HUNGARY TOWARDS THE 21st CENTURY

GEOGRAPHICAL RESEARCH INSTITUTE
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HUNGARY TOWARDS THE 21ST CENTURY
THE HUMAN GEOGRAPHY OF TRANSITION

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Geographical Research Institute
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HUNGARY TOWARDS THE 21ST CENTURY

– THE HUMAN GEOGRAPHY OF TRANSITION

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Edited by

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PREFACE

Hungary Towards the 21st Century has its origins in an attempt to understand and explain the emerging post-communist spatial pattern of Hungary As a consequence of the political changes of 1989/90 the collapse of the former Eastern Bloc meant the termination of the post-1945 bi-polar world, what was followed by the rapid re-integration of the East European countries to the world economy. The opening up of the rigid political boundaries – what was called before the Iron Curtain – has led to the far-reaching political and economic transition of these societies. In this volume we were particularly interested in the explanation of the spatial processes and their consequences having taken place in Hungary since the collapse of communism at the very time of global economic and political restructuring. Of course, the transition that has taken place since 1989 is still far from the end. After ten years of transition, however, there is a need to sum up our knowledge on the general background and the possible outcome of these changes from a geographical perspective.

The book aimed to bring together authors who has been studying the spatial consequences of transition, and who has been carrying out research projects with the support of the Hungarian National Research Fund (OTKA). This young organisation has been playing an outstanding role in supporting, co-ordinating and managing basic research in Hungary from the late 1980s. We are especially grateful to OTKA for making the publication of this book possible. Most of the projects included in this volume are in their infancy, but we hope that the papers presented here have at least contributed to the better understanding of processes and the possible future development of the country.

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HUNGARY AT THE THRESHOLD OF THE NEW MILLENNIUM: THE HUMAN GEOGRAPHY OF TRANSITION

ZOLTÁN KOVÁCS

INTRODUCTION

Hungary is situated in the heart of East Central Europe and it is typical for the region from a geographical point of view. Its population is 10.1 million, of which 64 per cent is urban and its land area is 93,000 square kilometres. The value of GDP per capita is slightly less than 5,000 $US, thus, Hungary belongs to the relatively better off, more urbanised part of the post-socialist countries. Since 1990, the country has been seeking its place in the "New Europe", joining the 'Visegrád Association' made up of Hungary, Poland, the Czech Republic and Slovakia. In recent years Hungary has become member of the OECD, the NATO and has applied for membership in the European Union. It is a member of the Council of Europe and the Conference on Security and Cooperation in Europe. The economy of the country has gone through dramatic changes, after a few years of substantial decline the Hungarian economy is now one of the most rapidly growing economies of Europe with growth rates well above five per cent. The political and economic changes of the last few years have generated far-reaching social transition as well. A society which was formerly characterised by strong equality and high social security has been experiencing growing polarisation, unemployment and poverty, overstrained with ethnic tensions.

The aim of this paper is to provide a brief account on the most important changes having taken place in Hungary over the last ten years, putting special emphasis on the spatial features of these changes and their wider consequences on the geographical pattern of the country. Of course it is impossible to go into details in the discussion of several important issues in the frame of a single paper, but readers of this volume can find more comprehensive picture of the country's socio-economic transition in the remaining chapters.

POLITICAL AND ECONOMIC TRANSITION PRIOR TO 1989

Considering the political and economic progress of the country over the last five decades one might speak of a special "Hungarian Model of Transition". The events of 1989/90 leading to the collapse of communism, were not a sharp break with the past in Hungary, as they were in many other communist countries, but they were vital in the process of continuity and change. In the early 1950s, after the communist came into

power, and after the short-lived post-1945 multi-party democratic system was turned to a single party dictatorship Hungary sank into deep economic and political crisis. The crisis of the Stalinist regime culminated in the 1956 revolution which was not only a bloody uprising but also a warning signal for the communist leaders of the country and of Moscow, that a new type of political and economic system was needed even though in the framework of one party system. The subsequent decades were characterised with a row of experiments in order to reform the rigid Stalinist system and to make a human face for communism.

From the 'New Economic Mechanism' of 1968 and the Local Government Act of 1971, Hungary emerged as the most liberal part of the communist Eastern Bloc. The process of liberalisation was further strengthened in the 1980s by new economic and political measures that set Hungary irreversibly on the road to political plurality and a mixed economy. As part of this process the country built up good relations with its western neighbours and gradually joined important transatlantic organisations firstly among the communist countries, though not questioning its membership in the COMECON[1] and the Warsaw Pact. Thus, it was Hungary in the Eastern Bloc who could first join the GATT in 1974, the IMF in 1982. It was also Hungary who started negotiations and made the first official contracts with the European Community among the state-socialist countries from the mid-1980s.

When political unrest swept through East Central Europe in the early 1980s the Hungarian government responded by changing the electoral rules and recognising a role for 'soft' opposition groups. Already in 1985, in the first multi-candidate election after 1947, voters could nominate and elect their own candidates, at least theoretically. Nevertheless, the Parliament following this election was still predominantly communist, but displayed the first signs of independence. Many of its members were willing to cooperate with the extra-parliamentary opposition. At the end of the 1980s, a negotiated compromise was reached between the government and opposition groups which legalised parties and, in 1989, a new electoral law was passed by Parliament that scheduled multi-party election for 1990 (Racz and Kukorelli 1995).

The growing liberalisation and increasing freedom could also be perceived in the economy. In Hungary the 'second economy' was seen as providing needed services and as a source of revenue for the government (Hann 1990). It was therefore recognised by the government who sought to include it into the mainstream economy by introducing new 'socialist' forms of small scale enterprise. According to estimates by the end of the communist system already one-fifth of the active population was involved in certain forms of second economy in Hungary, producing one quarter of the GDP. This sector was especially strong in agriculture and services, but from the early 1980s its importance also grew in industry. The mushrooming of small-scale businesses was accompanied by the introduction of new forms of personal and company taxation as early as 1987. The number of small-scale enterprises grew rapidly throughout the 1980s

[1] Council for Mutual Economic Assistance i.e. the economic organisation of the former communist countries.

also because they were compatible with wider economic restructuring as de-industrialisation progressed in Hungary (Dingsdale 1991).

At the level of individuals the increasing political and economic liberalisation of the 1970s and 1980s resulted in more freedom and opportunities. Travelling abroad, acquiring a second home or a western car so much desired in other countries of the Eastern Bloc, moreover, free access to the western press and media became normal in Hungary. All these reforms had important consequences on the general features of the transition. Unlike the experience of many of its neighbours, the Hungarian communist dictatorship was transformed to a parliamentary democracy in a gradual and peaceful manner. Given the relative openness of the country prior to 1989 the adaptation of people and of the economy to the market principles has been more successful when compared to other East European countries. These altogether have resulted that the transition of the last ten years was relatively smoother in Hungary than in other post-socialist countries even if it was not felt by local residents.

POLITICAL AND ECONOMIC TRANSITION AFTER 1989

Shift to multi-party democracy

As far as the political transition of Hungary is concerned one can distinguish several important attributes. Perhaps the most decisive external factor in the political development of the country was the dissolution of the Warsaw Pact and the subsequent re-establishment of political sovereignty of Hungary. Thanks to political sovereignty the isolation of Hungary and other East Central European countries came to an end and they were now able to reintegrate to the global system. Alterations in the external geopolitical climate have also made far-reaching internal political changes possible. Among others, the revival of multi-party systems, free parliamentary elections and the ousting of communist party from power represented the major steps of political transition.

In term of the development of multi-party democracy Hungary represents a specific case in Eastern Europe. Not only the transition was smooth, but all freely elected post-communist governments were able to complete their full terms without any greater difficulties. A further important characteristic of the transformation of Hungary was that all three post-communist elections (1990, 1994 and 1998) resulted totally new structures of political power in the form of coalition governments which made possible rotation and, thus, the necessary maturation of political parties.

In 1990, in the first free-election the Hungarian Socialist Workers' (Communist) Party (MSZMP) which had ruled the country for 43 years was defeated. The party received only 3.68 per cent of the votes and thus missed the 4 per cent threshold which was necessary for parliamentary representation[2]. The conservative Hungarian

[2] The threshold was lifted to 5 per cent in the next election which is most common in Europe.

Democratic Forum (MDF) won the elections with 24.73 per cent of the votes which secured 165 out of the 386 elected seats (43.7 per cent) for the party in the Hungarian parliament. Since the MDF did not win a clear majority it needed to form a coalition government with two smaller right-wing parties, the Independent Smallholders' Party (FKgP) and the Christian Democratic People's Party (KDNP) (*Figure 1*). The biggest opposition party in the parliament was the liberal Alliance of Free Democrats (SZDSZ) with 21.93 per cent, backed by – at least ideologically – its smaller sister-party, the Alliance of Young Democrats (FIDESZ). The only left-wing party which received seats in the newly elected parliament was the Hungarian Socialist Party (MSZP) the reform wing of the former Hungarian Socialist Workers' Party (MSZMP) with 10.89 per cent of the actual votes (Kovács 1993).

Four years later, in May 1994, the centre-right parties were defeated and the election returned to power the reform communists with a large majority. The 32.99 per cent of the votes cast for the Hungarian Socialist Party (MSZP) meant that the Socialists gained 209 out of the 386 seats in parliament and, thus, achieved an absolute majority. The second most successful party in the election was the Alliance of Free Democrats (SZDSZ) with 19.74 per cent of the votes and 69 seats in the parliament. These two parties formed a coalition after the 1994 election holding together a comfortable majority of 278 seats (72 per cent) in parliament.

The conservative parties lost support in all parts of the country. The former winner, the moderate centre-right Hungarian Democratic Forum (MDF) gained only less than half of its votes in 1990 and finished at the third place with 11.74 per cent. The fourth biggest party, the Smallholders' Party (FKgP) received only 8.82 per cent compared to 11.73 per cent in 1990. Two parties the FIDESZ and KDNP performed even less successfully and ended up as the smallest parliamentary parties with roughly 7 per cent of the votes each. In spite of the fact that the threshold for parliamentary representation was raised from 4 per cent in 1990 to 5 percent in 1994, the same six parties were able to achieve representation in both elections, but the balance of power shifted enormously.

In 1998 the Hungarian Socialist Party (MSZP) nearly repeated its 1994 performance and finished at the first place with 32.92 per cent of the votes in the first round of the election. The second biggest party was the moderate conservative FIDESZ with 29.48 percent. Since other parties received significantly less votes than the two front-runners, the final decision remained for the second round of voting, the single candidate competition. Thanks to its clever campaign and skilful coalition tactics FIDESZ was able to integrate all conservative votes in the second round and won 90 out of the 176 single constituency seats, compared to the Socialists' 54 seats. As a result the biggest party in parliament became the FIDESZ whit 147 seats on aggregate, as opposed to the Socialist Party (MSZP) with 134 seats. Thus, after four years of socialist-liberal government the FIDESZ could form a conservative coalition government with the Independent Smallholders' Party (FKgP) and the remnants of the Hungarian Democratic Forum (MDF).

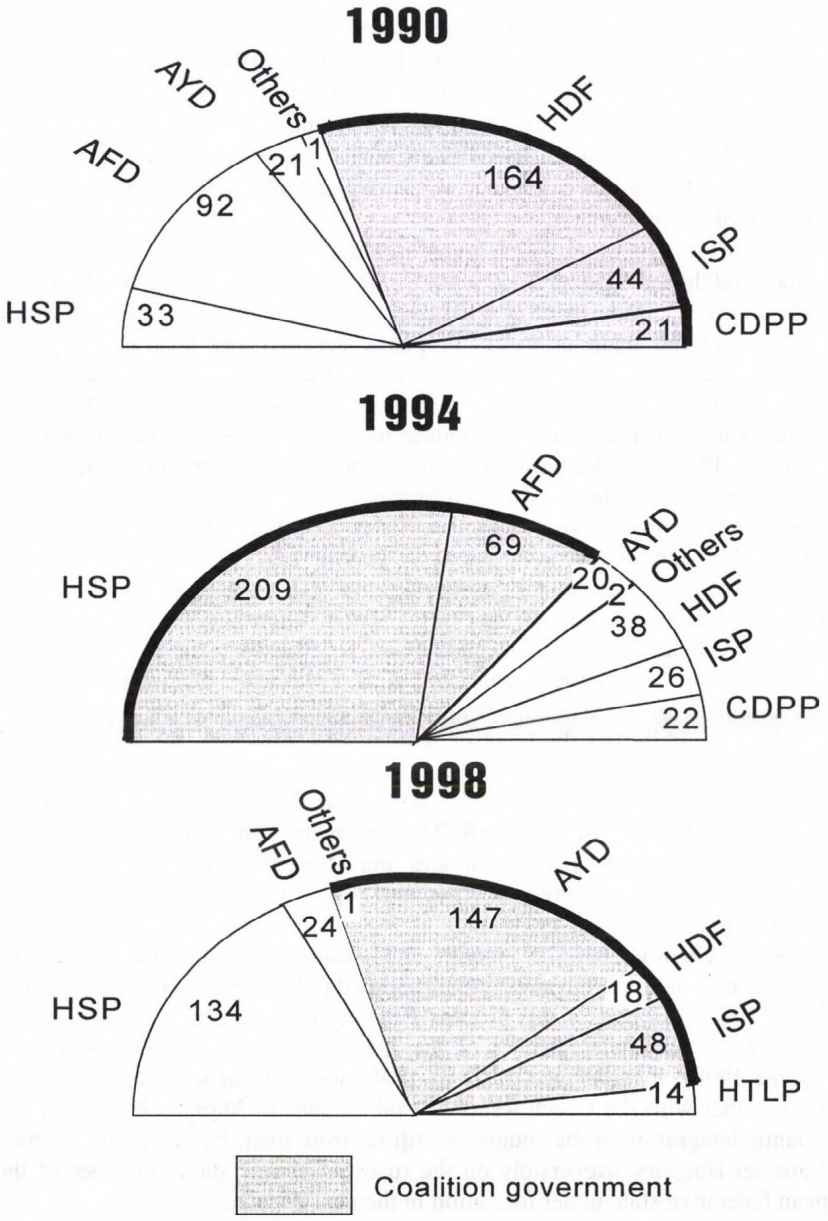

Fig 1. Distribution of seats in the Hungarian parliament, 1990-1998. – HSP = Hungarian Socialist Party (MSZP); AFD = Alliance of Free Democrats (SZDSZ); AYD = Alliance of Young Democrats (FIDESZ), HDF = Hungarian Democratic Forum (MDF); ISP = Independent Smallholders' Party (FKgP); CDPP = Christian Democratic People's Party (KDNP); HTLP = Hungarian Truth and Life Party (MIÉP).

A new feature in the Hungarian parliament after 1998 was the appearance of the nationalist/populist Hungarian Truth and Life Party (MIÉP) a former fraction of Hungarian Democratic Forum, which gained 5.47 per cent of the votes and became the smallest parliamentary party. On the other hand, due to inter-party rivalries and the subsequent split between the different platforms of the party the Christian Democratic People's Party missed the 5 percent threshold and after two parliamentary cycles remained out of the parliament.

With respect to the political transformation of the country the return to self-governance and the subsequent shift of control from central (state) to local (community) level was of primary importance (see the paper of Z. Hajdu in this volume). Since local governments are the main providers of public services and they also represent the reactions of the local population to governmental policies the creation of local governments instead of the Soviet type council system by the *Act on Local Governments* in 1990 played an outstanding role in the re-establishment of democracy at local level. This gave the basic units of democracy (i.e. communes) more power to control and influence their own development. The issue of control by regional government over local governments has been repeatedly raised in the debate on reforming public administration in Hungary. Traditionally, prior to 1990 settlements in Hungary were subordinated to strong regional (i.e. county) governments which functioned as mere extensions of the central power. Therefore, it is not surprising that counties were considerably weakened and downgraded in their rights and competence in 1990, and Hungary as a unitary state shifted to a two-level of governing with strong local governments in the bottom, strong central government on the top, and symbolic counties in the middle. At the level of major cities, however, the decentralisation of decision making and power meant the weakening of city-wide government and increasing power and influence of the individual districts, like the 23 districts in Budapest as opposed to the town-hall. This fragmentation of larger cities resulted in difficulties as far as the elaboration and implementation of comprehensive urban development programmes were concerned and raised the question of the sustainability of urban governance (Enyedi 1994).

As a recognition of the smooth and steady democratisation of the country Hungary has been admitted to several international political and economic organisations during the 1990s. As part of this process Hungary became member of the Council of Europe in 1990, associate member of the European Union in 1994 (with candidate status since 1998), member of OECD in 1996, and last but not least full member of NATO (together with the Czech Republic and Poland) in March 1999. The process of euro-atlantic integration of the country is still far from over, but the political changes of the 1990s set Hungary irreversibly on the road to become stable member of the pan-European federative state under formation in the next decade.

From central planning to market economy

Despite the progress made in the 1980s towards market oriented policies, the country was ill-prepared for the changes which were introduced after 1989 and the first four years of transition from 1990 to 1994 proved a difficult period in the economic and

social life of the country. Most Hungarian companies were inefficient, unaccountable and many bankrupt. In spite of the fact that Hungary alone received more than half of western foreign direct investment in East Central Europe, only some of the companies could be invigorated by financial restructuring, more effective management and the stimulus of the market.

As a consequence, the GDP fell rapidly after 1989, the biggest decrease was registered in 1991, amounting nearly 12 per cent (*Figure 2*). Altogether the GDP decreased by 25 per cent due to economic transition. The world outside was harsh and Hungarians were beginning to feel the effects of real exposure to it for the first time since World War II. But its impact was differential. For some people, such as those with experience in the 'second economy' or private ventures and young, newly qualified professionals it presented enormous opportunities. For most people, however, especially the older or retired workers and state employees, it was a near disaster. After the economic schock of the early 1990s a slow recovery could be observed in the mid-1990s, and then from 1997 a dynamic growth (on average 5 per cent) reflecting that the country has managed to get through the most difficult period of the transition to market economy. However, the level of production per capita in 1989 was reached again only ten years later.

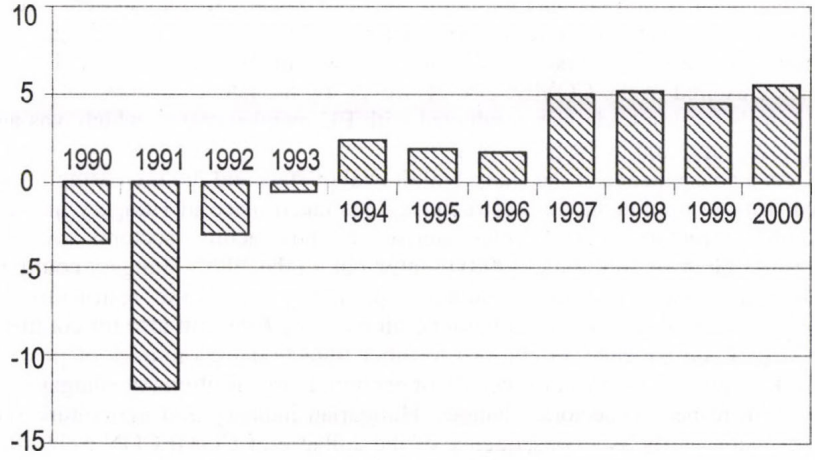

Fig. 2. Changes of GDP in Hungary, 1990-2000
(*The year 2000 is estimation on the first quarter of the year)

In term of economic policy after 45 years of communism there was a common belief in Hungary that market mechanisms are a more efficient way of organising the production and exchange of goods than the previous system of central planning (this was repeatedly "implied" by organisations such as the International Monetary Fund and the World Bank). There was also an urgent need both politically and financially to improve the efficiency of the economy in order to ease the immense problem of

liquidity inherited from the communist regime. All these together led to the absolute dominance of neo-liberal economic theory in the transformation policy of the country after 1990, independently from the ideological platform of the ruling governments.[3]

As part of the transition the most fundamental and rapid changes took place in the ownership structure of the economy. In 1990 the private sector accounted only for 10 per cent of GDP, however, by 1994 private ownership was firmly established with 65 per cent of GDP being generated by foreign and privately owned Hungarian companies. Today there are some 700,000 individual entrepreneurs besides over 300,000 business organisations in Hungary and the private sector is absolutely dominant (above 80 per cent). The role of the state remained significant only in education, health services and public administration.

The fall of the 'Iron Curtain' symbolised not only the advent of liberty, but made the direct penetration of the global economy and its main actors the transnational corporations possible. The appearance of western firms bringing foreign capital investment and modern technology to Hungary constituted an important driving force in the economic restructuring (Van Hastenberg 1997). In this respect Hungary has been the most successful country in East Central Europe after 1990. Up to 1998 approximately 20 billion $US arrived into the country, and the level of per capita FDI was far the highest among the post-communist states (*Figure 3*). As a consequence of the geopolitical change and the opening up of borders Hungary also underwent a radical re-orientation in its external economic ties (Berényi 1992). Prior to the change of regime the main economic partners of the country were the Soviet Union and its eastern alliances clustered in the COMECON. However, by the late 1990s over 70 per cent of the country's foreign trade was conducted with EU member states, which was again far the highest proportion in the post-communist world.

As a consequence of the sharp withdrawal of state and the increasing presence of foreign firms a rapid economic restructuring has taken place in Hungary in the 1990s. Economic restructuring can be characterised by far-reaching sectoral and structural changes. As Grabher and Stark (1998) pointed out, in the 1990s Hungary could build on the previous decades of organisational experimentation in the restructuring of its economy "that allowed not only for competition among *firms* but also for competition of *forms*". As a consequence, in contrast to other transitional economies of post-socialist Eastern Europe there is greater diversity of economic organisations in Hungary.

With respect to sectoral changes, Hungarian industry and agriculture sank into deep recession partly as a consequence of the collapse of COMECON right after 1989 (Barta & Kovács 1997). Most of the former state complexes and giant firms went bankrupt and were either closed or disintegrated into smaller, more flexible units (see the paper of É. Kiss in this volume). At the same time there was a real boom in the service sector, especially in the field of trade, tourism (see the paper of G. Michalkó in this volume) and business services. New industrial branches have also appeared in Hungary (e.g. automotive industry, microelectronics) with high-tech products, and flexible just-in-time production systems. In this respect Hungary has followed the global trends of post-fordist economic restructuring with some two decades of delay.

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[3] Typically the most radical schock therapy in the post-1990 period known from the then minister of finance 'Bokros package' was introduced by the socialist-liberal government.

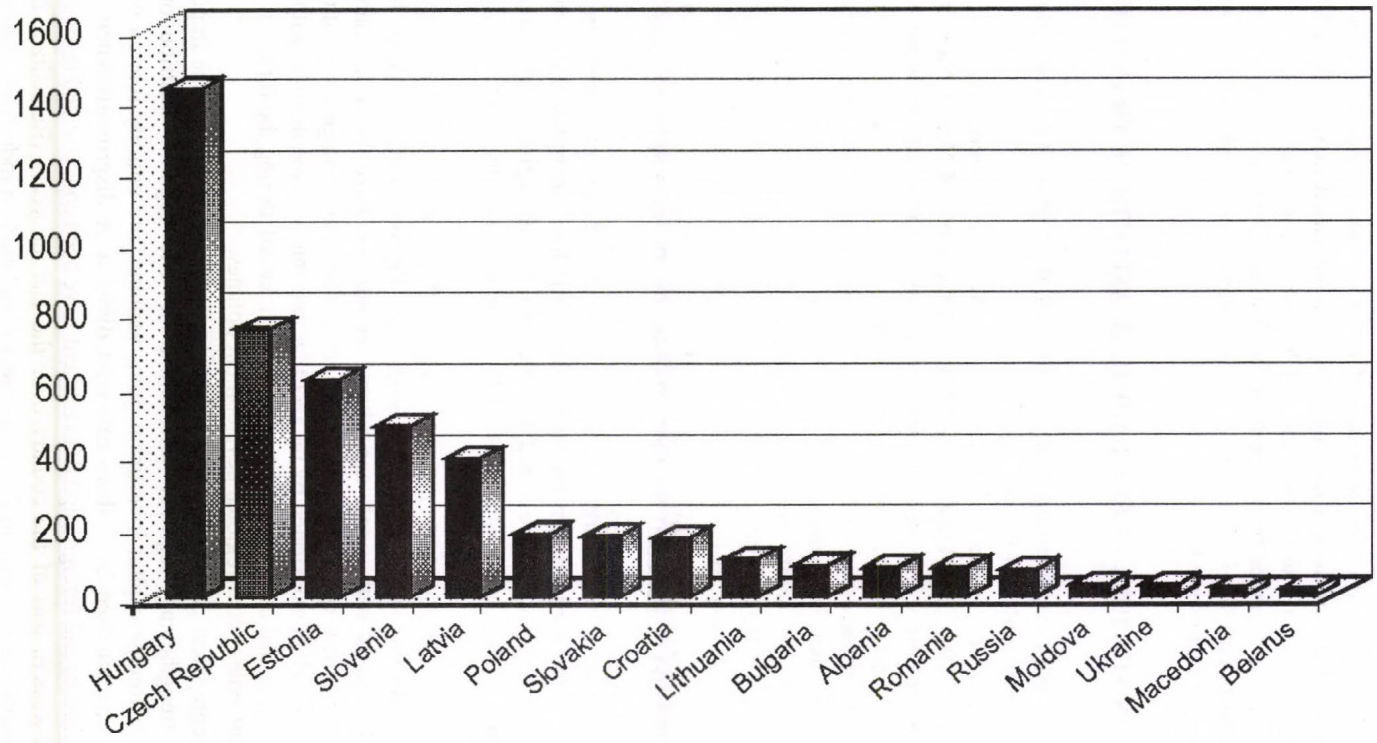

Fig. 3. Per-capita foreign direct investment (FDI) in Eastern Europe, June 1997
Source: Economic Bulletin for Europe, UN 1997.

From structural point of view, as part of the post-1990 economic restructuring the number of small and medium-sized enterprises has increased rapidly. By 1995, 97 per cent of the Hungarian enterprises employed less than 11 persons. Of course these small firms show much higher flexibility than the former state companies not only in term of production, but also in term of spatial behaviour (e.g. employment, business relations, locational factors etc.)

HUNGARY IN THE 1990s – GEOGRAPHICAL ASPECTS OF TRANSITION

What have been the most important outcomes of all these political and economic changes in the spatial pattern of the country?

The geographical pattern of Hungary showed and increasing east-west polarisation in the 1990s (see Nemes Nagy 1994; and the paper of Nemes Nagy in this volume). During the forty-five years of state-socialism the regional structure of the economy was determined by the so-called heavy industrial axis running from north-east to south-west with Budapest at its middle point. Despite repeated attempts at regional levelling the traditional east-west divide survived the whole communist period. The transformation of the economy has been concomitant with the strengthening of the process of regional differentiation. One important feature of the increasing regional inequality was characterised by the spatial structure of unemployment.

National unemployment figures culminated at over 700,000 (ca. 13 per cent) and decreased to 450,000 (8 per cent) by 1997. Despite the fluctuation in the number of unemployed over the 1990s the map of Hungarian unemployment shows an high degree of stability (*Figure 4*). Labour market zones with high rates of unemployment constitute a compact belt in the north-eastern border region, while low unemployment rates are concentrated primarily in Budapest and the western border region. The difference between the westernmost and easternmost parts of the country was more than tenfold (Dövényi 1994).

The spatial structure of unemployment reflects the local and regional performance within the general economic conditions. Regions with traditional heavy industries and regions with weak agricultural economies have been hit hard by restructuring under new competitive circumstances. The disadvantageous position of certain regions is well demonstrated by the fact that two-thirds of the districts with high unemployment rates had been already classified as 'backward' during the former regime and received subsidies under regional development policies.

The geographical pattern of new types of business also reveals some important features of strengthening regional differentiation. The regional distribution of enterprises with foreign capital investment, joint ventures and entirely foreign owned companies, is characterised by a sharp east-west division. A disproportionately large part of joint ventures and foreign capital investment have been concentrated in Budapest and the north-western part of the country over the last ten years (Rechnitzer 1998). These investments are primarily in the service sector and modern industries, such as the manufacture of automobiles, so they are less dependent on raw materials and energy.

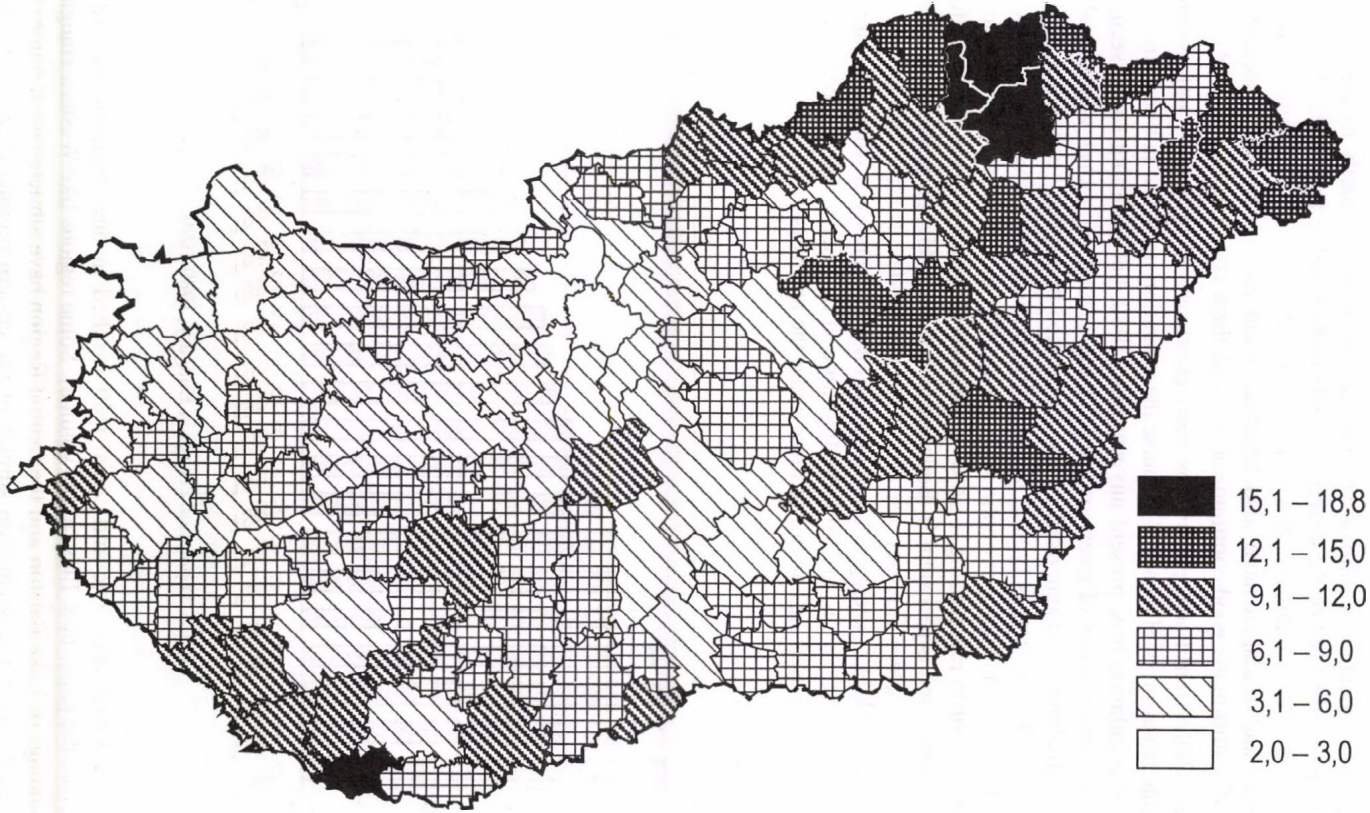

Fig. 4. Rate of unemployment by micro-regions in Hungary, December 1998

The geographical location of innovative firms can be explained partly by the fact that many of them evolved out of the enterprises established during the 1980s. As ca. one third of the foreign investment has come from Austria and Germany, Northern Transdanubia and Budapest have also benefited from their favourable geographical position and traditionally good communications with these countries (Tiner 1994).

