

УДК 378:811.111 (073)

**ECONOMIC AND EDUCATIONAL POLICY OF SÁNDOR WEKERLE FORMER
HUNGARIAN PM**

LUKACS JUDIT

Wekerle Sandor Business College, Budapest, Hungary

During the dualism, on the turn of the 20th and 21th century Wekerle filled the position of the finance minister many times and he was also the prime minister three times. With his decades of activities he actively contributed to the creation and development of the Hungarian capitalism and the to the domestic capitalist economy.

It can be recognized that in Wekerle's social-political thinking there is a relationship between the economic public interest, the employees' economic and health interest, the employers' interest and the interest of the public education. In the area of public education he regarded the enforcement of national factors as a cornerstone so that at all stages of the education the national character of the Hungarian state should be expressed. The entire public education should be harmonized with practical life and the national standards in a way that the freedom and rationale of spiritual and local education as well as the national minority education would not be damaged

In doing so, I became acquainted with Sándor Wekerle's professional life and work, who was an eminent economic and financial figure in Hungary. During the Dualism, at the turn of the 19th-20th century, he repeatedly filled the post of finance minister and he was the prime minister of the country three times. With his professional work during these decades he actively contributed to the establishment and development of the Hungarian capitalism and to the domestic capitalist economy.

He was born on 15 November, 1848 in Mór. He was the first Hungarian politician who won the prime minister's post without any noble title, and he was the only one who succeeded in doing so three times. Sándor Wekerle was responsible for the complete reform of our financial and tax system. During his first prime ministership he laid the foundation for the restructuring of indirect taxes and by law he started and regulated the modern reorganization of the financial administration.

He divided the operation of the government's most important functions into three groups:

financial and economic activities, public institutions (namely the modern restructuring under the authority of the Justice and Home Affairs) and church policy.

In order to boost the economic activity he promised to acquire and stabilize new markets. These new markets were realized by the conclusion of contracts with the eastern states. In order for these to become concrete, maritime shipping and port facilities had to be developed. Among the state economic development tasks the main emphasis was put on the development of infrastructure; river regulation, gradual development of river and lake navigation and canal-shipping as well as connecting these with railways. The establishment of the suburban rail network was also one of the main tasks, and in order to develop the manufacturing industries new industrial railway tracks were necessary as well. It was also important to control the rail tariff policy so that it would continue to serve the economic interests.

If we consider the industrial development it was imperative to introduce new industries, to support and spread existing ones and to improve industrial administration which meant the introduction and development of relevant legal context. And last but not least, the development of vocational education was necessary to ensure the progress of the industry.

In agriculture the main tasks were to develop the different branches and the health system and to create the duty of «mezőőr» (ranger).

Considering the administrative reforms the clarity and transparency of home affairs were highly important, as well as organizing them in a more inexpensive and time-efficient manner. Moreover, the reforms had to emphasize the preservation of civil rights. All these reforms together with the nationalization of the administration facilitated the nation's consolidation.

At this time in Hungary, the churches had a significant influence in society, and in some cases, which today are clearly state responsibilities (registration, marriage, divorce), they had exclusivity. The catholic Habsburg-House did not support the domestic reform ideas. The Wekerle-government took it upon itself to settle these issues.

A law was introduced concerning mandatory civil marriages and state registration.

During his second prime ministership the most fundamental question was the tax-reform, which was adjusted to the economic circumstances at that time. There were two cardinal points in Wekerle's proposal. First, apart from the better burden-sharing and tax-adjustment, he intended to enact personal income tax instead of general income surtax along with applying progressive rate. The other essential element was that the excess-profit resulting from tax-reforms was not to be spent on fixing the state treasury but to decrease or even eliminate some lower taxes, the earnings taxes and taxes which disproportionately burdened the poorest strata of the population. Considering indirect taxes, it was also a positive point that from the tax-income Wekerle planned to proportionate the tax-division between the central and local governments.

