

From Capitalism to Modernity and Back: Adventures with the Budapest School

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Abstract: The moment of the Budapest School in Australia was vital, for the visitors and for us. Was it still then a school? This is an open question. Here I focus on Melbourne, and on the work and influence of Ferenc Fehér and Ágnes Heller. I will use two essays to focus on the mutual interaction: *Class, Democracy, Modernity* (1983) and *Why We Should Maintain the Socialist Objective* (1981/1982). Fehér and Heller made the decisive, in effect Weberian, move away from the category of capitalism to that of modernity as the overarching horizon. At the same time, Heller offered a forgotten political intervention into the discourse of the Australian Labor Party, on the necessity of claims to the values of socialism. Four decades on, the latter essay seems arcane, while the former retains its potency, but is also pressured by the revived centrality of capitalism. After both cases, the core value given to democracy might now also come under question, forty years on.

Key words: Budapest School, Fehér, Heller, socialism, ALP, modernity

1. Prelude: Back to School?

Was the Budapest School ever a school? Ferenc Fehér said to me often enough that all good questions had at least two answers: yes, and no. Taking his cue, I have offered some reflections on this question in an earlier essay, *The Budapest School – Travelling Theory?*¹ Does anything much come of the question? Maybe not. Perhaps, to simplify and condense, we could say that with Georg Lukács' response to the *Times Literary Supplement* in 1971, the Budapest School was an invention – Lukács' invention. Or we could defer to common sense, and say it was a convention, a figure of speech which we use and understand among ourselves, to mean both something special and at the same time to imply very little more

¹ P. Beilharz, *The Budapest School – Travelling Theory?*, in: *Critical Theories and the Budapest School*, eds. J. Pickle, J. Rundell, Routledge, London 2018, pp. 15–33.

than perhaps a small group of friends as intellectuals being thrown together by the whirlwind of history in that moment. Without too much loitering, we might add that this school had some standard defining characteristics: common themes and approaches; collective forms of operation; and some sense of the transgenerational. They may not have had all that much in common with Lukács, after all, but they were the Lukács School. A further thought follows. Perhaps we are, now, after schools. We may still have cultural carriers, platforms like, for example, “Thesis Eleven,” but schools? Perhaps the age of the school has passed; perhaps it was only ever an ambition, a statement of intention. That might take us to other issues, such as those of generation, and also to larger environmental factors, such as the liquid modern or postmodern, call it what you will. The culture of social acceleration and turbulence is not kind to ideas like the school. Modernity wreaks havoc with its claimed continuities, collectivity, shared concerns, the inheritances of transgenerationalism and so on. Schools are old school.

Were we, then, at “Thesis Eleven,” part of the Budapest School, or was there a Bundoora School? Here one answer will suffice: no. Yet the issue remains, as to what we learned from the Budapest School in its time in Australia, from 1978 to 1986 in Melbourne, and further thereafter with the Márkuses in Sydney. As I have suggested elsewhere, the vitality of that moment was in its generational fix: Ágnes Heller was entering her fifties, we were in our middle twenties. Ferenc Fehér and Heller, in Melbourne, were ready to share, gladly to teach, and we, almost a generation down, were keen to learn, both from the text and its ambience – from these intellectuals as subjects who had come to share with us. There were many texts, and especially books, like *Renaissance Man* and later *Dictatorship Over Needs*, that we devoured. But the Hungarians were also essayists, and some of the greatest inspirations for us then were indeed essays. Here, in this paper, I discuss two such essays: *Class, Modernity, Democracy*, from 1983, and Heller’s advice delivered to the Australian Labor Party (ALP) in 1981, contained in her lecture *Why We Should Maintain the Socialist Objective*.

2. *Class, Democracy, Modernity*

This is, at first sight, an unconventional piece for Fehér and Heller, for whom the essay form was more often literary rather than programmatic. Who was its

addressee? Was it a manifesto for their next phase, the new concerns of life entering the so-called democratic world and its left or radical movements? This exercise was a blitz, coordinated by Fehér, the organizer. The essay was published in three places at once; in English in “Theory and Society,” in French in “Les Temps Modernes” and in Italian in “La Critica Sociologica.” Uncommonly, for our authors, it followed the strict social-science format: 3.1.1, 3.1.2, sections right through to 5.5.3.5, and so on.²

Class, Modernity, Democracy could be viewed as a manifesto for Weberian Marxism. For its most crucial gesture was in expanding the Marxian optic, from capital and capitalism, to the broader horizons of modernity. Scale and complexity meant that base and superstructure would never do. The local effects of this thinking for us, on and around the formative journal “Thesis Eleven” (b. 1980), were significant. Julian Triado, my youthful co-founder of “Thesis Eleven,” took its cue to follow with a leading essay called *Corporatism, Democracy and Modernity*, its own triad following that of the Hungarians’ essay. Triado sought to connect up these broader horizons for thinking about modernity to the local path of development in Australian corporatism, with a sideways glance at Western Europe and Scandinavia.³ At the same time, Julian and I edited the English version of the Fehér–Heller–Márkus book *Dictatorship Over Needs*. Editing, like translation, can be a transformative experience. The single most telling gesture in the Fehér–Heller paper was its expansion to centre on the state, and bureaucracy. Henceforth, the view of critical theory would need to take in both power and culture. To take the state more fully seriously would necessitate pluralizing conceptions of power and culture. The message of Max Weber mattered. This was one point of continuity with Lukács, or at least the reification essay of 1923.