The whole transitional period has been characterised by a very unfavourable demographic situation of Hungary. Of course the transition itself can not be blamed for the massive population loss, present anyway from 1980, but declining social security, the negative consequences of overwork (e.g. in the second economy), and unhealthy life-style (high alcohol consumption) surely contributed to a speedy population decline of the country. This process is typical also in other post-socialist countries (except for Poland) although not in such a dramatic scale. Since 1981 the death rate has been higher in Hungary than birth rate causing a steady population decrease (*Figure 5*). The natural decrease of population is persistent in Budapest and Western Hungary, whereas in some micro-regions of Eastern Hungary we can observe a modest natural increase. At the same time the problem of ageing is becoming extremely severe even when compared to other countries of the region. In 1996, the first time in its history, the number of those above 60 years surpassed the number of those under the age of 14.

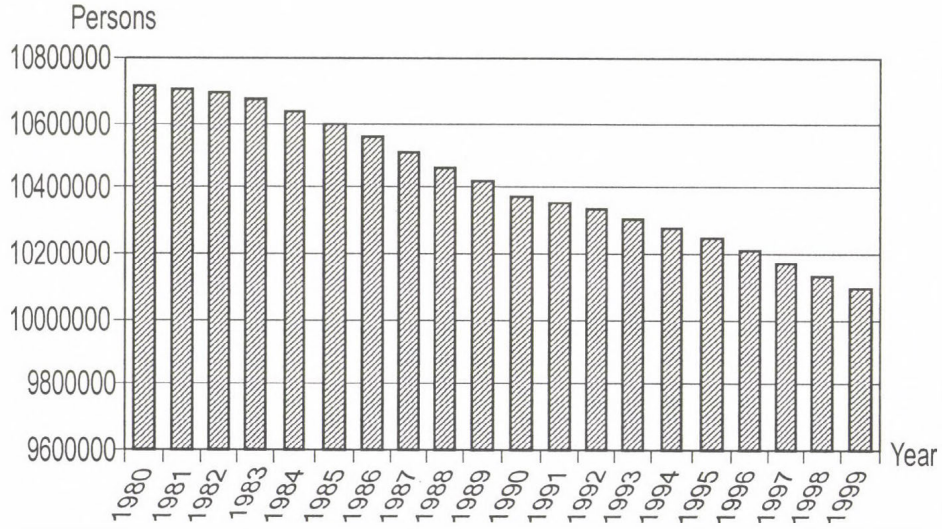

Fig. 5. Population change in Hungary, 1980-1999

The profound economic and social shift resulted in new regional patterns of migration (see the paper of S. Illés in this volume). Some regions like Western Hungary, the surroundings of Lake Balaton and the Central Region have attracted great number of migrants, partly from the population surplus of the eastern regions (*Figure 6*). These

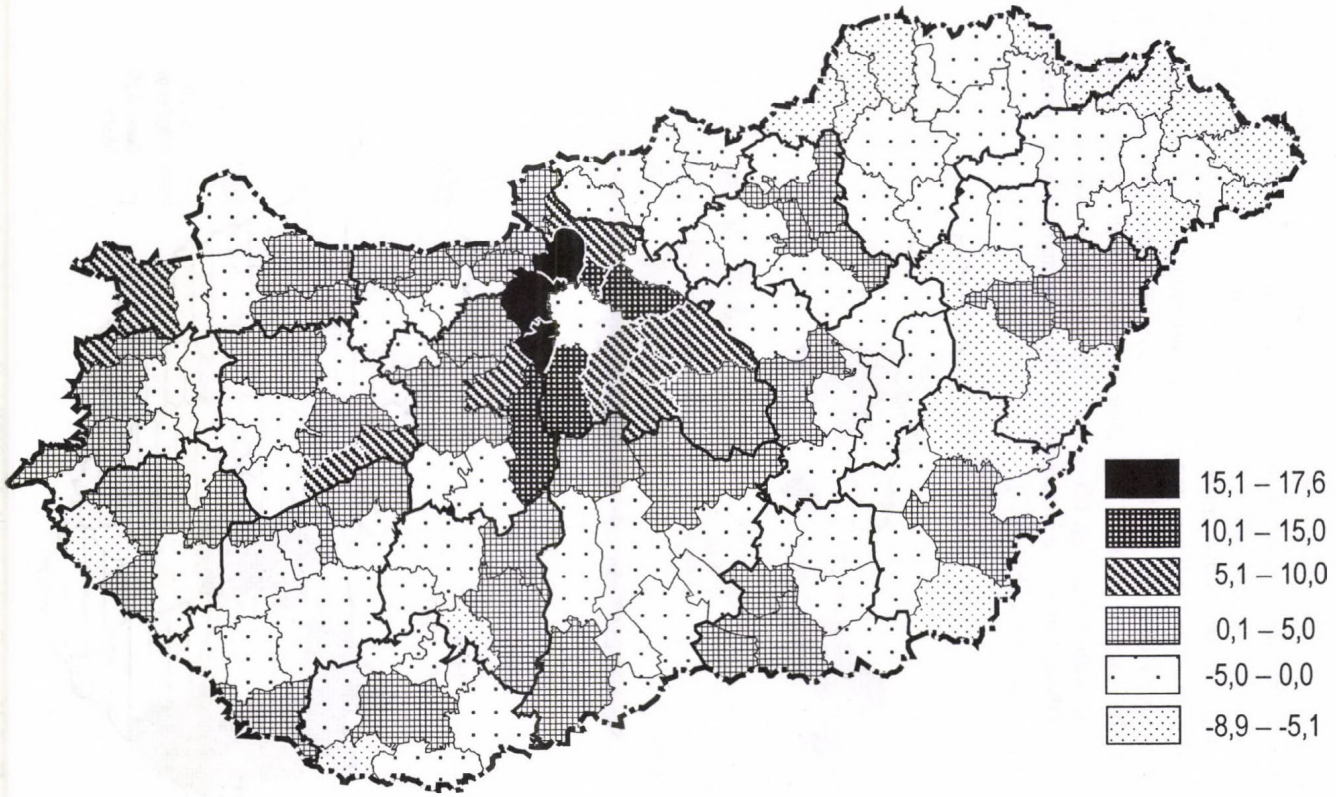

Fig. 6. Balance of migration in Hungary by micro-regions, 1990-1998

regions were able to utilise their more favourable geographical location and more developed human and infrastructural resources to take advantage of the new situation. Others, less well endowed were unable to keep pace with the rapid rate of change and became the regions of many-sided crisis. The level of socio-economic development of the population shows also striking geographical differences. The so-called Human Development Index (HDI) and its changes between 1990 and 1997 reflect well the polarisation of the society prior to and after transition (Fóti 1999). In this index indicators of social well-being (e.g. life expectancy at birth) as well as of educational attainment of the labour force were incorporated. The geographical pattern seems highly stable both in space and time (*Figure 7*).

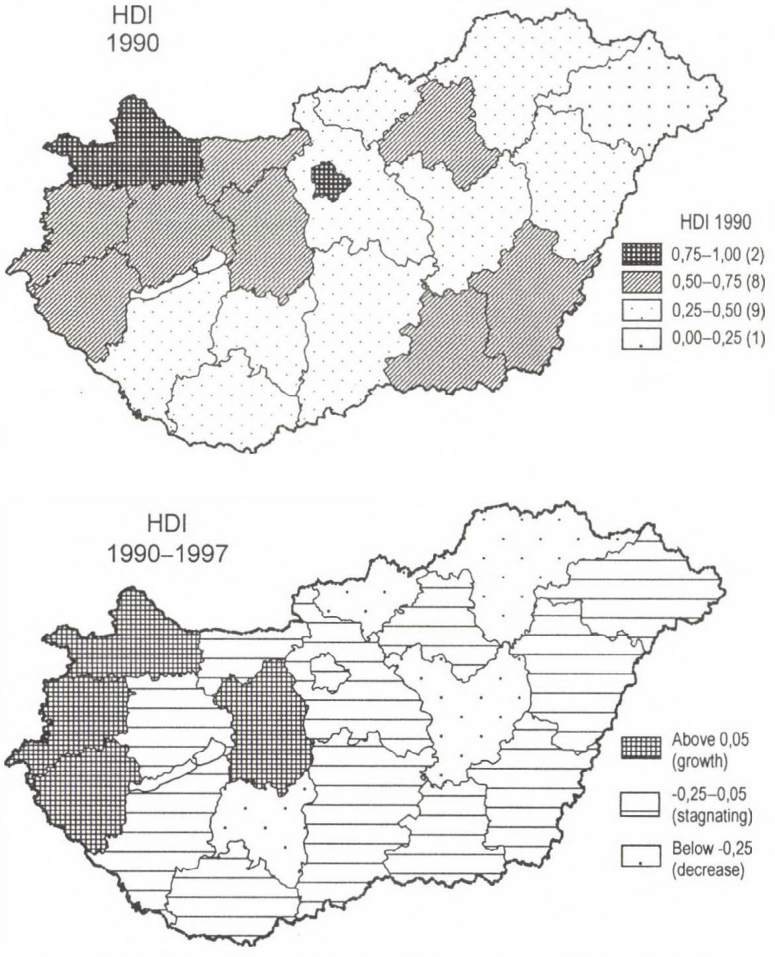

Fig. 7. Human Development Index (HDI) in Hungary (after Fóti et al 1999)

The political and economic changes have generated new processes within the national settlement system as well (Berényi & Dövényi 1996). After the long decades of constant growth of cities (and limited growth of suburbs) perhaps the most striking phenomenon is the stagnation (and relative decline) of urban population. Cities with increasing pollution and congestion, and decreasing security have become unpopular places to live for many people. On the other hand, a new phenomenon is suburbanisation, which is especially pronounced around Budapest and other major cities (Dövényi et al 1998; Kok & Mulder 1996; Kok & Kovács 1999). However, a peculiar feature of post-socialist suburbanisation in Hungary compared to the west is that not only the young and better off but the unskilled and retired are also leaving the cities on account of the high living costs (Beluszky & Timár 1992).

It is also true that the differentiation and polarisation of the national urban network has increased recent years. The gap between major cities, especially Budapest, and the rest of the national settlement network has increased (Kovács 1994). The few cities which have been able to compete successfully for foreign direct investments and as centres for the location of international cultural and educational institutions consists of bigger cities (generally at least 50,000+). Beside Budapest typical examples are Győr and Székesfehérvár (each having attracted over 1 billion US$ foreign direct investment since 1990), Szombathely, Veszprém, Sopron, Eger and Kecskemét (see the paper of G. Kozma in this volume). These cities together with Budapest enjoy "gateway" functions within the country through which most of the international capital and innovation arrives.

On the other hand the group of socialist cities (e.g. Oroszlány, Komló) and cities heavily industrialised during the years of communism (e.g. Miskolc, Salgótarján), as well as the remote rural areas with agricultural monofunction clearly belong to the losers of post-socialist transformation. The different fortunes of settlements can only partly be explained by economic factors. At least as important is the role of geographical location. Geographically the opening up of borders gave a new impetus for settlements lying in the western border regions of the country. The proximity to Western Europe and, thus, their good accessibility attracted many investors from the neighbouring EU countries. Due to the 'Iron Curtain' most of these regions were condemned to stagnation for decades during state-socialism, but some of them have been developing very rapidly since the political changes of 1989/90. Settlements and regions lying outside this belt have not been able to take advantage of the proximity of western markets and it is especially obvious if we take the stagnation or relative decline of the eastern border belt (e.g. Debrecen and Nyiregyháza and their environs). Thus geographical location is increasingly responsible for the widening gap within the national settlement network, too.

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EVOLUTION OF HUMAN GEOGRAPHICAL THOUGHT IN HUNGARY IN THE 20TH CENTURY

ZOLTÁN DÖVÉNYI AND ZOLTÁN HAJDÚ

EVOLUTION OF HUMAN GEOGRAPHY UNTIL 1949

Evolution of Hungarian human geography have always had social, political as well as external and internal scientific determinations. They have figured at least in three fields:

- Expectations, requirements, sometimes pressures made by the actual economic, social and political regimes;
- Trends, debates and challenges stemming from the development of the geographical science at international scale;
- Processes of the internal theoretical-methodological evolution of Hungarian geography.

The modern history of Hungary has shaped Hungarian geographical science as a whole and human geography especially. This statement is valid for the era of the Austro-Hungarian Monarchy (1867–1918) and especially for the collapse of the empire at the end of World War I and disintegration of historical Hungary.

The evolution of the Hungarian human geography during the 20th century can be subdivided into periods along different criteria. Distinct periods are those up to 1948/49, the following one between 1950 and 1990 and, finally, the last ten years since the change of power. Socio-economic transformations exerted considerable impact on the position of geographical science in general and affected the prestige of human geography in particular.

Until 1948/49 human geography in Hungary could develop on the basis of its own and dealt with specific problems of the Hungarian state and society. Within this period an interval emerged between 1918–1945 when geography undertook a voluntary political-patriotic mission in the defence of the territorial integrity of the state and later in research on the options of territorial revision.

From the communist seizure of power in 1948 until the late 1980s – to a steadily decreasing extent depending on internal political affairs – human geography had been a discipline under massive political pressure. This was particularly valid for political geography which was labelled in 1948 as a "fascist quasi-science". Since the end of the 1980s conditions have been restored for cultivation of human geography (including political geography), without any direct actual political constraints.

As far as the external academic relations of Hungarian geography are concerned, in the field of human geography the German influence (by Ratzel) should be mentioned

in the first place, while French impact (works by Vidal de la Blache) were of lesser importance. There was a persistent debate between the adherents of the two concepts. Ratzel had made his presence as a permanent actor in Hungarian human geography.

From the late 1940s the impact of the Soviet economic and social geography appeared as a compulsion. This also affected the institutional system directly, but from the 1960s on the subject had gradually been relieved from this stress.

The external impacts having always been strong, human geography in Hungary could be characterised as a disciple subject. The influence was manifold, changing by time, sometimes reversed. These external impacts affected the subject-matter of geography, the discussions about its taxonomic position among other scholarly disciplines, "anthropogeography" and political geography.

In the international context human geography has always appeared in its interrelationship with the geographical science as a whole. A monist or dualist approach were the keys to the treatment of the 'non-physical geographical' part of the discipline.

Roots of Hungarian human geography go back to the science of state administration based on historical-statistical facts and figures. Historical geographical thought had been formed during the 18th century gradually expanding subsequently. The aspects of investigations had greatly been influenced by the analysis of long-term changes in the territorial structure of the country.

The heritage of the 19th century

Institutionalisation of the Hungarian geography (establishment of the first geographical chair, foundation of the Hungarian Geographical Society with its own journal Földrajzi Közlemények – Geographical Journal) was accomplished in the 1870s. This first stage of the modern geographical science was dominated by the activity of János Hunfalvy (1820–1888) who was lawyer by qualification. His ideas were influenced by those of Ritter. Through his disciples Hunfalvy exerted a strong impact on Hungarian geography of the forthcoming period in a broader sense.

Some of the Hungarian geographers focused their attention on "antropogeographic" activities and writings by Ratzel, and it was Géza Czirbusz who devoted an unusually extended review to them (Czirbusz 1883, pp. 379–384). Ratzel's volume on anthropogeography was highly appreciated, at the same time its significant shortcomings were pointed out as well. Ratzel was characterised "as a representative of a new trend" immediately after the publication of his main work. The competent scientific commission of the Hungarian Academy of Sciences reached a decision about the translation of Ratzel's book unanimously qualified as a benchmark in the history of science, to make it available for the wider inquiring audience (Ratzel 1887).

The Hungarian version of the volume is somewhat different from the original one because Jenő Pintér – at that time an outstanding researcher of the history of geography – maintained close contacts with the author. Ratzel had only made minor corrections in the text. What was much more important: he had given his consent to the publication of an appendix (Physical geographical endowments of Hungary in their

historical repercussions, pp. 588–596) in which Jenő Pintér formulated specific problems of Hungary in Ratzel's spirit and according to his suggestions.

Ratzel's "anthropogeography" has had influenced Hungarian geography in many ways the main topics being as follows:

- Concept, subject and methods of the modern geographical science;
- Specific place of geography in scientific taxonomy;
- Relationships between geographical and historical sciences;
- Concept, subject and methods of anthropogeography;
- Impact of the natural factors upon human societies from the aspect of geographical determinism;
- Political geographical analysis of states and their borders.

Hunfalvy was succeeded by Lajos Lóczy (1849–1920), a geologist as Professor of Geography at the University of Budapest. He was an adherent of Richthofen's natural scientific school in geography. Lóczy did not refuse geographical investigations into social, economic or political issues, moreover, he was the editor of a series of volumes epitomising such a complex research also considered a milestone in geosciences (Lóczy 1918), nevertheless, he did not feel at home in the field of human geography.

In the early 1900s in Hungarian geography bitter factual, theoretical and methodological debates were conducted between Ratzel's disciples and those of Richthofen. Geography 'by Ratzel' was referred as a negative example by the supporters of the natural scientific school. Perhaps this was the sharpest ever cleavage in the history of Hungarian geography characterising the first two decades of the 20th century. Personal conflicts and clashes poisoned the atmosphere of the science.

The basic issue in these discussions was the concept of the "organic world" and of the incorporated "anthroposphere" or "cultural sphere", their internal subdivision and arrangement within the system of the geographical science. In the Hungarian approach "cultural geography" was the first to have been accepted, later replaced by "human geography".

At the turn of the 20th century Géza Czirbusz (1853–1920) undertook to write a monograph on the contemporary geography of Hungary (Czirbusz 1902). It was the first attempt at a comprehensive work focusing on the spatial problems of economy and society. With all of its shortcomings these books by Czirbusz should be considered the first product of modern human geography in Hungary. In 1909 Czirbusz became Professor of Geography at the University of Budapest and the former natural philosophical trend represented by Lóczy was replaced by the anthropogeographical one. Studying "geographical fatalism" Czirbusz came to a conlusion that it had been present historically and in his age as well. Nevertheless, he refused mechanical geographical determinism (geographical fatalism, geographical materialism) including most of Ratzel's conception in the matter (Czirbusz 1910, 1912).

Ferenc Fodor in his work which is the most complete history of Hungarian geography (left in manuscript: Fodor 1948) stated: the genuine problem of the Hungarian human geography in relation to Ratzel's anthropogeography was that "Ratzel's spirit had not reappeared at his time in Hungary but only much later, as a

reaction to the natural philosophical trend of geography, in the form of a morbid rejuvenation by Géza Czirbusz".

At the time of its publication Hungarian political geography "acknowledged" Ratzel's book but owing to the differences in the political geography of the two nations and in traditional positions of the discipline in Germany and Hungary its representatives studied problems of political boundaries, lingual borders, historical states changing with time and their boundaries from completely different aspects.

At the very beginning of the 20th century it was still the science of state administration that appeared as political geography and was even taught in secondary schools. State history, statistics and administration were lectured as political geography.

The knowledge and influence of Ratzel's political geography were felt in dissertations in political science by Pál Teleki (Teleki 1903) and in philology by P. Kürti (1908), which means that Ratzel's life-work had already influenced university graduates and young researchers in the first decade of the century.

The first volume on the geography of Hungary written in a modern and comprehensive manner was published by Gyula Prinz in 1914; both its political and administrative geographical chapters relied on Ratzel's concepts but not without criticism (Prinz 1914). It was the "organic theory of state" where Prinz closely followed the German author.

In his three-volume anthropogeography the issues were treated by Czirbusz with due regard to Ratzel's works and their "use", analysing processes sometimes in a directly polemic manner, refusing the mechanical geographic determinism of the German geographer. In some details, however, long passages by Ratzel reappeared in Czirbusz's work without quotation marks (Czirbusz 1915, 1917 and 1919).

In the volume on geopolitics Czirbusz's controversial attitude to Ratzel's political geographical ideas are revealed: "This book is entitled 'geopolitics' because it encompasses items concerning global politics and – in opposition to him – instead of evaluation of surface forms from a political viewpoint I put the emphasis on states as physical realm of nations. ...According to this concept geopolitics is a natural history of countries" (Czirbusz 1919, p. 3).

Czirbusz provided an overview of theories concerning the emergence of states and distinguished two basic types of them: 1) ethnologic, and 2) geographic (types). Organic political science by Ratzel was considered to belong to the first type. Czirbusz accepted the constitutional theory by Rousseau who defined state as an ensemble of heterogeneous elements, thus, for him state was a "primary individuum of amalgamated type".

Rezső Milleker (1887–1945) professor of geography at the University of Debrecen, in his monograph on political geography wrote on the fundaments of the subject in Ratzel's spirit and in details he frequently used the monograph of the latter, at the same time questioning some of his conclusions (Milleker 1917).

Pál Teleki in his synthesis on the history of geographical thought made an attempt on an assessment of Ratzel's theoretical impact in the short and long perspectives. According to Teleki Ratzel had created something really new with his organic concept of geography (Teleki 1917, p. 115). The concept on the diffusion in

geography was rated important but only secondary to his whole life work. The debates in international and national geographical science (labelled by Teleki as a "struggle between geologist-geographers and ratzelists") Ratzel had greatly contributed to the development of human geography.

Through the strengthening of the evolutionary concept and its application in geography Ratzel played an eminent role in the geographical science. In 1917 it was his anthropogeographical theory that was appreciated as a foremost achievement by Teleki; after World War I Ratzel's ideas in political geography became upgraded.

Specific position of Hungarian geography between the world wars

Hungarian geographers undertook a monumental scientific effort between 1918–1920 in preparations for the Versailles peace treaties. Almost all of them took part in the elaboration of scientific documents for the peace negotiations. Safeguarding territorial integrity of historical Hungary was considered by these geographers as a primary task, and although they accomplished a work of immense volume and value within a short time, their efforts were doomed to failure. Perhaps it is not an exaggeration that modern Hungarian scientific geography was born in these activities.

Pál Teleki (1879–1941) participated in the work of the Hungarian delegation at the peace negotiations as high commissioner (he was appointed to the position of foreign minister in 1920) and an expert in geography. Valuable achievements and ideas of French human geography had drawn his attention, and he was trying to use its concepts and statements concerning Hungary at the peace conference.

After World War I several representatives of Hungarian geography (Pál Teleki, Jenő Cholnoky) expressed self-criticism for their previous neglect of antropogeographical and political geographical research. At the same time there was a tension between "Ratzel's old supporters" and the new wave of human geographers.

In the works of Jenő Cholnoky (1870–1950) problems of human geography were tackled by a physical geographer. In his opinion human geography was to be based on natural sciences, and unscholarly humanistic approaches were to be suppressed (Cholnoky 1922). He made an attempt on the elaboration of a human geographical concept of his own.

After the defeat in World War I with its consequences of new state borders drawn by the Trianon Peace Treaty the role and importance of political geography was suddenly upgraded within the geographical science. Geszti argued that Ratzel's work could be instrumental in the revitalisation of political geography (Geszti 1924).

In the 1920s there was an organisational cleavage between the old and new generations of human geographers. Within the Hungarian Ethnographic Society a Section of Human Geography was newly organised with its own journal "Föld és Ember" ("Earth and Man" 1921). This theoretically established school of human geography, partly influenced by the French concept of the subject, had been formed at the University of Szeged under the guidance of Károly Kogutowicz (1886–1948), professor of geography. The journal undertook a study of general theoretical,

methodical and regional problems of anthropogeography and dissemination of knowledge. In the columns of the journal Károly Kogutowicz paid a tribute to the late Lajos Lóczy but there appeared a cautious analysis of the life work of Géza Czirbusz as well (he passed away in the same year), notably that he was the first Hungarian human geographer in the modern sense.

In the solution of theoretical problems an outstanding role was owed to István Dékány (1886–1965), who was a highly accomplished person in several fields of science, especially in philosophy, capable for providing a comprehensive analysis of socio-political problems of geographical science (Dékány 1921, 1922/a, 1922/b, 1924). As a philosopher and sociologist, Dékány tried to bring human geography closer to the social sciences. (In his activities a special chapter was devoted to the analyses of theoretical and practical issues of the relationship between geography and sociography.)

Aurél Hézser (1887–1947) was a representative of human geography between the world wars with French intellectual orientation. He evaluated Ratzel's work of life as decisive in the historic evolution of human geography and considered his "anthropogeography" and political geography equally important. In Hézser's opinion Ratzel had not created a new scientific discipline but planted new aspects in science and deserved the title of the 'founder of human geography' (Hézser 1922). In Hungarian geographical science Ratzel's influence was rather dividing than integrative. Many geographers had turned against his deterministic approach to geography claimed it geographic materialism or geographic fatalism. In his studies Hézser made attempts on the reconciliation of Ratzel's concept with that of Vidal de la Blache.

According to Hézser Hungarian human geography should redefine the concept and scope of the discipline through the elaboration of the hitherto achieved results. He stated: "... human geography occupies a transitory position between natural and social (humanistic) sciences; it does not formulate laws, just seeks for causal relations between the human and natural world" (Hézser 1922 p. 23).

In Hézser's opinion political geography is the most delicate and problematic branch of human geography and held that "the most serious corruption so far occurred under this label" (Hézser 1922. p. 29). Political geography was defined by him in Ratzel's manner: "...it is a branch of human geography dealing with impacts exerted by geographical components upon the formation, development and eventual decline of individual states and with analyses of these impacts" (Hézser 1922. p. 30).

In 1925, during a bitter debate between the physical and human geographers the diverging assessment of the part Ratzel's ideas played in Hungary reappeared again. Jenő Cholnoky blamed the Hungarian publication of Ratzel's book on "anthropogeography" for the fact that no independent Hungarian human geography emerged at that time, while Aurél Littke flatly refused Cholnoky's analysis and the criticism stirred up by him (Littke 1925).

Pál Teleki as Hungary's prime minister founded the Faculty of Economics at the University of Budapest in 1920 and the incorporated Chair of Economic and Political Geography, professorship of which he held until 1938. In the framework of political geography he dealt with fundamental issues of spatial organisation, i.e. public administration; relationships between landscape, state and administration; historical and

political geography of Hungary; variations of the Europe-paradigm and the actual place of the country in Europe in various historical epochs; political geographical components of the ethnic question; political geography of the country's boundaries (Teleki 1919, 1921, 1923, 1930, 1934).

As a junior researcher Teleki got acquainted with political geographical essays of Ratzel and he appreciated part of works by the German scholar but fundamental questions of political geography were formulated by him in a different way and the specific problems of Hungary were put in the fore. For Teleki political geography by Ratzel had become historical literature, though he referred to Ratzel's works almost in each of his writings.

Teleki was instrumental in the establishment of the Hungarian Institute of Sociography. He recognised that a long-range policy of reforms and developments should be based on a realistic knowledge of the conditions prevailing in the country. In 1928 the Institute of Political Sciences was established which had been developed into a workshop of the geographical studies of the successor states. This institution gained international recognition as a centre of investigations into the ethnic question. Also it was monitoring German political geographical research concerning Hungary.

Of Teleki's disciples political geographical activities of András Rónai (1906–1991) deserves special attention, who succeeded him in the Chair of Economic and Political Geography (Rónai 1939, 1941, 1945, 1947, 1948). In the research of state territories of long duration Rónai based on Ratzel's concept. He held that similar problems should be solved by geopolitics, a discipline which had grown from the geographical science through political geography, although it had troubles stemming from its initial stage.

In political geographical studies carried out by Rónai the theory of borders, history of borders, solutions for the ethnic question, later the fundamental issues of political geography and the paradigm of Central Europe came to the fore.

In a political geographical volume Rónai provided a comprehensive and detailed analysis of Ratzel's activities in the field of political geography and its repercussions in Hungary (Rónai 1941). Political geography was basically defined by Rónai after Ratzel's model: "The subject of political geography is the state and it is considered an organisation of geographical dimension, one of the factors of life on the Earth. The state is a living organism which has a birth, evolution and decline and this organism is one among the phenomena on the Earth surface..." (Rónai 1941, p. 79).

Rónai also pointed out, that Hungarian and German political geography necessarily disagree on principal points: "Germany's territory in not bounded by natural borders. Germany is much more worried about the German nation because the *Volk* is just the only thing that keeps the empire together. It is not confined to a definite land" (Rónai 1941, p. 86). In Rónai's opinion a political geography produced by the German geographical science "...might be adequate for Germany and states of similar geographical position but hardly fits for others in different setting" and especially not for Hungary.

In his treatise on political geography Rónai directly deals with the critical analysis of the notion of *Lebensraum* and of its treatment by Ratzel. Rónai had traced

the decades of the evolution of *Lebensraum* theory in Germany and came to a conclusion that it is a delicate category with several diverse content without the absolute truth: "If anybody is intended to find the absolute truth – as it have been attempted by some – and wants to define a *Lebensraum* justly claimed by a state and to find out where it is, this will prove to be a vain effort, because there are no absolute *Lebensraums*" (Rónai 1941, p. 93).

In 1940 the first and foremost Chair of Geography at the University of Budapest was divided. Tibor Mendöl (1905–1966) was appointed to the chair of Human Geography. Mendöl was primarily engaged in research of the different settlement systems (towns, villages, tanyas) aimed at historical and geographic syntheses.

At the University of Kolozsvár (now Cluj-Napoca, Romania) for a short period having belonged to Hungary, Gyula Hantos (1903–1945) created a unique school of human geography. Hantos was well-versed in economics and law and was sent by Teleki to Paris in order to study French geography of public administration. Hantos gained reputation through the elaboration of reform projects for geographical divisions of the Hungarian state administration (Hantos 1931).

