

Hungary | The Last Smallholders

By Péter József Bori and Noémi Gonda

In many authoritarian and populist countries, rural regions play host to a strange contradiction: they simultaneously contribute to mass support for authoritarian populist leaders, while also providing opportunities for emancipatory movements to arise – as Natalia Mamonova has posited. Modern-day populism has a seemingly strong foothold in rural Europe.

This three-part series puts this contradiction under the microscope by looking at the case of the Hungarian agricultural sector under Prime Minister Viktor Orbán's regime. Drawing on five years of research, we have investigated land grabbing and the making of authoritarian and populist regimes. We have talked to farmers, economic and political actors, researchers and activists to discuss how the chains of rural repression can be shattered right there, in the countryside. This is especially relevant as Hungarians go to the polling station in April 2022 and another term under Viktor Orbán would likely further entrench today's feudal rural dynamics and further alienate Hungary's smallholders.



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exploring how radical social and environmental transformations towards justice and equity can emerge, and the role of scholar-activists in supporting the emergence of such transformations.



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Part I: Country roads, take me home to the Parliament, where I belong

The date was February 22, 2005. Nearly **a thousand tractors** arrived from every corner of the country and were parked neatly at the demonstration headquarters, near Budapest's Heroes' Square. Some two hundred tractors made their way to the Kossuth Square, right in front of the Parliament building.

In the midst of the freezing temperatures and the snow, there was a peaceful air about the demonstrations: the grievances expressed in fiery speeches by Alliance of Hungarian Farmers (MAGOSZ) representatives such as József Ángyán or István Jakab were calmed by warm tea distributed by sympathetic city dwellers.

The demands to the government made by the farmers (primarily small- and medium holders) were simple: stop withholding our EU single area payments and give us the respect and dignity that we deserve.

Observing the demonstration with keen interest was a 42-year old politician of the Alliance of Young Democrats party (FIDESZ), eager to regain his seat at the head of the nation. Viktor Orbán, who had previously ruled as Prime Minister between 1998 and 2002, was desperately looking for a way to ensure victory in the upcoming 2006 elections. Orbán recognised that the disgruntled crowd, though relatively small in numbers, held a much larger base of voters. Farmers have families, friends, economic influence. Put more simply, the farmers present in Budapest were the golden ticket that would bring him hundreds of thousands of votes in the countryside.

For someone willing to listen, it wasn't hard to understand where the farmers were coming from. A year before, Hungary joined the European Union and yet by the end of the year, only a **minority of eligible farmers had actually received** the CAP subsidies promised to them. The promise of better and more profitable livelihoods after accessing the internal market of the Union also fell short of expectations. Hungarian farmers and the agricultural sector in general were largely unprepared for competition and quickly the influx of cheap foreign produce resulted in the devaluation of local and national produce.

Most farmers also found themselves at the losing end of a decade-long process of government-backed **land concentration** following the collapse of the Soviet Union. After 1989, in an attempt to erase the legacies of Communist-era economic ideology, much of the former cooperative and state-owned lands were distributed and sold through land restitution and compensation bonds – resulting in the appearance of 1.8 million new landowners.

Simultaneously, large amounts of cheap compensation bonds were amassed by Hungarian and foreign speculators. These wealthy investors often bypassed legal limits on maximum land ownerships by using 'pocket contracts': a practice of paying strawmen to buy land under different names or leaving the purchase dates empty on contracts, to be filled in at a later stage.

Another form of land concentration occurred when most of the 129 state-owned farms left from communism were privatised during the early 1990s. By 1995 only 28 of these farms were still under state control.

Under the first Orbán regime (1998-2002), 12 more were sold under questionable circumstances to government-loyal businessmen – now infamously known as the **'Dirty Dozen'**.

Another 11 found their way into the hands of Hungary's wealthiest few under the subsequent regime ran by the Hungarian Socialist Party (MSZP) (2002-2010).

The reason for this mad dash of privatisation and speculation was straightforward: the influx of millions of euros in subsidies and increasing land prices unlocked once Hungary achieved European Union membership.

By 2005, **it became clear** that official policy was pushing the agricultural sector towards a more industrial, more concentrated and more exclusionary format. So, farmers united under MAGOSZ, the Alliance of Hungarian Farmers, and key figures such as József Ángyán – a former agricultural university professor, who envisioned a rural future based around small- and medium-sized family farms, diversified crop production and European-style cooperative schemes.