In 1910 Wekerle retired from politics, devoting his life and time to the public good. In the first three years of the First World War, he still stayed away from politics. From August, 1917 his involvement became necessary once again. He was leading the government in dire situation for 14 months. The war bore heavily on the country. Not only supplying the army, but the civilian population's nutrition, the public food also presented many problems.

Few people are so lucky that in their youth they are able to set up a public program and they can carry it out almost entirely. When he was a young financial officer, he already formulated the complete reform of our financial policy and administration. As soon as he had the chance – as a secretary under Kálmán Tisza– he started to implement his program. As a result of this, during the nineties the following reforms were realized: public finance, indirect taxes, currency reform, and financial policy in the economic interests. During the coalition the changes continued by reforming the direct taxes, large investments and engaging social institutions (e.g. coalmine-action, workers yard in Kispeszt). Ultimately, even during the World War he found time to get his program closer to the finish since during that time he established the basis of the dues-reform and he prepared the separate customs territory and the institutions of the central bank.

His general concept of economics as his political opinion was definitely liberal. As a core principle of economic well-being he recognized the individual freedom and the opportunity for free competition. According to his opinion the primary task of the state was to remove all barriers and obstacles from the free development of economic life. However, he was also aware of the fact that the nature of the Hungarian economy and our situation with Austria requires a more significant involvement by the state. His biggest achievement was

currency regulation and introducing gold-value and corona-value. Since the Napoleonic Wars the monarchy was constantly struggling with deteriorating money value and currency as well.

All branches in the economy could feel the uncertainty of the unit of measurement. Wekerle knew that the main support for rebuilding the currency was the central bank.

We can clearly see that in Wekerle's social-political thinking there was a strong link between the economic public interest, the employer's economic and health interest, the employee's interest and the interest of public education. He recognized this quaternity and he submitted and protected his proposals during parliamentary debates. Considering the public education policy he regarded the enforcement of national aspects as a cornerstone. He thought that at every educational level the idea of the Hungarian national character should be expressed. To this end, the authority of the inspectorate should be deepened, with an emphasis on practical direction to be placed from the very basics to the Technical University. The entire public education should be harmonized with practical life and the national standards in a way that the freedom and rationale of spiritual and local education as well as the national minority education is not damaged.

«The first period of the civil Hungarian educational policy lasted from the end of the 1860's until the middle of the 1870's. At that time the new liberal constitutionalism was planning a quick educational modernization controlled from the top (from the Ministry of Religion and Public Education which was answerable to the parliament).

In those days the culture politicians defined the same function for the educational administration as their European counterparts. All over Europe the state was in constant conflict with the church and the traditional forces. The German culture battle (*kultúrharc*) was one of the most intensive form of these. Therefore the main task of the educational administration was to bear down all resistance from the denominations and the forces in the counties. The centralist had high hopes for the urban-municipal local government with civilian mentality (which could be in a stark contrast with the feudal county), for the local maintenance of schools and for the school committee's exercise of power. In the top central school of the central school law, in the prepared nine-year-long secondary school draft, a democratic secondary school system started to develop but it was interrupted halfway. What is more it was not supported by any of the social groups.

However, the central school system became deep-rooted, which was built on more maintainer, local taxes and state support. Another characteristic was the compulsory schooling and school erection and also the academic freedom. The next era started in the mid-1870s and lasted until the mid-1890s. In those days the central school administration was established which took the actual realities – the influence of the counties and the denominations – into account. The management of the secondary schools was adjusted and modernized based on the existing 8-grade school system. However, the public schooling, the teacher training and the majority of the standard secondary schools remained in the hands of the denominations and the maintainers enjoyed extensive autonomy. While the big social groups were competing for the school and a conflict took place between the state and the church, in the world of education the growth of state-power was observable.

In the case of public education – against the legislature, the government, the church or the counties – the real players in the educational system did not have any chance. Their influence and power was simply incommensurable with the previously mentioned forces.

