The Centralized Management of Folk Art Trade in Hungary

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ABSTRACT

The decorated artifacts of rural craft industries were the forerunners of the products which, from the late 19th century, were made for the organized trade that entered the global market and met the needs of the Hungarian market. The production was managed by the increasingly numerous cottage industry associations, later cottage industry cooperatives and independent companies. Until World War II, craft and folk art products were marketed by centrally managed organizations, as well as by individual entrepreneurs, commercial travelers, trading companies, and cottage industry cooperatives. From 1948 onwards, the marketing of the products of cottage industry cooperatives was exclusively in the hands of state-controlled domestic trading and export companies. After the political regime change in Hungary in 1989, the applied folk arts cooperatives continued to operate for some time, but the centrally managed trading companies ceased to exist. The cooperatives carried out commercial activities by building on their previous relationships. By the 1990s, however, the global market for folk art products and the economic conditions for their production in Hungary had changed, and the folk art products of the cottage industry cooperatives have been phased out. This paper focuses on the history of centrally managed institutions of commerce from the 1870s to 1989 and their aftermath up to the 1990s.

KEYWORDS

folk arts, applied folk arts, commerce, cottage industry movement, cottage industry and folk arts cooperatives

INTRODUCTION

In Hungary, the emergence of the concept of folk art was accompanied by definitions like cottage industry or artistic cottage industry, and from the late 19th century until the 1990s, the process
was closely linked with the emergence of cottage industry movements. The development of cottage industries was built on several pillars. In the economically underdeveloped regions, centralized management sought to ensure livelihoods and thus keep the workforce at home. In the second half of the 19th century, as cottage industry and folk arts were first getting embraced, attention was mainly focused on decorated artifacts, since the goal was to create a “sellable” national style. These activities essentially served the aspirations of applied arts, and decorated artifacts were first collected by representatives of the applied arts and the Museum of Applied Arts.¹ The relationship between folk arts and applied arts became tighter, because the marketability of the products of cottage industries, folk arts, and applied folk arts was sought through conscious design and the training and involvement of applied artists.² Encouraging designers and makers to create artifacts of artistic quality while preserving authenticity, and thereby cultivating conscious creative individuals, has become an important aspect.³

19th- and especially 20th-century economic interests and commercial aspirations, which were often difficult to reconcile with the preservation of authenticity, had a tangible impact on the cottage industry and folk arts. Current discourses on the revitalization of traditional handicrafts and folk arts nonetheless do not address the significance of the folk art trade.⁴ The significance of historical research on the closely related cottage industry movement and the institutional system of cooperatives in Hungary was raised in 1972 (LATABÁR 1972:3), but a comprehensive treatment of the topic is yet to be undertaken.⁵

Until World War II, cottage industry and folk arts products were marketed by centrally managed organizations, as well as by individual entrepreneurs, traveling salesmen, trading companies, and cottage industry associations and cooperatives. From 1948 until 1989, however, trade in the products of cottage industry cooperatives was exclusively in the hands of state-controlled domestic trading and export companies, and from 1990 onwards, the cooperatives and their successor companies had to manage the marketing of the products themselves. In this paper, I focus on the history of centrally managed institutions of commerce from the 1870s to 1989 and their aftermath in the 1990s. The role of the other participants of the market mentioned above is yet to be addressed.

During the period under consideration, Hungary’s borders changed several times, and this must be considered when talking about the history of the country’s cottage industry. Under the 1920 Treaty of Trianon, more than two-thirds of the territory of the former Kingdom of Hungary and almost one-third of its ethnically Hungarian population were allocated to...
neighboring countries. Hungary also lost significant areas in terms of cottage industries, since the previously heavily supported Transylvania, Maramureș, Partium, and Eastern Banat became part of Romania. Upper Hungary (Felvidék), Subcarpathia (Kárpátalja), and the Great Rye Island (Csallóköz) became part of what was then Czechoslovakia. Backa, which was important in terms of carpet weaving, and the regions of Baranja (Drávaköz), Western Banat, Porabje (Vendvidék), and Međimurje (Muraköz) were allocated to the Kingdom of Serbs, Croats and Slovenes (later known as Kingdom of Yugoslavia). According to early accounts, the cottage industry of the Kingdom of Croatia-Slavonia, which became part of the Kingdom of Serbs, Croats and Slovenes under the above-mentioned treaty, was also considered significant within the territory of the Kingdom of Hungary.7 Under the Vienna awards of 1938 and 1940, Hungary regained part of its formerly annexed territories from Czechoslovakia and Romania. But the Paris Peace Treaties of 1947 declared this null and void, and the borders drawn by the Treaty of Trianon were restored.

The study covers a wide time frame, and the periods under consideration provide varying resources. The different analytical aspects that result from this are well traced in the study. The trade of the late 19th and first half of the 20th century can be inferred from press reports, official regulations, and the limited original documents available. Several written and pictorial sources, as well as the recollections and oral histories of informants, help us understand the changing institutional structure that started in the 1950s. All this makes it possible to discuss trade and goods preferences, i.e., it is from this point on that the driving forces behind the institutional system, the interrelations between supply and demand, and the differences between domestic and foreign trade interests can be examined more closely.8

THE FIRST PERIOD OF TRADE IN COTTAGE INDUSTRY AND FOLK ART PRODUCTS: 1876–1948

In Hungary, the first national statistical surveys on the activities of craftspeople and the cottage industry were published in the late 18th century and early 19th century, providing data at the local level (VÁLYI 1796–1799; MAGDA 1819; FÉNYES 1851). But it was only the industrial exhibitions held from the 1840s onwards that drew attention to the products of craftspeople and cottage industries (KRESZ 1968:7). By the second half of the 19th century, handicraft products had also reached foreign trade and world exhibitions (SZÉKELY 2012; GÁL 2013; FEJÓS 2019), and their growing popularity and the development of production-supply-demand were given an institutional framework by the industrial policy and trade regulation of the time. By the middle of the 19th century, the guild system had become outdated for several reasons. In 1851, a decree was issued with the intention of laying the foundation for a new industrial system. This decree provided space for liberal crafts and cottage industries, “such as: linen weaving, fashion

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6For its significance, see below the presentation of the Izabella Háziipari Egylet (Izabella Cottage Industry Association).
7For the Treaty of Trianon, see ZEIDLER 2014.
merchandising, sewing, embroidery, lacemaking, makers of blowers and cottonwool, engravers, enamellers, wax renderers, etc." (Ideiglenes utasítás 1851; Domonkos 1991:384–385), in addition to the licensed (guild) crafts. According to early definitions, the cottage industry was a non-skilled, handicraft industry that people carried out with their own tools in their homes as a secondary, supplementary activity to agricultural work.

**Legal framework for the centralization of cottage industries**

The Ministry of Industry began to regulate cottage industries in the 1870s. The wide-scale organization of cottage industries had multiple objectives: to alleviate the economic problems of certain regions by employing the poor, to prevent emigration from the country, and to preserve and develop the aesthetic and artistic values of cottage industry articles. Between 1875 and 1889, all this was intertwined with the promotion of industrial education. Social organizations, cottage industry associations, committees, and industrial workshops were formed throughout the country, their operations coordinated by the inspectors of the Ministry of Industry (Lackner 2012:74). In accordance with and because of the economic and industrial measures, the concept of cottage industry also changed and expanded: it became intertwined with education, trade protectionism, and the pursuit of creating a national style on decorated artifacts (Wessely 2012:195). As early as 1876, cottage industry production was defined as a form of enterprise in which a trading company takes over goods made according to predetermined patterns and conditions from craftsmen working in their own homes at a unit price and provides them with the raw materials or semi-finished products required to produce the goods (Csák 1928:18–19; Lackner 2012:73).9

The establishment of the new economic order also required the creation of a comprehensive trade act, which was passed in 1875. Of course, from that time on, trade in the products of cottage industries had to be coordinated according to the guidelines of the law.10

**The Handicrafts Bazaar and the Hungarian Trading Company**

The organization of the cottage industry soon made it necessary to centralize the sale of cottage industry products in order to facilitate market access and follow market demands. Founded in 1886, the Hungarian Museum of Commerce was dedicated to the promotion of industry and cottage industry. To this end, the Museum created a permanent exhibition at its Budapest site and sought to promote the sale of products by setting up premises in the countryside and abroad. The permanent exhibition also included cottage industry artifacts displayed at the national exhibition in 1885. In 1894, the Ministry of Commerce established the Handicrafts Bazaar (Háziipari Bazár) as a permanent outlet for the cottage industry, as part of the Hungarian Trade Museum (Rath 1901:3–4; Florian 1990:216; Fejős 1991:146; Iványi 2012:193). Cottage industry enterprises and merchants of cottage industry goods emerged, with the latter

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9For more on the concept of cottage industry in the period, see also Falke 1878.

10Trade Act XXXVII of 1875, https://njt.hu/jogszabaly/1875-37-00-00 (accessed October 18, 2023). This law laid down, among other things, the operation of trading companies, such as the cooperatives and joint stock companies that would become significant in terms of the cottage industry. It also served as a starting point not only for the centralized management of trade in the cottage industry, but also for the operation of commercial enterprises, entrepreneurs, and traveling salesmen that proliferated in the first half of the 20th century.
being provided public subsidies by the National Cottage Industry Commission founded in 1894 (Bellák 2006; Lackner 2012:75). In addition, cottage industry associations were established in several parts of the country to trade in cottage industry products (mainly women’s handicrafts). Meanwhile, it became necessary to survey the cottage industries, among others in preparation for the 1896 millennial exhibition. A report by Gyula Kovács on the exhibition’s cottage industry units and the country’s cottage industry in general aimed to paint a comprehensive picture (Kovács 1898).