The approach of the Hungarians here was to open the field of modernity conceptually by introducing the idea of different and sometimes competing organizational and institutional logics. Though Heller was to vary these later across the path of their writing, the logics of modernity here were presented as those of capitalism, industrialization and democracy. Analytically separable, these logics might also work together in tension. There was an in-principle tension or struggle between capitalism and democracy; and often a collusion between capitalism and

² F. Fehér, Á. Heller, *Class, Democracy, Modernity*, in: *Eastern Left, Western Left*, eds. F. Fehér, Á. Heller, Polity, Oxford 1987, pp. 201–242.

³ J. Triado, *Corporatism, Democracy, Modernity*, “Thesis Eleven” 1984, Vol. 9, pp. 33–51.

industrialization, though industrialization could also exist independently of the logic of capitalism: ergo the peculiarities of Soviet-type societies, which could not adequately be subsumed under the logic of capitalism as, for example, state capitalism.

Modernity is the unstable dynamic that holds these trends or logics together; but not every nation state, or empire, is animated by the same configuration or even the very same dynamics. In Soviet-type societies it was the dictatorship over needs and state paternalism that stood instead of any democratic impulse, however weak or strong.

The state capitalist critique of Soviet-type societies always had punch, but as the Hungarians claimed, it was prone to laziness, or, as Cornelius Castoriadis used to say, it always ran the risk of scholasticism, of telling us more about the pages of *Das Kapital* than about the experiences or institutions of the new regimes. Another parallel here might be with the sympathies in the work of Zygmunt Bauman, as in his 1983 *Memories of Class*, with the difference that the work of the Hungarians is typically more textually internal in its own way here: the novelty of the case about modernity and Soviet modernity was only to follow with *Dictatorship Over Needs*. Here, in *Class, Modernity, Democracy*, the initial frames of reference remain Marx and Weber.

Fehér and Heller work carefully through Marx and Weber towards their object, via Alvin W. Gouldner, Ralf Dahrendorf, E.P. Thompson, Perry Anderson and Stanisław Ossowski. The larger shadow text behind their work is Karl Polanyi's *Great Transformation*, for after Polanyi it is difficult indeed to cast the state as derivative of capital. It was not enough to talk with Nicos Poulantzas, of the relative autonomy of the state. Rather the approach followed Weber, and the idea of the at least analytical separation of spheres of value. The systematic cast of the essay, and its implicit interest in systems theory and its subsystems, is suggestive of the growing interest here of Niklas Luhmann, though Jürgen Habermas and the notion of legitimation crisis is a conspicuous absence from these pages.

In contradistinction to Marx, and in sympathy with Weber, they insist on differentiating political and socioeconomic classes. Interests may rule, rather than material or ideal factors alone, but politics is not the simple reflection of economic interest. Fehér and Heller did not here directly enter into the soon-to-emerge discourse concerning citizenship, but they were anticipating it.

Triado's extension of the Fehér–Heller approach into the Australian setting made it plain that the problems of class politics were insuperable, from the viewpoint of this radical horizon. Corporatism was not open to the possible prospects of citizenship and democracy; it could at best reproduce or promote the politics of production and of producer groups, at the expense of citizens and others, outsiders, the disenfranchised. In the Australian context, this meant that that labour and the state could no longer be advanced as the solution. In league with capital, they were the problem. Labour was an intra-systemic actor, rather than a vital force for social change.

The idea of corporatism came to significantly influence left debate in Australia in this period. This is interesting for many reasons, not least that it signals the Hungarian enthusiasm for the articulation of norms and values that informed our differing political stands, and it intersected with growing West European interest in corporatism, as in the work of, for instance, Walter Korpi or Philippe Schmitter, as well as the local patterns of development with the ALP-ACTU Accord or social contract in Australia from 1983.⁴ These patterns of confluence and coincidence in thinking were, as Fehér liked to say, no accident (he was a master of irony). The social democratic, and Jacobin–Bolshevik projects are also present in these pages, representing the hegemonic left alternatives. They were hegemonic, but unappealing, each less than sufficiently radical in different ways. Into the 1980s, there was still hope, and hope for social alternatives.

