

## INTRODUCTION TO LAJOS LEOPOLD JR.'S SIMULATED CAPITALISM

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“Anima Sola” (lonely soul) – this inscription can be read on the remains of Lajos Leopold Jr’s (1879–1948) tombstone in Cservölgy (at Tótvázsony), a hamlet to the north of the Lake Balaton. László E. Bártfai who had acquired undying merit in the rediscovery of Leopold’s work wrote the following about him in 1987: “In Hungary his figure has been almost totally forgotten, together with his early work in sociology. The loss of memory is surely related to the fact that Hungarian sociology has always been primarily a movement and a discipline only in the second place.” He was an autonomous personality, he was in need for intellectual independence and he was in a peculiar social position. This means, that he was as a Jew (although later converted to Christianity) a prestigious member of the community led by the local gentry and intelligentsia. No doubt, all this, coupled with his daily life experiences drawn from his small home town kept him away from the mainstream of the fin de siècle Hungarian sociology that was increasingly becoming a political movement. His growing distance from the radical social science periodical entitled *Huszadik Század [Twentieth Century]* was already obvious by 1910.

Leopold was born on 5 December 1879, in a big tenant family. Up to the early 1920s he lived in his place of birth, Szekszárd, a small town of Tolna County known for its fertile soil and red wine, located in the southern part of Transdanubia. He spent the last five years of that period already in two residences, partly at home, and partly in the Hungarian capital, Budapest. In Szekszárd, for some time he was a member of the board of directors of the local Credit Bank, linked to his family by many threads; and he was also a major cultivator on rented land at the nearby Ózsákpusztá. Towards the end of his period he was becoming an increasingly active member of the Agricultural Association of Tolna County. This situation may have inspired him for his early work on agricultural sociology in the 1900s, and to be active in the field of agricultural economy after World War I. He could be considered a sort of agrarian during the inter-war period, not only because of the scenes of his activity (the periodicals *Köztelek* [Public Plots], *Gazdasors* [Farmer’s Destiny] in Hungarian, Ignác Darányi Society of Agricultural Science), but perhaps also of his identity. It was a long way to go from his youth linked to *Twentieth Century* and flirting anarchism to end up among conservative agrarians. It may appear to be long, but counting in decades it may not be

one. Particularly if it is remembered that he could retain his originality to the end, and the structure and style of his writings did not change an iota (one should recall the alteration of descriptive and analytical passages rich in data and well founded on statistics with paragraphs of lyrical tone in the nature of essays).

He wrote *Színlelt kapitalizmus* [*Simulated Capitalism*] published in 1917 (excerpts of which are published here) as well as his internationally known major work, *A presztizs* [*Prestige*], published in 1912 in the decade between the two above-mentioned intellectual and scholarly environments. The latter one eminently symbolizes Leopold's posterior life. Reference has already been made to the fact that his work was forgotten for long. A significant step ahead has been taken to revive his oeuvre. Yet, no cult around him has evolved: his grave near the erstwhile 'manor', located in former parkland turned into a forest is still neglected and damaged, but at least it is surrounded and hidden by shrubs and wood.

The conceptual prototype of *Simulated Capitalism* definitely existed already ten years earlier. This is indicated by his lecture entitled *A fattyú-kapitalizmus* [Bastard Capitalism] delivered at the Free School of Social Sciences in 1908. The final form of the logic of his writing was obtained towards the end of World War I; perhaps this is the reason why the sense of the coming war defeat is present in it. Characteristically the paper was published in a volume entitled *Elmélet nélkül* [Without Theory], indicating that Leopold did not wish to follow his comrades along their later route. The writing consists of four parts: the first one draws with some marked strokes the double-faced nature of capitalism in Hungary, the second one describes the contents of simulation, namely that the external institutions of capitalist economy (such as contractual freedom) operate without the spirit of that economy penetrating the agents of that economic form ("the freedom of private ownership without the rule of the stocks produced"), the third one is the early and still valid exposition of dependency theory becoming fashionable only decades later, and the final one lists certain phenomena of the Hungarian economic and social life and the proofs of simulation. Though according to our current knowledge the cases of his examples are not always appropriate, his basic idea is very original, and it is not accidental that junior university students reading the text would never miss remarking that they find Leopold's theory valid for their own time, too.