In 1894, the government transferred part of the eastern branches of the Hungarian Trade Museum to the Hungarian Trading Company, which had been operating since 1890, and then on September 1, 1899, the entire export and cottage industry business, i.e., the consignment sales of the products of the Handicrafts Bazaar. The trade company agreed to introduce and distribute Hungarian industrial and economic products to foreign, primarily eastern, markets. It took over the representations and showrooms established by the Minister of Commerce. It employed traveling salesmen who visited rural merchants and larger trading houses with the samples. If certain goods were not competitive, the reason for this had to be communicated by the trade company to the parties concerned. The Hungarian Trading Company consigned the stock of the Handicrafts Bazaar, placed the goods with merchants in Budapest and several spots throughout the country, as well as in spas in Hungary and abroad, and called the attention of the local public to it “through the use of advertising tools.” The turnover of cottage industry articles had to be reported to the Minister of Commerce by industry, on a semi-annual basis. The trading company was also tasked with boosting exports of industrial products. For years, sales of cottage industry products have been difficult, amounting to a maximum of 50–60,000 Krone per year. By 1906, this turnover had reached 220–250,000 Krone per year (Gellérs 1906:600). According to the 1901 report by Károly Ráth, more and more foreign trade hubs for cottage industry products were established. “Day after day we see how popular our specialties are in the West, and the fact that the cheaper artifacts sell better is perhaps rather encouraging, for it suggests that it is not only the small army of wealthy amateurs who have taken a liking to the products of Hungarian popular industries, but the wider public in the West, whose tastes are less variable and whose consumption power will not soon be exhausted” (Ráth 1901:4). Until 1901, the

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11 One of the most significant of these was the Izabella Cottage Industry Association, founded in Bratislava in 1894 under the patronage of Princess Isabella. The association maintained textile workshops and schools in the counties of Bratislava, Nitra, and Trenčín (Flórián 1990:216; Iványi 2012:193). The Association moved its headquarters to Budapest in 1923 and operated until 1946. On the Szekler Cottage Industry Association and the Women’s Trade School in Sfântu Gheorghe: Szőcsné Gazda 2017. On the early development of the cottage industry, see also Cseh 2021:584.

12 The exhibition was part of a series of celebrations to commemorate a millennium of the Hungarian State.

13 This survey also underlines the economic necessity of embracing cottage industries, as the overpopulated denizens cannot make a living from agricultural production alone and are therefore engaged in cottage industries to a greater extent. Of the cottage industries listed, the largest ones were woodworking, weaving and embroidery, and tinsmithing. The registry provided an important overview, both regionally and by profession, of the situation at the turn of the last century. The work of Károly Ráth, a compilation of cottage industry associations, is of similar importance (Ráth 1901).


15 Károly Ráth was appointed ministerial commissioner in the export department of the trading company in 1899. In his report cited, he describes in detail the cottage industry associations and their changes going back to the 1870s.
Hungarian Trading Company managed to acquire new markets primarily in Germany\textsuperscript{16} and the United States (RÁTH 1901:14).\textsuperscript{17} In the first half of the 20th century, the Ministries of Commerce, Agriculture, and Religion and Public Education had different approaches to supporting cottage industries. The Ministry of Religion and Public Education supported artistic cottage industries that adopted a national style, the Ministry of Agriculture was concerned with the development of agricultural cottage industries (social developments, which facilitated the establishment of cooperatives), while the Ministry of Commerce favored “capitalistic” cottage industries related to manufacturing (LACKNER 2012:75–76, 78–79). The alignment of interests was also reflected in the organization of centrally managed trade.

**National Hungarian Cottage Industry Alliance**

From 1908, the National Hungarian Cottage Industry Alliance took over the centrally managed commercial activity under the chairmanship of Countess Ilona Andrássy, wife of Count Lajos Batthyány,\textsuperscript{18} and co-chaired by József Szterényi.\textsuperscript{19} The Alliance, according to its statutes, operated as an association with the aim of “promoting the development and competitiveness of Hungarian cottage industry as folk art in all directions, while preserving its original character as much as possible.”\textsuperscript{20} Their plans included organizing courses, setting up workshops, issuing samples and pattern books, ensuring the centralized procurement of raw materials and the regular production of cottage industry goods. Their mission was organizing permanent and traveling exhibitions to ensure the sale of the products, setting up a retail space, establishing connections with trading houses in Hungary and abroad, as well as cooperating with kindred associations in Hungary.\textsuperscript{21} In addition to its social importance, the development of the cottage industry was made a national goal, for which the Minister of Commerce gave a subsidy of 200,000 Krone and promised further financial assistance. According to József Szterényi’s speech at the inaugural meeting, cottage industry endeavors that started in the 1840s were being continued with new tools; he stressed the nation-building nature of the cottage industry movement, with a potential to boost advanced yet under-utilized cottage industries such as basket weaving. In his speech, Szterényi said that in the interest of centralization, the Alliance would...
establish representations in Budapest and in major rural towns. It is clear from the statutes that the new institution essentially intended to consolidate the country’s cottage industry associations and standing committees already in operation or to be formed later; while maintaining the autonomy of these associations, it wanted to aid – and to some extent guide – their work. In order to promote common goals, rural cottage industry associations had to contribute 25% of their membership fees to the center, i.e., the National Hungarian Cottage Industry Alliance. The regional “divisions” could set their own agenda and elect their own officers, but all this, as well as decision-making on more important matters, required the approval of the board of directors.

The Alliance consisted of the following departments when it was founded: Spinning and weaving, Embroidery, and Lace. In 1909, the Minister of Agriculture, Ignác Darányi, approved an annual state subsidy of 20,000 Krone to the Association, with the intention of supporting the employment of agricultural workers in cottage industries. In preparation for the work, the Ministry of Commerce sent a letter to the deputy lieutenants (vicecomes) of the counties to provide statistical data on the county’s cottage industries: what cottage industry products were being produced, how many people were being employed, how successful the sale of cottage industry products was. In addition, the Minister of Commerce also requested a list of the enterprises and associations involved in promoting cottage industries. Döme Koperly, Deputy Director of the Hungarian Trading Company and Vice-President of the cottage industry department of the Hungarian Association of Applied Arts, accepted the position of Executive Director of the Alliance. The patron of the National Hungarian Cottage Industry Alliance was Princess Isabella, a long-time supporter of cottage industry, who set the successes of the Izabella Cottage Industry Association as an example for the movement. According to the “business policy” of the time, the prerequisites for boosting the cottage industry were regularity, marketability, and the preservation of the national character in the artistic cottage industry. “Only then does it have a raison d’être. Not only because of its intrinsic folk art value and the nobility of its motifs, but also because it can only be competitive with its national specialty in the large industry competition.” They also saw the need to support cottage industries that required mass production. One of the main goals was to keep the workforce at home so that the cottage


23Az Országos Magyar Háziipari Szövetség alapszabályai [Statutes of the National Hungarian Cottage Industry Alliance]. Budapest. 1912. 10–12.


industry could at once become “national work.”” The Alliance was responsible for the marketing of cottage industry artifacts of applied arts schools (being under the authority of the Ministry of Religion and Public Education), the products of cooperatives (maintained by the Ministry of Agriculture), and through the Ministry of Commerce, “products of artisanal cottage industries, embroideries, woven textiles, woodcarvings, and toys.” In January 1909, the Alliance took over the handicraft shop of the Hungarian Trading Company and rented premises in Budapest, where, according to its advertisement, it sold the following products: “Products of the Izabella Cottage Industry Association in Pozsony, silk and cotton embroideries from Kalo- taszeg, embroideries from Zsebely, Erzsébetháza, Matyó, and Maramureș. Rugs from Torontál and Maramureș. Lace products. Rustic stoneware and earthenware. Agricultural handicraft articles.” According to the statutes of the Alliance, artistic quality was ensured by the so-called Ladies’ Committee, which consisted of the female members of the Alliance. Its members and criteria are not listed in the statute.

The National Hungarian Cottage Industry Association also organized public readings on the folk art of the different regions. On April 2, 1909, the Transylvanian Cottage Industry Alliance was founded in Kolozsvár as a local affiliate of the National Hungarian Cottage Industry Alliance. The Alliance is reported to have offered rural training courses and set up new cottage industry workshops, but no precise list of these is available. The news articles in the journals provide an idea of how the Alliance’s network was being developed. In 1910, the central embroidery manufactory of the Alliance opened in Mezőkövesd, and there were also plans to


30. Among other things, the products of the cottage industry department of the Royal Hungarian School of Applied Arts established in 1907 (Halas lace, filet lace, bobbin lace, Irish lace, various techniques of embroidery and weaving) were already being sold from April 1, 1909 in the alliance’s shop in Kígyó Square (n. n.: Iparművészeti kiállítás [Exhibition of applied arts]. *Magyar Ipar* 30/14/: 332. 1909.)


34. *Az Országos Magyar Háziipari Szövetség alapszabályai* [Statutes of the National Hungarian Cottage Industry Alliance]. Budapest, 1912. 8.