Gusztáv Kalmár (1892–1949) became well-known with his writings on population, demographic policy and sociology. In his "Hungarian geopolitics" he presented a historical-political analysis, not directly polemising with the German geopolitical concepts, but he clearly stated that Hungarian geopolitics must respond to the Hungarian issue (Kalmár 1941), and the former must have a historical approach.

A specific feature of the Hungarian human geography is a cleavage between the religious–monastic line (Czirbusz, Kalmár) and the secular one. Geographers committed to the churches and religion refused the deterministic concept (as geographic materialism), for them the presence of God was an evidence in the interrelationship between physical environment and spatial processes taking place in society and economy.

Hungarian human geography until the communist take-over

World War II had decimated Hungarian geography: among the victims we found young talents, whereas Pál Teleki's suicide in 1941 was a moral burden as well. Hungarian geography was over-represented with regard to the overall personal loss of the country.

Between 1945 and 1948, until the communist take-over Hungarian geography retained its multifold character. A volume on geography of the Carpathian Basin could be published (Bulla & Mendöl 1946) and it was free of any abusive nationalistic terms and of the marxist approach later becoming compulsory. With a book on the history of human geography a comprehensive and detailed inventory of the achievements of the previous decades became available (Mendöl 1947).

After 1945, in the changing political circumstances, Ratzel's concepts, categories and activities were judged in a more critical manner than before (primarily owing to a general anti-German attitude) but it was reviewed and evaluated from a non-political

ground (Rónai 1947, 1948). A treatise on political geography by Rónai (having proven to be the last one in the discipline for a long period) analysed the concept of political geography, basically in Ratzel's and Otto Maull's spirit and its categories with a special reference to the birth, evolution and decline of the state. This was the last publication for a long time where Ratzel's name and his political geography (at least partly) were referred in a positive sense (Rónai 1948).

HUNGARIAN HUMAN GEOGRAPHY DURING COMMUNISM

The most difficult period: the 1950s

The communist take-over in 1948 have proven to be the sharpest caesura in the history of the Hungarian human geography, the preliminaries and consequences having no relation with each other. Regretfully, even the staff of the discipline had changed completely; most of the leading human geographers of the period between the world wars deceased between 1945 and 1950, while others (e.g. István Dékány) retired from the scientific work (Hajdú 2000), or pursued different activities (e.g. András Rónai became internationally renown in the field of hydrogeology). Of the former leading scholars the only survivor was Tibor Mendöl who proceeded into the 1950s. The overwhelming majority of human geographers were young beginners.

While difficulties with the scientific staff could have been overcome, the main problems of the discipline at that time were the well-defined political-ideological directives. A Marxist-Leninist approach imported from the USSR was typical of the subject at that time. Even the notion "human geography" ("emberföldrajz" in Hungarian) became undesirable and had been replaced by the Soviet "economic geography". Though Tibor Mendöl (supported by Béla Bulla) made an attempt to maintain human geography as well (Bulla 1955), but this effort was crushed by Marxist geography (Markos 1955).

Again the Soviet influence was responsible for the re-establishment of the dualist concept in geography. Physical and economic branches of geography were conceived as two independent scientific disciplines linked, however, by a common ideology and methodology: dialectical materialism. This way the "monist bourgeois geography" was rejected sharply (Bulla 1955).

The Soviet influence was something much more than forcing ideology on Hungarian geography; it acquired tangible forms. It should be mentioned that (mainly prior to 1956) there were massive translation and publication activities of Soviet works in economic geography providing guidelines for similar research in Hungary. As a most direct influence the stay of a Soviet economic geographer in Hungary (S.A. Kovalyov) should be referred to, who acted as an advisor to Hungarian researchers in economic geography for three years.

Taking the above mentioned circumstances into account it is not surprising that investigations into economic geography in Hungary were rather plain and biased in the

1950s. An important part belonged to the basic definition of economic geography as a subject studying the spatial distribution of production and its preconditions; in this way economic geography was reduced to a servant of economic planning.

According to this fundamental principle the main task of economic geography in the 1950s was the research of the geographic distribution of production and spatial division of labour. Since the basic unit of the latter was the economic 'rayon', similar investigations started as early as 1950 (Markos 1952). The decade can be characterised by "rayonisation" (delineation of complex economic districts) as having been a key area of the economic geographic domain. This research was a novel in Hungary and there were attempts of solving theoretical-methodological problems and pursuing empirical studies and this caused substantial difficulty and ambiguity. Therefore, these investigations did not yield serious achievements in this decade and this trend was changed only later.

As far as the number of publications are concerned, the 1950s could be labelled as the decade of agricultural geography. 51 per cent of publications in the economic geographical domain absorbed this topic, one fourth of them dealt with population and settlement geography whereas 9–10 per cent tackled the problems of industrial geography and methodological problems (A földrajzi... 1961). This imbalance was typical for the First Hungarian Geographical Congress held in 1955, with the majority of lectures on economic geography highlighting agricultural geography (Miklós & Pécsi 1956).

A characteristic feature of the 1950s was an emphasis on the introduction of the economic geography of "countries in friendly relations" (i.e. those of the Eastern Bloc). There was a 'moving-band production' of publications of this kind. At the same time some scientific contributions did not exactly fit in the time-spirit. For instance, László Kádár, a physical geographer, suggested the theories by Christaller and Thünen for application in economic geographical studies (Vitaülés... 1954).

A discussion on Pál Teleki's life work had developed rather surprisingly. He was heavily criticised as a "bourgeois geographer", at the same time having been acknowledged as the founder of economic geography in Hungary as a scholarly discipline (Abella 1956).

The period of slow recovery: the 1960s

The 'sixties' of course did not start with the year of 1960; it would be very difficult to draw a dividing line with the 1950s. A longer time interval could include the years of the late 1950s, a shorter one did not embrace the early 1960s either. One thing is sure: the period of a slow consolidation having started after the 1956 revolution also left its imprint on the economic geographical research in Hungary.

Among others, the influence of the Soviet school of economic geography ceased to be a direct one; e.g. no massive translation work of the 'guidelines' written by Soviet authors was carried on any more. The decade experienced a final disappearance of

certain "fields of research": nobody dealt with selecting areas for growing cotton or tropical fruits in the country, although it was a preferable topic prior to 1956.

As far as the thematic content of human geographic studies was concerned no crucial changes occurred during this time period. The overwhelming majority of investigations dealt with (economic) sectoral topics covering virtually all of the spheres of production. There a certain shift of accent as compared to the previous decade: while in the 1950s agricultural geography came to the fore, by the 1960s industrial geography became "over-represented."

Beside the invariance of the basic topics the spectrum of the studied themes became more colourful. It was a consequence of a relatively rapid reaction of human geography to the more recent processes and phenomena of the era. Of them the decrease of rural population and out-migration (Sárfalvi 1965) should be mentioned, along with the closely related problems of social restratification and urbanisation (Lettrich 1965). This period saw a broadening of investigations into centre–gravity zone relations in the settlement system: following the previous sporadic attempts attraction zones of several small towns were identified in the 1960s.

When evaluating human geographic research of this period it should be taken into account the persistency of the approach preferring studies on conditions of the distribution of social production in a close relationship with the national planning (Pécsi 1965). Since at that time spatial aspects were emphasised vigorously, economic 'rayonisation' still belonged to the foremost topics. It might be surprising but these studies did not become overwhelming in the Hungarian economic geography, and later they were transferred to the University of Szeged where Gyula Krajkó and his colleagues became engaged in this issue (Krajkó–Pénzes–Tóth–Abonyi 1969), but a great synthesis of this topic had not been born.

In spite of emphasising the importance of spatial problems human geography remained at fault for an answer to a paramount question of a joint introduction of spatial processes within society, in their complex interrelationship (Beluszky 1989). Endeavours to present a synthesis were pushed into the background by the sectoral studies, still a relatively high-level summary was written on the country as a whole (Markos 1962). Perhaps it is not a great pity that a monograph planned as "The Geography of Hungary" originally conceived as a joint publication with the Academy of Sciences of the USSR had been cancelled eventually. An opportunity was lost, however, when the first volumes of the series "Landscapes of Hungary" (The Danube Plain, The Tisza Plain) launched in 1967 contained physical geography exclusively without any reference to the human geographical aspects. The picture was somewhat improved by the first edition of the National Atlas of Hungary (1967) providing an overview of economic geography at least in the form of maps.

Evaluating the 1960s it should be mentioned that a new generation of human geographers established itself, still playing an important role within the discipline. In addition, its representatives (e.g. Gyula Bora, György Enyedi, Ferenc Probáld, Béla Sárfalvi) had the privilege to have been entitled scholarships of longer duration in the USA in the mid-1960s and at the end of the decade. Such an opportunity has since been unprecedented.

On the other hand, a painful loss of this period was Tibor Mendöl's premature passing. He managed in writing his capital synthesising work (Mendöl 1963), but the functional-morphological trend in settlement geography, associated with his name, has already been proceeded by his followers, mainly by József Becsei.

Broadening horizons: the 1970s

Hungary of the 1970s differed from that of the 1960s in many respects. Though reforms of 1968 concerned basically economy and affected society and politics to a lesser extent, there was much more freedom. This manifested itself ambiguously in the scientific life, because some taboos went on existing and those having tried to force them immediately had conflicts with the political power as it was the case with some sociologists and philosophers.

Human geography, however, did not belong to the academic fields challenging political order. As it was stated by Pál Beluszky it rather kept on playing the role of a "court councillor", i.e. topics relevant for the official power were investigated predominantly (Beluszky 1989). With the avoidance of confrontation a chance opened for broadening fields of research. All this led to a polarisation within human geography: in the early 1970s both the followers of the orthodox Soviet economic geography and the adherents of western schools were represented in Hungarian human geography.

Of the latter, social geographers should be mentioned; this trend was the first having become established in Hungary. The concepts and research methods of the so-called Munich school of social geography first appeared in the studies by Edit Lettrich (Lettrich 1970, 1972). After her (not entirely voluntary) resignation István Berényi became (and still is today) the leading social geographer in Hungary (Berényi 1983, 1992).

Of course it does not mean at all that social geography dominated human geographical research in Hungary in the 1970s. At that time the bulk of the studies dealt with topics determined "from above". It should be admitted, however, that the latter were increasingly associated with the real problems of the country, thus, providing opportunities for investigations into some intriguing themes. Economic geography was dominated by studies related to regional development; beside sectoral "routine" topics other approaches could be explored either. For instance, long-term trends of land use transformation in farming, rural industry or the spatial system of educational institutions were analysed.

In the 1970s government administration began to recognise the considerable spatial disparities that the socialist regional development was unable to eliminate and the existence of backward regions over the country. The latter were chastely labelled by the official terminology as "areas in disadvantageous position", but more importantly human geography was enabled to deal with the aspects of this question and as a result, several high quality publications appeared (Beluszky 1976; Barta–Beluszky–Berényi 1976).

Partly due to this research trend, there was an increasing interest towards the questions of rural settlement network and areas. Particularly important conclusions were resulted from investigations into spatial types of rural living conditions and rural transformation (Enyedi 1976; Barta 1976; Beluszky & Enyedi 1977).

Based on the above mentioned trends it is not surprising that the macro-regions of the country, especially the Great Plain (Alföld) with agricultural character, attracted special interest. It was reflected by the establishment of a department of the Geographical Research Institute, Hungarian Academy of Sciences, aimed at the research of the Alföld (in Békéscsaba), but extensive research was carried out in other academic workshops, too. Apart form the traditional topics (system of tanyas, i.e. scattered farmsteads, development of market towns) special attention was paid to the transformation of the settlement system (ensemble of settlements, areas of agglomeration, features of urbanisation over the Great Plain). This growing trend has not proven to be just an episode; it still forms an integral part of human geographical studies in Hungary.

Parallel to the thematic broadening, the 1970s experienced a certain methodological renewal in human geography. This meant the application of mathematical-statistical methods, modelling and involvement of some sociological approaches.

In spite of the steps made forward, human geography in Hungary failed to use several chances in the 1970s. No advancement could be observed in the field of complex studies of genuine geographical character. A kind of spatial isolation also became typical; human geographical research stopped at the national border, the latter playing in fact the role of "the end of the world".

The period of transition: the 1980s

During this decade Hungarian human geography – similar to the country as a whole – was in a transitory position in several respects. Part of the research projects started in the previous decade were completed by the 1980s i.e. the synthesising volumes were published then. Of them investigations into the conditions and processes of transformation in the rural areas (Enyedi 1980; Barta–Enyedi 1981) should be mentioned and virtually from this research trend emerged the work on the typology of rural settlements in Hungary (Beluszky–Sikos 1982). A comprehensive monograph on the urbanisation of the Great Plain was also published in the 1980s (Tóth 1988).

These summarising works did not indicate the end of these research trends but they ceased to be in the very focus of interest. The emphasis shifted to other topics drawing the attention of human geographers.

It should be mentioned that during the 1980s the discipline became opened to the world beyond the state boundaries. Research trends having enjoyed priority in the western countries and theoretical-methodological novelties penetrated into Hungarian human geography. Of them a new approach to urbanisation is to be mentioned in the first place, giving inspiration to domestic studies (Enyedi 1984, 1988). Issues related to

the concept of "socialist urbanisation" came to the fore soon provoking international discussion (Enyedi 1990).

Although with some delay, investigations into the spatial diffusion of innovation eventually started in the 1980s. At the beginning these studies included innovations in farming (Enyedi & Rechnitzer 1987), but later – about the time of the change of power – embraced other sectors (Rechnitzer 1990) too.

The "openness" launched by Gorbachev also manifested itself in other members of the Eastern Bloc. Paradoxically enough, for long decades the "friendly" socialist countries did not have the opportunity to carry out joint human geographical studies and such an experiment only materialised in the 1980s in the form of a project on urbanisation, with the particiaption of experts from the GDR, Czechoslovakia and Hungary (Berényi–Schmidt–Tousek 1988).

The most important change, however, was the (re)appearance of research trends or topics banned or non-desired during the socialist era, such as geography of administration, which flourished between the two world wars (Hajdú 1989). After the cautious attempts made in the 1970s historical geography revived in the following decade. This prudence can be indicated by the fact, that at that time studies did not extend beyond the state border and failed to include the whole Carpathian region (Frisnyák 1990).

The 1980s saw the revitalisation of ethnic geography which had rich traditions in Hungary. The breakthrough occurred with a treatise on the transformation of the ethnic pattern of Voivodina (Yugoslavia) (Kocsis 1983). Subsequently no barriers hindered the efforts in this field of research; the issue of Hungarians living beyond the state border hitherto considered as taboo, could be revisited (Kocsis 1989).

Also starting with the 1980s an increasing attention was paid to regions lying along the political boundaries (Tóth & Csatári 1983), moreover the spatial problems created by the change of state boundaries could be raised in a more direct manner (Kovács 1989).

Apart from the above described positive trends and changes, a foremost achievement of Hungarian geography and cartography in the 1980s was the publication of the new National Atlas of Hungary in 1989. The Atlas which was enlarged and reworked as compared with the first edition and presented a comprehensive and detailed analysis and synthesis on the country was worth to deserve international recognition (Pécsi 1989). The majority of map sheets having dealt with human geographical topics indicated the contemporary standard of the subject, but at the same time they also referred to its limits: while the situation of the real sphere (of production) was represented correctly, part of the social processes (e.g. segregation, disparities in incomes, regional imbalance) could not be shown adequately.

Among the events of the 1980s affecting the sphere of academic geography an essential organisational change should be mentioned: in 1984 the Centre for Regional Studies was formed within the Hungarian Academy of Sciences. This workshop studies the same processes and phenomena (perhaps from slightly different aspects and using other approaches) as the "traditional" human geography – with all the pros and cons of the situation. One thing is sure: the appearance of regional science in Hungary is

associated with this workshop to a considerable extent, but this evolution was to unfold spectacularly during the 1990s.

HUMAN GEOGRAPHY IN HUNGARY IN THE 1990s

It seems to be very probable that the 1990s will be recorded as a significant period in Hungarian human geography. The reason is in the change of political system with the resulting economic, social and political outcomes, most of them leading to spatial transformation, thus, fitting in the very scope of human geography.

Consequently, the scope of domestic human geography has widened considerably in the 1990s but it has also been modified. For instance, the importance of sectoral (economic geographical) studies has diminished, traditional subjects such as industrial or agricultural geography virtually vanished.

Since Hungary is to be found in the avantguard of the transformation in Central and Eastern Europe, the changes in this country have drawn the interest of both domestic and foreign geographers. One of the positive issues is a growing chance of Hungarian human geographers to publish abroad. Several publications were devoted exclusively to the Hungarian transformation (e.g. GeoJournal, April 1994; Meusburger & Klinger 1995; Albrecht & Mezősi 1998; Schaffer & Thieme 2000).

The growing interest of geographers from abroad is also signalled by joint academic ventures as far as the different aspects of the change of power are concerned. These investigations were especially fruitful with regard to the trends in Budapest such as urban decay and revitalisation (Lichtenberger et al 1994), and urban development and changes in the housing market (Kovács & Wiessner 1999).

The quick reaction given to the changes was also indicated by the publication of a volume of studies shortly after the political showdown (Enyedi 1993), focusing on the regional disparities of a very wide range: in terms of changes in the administration, criminality, unemployment and on a number of other aspects.

Human geography profited considerably from the political turnover with the revival of political geography four decades after. In the beginning it was the geography of elections (Dingsdale & Kovács 1996; Kovács 1998), later studies of European scale followed (Pap & Tóth 1997), and at the end of the 1990s the first conference on political geography was held in Hungary (Pap & Tóth 1999).

Research on regions near political boundaries have been becoming especially vivid since the change of regime and it is partly related to political geography as well. Differing from the earlier studies the more recent ones extended to both sides of the state boundary. Of them the Austrian–Hungarian frontier experienced the most detailed analyses (Seger & Beluszky 1993; Nárai & Rechnitzer 1999), but lately other border zones also have fallen into the scope of scientific interest. This is confirmed by the conferences organised by the insiders (Pál & Szónokiné Ancsin 1996).

As a consequence of the political changes the spatial pattern of Hungary has also undergone significant transition. Advantages and disadvantages of certain regions became especially clear under the circumstances of market economy. Therefore, it is no

surprise, that one of the most dynamic fields of Hungarian human geography became the study of regional processes and regional differences of the country in the 1990s. There have been several investigations dealing with the reception of innovations (Rechnitzer 1993), the differences in regional development (Csatári 1996), the winner and loser regions of economic transition (Nemes Nagy 1998), or the changing regional pattern of the country in general (Enyedi 1996).

Looking at the spatial aspects of transformation the number one winner of post-1989 transition is surely Budapest and its surroundings which attracted great attention among human geographers as well. The increasing integration of the Hungarian capital to the Central European urban system (Enyedi 1994; Enyedi & Szirmai 1992), as well as its strengthening gateway role (Barta 1998), or the socio-economic transition of its agglomeration (Barta & Beluszky), moreover the appearance of suburbanisation around it (Dövényi & Kovács) have belonged to the most intensively investigated questions.

Substantial research was inspired by the transformation of urban structure of Budapest as well. Out of these investigations those referring to processes of the housing market (Kovács 1997), the transition of the inner-city (Kovács 1993), and the growing polarisation of the society (Kovács 1994, 1998) should be mentioned.

Political transition and the change of political system after 1989 was important in the development of Hungarian human geography not only because of the investigation of new trends and processes, but also because research topics emerged already in the previous decade could significantly strengthen. Among these subjects ethnic geography has to be mentioned first, which left the boundaries of Hungary and covered actually the whole Carpathian Basin (Kocsis 1997, 2000; Kocsis & Kocsisné Hodosi 1995). Historical geography has also managed to break out of its former relatively limited position, and current research cover the whole Carpathian Basin (Frisnyák 1996, 1998, 2000).

In spite of the fact that the 1990s brought a significant development in human geography research in Hungary the discipline still has got large number of debts. Comprehensive analysis of the macro-regions of Hungary, or a modern human (social) geographical portrait of Hungary are still lacking. These works are still to come, unfortunately, in the 21st century.

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REGIONS, REGIONALISM AND POLICY

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THE REGIONAL DIFFERENCES OF MODERNISATION IN HUNGARY IN THE EARLY 20TH CENTURY[1]

PÁL BELUSZKY

INTRODUCTION

During its history Hungary has made several attempts to catch up with the West European countries, the so-called "modern world". These attempts of joining the "modern world" wrecked repeatedly by the course of history and modernisation was curbed for decades and even for centuries.

By the time of the establishment of the Hungarian state (about 1000 A. D.) the Western countries: England, The Low Countries (The Netherlands), France, the West German territories, Northern Italy etc. had already developed their feudal regimes. Hungary has also joined Western Europe by accepting Western Christianity as state religion, by adopting the feudal law and order, and through dynastic relations (the first Hungarian king married a Bavarian princess). However, it took a long time while the social and economic conditions became similar (but not identical) to those of the Western counties. In the 15th century when Hungary succeeded in keeping up with the West the *socio-economic configuration of Europe started to change* (the 'core of modernisation' shifted from Northern Italy to the Atlantic region, consequently Central-Europe became periphery where feudalism strengthened its positions), and at the same time the *Ottoman Empire was expanding into Central Europe* (at the beginning of the 16th century the Turks conquered Hungary's central regions, nearly half of its territory, and founded a feudal duchy in Transylvania). These factors hindered Hungary from catching up with Europe and the country became an area devastated by warfare for one and a half centuries.

After driving out the Turks (in the 1680s and 90s) the re-establishment of the conservative feudal conditions and the peripheral location of the country (both in Europe and within the Habsburg Empire) hindered Hungary from restarting the process of modernisation. Progress was set forth only after the elimination of the feudal system, with the creation of civil law and order, and with the establishment of western-type proprietorship laws (1848). At this time, however, this phase of modernisation was fast and followed the example of Western industrial societies. This process of modernisation showed already significant success by the turn of the century, before World War I. Yet, in the course of modernisation significant regional differences appeared in Hungary. The aim of this paper is to highlight these regional differences which became evident by the early 20th century.

THEORETICAL AND METHODOLOGICAL PROBLEMS

Although „modernisation theories" in the field of history, historical philosophy and sociology, as well as comprehensive statistics of the period provide us a fairly abundant collection of references, some methodological problems occur while measuring the regional dimensions of modernisation in Hungary.

At first, modernisation theories attributed great importance to the *spreading and catching up* models. According to *D. Lerner the substance of modernisation is the constant spatial spread of „modernity"*.[2] On the basis of the definition of modernisation used by *S. N. Eisenstadt* i.e. „...it is a simple reproduction of the capitalist changes having occurred in the systems of the West European and North American countries in less developed societies", the regional differences of modernisation seem to be easy to analyse.[3] Nevertheless, geographers should also accept that modernisation is something more than a simply 'catching up' process – this statement can only be justified in the case of less developed regions – moreover, as historical philosophy theory claims modernisation is the *liberation of the mind and human subjectivity*. However, most of these approaches can not be used for operational purposes, only the approach of *options* and *ligatures* seems to be applicable.

According to *R. Dahrendorf*'s frequently quoted statement "...the essence of modernisation is a loss of ligatures (i.e. constraints) and a benefit from options (i.e. choice opportunities)". *Zs. Papp.* added „This special terminology carries a message from the perspective of sociology: modernisation means the improvement of life conditions, while these improvements differ from each another and depend on the rate of options and ligatures". As *Dahrendorf* and his followers stated ligatures are the constrains and restrictions in the society, which secure the survival of traditions or at least slow down their vanishing, and sometimes they even represent resistance to modernisation or an obstacle to its spreading. Ligatures mean abstract forms of behaviour, customs, habits, world concept – like ideologies, religion, moral-ethic norms, taste, unwritten law, order of values, etc. – and they also contain "material" factors such as illiteracy. Regarding the possibility of measuring *ligatures*, authors of modernisation theories show a bit of uncertainty, although, *Dahrendorf* anticipates that, for defining the level of modernisation "...it would be essential to measure the level of ligatures: we ought to know the intensity of ligatures of people, groups, positions, and age. The *options* – "...are basically the unlimited variations of human behaviour and free choice, therefore, they can be evaluated easier".[4] If these options and ligatures could be numerically defined from region to region the process of modernisation and the regional differences could also be described as the combination of ligatures and options (*Figure 1*).

Referring to methodological problems the available data seems ample.[5] However, defining the state of regional modernisation is not an easy task, because:

- One cannot describe the level of modernisation just like the level of options with one *single index*. Partly because these indices – like the average income, data on migration or on GNP – are highly occasional. But also because (except for migration

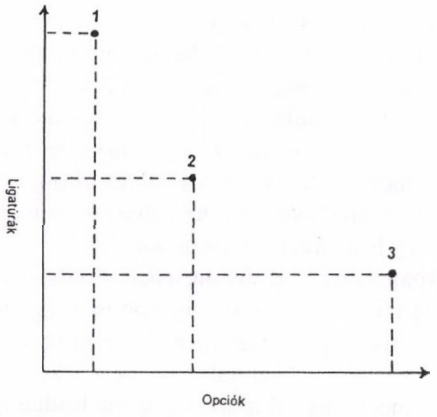

Fig. 1. The levels of modernisation regarding options and ligatures — 1 = traditional subsistence economy; 2 = the period of take-off; 3 = mature level of modernisation (structural ligatures)

figures) no relating data are available for every time period, furthermore, these indices are only a *static measure of development*, but not of the level of modernisation. *Modernisation is not identical with development.* The reasons are:

- Some elements of the level of development cannot be interpreted as part of modernity. High income rates can be generated in some – e.g. agricultural – regions due to favourable environmental conditions, to land ownership system, and to high production activity (despite the fact, that they use traditional methods).
- Some index values for regions of "traditional" farming and social conditions, used for the measurement of personal wealth (e.g. those of housing) may be higher than the same figures for the modernising regions. The housing stock of a traditional town, which is far from being modernised, can be of a higher standard than of a town, which is in the process of rapid development.

• Some effects of modernisation may decrease or slow down the level of development: e.g. industrial development with the spread of manufacturing industry had generated the rise of proletariate, whose housing estates in the 19th century could be considered any but a highly developed form of dwelling.

• When studying the nature of various available statistics the possibility of expressing the level of modernisation in terms of complex indices as the combination of options and ligatures fails. Illiteracy emerged as a hindrance to the modernisation process from the viewpoint of *ligatures* (Lika–Krbava county 74,9 per cent, Máramaros 73,2 per cent, Szolnok–Doboka 71,4 per cent – among people above 6 years).[6] On the other hand, it haa a positive effect on the side of *options* – in Transdanubia (West Hungary) the high level (80 per cent) of literacy was a favourable condition to modernisation. Having financial resources is also an option, which can be evaluated by the savings deposits in credit banks. However, the question is how to find a „breaking point" when a modest bank deposit (ligature) turns into a fair or substantial one (option). Though this can be shown in a co-ordinate system, a joint evaluation of several indices by this sort of combination is not feasible (*Figure 2*).

• In several cases the spread of modernisation follows the model of hierarchy, i.e. the elements of modernisation first appear in settlements belonging to the top category of the settlement hierarchy, these places showing higher specific values. This pattern was more or less valid for almost all of the indices, however, in some cases there was a sharp contrast between large cities and the surrounding countryside, for the latter the elements of modernisation did not appear at all. The index values of big towns show strong dissimilarities with those of their hinterlands and the values of municipal authorities (counties) depended on whether they had larger towns or not.

• On the other hand, the level of urbanisation and the presence of large towns should be taken into account while describing the level of modernisation in a region. In this respect the special position of the Hungarian capital Budapest has to be mentioned: Budapest was the bridge-head of modernisation, concentrating a considerable portion of the sectors of modern economy and society already in the early 20th century.7 Taking the regional differences of some modernising elements into account one can find a "Budapest-countryside" dichotomy when investigating the spatial features of modernisation. For instance, 41,5 per cent of the total telephone calls made in Hungary occurred in Budapest, 16 times more phone calls per person than in the country.

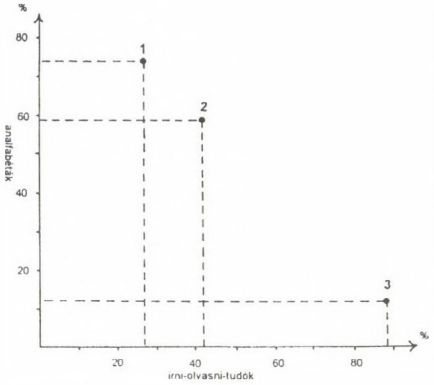

Fig. 2. Literacy as option and ligature — 1= Máramaros County; 2= Szilágy County; 3= Moson County

• Elements of modernisation and also the indicators used for the measurement of modernisation have different phases in their progress. It is well-known that modernisation theories divide the process of modernisation into periods. *W. W. Rostow* describes 5 stages[8] (*Figure 3*). The first stage is the *"traditional subasistence economy"*, when there is no significant difference among the different regions – the emerging differences are mainly due to the availability of natural resources. At the time of the *"emerging preconditions for take-off"* the index values reflecting modernisation still seem to be constant (e.g. the adoption of the public education act and the development of primary school network had subsequent effects on literacy), thus, the above indices for the measurement of modernisation do not work. Only the third period, the stage of *"take-off to maturity"* is suitable for a detailed analysis of the regional differences of modernisation. The next two stages, the *"drive to maturity"* and *"saturation"* phases (characterised by high mass consumption) lead toward diminishing regional disparities. Since the different elements of modernisation occur in these five periods at different times and linger there for different duration of time they seem to fit for measurement of regional differences in very different ways. Among the statistics that were available for Hungary for the turn of

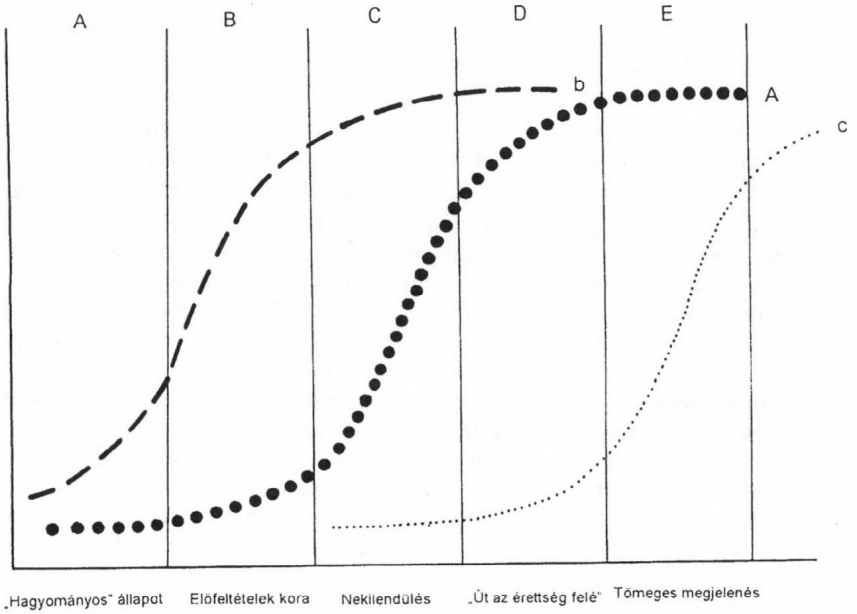

Fig. 3. The stages of the process of modernisation (by W.W. Rostow)

the century the following indicators could not be used for evaluating regional differences: the annual rate of *per capita telegrams* (because a single person sent only one telegram in every two years as an average), the *rate of divorced people* (in most of the counties it was about 0,1 per cent or 0,2 per cent in the 15+ age group, yet in Budapest it was 0,9 per cent), the *proportion of people with higher education* etc. Nevertheless, at that time density of railway lines had already reached a mature stage.

