

Michael Polanyi And The Liberal Philosophical Tradition In Hungary

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[Editor's Note: The following paper was presented by Professor Gabor (President of the Michael Polanyi Liberal Philosophical Association centered in Budapest, Hungary) at the Polanyi Society meeting held at the World Congress of Philosophy in Boston in August of 1998. Thanks go to Walter Gulick for editorial work which allowed prompt publication of this essay.]

ABSTRACT: Key Words: Michael Polanyi, liberal philosophical tradition, Hungarian social and economic development, Hungarian history, liberal Hungarian statesmen

This essay describes the Hungarian historical background out of which Michael Polanyi's lifelong commitment to a liberal, democratic form of government grew. Hungary's liberal thinkers blossomed in the nineteenth century, but their orientation was more political and practical than philosophical. Enlightenment ideas did not penetrate deeply into Hungarian society, which in recent centuries was hampered by its Eastern European and feudal ties. Thus Polanyi felt he had to move to more liberal countries.

Michael Polanyi was a significant thinker whose fate was connected with three countries: Hungary (1891-1919), Germany (1920-1933) and Great Britain (1933-1976). The first of these countries exists within the orbit of Eastern/Central Europe, while the other two belong to the West. Regional differences between these areas made the historical, economic, political, and intellectual development of the countries essentially different. In this essay, I will describe the differences in their development with respect to their liberal philosophical traditions.

A free, liberal country was important to M. Polanyi, who went into self-imposed exile in 1919 and again in 1933. Indeed, he was searching for a better life and career as a citizen of a much more liberal and democratic country than either his homeland, Hungary, or his first chosen country, Germany, turned out to be.

In the first three decades of his life, Polanyi lived in his homeland, Hungary. His father, M. Pollacsek, a successful railway engineer and businessman in the Austro-Hungarian Monarchy, lived and worked in Vienna as well as Budapest. M. Polanyi soon learned what it meant to be a child of a successful businessman in the Monarchy. He experienced wealth in abundance, attended the best schools (including the MINTA gymnasium for high school), had excellent teachers, and came to an early knowledge of foreign languages while surrounded by the atmosphere of classical European culture. It also meant trips to foreign countries, and, last but not least, it meant meeting interesting people.

But too soon and unexpectedly he had to leave the sunny side of life and get accustomed to the shady side. The boy in his teens had to realize that a family like his also has to face the vicissitudes of laissez-faire

capitalism. M. Pollacsek could not prevail against an economic crisis, and at the end of the nineteenth century went into bankruptcy. Even if not fallen into poverty, the family had to live in a rather modest way. The children had to contribute to the income of the family. M. Polanyi was in his early teens when he made money by tutoring children of rich families. This way he came to Karlsruhe, Germany as a companion of a rich boy. This experience influenced his later determination to return to Germany in 1920 to learn chemistry and physics at the University of Karlsruhe.

However, his modest means and experience in Germany were only peripheral motivations for leaving Hungary for Karlsruhe. An essentially more definitive fact determining Polanyi's mentality and action was the lack of liberal philosophical traditions in Central Europe, including Hungary. Characteristic of this region was the belated development of economy, politics and political culture. This delay determined significantly the position and role of political liberalism in the development of Hungarian society.

If we compare the development of the two European regions, we find that two models can be distinguished. The core (Western Europe) model can be contrasted with the peripheral (Eastern Europe) model. Characteristic of the core model was that modernization extended to all areas — industry, agriculture, infrastructure, communication, everyday life — at the same time. Characteristic of the peripheral model was that old and new structures co-existed. The strong archaic feudal and weak capitalist systems existed simultaneously, with the former dominating. Development of industry was slow and uneven; the industrial revolution lagged behind. Lack of capital was a permanent condition, with the food industry and raw material production being chronically inefficient.

In the core model countries, the radical agrarian revolution ran its course. In the peripheral model countries, the heavy influence of the feudal estates meant the small farms were not able to exist and develop. At the end of the last century, Hungary was called “the country of three million beggars.”

In the core model the manifold competition of entrepreneurs contributed to the development of the ideology of liberalism: the ideas of liberty, humanism, enlightenment and individualism emerged. In contrast, in the peripheral model the old feudal system was conserved.

The Hungarian historian Jenő Szűcs wrote in his famous book, *Drafts of the Three Historical Regions of Europe*, the following: “For 500 years after the foundation of the Hungarian state, Hungary belonged to Western Europe [core model] and really had the advantage of belonging to it. In the next 400 years she was forced to be absorbed into the East European region.” I have no time to mention all the historical causes. For Hungary, the hardest consequence of this situation was that the country was unable to develop and was motionless for a period of several centuries. This situation made it impossible for Hungary to keep pace with the general European development. In the eighteenth and nineteenth centuries, the dissolution of the feudal economic structure occurred in Western Europe. During this period, industry, commerce and transportation were developing in a powerful way and the ideas which later were dominant in the classical European philosophical thinking rose to the top. In the meantime, in Eastern European countries time seemed to come to a standstill.