36. Today Cluj-Napoca, Romania.


38. In Sopron County, for example, the National Cottage Industry Alliance commissioned the widowed Mrs. Jenő Artner with organizing cottage industries (crochet buttons and tulle embroidery). The plan was for her to train a woman from each settlement who would then teach all the others. If there was mass interest in a municipality, the national alliance would send someone to train those interested (Fertsák tb. főjegyző: 13.665/1910. számú alispáni rendelet. Az országos magyar háziipari szövetség ajánlása tárgyában [Fertsák chief registrar: Decree No. 13.665/1910. of the deputy lieutenant. On the proposal of the National Hungarian Cottage Industry Alliance]. *Sopronvármegye Hivatalos Lapja* 10/35/: 437–438. 1910). We do not have data on other courses.
establish a central manufactory for weaving. In the same year, the case of the embroidery industry of Kalotaszeg was also taken up together with the Ministry of Commerce and the Transylvanian Cottage Industry Alliance. In 1910, the Ministry of Agriculture organized cottage industry courses in 29 settlements in Bačka, also aimed at sales, and seven villages fulfilled the orders of the National Hungarian Cottage Industry Alliance. In 1910, seven new workshops were established nationwide, and in 1911, the Alliance set up a central workshop in Budapest so that they could develop commercially viable products using the folklore characteristics of the respective regions. The central manufactory was also intended to ensure the continuity of production during the summer months, i.e., when agricultural work was being carried out. The separation of economic and artistic management in cottage industry manufactories became more pronounced in 1910. At that time, the cottage industry department of the National Royal Hungarian School of Applied Arts was transformed: it continued to oversee artistic management and education at its 16 cottage industry manufactories, while the business side was henceforth handled by the National Hungarian Cottage Industry Alliance. The school has established production manufactories in Sóvár, Diósgyőr, Kiskunhalas, and Kispest that were much more geared towards self-sustainability and less to supporting the school. As another significant achievement, press reports on the Alliance also mention the establishment of a hosiery manufactory in Remetevasgyár associated with Countess László Széchényi. In 1912, the Alliance already employed people in 59 municipalities in the country and was planning to establish additional manufactories.

The Alliance sought to organize and participate in cottage industry exhibitions. Already at the December 1908 meeting, the motion of Mór Gelléri to organize a national cottage industry exhibition was adopted (Katona 1909:49). In August 1909, the Wertheim department store in

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39n. n.: Az Országos Magyar Háziipari Szövetség [The national Hungarian Cottage Industry Alliance]. Budapesti Hírlap 30(227):17. 1910. The material folk art – folk costume, embroidery, and furniture painting – of Mezőkövesd (a village in northeastern Hungary) and Kalotaszeg (a region in Transylvania) developed rapidly from the late 19th century and became internationally renowned thanks to, among other things, developments in the cottage industry (Fügedi 2000; Balogh – Fülemile 2023).

40Southeastern Hungary, the former county of Bács-Bodrog. Today, most of it is in Serbia.


43Today Tótsóvár (Solivar), Slovakia.


Berlin organized an international cottage industry exhibition, where the Hungarian cottage industry was also represented. Likewise at the Hohenzollern Haus exhibition in Berlin in the autumn, where Hungarian cottage industry products were featured exclusively. The material for both exhibitions was provided by the National Hungarian Cottage Industry Alliance.  

On April 29, 1911, the Turin (Torino) International Exhibition opened. According to a March newspaper article announcing the event, the cottage industry artifacts were provided by the National Hungarian Cottage Industry Alliance. “The cottage industry exhibition will consist of two sections: a panopticon, which will demonstrate through a scene on the shores of Lake Balaton how handicraft embroideries look on elegant outfits, and a bazaar-like section where the exhibited artifacts will be sold. They mainly exhibit the works of the Izabella Cottage Industry Association from Pozsony, as well as Matyó and Somogy embroideries, Székely embroideries, etc. Royal Princess Isabella shows great interest in the exhibition and brings her rare expertise to the selection of the material.”  

In 1912, department store exhibitions were held in Paris and Leipzig. 

The Alliance also sought to find new foreign markets for its products in other ways. On a study trip to Germany, Switzerland, Belgium, the Netherlands, and Great Britain in 1910, Secretary Hugó Palotai observed that in Switzerland and among German customers, embroideries from Kalotaszeg and “other Hungarian motifs” found popularity. In 1911, a resolution was made that the Alliance would open stores in Paris and Carlsbad to sell cottage industry goods, and to employ several traveling salesmen, one of whom would be sent to the USA. In 1912, the Alliance terminated its contract with the Izabella Cottage Industry Association in favor of free competition. Thus, the Izabella Cottage Industry Association could trade independently in products made in its manufactories, and under the terms of the agreement, the Alliance could also seek further contacts in areas that had hitherto been in the exclusive competence of the Association. The Director of the Alliance did not see the increase in free competition as a positive development as it lowered the price of the products, which was not favorable to the producers who were already in a difficult economic situation (KOPERLY 1912). In 1912, the Alliance continued to expand its network of traveling salespeople as well.


The Association’s business reports show a steady increase in turnover. In 1913, there were discussions about a national exhibition planned for 1916, which was then thwarted by World War I. During the war, the Alliance engaged in manufacturing military undergarments and clothing, thus ensuring that their turnover increased.

The Alliance continued its activities even after the war. In 1924, together with the Izabella Cottage Industry Association, Our Shop, and the Spindle and Spinning Wheel (Orsó és Rokka) Cottage Industry Cooperative, they exhibited cottage industry products at the exhibition of the Society of Applied Arts in the Múcsarnok (Kunsthalle) and in 1926 at the World’s Fair in Philadelphia.

In the meantime, the social composition of those engaged in cottage industries also changed, since after World War I not only the farming population but also the impoverished members of the middle class – mostly women – found a living in the cottage industry.

The Cooperative of the National Hungarian Cottage Industry Alliance

The National Hungarian Cottage Industry Alliance was created with the aim of centralizing the trade of cottage industry and folk art products. But due to the increasing number of cottage industry associations and enterprises, the centralization couldn’t be achieved (see, e.g., Szöcsné GáZDA 2014). In 1926, the National Hungarian Cottage Industry Alliance was transformed into a cooperative (Cooperative of the National Hungarian Cottage Industry Alliance) as a
Three years later, the president of the Cooperative, József Szterényi calls for the establishment of cottage industry trade cooperatives in Hungary – already operating effectively abroad – even though their great disadvantage is that trade turns artistic cottage industries into a commodity. “More recently, some states have been protecting themselves from this by introducing export brands, that is, putting their products under state control” (Szterényi 1929:710). Szterényi cites several foreign and Hungarian examples of the putting-out system, i.e., of home-based work for large-scale industrial enterprises (Szterényi 1929:711).

The global economic crisis reduced the opportunities for cottage industry sales, and although the state treasury also subsidized the Cooperative, it eventually became unprofitable. In 1932, Minister of Commerce Tihamér Fabinyi liquidated the National Hungarian Cottage Industry Alliance and its Cooperative, and entrusted the National Hungarian Society of Applied Arts with regenerating the cottage industry.

National Hungarian Society of Applied Arts

The Society complemented the work of the Cottage Industry Inspectorates established by the Ministry of Agriculture in 1920. From 1920 onwards, the country’s seven regional inspectorates were responsible for the procurement of raw materials, training, and the domestic distribution of the finished products. The inspectorates were responsible for agricultural cottage industry production, their task was the provision of necessary training and raw materials. The inspectorates did not place special emphasis on the marketing of “artistic” cottage industry products.

66Országos Magyar Háziipari Szövetség [National Hungarian Cottage Industry Alliance]. Központi Értesítő 52(2):25. 1927. The cooperative store: Budapest, dist. IV. Apponyi pl. 1. The members of the Board are: Vice-President Dr. Dzső Horánszky, Dr. János Szúry, President Baron József Szterényi, Kálmán Györgyi, and Samu Fábry. Company managers: Ferenc Exler and Teréz Kovács (Országos magyar háziipari szövetség szövetkezete [Cooperative of the National Hungarian Cottage Industry Alliance]. Központi Értesítő 52/10/:219. 1927). According to the contemporary definition, a cooperative is “a commercial association with an unspecified number of members, formed for the purpose of promoting the credit, earnings, or economic activities of its members by means of joint business or based on the principle of mutuality (Act XXXVII of 1875 §223.) […] [The cooperative] seeks not to accumulate capital for profit, but to promote the welfare of its members; it does not engage in merchant speculation but in supporting the financial interests of the members” (n.n.: Szövetkezet [Cooperative]. In: n. ed. Révai nagy lexikona 17. 1925. Budapest: Révai Testvérek Irodalmi Intézet Részvénytársaság 736–738. cited: 736–737).

67“Japan was the first country to use this method in this context, and it saved the reputation of its cottage industry. Another method is used in the organization, (…) retaining the organizations’ private enterprise nature but the state subsidizing them from public resources.” (Szterényi 1929:710)

68See also: Schloss 1889.

69n. n.: Közel egymillió pengős állami veszteséggel felszámoltatják az Országos Háziipari Szövetség szövetkezetét [The cooperative of the National Cottage Industry Alliance is being liquidated with a national loss of nearly one million pengő]. Az Est 23(214):7. 1932; n. n.: A túl nagy rezi következtében az államnak közel egymillió pengőjébe került a háziipari szövetkezet [Due to excessive overhead costs, the cottage industry cooperative cost the state nearly one million pengő]. Magyar Hírlap 42(215):6. 1932; Országos Magyar Háziipari Szövetség Szövetkezete [Cooperative of the National Hungarian Cottage Industry Alliance]. Központi Értesítő 58(44):697. 1933.

