



Management Skills and Vocational Training as Tools for Economic Development in the Hungarian Economic Chamber Movement

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Abstract. Our public discourse today and our image of the rule of law as a civil state is shaped by the presence of organizations based on direct citizen participation and their involvement in public affairs. Particularly important is the role played by institutions representing professional groups and economic circles, especially chambers. At the same time, however, we know very little about what exactly these institutions do, what their obligations and powers tend to be, and what their historical roots and genesis are. In order to approach the subject, it is important to point out that the historical development of these organizations was marked as early as in the 19th century by the emergence of a certain line of thought, the principle of subsidiarity, and self-government. The chambers saw themselves as an organization established by law to manage their own affairs autonomously, to represent the interests of their members, and to take over certain tasks and powers from the public administration in their own professional field. From the very beginning, chambers in our region were set up with compulsory membership and had, in addition to their interest articulation function, mainly an advisory role. In representing the general interests of commerce and industry, the chamber was entitled to submit proposals for the improvement of laws relating to trade and industry, to participate in the establishment of tariffs, to make personal proposals for the appointment of trade diplomats, and to prepare statements and reports for the government. In the later bourgeois period, the scope of activities became even more focused on advocacy work. All this brought with it the need to disseminate modern technical achievements and knowledge as widely as possible. Thus, from its beginnings, the Hungarian economic chamber movement became one of the most important proponents of Western models. This article attempts to show how the Hungarian economic chamber system (the chambers of commerce and industry and later the chambers of agriculture) supported and aided the spread of modern management ideas and how much they contributed to the cause of civic engagement, development and progress by performing educational tasks.

Keywords: Chambers of Commerce and Industry, Chambers of Agriculture, self-government, management, education, vocational training, Kingdom of Hungary

1. Background to the Chamber of Commerce Movement

The history of the chambers of commerce in the Carpathian Basin has been documented by scholarly research since the time of Napoleon.¹ After an initial French influence, first an Austrian Council of Ministers decree of 1848 and then, in the spirit of punitive ‘uniformization’, centralization and reform of public administration, a decree issued by Baron Karl Ludwig Bruck, Minister of Trade, based on an imperial patent in 1850, provided for the establishment of a system of economic chambers on the territory of the Kingdom of Hungary.²

From the outset, the economic chambers were established in our region with compulsory membership and an advisory function in addition to the articulation of interests. In representing the general interests of trade and industry, the chambers were entitled to submit proposals for the improvement of laws relating to trade and industry, to participate in the establishment of tariffs, to make personal proposals for the appointment of trade diplomats, and to prepare statements and reports for the government. These organizations were financed by a compulsory chamber fee levied on their membership, with some subsidies from the central budget, and became semi-official and semi-autonomous bodies.³

The Austro–Hungarian Compromise of 1867 not only led to the re-regulation of chambers of commerce but also to the expansion of the chamber movement and the grouping of certain liberal professions in chambers. The period was also characterized by a greater degree of autonomy and a reduction in the almost oppressive presence of the state in the operation of chambers, which had previously been a feature of neo-absolutism. In terms of the scope of activities, the focus was on advocacy work, while the professional administrative character was somewhat relegated to the background.

With Act VI of 1868, the principle of general and compulsory representation of interests was retained, and the ‘functional self-government organizations’ became institutions with the nature of a public authority, advising, reporting, giving opinions, taking initiatives, and submitting proposals on their own.⁴ During Gábor Baross’s time as Minister of Infrastructure Affairs (1886–1889) and

1 See in detail: Fritz 1896, Szávay 1927, Strausz–Zachar 2008, Zachar 2016.

2 1850. március 18-i királyi pátenst [Royal Patent of 18 March 1850]. See Gergely 2005. 517–527.