Now we have to review the history of Eastern European and especially Hungarian development in the last one hundred and fifty years. We have to run through its economic, political and cultural situation to be able to answer the question as to why Hungarian liberal philosophical ideas differed from the Western

European model.

I may be asked why I begin by speaking about the differences. Why do I put them in first place and why do I not draw parallels showing the similar or the same character of the liberal philosophical thinking and traditions of the two regions? My answer is short. It is because there are very few identical features, and the differences appear to be much more dominant.

Let us summarize the most important differences:

a) The traditional feudal institutions of agriculture and trade were maintained and continued in Hungary, and society was built on the relations of nobility and serfdom until the second part of the nineteenth century.

b) The level of agricultural and industrial production was rather low and its technical basis underdeveloped. This way was backward in comparison to western development.

c) The Hungarian nobility was not interested in supporting economic and technical progress.

d) The feudal constitution was retained for a long time, and this was a hindrance to the modernization of the civil law.

e) In Hungary, citizens had no wish to get emancipated, and they were not able to achieve the successes of citizens in more developed countries.

f) Hungarian philosophical liberalism was strongly linked to nationalism and conservatism. Linked with the former, it alienated the minorities who comprised 50% of the population of Hungary. In this way, it repelled these weak, developing strata of citizens.

g) Hungarian philosophical liberalism came to positive results only in three spheres. These are: education, literature and some spheres of science. As for education, especially the elementary schools and middle schools (called gymnasium in Hungary) maintained by the church and universities in some big Hungarian towns had the same level as in the Western European countries. This was due first of all to Hungarian reform politicians, e.g., Jozsef Eotvos, Istvan Szechenyi, Agoston Trefort.

In sum, Hungary as part of the Habsburg Monarchy was not independent. As you may know, from the seventeenth century until 1867, Hungary was part of the Austrian Empire and lived under oppression. In 1848-49, the Hungarians fought against the Habsburg in the so-called War for Freedom and Independence. Hungary lost the war. In 1867, Hungary and her Habsburg king came to a so-called Common Understanding which resulted in the establishment of the Austro-Hungarian Empire. The empire was terribly fragile even at the beginning of the twentieth century. In this situation, Hungary was primarily an agrarian country.

As you may have noticed, among the outstanding Hungarians mentioned above there were no philosophers. Most of Hungary's statesmen considered the position of the country from the point of view of politics and literature. All this can be explained by the strong and significant feudal traditions and by the underdeveloped civil conditions.

Despite the absence of philosophers, what may be termed the Hungarian liberal philosophical tradition grew. This tradition was oriented about practical, political issues, but it was marked by an open, liberal search for new policies and programs. Outstanding representatives of this tradition include the following:

FERENC DEAK (1803-1870): jurist, politician, minister of justice. He was a representative of liberal ideas

on a moral basis and promoted spontaneous development. The abilities of Ferenc Deak are to be thanked for the rather favorable outcome of the Common Agreement of 1867.

JOZSEF EOTVOS (1813-1871): writer, politician, lawyer. When traveling abroad, he got acquainted with liberal ideas. A delegate to Parliament from 1832 to 1836, he was a liberal member of the opposition in the upper house. As minister of education in 1848, after the previously mentioned War of Freedom and Independence, he had to emigrate to Germany and could return only in 1853. He was a member of the Hungarian Academy of Sciences and in 1867 minister of education for the second time. He was the greatest Hungarian liberal. He fought for modernization. Between 1849 and 1867, his central aim was to create a civil state. His chief oeuvre was *Influence of the Dominant Ideas of the 19th Century on the State*.

FERENC KAZINCZY (1759-1832): writer, politician. He was an outstanding student of the Hungarian language, a language innovator, and a member of the Hungarian Academy of Sciences. In 1794, he joined the Jacobin movement. He was arrested and condemned to death. After some years of prison, he was set free and after that time lived on his estate. His great work, *The Recollection of My Life*, has been a bible of the younger generations.

LAJOS KOSSUTH (1802-1894): lawyer, politician, and, between 1832 and 1840, editor of the periodical *Parliament News*. In 1847, he became a member of Parliament and, in 1848, minister of finance of the first independent Hungarian government and president of the Committee of Defense in the War for Freedom and Independence. After Hungary was defeated by the Habsburgs, he had to emigrate. In 1867, he did not accept the Common Understanding between Hungary and the Habsburg king. The plans and aims he wanted to realize during his emigration did not come true.

FERENC KOLCSEY (1790-1838): jurist, member of the Hungarian Parliament beginning in 1832. After his political career, he lived on his estate. There he wrote poems and political pamphlets in the spirit of ethical thinking. He was the outstanding representative of the Hungarian Reform Period. I cannot help but mention that he wrote the text of the Hungarian National Anthem.

ISTVAN SZECHENYI (1771-1860): military man, minister, developer of the Hungarian infrastructure. In the military, he traveled a lot in Western Europe, where he observed the development Hungary had not yet achieved. Returning home in 1825, he founded the Hungarian Academy of Sciences. On his inspiration and with financial support, the Danube was regulated, the first bridge over it was built, banks were established, and shipping on Lake Balaton and the Danube started. In 1848, he was minister of traffic and transport. Unfortunately, his mind was damaged, and he had to live in an asylum in Austria where he committed suicide. His liberalism did not remain pure.