Of course enforcing the public interest – to enforce the compulsory schooling with those people who did not wish to go to school – was not a feasible task for the actors in the educational system.

From the public education basically three institutions emerged. Already in the public educational law of 1868 the civil school had a special and separate place. Those who were interested in the independence of the civil school, managed to achieve their goal in many parallel political areas. The power of the school committees and the wardens – that is the unprofessional control – was pressed back. The leaders of the schools became state-appointed public servants, the principals of civil schools. The pedagogists managed to receive the secondary-school-teacher degree and classification instead of the elementary-school-teacher degree. Since the certification law of 1883 among the secondary vocational institutions the top commerce schools were regarded as secondary schools in a sense but since they were final-examination institutions and possessed significant central connections (namely within the Industrial and Trade Ministry), they managed to break away sooner from the school-commissioner than the civil schools. The special-education-teacher and the schoolteacher interest areas had the strongest link to the public school sector so they managed to break away rather late and only partially. The schoolteacher training (although based on the civil school) was much less parallel to the upper-secondary-school than the civil school to the lower-secondary-school.

The educational policy was integrated into the most fundamental domestic issues of the system concerning nationality policy and church policy struggles and the development of the single modern bureaucracy (defined by training instead of origin, religion, locality and other traditions). It also got acquainted with the industrial freedom and with the economic policy (which was concentrating mainly on state development) by regulating the apprentices. Moreover, by introducing the voluntary military system for the people with secondary school final exam (the long military service versus the alleviated regular army service which was better suited for the gentlemen status), it got involved in military politics as well.

The educational policy did not only satisfy the civil, historical demand for teaching people how to read and write but also filled the need of the modern social layers and the economy.

As a result, the composition of the educated social groups started to change. The religious and native groups, where the proportion of illiteracy was higher than the average (for example the Orthodox Jews living in the eastern counties, Greek Orthodox mostly Romanians and Serbians, the eastern Slovaks, Hungarians living in smaller villages but also the poorest Ruthenians), were able to start to make up lost ground. These 4-grade graduations and the final exams were equals with respect to the employment in the public sector, the labor market, the volunteer institutions and the subsequent census records. However, with respect to the admission to university – where the legislators had to take into consideration the conventional forces in the educational sphere – people were qualified in a differentiated standard to continue their education. That is, in the seventies and eighties with the secondary expansion first the new social groups were able to target the mid-level intellectual functions and then later in the nineties when the number of state secondary schools increased, they received the chance to get access to institutions of higher educations and thus the intellectual elite.»

After the Compromise in 1867 the organized adult education started to settle into shape parallel with the schooling development of the young generation and the acceptance of the 1868: XXXVIII. Act to make public education compulsory. The underdevelopment of the contemporary education made the institutionalization necessary. Until the adoption of the quoted public school act the majority of children did not attend school at all

or stopped their studies prematurely, adding to the number of illiterate or half-illiterate. The capitalist production, which started at that time around, was hindered by the fact that people working in the industry and agriculture did not possess the knowledge which was necessary to expand and widespread the production. Not only the state politics, which requested a part in economic life, but also the owners of factories and plants as well as the workers themselves recognized the necessity of training. Wekerle also held out a promise of honorarium.

It could be regarded as a major milestone in Hungarian education when the Pesti Népoktatási Kör (Public Education Club of Pest, and from 1873 the Public Education Club of Budapest) was established. Together with other societies and reading circles, which were founded in the subsequent decades, they were responsible for the wide-spreading of culture, although with a different professional, regional, religious and political approach.

In the last decade of the century and the first decades of the following century several organizations, which were operated under social initiatives and municipalities, started to deal in adult education. In these institutions members could master not only those subjects which were part of the curricula of public schools (mainly reading, writing, calculation, in other words literacy and numeracy), but also practical knowledge required for everyday life. For example skills in business life, or practical knowledge for household tasks (mainly for women), for commerce, for industry, shorthand or foreign languages. In the villages the Magyar Gazdaszövetség (Hungarian Farmers Union) was responsible for supporting the work of reading circles, farmer circles and special courses, which satisfied the requirements of agriculture.