3 Sárközy 1967. 55–61.

4 In German legal history, the term ‘functional self-government’ is used to describe public bodies of chambers which have compulsory membership, manage their own affairs autonomously but also take on public administrative functions. Kluth 1997.

as Minister of Trade (1889–1892), there was a great deal of cooperation with the government on the regulation of the new law on industry and trade. It was also the time when the number of chambers of commerce and industry reached its highest level.⁵ In addition to annual reports and statistics for the Ministry of Trade, the chambers were required to keep a register of trademarks and samples, check company registrations, and issue certificates of origin for goods. At the same time, they became important organizations for reconciling interests, giving opinions, and formulating proposals for economic development, and they were also sensitive to the changes and challenges of the era of liberal capitalism.⁶

During the time of the dual monarchy, however, the Hungarian chamber system – compared to other Habsburg-ruled territories and other European countries – could not develop to its full potential. Until 1918, only two other chamber organizations were set up in Hungary in addition to the chambers of commerce and industry: the first chamber for the liberal professions was the chamber of attorneys at law (the Bar), and at the same time the chamber of notaries was created. The newly established organizations, which were based on compulsory membership, became the main functional self-governing bodies of the two legal professions. As with the chambers of commerce and industry, they remained regional organizations without a national umbrella organization. The Bar of the period was responsible for safeguarding the moral authority of the legal profession, defending the interests of attorneys at law, monitoring the performance of their duties, providing legal services to its members, remedying problems affecting the legal profession, expressing opinions and submitting proposals for the introduction of reforms, and dealing with disciplinary matters.⁷ Its activities have also included representing the interests of the membership and, to a lesser extent, examining wider issues of justice and suggesting ways of remedying perceived problems. In contrast, the autonomy and activity of the notaries' bodies, beyond their self-organization, did not play a major role in the era.⁸

The chamber system thus created was modified, further developed, and expanded after the difficult period of 1918–1919 with the consolidation of the counter-revolutionary system. The Horthy era – in contrast to the efforts of the revolutionary period of 1918–1919 – saw in many respects a continuation of the Hungarian traditions of the 19th century, in which the development and expansion of the chamber system, reflecting the liberal concept of the bourgeois-

5 The chambers of the period were organized with the following centres: Budapest, Bratislava (*Pozsony*), Sopron (*Ödenburg*), Kassa (*Kosice*), Debrecen, Temesvár (*Timișoara*), Kolozsvár (*Cluj-Napoca*), Brassó (*Brașov*), Rijeka (*Fiume* – 1850–1868), Arad (1872), Zagreb, Zengg, Osijek (*Eszék* – 1876), Miskolc (1880), Pécs (1881), Szeged, Győr (*Raab*), Banská Bystrica (*Besztercebánya*), Oradea (*Nagyvárad*), Târgu-Mureș (*Marosvásárhely* – 1890).

6 Szávay 1927. 64–65; Zachar 2004. 97–113.

7 Cserba 2000.

8 Strausz–Zachar 2009. 295–340.

led economy, was initially promoted and supported. It can be concluded that the emerging economic and professional chambers became a factor in the social, economic, and sometimes even political life of the time and had to be taken into account in political decision-making. Their task was to assist the government in its legislative work by providing professional advice and proposals, to promote the social development of the professional group they represented, to ensure the relationship between the represented social group and the political leadership, and, above all, to represent professional interests. Thus, in the bourgeois era, chambers became important vehicles for promoting social welfare for the group represented. Their activities demonstrated their ability to cooperate with the government while keeping the interests of the business community they represented constantly in mind. Their tasks and the main elements of their structure continued to be governed by of Act VI of 1868, a framework which was amended only on certain points by Act XX of 1934. The centralizing tendencies that prevailed in general during the period did not escape the chamber's attention, and the supervising Minister of Commerce became more and more present in the daily life of the economic chambers.⁹ This centralization was accompanied by the recognition by the chambers that 'they could only achieve their objectives in cooperation with a government that was more powerful than they were, and therefore in most cases they sought cooperation rather than confrontation.'¹⁰

