# **OBITUARY**

## TERÉZ LAKY (1926–2005)

#### Ágnes HÁRS-László NEUMANN

Kopint-Datorg Budapest, Csokonai u. 6. H-1081; e-mail: h8129har@ella.hu

Employment Office, Research Department Budapest, Mozsár u. 14. H-1066; e-mail: neumann@mtapti.hu

It is impossible to get used to it that from now on we have to write without having her affectionate yet critical eye on us, that she is no longer shaking her head, no longer exhorting us to look forward, not to analyse the past, but to study the issues of the present. There is no point in dwelling on what is long past, what has already been written about. She rarely spoke of her own past, and was not sympathetic to the recollections of her cohort. And we, the younger ones, who one day perhaps will be regarded her disciples, will now forever owe her the retrospection, the celebration. On her seventieth, and even on her seventy-fifth birthday we still didn't think it was time to pause and to pay homage, to sum up the professional accomplishments.

We had the respect but just couldn't feel the urgency – Teréz Laky, Teri, was youthful and ever-present. Maybe on her eightieth, we thought. Perhaps now we can understand why there was never any looking back, even though she was an important personality, a "grand old dame" of Hungarian public life, whose work and participation in the professional committees, the editorial boards, the debates, and her courses on the sociology of organizations and the sociology of labour will be remembered by many generations. She started her career as a journalist.

She worked as an associate editor of *Szabad Nép*, the daily newspaper of the communist party, from where she was fired following the legendary party meeting where she stood with the journalists supporting Imre Nagy, with Tibor Méray demanding "a cleansing storm". This period of her life lasted until the sixties, when she was a contract worker at *Tanácsok Lapja* [Councils' Weekly]. What she kept from this period was not just her first research topic, the power hierarchy of local council leaders (hers was perhaps the earliest attempt in Hungarian sociology at survey research of an elite [Laky 1971–1972]), but also her unsurpassed work endurance, her insistence on precise wording and, not the least, on a personal tone. Her colleagues, who were the first readers of her writings, know that she was always ready to accept criticism pertaining to facts and the logic of her thinking, but she could never be diverted from her choice of words, and from her personal style.

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Since the early seventies she had been a sociologist, first (from 1968) working at Infelor, the information technology company of the Central Statistical Office, and from 1973 on, as a researcher of the Research Institute of Economics of the CSO. From 1982 till the end she worked at the same Mozsár street building at the same institution, the Research Institute of Labour that had changed its name many times. She was an economic sociologist, an economist for the sociologists, yet, as an economist her outlook remained that of a sociologist. She clarified this duality, apparently n also for herself, in the introduction of her 1982 volume Érdekviszonyok a vállalati döntésekben [Interest Relations in Company Decisions]: "Studies done from the viewpoint and by the means of sociology necessarily approach the phenomena of the economy differently from economic science, or other disciplines dealing with the life and operation of companies..." In the seventies her publications enriched enormously our previously rather poor understanding of interest relations by their empirical focus. The papers, to this day central to the study of this subject, were published in Gazdaság [Economy] and in the most prestigious social science periodical of the time, Valóság [Reality] (Laky 1979, 1980, 1984, 1987).

Without a doubt, the seventies were the heroic age of restarting Hungarian sociology, a time when the sociology and economics camps were less separated. Teri was one of the social scientists who, no matter which profession they practised, made sure their work provided a counterpoint to official ideology, either arguing more or less openly for a consistent carrying through of the reforms, or, in her case, making it a central issue of the research agenda to find out what causes lead to the halt of economic reforms. "Interest relations", no matter how quaint this concept sounds to social scientists today, were the language of reform in the seventies. In fact, as argued by Tibor Kuczi and Attila Becskeházi, at that time the entire field of sociology functioned as the language of the discourse on reform. The whole body of Teri's work on sociology is a paragon of commitment to reform: before 1989 the central issue was reforming the "socialist economic system", since that time it was the transition to market economy based on private ownership, the completion of this process, and subsequently, the problems of EU accession.

She committed herself with strict discipline to empirical study, exploring facts: "Based on the experience of several years of work exploring the social causes of economic phenomena I think that today sociology can provide essential and new knowledge about society by the study of interest relations. Research into interest relations is, however, a relatively new field of the sociology of organizations in Hungary. [...] I had to choose what should be given greater stress in this work: the description of facts gathered at companies, or rather a survey of theoretical interrelationships, the key concepts related to the topic and of the discussions of their interpretation? In the end I have chosen the presentation and analysis of facts as my primary point..." (Laky 1982: 9). In retrospect we see ideas arranged by a strict, consistent logic in her articles which survived the turn of the millennium. Her studies describing interest relations (Laky 1971, 1972; Laky and Endreffy 1972) have incorporated much of her empirical studies and the early results of her career as a sociologist.