METHODS

For investigation of the different factors of modernisation a simple method was used in the aggregation of the elements of modernisation at regional (county) level. The aim was to describe the progress of modernisation, which meant the combination of the different levels of the elements indicated by the statistics, rather than the measurement of the correlation between them, or the regional typology of modernisation. For the latter purposes a more complicated method – e.g. cluster analysis – could have been used. However, given the high correlation between the various elements these two different methods were likely to give the same results. Hence, we described the level of modernisation in the counties by using a simple system of balls. (There were 12 indicators involved in the calculation of the index: 1. The proportion of literate people; 2. Corpses seen by doctors; 3. The amount of savings in credit banks per inhabitant;

4. Number of telephone lines per 100,000 people; 5. Share of industrial workers within the population; 6. Share of non-agricultural employees; 7. Per capita amount of fire insurance paid; 8. Mortgage loans per capita; 9. Proportion of pupils attending higher elementary school; 10. Beds in hospitals per 100,000 people; 11. The level of urbanisation based on the proportion of population living in settlements with higher hierarchical rank; 12. The level of urbanisation basis on the proportion of urban population.). The aggregation was also made by the help of the 'rank number' method, however, it did not differ much from the results of the former method.

On the basis of this statistical analysis we have drawn a map of the *different zones of modernisation in Hungary*. While generalising, the relationship between the towns that stand at the top of the urban hierarchy and their surrounding areas were taken into account (in less developed areas the cores of modernisation were indicated). With the aggregation of counties at the same modernisation level larger regions were created. In some cases we split up counties (e.g. Szombathely, as one of the most developed county centres economically and spiritually, was removed from the otherwise less modernised Vas county and it was incorporated with its closer surroundings into the main modernisation zone of Western Hungary) (*Figure 4.*). There was no possibility to detect the level and structure of modernisation in *smaller regions*, although this could reveal several characteristic types of modernisation and their combination.

ATTRIBUTES OF MODERNISATION

In the following the regional differences of some of the elements of modernisation will be highlighted.

- Literacy holds an important part in most of the surveys of modernisation. The turn of the century was the period of take-off of literacy in Hungary: in 1880 41.8 per cent of the population (age 6+) was literate, in 1910 already 66,7 per cent (in Hungary and in Croatia-Slavonia). In municipalities, i.e. towns with municipal authorities (the bigger towns) this rate had reached 85.4 per cent, whereas in the Hungarian counties it was 64.9 per cent. The rate of literacy varied significantly in the different regions. In those counties where the educational system was more advanced the overwhelming majority of adults could read and write (in the north-western counties, such as Moson, Sopron, Győr, Veszprém, Esztergom and Vas counties the rate was over 80 per cent), while in other counties only less than one third of the population (age 6+) could read and write (e.g. in the Croatian county of Lika-Krbava 25.4 per cent, in north-eastern Hungary: Máramaros 26.8 per cent, Szolnok-Doboka 28.6 per cent etc.). These regional differences can be described with the indices of the rate of literacy, which is especially suitable to follow the process of modernisation: literacy is a precondition of modernisation of the society and economy (for joining the modern market, for practicing some trades, for the application of modern equipment in production), and it can also be concieved as the consequence of modernisation.

With regard to the level of literacy Hungary could be divided into three different regions in 1910 *(Figure 5)*:

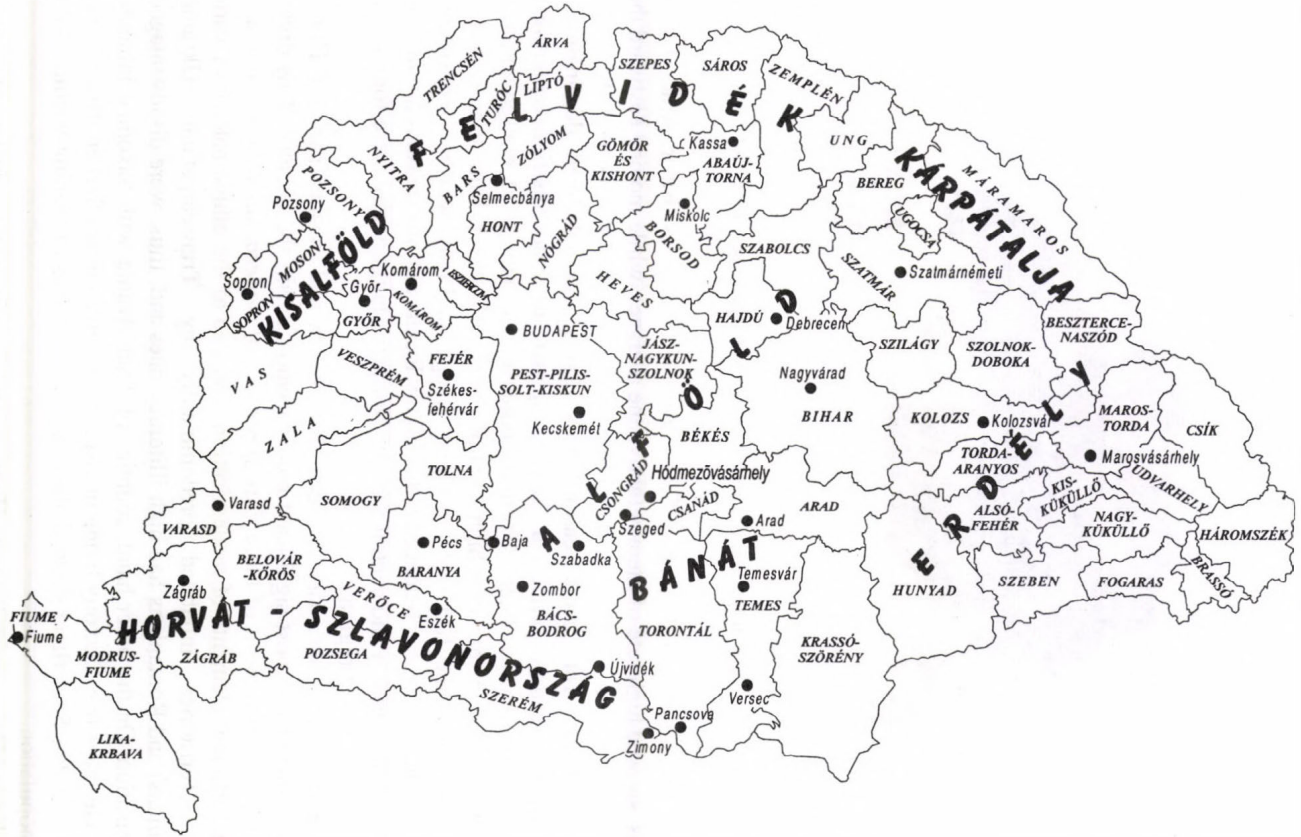

Fig. 4: Counties, municipal towns, and regions in Hungary, 1910

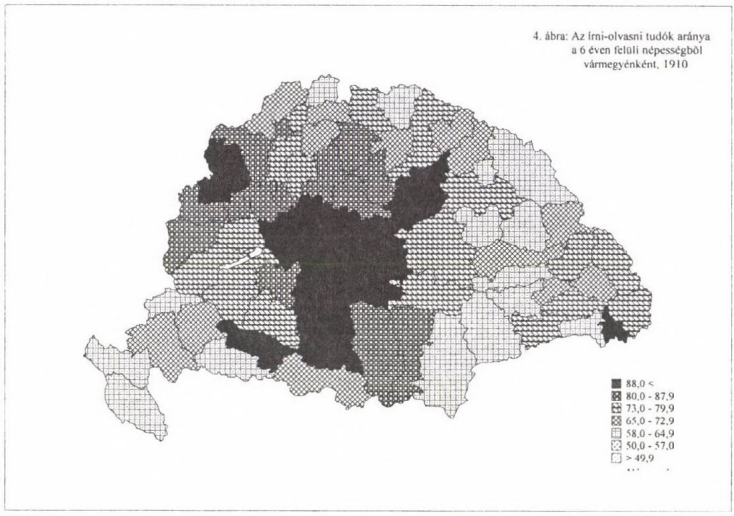

Fig. 5. The proportion of the literacy from the age of six, 1910 (%)

1. Regions lying west of the line of Sáros, Zemplén, Szabolcs, Bihar, Arad, Torontál counties, showed high rate of literacy (above the average), while moving eastward these rates decreased, still, in South and South-east Transylvania it exceeded the average again – primarily for ethnic reasons (this region was inhabited dominantly by Germans). This pattern reflects a "regular spread" of modernisation: entering the country at the 'Dévény Gate' (Western boundary of Hungary) consequently, the Transdanubian region showed a high level of literacy. However, Hungarian experts has found conspicuous the fact that the Great Hungarian Plain, which is considered a disadvantaged region, also belonged to the highly literate regions (reasons are described below), and the western and central parts of Northern Hungary also were found among the highly modernised regions.[9]
2. There is a sharp boundary between the western and eastern parts of Hungary indicating one of the most significant modernisation gapsin the country. This dividing line was drawn as a result of the *diffuse spreading of modernisation*, to the interaction between different elements of modernisation, and also to the ethnic pattern of various regions. Territories inhabited predominantly by Transcarpathian Ukrainians (Ruthenians) and Romanians had high illiteracy rates and, thus, were disadvantaged in modernisation. On the other hand, counties of Transylvania with Saxonian inhabitants (ethnic Germans from Saxony living in large groups in counties Szeben, Brassó, Nagy-Küküllõ) or The Seklerland showed above average in terms of reading-writing abilities of the population.[10]
3. The line of Dráva river, between Hungary and Croatia, was not just a constitutional divide but also a cleavage in the spread of modernisation.

• Ratios of "Corpses seen by doctors" show much similarity to literacy in the counties in 1910/11 (*Figure 6*). The Hungarian Statistical Office recorded the number of people who had received medical treatment immediately before their death. Professional medical treatment as an important indicator of modernisation was in the phase of take-off and showed substantial regional variations. More than half (50.2 per cent) of the deceased people had medical treatment before their death, however, in Lika-Krbava only 9.8 per cent, Szolnok-Doboka 14.9 per cent, Árva 13.6 per cent, whereas in Békés 92.2 per cent, Csanád 88.3 per cent, Hajdú 87,4 per cent. At the same time as an indicator the "corpses seen by doctors" reflects the rank of values within the society, financial opportunities and living standards of the population, the culture of everyday life, the availability and proximity of medical treatment, which had closely been related to features of the settlement system, level of urbanisation, existence of medical institutions and transport facilities etc.

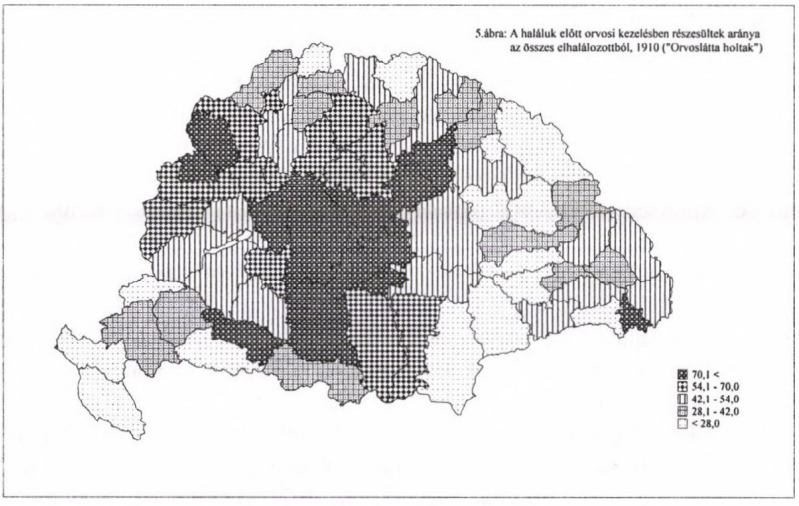

Fig. 6. Medically treated persons before death as a percentage of the deceased, 1910 („corpses seen by doctors")

After investigating Hungary's medical culture and the turnover of its medical institutions we can define that the peak of modernisation fell in the w*estern counties* (Moson, Sopron, Vas, Győr, Pozsony, Komárom, Nyitra, Esztergom – though in small villages the availability of doctors was far from having been sufficient) and the Great Hungarian Plain (just like in terms of literacy). However, in the latter case could be assumed that high rates were due to the general features of the settlement system: the majority of the population lived in market towns and in "giant villages" where medical treatment was easily available given the high number of population. Some Transdanubian counties (Zala, Somogy, Veszprém, Baranya) had an average rate of

using medical facilities (South Transdanubian region showed a cleavage from this point of view), while in Northern Hungary the situation was worse than in the case of literacy. A wide zone stretching from North-eastern Hungary to Krassó-Szörény county with low figures showed stagnation, although the position of Temesköz was relatively favourable, and this was also the case in South-eastern Transylvania (Saxonland and Székelyland). The modernisation of Croatia and Slavonia did not move much from the state of "traditional". This region had a rate of 27.9 per cent of those receiving medical treatment before their death (with regard to children this rate was a mere 15.3 per cent!). In Croatia a hierarchic type of spreading could be observed: in Zágráb (Zagreb) 80.6 per cent of the city's population had medical treatment, whereas in Zagreb county this rate was only 22.7 per cent.

- The spatial distribution of savings on bank accounts per person did not provide an easily interpretable picture in 1911 (*Figure 7*). The hierarchic type of spreading was dominant in this case: the biggest cities and their counties had the highest rates (Hajdú, Arad, Temes, Csongrád, Pozsony). The number of inhabitants in these towns, and the ratio of their population within their counties had a considerable effect on the rates: where large part of the inhabitants of the county lived in the centre the county (e.g. Hajdú county: Debrecen, Brassó county: Brassó, Győr county: Győr, Kolozs county: Kolozsvár) produced a high rate of savings account on average. However, if the majority of the counties' inhabitants lived in the countryside this had not much effect on the rates (Nagyvárad in Bihar county). This map provides some details to be explained: the central part of Northern (Upper) Hungary holds significant values of bank deposits. In Central Northern Hungary Túrócszentmárton and Rózsahegy were the head offices of the "national banks" of the Slovak minorities in Hungary (Tatra-Bank, Rózsahegyi Hitelbank). In Zólyom and Gömör it was industry that might have stimulated the activity of the banks. The Saxons had also high rates due to their highly developed banking sector. In Croatia Zágráb displayed powerful bank activity as the only financial centre of the country.

Taking these figures into consideration it could be pointed out that in Central Hungary and in the Western regions the amount of savings was above average, though, the in this respect South Transdanubian region differed from the Western parts of Hungary as well, showing smaller amount of bank account. Bank accounts had high rates in Central Northern Hungary and also in the Great Hungarian Plain, even in those counties without dominant centre (Szabolcs, Jász-Nagykun-Szolnok, Békés). East of the line stretching from Sáros to Krassó-Szörény per capita bank accounts showed a rate below the average, while in the Saxon counties (Brassó, Szeben, Nagy-Küküllõ, Beszterce-Naszód) rates were registered far above the average. The rates of Seklerland were not prominent and Croatia was lagging behind as well. The low indices of the account savings also support the underprivileged position of Croatia and the significant delay in the process of modernisation.

- As statistical data reveal the importance of manufacturing industry is determined partly by the general processes of modernisation (Budapest has been the dominant centre of the sector) but due to natural resources and mining, industry appeared also in the less developed regions where general modernisation did not exist

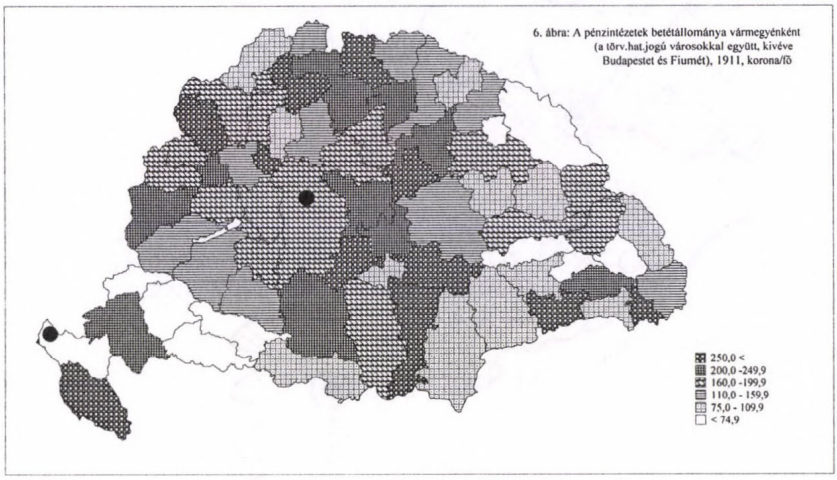

Fig. 7. The sum-total of bank deposits by county (together with the municipal towns, except Budapest and Fiume (Rijeka)), 1911, crowns/head

(mining and metallurgy in Krassó-Szörény and Hunyad counties, wood processing in Seklerland). Spreading industrialisation is an important element of modernisation but it does not have a strong correlation with the regional spread of other elements of modernisation.

- Other indicator values had close relationship with one of the above mentioned indices. Related to urbanisation the Great Hungarian Plain shows high rates, the regional density of public telephones (exchanges) demonstrates the existence of the hierarchical diffusion model (counties with major urban centres displayed the highest values). Rates of property insurance reflected a west-east dichotomy.

THE REGIONS OF MODERNISATION IN HUNGARY IN THE EARLY 20th CENTURY

The regions of modernisation in the country were specified earlier (*Figure 8*). Regarding the territorial units only a few remarks will be made emphasising that the regions of modernisation were specified in relation with the general *level of Hungarian modernisation.*

Budapest

As it has already been referred to *Budapest* had a significant role in the Hungarian modernisation during the time of dual monarchy. In the middle of the 19th century there was a considerable gap between Hungary and Western Europe as far as the economic

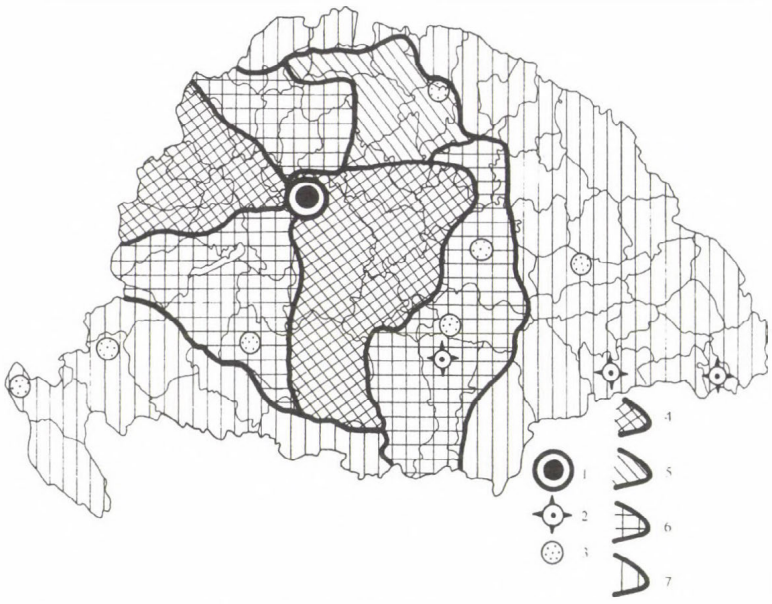

Fig. 8. The zones of modernisation in Hungary in the early 20th century – 1= the bridgehead of the modernisation, Budapest; 2= the centres of modernisation with a significant "reflection"; 3 = the centres of the modernisation; 4 = zones characterised by significant modernisation; 5 = zones in the process of modernisation; 6 = zones at the beginning of the process of modernisation; 7 = "traditional" regions (for the explanation of the numbers on the map see Table 2)

and technical development, the maturation of society and the level of urbanisation were regarded. When the preconditions for the "take-off" were secured, the disparities between the two "poles" induced an intense modernisation process in Hungary. The pre-conditions and sources of modernisation appeared simultaneously and stimulated a fast catching up process:

- The *international conditions* for economic development were by all means granted: agricultural boom in Europe, surplus of capital and (as a consequence) capital influx from the West.
- *The social, political, and legal conditions were prepared for the capitalist development* (after the removal of feudal constrains). The establishment of the legal and constitutional framework of civil society partly preceded the process of the capitalisation and modernisation of economy and society.
- The reestablishment of (limited) *national sovereignty* (1867) also stimulated modernisation (e.g. the desire for Budapest to play the role of counterpart to Vienna the imperial capital city; the opportunity for independent economic and railway policies etc.).
- The technical-technological ("industrial") revolution was generated by the needs of capitalist economy in Europe. In Hungary *the appearance of modern technical devices* (railway, telegraph, agricultural machinery etc.) coincided with the emergence of preconditions of modernisation and the rise of the civil society.

• The hub of the above mentioned processes of modernisation was Budapest (after regaining national sovereignty Budapest became the centre of national politics; following the transport boom and due to the national railway policy Budapest became the main junction of transport; on the wave of the prospering agriculture Budapest became the centre of cereal trade and milling industry; and all these gave an impetus to an increasing rivalry with Vienna, etc.). Initially modernisation was focused in a few centres and after strengthening it spread over the different regions.

The bridge-head of modernisation process in the Carpathian Basin was Budapest. Beside it there were only a limited number of sub-centres in Hungary where modernisation was present at the beginning of the century. Thus, the "overwhelming weight" of the city within Hungary did not have its origin in Trianon (the peace treaty after World War I with serious population and territorial losses for Hungary). At the turn of the century, in Budapest the values of the modernisation indices were multiple compared to its population size and all these resulted in "qualitative" differences as well when compared to the country as a whole. At the turn of the century Budapest was the only place with a genuine bourgeois society *(Table 1).* As a result of its specific position *the population of Budapest had been growing dynamically* (1851: 173,000; 1910: 880,000), the infrastructure of the city and its territory rapidly expanded, the technical innovations became applied at an early stage (1878: electrified public lighting; 1881: telephone exchanges; 1887: tramway; 1896: underground railway, etc.). By the beginning of the century Budapest had become not only the main focus of the influx of foreign capital, technical enlightenment and innovation, but also the bridge-head of new social ideas and trends of art. (Budapest was not only the "recipient" of novel things but numerous innovations were invented there like the transformer, the telephone, the carburettor, the electrical engine, etc.)

*Table 1. The importance of Budapest within the country, 1910**

Indices	Absolute values		Share of Budapest, per cent
	in the country	in Budapest	
1. Population	18 064 533	880 371	4,8
2. Phone calls, 1000	171 951	71 396	41,5
3. Deposits in savings banks, thousand crowns	3 861 277	768 496	19,9
4. Telegrams, 1000 pcs.	9 209	2 427	26,4
5. Mortgage on buildings, 1000 crowns	1 196 376	733 373	61,3
6. Workers in industrial companies with more than 20 employees	392 939	128 358	32,7
7. Traders	278 104	64 881	23,3
8. Students in higher education	14 021	8 675	61,9

*without Croatia-Slavonia

Regions characterised by significant modernisation

II. 1. The "modernisation axis" of Western Hungary comprised Pozsony, Moson, Sopron, Győr, Komárom, Esztergom counties and the northern part of Vas and Veszprém counties with 1,700,000 inhabitants over an area of 20,500 km^2. The leading position of the region had been obvious from the establishment of the Hungarian state, given its favourable geographical location and traffic connections. Not only the proximity of Vienna (the Viennese market stimulated farming activities and development of agriculture already during feudalism) and the establishment of traffic corridors on both sides of Danube between Vienna and Budapest, but also the adequate water transportation facilities as well as the export of agricultural products (mainly crops) helped the formation of modern towns with highly developed civil societies even before the wave of railroad construction. The favourable geographical location of the region launched a balanced process of modernisation very soon, already before 1848. It had impacts on the take-off of agriculture (increasing production of industrial crops, application of modern technologies, development of food industry, etc.), on the acceleration of urbanisation i.e. the formation of regional centres (Pozsony/Bratislava, Győr), the development of county towns (Szombathely, Sopron), strong middle-sized towns (Komárom, Esztergom) and district centres with manifold functions, the industrialisation, and through them on the weath of the population and the elimination of ligatures (in 1910 Moson, Sopron, Győr, Vas, Veszprém and Esztergom counties were among the first ten as literacy regarded).

II. 2. The present classification of the Great Hungarian Plain as a "considerably modernised" region deviates from the traditional Hungarian assessment of this region ("underdeveloped"). This region consisted of Pest–Pilis–Solt–Kiskun, Bács-Bodrog, Csongrád, Békés, Jász-Nagykun-Szolnok, Hajdú counties, and the southern part of Heves and Borsod counties with an area over 42,000 km^2 and accommodating 3,300,000 people in 1910.

On the basis of the indicator values the "favourable position" of the Great Hungarian Plain is indisputable.[11] The only question is why?[12] The role of some factors is obvious:

- At the beginning of the 20th century the Great Hungarian Plain had a very specific settlement pattern (and it partly has for the time being). The majority of the population lived in populous settlements, the proportion of the urban population was extremely high, in most counties it exceeded 50 per cent, but in Csongrád it was 71 per cent and in Pest–Pilis–Solt–Kiskun amounted to 63 per cent (excluding Budapest).
- The fact that high percentage of the population lived in large, town-like settlements with certain urban functions stimulated the expansion of innovations and thus the process of modernisation. This could be detected through indicators like the "corpses seen by doctors", the expansion of literacy (network school), and even in the development of telephone system.

• In the second half of the 19th century the agricultural business played a predominant role in the modernisation of the country. In the agricultural production, however, the Great Hungarian Plain possessed significant amount of agricultural surplus.

III. The central part of **Northern (Upper) Hungary**[13] (Túróc, Liptó, Szepes, Gömör, Kishont and Abaúj-Torna counties) had an *above average level of modernisation* and it belonged to the second group of modernisation types in Hungary. In the year 1910 this region had approximately 1,1 million inhabitants on the territory of 15,600 km^2. In most counties the drive to modernisation was the expansion of the manufacturing industry. Regarding the number of workers in the manufacturing industries in 1910, Liptó county was ranked the 3rd (607 workers per 10,000 inhabitants), Turóc county 4th (448 workers), Szepes 6th (422 workers) and Borsod 7th (413 workers) among Hungarian counties.

By the turn of the century the relatively high level of industrialisation had attracted additional elements of modernisation and resulted not only in higher proportion of industrial and tertiary earners on the labour market but also stimulated the function of financial institutions (Turóc was 2nd, Szepes on 10th and Liptó on the 21st among the counties), increased secondary education, literacy, expanded modern infrastructure (telephone network), etc. Nonetheless, the modernisation process was spatially unbalanced in several counties. On the regional level, the difference between modernisation and "development" should be emphasized again, especially in the case of the central part of Northern Hungary e.g. the limits of personal career.

The position of the central part of Northern Hungary was improved by the presence of two major cities Kassa (Kosice) and Miskolc. In other regions of the country the level of modernisation did not reach the national average.

IV. 1. The modernisation indices in the counties of North-western (Upper) Hungary (Nyitra, Bars, Hont, Nógrád, Zólyom; with the territory of approximately 17,600 km^2 and population of 1,650,000 in 1910) were quite similar, the "internal structure" of the modernisation was spatially uniform. Considering the level of modernisation this region differed greatly from Western Hungary and Central Northern (Upper) Hungary. The "social indices" (like literacy, corpses seen by doctors and the sum total of bank deposits) were higher than the national average; in terms of the economy in the counties like Zólyom and Nógrád the manufacturing industry was rather developed (at that time Zólyom was a county with some of the most developed manufacturing industries in Hungary). However, there was no regional centre in the region, the level of urbanisation and the percentage of town-dwellers was low, the value of the urban elements of modernisation was poor. Thus, North-western (Upper) Hungary *belonged to the regions with an average level of modernisation.*

IV. 2. Central and Southern Transdanubia (regions lying west of the Danube), contained Zala, Somogy, Baranya, Tolna, Fejér counties, the southern two thirds of Veszprém county and also the southern part of Vas county neighbouring with Zala, on the territory of 31,000 km^2, where 2 million people lived. The Transdanubian region has been commonly considered as one of the "advanced" regions of the country, but actually this was/is not the case either in the past or at present. From the statistical

data it turns out that at the beginning of the century the Central and Southern Transdanubian region was lagging in the process of modernisation among the Hungarian regions (*horribile dictu* even behind the Great Hungarian Plain); in the order of rank Zala was 49th, Somogy 39th of the counties, whereas the average ranking of the Great Hungarian Plain was 10,6 (!), which was not reached by any of the Transdanubian counties. Due to Pécs, Baranya county was the only one reaching a rank above the average. The index values of the Transdanubian counties were mostly around or below the average. In this respect the modest level of modernisation was typical for the whole region. Only the literacy standard and in some counties the number of "corpses seen by doctors" was high.

Among the reasons of the "relative backwardness" of Transdanubia the unfavourable traffic conditions can be mentioned. The region was disadvantaged for a long time (the situation improved only after the railway construction), the level of cash crop production was moderate, the expansion of manufacturing industry was negligible (with the exception of Pécs and Baranya county). As a consequence the level of urbanisation remained low (calculated as the proportion of the population living in towns of higher hierarchical level Tolna county was in the 63rd, Somogy in the 59th, Zala in the 42nd place among the counties). At the turn of the century Zala, Somogy, Tolna and the southern part of Fejér county belonged to the regions with scant urban network, with lack or scarcity of urban institutions which posed hindrance to the process of modernisation. Similarly, the web of rural settlements (dominated by small villages) restrained the modernisation of the countryside.