This latter observation can also be applied to the new functional self-governments that emerged in the field of agriculture. In 1920, after lengthy preparatory work, the Act on the Representation of Agricultural Interests (Act XVIII of 1920) was passed, which added new elements to the chamber system. A three-tier system was established for the representation of agricultural interests: the agricultural committees in the municipalities, districts, towns, and counties delegated their members to the five district agricultural chambers,¹¹ whose proposals were forwarded to the Ministry of Agriculture by a central umbrella body: the National Chamber of Agriculture. Recent analyses show that the agricultural interest groups have always remained in close contact with the state authorities, which indicates their limited room for manoeuvre and their limited possibilities.¹²

In spite of centralization efforts and the overlap between the economic chambers and the political elite, the functional bodies have not become 'handmaidens of

9 Strausz 2009. 62–64.

10 Strausz 2009. 65.

11 Due to the legal framework, five district representative bodies were created, based in Kecskemét, Debrecen, Miskolc, Győr, and Kaposvár. This division of the chambers was later modified with the temporary return of the Upper Hungarian, Subcarpathian, Transylvanian, and Southern Hungarian regions: the Kisalföld Agricultural Chamber was created from parts of the North Transdanubian Agricultural Chamber and the returning Upper Hungarian counties, and in 1940 the Subcarpathian agricultural representation was established. See: Strausz 2004. 63–80.

12 Strausz–Zachar 2009. 295–340.

politics'. Through their independent initiatives and their autonomous activities, which had an impact on a broad section of society, the economic chambers have always sought to maintain and, where possible, even extend their autonomy. Through the work of the chambers of commerce and industry and the chambers of agriculture, Hungarian society was enriched in the period between the two world wars by a number of elements which still stand before us today as exemplary initiatives. Among these, vocational education and the development and transfer of knowledge in the business sector played a central role. It is therefore worth taking a look at the achievements of the chamber movement in the field of business education and management skills.

2. The Economic Chambers and Management Education

The history of chambers of commerce is intertwined with the development of bourgeois society and modern economic conditions from the very beginning. Economic liberalism (inspired by the Anglo-Saxon model) and the idea of self-government (inspired by the philosophy of Lorenz von Stein) brought with them the need to disseminate modern technical achievements and knowledge as widely as possible. Thus, from its beginnings, the Hungarian Economic Chamber movement became one of the most important proponents of Western models in the period. This was already reflected in the professional self-organizations that could be seen as the precursors of the chambers. Voluntary trade associations operating in the heart of the country from the very beginning of the 18th century, such as the Buda Privileged (1699) and Pest Civil (1700) merchants' bodies, the Székesfehérvár Trade Committee (1714) and the Body of Merchants and Sutlers (1822), were closely following the changes in the economy.¹³ Following the example of the Hamburg Commercial Academy and later the Vienna Real School, they encouraged the organization of courses and regular training and the establishment of similar training centres in Hungary. The first permanent institutions were the Collegium Oeconomicum in Szenc (*Senec*, now in Slovakia), followed by Selmechánya (*Banská Štiavnica*, in Slovakia) Academy, while the first modern institution of this kind, the First Open Commercial Education Institute (*Erste Öffentliche Commerzial-Bildungsanstalt*), known also as the 'Bibanco Institute' after its founder, was established in Pest in 1830.¹⁴ These institutions were staffed by academics trained in similar workshops in Western Europe on the one hand and by economic and commercial specialists from the field on the other.