AGOSTON TREFORT (1817-1888): jurist, pedagogue. He organized many educational innovations in the country and established schools and new towns on a western pattern. From 1867 to 1888, he was minister of agriculture, commerce and trade; in these positions, he followed European patterns in an extensive way.

I would like to emphasize again that these Hungarian writers and politicians surpassed in their activities most other Hungarian and East European statesmen. The cause of it was not only the way they applied their liberal mentality to the contemplation of Hungary's place in the wider world, but also the fact that they were open to the world, understood the challenge of their age and were not limited by conventions. That is

why M. Polanyi honored and esteemed them. As a matter of fact, he understood that they were the representatives of Hungary's future.

As an emigrant, Polanyi often emphasized his opinion that the activities of these individuals were very rare phenomena in Hungary. Never before in Hungarian history had so many outstanding positive individuals existed in the same period. If other circumstances had been more favorable, they could have definitively changed Hungarian society for the better.

The later history of Hungarian liberal philosophical history did not attract and inspire comparable magnificent individuals. Representatives of conservative ideas grew stronger and came to power. Liberal thinking, liberal politics and economic development came to a standstill. By the end of the nineteenth century, the idea of liberalism had acquired a rather pejorative connotation in Hungary and Eastern Europe. In the history of Hungarian governance, liberal politicians were scarce, the exceptions. There were some political parties that had nothing to do with classical liberalism.

Liberal thinkers conspicuously vanished from Hungarian public life after 1920. Perhaps it is not an exaggeration to say that an important motive for the self-imposed emigration of Polanyi was that he could not make compromises with any illiberal regimes, not with the Hungarian regimes of Horthy, Rakosi or Kadar. All of them lacked the minimal civil liberties and democratic structures which existed in liberal Western European countries.

For Michael Polanyi, who lived in core model states after 1920, it was obvious that the contrast between the two models of European development could not be annihilated during one generation. A new generation would have to undertake the mission of completing the shift from the peripheral to the core model while at the same time retaining Hungarian national identity.

My opinion is that the above mentioned causes led M. Polanyi to the neo-liberalism of F. Hayek. He accepted Hayek's brand of liberalism almost without any criticism. Maybe this uncritical acceptance is to be understood in terms of his conviction that because liberal philosophical thinking never became rooted in Hungarian thought or society, it had adversely affected the politics and everyday life he experienced there.

From the forties through the sixties, Michael Polanyi wrote about 120 letters to his brother, Karl. These letters have yet to be studied; today they are owned by Kari Polanyi Levitt, the daughter of Karl Polanyi. Included in these letters is a discussion by the two brothers of the special meaning and character of liberalism. The letters reveal sharp differences between the two brothers, and that is why they later became estranged.

I have now completed my presentation of Hungarian liberal philosophical thinking and its heritage in relation to Eastern and Western Europe. It was a problematic heritage which Polanyi and his generation had to face as adults. After having provided some background information, I feel it to be my duty to discuss the liberal philosophical ideas of Michael Polanyi even if only in outline form. Naturally, his thought belongs to a later period: the middle decades of the twentieth century.

I have not mentioned the undertaking of this duty by chance. It is not only to pay my respect toward Michael Polanyi, but also to cherish the memory of Gabriella Ujlaki, late secretary of the Michael Polanyi Liberal Philosophical Association, who died unexpectedly and tragically in 1994. It was she who was deeply

interested in the approach of M. Polanyi to liberalism. Her summarizing study was published in the Hungarian periodical *Cafe Basbel* in 1991. There she wrote, "Few people know F. Hayek with whom M. Polanyi had an expanded correspondence and had friendly connections for years. [Polanyi created] the difference between the two expressions, 'made order' and 'grown order.'" F. Hayek explained under the influence of Polanyi that the order made by man can be directed through one center. On the contrary, a spontaneous order has multiple centers. One center demands dictatorship; more centers involve democracy.

This thought was expressed for the first time by Polanyi in 1939-40 in his unpublished manuscript, "The Struggle of Man." Gabriella Ujlaki could have mentioned some other works by Polanyi where he wrote about the same problem — for instance, "Order in Space and Time" (The Joseph Regenstein Library, Special Collection, Chicago, Box 26, Folder 6), "Structure of Liberalism" (Regenstein Collection, Box 30, Folder 1), and "The Republic of Science: Its Political and Economic Theory" (*Knowing and Being: Essays by Michael Polanyi*, ed. Marjorie Grene, 1969). In these essays, Polanyi denies every sort of totalitarianism because through it the state can exercise its power over all its citizens. So he gives the preference to modern liberalism. This is the final conclusion of the study written by Gabriella Ujlaki.

After considering the thoughts and events that the mature Michael Polanyi experienced, it is easy to understand why he wanted to find a way to get rid of the depressing experiences that his generation had to live through.

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