In 1892 the National Catholic Central Circle of Budapest (Budapesti Országos Központi Katolikus Kör) was founded and members could receive elementary information along with religious- and civil-education at nearly thousand locations in the country.

By the end of the nineteenth century the discrepancy between the education at the Faculty of Arts and the actual requirements of the teaching profession still could not be resolved. Partially to compensate for this and to train scholar-teachers, the Baron József Eötvös Collegium (Báró Eötvös József Collegium) was established, which was connected to the Budapest University of Sciences and its structure was based on the French model. A completely different teacher-training model was introduced by Apponyi Collegium, which was founded in 1906 and rose to be a college in 1918. This institution combined the university training and the practical pedagogical-methodological training and concentrated on new emphases.

The Parliament adopted the law for constructing a new building for the Technical University in 1879. As a result of this, students could start the academic year of 1882/83 in the new building in Múzeum boulevard (körút). The building was planned to accommodate 600 students and already in its first year it turned out to be overcrowded. Thanks to the continuous development of the university, the next item on the agenda was the expansion of the building and already at the turn of the century a plan for the new university campus was accepted. The constructions started in the first decades of the 20th century (between 1902 and 1910) on the bank of the Danube in Lágymányos with 36000 m² ground-space.

The agricultural vocational education desperately needed a reform, and finally in 1906 with the help of Ignác Darányi's (agricultural minister) measures, the secondary agricultural institutes in Debrecen, Keszthely and Kassa were declared college type institutions, known as the Magyar Királyi Gazdasági Akadémia (Royal Hungarian Farming Academy). Similar to those colleges, the educational period rose to three years in the

institute of Mosonmagyaróvár, which still retained its central role in agricultural research and development. In addition to the agricultural colleges, there were discussions about planning a multi-faculty Agricultural University (agricultural, forestry and veterinary faculties), which was put forward by the rector of the Veterinary College, Ferenc Hutyra in 1906. This plan, however, neither then nor later materialized. The Hungarian Royal Horticultural Institution was established in Budapest in 1894, which later became a highly significant institution in tertiary education.

The National Hungarian Royal Drawing College (Mintarajztanoda) and Teacher Training College (Tanárképezde) was founded in 1871 and its purpose was to train and educate drawing teachers and young people who were interested in a career of fine arts. The founding director, Gusztáv Kelety, played a fundamental role in organizing the institution. We can find several important names, such as Frigyes Schulek, Miklós Izsó or Bertalan Székely, among the first teachers of the institution. During the three-year training period students learned a wide range of basic subjects and they received a versatile practical training as well. Owing to the organizational work by Gusztáv Kelety, the Carving Workshop (Műfaragászati Szakműhely) was established in 1880. It quickly evolved into the center of applied arts education and in 1896 it became an independent institution. In 1897 the institution's curriculum was modified thus separating the training of drawing teachers and artists.

In addition, in 1883 the first «Pictorial Masterschool» («Festészeti Mesteriskola», headed by Gyula Benczúr) and later in 1897 the second «Pictorial Masterschool» («Festészeti Mesteriskola», headed by Károly Lotz) were renewed. Alajos Stróbl started his «Sculptural Masterschool» in 1897 as well. In 1908 all the masterschools, including the ones for women, were joined to the Drawing College (Mintarajztanoda) and the name of the united institutions was changed to Royal Hungarian Academy of Fine Arts (Magyar Királyi Képzőművészeti Főiskola). The teacher-training and the artist-training still remained separate. The institution's diverse artistic activity played an important role in standardizing and inspecting the drawing education at schools. It should be noted that the official, «academic» direction represented by this institution had a strong link to the Munich school. It was becoming more and more different from the modern fine-arts directions, which were characteristic in western Europe. To counteract this, out of necessity rural artist-colonies and painter-schools were established, which disaffirmed the official directions and were searching for new approaches (for example in Nagybánya, Szolnok or in Gödöllő).