The real breakthrough, however, came in 1844, when King Ferdinand V ordered the establishment of a Hungarian institute of higher education, modelled on the

13 Finánczy 1899. 199–204.

14 Antal–Baksa 2013. 25–42.

Vienna Polytechnic, which had been established in the Austrian capital in 1816. The institution, which had a one-year preparatory course and a two-year regular course of study, offered not only technical and natural science courses in German but also separate courses in agriculture and commerce, which were discontinued in 1856, when the institution was reorganized. From then on, it continued to operate under the name of the Imperial and Royal Joseph Polytechnic until 1871, when it was upgraded to university status.¹⁵

In the context of the abolition of economic and commercial vocational education, one of the most prominent figures of Hungarian trade organizations, József Appiano, the first President of the Pest-Buda Chamber of Commerce and Industry, who was also the President of the Royal Board of Privileged Wholesalers of Pest, repeatedly called for the establishment of a permanent institution of higher economic education. This is how the trade school of Miklós Röser was founded on private initiative in 1853. This, however, could only meet the needs of the time, so József Appiano, who was certainly familiar with the similar courses offered by the *Öffentliche Handelslehranstalt* in Leipzig in addition to the Viennese training centres, worked out the plans for the new institution together with the commercial and economic teachers of the school of applied sciences on the one hand and with Lajos Rósa, the Secretary of the Pest Chamber of Commerce, and the board of wholesalers on the other. Pest-Buda Trade Academy was finally opened on 1 November 1857 with the permission of the Viceregal Council and became one of the most important precursors of modern Hungarian higher education in economics.¹⁶ The Chamber of Commerce of Pest-Buda always tried to do a great deal to promote the operation of this private school: in addition to the above, Ferenc Heinrich, the Vice-President of the Chamber, was particularly involved in the teaching and running of the *Handelsakademie*.¹⁷ After the compromise of 1867, István Gorove, Minister of Agriculture, Industry, and Trade, supported the construction of a school building, the inauguration of which was celebrated in 1885 by Ágost Trefort, Minister of Religion and Public Education. In 1899, the institution underwent a major transformation to meet the needs of the time and, with the addition of the Royal Hungarian Academy of Eastern Trade, became the first (foreign) trade college in the Central European region, including the Austro-Hungarian Empire.¹⁸ In addition to the future leaders of Hungarian business life, it also trained the specialists of the period in international trade and Austro-Hungarian banking for foreign service.

After the turn of the century, the realization of an effective higher education in economics became an increasingly important issue in Hungary. The economic

15 Mihalik–Szögi–Zsidi 2004. 5–36.

16 Szögi 1995. 5–47.

17 Domanovszky 1907.

18 Bricht 1896. 13–30.

crisis of the previous decades and the emergence of modern business and management skills played a role in this. Thus, after the turn of the century, the Budapest Chamber of Commerce and Industry tried to keep the issue on the agenda with a series of debates, and from 1905 onwards held regular expert meetings to draw up reform proposals. The Chamber's reform proposal was initiated by Antal Székács, who also addressed the issue in a separate pamphlet.¹⁹ It is particularly interesting that Hungarian professional circles were familiar with Western management trends from the very beginning and even discussed them in internal debates, so as early as 1912, on the initiative of Kálmán Méhely, regular discussion evenings were organized with the participation of university lecturers and economists on the ideas and first works of Frederick Winslow Taylor, who was considered the founder of the new discipline of management.²⁰

In addition to the creation of higher education, the chambers also focused on the development of the organizational framework for lower and secondary vocational education in industry in order to ensure the provision of adequate supplies. The Budapest Chamber constantly monitored the development of apprenticeships, craft training, industrial vocational schools, industrial colleges, and industrial arts education. Chamber members have also played a role as examiners and master teachers in these institutions. In addition, several chambers in Hungary have set up scholarships for talented and hard-working students and have also regularly provided financial support to individual institutions.²¹ In addition, the establishment of workshops in certain industries, the issue of teachers, and the organization of industrial training courses were also constantly on the agenda in the proposals made to the government.