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In the socialist economy of the eighties, company forms transformed and became more fluid, which channelled Teri's interest toward description of these more variegated, new organizational forms and the internal mechanisms of their operation. It is not hard to see that in studying the "new forms of small enterprises" she was primarily interested in finding out whether the reform process, interrupted in the early seventies, would get a new impetus from the arrival of small co-operatives, economic partnerships (GMKs), economic partnerships within state enterprises (VGMK), and the other newly legalized (and by now, largely forgotten) company forms. Based on thorough empirical studies, her paper Dispersed Myths, Faltering Intentions concluded that the actual function of the VGMKs (the new organizations formed in the largest number) was for the workers hardly more than to extend and legalize the opportunities for hitherto "black" overtime work, and for company management it was just a back door for outwitting the central wage regulations of the state. She did not find many real Schumpeterian entrepreneurs in the GMK enterprises legally independent of the big socialist companies either, nor did she find a private enterprise sector that was growth oriented, for the eighties were much more characterized by small units stuck at family size, founded with the objective of supplementing incomes, and functioning in effect as outsourced workers for the big state-owned firms, and as such hardly representing any serious challenge to the still intact state and co-operative sectors (Laky 1984, 1987; Laky and Neumann 1990a, 1990b).

At the close of the eighties, her research of small enterprises has tracked the changes in small enterprises caused by the process of system change. She was interested both in entrepreneurs as a social stratum and in those processes of privatisation, broadly interpreted, that accompanied the disintegration of the state and co-operative sectors. She inspired the first serious statistical analysis of small entrepreneurs as a newly emerging social group (Laky 1990). Her research of the social effects of "transition" has almost inevitably turned towards the issue of employment, be it the issue of "forced entrepreneurship", the issue of subsidizing enterprises that create jobs (a matter that she was, somewhat uncharacteristically for her, directly involved in as board member of various foundations), or be it the experiment of employee ownership at the beginning of privatisation (Laky 1992, 1993). She also took a consistently liberal stand, yet one based on assessing the social effects, when the appearance of foreign capital provoked heated discussions and political storms. In this issue she professed pro-privatisation views: in contrast to the opinion of many, she did not see the protection of the jobs at the inefficient state-owned companies as the task of state employment policy. Rather, she expected to save the old workplaces and to create new ones by a policy of promoting the appearance of new enterprises well endowed with assets. By now it is clear that she was right, for she anticipated the emergence of a sector having a stable market and technical background and a highly skilled workforce (Laky, Neumann and Boda 1999).

In the nineties, as senior researcher, later director, and finally advisor of the Research Institute of Labour, her interest turned towards the current issues of labour market policy. The citation for the Officer's Cross she was awarded in 1996 describes her professional career with unusual clarity: "in acknowledgment of contributions to

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laying the scientific foundations of economic sociology and labour policy". The goal of her work in the nineties was to describe and understand the labour market undergoing transformation and to improve, tenaciously, employment policy.

In the early nineties she invented a new project for herself and for the professional as well as political public: following the example of the *Employment Gazette* of the UK (later called *Labour Market Trends*) she annually published a white paper on the current issues of the Hungarian labour market entitled *Munkaerőpiaci Folyamatok* [*Processes shaping the Supply and Demand of the Labour Market*], which made her almost like a single-person institution. She offered a cross-section and analysis, made with steady hand, of the previous year's labour market processes, at first in Hungarian, and a couple of years later in English as well. This publication served as a manual for labour administration, for the broader professional public opinion, for education, and foreign experts also used it as an important source. In addition, she regularly wrote the introductory chapter to the volumes entitled *Munkaerőpiaci Tükör* [*The Hungarian Labour Market*], an annual collection of papers on the labour market processes of the previous year, published by the Institute of Economics.

In her studies concerning the changing labour market of the nineties she was guided by the reformer's intention of influencing and improving employment policy. The papers written during this period, continuing those published on small business, have the clear goal of understanding the economy and organizations of transition and of the labour market in the European Union (Laky 1995, 1996a, 1996b, 1999). Her papers and the annual volumes of the Processes shaping the Supply and Demand of the Labour Market also aimed at enlightening a broader professional public, the civil servants, and the people working at the employers' organizations and the trade unions. Through her work, all these people could get acquainted with the European problems that lain would eventually affect all of us in some ways. Her reports on the "changing world of work" equally dealt with the spread of atypical forms of work, the phenomenon of migration, the changes of employment relationship and the difficulty of their definition, and the labour problems the EU countries had to wrestle with. In the other direction, she crafted several surveys of the Hungarian processes for the professional public abroad, for example, the compilations on problems of female employment (Laky 2004; Laky and Neumann 2004).

She was on the editorial board of this periodical, executive committee member of the economic sociology section of the Hungarian Sociological Association, and she remained adjunct professor, for symbolic pay, of the Department of Sociology at the University of Economics that is today called Corvinus. She was a dedicated organizer for the allocation of scholarships to young researchers specializing in labour studies, and had lasting achievements in many other areas of sociology in Hungary. Her labours and her oeuvre spanning several decades deserve to be studied more carefully and more in depth than this haphazard recollection born out of the sad occasion.

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