70Háziipari kerületi felügyelőségek szervezetének ideiglenes szabályzata [Provisional regulations for the organization of district-level cottage industry inspectorates]. Fővárosi Közlöny 31(10):216–219. 1920. In 1935, there were nine (Háziipari felügyelőségek beosztása [Schedule of cottage industry inspectorates]. Közgazdasági Értesítő 30/29/:7. 1935.), in 1936, there were ten cottage industry inspectorates (Benkő 1936:10–12).
In 1930, the government assigned the cottage industry activities, that had been managed by several ministries, to the Ministry of Commerce, thus attempting to centralize the cottage industry more effectively than before, to bring production and sales under one roof, and to clarify the legal status of the cottage industry (Kruchina 1935:9). As an official body, the cottage industry inspectorates maintained the autonomy of the producers: they did not control production or sales, “because this would be state intervention that would imply assuming far-reaching financial and moral responsibility.” That is why in 1932 the National Hungarian Society of Applied Arts, independent of state bodies, was entrusted with the management of producers, with the intention to also govern the artistic cottage industries (Kruchina 1935:12–13), since the Society had already done much to promote cottage industry and folk art products abroad in prior years. From 1935, the cottage industry inspectorates continued working within the department of small industry and cottage industry of the newly established Hungarian Royal Ministry of Industry, still cooperating with the National Hungarian Society of Applied Arts.

According to its program, the Society provided free storage space, tried to supply the cottage industry with domestic raw materials, and, if this was not possible, to facilitate the import of raw materials from abroad. It also assisted procurement by distributing price lists. In order to monitor the quality and authenticity of cottage industry products, the Society proposed the establishment of a cottage industry department. For this purpose, it also provided a showroom; the long-term goal was “to generate new artistic concepts, based on ancient Hungarian forms… designed to meet modern-day needs, and to find suitable applications for them in the cottage industry.” In order to boost the trade of cottage industry products, the Society proposed establishing cooperation with existing merchants (Szablya 1933:90, 105–106). The Budapest Chamber of Commerce and Industry promised to automatically forward to the Society all foreign inquiries that were of interest to cottage industries, and to send notice of such to cottage workers. The Society was obligated to provide a quarterly report of its performance, which was also published in the journal Magyar Iparművészet [Hungarian Applied Arts]. The reports track export performance and changes in foreign interest in cottage industry and applied arts.
products, as well as the popularity of products in each country. Nevertheless, it is not possible to separate with absolute certainty the data on folk art items from applied arts items, since the reports are on “cottage industry and applied arts exports.” The reports also include export data of companies exporting within the framework of the association and outside its purview. The biggest propaganda for ‘handicraft’ and applied arts products was often large-scale international exhibitions and fairs in department stores and other venues abroad. The reports provide evidence of planned and actual participation, and of any failure to do so. Further propaganda was provided by product catalogs sent to foreign partners. From 1936 to 1939, the Society ran a free publication called Háziipari Értesítő [Cottage Industry Bulletin], which also published statistics on the distribution of cottage industry exports by country. The publication was distributed to certified cottage industries.

The branding of cottage industry articles for export was already a task undertaken by the Society in 1933 (Szablya 1933:106), and negotiations about this were ongoing. The need for branding arose because mass-produced, poor-quality products made from cheap materials were flooding foreign markets as folk art, depressing the wages of cottage workers. Despite this, branding still only figured in export news in 1939 as an objective.

As revealed in the statement of János Szablya, the director of the National Hungarian Society of Applied Arts, the Society was also supposed to carry out some form of price and quality control of cottage industry export products, but we do not have any details on how this was done. The list of certified cottage workers was compiled by the general inspectorates of cottage industry: “today, only those with positive results in both inspections can be certified as cottage workers. We also plan to implement the strictest quality control measures.”

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76 For the reports between 1933 and 1936, see the Society Notices section of the journal Magyar Iparművészeti [Hungarian Applied Arts]. Between 1937 and 1938, the quarterly reports of the National Hungarian Society of Applied Arts had its own section in the journal. A detailed analysis of all this data is beyond the scope of this study and can be supplemented with the archival records of the National Society of Applied Arts. MNL OL Z 1349. R-II.-412. On exhibitions organized with the participation of the society, see also, e.g., 1936: Tokyo (n. n.: Magyar iparművészeti és háziipari kiállítás Tokióban [Hungarian applied arts and cottage industry exhibition in Tokyo]. Magyar Iparművészeti 39:160–165. 1936), 1935–1937: Vienna, Riga, Helsinki, Amsterdam, Oslo (n. n.: Szablya János nyilatkozik a magyar háziipar helyzetéről és problémáiról [János Szablya speaks about the state and issues of the Hungarian cottage industry]. Magyar Közgazdaság 7/13/12. 1937), 1938: Berlin (Szabadkay 1938), 1939: London (Lord Rothermere levele [Letter of Lord Rothermere]. Pesti Hírlap 61/129/7. 1939).

77 They also informed enterprises of foreign authorities’ measures that were of interest to the cottage industry, published enquiries from foreign merchants looking for business contacts, and the addresses of jobseekers. The whereabouts of this publication, a source value for our topic, is hitherto unknown (Háziipar [Cottage industry]. A M. Kir. Kormány 1936. évi működéséről és az ország közállapotáról szóló jelentés és statisztikai évkönyv.). A minisztériumok működése. 1936 [Report on the operation of the Royal Hungarian Government and on the state of the country and Statistical Yearbook. A) Operation of the ministries. 1936]. Budapest: Athenaeum. 73. 1938; n. n.: Országos Magyar Ipművészeti Társulat. A választmány jelentése az 1938. évi működéséről [National Hungarian Society of Applied Arts. Annual board report on operations 1938]. Magyar Ipművészeti 42.I–XII. 1939/cited: VII/).


79 n. n.: Háziipari exporthírek [Cottage industry export news]. Magyar Ipművészeti 42:47. 1939.

80 n. n.: Szablya János nyilatkozik a magyar háziipar helyzetéről és problémáiról [János Szablya speaks about the state and issues of the Hungarian cottage industry]. Magyar Közgazdaság 7(13):12. 1937.
While the Society of Applied Arts reported a steady increase in exports of cottage industry products, merchants were dissatisfied with the Society’s failure to regulate free competition, which in turn drove down the prices of their export goods. “The big exporters have clashed, and exports are in danger of shrinking. This year, we have already exported nearly ten million pengő worth of articles, embroideries, blouses, lace, etc., mainly to England and South America. The competition between Domus and Fonal és Hímzőipar has escalated to the point that most exporters have stopped doing business in England, because they have been dumping the prices of Hungarian folk art goods for months – in London! … it turned out that some goods were being sold well below the set prices, and they were also circumventing the minimum wages… they were making blouses and other Hungarian goods from cheap materials.” According to the author, who put the interests of merchants first, the National Society of Applied Arts should have solved the problem, but it failed due to personal reasons and individual interests. In his opinion, the Society deliberately tried to deepen the chaos in the cottage industry “to implement a system of monopoly in cottage industry exports as well (…) We expect the government not to endorse a system of monopoly in cottage industry production and exports.”

Hungarian Cottage Industry Union/National Hungarian Cottage Industry Cooperative

The Foreign Trade Office justified the establishment of the Hungarian Cottage Industry Union in 1939 by arguing that exports should be brought under one roof because the unrealistic price competition of trading companies was driving prices too low. While previously those on the list of certified cottage workers could export cottage industry products abroad, after July 1, 1939, only the Hungarian Cottage Industry Union could issue export licenses to certified cottage workers, which in turn ensured them export preferences. Cooperatives, associations, trading companies, and private merchants were represented at the Union’s inaugural meeting. However, no private individuals were appointed to the management committee of the union, only representatives of companies, and the business shares were soon concentrated in the hands of

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81 A Domus Háziipari és Iparművészeti Kft. (Domus Home Industry and Applied Arts Ltd.) and Fonal és Hímzőipar Rt. (Yarn and Embroidery Industry Ltd.) were companies selling cottage industry and folk art handicrafts.


83 Name variant: Háziipari Kiviteli Egyesülés [Cottage Industry Export Union]. Address: Budapest, Széchenyi u. 1.

84 Critics of the decision argued that state intervention is damaging the saleability of cottage industry products abroad. This is confirmed by the report of the National Hungarian Society of Applied Arts, which states that “in connection with the collapse of the National Hungarian Cottage Industry Alliance, the cottage industry goods accumulated in the most important markets, England and Germany, were sold at liquidation prices, and the sales opportunities of all cottage industry companies were reduced to a minimum, which had a disastrous effect on the business of the companies as well as on cottage industry production.” (n.n.: Elnököt választott a Háziipari Egyesülés. Miért esett vissza a háziipari kivitel? [The Cottage Industry Union elected a president. Why have cottage industry exports declined?] Az Ujság 15/1990/13).

85 Mindenki lehet háziiparos [Everyone can be a cottage worker]. Az Ujság 15(162):6. 1939.

86 MNL OL Z 1462. item 1. Minutes of general meetings, 1939.

87 MNL OL Z 1462. item 1. Minutes, May 11, 1939.
the larger companies. The classification of applied arts and cottage industry became legally separated in 1939, on the initiative of the National Hungarian Society of Applied Arts. The Union, in cooperation with the Hungarian National Center for Cottage Industry, also established in 1939, compiled the list of articles classified as cottage industry.

As early as 1939, the need arose for the Union to become a legal entity in order to be able to purchase raw materials, grant loans, provide customs bonds, and handle other economic matters. Therefore, from 1940, the organization continued work as the National Hungarian Cottage Industry Cooperative. The goal of the Cooperative was to purchase raw materials, establish and maintain cooperative warehouses, and organize involvement in transportation services. Pursuant to its statutes, as in the above, only entrepreneurs registered as certified cottage workers could be admitted as members, and only members of the Cooperative were allowed to engage in export activities. According to available records, the Cooperative was in operation until 1948.