Already at this time, the creation of a general national trade fair was on the agenda, which, following the Millennium Exhibition of 1896, would present the achievements of Hungarian industry and innovations in the region annually.²²

However, the political crises that followed the turn of the century, the Great War and the revolutionary events of 1918–1919 did not allow for further construction either in the field of economic development or in the more limited field of economic and commercial education. Thus, the issues that had been left unresolved, in particular the university of economics, the resolution to the question of the fair, which was by then expanding into an international fair, and the reform of vocational education, could only be resumed after 1920 in a completely altered context and with completely different opportunities. Their resolution therefore led to protracted and serious controversies. At the same time, the newly created Faculty of Economics at the University of Pest was already

19 Székács 1903.

20 Strausz 2013. 9–24.

21 Szávay 1927. 449–450.

22 Zachar 2006. 267–272.

an intellectual workshop, integrating the knowledge accumulated under the previous academic system and at the same time seeking to meet the most modern training needs of the time. In this spirit, one focus of education was clearly on the functioning of enterprises, including various aspects of corporate management, the so-called private economics.²³

In the period between the two world wars, the activities of the Chamber of Commerce movement in the field of vocational education were essentially aligned with the vocational programmes launched by the Minister of Education, Kunó Klebelsberg. Thus, as a new element, both the chambers of commerce and industry and the newly created chambers of agriculture set up foundations to support talented apprentices and students and to finance study trips abroad for the most gifted students. The most spectacular initiative in this respect, and one that was praised on several occasions during the period, was the 50,000 Hungarian Pengő Foundation set up by the Budapest Chamber of Commerce and Industry at the Hungarian Academy of Sciences. Its endowment capital ensured that interest was paid annually to the author of the study who, in the opinion of the jury, had done the most to promote trade in the year in question.²⁴

In addition, the development of vocational education was supported through a series of scholarships and prizes for the best students of industrial vocational schools and trade schools for boys and girls. Even in 1940, the last year of peace in Hungary, the Budapest Chamber supported 33 students of 13 industrial vocational schools with a scholarship of 100 Hungarian pengő each.²⁵ And the chamber similarly financed the best 40 students of the boys' and girls' trade schools in Budapest. Even during the war years, the chamber continued to set aside substantial sums of money to support vocational training in commerce, providing 10,000 pengő in 1943 and 13,000 pengő in 1944.²⁶ In 1945, the chamber planned to spend 18,000 pengő. However, wartime inflation and the suppression of Hungarian independence in March 1944 meant that these plans could not be implemented.²⁷

This shows that the chambers continued to support the network of trade schools in accordance with their original creed and mission even under the altered state structure and also issued numerous publications and continued the system of professional evenings and workshops to improve the skills of those involved in

23 Antal-Baksa 2013. 29–30.

24 Resolution of the General Assembly of the Budapest Chamber of Commerce and Industry of 18 May 1937. *Kamarai Közlöny* [Official Journal of the Chambers] 1937.

25 Magyar Nemzeti Levéltár Országos Levéltára [National Archives of the Hungarian National Archives], (henceforth: MNL OL) Z 198 2. cs. 7. t. (A kereskedelmi szakoktatás [Specialized Education for Commerce] 1941–1943).

26 MNL OL Z 198 2. cs. 7. t. (A kereskedelmi szakoktatás [Specialized Education for Commerce] 1941–1943).

27 MNL OL Z 198 2. cs. 7. t. (A kereskedelmi szakoktatás [Specialized Education for Commerce] 1941–1943).

trade and agriculture. To this end, libraries were set up in the headquarters of each chamber. The most important collection in Hungary was that of the Chamber of Commerce and Industry in the capital: after the First World War, it had 40,000 volumes, but from 1925 it was opened in a larger space and with a more modern layout, while ten years later it had a collection of 54,000 volumes.²⁸ In addition to the central library, the Budapest Chamber of Commerce also developed the network of specialized libraries of the trade associations and continuously supported the apprentices' homes, the development of office technology in vocational schools, and the expansion of school libraries and classrooms under a separate budget heading. (In 1942, the last regular budget year, the Chamber spent nearly 9,000 pengő on these issues in Budapest.)²⁹