Despite Orbán's complicity in creating an agricultural sector in ruins, it was precisely this future vision that he embraced in 2005. A strategy he knew would sway the countryside over to his side.

FIDESZ rather hypocritically stood by farmers in the 2005 protests, and in 2006 signed a partnership with MAGOSZ. Though it was not enough in 2006 to win the elections, it brought a number of farmer representatives inside the Parliament – further strengthening Orbán's credibility as the strongman who would save Hungarian peasants from the grip of the merciless neoliberal free market, the unsustainable agroindustry and the invasion of foreign landowners.

During these years (2006-2010), Orbán enticed József Ángyán to join his Party and tasked him with drafting a comprehensive **rural strategy** ahead of the 2010 elections. The strategy was bold, visionary and spoke to the heart of small- and medium-holder farmers across the country. It called for a pro-European, family-farm based, diversified agricultural sector that limits the influence of unsustainable agroindustries and wealthy landowners. It prioritised local produce over imports, simplified the process of gaining subsidies for smallholders and pushed for a progressive cooperative system that made sure smallholders remain competitive in the face of the European internal market. In addition, it included the ambitious goal of dynamizing the countryside by attracting young families to engage in farming.

The strategy gave Orbán the support he needed and in 2010 FIDESZ took home a sweeping victory. With the help of rural voters lured by the promises of a revitalized countryside and agricultural sector, the Party conquered Parliament with a two-thirds majority that would radically transform the Hungarian countryside over the next decade.

Part II: The making of a modern day feudal system

The date was April 11, 2010. Unlike five years earlier, there were no angry farmers in the streets of Budapest, nor were there any tractors parked in front of the Parliament. Instead, a few blocks away, at Vörösmarty Square, thousands of supporters of the *Party Alliance of Young Democrats* (FIDESZ) listened to a speech by leader Viktor Orbán, who had just won the parliamentary elections with an overwhelming two-thirds majority.

Prior to the 2010 elections, Orbán had promised to tend to the grievances of a disgruntled countryside and there were signs suggesting he would do so. He had brought in representatives of the *Alliance of Hungarian Farmers* (MAGOSZ), provided them with parliamentary mandates in the 2006 elections and tasked them with drafting a pro-European, pro-family farm and pro-diversification rural strategy.

In this second part of this series we explain how Orbán and his FIDESZ Party backtracked on these promises – or worse, continued on their premeditated plan – following their election in 2010. What followed is a decade of land grabbing, destructive agricultural transformation and the alienation of Hungary's last smallholders. And all of this while maintaining the image of a pro-peasant government.

A key term to understand here is 'land grabbing'. The term is **commonly applied** when looking at harmful and unfair land acquisition in the Global South. Often, transnational companies (think, Bayer) or countries rich in capital but poor in land and water resources (think, the Gulf States), acquire land in countries with abundant resources, but little capital (think, Ethiopia). While sold to the public as the necessary means to development, these acquisitions regularly violate Human- and Indigenous rights and have harmful social and environmental impacts. The process often enriches these countries' political elites, through bribes and lobbying.

After 2010, land grabs in Hungary occurred with slightly different methods and for different purposes. Most lands were leased and sold to wealthy Hungarian investors with a political objective: to enrich the regime's political and economic supporters. As such, a somewhat symbiotic relationship exists between the economic elite and the regime. The former relies on the government for its wealth acquisition through corrupt public procurement deals and speculation through land auctions; while the latter depends on the economic elite that owns most rural news sources to distribute its pro-peasant and fear-mongering propaganda.

In 2020 Viktor Orbán unassumingly described this symbiosis when **he said** that ‘today, in Hungary, there is land peace’. So how exactly did he achieve “land peace”? First, between 2011 and 2013 the government facilitated a tender to lease out state-owned land whose 20-year agreements with previous lessees were coming to an end. Instead of making these plots available to local farmers, approximately 80 percent of all advertised lands landed in the hands of government-friendly oligarchs. Official tender documents were classified and upper lease limits were raised from 300 to 1200 hectares.

In a tragic symbolic move, **the lease of Kishantos** – an organic state farm and folk high school that had promoted organic agriculture for more than 20 years – was auctioned off, ploughed and sprayed with chemicals by the new landowners. As a result of these unfair auctions, József Ángyán, the professor responsible for FIDESZ’ progressive Rural Strategy, resigned as secretary of state. Ángyán has since devoted himself to uncovering subsequent land grabs and exclusionary land deals.