IV. 3. Between the regions with high level of modernisation i.e. the Great Hungarian Plain and the central part of Northern (Upper) Hungary and the underdeveloped region of the Eastern Hungary a large "transitional" zone (40,5000 km^2, 2 million people) was stretching from Szabolcs county through Bihar and Arad to the southern border of Temes county. In terms of the history of its economic and settlement development, the ethnic and religious structure of the population, and natural conditions this region was fairly heterogeneous. There was no internal cohesion within the region. The correlation between the "elements of modernisation" within the region was weak. The unbalanced situation of the region was further enhanced by the fact that some rapidly developing big cities like Nagyvárad (Oradea), Arad, Temesvár (Timisoara) also belonged here, but their hinterland lagged behind in the process of modernisation. (e.g. in Bihar, in the county of which Nagyvárad/Oradea was the seat, the percentage of illiterates among 6+ was 56.4 per cent in 1910). It also should be emphasized that the ethnic composition of the residents in Temes and Torontál counties was rather mixed and it changed from village to village, where these nationalities remained unmixed. Various ethnic groups (Romanians, Germans, Serbs, Hungarians, etc.) lived together in the contemporary Hungary, but the advancement of modernisation within these ethnic groups varied considerably.[14]

„Traditional" (least modernised) regions

The "traditional" (least modernised) territories of the country constituted two extensive and contiguous regions:

V. 1. Eastern-Hungary (North-eastern (Upper) Hungary, Transylvania, Krassó-Szörény county)

The East Hungarian region occupied the territory of the northern and north-eastern part of the mountains surrounding the country and Transylvania, with an area of 112,000 km^2 and population of 5,390,000.

Within this region Northern (Upper-) Hungary and the northern foreground of Transylvania could be separated from Transylvania proper. Leaving aside Croatia, the eastern part of Northern (Upper) Hungary and the so called Sub-Carpathian region were the least modernised and most "underdeveloped" regions of the country in every respect, in terms of social indicators (in Máramaros county the rate of illiterates was 77 per cent, and this ratio was higher only in the Croatian county of Lika-Krbava; equally only 18.7 per cent for "corpses seen by doctors", but in Árva county this parameter value was 13.6 per cent!, the level of sum total deposits was also the lowest in the country. As far as economic development was concerend (e.g. on the basis of industrial employment) Szilágy county was 71st, Ugocsa 69th, Árva 68th, Szatmár 61st among the counties etc. and urbanisation was in a incipient phase as well. Szilágy county made its best place (49th) on the basis of the mortgage loans; whereas Máramaros county was on the 48th place only in terms of the proportion of non-agricultural earners (as a result of the unfavourable natural endowments for agriculture). After summing up the indices Árva county was on the 66th place, Máramaros on the 65th, Szilágy on the 63rd, Trencsen on 56th and Ungvár on the 54th place among the counties. The average ranking of the regions on the list of the 72 counties is 55.3 (the average of the counties of Croatia-Slavonia is 59.8). Many reasons could be listed for that (e.g. natural conditions, low level of cash-crop production, moderate urbanisation, poor and uneducated population, the ethnic factor – the poorest and most disadvantaged ethnic group of Hungary at that time was that of Ruthenians who formed the population majority– which altogether resulted in massive out-migration from the region).

Although Transylvania has been the "bastion" of traditionalism in Hungary, this region was not uniformly underdeveloped. In this respect the difference between modernisation and development should be emphasised again because e.g. the endeavour to maintain traditions and privileges could be observed even in the local societies of the relatively well-developed territories inside the region like Seklerland, Saxonland. Not only the physical geography of the region is complicated, but there were great differences in terms of the constitutional law (separation of Saxonland, Székelyland as borderlands from the rest of the country), economic history and ethnic structures of Transylvania and, thus in the level of modernisation. From the sixteen counties of Transylvania – together with Krassó-Szörény – seven belonged to the most backward Hungarian counties (Hunyad, Alsó-Fehér, Torda-Aranyos, Kis-Küküllõ, Fogaras,

Udvarhely, Szolnok-Doboka). The level of modernisation in Beszterce-Naszód, Maros-Torda, Csík, Nagy-Küküllõ counties was also below average with very low values in some cases (e.g. the proportion of illiterates was 74.7 per cent in Szolnok-Doboka [70th place] 67,7 per cent in Torda-Aranyos [67th place], 70,2 per cent in Hunyad [69th place]; the situation was almost similar for the index "corpses seen by doctors" – in Szolnok-Doboka 11.9 per cent were treated by doctors, in Torda-Aranyos 16.2 per cent etc.). In contrast, the modernisation in Brassó and Szeben counties where the Saxons lived (in spite of the earlier mentioned "Saxon conservatism and traditionalism") was far more advanced than in other territories of Transylvania. The average rank value of Brassó county was 7.3 and with regard to the majority of the index numbers it was among the first ten counties. Kolozsvár (Cluj) was an important city in the settlement hierarchy of Hungary – after Zagreb and in the same position as Pozsony (Bratislava) – but this ranking was not enough for raising the position of its county. The rural territories of Kolozs county were similar to its neighbours, Torda-Aranyos and Szolnok-Doboka. When all was said Transylvania could be clustered to the so-called traditional regions, even though it had significant modernisation foci like Kolozsvár (Cluj), Brassó (Brasov), Nagyszeben (Sibiu). Differentiation in terms of the level of modernisation could also be observed among the ethnic groups, following the rank order of Saxons/Hungarians/Rumanians.

V. 2. Finally, the Dráva river was a borderline not only by the constitutional law between the two countries of the Hungarian Kingdom (Croatia and Hungary proper); an ethnic and lingual border, but it was a significant modernisation barrier as well. **Croatia-Slavonia** was the least modernised region in the Carpathian Basin, with very poor indicator values compared to Hungary; the position of the region could be characterised by *extremely strong ligatures* (e.g. in 1910 the percentage of illiterates was 78.9 per cent in Lika-Krbava county, the percentage of the "corpses seen by doctors" under 10 per cent, etc.), and *sparse options*. Although Zágráb was a modern provincial town with similar position in Croatia like Budapest in Hungary, but with a small "reflection" effect of diffusion similar to a "highly modernised" seaport and town Fiume (Rijeka). The advantageous figures of Zagreb county derived only from the combined average values of the city and county. *Table 2* shows a set of data of the regions described above.

2. Table. Summary data of the zones of "modernisation" in 1910

Regions	Population number (1000 inhabitants)	Area km^2	Average county rank values	Average scores	Maximum score per cent
I. Budapest	880	194	1,0	72,0	100,0
II. 1. Western-Hungary	1 703	20 400	13,0	59,3	82,4
2. Great Hungarian Plain	3 282	42 000	10,6	59,1	82,1
III. Central Upper Hungary	1 109	15 600	18,8	54,0	75,0
IV.1. Western Upper Hungary	1 165	17 600	35,8	44,6	61,9
2. Central and South Transdanubia	2 042	30 900	31,7	45,6	63,3
3. Intermediate zone between the Great Hungarian Plain and Transylvania	2 642	40 500	28,2	49,6	68,9
V.1. Eastern Hungary a)	2 248	42 800	55,3	27,1	37,6
2. Eastern Hungary b)	3 143	68 900	48,0	33,3	46,2
3. Croatia–Slavonia	2 622	42 500	59,8	23,9	33,2

a) North-East-Upper Hungary and "Partium" (intermediate zone between the Great Hungarian Plain and Transylvania)

b) Transylvania with Krassó Szörény county

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1. *At the beginning of the 20th* century the territorial extension of Hungary – as part of the Austro-Hungarian Monarchy – was different from the present-day one. Territory at that time, 325,000 km^2 extended to the whole Carpathian Basin. Within the States of the Hungarian Crown Croatia–Slavonia had a constitutional independence. In 1910 the population was approximately 21 million. In World War I Austro-Hungarian Monarchy was defeated and in the Paris Peace Treaties 71.5 % of the territories was ceded to the (partly) newly formed states and only 8 million inhabitants remained on the territory of Hungary of 'Trianon' (according to data from 1910).
2. Lerner, Daniel: The Passing of Traditional Society. Modernizing the Middle East. – New York, 1958.
3. Quotation from the study of János Farkas: Theories on the modernisation of societies", Valóság, 1985/9. Rudolf Andorka, one of the leading Hungarian sociologists voiced something similar:"... the word modernisation is used to be understood as an ability of the economy and society of catching up to the more developed stage... In this concept the paradigm of modernisation is strongly related to the centre–periphery dichotomy".
4. „Perhaps it could be condensed into one dimension. Gross social product? Incomes per head? Indices of modernisation? Should they be understood as the sum of options?" – meditates a Hungarian author. (Zsolt Papp: Where is modernisation heading for? – Világosság, 1987/10.

5. At the beginning of the century service for statistics regularly recorded (though sometimes only for the larger administrative units) data on literacy, indices of migration, capital and sum total of deposits of credit banks, number of earners in industry, number of telephone lines, value of mortgage loans granted by credit banks, amount of signed insurance, etc.
6. The territory of the country at that time (together with Croatia-Slavonia) was divided into 71 administrative units, the so-called counties (cities had the same legal status as counties and they belonged to the surrounding county statistically). The average area of counties was approximately 4,800 km^2, whereas the population was nearly about 300,000.
7. This statement partly denies the common view that the present overwhelming predominance of the capital is a result of the contraction of the country's territory and Budapest was planned to be the capital of a state on a territory of 300,000 km^2 but nowadays it is the administrative centre of an area less than 100,000 km^2.
8. W.W. Rostow: The Stages of Economic Growth. A Non-Communist Manifesto. – Cambridge, 1960.
9. Szabolcs, Hajdú, Jász-Nagykun-Szolnok, Békés, Csanád, Csongrád, Bács-Bodrog counties and the bigger part of Pest-Pilis-Solt-Kiskun county belonged to the Great Hungarian Plain.
10. In the extreme southeastern part of the country in Transylvania was located the so-called Seklerland mostly inhabited by Hungarians surrounded with Rumanians and Saxons (Háromszék, Csík, Udvarhely, and partly Maros-Torda counties).
11. Regarding "the elements of modernisation" (excluding the manufacturing industry) the counties in the Great Hungarian Plain are no doubt the leading ones! The average index number of the counties of the Great Hungarian Plain was 10.6 and this is higher than the same figure for the West Hungarian region. In the case of the most appropriate indicator values of the modernisation process the rank of some counties of the Hungarian Great Plain was prominent; e.g. regarding the "corpses seen by doctors" Békés was 2nd after Fiume (Rijeka), Hajdu was 4th, Csongrád was 6th, Jász-Nagykun-Szolnok was 7th, etc.)
12. It could be asked whether these indicator (index) values of modernisation are capable to express its qualitative features. Perhaps they are not, but the results achieved through the applied method is suitable to approximate the real situation.
13. The territory of Northern (Upper) Hungary corresponds more or less to the present Slovakian territory together with the Northern Mountain range of the Carpathian Basin.
14. The percentage literacy among some populous ethnic groups was the following in 1910: Germans 80,7 %, Hungarians: 67,1 %, Croatians 62,5 %, Slovaks: 58,1 %, Serbs: 51,3 %, Romanians: 28,2 %, Ruthenians (Ukrainians): 22,2 %.

Z. KOVÁCS (ed): Hungary towards the 2st century: the human geography of transition
Studies in Geography in Hungary 31, Geographical Research Inst. HAS,
Budapest 2000, pp. 71–85

REGIONALISM AND CROSS-BORDER CO-OPERATIONS IN THE CARPATHIAN BASIN

ISTVÁN SÜLI ZAKAR

INTRODUCTION

Following the end of World War II, one of the most characteristic features of Western Europe was the appearance and accomplishment of *(euro)regionalism*. In the past few decades, the *predominating regionalism* proved to be suitable for solving of the acute problems accumulated during hundreds of years of political, ethnic, regional development. Euroregionalism also reached East Central Europe in the nineties, and hopefully it will prove to be successful in solving the old problems of the region – since regionalism can especially be important in reducing of the socio-economic inhibiting and dividing role of the political borders and in strengthening *cross-border co-operations* (Süli Zakar 1992).

As it is stated in Article 2 of the **#106 Convention of the Council of Europe** "... the term cross-border co-operation involves the strengthening of good neighbourhood relations and the making of agreements or conventions on activities for development between the regional self-governments and administrative units within the legal authority of the two or more Contracting Partners." (European Convention on the Cross-Border Co-Operations of Regional Self-Governments and Administrative Bodies. ETS No.106. Madrid, 21 May 1980)

The **#106 Convention** is one of the founding documents of the integrating Europe, for until the end of the Second World War the process of the *unification* and *co-operation* in Western Europe was impeded by the regional-ethnic problems inherited from the past. The most problematic barriers of the union are those *border segments*, where the unsettled ethnic-social-economic issues accumulated. The visionaries of a unified Europe could hope the promotion of the mutual understanding, the clarification of the situation, the widening of the socio-economic relations and the full-scale normalisation of political relations along the borders as a result of the deepening cross-border co-operation (Anderson 1982).

The founding documents of the euroregions created in the Carpathian Basin in the 1990s are also based on the #106 Convention of the Council of Europe. The aim of the founders was the translation of the tested West European *transnational regionalism* into practice. The drawing of the borders happened in the Carpathian Basin in this century as well – following the First World War – and this intervention divided areas which had formed contiguous regions in the course of history. Thus, it is not by chance that more and more people realised the intolerably strong social-economic *dividing role*

of the *political border* and the commanding necessity to get rid of this separation. The stronger and more effective co-operation – that is the realisation of *cross-border* (transnational) *regionalism* – became an indispensable condition for the rise of the eastern half of Central Europe as well (Süli Zakar & Corrigan 1998).

THE GEOPOLITICAL IMPORTANCE OF REGIONALISM AND CROSS-BORDER CO-OPERATIONS

Today, the "scene" of the operation-competition of the communities, settlements and economy in Western Europe *is not as much the area of the country surrounded by the national borders but rather* the *region* developing-forming on the basis of the co-operation – sometimes belonging to several countries (Alvarez 1995; Donnan & Wilson 1994; Horváth. 1998). *Regionalism* became an organic part of the European way of thinking/ideology. Of course, this regional model is not lacking antecedents; we can say that this peculiar European phenomenon *is based on precedents of several hundreds of years* (O'Dowd & Wilson 1996).

Several European researchers and politicians think that the *nation state* which used to be the determining unit and subject of the international politics from the Peace Treaty of Westphalen (1648) became an incorrigible empty frame everywhere, even though to different extents. They claim that one cannot rely on it with certainty neither in the internal policy nor in the foreign policy and it needs new bases for the survival – with limited but symbolically important functions (Wilson & Donnan 1997, Anderson & Hamilton 1999, Anderson & O'Dowd 1999). Where these new bases – like for example in the Balkans during the past few years – could not be found, the nation state became the primary source of *political insecurity and chaos* as opposed to its former role as the repository of political stability and order. Many agree that the economic, social and geopolitical success of today's Western Europe are mainly due to *the accomplished regionalism* (Lorenz 1992).

The term *Euroregion* – or *Euregion* – is used to designate a region where there is mutual interregional, or transborder (transnational) economic, social, cultural, and other types of co-operation between two or more states, or local governments. Therefore, a *Euroregion is a definite geographical unit*, which includes the given regions of two or more countries, which agreed to harmonise their activities under the aegis of a more effective development of the border regions (Amin & Thrift 1994).

The creation of *euroregions* in Western Europe started after the Second World War with the aim to make efforts for the prevention of international hostilities, so that the conflict between the nations be succeeded by mutual co-operation. It became clear for the politicians of the post-war Europe (Monnet and Schuman) that the idea of co-operation, neighbourhood relations conceived in goodwill and mutual respect should be carried as close to the settlements and citizens as possible. At the same time, it has also become obvious that the bottom-up endeavours must be taken into consideration in the building of inter-governmental relations (Townroe 1994).

As an effect of the above mentioned initiatives, the so called "euroregional vision" is strengthening in Western Europe. This vision means that *the Europe of future* caOn be understood *not only as the Europe of nation states*, but also as the *Europe of regions* constituted by (border zone or cross-border) regions with similar economic interest. On the basis of the former experience, a euroregion crossing state borders can be useful in handling *inter-state and internal conflicts*. Thus, the euroregions were born to find new ways for solving and avoiding wars, ethnic and other kind of conflicts – to replace the hatred and prejudices between certain nations with mutual reconciliation and co-operation (Anderson 1982, Wilson & Donnan 1997, Anderson & Hamilton 1999, Anderson & O'Dowd 1999).

During the past 25-30 years – primarily resulting from the achievements of *transnational regionalism* – multilateral and successful industrial and commercial co-operation developed in the border regions of Western Europe, and several joint regional development, infrastructural and environmental programmes were launched. The bi- and trilateral cross-border contacts, economic and institutional links have become part of everyday life (Armstrong & Vickerman 1995).

In our opinion the *prospects of the Carpathian Basin* cannot be dependent only on the accession to the European Union. The significance of the euroregional endeavours in our regions also has to be taken into account, since the interstate regions with similar economic interests and the *Central and Eastern European euroregions* which develop cross-border, complex economic and cultural relations can also be germs of the future United States of Europe. Interregional co-operation may play an important role in strengthening the competitive position of East Central Europe (Bernek & Süli Zakar 1997).

After the fall of the "Iron Curtain" in the Eastern half of Central Europe – following the Western European examples - more and more euroregions were established; and these new organisations strive to get into contact with the akin Western European organisations. The co-operation between the **Maas-Rhine Euregion** and the **Carpathian Euroregion** is of outstanding importance among these, i.e. the so-called inter-euroregional relations. The Carpathian Euroregion established contacts with the Maas-Rhine Euregion in February 1994, then in July 1997 an official delegation of the Carpathian Euroregion visited the centres of the Maas-Rhine Euregion. In February 1998, on the 5th anniversary meeting of the Carpathian Euroregion, the representatives of the Maas-Rhine Euregion introduced the joint project proposal of the Flemish government and of the Province of Limburg - which today forms the basis of the *co-operation* since its adoption (Süli Zakar & Corrigan 1998).

In the joint project of the **Maas-Rhine Euregion** and the **Carpathian Euroregion**, the enlargement and modernisation of technical equipment (computers, fax machines, etc.) of the Secretariat of the Carpathian Euroregion played a very important role. Another important part of the technical assistance was the purchase of an interpreting machine for the Carpathian Euroregion Interregional Co-operation which enabled simultaneous interpretation in six languages (English, Ukrainian, Slovakian, Polish, Romanian and Hungarian). Besides, the Maas-Rhine Euregion provides help with its experience and professional advice in the preparation of the

regional development concept of the Carpathian Euroregion and the member regions. The organisation of a series of five preparatory workshops was an assistance aimed at the professional training of the experts of the Carpathian Euroregion (exchange of experience about euroregional co-operation). The leaders of the Maas-Rhine Euregion consistently emphasise their commitment for the **United Europe** which relies on a federative basis and has been encouraging the different forms of co-operation (Czimre 1998).

THE EMERGENCE OF REGIONALISM IN THE CARPATHIAN BASIN

There is a confusion and uncertainty in the interpretation of the term *region* both in the everyday usage and in political life over East Central Europe: it often happens that people address areas of a size of a subcontinent, part of a country or a cluster of neighbouring villages as regions. In the different countries of the Carpathian Basin, the public opinion feels the importance of the *region* in the life of the developed European countries but they cannot find a proper place of this European phenomenon in their own countries. This cannot be blamed for the citizens – for *the regions and macro-regions of the area have not been established yet. Their characteristic presence* – as it was created by the civil society and developing infrastructure in Western Europe between the end of the previous century and the second half of this century -, thus the *close interactions* of the national economy based on private property. The various success of investigations into the spatial structure in Hungary over the last decades can be explained by the efforts of Hungarian geographers to study a *civil phenomenon* under the circumstances of the "existing socialism" (Süli Zakar 1994).

Even before the change of regime Hungarian experts stated that on the basis of the characteristic *physical geographical endowments, the common history, the methods and pattern of economy* and their strong interdependence, the more or less *uniform system of infrastructure*, the population showed a certain *region-consciousness* (Tóth 1996).

When defining the term *region*, it must be emphasised that neighbourhood relations, and geographical continuity have significant role in the formation of regions. The term *region*, in a scientific approach means a socio-economic territorial unit which *is built on the strong co-operation and shared interests of the constituting "parts"* but it cannot always be delimited precisely by geographic boundaries. Due to their nature, in all of the administrative units – counties, regions, provinces, countries – in the geographical space *regionalisation* represents consistency while the results of the process of *regionalism*, the *macroregional spatial structures* show variability. The region, however, in both cases represents *homogeneity* in the socio-economic-cultural sphere among the variegated (heterogeneous) conditions experienced in the geographic space (Süli Zakar 1994).

THE DEVELOPMENT OF CROSS-BORDER CO-OPERATIONS IN THE CARPATHIAN BASIN

On the area of the Carpathian Basin, following the fall of the "Iron Curtain" more and more organisations appeared for the strengthening of *cross-border co-operations*. The activity level of *the counties and cities in the Hungarian border regions* is especially remarkable in this field. The *Hungarian government* also encouraged the leaders of the self-governments in the border regions for cross-border co-operations. What is behind it is that the present borders of Hungary were only drawn in 1920, as a consequence of the Treaty of Trianon, and the historical borders of Hungary are not the same as the present borders – not for one metre. That is, the areas bordering with Hungary formed the historical Hungarian State and the borders which solidified and basically functioned as separating and isolating entities made the formerly very strong *economic* relations almost impossible between the settlements and regions on the two sides of the border. Borders also meant a considerable obstacle from the aspect of nursing of the extremely wide-scale *relative-human relations*. Thus, it explains why the Hungarian government encouraged the counties along the borders to strengthen cross-border co-operations from the beginning of the 1990s. At the same time, the Hungarian-Ukrainian, Hungarian-Romanian and Hungarian-Slovakian *basic treaties* ratified right after each other ensured the organisations promoting cross-border co-operations about their support together with their partners. The fact that the border regions of Hungary – the Hungarian border in its almost entire length – belongs to some kind of cross-border co-operation is the result of the above mentioned encouragement.

With regard to the Carpathian Basin, the oldest connection may be detected in the link of the counties of south-western Hungary to the *Alps-Adria Working Commission* (Horváth 1993). For us, therefore, the study of the *Alps-Adria Working Commission* among the European co-operations is the most interesting since there are already five Hungarian counties participating in it – and thus the directly adaptable experiences were first born here (Losoncz 1994, Tóth 1992).

The organisational structure of the **Alps-Adria Working Commission** is practically oyer: the working commission represents 38.5 million people on an area of 284.400 km^2. The founding *"Common Declaration"* names the frame of the co-operation in the following activities: communicational links, harbour turnover, energy production and transmission, agriculture, forestry, water management, tourism, environmental protection, landscape management, maintenance of cultural and resort zones, landscape development, regional and settlement development, cultural relations, connections between scientific institutions (Gibb & Michalek 1993, Horváth 1998).

Austria received considerable support from the INTERREG Programme after her accession to the European Union – for the strengthening of her eastern borders. At the same time, the PHARE Programme assisted the border regions of Hungary in the adjustment of Hungary to the strict Schengen norms. Actually, the border regions of the two countries participated together in the framework of the INTERREG-PHARE CBC

Programme and formed the **Euroregion West Pannonia** which is a co-operation between Burgenland and three Hungarian counties in the Western Transdanubian region. From among the euroregions in the Carpathian Basin, this one has got the best organisational, infrastructural and financial opportunities. Of course, the quickest progress in the field of cross-border co-operations may also be expected from this organisation (Rechnitzer 1990).

After the Austrian-Hungarian border region, the Hungarian-Romanian cross-border co-operations are the most active. On the one hand, it is due to the Carpathian Euroregion which has already got a history of seven years, and on the other hand because of the **Danube-Kris-Maros-Tisza Co-operation/Euroregion** including Hungarian-Romanian and Yugoslavian regions (Pál & Nagy 1999).

The **Danube-Kris-Maros-Tisza Co-operation** covers the south-eastern Hungarian counties, the south-western Romanian counties and the Voivodina region from Yugoslavia. This euroregion had to struggle for its survival in the past few years among rather difficult political circumstances – since, for instance, in 1999 the bomb carriers took off from one of its member countries to bomb the industrial-infrastructural objects of another member region of the euroregion. The future of the euroregion, therefore, primarily depends on the relations between the NATO-member Hungary and the non-NATO member Yugoslavia.

The European Union introduced a separate programme for the strengthening of cross-border co-operation between Hungary and Romania called *PHARE-CREDO*. This programme is destined to promote the cross-border relations between the four Romanian counties and four Hungarian counties along the border. The realisation of the required, so-called "mirror-programme", – because of the different economic, legal, self-governmental, etc. conditions – progresses haltingly.

Bottom-up initiatives can also be detected in the Hungarian-Romanian border region. The "**Development Association of the Border Regional Self-Governments of Bihar**" – formed by the self-governments of the settlements in the region – of the former Bihar county divided by the border today may be regarded as the most successful *bilateral, small region co-operation* (Béres & Süli Zakar 1990).

Along the Hungarian-Croatian border, the self-governments of the counties play an active role in the formation of cross-border co-operations, with the initiative of creating the **Danube-Dráva-Száva Euroregional Co-operation**. This co-operation was established by the south-western Hungarian counties and by the Slavonian counties in Croatia and the founders also supported the enrolment of **Bosnian** self-governments (Balogh & Papp 1998).

In the *Hungarian-Slovakian* basic treaty, the governmental support of CBC co-operations between the two countries are also included. The Slovakian Parliament accepted the #106 Convention in 1999 and consequently the self-governments along the border could become official members of the euroregions. Thus, the Slovakian self-governments which only participated in the work of the Carpathian Euroregion in an observatory status (Kosice and Presov krais-regions) could become full members again. Taking into account the positive attitude of the new government and of the new Slovakian Parliament there is a hope that the other euroregional initiatives will finally

be realised. Thus, it is expected that the **Vág-Danube-Ipoly Euroregion** and the **Ipoly Euroregion** will successfully develop in the future. In the latter, the NGOs – beside the self-governments concerned – showed an extremely high activity.

The **Carpathian Euroregion** is the first interregional organisation of East Central Europe – and thus, of the Carpathian basin – which is formed by exclusively former socialist countries. Therefore, we may say that the countries having signed the Founding Document on 14 February 1993 in Debrecen started their way on a unbeaten path in our region.

The borders in the member regions belonging to the **Carpathian Euroregion** were drawn in this century and thus as a result this intervention meant the separation of a region which used to be contiguous and interdependent in the course of history. On the one hand, this is partly the reason for the fact that the entire area of the **Carpathian Euroregion** in each of the member countries *is qualified peripheral* both in social and economic terms (Tóth 1992). Compared to the development of the central regions, the social and economic lag has widened over the past few years (Süli Zakar 1996), and one of the most important breaking out point for them is *the decreasing of the separating role of the borders*, and the strengthening of the foreign relations in the border regions.

CASE STUDY FROM THE CARPATHIAN BASIN: THE CARPATHIAN EUROREGION

The area of the **Carpathian Euroregion** belonged to two states for many centuries – the northern part to the Polish Kingdom and the southern part to the Hungarian Kingdom. From the end of the 18th century, however, – following the repeated division of Poland - the entire area became part of the Habsburg Empire and remained 'thus' until the end of the First World War. The area (North-Eastern Hungary and Galicia) was regarded as less developed regions within the Habsburg Empire. Nevertheless, the bourgeois transition started here also during the decades of the Austro-Hungarian Monarchy (1867-1918) and the economic life and infrastructure developed considerably. The construction of the *railway* network was of special significance which following the interests of the empire formed a *united* network on the area of the present Carpathian Euroregion as well. After the First World War, the region was divided between Poland, Czechoslovakia and Hungary, and following the Second World War, the Soviet Union also annexed large (Ukrainian) territories (Süli Zakar 1997).

The creation of the **Carpathian Euroregion** in 1993 was preceded by several years of intense transfrontier relations – mostly bilateral – between the neighbouring border regions of the North-Eastern Carpathian Mountains area. The new political and economic situation stemming from the transformation in the early nineties brought to light the potentials of interregional co-operation and, at the same time, created practical possibilities to utilise them (Süli Zakar & Corrigan & Béres 1996).

The initiatives in the region were mostly *bilateral* in the beginning. Such bilateral co-operations developed between the Krosno Voivodship and the Slovakian territories bordering with it (Carpathian Alliance). At the same time, the co-operation between the Sub-Carpathian region and the north-eastern counties of Hungary also began. The first forms of the organisation which was most probably not very well organised yet – the **Carpathian-Tisza Co-operation** – proved to be an unsuccessful attempt (Golobics & Tóth 1992). Nevertheless, on the turn of 1992/93 a realistic chance became obvious that these bilateral co-operations should unite – supported by West European and American encouragement – as *euroregional co-operations* (Süli Zakar 1996).

The first significant event in the history of the Carpathian Euroregion was the *Border Regional Fair* organised in February 1992 in Jaslo (Poland), which provided an opportunity for the local governmental and regional leaders in the neighbouring border regions to meet. This fair – organised by the Krosno Voivodship – was followed by a seminar where the representatives of Poland, Czechoslovakia, Hungary and Ukraine were discussing the chances of a possible cross-border co-operation. The honorary patron of the seminar was Lech Walesa - the then president of the Polish Republic – and several representatives of the national governments and diplomatic corps of the countries concerned also participated. As a result of the meeting the partners created the *Council of the Carpathian Region Interregional Co-operation*. Soon, the then president of Czechoslovakia, Vaclav Havel, the president of the Hungarian Republic, Árpád Göncz and the president of Ukraine, Leonid Kravchuk expressed their support of the initiative. The American *Institute of East-West Studies (IEWS)* played a determining role in the establishment of the Carpathian Euroregion. This institute organised a meeting at Nyíregyháza (Hungary) where the importance of the establishment of the **Carpathian Euroregion** was first demonstrated to the representatives of the region and to the wider public (Süli Zakar 1996).

The meeting of the representatives of the local self-governments of the regions concerned took place in June 1992 in *Uzhgorod.* As a result, the *Carpathian Euroregion Preparing Committee* was created with the aim of organising the works concerning the establishment of the Carpathian Euroregion. The *Preparing Committee* first met in Stirin (IEWS Centre for European Studies) in August 1992. The participants of the meeting accepted the *"Euroregion Principle"* and decided to create a group of experts for the elaboration of the founding documents of the *Carpathian Euroregion.*

The signing of several founding documents, the **Carpathian Euroregion** provided the scene for the creation of *working committees* dealing with questions of special importance, such as the development and modernisation of the infrastructure, promotion of private business relations, exchange of environmental-, cultural- and educational programmes, regional and settlement development, etc. The *opening of* new *border crossings* was also declared a very important task for the attainment of the goals. The *Institute of East-West Studies* mobilised the human (professional) and financial resources through its widespread network.