All these activities were part of a larger concept that can be understood as a real agenda: looking at the whole spectrum of activities, we can attribute a major role to the chambers in the field of economic development and economic organization. In the period between the two wars, they did their utmost – through technical development, innovation, and regional development – to revitalize and modernize a mutilated country and played a prominent role in the economic reintegration of the territories that returned after 1938 and their effective integration into the Hungarian economic process.³⁰ The development of the Budapest International Fair, which was of major importance for economic life, was successfully organized before the Great Depression, and the Hungarian Week was also established to enhance Hungary's international position. The chambers also launched the National Credit Protection Association in 1926 and initiated other welfare measures. In all these activities, they never forgot the importance of education and vocational training, discussing and disseminating new best practices and international trends at home.

Similarly, progressive initiatives with significant social benefits can be found in the newly launched agricultural chambers. Innovation has often produced even more spectacular results than in the case of the Chambers of Commerce and Industry. Thus, the various chambers of agriculture have launched very successful businesses (diagnostic stations, small-scale horticulture, model orchards, etc.) aimed at creating financial autonomy. They have helped to establish new agricultural crops (such as sand vines in the lowlands or new apple orchards) and to speed up the mechanization of agriculture. They also set up their own credit organization, which distributed millions in subsidies each year. In the field of education and training, they set up a school for garden workers, held winter schools for farmers, tried to

28 MNL OL Z 193. A Budapesti Kereskedelmi és Iparkamara iratai [Papers of the Budapest Chamber of Commerce and Industry]. 50. d. 43. t.

29 MNL OL Z 198 2. cs. 7. t. (A kereskedelmi szakoktatás [Specialized Education for Commerce] 1941–1943).

30 See in detail: Strausz 2006. 261–267.

provide Hungarian farmers with up-to-date professional information through their own official journals and periodicals, and even played an active role in keeping the farm issue on the agenda and launching the so-called people's college movement. They also managed to set up a workers' welfare fund and build workers' homes.³¹ All this shows that for the chambers, their activities did not stop at preparing and participating in policy making but that they have reached out to the most diverse levels of public life and have moved beyond their narrow professional sphere to create welfare initiatives for the society as a whole.

Among the agricultural interest groups, the Duna-Tisza Interfluve Chamber of Agriculture appears to be the most prominent in the field of educational development. The first major investment was made by the Chamber in Kecskemét in 1929, where it spent more than 11,000 pengő to set up a modern school for garden workers in the model orchard and to finance the living costs of 17–24-year-old students (more than 8,000 pengő per year).³² During the two-year – in today's parlance: dual – training period, the students not only received free board and lodging but also some payment for practical work on the model farm after the theoretical training. During its existence, the institution has always had a high enrolment rate, as graduates were easily employable, highly sought after by the various estates, and the business itself was profitable.³³ In later years, the success of the initiative was also demonstrated by the fact that the establishment of a network of schools for garden workers had become part of a government programme by 1939.³⁴

The Duna-Tisza Interfluve Chamber of Agriculture also played a major role in the people's college movement: in 1932, it supported the establishment of Pilis People's College, of which the director of the chamber, László Gesztelyi Nagy, was an enthusiastic supporter throughout. It was a special institution because its training was planned for a three-year cycle, and it sought to recruit students only from the surrounding area and not nationally. This college was complemented by a system of winter economic schools, which provided two five-month courses to train specialized farmers.³⁵ In addition, both the Duna-Tisza Interfluve Chamber and the

31 Strausz 2008. 150–155.

32 Pintér 1983. 429–432.

33 *A DTMK számvevő bizottságának 1930. május 3-i jelentése* [Report of the Chamber Audit Committee of 3 May 1930]. Magyar Nemzeti Levéltár Bács-Kiskun megyei Levéltára [County Archives of Bács-Kiskun in the Hungarian National Archives] (henceforth: MNL BKML) IX. 234. a. A Duna-Tisza közti Mezőgazdasági Kamara iratai – Általános iratok [Papers of the Duna-Tisza Interfluve Chamber of Agriculture – General Papers]. 1. d. DTMK közgyűlési jegyzőkönyvek, 1922–1944 [Minutes of the General Assemblies of the Chamber of Agriculture for the Area between the Danube and the Tisza 1922–1944].

