons (age 18-62) who are able to work - cooperated with the employment office for min. 1 year over last 2 years, but not eligible for other unemployment benefits - are not employed in public work	Min. pension (28,500 forint) After 2010 only 1 person can receive it in a family	Notary	Local gov. + central contribution
			Regular social aid	Universal	Unemployed	Until becomes eligible for old-age pension or find employment	Who are eligible for active-aged benefit but cannot work due to: - severe health problems - age (above 55) - raising child below age 14 and cannot rely on day institutions - cooperate with LG and family assistant	Calculated according to income per person in family, but cannot go above minimum wage. Only 1 person per family can receive it.	Notary	Local gov. + central contribution
		Housing allowance (<i>lakhatási támogatás</i>)		Means-tested	Those living in a house/flat that does not exceed average living space size and quality	Application 2x a year, recipients receive it for a year	Struggling with sudden extraordinary situation that endangers life/well-being, or cannot otherwise provide for this. Details set in local regulation.	Calculated as the multiplication of monthly housing cost divided along square metre, set by Social Law. Min. 2500 forint. Can also be given in-kind.	Local board	Local gov. + central contribution
		Care allowance (<i>ápolási díj</i>)		Means-tested	Person attending the task of caring	Until eligibility condition applies	For permanently ill of person below 18 or severely disabled person, in case caring is provided at his/her home	For person below 18 – min. pension. Person above 18 – 80% of min. pension. For severely disabled – 130% of min. pension.	Notary + Local board (medical opinion)	Local gov. + central contribution
		Crises aid (<i>krízis segély</i>)		Means-tested	Person in need	One-time benefit	Struggling with sudden extraordinary situation that endangers subsistence, or cannot otherwise provide for their subsistence Details set in local regulation.	Set by local regulation. Can be given in-kind.	Local board	LG
		Funeral aid (<i>temetési segély</i>)		Means-tested	Relative arranging the funeral	One-time benefit	If funeral costs endanger life/well-being. Details set in local regulation.	Set by local regulation, but min. 10% of cheapest local funeral. Could be given in-kind.	Local board	LG

<div> <div></div> <div>In-kind benefits</div> </div>	Public funeral (köztemetés)	Means-tested	See eligibility.	One-time benefit	When someone has no assets or relatives who could provide the costs.	Public funeral.	Local board	Local gov. + central contribution
	Public health voucher (közgyógy)	Means-tested	Person with large medical costs and low income.	For 1 or 2 years.	Monthly medical expenses exceed 10% of min. pension, but monthly income per person in family is below min. pension or its 150% in case of single persons. LG can modify, but costs cannot exceed 25% and income limit per person cannot exceed 150% or 200% respectively.	Personal medication up to 6000 forint. In addition, local government can set eligibility for additional cases in local regulation .	The local doctor gives statement of medical condition, notary checks eligibility, and NHIFA gives official statement.	Local gov. + central contribution
	Debt management service (adósságkezelési szolgáltatás)	Means-tested	See eligibility.	Could be given in one sum or monthly, for max. 18 months	In case of debts larger than 50,000 or min. 6 months of public utility costs, or debt in a credit institution. Income limit set by local regulations, but min. 150% of min. pension per person in family, for single person min. 200%.	Min. 75% of the debt, but max. 200,000 forint.	Local board	Local gov. + central contribution
	Gas and heating support (Energiafelhasználási támogatás)	Means-tested	See eligibility.	From the date of application until April 30 (during heating season).	Different income categories (per person in family) can receive different amounts of support, up to 99,750 forint income per person per family.	Supported heating quantity: - yearly consumption up to 1200 m ³ - large families up to 2400 m ³ . Amount also dependent on income.	Treasury	Treasury

Employment	Unemployment benefits	Unemployment allowance (álláskeresősi járadék)	Universal	Unemployed	1. period max. 91 days 2. period max. 179 days. But in total (both periods) min. 73 and max. 270 days.	Min. 365 days of work in employment in the preceding 4 years.	Its sum is determined by average salary of the 4 preceding 4-month periods spent in employment, and is linked to it. For every 5 days in employment 1 day of allowance is paid. Its min. is the 60% of minimum wage, max. its 120%. 2 periods: until the mid-term of its reception (max. 91 days), recipient receives the 60% of his/her former average wage, afterwards 60% of min. wage.	Regional bureau of employment office	Regional bureau of employment office
		Unemployment aid (álláskeresősi segély)	Universal	Unemployed	For type 1 and 2 it is given for 90 days. For type 3 until eligibility for pension	3 types: 1 – if received 180 days of unemployment allowance 2 – if not eligible for unemployment allowance, but has 200 days of employment in the preceding 4 years 3 – if have only 5 years until retirement and received 140 days of unemployment allowance	40% of minimal wage, i.e. 29,400 forint	Regional bureau of employment office	Regional bureau of employment office
		Income compensation allowance (Keresetpótló juttatás)	Universal	Unemployed	For period of training	In case of participation in training (weekly 20 hours) offered or accepted by the relevant employment bureaus	44,100 – 73,500 forint per month	Regional bureau of employment office	Regional bureau of employment office