After several months of preparatory activities, the *Agreement* on establishing the **Carpathian Euroregion Interregional Association** was signed on *February 14th 1993*

in Debrecen (Hungary) by representatives of authorities of border regions in Hungary, Poland, Slovakia, and Ukraine. At the same time, the Ministers of Foreign Affairs of Hungary, Poland and Ukraine – present at the meeting – signed a *Joint Declaration* to express their governments' support for the initiative as consistent with their respective interests and, at the same time, as complementary to their respective foreign policies conducted at the central government level. Mrs. Catherine Lalumiére, the then Secretary General of the Council of Europe, who was present at the occasion, also gave her full support (Illés 1997).

The founding documents, that is the Founding Agreement and the Statute both expressed that the **Carpathian Euroregion** is not a supra-national or supra-state entity, but rather a framework for promoting inter-regional co-operation among its members. The founding documents of the Carpathian Euroregion set up the following *objectives*: to co-ordinate joint activities, to promote economic, scientific, ecological, educational, cultural and sports co-operation, to facilitate co-operation with international organisations and institutions. The objectives and the activity of the Carpathian Euroregion are fully compatible with the principles of the *Convention #106 of the Council of Europe* (European Outline Convention on Transfrontier Co-operation between Territorial Communities and Authorities).

The main merit of the **Carpathian Euroregion** is that it is the first exclusively East-Central-European euroregional initiative, because the members of it include only the border regions of post-communist countries. Of course, this "merit" incorporates the difficulties as well; since there are controversies in foreign and home affairs, foreign and internal trade, and also ethnic and cultural conflicts inhibiting its development. In three of the countries (Hungary, Ukraine, Poland), the necessary administrative steps had been taken in the first years of the co-operation. Nevertheless, the representatives of the central governments warned them that the "filling with life" of the governmental decisions in the integrational process is the task of the participating self-governments. The euroregional co-operation needed economic and cultural success as soon as possible so that the two initial countries of abstention (Romania and Slovakia) would see and accept the importance of the *idea and practice of euroregions*.

The idea and creation of the **Carpathian Euroregion** relies on the results of the West European cross-border and interregional co-operations. However, it must be also admitted that as a consequence of the geographical position and common history the people living on the neighbouring areas of Ukraine, Romania, Slovakia, Poland and Hungary have developed multifold and successful forms of co-operations and relations during the past centuries. The basic forms of the non-official "international relations" – crossing state borders, nations, different cultures and geographical regions – developed during centuries based on the realistic needs of the peoples of the region. Both the Agreement and the Statute underline that the **Carpathian Euroregion** should fulfill the most important stabilising role in this part of Europe, and that it would play a decisive role in the economic development of the region (Süli Zakar 1992).

The *Carpathian Euroregion* covers mostly the area of the **North Eastern Carpathians**, and it also spreads out north and south onto the hilly regions and the north-eastern part of the Great Hungarian Plain. The area of the **Carpathian**

Euroregion is 132,839 km^2, the number of its inhabitants is 14,014,900; the population density is 105,6 persons/km^2 .

Although the representatives of some Romanian counties participated in the preparatory works of the Carpathian Euroregion, they later retracted because of political reasons and participated only in an *observing status*. At the end of 1993, the Carpathian Euroregion accepted the official application of **Satu Mare** and **Maramures counties** and they became full members. However, the *Romanian government invalidated* this step and these counties were forced to return to their observance status during the Iliescu regime. Following the democratic turn in Romania, in 1998, beside **Satu Mare** and **Maramures** other Romanian counties (**Bihor, Sălaj, Suceava and Botoşani**) also became full members of the Euroregion (Süli Zakar & Corrigan 1998).

At a meeting in August 1994 in **Bardejov** (Slovakia) attended by the representatives of the Slovak Foreign Ministry, members of the Carpathian Euroregion and representatives of the IEWS the participants theoretically agreed that the Slovakian local governments should apply for full membership of the Carpathian Euroregion before 1995 because the seats of the next Executive Director and of the Secretariat will be in Slovakia from 1995. In early 1995, the **Carpathian Alliance**, which is composed of the local governments of the Eastern region of Slovakia formally applied for the full membership and the Council of the Carpathian Euroregion unanimously accepted the application.

In spite of this, in February 1995, the *Slovakian government* informed the Secretary of the Euroregion through the Slovakian Ministry of Foreign Affairs that it regarded the full membership of the Slovakian border regions invalid. The Slovakian government justified its resolution with that the local self-governments *did not ask for the preliminary permission of the central government* when they submitted their application for the full membership. As a result of the further negotiations the Slovakian regions only kept their associated memberships at the end of 1998. The new democratic government judged it desirable for the Slovakian regions to be full members and in 1999 the two East Slovakian regions (Kosice and Presov krai) became full members (Süli Zakar 1999).

The following objectives and tasks are laid down in the founding documents of the **Carpathian Euroregion**:

- to organise and co-ordinate those activities which promote the economic, ecological, cultural, scientific and educational co-operation among the members;
- to promote the development of concrete projects among the members of the Association on the fields of common interests;
- to promote and facilitate the relationship between the inhabitants, including the relationship between the experts of the different fields, too;
- to help the creation of good-neighbour policy among the members
- to promote regional development;
- to determine the potential fields of multilateral cross-border co-operation among the members;
- to link and facilitate the co-operation of the members with other international organisations, institutions and agencies.

The organisational structure of the **Carpathian Euroregion** was constructed on the basis of similar West European cross-border co-operations. Its supreme body is the *Regional Council*, in which all member countries have three delegates. Originally, according to the Statute of the Carpathian Euroregion, the members of the Regional Council could only be the members of the local self-governments and the representatives of the regional administration. However, this criteria has been changed since 1995 and today, the representatives of the scientific-cultural and economic sphere can also be members of the Council. (Only Hungary utilised this opportunity so far.) As it is laid down in the Statute, the Euroregion is conducted by the *Executive Director* elected by the Council. The tasks of the *Executive Director* include the handling of the daily affairs of the Euroregion, the development of the organisation, the creation of the financial basis and the preparation of the meetings of the Council. The Executive Director is assisted in his work by the *Secretariat* and the *Country Representatives of the Euroregion*. The supreme body of the Carpathian Euroregion is the *Regional Council*, which meets four times annually organised on a rotational basis by the member countries – 27 regional council meetings took place so far. All decisions of the Council must be made *unanimously* (with consensus) (Süli Zakar 1999).

In the first years, the *budget of the Carpathian Euroregion* was collected not only from the membership fees of the member regions and payments in kind but was also complemented with almost 100.000 USD from the Institute of East-West Studies (IEWS) and the Rockefeller Brothers Foundation. The total annual budget of the Organisation – including the payments in kind, as well – approximated 200.000 USD which made the creation of a guarantee fund. The programmes of the Carpathian Euroregion are also supported financially from the budget. The *Carpathian Euroregion Development Fund* plays an increasing role in the financing of the social and cultural initiatives.

It was primarily the *economic sphere* which already proved that the Carpathian Euroregion as an interregional organisation is becoming more and more important on the various fields of the co-operation. Several of the cities of the **Carpathian Euroregion** was the home of international exhibitions and fairs for which the organisers asked permission for the use of the name and the logo of the Carpathian Euroregion. The majority of the international exhibitions and fairs became regularly organised in the past few years. The businessmen meetings, sport and cultural programmes often accompany the exhibitions and fairs. There are also several scientific *conferences* beside the international exhibitions and fairs – organised by the Carpathian Euroregion (Süli Zakar 1999).

The Carpathian Euroregion regards the *modernisation of border crossings* and easing of crossing of borders as its most important task. One of the biggest results is the *opening and modernisation of* new Hungarian-Ukrainian, Slovakian-Polish, Polish-Ukrainian, Slovakian-Hungarian *border crossings*. Considerable results were born in Ukrainian-Hungarian terms, the Tisza bridge was modernised between Záhony and Csop in 1997 and a new *lorry terminal* was inaugurated in the summer of 1996 in Záhony.

The establishment of the *Fund for the Development of the Carpathian Euroregion (Carpathian Foundation)* (late 1994, Kosice) assisted by the *IEWS* and *Mott Foundation* is a milestone in the development of the Carpathian Euroregion. The primary role of the foundation is to bring together the private, social and business sectors and the local self-governments of the Carpathian Euroregion. The *Foundation* denominated the encouragement and support of local activities and initiatives and the acceleration of the development of the euroregion as its objectives.

The development of *international relations* of the Carpathian Euroregion established so far is also promising. It entered into relation with the representatives of the Maas-Rhine Euregion in 1994. The international acknowledgement of the organisation is supported by those invitations through which the representatives of the region could introduce the Carpathian Euroregion on the conference of the *Council of Europe* in Ljubljana, and on the conference of the *Association of European Border Regions* in Triest and Timisoara, and annual meetings (Süli Zakar 1999).

The Carpathian Euroregion achieved remarkable successes not only in the economic sphere but also in the fields of scientific and cultural life. The leaders of higher education established a really well functioning forum under the name *"Rectors' Alliance"* which unites the heads of the universities within the Euroregion. The leaders of the universities and colleges in the region agreed that the *higher educational centres in the countryside* should not follow the capital cities obligatorily but should organise themselves into such a higher education network which is able to develop the human resources of the peripheral regions to an adequate level.

Despite its relatively short period of existence a number of promising results were achieved – we think – since the establishment of the **Carpathian Euroregion**. Of course, more significant achievements could be attributed to the Association if it could overcome the difficulties hindering its development. These are primarily *political* matters and they are rooted in the previous centuries. This is one of the reasons basically why the Slovakian local governments, though participating in the work of the Euroregion on par with the other parties, still maintain their associate member status.

Besides the political matters, a number of problems arise from the differences (which are after all univocally disadvantageous) in the level of *economic, social* and *infrastructural* development of the individual countries. These appear as factors slowing down the co-operation and impeding further process. On the political level, in the nineties, the inter-state relations worsened because of *minority issues* and this considerably impeded the development of cross-border co-operations and the deepening of bilateral co-operations.

Another source of trouble in the development of economic co-operation are *specific differences in customs and tax regulations* in the individual countries of the **Carpathian Euroregion** and the lack of harmonised financial institutions. Those institutions are lacking which would grant credits and loan guarantees for specific cross-border projects. Nevertheless, the West European experiences of the past few decades show that the regions participating in cross-border co-operations get closer to each other and successfully contribute to the socio-economic development of the regions relying on the advantages of the euroregional co-operation.

CONCLUSIONS

Transnational regionalism is present in the Carpathian Basin through the Carpathian Euroregion and other cross-border co-operations. However, the difference between the Eastern and Western European transnational regionalism is not only rooted in the 20-25 years of delay, or cannot only be searched for in the incomparably weaker financial opportunities.

The *varying economic conditions* within the Carpathian Basin and the various socio-economic problems resulting from poverty also contribute to the insufficiency of cross-border co-operations. This can be especially felt in the case of the cross-border trade relations where co-operation is hindered by the lack of border crossings, the weak financial system and the bureaucracy.

The success of the Carpathian Euroregion and the other CBC co-operations largely depend on *to what extent the resources* (the physical, the economic and most of all the human) *are exploited* and the co-operative interests approached in the interest of the above mentioned interregional co-operation.

State centralisation has been identified as a major obstacle to cross-border co-operation in many areas of Western Europe, as well. Likewise, the states of Central and Eastern Europe can be classified as heavily centralised. This means fundamental problems in the process of developing regional cross-border co-operation as local governments are largely dependant on the permission of the central administration. Despite the arising problems, we think that the activities of the *euroregions in the Carpathian Basin* offer a more and more remarkable possibility for the economics of the region, and may also mean support in the democratic way of solving the arising minority problems.

The spread of transnational regionalism in Western Europe also meant a satisfying solution for the *acute ethnic problems* for centuries. In the new nation states of East Central Europe and of the Balkan, however, a large-scale fear can be experienced towards the "European" way of solving of the minority questions. It is undeniable that in almost all of the countries of our region there is an interest in the *cross-border co-operations* and there are remarkable results in many fields - mainly economic-cultural. The ethnic-minority questions in the Carpathian Basin, however, today are mostly taboo topics and they are traditionally regarded as "domestic affairs". Nevertheless, we may be still sure in that the *regionalism in our region also break a way for itself*, and the cross-border organisations result in considerable successes from the aspect of making good neighbourhood relations.

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ETHNIC GEOGRAPHY OF THE HUNGARIAN MINORITIES IN THE CARPATHIAN BASIN

By K. Kocsis - E. Kocsis-Hodosi

Publisher: Geographical Research Institute, Research Centre for Earth Sciences, Hungarian Academy of Sciences, Budapest 1998 Price: 20 $

This volume is a book on ethnic geography of the autochtonous Hungarian national minorities living in the countries of the Carpatho-Pannonian area (Slovakia, Ukraine, Rumania, Yugoslavia, Croatia, Slovenia, Austria) presenting the topic in an interdisciplinary (geographical, historical, demographic) approach. The reader has an opportunity to trace the spatial and temporal changes in the number of Hungarians and of other ethnic groups, their settlement territory with its alternating ethnic boundaries since the relatively calm 15th century followed by a period of warfare throughout the 16th and 17th centuries, the latter being responsible for the profound ethnic transformation of the area. The reader is also encouraged to study the present-day settlement pattern of the Hungarian minorities by countries and regions, through the corresponding chapters. For the visualisation aimed at an easier understanding, the **160 text pages** are accompanied by **55 maps** and **figures** and **36 tables**. Such a presentation of ethnic processes and their relationship with the natural and social environment and with the contemporary political events is a concise summary of the results of investigations into the ethnic geography of Hungarian minorities having been carried out in the Geographical Research Institute Hungarian Academy of Sciences for about one and a half of decade. This systematised wealth of information might be useful not only for specialists working on this particular topic (e.g. geographers, historians, demographers, ethnographers, politologists) but also for decisions makers in foreign and internal affairs interested in this region of Central and Southeastern Europe burdened with several ethnic and religious conflicts.

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REGIONAL INEQUALITIES IN HUNGARY AT THE END OF THE SOCIO-ECONOMIC TRANSITION

JÓZSEF NEMES NAGY

INTRODUCTION

The basic socio-economic changes launched by the political transition of 1989 have been more or less completed in Hungary by the end of the 1990's. The institutions of political democracy and market economy have been established. As a result of the transformation, a new regional pattern has emerged, being substantially different from that of the socialist period. This study presents the most important features of the new regional pattern in Hungary on the level of the most significant administrative units, the counties. Beside the county level, disparities of the micro-regional and settlement levels are also considered.

Unlike most of the East Central European countries in Hungary some socio-economic factors had already appeared even before the 1989-90 political showdown (first in the period of 5-10 years following the 1968 economic reform, and in a more explicite form later in the 1980's), which although in a contradictory way and to a limited extent, introduced and signalled the present-day processes. It is also important to note that in Hungary the economic transition started earlier than the radical transformation of political institutions.

The transition to a multi-party democratic constitutional system and a market economy has had far-reaching consequences for all levels of the society in the 1990s (Ehrlich and Révész 1995). As a result of these comprehensive changes over such a short period of time, radical shifts have taken place within the socio-economic system and the spatial structure of the country.

Actually, the most fundamental changes occurred in the ownership structure. Following the privatisation, the transformation of the land ownership system and supported by capital investments (especially by the foreign direct investments amounting to 18 billion USD by 1998), private ownership became dominant by the mid-1990s. In 1996 more than half of all active earners worked for private or at least semi-private enterprises in every county. At the end of 1999 the total number of registered ventures was 1,126,889 of which the number of active organisations amounted to 879,694. The role of the state remained dominant only in the field of education, health service and public administration. At the same time, the total number of active earners dropped from 4,8 to 3,6 million between 1990 and 1995, whereas unemployment figures peaked at over 700,000 in 1993 and decreased slowly to less than 400,000 by 1998.

Hungary was compelled to a complete reorientation of external economic relations, with a subsequent deepening crisis especially in the manufacturing and agricultural sectors which had been producing primarily for the Soviet market. Economic decline had reached its nadir in 1993. The complete opening of borders and the western reorientation of the country served as a catalyst for changes in the spatial structure. The abolishment of the system of state monopoly and central planning have promoted cross-border co-operations. Some border regions previously cut off from the world market by political borders, soon became zones of dynamic activity. However, the different sections of the border considerably varied in terms of economic potentials. Along the Austrian border there have been large scale investments, while near the southern border there has been a controversial business boom fuelled mainly by the Balkan crisis, and at least partly based on legal activities. Along the eastern borders a network of non-legal businesses have been mushrooming. Therefore, the geographic periphery of the country cannot be considered as an economic and social periphery on the whole. On the contrary, the western border region should rather be considered to be a dynamic zone in Hungary.

MACRO-REGIONAL PATTERN OF DEVELOPMENT

Following the change of political system, albeit not without previous indications, radical changes occurred in the regional pattern of the socio-economic system of Hungary (Cséfalvay 1995, Enyedi 1996). The spatial structure of the country that had evolved during the former decades became altered significantly.

The regional distribution of the GDP reflects clearly the changes that have occurred in the spatial structure of economic power and development (*Table 1*). This indicator could be well used for the comparison of the situation in 1975 (GDP data estimated by the author after Barta Gy. 1977), reflecting the spatial pattern of the "developed socialism", and the division of regional development in the middle of the 1990s. Moreover, this indicator can be used for the analysis of the changes between 1994 and 1997, which make us a clear picture about the shifts within the framework of a new spatial pattern (the regional GDP data of years 1974 and 1977 were published by the Hungarian Central Statistical Office).

The most important components of the shift between 1975 and 1994 were the followings:

- the substantial improvement in the relative position of the capital city, Budapest;
- the depression of the northern and the central regions of predominantly industrial character;
- the progress of the western part of the country;
- the massive backwardness of the predominantly agricultural southern and eastern counties.

Presenting the regional changes having taken place between 1975 and 1994 along with the ones taking place currently (1994-1997) in a system of co-ordinates we can distinguish four characteristic types of regions. They are as follows (*Figure 1*):

- the type of constant dynamics;
- the type of post-transitional reconstruction,
- the type of constant devaluation;
- the type of stagnation;

Table 1. *The dynamics of economic development at county-level 1975-1997*

Regions, counties	*GDP per capita (contry average = 100)*			*Change (%)*		
	1975	*1994*	*1997*	*1994-1975*	*1997-1994*	*1997-1975*
Central-Hungary	*114*	*146*	*150*	*32*	*4*	*36*
Budapest	139	182	187	43	5	48
Pest	61	76	78	15	2	17
Central-Transdanubia	*117*	*86*	*96*	*-31*	*10*	*-21*
Fejér	106	96	117	-10	21	11
Komárom-Esztergom	131	80	86	-51	6	-45
Veszprém	116	79	80	-37	1	-36
Western-Transdanubia	*96*	*100*	*105*	*4*	*5*	*9*
Győr-Moson-Sopron	111	104	109	-7	5	-2
Vas	82	103	114	21	11	32
Zala	88	93	91	5	-2	3
South-Transdanubia	*88*	*84*	*78*	*-4*	*-6*	*-10*
Baranya	108	84	80	-24	-4	-28
Somogy	71	76	70	5	-6	-1
Tolna	77	94	84	17	-10	7
North-Hungary	*102*	*69*	*68*	*-33*	*-1*	*-34*
Borsod-Abaúj-Zemplén	111	70	70	-41	0	-41
Heves	100	73	72	-27	-1	-28
Nógrád	77	61	53	-16	-8	-24
North-Great Plain	*77*	*73*	*69*	*-4*	*-4*	*-8*
Hajdú-Bihar	83	83	76	0	-7	-7
Jász-Nagykun-Szolnok	93	78	75	-15	-3	-18
Szabolcs-Szatmár-Bereg	59	61	58	2	-3	-1
South-Great Plain	*91*	*83*	*78*	*-8*	*-5*	*-13*
Bács-Kiskun	79	77	73	-2	-4	-6
Békés	89	79	72	-10	-7	-17
Csongrád	109	95	90	-14	-5	-19
Max/Min ration	*2,36*	*2,98*	*3,53*	-		
Max/Min exclud. Budapest	*2,22*	*1,70*	*2,20*			

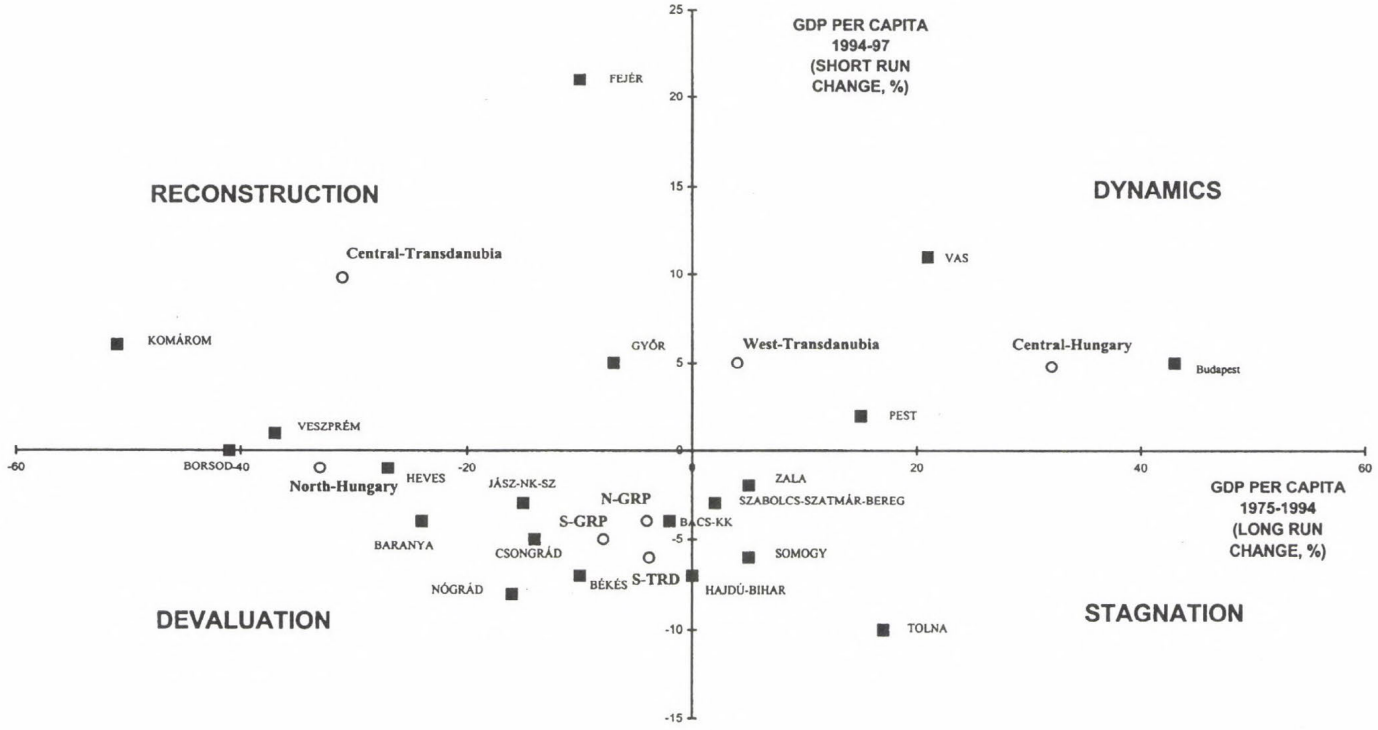

Fig. 1 Long and short run changes of the development positions of the Hungarian regions and counties

Having put each of the seven major regions of Hungary in one of the four types it turns out that Central-Hungary and Western-Transdanubia can be described as regions of both short and long term relative dynamics and advancement in their position.

Central-Transdanubia represents the type which could long be characterised with a loss of position in terms of the level of development, nevertheless in the second half of the 1990's it experienced an apparent economic revival.

The rest of regions (North-Hungary, North-Great Plain, South-Great Plain, South-Transdanubia) fall into the category of devaluation. The loss of position is especially heavy in the case of North-Hungary. Although the Great Hungarian Plain and South-Transdanubia have also suffered from a painful drawback but to a lesser extent.

When studying the countries individually the picture becomes far more fragmented and some counties deserve special attention. Besides the already mentioned spectacular progress of Budapest (the city has been able to retain its control over the public sphere, with an economy mainly based on the tertiary sector attracting huge amount of foreign capital) the most outstanding step forward has been taken by Vas county located in the west next to the Austrian border.

In Central-Transdanubia, having gone through a contradictory course of development, the most advanced industrial region of the socialist era Komárom-Esztergom county commenced the catching-up process very slowly. In contrast, Fejér county (with Székesfehérvár as one of the most dynamic Hungarian cities) jumped to the top of the development rank of the countryside due to the spectacular dynamics of high-tech manufacturing industry.

Of the counties of devaluation Borsod-Abaúj-Zemplén seems to have found its way upwards but an other traditional industrial county Nógrád keeps losing its position (it accounts for the lowest GDP per capita in the country)

Among the regions of stagnation Tolna county represents a specific case. Due to the production of the nuclear power plant at Paks put into operation at the beginning of the 1980's, this county has reached a relatively favourable position which has nothing to do with the post-communist transitional processes.

Of the most influential factors of the changes with regard to regional development the following can be pointed out:

1. *The present dynamics of the western regions* is primarily due to their favourable geographic location. In one of the studies by the author which also took into account the economic influence of the neighbouring countries, the so-called economic geographic potential of the Hungarian regions was determined by using the 'potential model' analogous with the one applied in physics (Nemes Nagy 1997). In this study, it was stated that the present spatial pattern is strongly influenced by *the proximity of the economically powerful regions of Austria, South-Germany and North-Italy.* The main beneficiaries of this external impact are the three western counties mentioned above. Another unique advantage of this area is that the western border zone was neglected during the socialist industrialisation of the 1950's and 1960's mainly for political and military reasons, therefore, the region arrived at the threshold of transition with a less obsolete and more flexible economy and professional culture. This area is connected with a system of busy and regular daily links with the adjacent Austrian regions. These

factors are enhanced by a positive socio-psychological mentality of population inherited from the historical past.

2. While there has been a significant development in the western region, one could witness a *radical decline in the eastern counties*. North-Hungary is the typical example for a once developed region of depression struggling with the crisis of its outdated heavy industry. For the time being the level of development in North-Hungary, for the very reason of its economic demise, does not differ too much from that of the Great Hungarian Plain (Alföld).

The development indicators of the Great Plain do not give any reason for optimism either, given that this is a traditionally less developed macro-region of Hungary with strong farming functions. It is only Csongrád county that exceeds the average level of development in the Great Plain. Among the main reasons for the relatively better position of Csongrád it can be mentioned the role of the city of Szeged (as a dynamic centre), and the outstandingly high density of small-sized enterprises, which can partly be attributed to a significant inflow of foreign capital escaping from Yugoslavia, which was heavily interwoven by "black and grey" elements of economy as well.

The depression and crisis (an abrupt decrease of production, high unemployment rates) in the eastern counties also had many reasons in the first half of the 1990's. First of all the peculiar mechanism of transition has to be mentioned which enabled the economy of the more developed regions (the capital in particular) to react to the challenge of economic restructuring by passing most of the burden of depression on to the peripheries. It means that the commuters coming from the less developed eastern regions were the first in the labour force to be dismissed, and the small plants in the countryside were the first to be closed down. Thus, e.g. the high unemployment rate in Szabolcs-Szatmár-Bereg county was actually the result of the ability of Budapest to react to the new conditions rapidly.

Another important cause of depression was that the north-eastern counties were hit most severely by the crisis of heavy industry and by the collapse of agricultural mass production formerly oriented towards the Soviet market. Finally, as a consequence of the insufficient macro-regional infrastructure, the incoming foreign capital has found its way to the western part of the country and Budapest, and has avoided the eastern regions.

3. The *central part of the country* is also strongly divided on the county level due to its rather unstable transitional character. On the one hand, Komárom-Esztergom county, having suffered the greatest loss of position during the last twenty years, and Veszprém (facing similar problems) belong here as well. In contrast, Fejér county directly adjoining the latter, has experienced a spectacular development in the second half of the 1990's. Considering the GDP indicator, in Pest county, closely tied with the administratively separated capital city Budapest, the improvement is also remarkable. The GDP per capita indicator allocated according to the actual place of production certainly underestimates the position of Pest. Finally, Bács-Kiskun county is also part of this heterogeneous and unstable central zone. Although it is located east of the Danube,

Bács-Kiskun does not share the sluggish character of most of the other counties in the Great Plain, but boasts with a busy small business activity.

MICRO-REGIONAL INEQUALITIES: "WINNERS" AND "LOSERS"

Smaller spatial units, have an expressed mosaic-like pattern as compared with the counties. As no GDP data are available on the level of micro-regions, they can only be evaluated on the basis of complex indices[1].

The classification was based on 7 indicators of the 150 micro-regions of Hungary (years 1995-96):
- taxable income per capita;
- unemployment rate (June 1996);
- sole proprietors per 1000 inhabitants;
- private cars per 1000 inhabitants;
- telephone lines per 1000 inhabitants;
- invested foreign capital per inhabitant;
- share of joint ventures within the firms.

On the basis of these indicators, four aggregated categories of regions were distinguished:

"Winner" regions are those where the values of at least 6 indicators are higher than the countryside average (i.e. the national average excluding the capital).

"Taking-off" regions are those where 4-5 indicator values are above the average.

"Stagnating" are regions with 2-3 indicators above the countryside average.

"Losers" are regions where only one indicator value is higher than the average.

It is necessary to chose the countryside average as the basis for comparisons because of the overwhelming economic weight and high development level of the capital. This raises the country averages for most of the economic and social indicators, thus, with the exception of some really dynamic regions or towns, such as Győr, Sopron or Székesfehérvár, and a few towns in the Budapest agglomeration, almost all the other regions remain below the average.

Mapping the results of the calculation on micro-regional level (150 spatial units) evidence to the aforementioned changes in the spatial structure of the country: the collapse of *the north-east–south-west oriented heavy industrial axis* stretching over the mountainous region (*Figure 2*). Of the industrial branches only the manufacturing of chemicals has become revitalised after the shock caused by the transition into market economy. A number of industrial cities in this region are today the archetypes of settlements facing environmental and social disaster (e.g. Ózd in the north-eastern border zone near Slovakia is one of them). At the same time, however, there are some cities along the industrial axis (Székesfehérvár, and most recently, Tatabánya) which

[1] The methodology applied in these section only presents one of the methods of micro-regional analysis. Several authors have used different methods and indicators for multivariate analysis of transititon, but the basic results of these analyses are very similar (for example: Csatári B. 1996, KSH 1995.)