34 Speech by László Gesztelyi Nagy, Director of the Chamber. Minutes of the General Assembly of 18 November 1939. MNL BKML IX. 234. a. A Duna-Tisza közti Mezőgazdasági Kamara iratai – Általános iratok [Papers of the Duna-Tisza Interfluve Chamber of Agriculture – General Papers]. 1. d. DTMK közgyűlési jegyzőkönyvek, 1922–1944 [Minutes of the General Assemblies of the Duna-Tisza Interfluve Chamber of Agriculture 1922–1944].

35 Pintér 1983. 424–425.

other agricultural chambers launched throughout the country regularly organized specialized lectures on specific topical issues, short courses on innovative methods, and practical demonstrations. The series of conferences on farms, also organized by the above-mentioned László Gesztelyi Nagy, the director of the chamber, was of particular importance in the era. The event took place in several locations (Szeged, Szentese, Kiskundorozsma), and every year, in addition to the results achieved, the agenda included the most pressing issues of the day. The different topics and lectures were also regularly reported on in the columns of the *Magyar Róna*, the chamber's journal, which also served to disseminate information.

It is also worth mentioning that the Trans-Tisza (*Tiszántúl*) Chamber of Agriculture organized the first national exhibition on meadow and pasture farming in Hungary, where poultry and sheep farming adapted to modern conditions was presented, and the possibilities of improving saline and sandy soils were also discussed.³⁶

The Chambers of Agriculture, like the Chambers of Commerce and Industry, have also used their own income to set up foundations to support talented young people in need and have regularly funded projects, which have proved to be a pioneering initiative in the chambers' field. They have also worked to uplift and develop the region through these activities. Recent analyses show that agricultural advocacy organizations could achieve this especially because of their close contacts with state authorities. The main reason for this can be found in the fact that the ordinary members of the agricultural chambers included the mayors of the towns with jurisdiction, the deputy mayors of the district counties, and from 1937 onwards the heads of the county economic inspectorates and a delegate from each of the military staff councils. Another important reason can be seen in the fact that the presidents of the district chambers – who performed their mainly representative duties without remuneration – were almost exclusively members of the landed aristocracy. For example, the presidents of the Trans-Tisza (*Tiszántúl*) Chamber of Agriculture included Count Imre Almássy, Count Miklós Kállay, later Prime Minister and Minister of Agriculture, and Baron László Vay and István Losonczy, both of whom later left to take up high government positions. And the post of President of the Duna-Tisza Interfluvial Chamber of Agriculture was held for a time by the Governor's relative, Emil Purgly, who later also became Minister of Agriculture.³⁷

The restoration of the bicameral Hungarian National Assembly in 1926 marked an extraordinary change in the life of the chambers. With Act XXII of 1926, the Upper House of the National Assembly was reinstated as a successor to the House of Peers operating at the time in the Austro-Hungarian Monarchy. The Upper House also became an important forum for the operation of chambers: six members of the Chamber of Agriculture, six members of the Chamber of Commerce and Industry,

36 Strausz 2008. 154.

37 Újlaky 1978. 599.

two members of the Bar and of the Chamber of Engineers, and one member of the Chamber of Notaries were made *ex officio* members of the Upper House. (Later, the newly formed chambers of medical professions were also allowed to delegate members.) Here too, of course, the chambers' activities were primarily geared to the interests of the group they represented, and so they often found themselves in conflict with each other on certain issues. In addition, for each professional organization, there were always one or two persons connected with the chamber who had been appointed by the will of the governor to be a member of the Upper House in perpetuity so that their intercession and assistance could be counted on even in social and educational questions.³⁸