**Hungarian National Center for Cottage Industry.** In 1939, the Hungarian National Center for Cottage Industry was established to organize cottage industry production and domestic sales. The center took over much of the work done by the cottage industry department of the Ministry of Industry so that the ministry would “handle only the top administration.” It ran courses, organized cottage industry production, granted loans, and assisted with marketing. As mentioned above, both the Center, the Trade Association, and the National Hungarian Cottage Industry.

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88Hangya Cooperative 25%, Domus Home Industry and Applied Arts Ltd. and Hungarian Cottage Industry and Applied Arts Ltd. 25%. The remaining 50% was for members. MNL OL Z 1462. item 1. Minutes, December 19, 1939.

89MNL OL Z 1462. item 3. Minutes, July 21, 1939. Cottage industry products listed with tariffs: Ready-made dolls dressed only in cotton fabrics, except for those made of rubber or celluloid; the same dolls dressed in other materials; toys made of wood or wicker, textiles, silk, etc.; rugs made of wool yarn; lace; embroidery; sewn goods. Cottage industry articles approved for exporting by the Small Industry Export Institute: basketware made of willow; basketware made of reed and raffia; wicker furniture; hand-knit goods. The list also includes small industry products that can be exported by the Cottage Industry Export Cooperative. MNL OL Z 1462. item 3. Minutes, July 28, 1939.


91In 1941, the Minister of Industry ordered the revision of the list of certified cottage workers, “and concomitantly terminated the validity of previously issued certificates, effective December 31, 1941, and at the same time ordered the establishment of a new register. Only cottage industry entrepreneurs of Christian descent, up to and including their grandparents – as well as their spouses – may be entered in this register.” Thus, they excluded merchants of Jewish descent from the category of entrepreneurs with export rights (FEHÉR 1944:8).

92MNL OL Z 1462. item 11. Notes.


94The Ministry of Industry maintained the cottage industry inspectorates under its jurisdiction during World War II (Részletek dr. Varga József miniszternek az Iparügyi tárca költségvetésének tárgyalása során mondott beszédéből [Excerpts from the speech of Minister József Varga during the budget debate of the Department of Industry]. Közgazdasági Értesítő 37(49):1674–1679. 1942. cited: 1677). After the war, its primary task was to supply the cottage industry with raw materials, above all fiber and textile materials (A kisipar és a háziipar helyzete [The state of small industry and cottage industry]. Közgazdaság 1(7):12. 1946).

Industry Cooperative sought to separate cottage industries and applied arts. In 1943, the president of the Center, Mrs. Ferenc Keresztes Fischer, compiled a selection of the most outstanding works of the cottage industry of the time under the title *Hungarian Cottage Industry Today* (Keresztes Fischer 1943). Edit Fél praised the work, which, in her opinion, proved that the separation of *cottage industry* and *applied art* and *folk art* has been successful. “The baskets, wooden artifacts, clay and yarn works shown in the pictures are exclusively cottage industry artifacts” – that is, artifacts of the artistic cottage industry and not of folk art (Fél 1943:199). Edit Fél also cites two writings by Károly Latabár, the secretary of the Center for Cottage Industry, in which the author strove for a clear distinction between the three definitions (Latabár 1939; 1942). The Center organized presentations of product samples, including in the exhibition halls of the Society of Applied Arts. In 1940 it launched a campaign on the issue of branding as it related to tourist souvenirs, which had already been raised in the affairs of the National Hungarian Society of Applied Arts. The organization was dissolved in 1947.

The Ministry of Public Welfare and the Ministry of Industry

During World War II, the Ministry of Public Welfare was engaged in surveying cottage industry production and sales with the aim of improving living standards. Public welfare cooperatives already existed in some counties before the war, but 1941 onwards, all counties were required to set up such an apparatus. Tasks included building and organizing cottage industries: facilitating the acquisition of tools, implements, and raw materials through loans, as well as disseminating knowledge (Andrássy 1942:148–151). Where public welfare cooperatives were successful, the reorganization of the cottage industry took place rapidly after World War II, and even new manufactories were established (Flórián 1990:231). Public welfare cooperatives organized cottage industry activities under their own authority, taking into consideration the government’s economic policy objectives, i.e., that production should not jeopardize sales and that “harmful competition” between cooperatives should not develop. The legal authorities also sought to promote cottage industry production, which is why the National Inspectorate for Social Affairs established the Fund for the Protection of People and Families, and cottage industry products subsidized by them were also in need of sales opportunities. For this reason, the National Inspectorate for Social Affairs entrusted social inspector István Radnóti with the central management and monitoring of cottage industry activities launched under the Fund for the Protection of People and Families, and he had to align these activities with the work of the Ministry of Industry (Somogyi 1941:175). That is why work plans and budgets submitted by the heads of counties and towns, requesting financial support for the development of the cottage industry, had to be approved in advance by the competent inspector for cottage industry at the Ministry of Industry. In this way, the cottage industry inspectorates were still able to

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97Rovatártakor érkezett gazdasági hírek [Economic news received after closing]. Népszava 68(22):10. 1940.  
100For a list of cooperatives, see the 1941–1944 issues of Központi Értesítő (Center Bulletin). On the public welfare cooperative of Szeged, see: Kerekés 2014:458–459.
coordinate the cottage industry (Somogyi 1941:175). During this period, running cottage industry courses were also only possible with the permission of the Minister for Industry. Deputy lieutenants and mayors could request loans for any entrepreneur, association, or cooperative active in the cottage industry through the public welfare cooperatives. Cottage industry inspectors were also involved in monitoring this. Entrepreneurs of the Israelite faith were barred from receiving subsidies. “The [Social] Inspectorate is readily assisting the legal authorities and the public welfare cooperatives in establishing new business relations, in the domestic market through the representation of cottage industry interests, and in terms of exports through the Royal Hungarian Trade Office and the Hungarian Cottage Industry Export Cooperative [National Hungarian Cottage Industry Cooperative]” (Somogyi 1941:175–176). The Hungarian Center for Cottage Industry (as a social organization) assisted in the activities of public welfare cooperatives by providing guidance, experts, and facilitating domestic or foreign commercial transactions. Public welfare cooperatives had the option to organize product marketing directly, but this also required the approval of the National Inspectorate for Social Affairs: “To avoid unnecessary competition, the participation of cottage industry manufactories and public welfare cooperatives supported by the Fund for the Protection of People and Families at national exhibitions and product sample fairs shall be organized centrally in the future” (Somogyi 1941:176).101 Public welfare cooperatives ceased to exist in 1948,102 and their registers included 163 independent cottage workers at the end of 1946 (Nagy 1980:67).

By the 1940s the trade in cottage industry and folk art products had gradually become separated from production. The trade in cottage industry products was managed by a common entity in which larger companies could assert their interests, to the detriment of other participants in the commercial competition. In the first half of the 20th century, cooperatives and associations still retained their autonomy in production. From the above, it is clear that there was a need for the qualification of folk art character and artistic quality early on, but no centrally managed system was developed. The first attempts to clarify the concepts of cottage industry, folk art, and applied art were only made in the 1940s. In the years following World War II, the trade in cottage industry and folk art artifacts underwent a major organizational transformation.

THE SECOND ERA OF TRADE IN FOLK ART. TRADE IN APPLIED FOLK ART: 1948–1989

Post-World War II period of reflection

In 1947,103 the National Council of Cottage Industry was established under the supervision of the Minister of Industry, with the task of “constantly monitoring and professionally discussing

101 Fehér, Imre: A közjóléti szövetkezetek és a háziipar. Nép és Családvédelem 3(1):6–10. 1943. For a brief overview of the institutional system, see also: Florian 1990:232. The cottage industry was also embraced by farmers’ cooperatives during this period.


103 This chapter is a revised version of my paper published in Hungarian in 2023. In the Hungarian-language study, I explain the period covered here in more detail (Cseh 2023).
issues affecting the cottage industry and expressing and making suggestions to the respective ministers.” The members of the Council were drawn from organizations responsible for cottage industry, tourism, and commerce, as well as from the National Society of Applied Arts and the National Academy of Applied Arts.104 However, the Council was abolished just one year later, in 1948.105

In 1948, it was replaced by the National Cottage Industry Corporation (HART), which was responsible for managing the domestic and foreign sales of cottage industry products, “organizing and managing production according to market requirements,” distributing raw materials, and acting as a link between administrative and supervisory bodies. HART also had at its disposal the assets of liquidated public welfare cooperatives (LÖSONCZY 1948). The Corporation sought to employ the population in cottage industry production through agricultural cooperatives, adapting to the work schedule of agricultural works. To this end, cottage industry managers were trained.106 The organization wanted to boost the internal market by producing simpler, cheaper goods and developing folk art. At that time, the private sectors could only export through the Corporation.107

In 1950, cottage industry cooperatives belonged to the Alliance of Small Industry Cooperatives (KISZÖV) and were listed among mixed industry cooperatives. In 1953, the National Small Industry Cooperative (OKISZ) was established, and within it the National Alliance of Cottage Industry Cooperatives (HISZÖV). The cottage industry cooperatives left KISZÖV and came under the economic management of HISZÖV. In the same year, the Council of Applied Folk Arts (NIT) was established as the folk art department of HISZÖV, which was specifically responsible for the training and artistic management of the designers of cooperatives producing folk art products (LENGYEL 1991:57–59; SZABO 2013b:10; CSEH 2021:588). In 1951, the Institute of Folk Art (later called Institute of Popular Culture) was established to provide professional support for mass culture, to help amateur practitioners of various folk arts develop their skills, and also for the Department of Folk Art of the Institute to monitor and assist the professional activities of cottage industry cooperatives engaged in decorative arts (SANDOR 2021:344–346). Thus, as part of the professional supervision, the Institute of Folk Art provided committee members for juries under the scope of NIT. To clarify the ideology of the joint work and to develop a new approach to folk art (KRESZ 1952), the Hungarian Ethnographic Society and the Institute of Folk Art organized a joint conference in Győr (November 6–8, 1952), where the concept of applied folk artist was also discussed. In short, the economic authority of cooperatives engaged in folk arts was HISZÖV, and the professional authority was NIT, which operated under the professional management of the Institute of Folk Art.