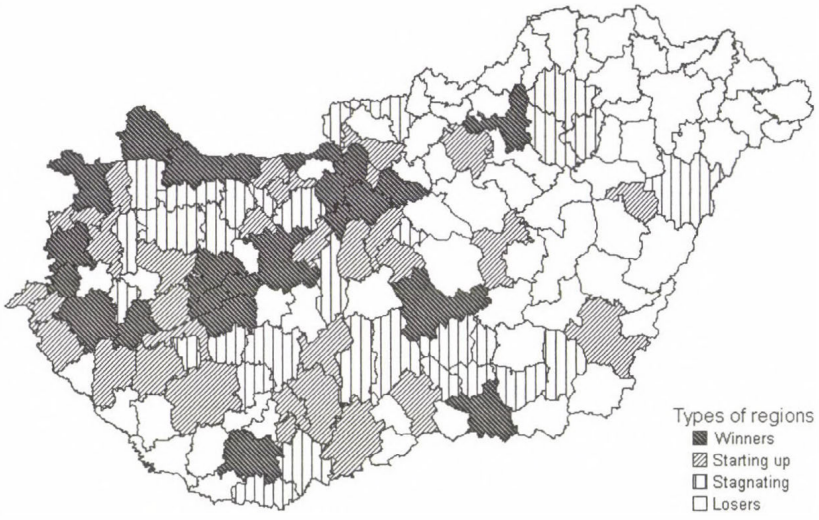

Fig 2. Microregional disparities in Hungary in the middle of the 1990s

faced a dynamic renewal based on the most sophisticated manufacturing industries (machinery, electronics etc.).

The more stable western (north-western) and the *depressed eastern (north-eastern) parts of the country* can be well distinguished in the new pattern shaped on the level of micro-regions, too.

The *dynamic axes* in the western part of the country are easily recognisable: 1.) the *Budapest-Győr-Mosonmagyaróvár-Sopron (Bratislava-Vienna)* axis, and 2.) the *Budapest-Székesfehérvár-Balaton* axis. These two axes branching out of the capital are linked by the *'take-off' zone* along the Austrian border, where the urban regions around the bigger cities and smaller centres have entered the group of regions having the most favourable position. The most significant factors of development in this border region have been obviously the external impacts, especially the activating effects of the relative proximity of the economically powerful South-German, North-Italian and Austrian regions. The Balaton region has grown primarily due to the concentration of small enterprises, and therefore, it depends strongly on the ups and downs of tourism.

However, there are also some "shadow regions" between the Transdanubian development axes characterised either by agriculture, or by formerly prospering, but nowadays depressed small-scale industry. Probably the most problematic contiguous area here is the southern border zone, since it was also afflicted indirectly by the Croatian war in the first part of the 1990s, which had a negative impact on the economic relations.

It is true for both the southern and eastern parts of Hungary that almost all of the county seats stand out from their regions as local dynamic centres. The big cities attract commercial and other service functions providing suitable markets, and also functioning as organising centres, and headquarters for the financial and economic services.

Pest and Bács-Kiskun counties form a transitional zone on the eastern bank of the Danube. This region is being close to the capital benefits a lot from its economic influence; it has also got relatively favourable transport connections, and small-scale agricultural production as a stabilising element. At the same time, foreign capital has reached but the biggest cities (Kecskemét, Szeged) yet. The more distant northern and eastern regions form a almost contiguous zone of "loser" micro-regions, with a massive and permanent unemployment. Compared to the whole country, positive economic features appear only in the county seats and in a few stable industrial cities of strategic importance (such as Tiszaújváros and Kazincbarcika).

THE PHASES OF TRANSITION IN THE REGIONAL DEVELOPMENT

Since the political changes of 1989/90 a period of ten years has already passed. During this time the division between regions and settlements has strengthened in all spheres of the economy and society. The widening gap among the regions has become the focus of public interest.

Looking back to the 1990's it seems quite clear that the period following the change of regime and the transition to market economy was not a uniform one, but it can be divided into distinct stages on the basis of regional and settlement processes and inequalities.

It is true though that in the formation of the basic features of the present spatial pattern of Hungary the turn of the 1990's meant a decisive moment (regions gaining winners' position or deteriorating into losers' one have retained their places up to now). This is also confirmed by several analyses. The spatial pattern of the first years of transition and the present-day (late 1990's) inequalities differ from the spatial scheme of the previous period in many ways.

The first important shifts in the spatial structure of the country took place at the beginning and in the middle of the 1980's, and were basically determined by the specific circumstances of the late socialist period.

The main driving force of these processes was the boom of private enterprises in provincial towns along with the authorisation of semi-private "socialist" enterprises in 1982 which was typically based on the young, qualified male population of the country.

This process broke the policy of levelling out among the macro-regions, counties and settlements, so typical for the earlier period and launched a rapid economic and income differentiation primarily in relation to the capital city and the countryside, and (although to a lesser extent) between towns and rural settlements.

The turn of the 1990's gave a new impetus to polarisation not through the dynamic factors but primarily along the *crisis indicators* of economic decline, like

unemployment and an unprecedented recession in the production sector which became obvious first in the collapse of the building industry and investments.

This polarisation further strengthened the tendency of spatial differentiation, along with the paradoxical downward levelling of the majority of industrial regions formerly ranked among the more developed areas.

This was the time when the process got over the dividing dimensions and the *settlement polarisation* (Budapest/countryside; towns/rural settlements) of the previous decade and obtained an obvious *regional character.* The depression of the heavy industry in the northern region was the deepest at that time and the traditionally underdeveloped eastern and southern regions were hit hardest by the crisis drifted from the centre (the building and investment-based activities almost fully stopped, the majority of the provincial industrial plants were shut down, the employees commuting from the peripheries to the bigger cities were dismissed etc.).

After the deepest point of economic crisis in 1992, by the end of the decade in a period of the commencing economic recovery and growth and slow stabilisation a *set of dynamic factors* became the main driving force of spatial differentiation (in the framework of marked dichotomies of the capital city/provinces, and western/eastern regions).

Industry has started to recover in a radically transformed spatial structure (which substantially changed the spatial pattern of the countryside and raised the western regions into leading position according to the rank of development). At the same time unemployment and income dynamics of the business and financial services became the foundation of the rapid development of the capital city, Budapest. The common reason for the above mentioned two regional processes rests with the extreme disparities in the distribution of foreign direct investments.[2]

Integrating these processes in a general model one can conclude that in the two major aspects of disparities (regional vs settlement levels) in the last two decades two factors should be pointed out (*Figure 3*).[3] These are the inevitable trends of *differentiation and polarisation* and a specific asymmetry in the position of the two sets of scales measuring the *level of development and progress.*

At the beginning of the spatial transformation, in the first half of the 1980's, the country could be characterised by a relative equality both at regional and settlement levels although the richer and dynamic regions seemed to be even more markedly isolated than the regions of backwardness and crisis in prospect.

The first shifts typically appeared at the beginning of the 1990's. Considered both as a spatial unit and a collection of regional means of different factors the country (suffering from the first shocks of the transition and recession) became far more differentiated than before.

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[2] The duality in the influx of the foreign capital can be easily discovered. At the beginning of the transition there was no extreme regionalism in the movement of the privatisation-related capital. In the first years of the decade the foreign investors typically selected the most promising state owned firms from all over the country, while later in the course of the booming green field investments we could observe a clear western orientation.

[3] For the empirical basis of the model see: Nemes Nagy J. 1999

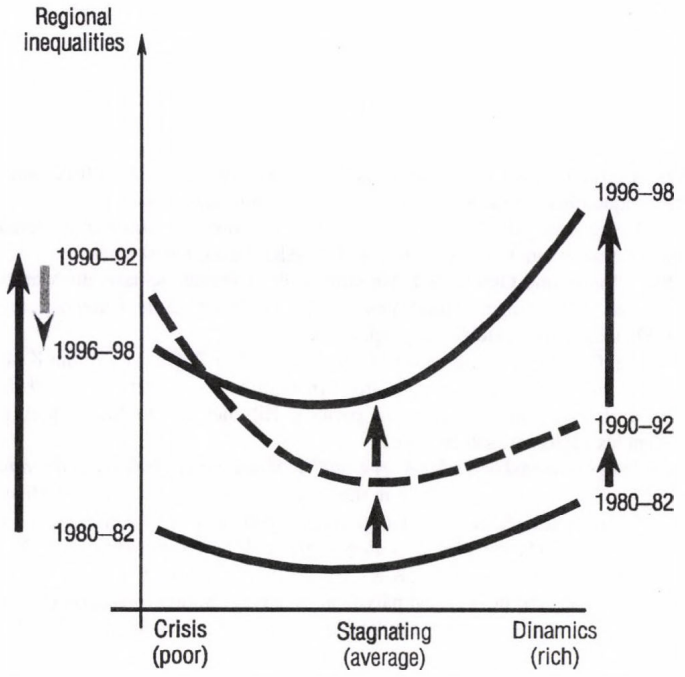

Fig. 3. Changes of the regional inequalities at the end of the century in Hungary (generalised model)

The strong regionalism appeared primarily in the form of crisis indicators (e.g. unemployment, fall in the intensity and volume of production), while the surviving and relatively dynamic regions further segregated.

By the late 1990's regional and settlement inequalities the degree of disparities increased considerably compared to that of the previous decades. The most important elements of these are the progress of the positive pole including the capital and the western region, the polarisation of the dynamic factors and the (new-) rich. Meanwhile the rate of regional and settlement differentiation has decreased in the field of poverty and crisis situations compared to the beginning of the decade though marked regional and settlement differences appeared which seem to be more emphasized than those prevailing in the 1980's.

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TRANSFORMATION OF THE HUNGARIAN PUBLIC ADMINISTRATION SYSTEM AFTER 1989

ZOLTÁN HAJDÚ

INTRODUCTION

The situation of the Hungarian public administration system changed substantially in the late 1980s. These changes were summarised as "the change of system", but the beginning, the essence, the process, the framework, the content and of course the end of these systemic changes are still much debated. Some minor social groups and political parties are questioning that a „real" political, economic and social change has occurred in Hungary.

Looking at the problems of "the change of system" from the viewpoint of public administration, we have to raise the question whether the state socialist public administration system has been transformed according to the requirements of a modern, multi-party democracy and market economy? Our answer is a definite yes: "the change of system" in public administration has been completed, however, at the same time debates over the new arrangement of public administration have started. In our opinion, one of the most decisive elements of the systemic changes was the creation of a public administration based on local governance, replacing the Soviet type council system of the single party state.

The constitutional regulation, the political and social environment, the tasks, objectives and functions, and moreover the organisation of public administration have been basically changed. The importance and roles of public administration have reduced within the framework of the new system, compared to the previous one. (A great part of the responsibilities in the former council system ceased to be the competency of the local governments.)

The "local governance" in itself became a political value, its content was defined by the means of local democracy, as opposed to the former council administration that had been considered as a dictatorial one. The expression "local government" thus has a more characteristic connotation than the English "self-government", as it implies an emotionally and politically motivated attitude.

The problem of the territorial reform of public administration has been continuously present in the Hungarian political and scientific life in the 1990s, in both fields a great number of approaches, principles and power ambitions have appeared, and sometimes extremely sharp debates though with changing intensity are going on. As regards the territorial reform of public administration, neither a political, nor a scientific or social consensus has been reached. The debates over the territorial reform

have significantly contributed to the fact that the new Constitution could not be accepted, as yet.

The association treaty made with the European Union and the recently started accession process have brought new elements into the debates over the reform of the Hungarian public administration, these factors are: the "territorial structure of the European public administration", the expectations of the European Union towards the Hungarian public administration system and what organisational and territorial structure is most compatible with these expectations, which are comprehended in partly different ways?

In our analysis we primarily focus on the municipal and territorial (regional) administration, we do not pay attention to the transformation processes of the central governmental administration. Each time in the post-1989 multi-party elections (in 1990, 1994 and 1998) the structure of government, the number and tasks of the ministries were changed. This reflects that the Hungarian political elite could not reach a consensus on the structure of the central administration, either.

THE "CHANGE OF SYSTEM" IN THE HUNGARIAN PUBLIC ADMINISTRATION 1989–1990

The problems and forces of systemic change are not unknown in the history of the Hungarian public administration, because if we only look at the history of the 20th century a minimum of six essential restructuring, if you like "change of system", has occurred in the Hungarian public administration, in accordance with and following the turns and rearrangements in the state history and the internal politics.

The characteristic features of the Hungarian public administration in the final phase of state socialism

As a consequence of the political transformation following World War II and the Communist take-over, the Soviet type council system was inaugurated in Hungary by the Constitution of 1949. Looking at the development of the council system, we can talk about an evolutionary process. In the amendments of the three Acts on the Councils (1950, 1954 and 1971) we can trace the efforts to adapt to the traditions of Hungarian public administration. The Act on the Councils in 1971 brought local governance back to the council system first among the socialist countries, although with limited content.

During the four decades of the council system, in term of public administration essential changes took place in the field of municipal (village and city) administration and minor transformations occurred in the territorial administration. The focal point of the state socialist Hungarian public administration (as always in the history of the Hungarian public administration) was the county level. The counties were in a key position both in the state and party administration.

The Hungarian public administration as a whole integrated well into the political system of state socialism, it basically functioned as an executive public administration

of the party state. In public administration, the weight of authoritative activities was significant, but the service function of the municipal and county councils also gradually increased. In the local – territorial public administration, the national and historical elements of the Hungarian public administration were strengthened in the last decade of the council system.

Before the change of political system the organisational structure of the Hungarian council system became rather complicated. The territory of the country was divided into 19 counties, and the capital city. Budapest, as the capital city, enjoyed a distinguished status. The other 8 cities with a population over 100 000 people, as county towns had a slightly special legal status. Among the villages, those with a larger number of population functioned as so-called "large villages". Within the Hungarian council system, the institution of "joint councils" played an important role. Seventeen towns and fifty villages elected joint urban councils, while the 638 joint village councils played a decisive role in the regions dominated by small villages (*Table 1*).

Table 1.Towns, communes and number of different counciles by counties, 1st January 1990

Number	Capital counties	Capital counties towns	Other towns	Large-commun	Commune	Joint commune of towns council	Councils		
							commune, large commune		
							Independent	Joint	Total
1.	Budapest	1	-	-	-	-	-	-	-
2.	Baranya	1	4	11	281	-	10	67	77
3.	Bács-Kiskun	1	10	17	86	2	85	9	94
4.	Békés	-	12	18	43	1	46	7	53
5.	Borsod-Abaúj-Zemplén	1	13	22	306	5	71	84	155
6.	Csongrád	1	6	6	46	-	35	7	42
7.	Fejér	1	5	21	77	-	53	19	72
8.	Gyõr-Sopron	1	4	12	150	-	46	36	82
9.	Hajdú-Bihar	1	10	18	45	5	27	16	43
10.	Heves	-	6	7	100	5	66	17	83
11.	Jász-Nagykun-Szolnok	-	12	15	46	1	47	6	53
12.	Komárom-Esztergom	-	8	6	57	-	37	11	48
13.	Nógrád	-	6	4	111	-	16	34	50
14.	Pest	-	14	52	112	4	99	27	126
15.	Somogy	-	9	8	205	15	13	53	66
16.	Szabolcs-Szatmár-Bereg	1	9	34	174	9	63	53	116
17.	Tolna	-	7	8	92	1	38	21	59
18.	Vas	-	7	6	200	-	8	57	65
19.	Veszprém	-	9	7	204	-	14	53	67
20.	Zala	-	6	5	242	2	8	61	69
Hungary total:		*9*	*157*	*277*	*2577*	*50*	*782*	*638*	*1420*

Source: A Magyar Köztársaság államigazgatási helynévkönyve, 1990. január 1. *(Gazeteer of the Hungarian Republik, 1st January, 1990)* Budapest, 1990, KSH, p.7.

The reform of the socialist Hungarian public administration, and the subsequent elaboration of the fourth "Act on Councils" started in the mid-1980s, according to the expectations and conditions within the state socialist conditions at that time (Szoboszlai 1985, Verebélyi 1987). One of the basic issues of the reform plans was the strengthening of the local governance character of the councils, while the other was the revision of the inner structure of the municipal–county–central public administration and the relationships among the three tiers.

The self-governmental reform of the Hungarian public administration, 1990

From 1989, the reform of the council system, in accordance with the new political conditions, turned into the process of the creation of real local governments. With regards of the reform of public administration, at the beginning of the political changes there was a certain degree of continuity (to a great extent in the personnel of the public administration), but discontinuity (the change of the constitutional regulation and the socio-political environment) turned out to be stronger in the end.

After the first multi-party free elections (which was won by the Hungarian Democratic Forum, considered to be a centre-right political force in the then political spectrum of the Hungarian politics, that formed a three-party coalition government), at the amendment of the Constitution in 1990 the objectives and value system of the public administration were reconsidered, and its organisational structure was significantly modified.

The chapter on "The councils" was replaced by the section of "The local self-governments" in Paragraph 9 of the reformed Constitution. The only paragraph that did not change substantially was the one on the territorial division of Hungary. Also in the period of the transition, Hungary was "... divided into a capital city, counties, towns and villages. In the towns, districts can be created".

Thus, at the time of the new arrangement of public administration the new power did not turn the basic territorial structure of the Hungarian public administration upside down, instead, they preserved it in an unchanged form, no new territorial formation was created at the level of constitutional regulation.

The reform concentrated on the content and functions of public administration and left its territorial structure intact. According to the Constitution, the subject of the right of local self-governance is the community of the electors of a municipality, who practice their right of self-governance either indirectly, through the body of representatives, or directly, by the means of local referenda. The Constitution defined the concept of local governance: "Local governance is the independent, democratic management of the local public affairs relevant for the community, the practice of local public power for the interest of the inhabitants".

Compared to the previous historical period, a fundamental change was embodied in the statement that "The basic rights of local self-governments are equal. The obligations of the local governments can be different". The Constitution excluded any kind of subordinate relationship (or hierarchy) among the local governments. The

rightful practice of the authority of the local governments is protected by the courts, the local governments can turn to the Court of Constitution in defence of their rights.

The voters practice the local self-governance by the means of a body of representatives elected by them for a four-year period (in exceptional cases by referendum). The body of representatives:

- regulates and administers independently in local governmental issues, its decisions can only be supervised from the aspect of lawfulness;
- can freely manage the property of the local government and can carry out entrepreneurial activities;
- is eligible for a revenue of its own and receives state subsidy in proportion with the tasks accepted;
- can levy local taxes within the framework of the law;
- decides upon its organisation and order of operation on its own;
- can create local governmental symbols;
- can freely associate with other local governments, can co-operate with and be a member of international organisations of local governments.

It is important from the aspect of the local governments and serves as a guarantee that the Constitution defined in a separate chapter the basic principles of local governance and extended the constitutional regulation to the issues of competency and legal guarantees. (The Constitution is an act requiring a two-thirds majority, thus a great degree of political consensus is necessary for its amendment.)

The provisions of the Constitution were put into practice and the internal structures were detailed by the *Act on Local Governments* in 1990. In the preparation of the Act on Local Governments, the basic values were the progressive traditions of local governance in Hungary and the basic criteria of the European Chart of Local Governments. Since this was also a "two-thirds majority act", the then government majority had to gain the support of some parts of the opposition and, thus, the result was a great degree of consensus among the different political powers.

The fundamental approach of the act is that the local governments can freely accept tasks and can do everything that is not prohibited by the law or does not specify as the competency of other organs. Only after the regulation allowing free action gives the Act details on the obligatory tasks of the local governments. (The obligatory tasks are financed from the central budget.) The act obliged the municipal governments to carry out the following activities on their territory:

- provision of healthy drinking water,
- primary education,
- basic health care and social services,
- public lighting,
- maintenance of the municipal roads and public cemeteries,
- provision of the conditions necessary for the assertion of the rights of national and ethnic minorities.

At the formation of the local governmental public administration, the Act accepted each settlement with village status as municipality, and it only defined the criteria for the establishment of new villages. (The Act did not have very strict

requirements against the creation of new villages, thus, the legislator actually wanted to support the partition of the formerly united villages. As a consequence, approximately 80 new self-governments were created between 1990 and 1999.)

The Act defined the obligatory tasks and competency of the self-governments (village, town, town with county rank, capital city, district of the capital city, county) in a differentiated way.

At the definition of the legal status of the towns, two categories were created in addition to the capital city (i.e. town and town with county rank). The situation of the *capital* city, given its special role and specific situation within the country, was defined and detailed in a special way by the Act on Local Governments. A dual local governmental system (districts and capital city) was created in the capital. The districts of the capital city are mostly responsible for the provision of basic services, while the town hall of Budapest is responsible for those tasks which concern the whole or a large part of the city.

The basic criterion of the definition of *towns with county rank* was a demographic one (a minimum of 50 thousand inhabitants), but a few functional elements also appeared (they carry out tasks and have responsibilities of the county self-governments in their own competency), however, the administrative features of these towns were not thoroughly defined. Actually, the towns at this level could not be filled up with the "county right". Their county rank is mostly restricted to their internal administrative structures (they can form districts in which offices can be set up e.g.). The towns with county rank can not delegate representatives to the body of county representatives, as they are self-governments with equal rights.

As far as *towns* were concerned, the Act on Local Governments stated that a village can only apply for the status of town if "the use of town title is justified by its level of development and regional role". The Act, unlike the Hungarian traditions, does not talk about a "town status", only a "title" in an explicit way.

The Act on Local Governments allowed an almost limitless opportunity for the associations among the settlements, but it did not introduce the institution of forced and involuntary associations. One of the specific forms of association is the notary district made for the joint management of the administrative tasks of small villages. (The Act encouraged the creation of notary districts for villages with less than 1000 people, but it did not make that obligatory, several excuses were accepted.)

The *county* self-governments were defined as horizontal, co-ordinate partners of the municipal self-governments. Their basic task was the provision of those functions for which the municipal self-governments could not be obliged. (Mainly public services of regional, territorial character were defined as their obligatory tasks.) The Act on Local Governments regulated the county self-governments at the same level as the municipal self-governments, stating that there is no subordinate relationship among these two categories, only a difference among their tasks.

Within the new local governmental system of public administration, the dominant weight of the local public administration was placed, for the first time in the history of Hungarian public administration, on the municipalities (towns and villages), and also for the first time in the Hungarian history were the county self-governments

consciously made insignificant. Thus, counties as the historically dominant units of the Hungarian public administration (in feudalism, capitalism and state socialism), and to some extent the regional self-governance fell victim to the new political compromises.

The effort to separate the local governmental and state levels appeared as a fundamental element of the new administration system: the Act allowed a great degree of centralisation in the field of special administration by delegating a large part of the authoritative activities to the de-concentrated organs of the state, thus, the position of state administration was strengthened in the official administration. (The system of de-concentrated state organs was established, their area of operation–authority covered the individual counties in most of the cases, but a few de-concentrated organs with regional competency crossing the county borders were also created.)

The system of the Commissioners (i.e. prefects) of the Republic was a new element in the Hungarian public administration. The Commissioners of the Republic were responsible for the supervision of the administration and lawfulness of the municipal governments, but in a few cases they also acted in affairs of state public administration in the second instance from 1990 to 1994. Hungary was divided into 8 regional units, which was fundamentally debated and its configuration was rejected by almost all professional opinion (*Figure 1*).

The institution of the Commissioners of the Republic was in the crossfire of political and professional debates during the four years of its existence. Some argued that it carried the possibility of the political influence of central government.

THE CORRECTION OF PUBLIC ADMINISTRATION FROM 1994

The socialist–liberal government formed after the elections in 1994 made several amendments to the *Act on Local Governments*. However, these amendments were essentially slight modifications in most of the cases, they were mainly corrections coming from the four years of operation of the local governments rather than fundamental changes. (The coalition, having a two-thirds majority in the Parliament, could have made fundamental changes, but it did not happen, because of their specific political self-restriction.)

A major correction was the abolishment of the system of the Commissioners of the Republic (prefect-system) and the establishment of new offices to replace them organised within county framework. Also, the definition of the county self-governments as territorial self-governments could be assessed as important changes. After all, we can say that the local governmental system implemented in 1990 survived successfully the first political rearrangement and change in the Parliament in 1994 (Csefkó 1997).

The basic figures of the local public administration created in 1990 changed relatively little by 1999 (*Table 2*). The main directions of the changes are as follows:

Fig. 1. Territorial division of Hungary after the local government reform, 1990. – 1 = state boundary; 2 = boundary of prefect region; 3 = boundary of counties; 4 = centre of prefect; 5 = county seat; 6 city of county rank

Table 2. Number of localities by level (type) of administration, by counties, 1st January, 1999

Name of capital, county, region	Capital	Town with county's rights	Town	Large commune	Commune	Total number of localities
Budapest	1	-	-	-	-	1
Pest	-	-	20	44	120	184
Central Hungary	1	-	20	44	120	185
Fejér	-	2	6	19	80	107
Komárom-Esztergom	-	1	7	6	60	74
Veszprém	-	1	9	6	209	225
Central Transdanubia	-	4	22	31	349	406
Győr-Moson-Sopron	-	2	4	10	157	173
Vas	-	1	7	5	203	216
Zala	-	2	6	4	245	257
Western Transdaubia	-	5	17	19	605	646
Baranya	-	1	9	6	285	301
Somogy	-	1	11	6	226	244
Tolna		1	8	7	92	108
Southern Transdanubia	-	3	28	19	603	653
Borsod-Abaúj-Zemplén	-	1	16	19	319	355
Heves	-	1	6	6	105	118
Nógrád	-	1	5	2	119	127
Northern Hungary	-	3	27	27	543	600
Hajdú-Bihar	-	1	15	15	51	82
Jász-Nagykun-Szolnok	-	1	15	9	53	78
Szabolcs-Szatmár-Bereg	-	1	16	26	185	228
Northern Great Plain	-	3	46	50	289	388
Bács-Kiskun	-	1	16	12	89	118
Békés	-	1	13	16	45	75
Csongrád	-	2	6	4	48	60
Southern Great Plain	-	4	35	32	182	253
Hungary Total	1	22	195	222	2 691	3 131

Source:A Magyar Köztársaság Helységnévkönyve, 1991. január 1. *(Gazeteer oh rhe Hungarian Republic, 1st January, 1999)* Budapest, 1999, KSH, p.15.

– some minor modifications of county boundaries were carried out based on bottom-up initiatives (as a result of which four villages were attached to other counties), thus the county boundaries did not essentially change,

- the number of towns with county rank increased, because county seats with less than 50 thousand inhabitants (Salgótarján and Szekszárd) were also devoted this title,
- in the new system of public administration the number of towns also further increased (by awards of town status and the partition of towns into new independent towns), although the towns lost the advantages of higher financial subsidies that they had enjoyed formerly. (The town status in nothing more now than a prestige of the settlement),
- within the changed political circumstances, the disintegration of the formerly united villages started, as did the creation of new villages by the separation of village districts that had not had village status before,
- on a bottom-up initiative, a new district was formed within the former boundaries of Budapest, too.

By the amendment of the Act on Local Governments, sub-municipal governments were created in the spatially separated parts of some settlements and also, self-governments of ethnic minorities were established. (In 1999, 1 370 minority self-governments operated in Hungary, including 764 Gypsy self-governments.) The municipal governments could transfer certain tasks and decision-making competencies to the sub-municipal and the minority self-governments.

DEBATES OF THE TERRITORIAL REFORM OF THE PUBLIC ADMINISTRATION

The reform attempts and reform concepts of the public administration can be considered as an integral part of the history of Hungarian public administration (Hencz 1973). This means that the territorial structure of the Hungarian public administration was almost permanently debated, and, as we will see, it still is.

The most important question of the territorial reform debates is how and within what geographical framework should the territorial division of the power be achieved after the separation of the branches of power and the sectoral division of the power (Hajdú 1996).

The question of the territorial reform of public administration has been continuously present in the last decade in Hungarian politics, scientific concepts, individual drafts of the Constitution, administrative reform proposals and discussions. Depending on the political processes (elections, elaboration of government programmes), the demands for territorial reforms in the public administration were amplified from time to time. These reform concepts have common grounds (reform of the territorial division of counties, solution of the specific administrative problems of Budapest and its agglomeration, definition of the relationship between the large cities and the counties, formation of inter-village connections), but their dominant element is the method of the solution for the county, or in a broader sense the regional level.

The reform debates between 1989–1991 were determined by the attitude towards the county self-governments. Those who questioned the necessity of the county self-

governments partly favoured the settlement/micro-region/region and partly the settlement/town-county/region formation (not always designating the territorial units in a direct way). The new Act on Local Governments held back the debates over the territorial problems for a short time, but of course it could not settle them.

Within the framework of the territorial reform a special emphasis was placed on the comprehensive theoretical and practical approaches of regional governance. The analyses and findings of the conference with national importance entitled "Are the Counties Going to Europe?" organised in Harkány (Hrubi et. al. 1993, Hrubi et. al. 1994), and the "Conferences on the meso-level" organised in Székesfehérvár in 1994 (Tóth 1994) and in Budapest in 1996 (Fogarasi 1996), as well as the comprehensive analysis of the Transdanubian Research Institute of the Centre for Regional Studies, Hungarian Academy of Sciences (Pálné Kovács 1994) raised the problems of the meso (middle)-level, looking at almost all aspects, but with different theoretical approaches.

From 1994, within the Prime Minister's Office, a separate government commissioner deals with the problems of the rationalisation of public administration and the organisation of scientific researches. The reform attempts of public administration are thus an everyday issue at the level of government, too.

The paper called "The programme of the reform of public administration", submitted to the government by the government commissioner and approved by the government as the basis of the further work, can be considered as a systematic summary of the major part of the researches of public administration carried out in the 1990s. (Magyar Közigazgatás, 1996, No. 11. pp. 641–671.) The reform programme defined four main objectives (1. the establishment of the framework and institutions of the new type of public administration should be completed; 2. the efficiency and quality of the administrative work should be improved and its service character should be strengthened; 3. a smaller, faster and more cost-efficient public administration should be created, and 4. the public administration should become more lawful, the external and internal supervision of public administration should become a regular activity), and 21 sub-topics.

The reform programme did not talk in an explicit way about the necessity of the territorial reform either in the short or the long run, which suggests that the versatile scientific territorial reform concepts did not become integral parts of the governmental concepts.

The problem of the establishment and reform of the de-concentrated regional state organs (the number of which ranged between 34 and 38 in the 1990s) was raised in a different way after 1994 than in the previous parliamentary cycle. The government consciously made efforts to decrease the number of the de-concentrated organs and, thus, rationalise them integrating the majority of them into a single office of public administration per county.