The culmination of these political land grabs was the intensive land privatisation programme of 2015 that announced the auction of 380,000 hectares of state-owned land. Once again sold as a strategy to attract young families to the countryside, the auctions mostly favoured large landowners. Lessees of land were given priority in making offers, which proves that the 2011-2013 tenders that favoured oligarchs were preparing for this move; maximum limits per individual were raised from 1200 to 1800 hectares, meaning a family of multiple landowners could amass many thousands of hectares; and often the asking price of plots was set at staggeringly high rates that local farmers couldn’t match.

Under the cover of a deliberately chaotically managed refugee crisis, in 2015, 80 percent of auctioned lands were bought by FIDESZ interest groups, large agro-industries and foreign investors. As a result, today, Hungary has **Europe’s third most concentrated agricultural land structure**: almost 32 percent of all plots are over 500 hectares and are owned by 0.3 percent of all landowners – closely matching numbers from 19th century feudal Hungary. Since 2010, the number of farms has shrunk by one third, from 351,000 to 234,000 in 2022.

Adding to the complexity is the existence of so-called *integrators* – large companies owned by the country’s wealthiest businessmen – which supply farmers with pre-harvest input (i.e. manure, pesticides, seeds), only to buy back their produce post-harvest, often at unfavourable prices. These contracts regularly leave farmers in inescapable dependency.

That such an agrarian system doesn’t favour small family farms and the countryside is clear. The existence of absent farmers (individuals who own land in multiple areas with no presence in the localities) means that most of this land is under intensive and industrial-scale agricultural use – or speculated upon, waiting to be sold at high prices. Single crops such as wheat and sunflower dominate the landscape, when in fact the Carpathian basin could play host to **rich and diversified food production**.

Though there is an increasing presence of organic farms, these are similarly owned by wealthy oligarchs – or, more precisely, “organigarchs” – and the produce is primarily for export. Small farmers are restricted to local markets, but even there have to compete with cheap imports.

Unfortunately, the **European Union plays a crucial role** in facilitating such a system. Land grabs with speculative purposes that began in the late 1990s and accelerated under Viktor Orbán’s regime are facilitated by Single Area Payments. As national governments decide the distribution of CAP subsidies, autocratic regimes such as Hungary and Poland exclude precisely those farmers that the CAP is supposed to protect.

In April 2022 **elections will take place** in Hungary. In preparation, Viktor Orbán has pulled out the proven script and announced that large amounts of subsidies will be distributed to the countryside over the next months to support a dynamic, young and family-farm based rurality. By constantly **broadcasting fears** of a migrant invasion, George Soros, LGBTQ+ school propaganda and other imagined enemies onto the televisions of rural Hungarians, Orbán masks the fact that the biggest enemy of the countryside has been sitting right inside the Parliament, holding a two-thirds majority.

Yet, all hope is not lost. In Part III of this series we look at the shimmers of light that emerge in the face of authoritarian populist regimes. Agricultural initiatives that are able to bypass these top-down barriers are mushrooming in all corners of Hungary. We will discuss how Community Supported Agriculture, permaculture and other alternative farming and community practices could redefine Hungarian food production and, by extension, democracy.

Part III: Alternative farming as a democratic struggle

The date will be April 3, 2022. Hungarians will head to the polling stations to vote in the quadrennial parliamentary elections. This time, voters will decide whether to grant Viktor Orbán a fourth term as Prime Minister or whether to put their trust in the newly formed opposition alliance – a coalition that is comprised by parties ranging from far-right to socialists, greens and centrists, with a single political objective: to oust Orbán from power.

The rural vote will be decisive in influencing which way the pendulum swings. In **Part II of the series** we described how Orbán’s regime has radically transformed the Hungarian countryside over the past decade. Today, the countryside is more concentrated, more exclusionary than ever before, and primarily favours large landowners and government-friendly oligarchs. At the same time, most rural media outlets are owned and controlled by the regime’s economic and political network – meaning Orbán’s pro-peasant rhetoric and fear-mongering propaganda can infiltrate and influence rural mindsets.

So, in such an uneven playing field, is there a chance for emancipation from authoritarian populist rule to arise from this very same countryside? In this final article we argue that there is. That, by reforming our ways of producing food, we can also initiate a radical reform of the undemocratic systems that govern us. In order to achieve this, however, we must first rethink what we mean by sustainability, emancipation and democracy: for whom, by whom and at what costs?