The designers and creators of artifacts of folk art were differentiated from the category of cottage workers, which provided the basis for the creation of the title of Applied Folk Artist in


1954 (Marót 1981:68). From 1950, for about thirty years, the domestic trade in folk art products was handled by the Cooperative Enterprise for Folk Art and Handicraft and the cooperatives’ showroom in Budapest, while foreign trade was handled by export companies.

**Cooperative Enterprise for Folk Art and Handicraft.** In 1950, the National Economic Council established the Cooperative Enterprise for Folk Art and Handicraft. To this end, the National Cottage Industry Corporation was reorganized by the Ministry of Domestic Trade.

“The mission of the company is: a) the production and collection of folk art and cottage industry articles, mainly by farmers’ cooperatives and producer cooperatives, b) the marketing of folk art and cottage industry products to national export companies, national resale companies, and direct consumers (via the representative stores of the Cooperative Enterprise), — c) the procurement, storage, and distribution of raw materials for the production of folk art and cottage industry articles, — d) the organization of folk art and cottage industry training courses within the framework of farmers’ cooperatives and producer cooperatives, under the specialized supervision of the Ministry of Popular Culture. (…) The competent minister for the company is the Minister of Domestic Trade. The company’s operations are managed by the Minister of Popular Culture in terms of folk art policy.”

At the time, then, in addition to the cottage industry, the issue of folk art was already recognized at the institutional level. In 1951, a decree was also issued on the branding of folk art goods: “In the matter of designating a product as a work of folk art, decisions are made exclusively by a six-member committee of the folk art department within the Cooperative Enterprise for Folk Art and Handicraft (hereinafter: Enterprise). The chairman of the committee is a delegate of the Institute of Folk Art; its members are: three delegates from the Museum of Ethnography, one delegate each from the Enterprise and the National Center for Museums and Monuments [MMOK]. (…) [T]he folk art department of the Enterprise must keep a record of the protected works.”

Pursuant to the decree, only branded goods could be marketed. The brand was only used for a short period of time, for in 1953 the task of quality assessment was transferred from the Enterprise to the jury of the Council of Applied Folk Arts, and authentication was indicated by a jury number. The Enterprise opened its Budapest showroom in 1951. In 1953, under the wings of the Cooperative Enterprise for Folk Art and Handicraft, five shops were established in
Budapest and 13 in the countryside, as well as seasonal pavilions at Lake Balaton. In 1961, there were 57 permanent shops and 18 seasonal pavilions operating for six months in a year in different parts of the country. In 1975, there were 17 shops in Budapest, 43 in the countryside, and 15 in the resorts (Kuczka 1975:20; see also: Ament-Kovács 2019:21). The Council of Applied Folk Arts ensured the artistic quality of the goods. By 1975, the Enterprise achieved resounding success, but in the early 1980s its profitability declined, the reason for which, according to the chairman of the Enterprise, was that the shops that were leased or contracted out, also bearing the Company’s name and logo, “were far below the standard of traditional folk art shops, both in terms of their range and their sales culture.” Therefore, no more shops were leased from mid-1985. In 1984, four new shops were opened in the country, and in 1985, the folk art studio was opened in Budapest in the Company’s department store, where naive art, unique applied folk arts, and amateur works were sold, and temporary showrooms were set up for the applied folk artists. The latter had a significant appeal to the public (Schneider 1985).

In 1986 the Budapest store was expanded and converted into the Folkart Centrum, a sales area three times larger, with a very high turnover. “The old Váci [Street store] also had a very high turnover. In fact, this business has always kept the company going. [In the new store] we had at least 10–12 cases of pots (...) three or four these big cases of woven tablecloths every morning. So that’s how much we had to replace every day.” (Ágnes Halasné Törők/b. 1952/, Diósd, October 25, 2022). Thanks to the self-service shopping area, the shop was able to meet many more needs.

The Enterprise had a foreign trade license since 1983, and the Folk-Art Export Bureau started its operations in 1984. Its business policy was based on three pillars: large-volume capital shipment; prompt handling of small transactions; participation in foreign exhibitions with on-site sales. In 1991, the Cooperative Enterprise for Folk Art and Handicraft was transformed into a stock corporation under the name Folkart Trading Co. The shares were distributed to the small industry cooperatives, from which they were bought by the Futureal group in 1999. Thus, the Enterprise’s activities and its network of folk art shops ceased (Iványi 2012:197).

The Showroom of the Association of Folk Art Cooperatives in Budapest

The cooperatives also operated their own stores in some settlements. Besides, a cooperative store opened in Budapest in 1961 as a showroom for HISZÖV (Szabadi 1961). After the dissolution of HISZÖV, this shop was owned by several cooperatives and run as the Showroom of the Association of Folk Art Cooperatives in Budapest (Báder 1985:90), and then purchased and leased by the Heves Folk Art and Cottage Industry Cooperative in 2002. Today, it operates as Folkart kézművesház (Folk Art Shop).

113Gyulavári, Ágnes (b. 1956), employee of the Cooperative-Entreprise for Folk-Art and Handicraft. Diósd, February 9, 2023. (All interviews cited in the paper were conducted by the author).
114Gyulavári, Ágnes (b. 1956), employee of the Cooperative-Entreprise for Folk-Art and Handicraft. Diósd, February 9, 2023. (All interviews cited in the paper were conducted by the author).
115The Showroom was opened next to the aforementioned store of the Folk Art Company on Váci Street (Régiposta Street), i.e., also a neighborhood frequented by tourists.
Export companies

The Artex Hungarian Trading Company was established in 1949 from the export department of the National Cottage Industry Company and the export department of OKISZ. It was responsible for the export and foreign sales of cottage industry and handicraft products, as well as works of art, antiques, and consumer goods made of precious metals, as well as the import of similar articles. From 1951, it was registered as Artex Foreign Trade Company. The company ceased operations in 1986.

In 1946, the Hungarotex Textile Foreign Trade Company was born from the Foreign Trade Company. In 1956, the MODEX Foreign Trading Company for Wearing Apparel was formed from Hungarotex’s Piece Goods Department, and the Importex Textile Import Company de-merged from it. In 1965, the three companies merged once again as Hungarotex Export Company.

The Cottage Industry Export Cooperative was established in 1952 with the aim of consolidating the work of its associated cooperatives and exporting their products in cooperation with Hungarotex and later the Hungarocoop foreign trade companies. The cooperative initially produced embroidered children’s clothes and women’s blouses exclusively for export. In 1968, the Cottage Industry Export Cooperative had more than 900 members and 14 rural factories, and they signed partnership agreements with 27 cooperatives. In the same year, the store of the Cottage Industry Export Cooperative was opened in Budapest on Október 6 Street, and henceforth they handled not just exports but also domestic trade.

According to a report published in 1962, the range of cottage industry products intended for export gradually expanded. In 1952, domestic cooperatives mainly produced Matyó blouses, tapestries, woolen knitwear, basketry and wickerwork, small batches of Torontal rugs and handwoven scarves for foreign markets. In 1953, the range was expanded with hand-embroidered children’s clothing, modern, embroidered blouses, and hand-dyed silk scarves. Thanks to the new cooperatives that joined in 1954, fabric dolls, ceramics, needlework, various types of lace and embroidery were added to the list of products that could be exported. From 1956 onwards, in addition to Torontal rugs, the demand for Persian rugs also soared, and several cooperatives joined the production of these rugs. Exports of cottage industry products came under the business scope of Artex and Modex foreign trade companies. In 1958, there was another reorganization of exports. The Cottage Industry Department was created at Modex for the foreign trade of folk art products, and Artisania at Artex for the trade of carvings and other
folk art products. From 1959, exports of children’s undergarments and machine-embroidered girls’ clothes also commenced. From 1960 onwards, the FÔNIX Cottage Industry Cooperative – like the Cottage Industry Export Cooperative – managed the export production of 18 cooperatives as the general contractor.122

In 1968, the new economic mechanism123 also brought changes in exports. The sale of cottage industry and folk art products on foreign markets was previously handled by Artex, Modex, and Hungarotex foreign trade companies. SZÖVOSZ (National Association of Cooperatives) and OKISZ established a new export company, the Hungarocoop Hungarian Cooperative Foreign Trade Company (GALAMBOS 2018:21, 31, 38–43). The export of cottage industry and folk art articles was also transferred to their responsibility. Hungarocoop was only tasked with the foreign sale of cooperatives’ products and goods – not wage labor. Artex and Hungarotex continued to trade in the goods of the cooperatives, including folk art products, but these were still not the main profile of these companies. The goal of establishing the new company was to ensure greater autonomy in conducting business and to coordinate economic decisions directly with the cooperatives (including the ability to adapt prices and products to customer needs). The development of the domestic product range and the modernization and expansion of the network of stores was also in their plans (MOLNÁR 1968:10).124 When Hungarocoop took over, noteworthy folk art exports had been directed to Switzerland (homespun textiles, embroidered blouses, and Matyó women’s blouses), and there had been a similar relationship with the Netherlands (Kalocsa and Matyó embroidered products, woven textiles from Heves). In 1969, salespeople traveled to the following countries: Netherlands, Belgium, Switzerland, Denmark, Japan, France, West Germany, Austria. In 1968, Hungarocoop exported HUF 41 million worth of folk art items, entirely to Western Europe. In 1975, sales rose to HUF 135 million (GALAMBOS 2018:74), but this presumably included trade relations outside Western Europe.

