

A REFORMER AND FOREVER OPTIMIST

*Memorial conference by the Miklós Pulai Friendship Society
and the Hungarian Economic Association¹*

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The Hungarian Economic Association and the Miklós Pulai Friendship Society paid tribute to Miklós Pulai, holder of an HEA economics lifetime achievement award who died last year at an online conference on 21 April 2021. Participants were welcomed by *Éva Hegedűs*, secretary general of HEA, chairperson-CEO of GRÁNIT Bank Zrt and member of the board of the Hungarian Banking Association. Introductory addresses were delivered by *Pál Germuska*, deputy-CEO of the National Archives of Hungary and *Tamás Erdei* former chairman of the Hungarian Banking Association.

In the second part of the conference *György László Asztalos* university professor, former head of the State Insurance Supervision and former deputy-chairman of the Supervisory Board of the Hungarian Financial Supervisory Authority (PSZÁF) led a discussion on the part Miklós Pulai played in the establishment and stabilisation of money and capital markets in Hungary by *Ákos Péter Bod* former governor of the National Bank of Hungary and deputy-chairman of HEA, *Katalin Botos* former minister without portfolio in charge of banking matters and *Tamás Mellár* former chairman of the Central Statistical Office.

This paper is a summary of that informal discussion arranged around three topics.

1 What quality of Miklós was immediately striking and memorable when they met for the first time?

Katalin Botos first met Miklós in the '70s at meetings of the Council of Mutual Economic Assistance (KGST). As a member of the Hungarian delegation in Moscow, he was adamant in defending Hungarian national interests. His professional,

1 The digital conference can be viewed here: <https://magyarkozgazdasagatarsasag.my.webex.com/magyarkozgazdasagatarsasag.my/j.php?MTID=m73ab5dc5369097fdefea2b4fcbdfbc1b>, or here: <https://www.youtube.com/watch?v=X89vnXnVKZs>.

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precise, resolute, and clear argumentation earned him the acknowledgement of even the Soviet negotiators.

Péter Bod emphasised what an autonomous and independent person he was while being easy-going at the same time. There were some who called him “cool” for that. Not only his professional knowledge but also his style was strikingly different from the leaders of that time. He found it especially attractive that Mr Pulai was not the usual “hey, buddy” type who “understands everything and everybody”. Wherever he mentioned Mr Pulai’s name later, it generated respect and helped him “to open some doors”.

Tamás Mellár spoke about the stunning impact Mr Pulai’s talks had on the students at Pécs University. They were so different from the usual boring lectures that he (Mr Mellár) stopped reading his book and paid attention to Miklós. Mr Pulai’s readiness for compromise was quite obvious from the start and he can particularly appreciate it now. It was his ability to strike up collaboration among people having the most diverse sets of values.

László Asztalos recalled a meeting from the ancient history of the banking reform in 1980 to illustrate how cleverly Mr Pulai helped reformers persuade “hard-headed Party cadres” to think out of the box. He gave an example for life of how one can retain their individuality and sovereign way of thinking in the service of the community even under a bad government. He was a person who could “always find a way among the hard-heads of the era”. Mr Asztalos also said that for his generation István Hetényi of a totally different personality and style was the only other person who was able to preserve his integrity and wisdom.

All the participants mentioned Miklós Pulai and *István Hetényi* as people parallelly assisting the reforms by complementing each other’s work; they represented the most important “human resource” foundation of the reform era.

2 Which characteristic of Miklós Pulai would be most required to be present today?

Katalin Botos underlined knowledge and international acknowledgement. Miklós Pulai with his unique gifts was a perfect negotiator both in this country and internationally; both the Soviets and the Americans understood him. He was sharp and could respond fast and to the point. He always felt solidarity with people “down and out”, people living in difficult circumstances, and he represented their common interests. He never forgot “where his roots were”. He was a true patriot, that is why people were attracted to stand by him at the time of the 1956 revolution.