3. Socialism and the Australian Labor Party

This brings us to the doorway of our second essay, Ágnes Heller's *Why We Should Maintain the Socialist Objective*. This is an iceberg essay, in contrast to *Class, Modernity, Democracy*. Privately published, it was registered for a larger audience for example in my essay on Australian labourism in the 1985/1986 "Socialist Register." More recently, it has attracted essay-length analysis by Ziyi Fan in a forth-

⁴ In 1983 the industrial and political wings of the labour movement formalized their relationship in a document called the Accord. This raised imagined left hopes for power or influence, as though this might be the opening to a new path to socialism in Australia.

coming “Thesis Eleven,” where we also republish Heller’s essay as a companion document.⁵

Heller delivered this lecture at the invitation of the Kooyong branch of Federal Electoral Association (FEA) of the ALP in 1981. The FEA, via the offices of Michael Underdown, then published the lecture as a pamphlet in 1982. Plainly the actors involved saw this as a significant intervention in the politics of Australian labour. Headline: Hungarian dissident now living in Melbourne gives green light to those on the left of the party who remain committed to the idea of socialism, however defined. This was of course Heller’s tack, to engage with the historical definition of socialism and to suggest something newer, at the same time more opaque and more promising because more open, more processual, less determined by party minutes and practices, the counting of numbers and branch stacking.

The oddity of this intervention is apparent in its aging, or its distance from our present. It feels like another universe, when socialism was routinely part of labour lexicon. Heller’s views are delivered regardless of the fact that the ALP was never socialist in any robust manner, even if there was debate and even a kind of historic consensus that there should be a socialist objective since 1920. As she understood, this was the maximum programme, like the Sunday china of the SPD. But even this world was well after that of Bad Godesberg, or Clause 4 of the British Labour Party. As Heller understands, the core commitment and definition of socialism into the 1980s is progressive taxation. Roll over Marx, and classical Marxism; no place for talk about the capital relation, freedom or equality here! Her own hope is cultural rather than ideological or institutional, that to keep any focus on socialist values may be a part of a possible process of maintaining and developing a live national citizenry. Socialism, in other words, is to be valued not as a slogan or a tribal politics, but rather indirectly for the role its values may play in helping keep society and its broadly political cultures alive.

It is useful to remember the immediate setting: 1981; Australia; Western Europe, and shadow of Eastern Europe. As Heller argues, there are two socialist choices, conventionally understood: social democracy, or communism. Both are discredited, in different ways. Ergo the period enthusiasm for third ways, most

⁵ Z. Fan, *Agnes Heller: Changing Aspects of Her Socialist Theory in the 1980s*, “Thesis Eleven” 2022, Vol. 171, No. 1, pp. 58–77; A. Heller, *Why We Should Maintain the Socialist Objective* (1981/1982), reprinted in “Thesis Eleven” 2022, Vol. 171, No. 1, pp. 91–101.

evidently in this moment the hopes assembled around the prospects of Eurocommunism. As the leading Eurocommunist Fernando Claudin famously put it, socialism would be democratic or it would not be at all. Announced with confidence, this epithet plainly pointed in the other direction... not at all.

4. And Then? And Now?

Over the decade that follows, to condense, democracy is substituted for socialism, a process accelerated by the collapse of communism itself. Socialism gives way to democracy, which gives way to liberalism.

Heller's pitch in 1981 was distinct. She was, of course, inclined rather to argue for the radicalization of democracy. The role of the party in this way of thinking was to help cultivate a citizenry with imagination. Its purpose would be cultural rather than narrowly or institutionally political, in order to do this work within different zones of conflict. The argument is interesting and suggestive, even if it has almost no connection to the ALP at all. The broader point is that Heller anticipates a core problem as the depoliticization of citizens. Her own goal, rather, is to follow the hope of social self-management. She closes her speech in company with Rosa Luxemburg. Socialism demands free pluralism; democracy always exists for those who disagree.

Forty years on, we see in global politics both depoliticization and repoliticization, the latter in league with the revival of populism and its new forms of anti-politics. Here politics is not unhooked from interests, so much as subordinated to its renewed forms, based often on anger and fear, resentment or entitlement.

Forty years later, modernity remains our frame, analytically speaking; but in its new configurations, capital still rules. Inequality pervades, and its political manifestations may frequently be toxic. Further, as we anticipated above, socialism has dissolved, and democracy is in crisis. Whether this crisis is reversible is yet to become clear. Can we still stand with Rosa Luxemburg when freedom may exist for those who hate us? Who want to harm us? Or to put it differently, what hope is there for solidarity in a world built on civil war as a norm and violence as an everyday fact?

In Australia, as the novelist Michelle de Kretser puts it in her book *Scary Monsters*, our core values are no longer socialism, freedom or equality, or even the

durable carryall of mateship, but home improvement and household debt. The best we can hope for from the ALP is calm social management, moderated with some attention to pressing local and global issues. Even progressive taxation is unspeakable.

This, finally, is the context in which we can return to the place of schools in our intellectual lives. Today, already, we inhabit a different cultural universe to that of the Budapest School in the moment of their Australian exile. In the flow-time of liquid modernity, forty years is a long time. Capital returns as a major frame, not least via financialization, along with modernity as a sociological horizon. Socialism remains peripheral, in contrast to various kinds of radicalism, including its populist and sometimes neofascist forms. The prospect of tribalism looms large. Even the feasibility of democracy is under question, both the very idea and its actually existing electoral forms. There is not much left, except resistance and refusal. Back to school.

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