In 1975, out of 72 cottage industry and folk art cooperatives, 35 cooperatives were engaged in producing folk art goods, of which about 18 were mainly engaged in decorative folk arts. The value of the produced (juried) folk art products was more than HUF 400 million (NAGY 1977:234). In 1977, there were 71 folk arts and cottage industry cooperatives, 28 of them produced mainly folk art products, the annual value of which exceeded HUF 3 billion. Of this, HUF 600 million were juried products (NAGY 1980:86; see also: AMENT-KOVÁCS 2019:21–22).125

In the mid-1970s, Chinese products embroidered with Hungarian motifs appeared on the world market – a significant competition for Hungarian exports. An agreement between the member states of the European Economic Community signed in 1977–1978 restricted the sale of handicraft products, but artifacts of a folk art character were not subject to quotas. What


123 The reform of economic governance in socialist Hungary was introduced in 1968. This meant that companies had more autonomy from centralized management, prices were liberalized, and companies had a greater say in the regulation of wages.


qualified as a folk art product had to be determined by a body designated for this purpose, i.e., the artifact had to be juried in the issuing country. In Hungary, this task was performed by NIT, but the decision criteria of the jury and the guidelines for Hungarian applied folk arts were only recognized by European Economic Community partners in January 1980. Still, the convention may have curbed somewhat the dumping of Chinese mass-produced merchandise considered inauthentic or fake in terms of folk art (Hortay 1980; Galambos 2018:75).

The sales indicators in Hungary and abroad showed a downward trend year on year. The profitability of the cooperatives also declined in the early 1980s. In 1980, folk art and cottage industry production amounted to HUF 5.4 billion, of which HUF 600,000 came from the sale of juried folk art products. From 1981, production costs gradually increased (Lendvai 1985:80–81; Ament-Kovács 2019:23).

The applied folk arts and cottage industry cooperatives were able to incorporate the increased costs (energy and other costs, as well as labor costs) into their domestic sales prices, but they were unable to increase prices for dollar-based exports (Tóth 1985:94). The cooperatives found opportunities to survive and advance through technological modernization and wage labor (Báder 1985:87; Fügedi 2006). The applied artists employed in the cooperatives played an extremely important role in the professional design and development of the products.

In the meantime, there were changes in the institutional system and the financing of cottage industry cooperatives and applied folk arts. OKISZ dissolved HISZÖV in 1981 and the cooperatives were assigned to the county small industry associations. In 1982, the governance of NIT was assumed by the Ministry of Culture and OKISZ. The powers of NIT have been extended to include the copyright protection of artifacts of folk art, as well as “the jurying of all applied folk art products sold domestically” (Nagy 1983:27). OKISZ was able to fund the operation of NIT until 1990. Its functions have been carried out by the Institute of Hungarian Popular Culture, established in 1992, and later its successor, the Hungarian Heritage House (Tóth 2000:50–52; Sándor 2021:346, 348).

Market conditions changed after the regime change. In 1991, the Comecon was dissolved by the member states, and the Soviet market, which had previously sustained several of the cooperatives through standing orders of ready-made goods, disappeared. The Folk Art

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126For example, copies of embroidered products made by the cottage industries of Mezőkövesd, one of the most representative Hungarian regions in terms of folk art, can be considered fakes.


128For the functions of the Hungarian Heritage House, see: Sándor 2021.


130This was suddenly a major problem because it used to be possible to produce large quantities of products for the Soviet market very quickly, albeit in inferior quality. Many embroidered blouses and children’s clothes had been made for the Soviet Union in Karcag, for example. According to the former labor coordinator of the cottage industry cooperative, this had been an ideal market because Soviet buyers had not done quality control: “we could send them poorer quality stuff. The Westerners and the Americans, they demanded precision!” Nagy Jánosné Bele Róza (b. 1934), Karcag, October 25, 2022.
Company had to break off business relationships with several cooperatives. This led to a decline in the trade in folk art and cottage industry products and, at the same time, the emergence of new trade and cultural relations. In the 1990s, some cooperatives were dissolved, while others tried to find a new market as limited liability companies, but by the early 2000s at the latest, almost all former cooperatives had disappeared.

The only cooperative still in operation today is the Heves Folk Art and Cottage Industry Cooperative, which has opted for a three-legged strategy. The cooperative carries out production and sales activities, the Foundation for the Preservation of Traditional Values is responsible for architectural and material assets and professional conferences, while the Csillagvirág Folk Art Association is responsible for managing artistic activities. The president of the cooperative, Mrs. Miklós Báder, realized early on that it was necessary to adapt to market needs, so from the 1980s they have been doing contract work for several European companies, and from the 1990s they have also been serving American clients. They strive to reconcile their clients’ ideas with their own aesthetic values while remaining committed to preserving and reviving material folk arts. Their success proves that contract labor and adaptation to new needs are absolutely necessary for survival and technological and ideological development, since “something must provide the economic basis for the production of folk art goods.”

CUSTOMER NEEDS

There are several reports on the needs and business considerations of various countries. Above all, it is worthwhile looking at the fact sheets on business relations of foreign trade companies, especially their travel reports, if available. According to Hungarocoop’s travel reports, in 1969 the Dutch company Het Kantenhuis proposed the introduction of a new raw material for embroidery needlework, because “housewives no longer want to deal with ironing heavily creased needlework.” A similar change was proposed by the Belgian company Maurice Seynaeve. Bon marche, also based in Belgium, found Hungarian handicrafts beautiful but with a strong Hungarian character, which is why they did not always fit into their sales programs. In each department, the items in the store have been designed to be dominated by a single color. The Hungarian retailer has agreed to send new colors, different from the traditional red and green. At the same time, salespeople traveling to Denmark found that Swedish

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132 The Heves Folk Art and Cottage Industry Cooperative was established in 1951 (in Heves County). Its mission is to provide employment opportunities in cottage industries and to collect and cultivate Southern Paloc (ethnographic group) handicraft traditions. www.hevesfolkart.hu (accessed September 1, 2023)

133 Báder Miklósné (b. 1947), president of the cooperative since 1975. Kiscsős, June 29, 2022. See also: “folk art of real value, creative work draws not only from a pure source but also from a solid financial base” ( Báder 1985:87).

134 The domestic trade in and demand for folk art products requires a separate study. The topic requires a more in-depth treatment than the current scope allows, as it is related to issues of national self-representation, national identity, and their historicity throughout the 20th century.

135 Hungarocoop’s travel reports can be found among the archive documents. MNL OL XXIX N 22.

needs were completely different from those of other Scandinavian countries, and thus it was essential to separate future sampling and sales to Sweden from Danish sampling. In 1969, Tokyo’s Futaba Trading Co. placed an order for Matyó blouses. According to the salesperson, they were also interested in slippers, but they didn’t like the pattern and the price. They needed closed-toe slippers of cress canvas with some small embroidery and with rubber or plastic soles, and as a sample, they provided a slipper imported from China for the Slipper group to make a similar one. The Matyó blouses (Fig. 4) and the embroidered clothes with their colorful, rich embroidery were very close to Japanese tastes.

Fig. 1. Traditional folk art weavings and pottery at the exhibition of the Heves Folk Art and Cottage Industry Cooperative. Heves, 2022. Photo: Fruzsina Cseh

137 MNL OL XXIX N 22. box 2. Travel report of Mrs. István Kertesi’s and Éva Clementis’ trip to Denmark, April 20–26, 1969.


Fig. 2. Decorative pillows with fairy tale figures and animal figures made for a US customer. Technique: felt appliqué. Product of Heves Folk Art and Cottage Industry Cooperative. Budapest, 2018. Photo: Fruzsina Cseh

Fig. 3. Decorative pillow with a traditional pattern. Technique: felt appliqué. Product of Heves Folk Art and Cottage Industry Cooperative. Heves, 2022. Photo: Fruzsina Cseh
According to the experiences of the export office of the Folk Art and Handicraft Company in 1983–1984, Austrians preferred small souvenirs, delicate pastel colors, and whitework embroidery, while in West Germany they preferred the brightly colored textiles of Mezőtúr and Karcag\textsuperscript{140} and the colorful glazed pots. Richly decorated, “heavily embroidered” pieces were also requested from the USA. Black ceramics from Nádudvar,\textsuperscript{141} raw wool woven textiles, and rustic artifacts in natural colors with a matte finish suited the tastes of Scandinavian customers (\textsc{BedeCs 1984}).\textsuperscript{142}

It is clear from these examples that foreign traders selected from the Hungarian supply according to the tastes of their own market, valuing handicraft, but learning about and promoting Hungarian traditions of material and decorative arts was not among the business considerations of the buyers. Of course, Hungarian foreign trade companies also drew attention to the traditional and folkloric values\textsuperscript{143} of the products in their propaganda materials and at trade exhibitions (often called Hungarian Week) at home and abroad. These companies highlighted good examples of revival opportunities, since they tried to meet the needs of foreign buyers, even for novel samples, when concluding a deal (Figs 5–6).