This is important because authoritarian populist regimes such as that of Hungary have the ability to take progressive concepts that signify transformation and use them to promote business-as-usual solutions. For example, we've met with pro-regime oligarchs who run organic farms and have visions of creating cooperatives with other organic farmers. Sounds great, but after some digging, it became clear that what they envision is a top-down system that further concentrates land into the hands of a few wealthy investors.

Or take the concept of integrators ([see Part II](#) – integrators are large companies that establish contracts with farmers). Representatives of the country's biggest integrators told us that they were providing farmers with security, pertinent advice for production – and even a means to contribute to the survival of uncompetitive smallholders. In a way, they argued that integrators have an emancipatory role: farmers who join them can be freed from the uneven competition of the market. Yet, the 'emancipatory alliances' promoted by integrators are controlled by and enrich the country's wealthiest few and are underpinned by neoliberal and capitalist models of production. Values that put the environment on the back burner and promote monoculture.

So, there is a slippery slope from sustainability to pseudo-sustainability, from emancipation to pseudo-emancipation. Sustainability must mean environmental sustainability which requires re-thinking our ways of living with the land, but also social justice, equity and democracy. Emancipation must mean the process of building caring collectives around our commons, well-being, and affective relations – within the human and non-human worlds alike.

When we did our research across the country, it was precisely these potentially emancipatory initiatives we tried to find (as most of our respondents requested anonymity, we will not be naming concrete initiatives here).

We spoke to farmers implementing Community Supported Agriculture (CSA); regenerative animal husbandry; permaculture; agro-forestry; market gardens and basket communities. The variety of farming models matched the variety of people pursuing them: young intellectuals-gone-rural; multi-generational family farmers; emigrants returning home; and people who chose to make a living in the countryside, despite growing up in poverty in the very same place.

Despite their differences, on their respective paths towards emancipation, they were all mobilising **strategic alliances**, creating **counter-knowledge**, as well as reclaiming **emancipatory subject-positions**. These sounds like complex terms, but in fact they are pretty straightforward.

The trauma of forced collectivisation during the Socialist era means that today, many Hungarian farmers prefer to work independently and alone. While this is understandable, the increased pressure caused by land concentration (see **Part I and II**) means that cooperation is one of the few avenues for small- and medium farmers to survive.

Cooperation is therefore a **strategic alliance**, and something many of our interviewees rely on to re-think sustainability and democracy in the countryside. Alliance often happens locally, by sharing tips, tricks and best-practices with neighbours and other like-minded growers. Sometimes CSA initiatives source some of their products from other nearby farmers as a strategy to balance out product shortage. But we live in a digital age, and many farmers provide support to each other even from opposite sides of the country, through Facebook groups, message threads, webinars and so on.

These platforms are crucial in producing **counter-knowledge**. While official policy and formal education often lag behind – or purposefully ignore – alternatives to conventional farming practices, our interviewees build bastions of these knowledges. Their ability to connect with other farmers within and outside of Hungary means they can access, experiment with and share new (or old!) ways of producing.

And finally, almost all our respondents claimed **emancipatory subject-positions**. They were all farmers *but of a different kind*: the kind that understands the co-constitutive relationships between environmental sustainability and democracy and who denounces the ways through which authoritarian populist politics are harmful for food security. Some were involved in local politics, research, environmental activism or community building initiatives.

Of course, there are ambiguities everywhere. Some of our respondents pursue alternative agriculture on lands that were bought through speculation in the 1990s by their parents. Others combine agroecological ways of thinking about farming with exclusionary views on minorities such as the Roma population. This is precisely why it is important to agree and be clear on what emancipation and sustainability should look like – they cannot be used as avenues for exclusion, marginalisation and authoritarianism.

Many farms we visited embody a new way of thinking that challenges today's embedded rural structures, and recognises that not everything is black or white, right or wrong, friends or enemies – as populist politics like to suggest.

The roads towards emancipation are rocky. Albeit slowly, emancipatory initiatives are growing and spreading. They share knowledge and reinvigorate communities that are based on visions of sustainable, healthy and local consumption. They question oppressive regulation, and sometimes manage to bypass it. Bit by bit, like raindrops on a stone, they might just help erode the authoritarian regime of Viktor Orbán through providing the basis for democratic change.

History has showed us time and again that emancipation does not only come from grand acts. Small acts of resistance, reworking and re-signifying can constitute the building blocks of the radical change that many of us are thirsting for.

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