In 1905 the revised organizational principles of the Music-Academy were approved. According to these new principles the education started in training-schools, continued in preparatory and academic courses and ended in artist-, or teacher-training college and also ensured the possibility of private examination. The institution's new building at Ferenc Liszt square was inaugurated with a gala concert on 13th May, 1907. As a result of the fact that foreign (mostly German, Austrian and Dutch) musicians were regularly employed as music teachers at the Academy, the management of the institution was harshly criticized. The institution was regarded as the «hotbed of Germanization» and it was pressed to introduce a music education in accordance with the «national spirit». On the 4th February, 1895 for example, a heated debate erupted in the Parliament. They demanded the German academics to be sent home, and Hungarian singers and educators to be appointed.

The number of institutions in higher education

1.

Institution / Year	1867	1877	1887	1897	1907	1917
Science	1	2	2	2	2	4
Technical	1	1	1	2	2	2
Agricultural	-	1	1	1	5	5
Commerce	-	-	1	1	4	5
Arts	-	2	2	3	3	3
Military	-	1	1	1	1	1
«Modern» institution	2	7	8	10	17	20
Theology Academy	41	45	49	52	46	42
Law Academy	12	12	12	10	10	8
Tertiary education sum	55	64	69	72	73	70

2.

The number of students	1867	1877	1887	1897	1907	1917
	4830	6721	7141	8777	14 431	18 033

3.

The number of female students	1897	1900	1910	1917
	6	36	318	1189

In connection with the latter series of data it should be mentioned that Gyula Wlassics's ministerial decree no. 65719/1895 made it possible for women to apply for university (only in the faculty of arts, medicine and pharmaceuticals) but only with the precursory approval of the monarch.

It was another significant turning point in the history of Hungarian education system when in 1908 the free nature of elementary education was guaranteed by the XLVI. Act.

This law, consisting of nine paragraphs, stipulates that the education is free of charge at state, local and denominational schools in case of everyday and refresher courses, only 50 «filler» enrollment fee may be collected to enrich the student and teacher library.

The school is obliged to issue a certificate in Hungarian language for those who have completed six classes of elementary school or three classes of refresher school. Besides Hungarian the headings of the certificate may be filled out in the language of the given institute as well. According to calculations the state is to take upon itself 3.5 million corona and in case of denominational schools 2 million corona. The purpose of this

was to promote the increase of the number of students attending school since for a long time this rate had not or only slightly exceeded the compulsory school attendance of 80 percent.

Considering its most important principles, the tax-system, which was established in 1909 and was changes by the special circumstances created by the war and the subsequent years, is still valid today.

Wekerle's detailed reasoning attached to the bills is of lasting value and will serve as an instructive source in the future as well. To be a great statesman high intellectual ability, versatility and erudition are not enough. All of these should be accompanied by a degree of ethical excellence which elevates the person above his fellow citizens. This not only means respecting and adhering to moral principles, but also pushing your self-interest into the background in favor of public life.

Wekerle had the creative ability to produce genuine, authentic value for the country and this talent can and will elevate him among the great minds of the Hungarian nation for numerous centuries to come.

References

1. András, Gerő: *Magyar polgárosodás*. Budapest: Atlantisz, 1993
2. Elemér, Kelemen and Kardos József: *Ezer éves a Magyar iskola*. Budapest: Korona Kiadó, 1996
3. Magyar Kormányprogramok 1867-2002 I. Vol. 305-316p, Magyar Hivatalos
4. Péter Tibor, Nagy: *Neveléstörténetírás és oktatáspolitiká*. 83–85
5. *Néptanítók lapja*. 1st February 1868: 6–7.
6. András, Németh: *A Magyar neveléstudomány fejlődéstörténete*. Budapest: Osiris Kiadó, 2002