\textsuperscript{140}Mezőtúr and Karcag were notable pottery centers located in the Great Plain (Eastern Hungary), and their cooperatives kept alive local pottery traditions. On Karcag, see, e.g., \textsc{Ament-Kovács 2021}.

\textsuperscript{141}Nádudvar is a pottery center in Eastern Hungary, famous for black ceramics produced through a fire reduction method.

\textsuperscript{142}Gyulavári, Ágnes, Füzér, Klára. Diósd, January 31, 2023. On the difficulties of establishing contacts and building relationships with new foreign partners in the 1990s, see: \textsc{Füzér 1997}.

\textsuperscript{143}Trade shows and propaganda materials are the subject of further research. On the topic, see, e.g., \textsc{Vándor 1967; Pilkhofer 2009}.
From 1988, the Folk-Art Export Bureau rented a so-called Dauerstand at the Frankfurt Fair for international contacts and business deals. They attended the fair for a total of ten years, each year with a new catalog. In the first five years, they followed the business policy of only exhibiting 50–60 products as samples, then in the second five-year period they brought 500–600 products with them. At the fair, the export office was able to meet not only Western European but also American, Japanese, and South Korean business partners. “Our folk art products could not be sold one-for-one, they were not competitive.”\textsuperscript{144} For this reason, it was important to produce samples and collections based on the customers’ needs. Among others, the Heves Cooperative was a good partner in this. After the first few years of heavy orders, the customers took the Hungarian samples, which are considered intellectual property, to the Chinese market, where they were manufactured much more cheaply. By this time, products made in China had already appeared on the Hungarian market.\textsuperscript{145}

During socialist times, Hungarian handicraft products were considered extremely cheap in the eyes of customers in more developed countries, and they were available in high quality and in large quantities. “Westerners (…) actually got handcrafted goods here for a pittance, when

\textsuperscript{144}Gyulavári, Ágnes, Fűzér, Klára. Diósd, January 31, 2023.

\textsuperscript{145}Gyulavári, Ágnes, Fűzér, Klára. Diósd, January 31; February 9, 2023.
handicrafts already had an astronomical price there (...) here they got them in abundance and in beautiful quality.” However, from the 1990s, market conditions changed, and even foreigners found it increasingly difficult to afford handmade products. The demand for smaller utilitarian items remained, but according to the sellers, innovations and meeting customer needs have been, and still are, necessary to successfully sell these items.

Adaptation to foreign needs, product development, and planning in cooperation with customers are inevitable as they also create job opportunities. “But the products that are unusual for us, often born out of painful compromises, can generate enough forints to finance the cultivation of traditional culture” (FŰZÉR 1997:158). However, it is important to stress that the commercial companies did not simply sell artifacts of folk art, they brokered them. The Folk Art Company not only exported but also played a role in promoting the country and participated in organizing folk art exhibitions abroad. The company’s Export Bureau came into contact with the European Craft Organization (formerly European Folk Art and Craft Federation) in the late 1980s. Thanks to their cooperation, Hungarian applied folk arts were introduced in several European countries,

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146 Halasné Török, Ágnes (b. 1952), manager of Folkart kézművesház. Budapest, October 7, 2022.

147 Personal contact is very important in sales, when professional, ethnographic knowledge and short stories can be provided along with the products aesthetically “served” in the store or at fairs. Ágnes Halasné Török makes cards for the products in the showroom, on which she indicates the most important information, including the name of the maker (Halasné Török, Ágnes. Budapest, October 7, 2022. TÖRÖKNÉ HALAS [HALASNÉ TÖRÖK] 2006).
and our artists participated in their exhibitions. In 2000, the Craft Organization implemented the *Rings in Water* project with EU funding, which focused on the traditional preservation of folk art and raised awareness of the work of Hungarian craftsmen, including those from Heves, through exhibitions. Joining the Organization has also had a major impact on trade and the composition of goods. “It was a good ‘ticket’ to anywhere, to be part of the same organization as the Heimatwerk in Salzburg.”  

The Folk Art Company also received a detailed description of Heimatwerk’s business policy, which could serve as a reference point in adapting to the changed market conditions after the regime change, both in domestic and foreign trade.

Aid to Artisans, based in the US, aims to support creators in countries facing economic difficulties. Thanks to the intermediary work of the Folk-Art Export Bureau in the first half of the 1990s, Hungarian artists were able to introduce their products to the market through this organization and participate in product presentations in New York. Aid to Artisans has also given marketing presentations in Hungary, directly sharing its business philosophy on product development and sales with artists. To this end, they even published a handbook, *A Guide to Exporting Crafts from Hungary*.  

The business policies described above attest to the fact that both the Folkart shop, which serves the needs of tourists with high-quality, authentic artifacts, and certain craftsmen, as well as the Heves Cooperative, see trade not only as a means of survival but also as a means of transmitting Hungarian culture.

**SUMMARY**

Interest in handicraft products in Hungary and abroad began in the 19th century, and the reason for its success in each period can be found in national, cultural, and world market conditions. The perception of these kinds of products, the definition of their intangible and tangible value, the evolution of trends, and their demand were all a function of this. Since its emergence, the trade in such products has triggered debates about the concept of folk art, as making artifacts for commercial purposes is both a departure from traditional artifact-making while also an opportunity to renew it.

The ‘discovery’ of decorated handicraft artifacts, and of folk art, was accompanied by the need to market them and adapt them to commercial needs. The delicate balance and tension between trade centralization and free competition can be traced until the 1940s. After World War II, political changes tipped the scales clearly towards centralization, but from the 1960s cooperatives once again had some autonomy in decisions regarding their products. Despite the

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149 The business policy of the Swiss Heimatwerk was fully implemented by Judit Lendvai, president of the Folk Art Company at the time, in part thanks to the fact that the employment structure of the Swiss cottage industry was very similar to that of Hungary (Gyulavári, Ágnes. Diósd, February 1, 2022). Cooperation with the European Craft Organization is today the responsibility of the Hungarian Heritage House.  
constant evolution of institutional frameworks, however, the trade in cottage industry and folk art products has followed a pattern that spans the ages.

At most product exhibitions abroad, which have been held regularly since the beginning of the 20th century, exhibitors have presented Hungarian goods as Hungarian cottage industry, and then as folk art, and Hungarian handicrafts. The artifacts and the knowledge associated with them were therefore sold as “folk art,” but they were bought as handicraft products. Zoltán Fejős draws attention to the appropriation emphasized by Kristin Hoganson in connection with Hungarian folk art products exported to the USA from the end of the 19th century. Hoganson states that buyers, instead of identifying with the place of origin, only adopt the motifs and imitate the style, thus satisfying their desire for novelty (FEJŐS 2019:373; cited: HOGANSON 2007:93–94). Sources from the second half of the 20th century also confirm that the business relationships established at these events resulted in the satisfaction of the customer’s own tastes, often with significant modifications to the original products, and the creation of new products. The appropriation involved in a commercial transaction thus creates a distance from the original intention of the makers of the product, from their activity defined as folk art. The destination countries of the trade in Hungarian folk art artifacts and the way customer needs and the range of preferred artifacts changed are subject to further analysis.

In any case, the history of the centralized management of trade already shows that folk art and applied folk art products with the knowledge and “traditions” behind them, which is the guarantee of their authenticity, can be shaped according to circumstances and the needs of customers. According to Helaine Silverman, authenticity is not a fixed value or product, but a dynamic, performative, culturally and historically determined, relative quality or asset that can be transformed and applied based on the task at hand, be that social, cultural, economic, political, religious, or any other task. Authenticity that can be shaped based on one’s purposes has immense significance in terms of heritage – community identity and social status, among other things (SILVERMAN 2015:69).

The closely related issue of the cooperative movement is still subject to further research. However, the present study also draws attention to the fact that in the first half of the 20th century, the issue of distinguishing the concepts of cottage industry and folk art was already integrated into cooperative policy. After decades of cooperative history, the cooperative institutional system established in the 1950s laid the foundations for what is now called applied folk arts. The cooperatives, newly created in 1951, or in many cases on the basis of previous local knowledge and resources, have an unquestionable merit that has an impact to this day. They carried out ethnographic collections and created new design trends in the course of production. From the 1960s to the end of the 1980s, the domestic and foreign trade in folk art reached an

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152 For more on the analysis of changes in consumer needs, see: HOFER 1994.

153 Several cottage industry cooperatives and manufactories have therefore used traditional knowledge and technology not only to produce folk art products but also to serve more commercial tastes, which have evolved with technological progress and new needs.

154 The relationship between tourists’ needs and the private businesses and entrepreneurs that serve them, and the history of this relationship, requires further research. According to relevant research, visitors to Hungary are looking for the local “folk art” values and authenticity of the product, and do not see it merely as a handicraft artifact. For more on tourism and authenticity, see: PUSZTAI 2011.

155 Even though sources on the subject are available in varying quantities and levels of detail from each period.
unprecedented level, which not only provided a livelihood for the tens of thousands of members, employees, and outworkers of the cooperatives, but also created the “economic conditions for the revival of traditions.”¹⁵⁶

The concept of folk art includes many more social segments than have been examined to date, most notably the cottage industry movement and commerce, as well as the relationship with applied arts, which has already been partially elaborated. This study aims to contribute to the overall picture by providing an institutional history of the centralized management of folk art trade.

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¹⁵⁶The importance of the topic was brought to my attention by Mrs. Miklós Báder, president of the Heves Folk Art and Cottage Industry Cooperative. The quote is from her interview. Báder, Miklóné (b. 1947), (Kiscsősz, June 29, 2022).
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