CEU eTD Collection

		Expense compensation (költségtérítés)	Universal	Unemployed	One-time benefit.	In case of: - unemployment allowance - active job searching - when travelling to and from the unemployment office - if travel is needed for obtaining the health certificate for the employment initiated by the employment office, the expenses of travel, the costs of public transportation is compensated.	Compensation of travel expenses.	Regional bureau of employment office	Regional bureau of employment office
		Entrepreneurial allowance (vállalkozói járadék)	Universal	Private entrepreneurs in case of unemployment.	Max. 270 days.	- worked as private or as partner entrepreneur for min. 365 days of last 4 years and - fulfilled his obligations of paying entrepreneurial contribution	Receive 1 day allowance for every 5 days of contribution payment. Its sum is 65% of former income, but cannot be lower than 90% of min. pension, but can also not exceed double min. pension.	Regional bureau of employment office	Regional bureau of employment office
		Start Card (Start kártya)	Universal	After employment of young person holding the card the employer	2 years, for people with higher education 1 year	Young person starting his employment career, who is below age 25 (in case of higher education below 30), who steps into employment for the first time after finishing studies	When employing person with Start Card, employer receives some reduction on his/her part of the employee contribution: in the first year of employment the employer needs to pay 10% of the gross salary for the Start card holding person, in the second year 20%	Regional authorities	Regional authorities
		Temporary employment book (Alkalmi munkavállalói kiskönyv)	Universal	Everyone over 16 can obtain it	Max. 200 days of employment per year	The employer needs to put a public contribution stamp according to the wage of the employee. This stamp covers all the contribution one needs to pay on a salary	It exempts the holder of the book from paying personal income tax, or other taxes and contributions. However, it makes one eligible for pension, paid sick leave and public health care	Regional bureau of employment office	Regional bureau of employment office

* The Table was developed in co-operation with Gyöngyi Schwarcz.

** The Table does not contain all benefits, only those that are the most common in the two research sites, therefore constitute important sources of income.

Appendix 2

PICTURES FROM TISZACSEKE



Main road with wooden bus stop
renovated from a LEADER grant



Public workers cleaning the path leading
to the cemetery



River Tisza



A renovated guesthouse



Event in the elderly day home



Nursery and its playground



One of the many cucumber parcels



Taking the cucumber to the wholesaler



The International Plum Jam Festival



Celebrating Women's Day

PICTURES FROM KISLAPOS



The child protection officer during her family visits



The People's House under reconstruction



The nursery's new home in the renovated villa



Father Christmas in the Hospitalier workshop



The exterior of the Hospitalier workshop



Afternoon activities in the Hospitalier playhouse



The main square with the playhouse and the workshop



In front of the mayor's office on the day of aid distribution

Glossary

EHA	European Fishing Fund (from the Hungarian <i>Európai Halászati Alap</i>)
EMVA	European Agricultural Fund for Rural Development (from the Hungarian <i>Európai Mezőgazdasági és Vidékfejlesztési Alap</i>)
FIDESZ	Hungarian Conservative Party called Alliance of Young Democrats (from the Hungarian <i>Fiatal Demokraták Szövetsége</i> , presently <i>Magyar Polgári Szövetség</i>)
FKGP	Independent Small-Holder Party (from the Hungarian <i>Független Kisgazdapárt</i>)
HEFOP	Human Resource Development Operative Programme (from the Hungarian <i>Humánerőforrás-fejlesztési Operatív Program</i>)
KSH	Central Statistical Office (from the Hungarian <i>Központi Statisztikai Hivatal</i>)
LEADER	Rural development fund set up to act as the liaison between European fund and the project instigators in local areas (from the French <i>Liaison Entre Actions de Développement de l'Economie Rurale</i>)
LHH	Programme for the Most Disadvantaged Micro-regions (from the Hungarian <i>Leghátrányosabb Helyzetű Kistérségek Programja</i>)
LMP	‘Politics Can Be Different’ Hungarian liberal/green party (from the Hungarian <i>Lehet Más a Politika</i>)
MARD	Ministry of Agriculture and Rural Development
MSZP	Hungarian Democratic Socialist Party (from the Hungarian <i>Magyar Szocialista Párt</i>)
NDA	National Development Agency
NHNDP	New Hungary National Development Plan
NHRDP	New Hungary Rural Development Plan
NUTS	Nomenclature of Territorial Units for Statistics of the European Union
OFA	National Public Employment Foundation (from the Hungarian <i>Országos Foglalkoztatási Közalapítvány</i>)
OP	Operational Programmes (from the Hungarian Operatív Program)
PHARE	Poland and Hungary: Assistance for Restructuring their Economies
ROP	Regional Operational Programmes (from the Hungarian <i>Regionális Operatív Program</i>)
SAPARD	Special Accession Programme for Agriculture and Rural Development
SZDSZ	Alliance of Free Democrats, Hungarian liberal party (from the Hungarian <i>Szabad Demokraták Szövetsége</i>)
TIOP	Human Infrastructure Operational Programme (from the Hungarian <i>Társadalmi Infrastruktúra Operatív Program</i>)
TÁMOP	Social Regeneration Operational Programme (from the Hungarian <i>Társadalmi Megújulás Operatív Program</i>)

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