Tamás Mellár noted it would be particularly important today for people on the top to strive for and to be able to reach the best compromise in every situation. But you need to start out from reality to achieve that, in the way Miklós did, you must not wait for a miracle or allow violent solutions. Miklós Pulai was left-wing and always supported a democratic dispute based on rational arguments. He was highly respected and could make people believe that “reform economics” may not be an abomination.

Katalin Botos added that Miklós was one of the first people who had information about the two most important issues of the period, ownership transformation and the introduction of convertibility. And he proved with all his life that one can move forward even under strict political control. It is no surprise, and it is thanks to reformers and true personalities of Mr Pulai’s type that the Chinese, who are so successful today, looked at Hungary and the „New Economic Mechanism of ’68” as a test.

Péter Bod recalled examples from the time of the round-table negotiations to illustrate the open mind of Miklós, which allowed to build connections and cooperation or even joking with professionals in other parties. But we know he did have hidden painful memories of his life: being a prisoner of war, “malenky robot” and his political persecution after 1956. Maybe that was why he always tried to help honest, decent people as much as he could.

László Asztalos would like to see those fair measures, which are acceptable for all, are found; and what is necessary for it is Mr Pulai’s ability to listen to other people and to tell right from wrong. And instead of “cumbersome sophism and pedantry” so typical today it would be so nice to come across casual-on-the-surface people of Mr Pulai’s type. Miklós had the ability to synthesise and promote rapport in a message because he could let go heated debates on minor details generously. The participants mentioned that Miklós Pulai could create unity of thought almost in every situation so that others present just kept nodding; his ideas were “so self-evident”.

3 How the Hungarian Economic Society and economists in general could cultivate the values of Miklós Pulai’s life’s work usefully and worthily in future?

Katalin Botos believes knowledge of international standards should be appreciated and awarded more pointedly. For this, the experience of and written publications by internationally acknowledged professionals of the past should be held in more esteem. Leaders of today should be supported more who are not only professionally prepared but also brave and outspoken, who “have the balls”. Work at the Supervision and the Banking Association could have more character, they should make a stand for their professional views as it did happen facing the for-

mer political leadership supporting Postabank at that time. And people should be appointed to leading positions of financial institutions and government institutes independent of their party affiliations but based on their professional knowledge and integrity.

Péter Bod called attention to a unity of professional trinity. State will, political intent and the laws of economics and other professions must be balanced as Miklós Pulai always did excellently. The players of economic life, the company of economists and the Hungarian Economic Society should jointly embrace young economists. The leaders of academic institutions, the Banking Association and government agencies can do much in that regard; youth should learn about and make use of the valuable results of the past.

Tamás Mellár underlined the dual and paradoxical lessons of Mr Pulai's career as a leader. On the one hand, he had characteristic features that are ideal and obvious today for a good top executive. On the other hand, he never wanted to become a number one leader. He proved he could make his professional knowledge and his personality relevant as second in line. Mr Mellár suggested Mr Pulai's writings and interviews should be published in a well edited book. He also expressed his hope that a "live" memorial conference on Miklós Pulai can be arranged when the pandemic is over.

László Asztalos read out a list of major economists deceased recently to support his view that "we are at the last moment". Therefore, key people preparing the economic processes of the Transition have a moral responsibility to put on paper and digitise the facts and memories they alone remember. Let us hope there comes a time when historians and the youth of the future turn to the reality of the historical Transition with more multi-faceted interest. This belief is also supported by the success of the Oral History set up by the Federation of Hungarian Insurers (MABISZ) for the same purpose. It is something to change the past into the living spirit of today. Elder people meet and argue about each other's memories, they call the attention of their pupils to interviews by others while young ones invite the former leaders of their companies to gain a better understanding of the way of thinking there.

The conversation full of personal memories, and first-hand stories was good-natured and in good spirits, made vivid with both happy and sad memories. It did not turn political, it was not personal, there was no squabbling. It was a true memento to Miklós Pulai's kind, convivial personality who always approached the solution of troubles and problems arising in an optimistic way.