

Forty Years of the Hungarian National Economy

Vera Nyitrai

In comparison to the earlier decades, the past forty years have been a period of a rapid development in Hungary, having the greatest dynamism both for the national economy as a whole, and within it, for the industry, too. Following World War II the rapid increase in the demand for investment goods and for consumer products, a dynamic growth became necessary both in Europe and within this in our region as well. The demand in Hungary could be characterized mainly by the requirement for full employment, for a rising living standard and for the renewal of technology. At the same time Hungary joined the international division of labour to a growing extent which gave an impetus to the country's increasing orientation towards foreign trade. The conditions of development were ensured by the available labour force improving not only in quantity but also in quality, and by the extending mechanization.

It is almost impossible to review the whole line of the forty years' development in one single paper, therefore, I undertake to deal with those *trends* which have been the most important from the point of view of the national economy.

MAJOR CHARACTERISTICS OF THE FORTY YEARS' DEVELOPMENT OF THE NATIONAL ECONOMY OF HUNGARY

In the period between the two World Wars, Hungary was one of the least dynamically developing countries. This can be shown partly by the changes in the national income, and partly by the level of the per capita national income. In 1937-38, according to the contemporary estimations, the per capita national income was around \$ 120 in Hungary, amounting to hardly more than the half of the average per capita national income in the countries of Europe, and not even reaching one-third of that in the national economies of the developed capitalist countries. The production and the composition of the number of employed persons had the marks of a less developed economy: according to the