3. Summary Outlook

It is clear from what has been said above that the Hungarian chambers with real autonomy throughout the entire civil era – even in the oftentimes difficult circumstances following the Treaty of Versailles (known as Trianon in Hungarian historiography) – tried with all their might to appear in as many forums of social life as possible, to represent the interests of their members with the appropriate weight. In this way, these organizations became important players in the economic and social reconciliation of interests in the 19th and 20th centuries. As we have seen, the function of the chambers was complex: they helped the government to better understand the economic and professional sphere in question, to solve its problems, and in the interests of efficiency and cost reduction, they relieved the state administration of certain specialized professional tasks. They had not only the right but also the duty to represent the interests of their members before the government, to represent the professional consensus, which could contribute to the promotion of the common interests of the country, the development of the economy, and the dissemination of modern knowledge. Their most important tool in this respect was the right to participate in the preparation of relevant draft legislation, but over time a number of other forums have developed in which chambers have been able to articulate their own interests. However, they could not have fulfilled these two functions if they had neglected their primary duty: the internal balancing of interests between the groups that make up the chamber. Indeed, the only way to be successful in the 'outside world' was to have the support of the majority of its members.

This articulation of interests was often hampered by the centralizing tendencies of the government and the better lobbying skills of certain circles, as well as by personal contacts and the existence or lack of financial resources. Nonetheless, it can be said that chambers' organizations, based on self-government and autonomy,

38 Zachar 2013. 141–159.

which stem from classical liberal thinking, have fulfilled their tasks properly and to the benefit not only of the profession but of the society as a whole, as long as they have been able to do so. In this respect, their decades of activity in the field of education and vocational training were of particular importance, helping to promote the spread of modern technologies and Western business organization and management skills in our country.

The end days of the chamber movement coincided with the end of civil Hungary: first, the troops of the National Socialist Third Reich invaded the country on 19 March 1944, and then the troops of the internationalist Communist Soviet Union took power. Thus, a return to civil values and institutions at the end of the war became almost impossible. From the beginning, there was an aspiration to build a permanent political, social, and economic institution on the Soviet model, and this model stiffly rejected any self-governing organization in the name of powerful centralization. This aspiration became more and more prominent with the growing dominance of the Communist Party. As a result, in the case of the chambers of commerce and industry, the scheduled chamber elections were repeatedly postponed and then never took place. Although several memoranda were issued by some of the chambers on the need for economic advocacy work and interest representation and their future role and place in the socialist economy, even these efforts proved insufficient to keep these fundamental institutions of self-government alive after 80 years of development. In parallel with the establishment of the Stalinist-style one-party system, the proletarian dictatorship under Mátyás Rákosi also carried out a transformation of property relations. As early as November 1947, the big banks and the shares of the industrial and commercial companies they represented were nationalized, followed by the nationalization of factories employing more than 100 workers in February 1948 and of medium-sized enterprises in March 1948. With this move, state ownership became dominant in industry. With the increasing nationalization and the final seizure of power by the communists in the rigged elections of 1947, the most traditional chamber autonomies were dissolved: with government decree no. 5590/1948, the chambers of commerce and industry were finally consigned to history for several decades. The administrative tasks previously performed by the chambers were taken over by state bodies again, and the activities of the advocacy organization were subsequently handed over to other trade and industry representative bodies.

Based on the experience discussed in the previous section, the chambers of agriculture could not avoid, of course, Soviet-style restructuring after 1945. Already in July 1945, the Prime Minister's Decree No. 4.660/1945. M. E. provided for the possibility of abolishing the self-governance of these chambers and for appointing ministerial commissioners at their head. Although this did not happen, the chambers were dissolved the following year by Decree No. 24.070/1946. M.

E. They were replaced – in accordance with the Soviet system – by agricultural councils, which were given a national central organ, the National Agricultural Council, in Budapest. The restauration of the traditional chambers could only begin in parallel to the period of the regime change.

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