In fact, all the problems of the inter-village relations, the town–village connections, the county level and the regional administration above the county level are still present today. The most intense debates are going on about the territorial reform of the counties and the possibilities and necessity of the regional division.

The future of the fragmented public administration of villages

Hungary is a relatively small country (93,000 km^2) with a decreasing number of population (the number of inhabitants dropped from 10,374 thousand people in 1990 to 10,092 thousand by 1st January 1999), and with an average population density by the European standards (109 people per km^2). The density of settlements is high (3.4 settlements per 100 km^2), but it shows great differences over the major regions of Hungary. The ratio of urban population is around 63 %.

The Hungarian settlement pattern is made of elements that are extremely fragmented by size. Of all the Hungarian settlements, 1,712 (i.e. 54.8 %) have less than 1,000 inhabitants, providing home to only 7.7 % of the total population of Hungary.

As a result of the general decline of population in Hungary most of the settlements and settlement categories show up declining population figures over the last two decades. We can also expect a loss of population in the long run. This will effect all aspects of life and services of the settlements, thus public administration has to face it, too.

The new public administration based on local governments strengthened the conscience of the municipal autonomy. Local governance and democracy became synonyms at municipal level, too. There is not and probably in the near future there will not be a single political power to question the basic values of local governance at the municipal level. (The system of public administration cannot be rearranged radically several times within a short time.)

This means also that the number of municipal self-governments cannot be decreased drastically in the short run, this is also supported by political reasons, therefore we have to find within the framework of this system an optimal solution how to rationalise the local self-governance of the small settlements without offending the interests of their inhabitants.

One of the possible and socially acceptable solutions is to maintain the representation at the municipal level without any change, securing this way the maximum assertion of representative democracy, at the same time the framework of the notary districts could be extended.

In 1999, in Hungary 1,336 villages belonged to 509 notary districts, i.e. 48 % of the villages were administered in a regionalised way. On the average, 2.6 villages belong to one notary district, nevertheless the number of population belonging to some of the notary districts is still very low. In the areas dominated by hamlets and small villages, there are some notary districts where the number of villages is quite high (7), the unit with the largest number of settlement integrates 12 villages. The present conditions of the Hungarian public transport (frequency of buses and trains, fares compared to the average income etc.) do not allow a sharp increase in the territory of the notary districts.

Town–village relationship and public administration

In the new public administration system, the relationship between the towns and villages is a co-ordinate relation, which means that the two settlement types enjoy equal rights, villages are not subordinated to towns as used to be during state socialism. On the basis of the former connections and the present interests, several towns and villages still maintain (or established new) their earlier notary districts. In 1999, 28 notary districts were located in towns.

The process of the declaration of new towns changed the original concept of town as well, the group of so-called "ceremony towns", i.e. towns with small numbers of population, weak central functions or even monofunction emerged. (In 1997, 18 towns had less than 5 thousand inhabitants in Hungary.) The connection between these towns and their zone of influence is much weaker than that of the functionally developed small towns, in fact, a large part of such towns depends on other towns in most respects.

The functional content of the urban–rural relationship changed significantly due to the economic transition. The formerly dominant commuting decreased to a great extent, it was the rural labour force with a lower level of education, that was first excluded from the labour market. (In certain parts of Hungary "inactive settlements" emerged, i.e. settlements that are home to no or hardly any employees, where the population live on pension, social and unemployment benefits.)

The statistical data processing and the analyses of socio-economic processes required the formation of statistical units within the counties. The Central Statistical Office, carrying out a series of centre–periphery surveys, developed several inter-settlement functional divisions from 1991 to 1993, and then introduced the 138 statistical micro-regions in Hungary from 1st January 1994. In 1997, the territories and centres of the statistical micro-regions were modified, creating 150 micro-regions. These micro-regions are the units of the collection and processing of statistical data, thus their borders fit into the county boundaries.

On bottom-up initiatives, the formation of alliances and development associations of different kinds among the settlements started. It was typical in this process at the beginning that the associating villages excluded the dominant town of their micro-region. Later the towns could gradually join the organisations of the settlements in their micro-region.

The ongoing economic boom can revive – although probably at a lower level of intensity – the commuting connections, which would reinforce again certain types of connections between towns and villages. With respect to the municipal administration, there is not a single principle today on which a public administration built on towns could be defined, although this concept had many supporters in the history and still has many in the Hungarian public administration.

In 1997, the Central Statistical Office essentially modified the division of Hungary into statistical micro-regions. The modified statistical micro-regions integrated into the institutional system of regional development. They have no administrative content

as yet, but they can achieve a significant role in the processes of regional development in the future.

With respect to local self-governance, the associations of towns and villages are gradually increasing on the basis of common interests, which allows in the long term the formation of a legitimate, village/town bottom-up administrative structure. (The 218 Hungarian towns of today may cover the territory of Hungary, as the towns have an average area of 40-50 km^2, and approximately 45 thousand inhabitants.)

The territorial reform of the counties

According to experts the Hungarian politics and public administration missed a historical opportunity in the early 1990s when, parallel to the change of system, the territorial reform of the county administration was not carried out. At that time, connected to the new arrangement, the necessity of the territorial reform could have been justified, and accepted by the majority of the society. Over the last decade, except for the public administration, the role of counties as geographical frameworks and regional units has increased. The counties reinforced their regional positions in several respects.

The problems concerning the counties have to be divided into two parts: we can talk about the abolishment of the "county system" or the modification of the borders of the counties. Given the Hungarian historical, social, settlement and transport characteristics, the county system cannot be eliminated within a foreseeable future, a regional meso-level of some kind will be necessary.

The decrease or increase in the number of the counties is a different issue. From the present county system consisting of medium-sized units we can move towards both a system of "small counties" and "large counties". Plans with 34 and 10 counties as well appeared to replace the present 19 counties. The authors of the reform plans are aware of the relative value of the division concepts, thus e.g. in 1994 the same author made three different recommendations for a division, each including 14 counties.

The reform concept of public administration does not take into account the territorial reform of counties, on the other hand, bottom-up initiatives and applications for annexation to another county mean more and more challenge for the present county boundaries. The county reform is not only a political issue but also a social and emotional one.

The dilemmas of regional administration within the new circumstances

The regional administration (above county level), the problems of the regionalisation of public administration were put in the foreground in 1990–1994 with the introduction and discussion of the system of the Commissioners of the Republic, then in 1994 the abolishment of this system evoked strong reactions in the professional and political circles.

In the case of certain deconcentrated state organs (e.g. public health, national railways), the network of regional units covering groups of counties are traditionally present. The issue of regional administration divided and still divides both the professional and public opinions whether there is a need for larger administrative regions as self-governments (Horváth 1998). In this respect the problem of delineation of major regions is only a secondary question.

These days there is no serious political power that raises the issue for the creation of regional administration in the public administration, which, however, does not mean that we can exclude this possibility in the long run.

The problems of regional units above county level were raised in a new and intensive way, connected to the establishment of the institutional and territorial organisations of regional development (Pálné Kovács 1999). The accession to the European Union also raised the question of the establishment of the regional statistical classification (NUTS 1-5) system (Faluvégi 1997).

The most important question is how the settlement and regional structure of Hungary can be harmonised with the statistical system used in the EU. Because of the assistance policy of the EU, the designation of the NUTS-2 units (the regions) is of special importance. The different proposals generated strong debates both in professional and political circles. The approved statistical regions can become the dominant framework of regional development in the longer term (*Figure 2*).

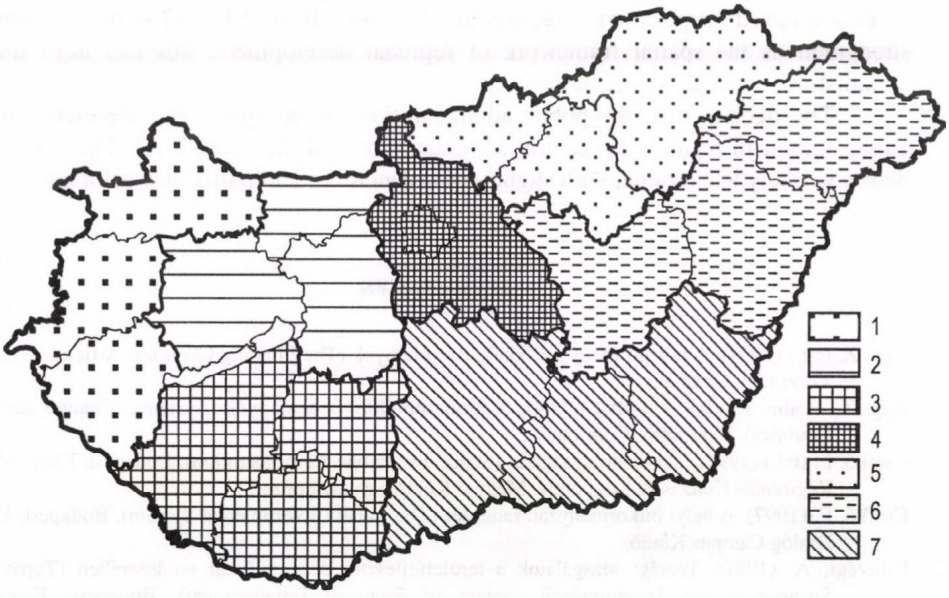

Fig. 2. Statistical regions of Hungary, 1998. – 1 = Western Transdanubia; 2 = Central Transdanubia; 3 = Southern Transdanubia; 4 = Central Hungary; 5 = Northern Hungary; 6 = Northern Great Plain; 7 = Southern Great Plain

SUMMARY

The Hungarian public administration system created in 1990 as a result of political compromise is basically a settlement-centred and small village-dominated self-governmental structure. Within the system subsidiarity has a significant role.

The new self-governmental administrative system met the almost decade-long economic, social and political challenges of the "change of system" and has become socially accepted. At the same time, considerable differences have emerged among the partial structures of the system. While despite minor debates (e.g. towns with county rank, the internal administration of Budapest) the regulation and operation of the municipal self-governments is essentially accepted, the problems of the county self-governments have almost continuously been in the focus of political and professional debates.

The meso-level (be it county or region) is a subject of sharp debates, because this is the level where the municipal governments are afraid of the restriction of their own achieved positions, also, the level where the central power does not want to create a strong self-governmental competition for itself. The vested interest of the central (state) level over the recent decade was that the system of deconcentrated state organs should be the dominant factor and integrator of the meso-level.

The institutionalised system of regional development, the preparation of the EU accession raised the problem of regions in a new way. If the NUTS-2 statistical regions strengthen as the spatial framework of regional development, this can have direct administrative consequences in the long term.

The debates over the public administration started again after the elections of 1998, both with regards the central administration and the meso-level. The same old debate is likely to continue, with slightly new conditions and partly new actors, too...

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THE ROMA (GYPSY) QUESTION IN THE CARPATHO-PANNONIAN REGION

KÁROLY KOCSIS

INTRODUCTION

One of the best-known scattered ethnic minorities of the world is the *Gypsy* (in Romany language: *Roma*) *community* whose number is estimated to be 7 million. Most probably the Romas left their land of origin in North Western India between the 9th and 14th centuries in several waves due to so far unknown reasons, and wandered to South Eastern Europe in the 11th century via the Persian and Byzantine (later Ottoman) Empire, and later to Western Europe in the 13 and 14th centuries (Fernández-Armesto 1996; Liégeois 1994). From the 16th century onwards, their nomadic groups, being constantly on the move reached the British Isles and Scandinavia and later, through forced migration and colonisation, even Africa, the Americas and Australia.

The Romas have been subjects to persecution, discrimination by the ethnic majorities and the authorities because of their way of life, since the very beginning. Perhaps the darkest historical period of the European Gypsy community being outlawed and struggling to earn a living on the lowest levels of the society was the fascist genocide in the first half of the 20th century, when not only millions of Jews, but hundreds of thousands of Gypsies fell victims to the genocide. After World War II about 2/3rd of the European Gypsies belonged to countries which set out building the so-called socialist society and economy. During state-socialism the state excersised praiseworthy efforts to solve the problems of the Romas in the fields of labour and housing. At the same time efforts were also made to settle down permanently, and to dispers and assimilate Gypsies into the mainstream of the society.

In the 1990s, after the political transformation and the subsequent reconstruction of the market economy in East Central Europe the Romas were especially hard-hit by unemployment having no training in skilled work, and often were first dismissed from their jobs. At the same time high fertility rates and rapid population growth prevailed among Romas which bore tensions and conflicts between them and the majority of the society leading to clashes of local and even international importance. In the last decade Gypsies of South Eastern Europe, having lost their hope, tried to improve their economic situation through an east-west migration which in turn often resulted in the re-establishment of the obligatory visa system towards the post-socialist countries on behalf of the western welfare states. This has led to new conflicts between the post-socialist countries from which Gypsies were emigrating and the 'western' states fearing the mass of Gypsy immigrants. This paper gives first a general overview about the

geographical distribution of the Roma population, which is followed by a demographic, ethnic and political geographic analysis of the 2 million Gypsies living in the Carpatho-Pannonian region (especially in Hungary).

ROMA POPULATION IN EUROPE

In spite of their high mobility most of the Romas (an estimated *6.5 million*) still live *in Europe*. Due to economic and political reasons, as well as to the way of life and interethnic tolerance of the majority population *71 per cent* of the European Gypsies are residents of the ethnically and religiously very mixed *Carpathian region and the Balkans*, where they first appeared in Europe *(Table 1 and Figure 1). 5.33 million* European Gypsies, being often targets of ethnic discrimination because of their way of living, social behaviour, and easily recognizable antrophological features, are the citizens of *post-socialist countries*, and 3.7 million of them live in the states that are officially declared to be joining the European Union. Only 0.4 per cent (*1.56 million* people) of the 380 million population of *'Western Europe'* (taken in a strict political sense) is considered to be Gypsy, with the largest communities living *in Spain* (650,000), France (280,000) and Greece (160,000).

In the former East Central European state-socialist countries 3.8 per cent (4.6 million people) out of the 122 million total population can be estimated as Gypsies. However, only one fifth of them (943,000) declared themselves as Roma (Gypsy) in the last census. This reflects that Gypsies are very uncertain to declare their original ethnicity at the time of census which depends mostly on their self-consciousness and on the local interethnic relationships. While in Hungary, Serbia and Bulgaria 30-50 per cent of the Romas declared themselves as Gypsies, only 7-8 per cent of them did the same in Romania in 1992, although Romania is the homeland of Europe's and the world's largest Gypsy community (with 2.2 million Roma citizens). According to the statistics there were 635,000 Romas in Bulgaria, 450,000 in Hungary, 300,000 in Serbia, 262,000 in Slovakia and 220,000 in Macedonia at the beginning of the 1990s. The highest proportions of Romas within the total population were registered in Macedonia, Kosovo and in Romania (about 10 per cent). In the European part of the former Soviet Union the Roma population amounted to an estimated 347,000 people in 1991, two thirds of whom are now citizens of the Russian Federation.

ROMA POPULATION IN THE CARPATHO-PANNONIAN REGION

Historical Overview

The earliest records reporting the presence of Gypsies in the Carpatho-Pannonian Region (i.e. the historical Hungary) originate from the 14th century. Their number, however, became massive in the area only after the Turkish invasion of the country

Tab 1. Roma (Gypsy) population in Europe (around 1991)

	country, region	total population	estimated number of Romas	ratio of Romas	census number of Romas	ratio of Romas
1.	Austria	7,795,786	20,000	0.26		
2.	Belgium	1,004,5000	10,000	0.1		
3.	Cyprus	740,000	500	0.07		
4.	Denmark	5,170,000	1,500	0.03		
5.	Finland	5,042,000	7,000	0.14		
6.	France	57,042,000	280,000	0.49		
7.	Germany	80,595,000	110,000	0.14		
8.	Greece	10,280,000	160,000	1.55		
9.	Ireland	3,548,000	22,000	0.62		
10.	Italy	57,896,000	90,000	0.15		
11.	Luxemburg	393,000	100	0.02		
12.	Netherlands	15,182,000	35,000	0.23		
13.	Norway	4,245,000	500	0.01		
14.	Portugal	9,858,000	40,000	0.41		
15.	Spain	39,115,000	650,000	1.66		
16.	Sweden	8,668,000	15,000	0.17		
17.	Switzerland	6,756,000	30,000	0.44		
18.	United Kingdom	57,848,000	90,000	0.16		
1.-18.	Western Europe	380,218,786	1,561,600	0.41	..	..
19.	Albania	3,261,000	90,000	2.76		
20.	Bosnia&Hercegovina	4,364,574	40,000	0.92	7,151	0.16
21.	Bulgaria	8,487,317	635,000	7.48	313,396	3.69
22.	Croatia	4,784,265	30,000	0.63	6,695	0.14
23.	Czech Republic	10,302,215	150,000	1.46	32,903	0.32
24.	Hungary	10,374,823	450,000	4.33	142,683	1.37
25.	Kosovo	1,956,196	200,000	10.22	45,745	2.34
26.	Macedonia	2,033,964	220,000	10.82	52,103	2.56
27.	Montenegro	615,035	10,000	1.63	3,282	0.53
28.	Poland	38,220,000	40,000	0.1		
29.	Romania	22,810,035	2,200,000	9.65	166,635	0.73
30.	Serbia	7,759,571	300,000	3.87	94,338	1.22
31.	Slovakia	5,274,335	262,000	4.82	75,802	1.44
32.	Slovenia	1,965,986	8,000	0.4	2,293	0.11
19.-32.	Eastern Europe	122,209,316	4,635,000	3.79	943,026	0.77
33.	Belarus	10,151,806	15,000	0.15	10,762	0.11
34.	Esthonia	1,565,662	1,000	0.06		
35.	Latvia	2,666,567	8,000	0.3	7,044	0.26
36.	Lithuania	3,674,802	3,000	0.08	2,718	0.07
37.	Moldavia	4,335,360	20,000	0.46	11,571	0.27
38.	Russia	147,021,869	220,000	0.15	152,939	0.1
39.	Ukraine	51,452,034	80,000	0.15	47,917	0.09
33.-39.	Former Soviet Europe	220,868,100	347,000	0.16	232,951	0.1
40.	Europe	723,296,202	6,543,600	0.9	..	..

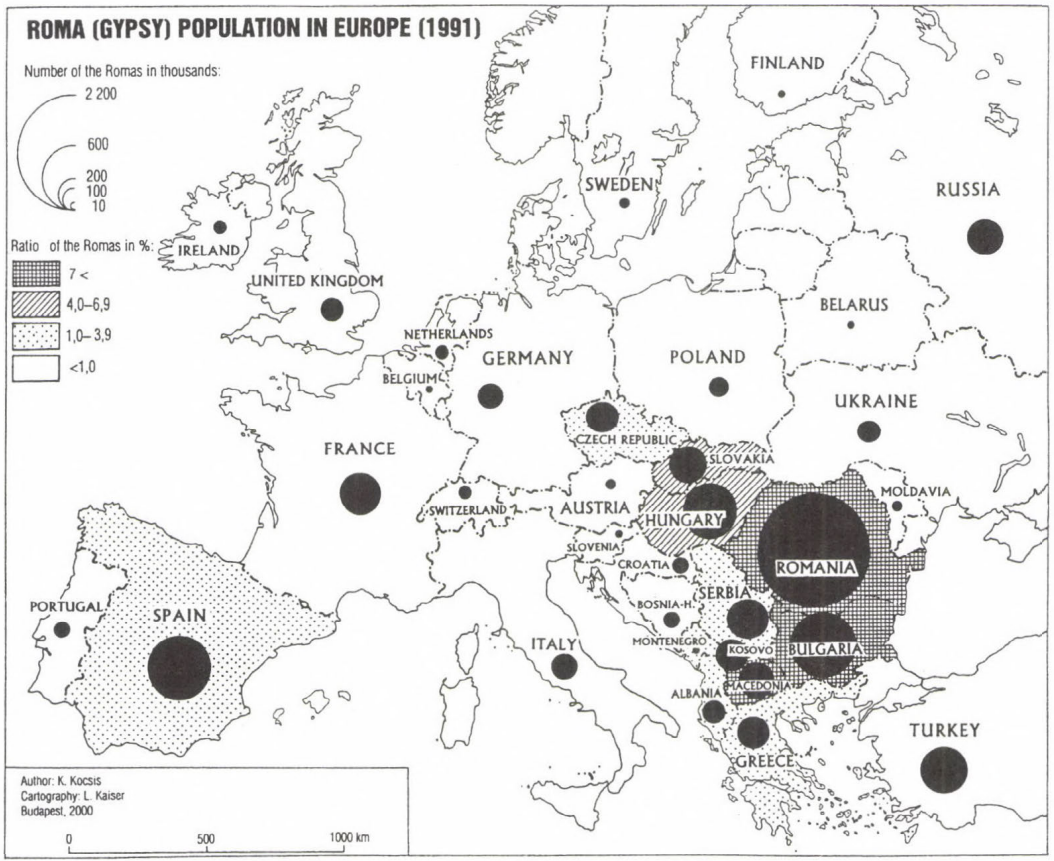

Fig. 1. Roma (Gypsy) population in Europe (1991)

(16-17th centuries). After the Ottoman-Turks were driven out of the Hungarian Kingdom, the Habsburg rulers (especially Maria Theresa and Joseph II) tried to settle down Gypsies and forced them to change their way of nomadic life which was part of their enlightened absolutist policy. The earliest report on the number and spatial distribution of the Gypsies in the region was presented by the 1850 Austrian Census. According to it, there were 140,092 Gypsies living in the territory of the Hungarian Crown, out of which 56.3 per cent in the historical Hungarian province, Transylvania (Danyi 1993).

As a result of their migration from South Eastern Europe and especially from Romania, where they had been treated as slaves up to 1855 in Moldavia and up to 1856 in Wallachia, the number of Romas rose from 214,000 to 274,940 in the territory of the Hungarian Kingdom between the two official Gypsy Censuses ordered by the Ministry of Interior in 1873 and in 1893 (A Magyarországban 1893....,1895.). During the time of the Austro-Hungarian dual monarchy (1867-1918) the major cause of the 'Roma Question' was their wandering way of life and their extraordinary spatial mobility. Therefore, the conflicts between the state and the Gypsies, and between the Gypsies and non-Gypsies were meant to solve with ceasing the wandering habit of Gypsies.

Following World War I, between 1918 and 1920, the territory of the Hungarian Kingdom was divided among five successor states that hindered Gypsies in their formerly traditional, interregional migrations from East to West and from South to North, but made it easier for them to migrate from historical Romanian, Serbian regions into the annexed territories like that of the formerly Hungarian Vojvodina and Transylvania. During the interwar period, the states of the region saw the root of the problem, the so-called 'Roma Question', in the peculiar and often deviant way of life of Gypsies and in their marginal social status rather, than in the wandering of the Gypsies whose majority had already been settled down, anyway (Kemény 2000).

During World War II, after the Nazi occupation, many Gypsies were deported into death camps from Hungarian, Slovakian, Czech, Romanian and Croatian territories, as a 'solution' to the problem. As a result, 90 per cent of the Gypsy communities accounting each seven thousand in the Czech Lands (Bohemia-Moravia) and present day Burgenland in Austria (annexed that time to the German Empire) was exterminated, while the loss of the Hungarian Romas was about five thousand (Hamberger 1996; Kemény 2000). At the same time the Romanian state deported 26-36 thousand Romas for execution between 1940-44, to the Ukrainian Transnistria annexed to Romania at that time (Pons 1999).

Immediately after World War II Gypsies started to migrate into the places of ethnic Germans who fled or were deported, especially in Bohemia, Moravia, Slovakia and Romania. The number of Gypsies seeking relief from their miserable conditions in Eastern Slovakia and fleeing to the empty houses of the Sudeten-Germans rose from 600 to 16,752 between 1945 and 1947 in the Czech Lands (Hamberger 1996; Jurová 1996). The emigration of the Romanian Germans (Saxons, Swabians), and the subsequent immigration of Gypsies into their places began to accelerate in the 1970s, and this process is still going on. The appalling degradation of the environment after the appearance of the Gypsies was especially striking in the former German settlements.

At the end of the 1940s, after the communists came into power the traditional rural communities were disintegrated as a consequence of the massive nationalisation and collectivisation of agricultural land. Therefore, Gypsies, being traditionally excluded from the land ownership lost the basis of their subsistence, i.e. seasonal agricultural work. Thus, similarly to other village people Gypsies also had to move to the new industrial towns in an ever growing number to find unskilled, unqualified jobs. In this period the states under investigation were rather inconsistent regarding Gypsies who were declared in the meantime as equal citizens. Periods of social charity (in the form of sympathy, forgiveness, tolerance etc.) were followed by open racism, most often prejudice, refusal, punishment in the treatment of Roma problems (Jurová 1996). Gypsies were not recognised as official ethnic minorities (nemzetiség, narodnost, nationalitatea) in the countries under Soviet control, and often they were considered only as a social group in 'cumulatively disadvantageous situation'. Consequently, the assimilation of Gypsies was encouraged almost everywhere, either through forced or reconditioning methods. In order to improve the living conditions of the Gypsies in these countries, based on the decision of the communist parties in 1961, the forceful relocation of Gypsies was started from their shanties into empty houses of peasants, or into newly built, cheap, rural barracks or into prefabricated housing estates in towns in 1965.

Briefly it can be stated that the living conditions (housing, employment etc.) and the educational level of Romas improved substantially during the decades of state-socialism, when the main goal was to foster their social ascension, though their disintegration as an ethnic community was also a hidden target. Despite of the positive development in living conditions, the prejudice against Romas did not disappear, the education of Romas remained relatively low level, and most of them were employed as unskilled or semi-skilled workers on the margins of the labour market. These facts acted like a time bomb after the democratic transformation (Kemény 2000). During communism the mortality rate of the Gypsy population changed favourably due to their improving living conditions and available public health services. This is especially true for infant mortality, and as a result of that there was a real demographic explosion among the Gypsy population of the region between 1950 and 1990. During this time the number of Gypsies in the Carpatho-Pannonian region grew from 542,000 to 1,951,000 and their proportion changed from 2.2 per cent to 6.5 per cent. In this period the Gypsy population grew 4.1 times larger in Transylvania, 3.2 times in Hungary and 2.6 times in Slovakia (*Figure* 2). However, the relatively low growth rate in Slovakia could be attributed to the fact that many East Slovakian Gypsies moved to the Czech Republic seeking better living conditions there (the number of Gypsies living in the Czech Lands was 20,000 in 1950, whereas 150,000 in 1990).

Romas in the 1990s

From the beginning of the 1990s, following the democratic transition and the re-establishment of the market economy, the former slow social integration of the Gypsies

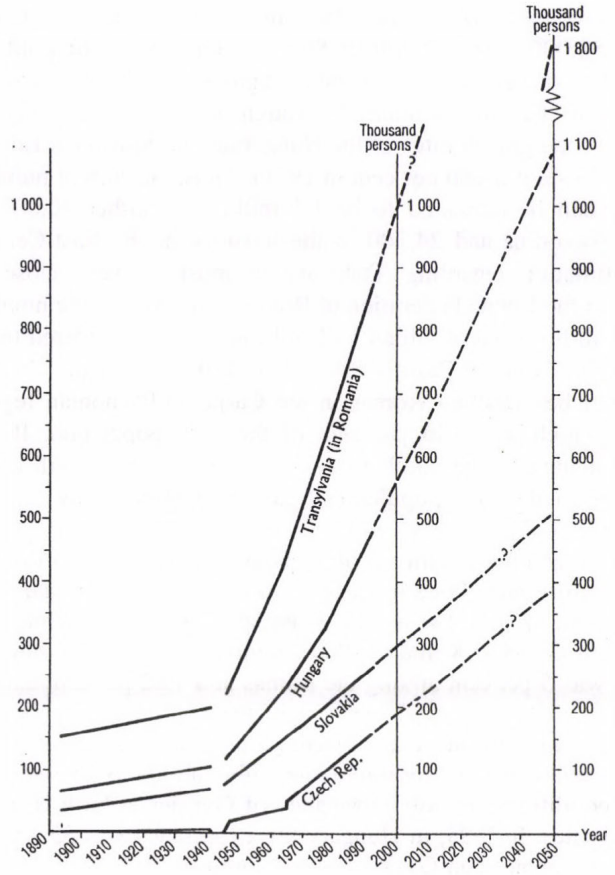

Fig. 2. Roma population boom in some regions of Central Europe (1893–2000–2050)

became even slower and declined into the level of a few decades earlier. First mainly the unskilled Roma workers were dismissed by the privatised companies, leaving them no hope to earn a decent living in the labour market, which has been restructured along to market principles. Apart from a small entrepreneurial group of Romas, almost all of them became unemployed. As a consequence, their former relatively secure living has disappeared, many of them became unable to repay their housing loans and, thus, lost their flats. Parallel to this, the so-called 'bread and butter crime' among Romas re-emerged.

Sketch of the demographic and social structure of Romas. On the basis of the latest censuses (Soviet 1989, Hungarian 1990, Czechoslovakian, Austrian, Yugoslavian 1991, Romanian 1992) there were 463,853 people (1.54 per cent of the total population) out of the 30.2 million inhabitants of the Carpatho-Pannonian region declaring themselves ethnically as Roma. Since the Romas mainly consider themselves as members of the majority society (Romanian, Hungarian, Slovakian, etc), this number is far less than the number of those who can be considered Romas by their non-Gypsy neighbours. The distinguishing features include some anthropological characteristics, complexion, way of living, social behaviour. The actual number of Gypsies was especially well estimated by the Czechoslovakian and Hungarian statistical offices, governmental authorities and sociological institutions (Srb 1984, 1990; Hamberger 1996; Jurová 1996; Hablicsek 1999, Kemény 2000; Kertesi & Kézdi 1998; Mészáros & Fóti 1996).

On the basis of the above mentioned surveys the number of Gypsies in Hungary could be estimated to be 450,000, and 262,000 in Slovakia on the eve of political changes. Since similar reliable surveys are rare in other regions (e.g. Transcarpathia, Transylvania, Vojvodina), one has to estimate the rough number of the Gypsy population taking into account the growth rates of the Hungarian and Slovakian Romas (i.e. if it was 100 per cent in 1893, it is 690 per cent in 1991). Thus, the current number of Gypsies in Transylvania can be estimated to be 1.1 million, a further 40,000 in Transcarpathia, 60,000 in Vojvodina and 24,300 in the territory of the East-Central Croatian counties. Our estimation regarding Transylvania must be very close to 'reality', because according to the Ethnic Federation of Romas of Romania, the number of Romas in Romania is 2.5 million, out of which 1.01 million can be considered to be living a traditional way of life (Zamfir & Zamfir 1993; Pons 1999). Consequently, the number of citizens that could be classified Romas in the Carpatho-Pannonian region was 1.95 million in 1991, which was 6.46 per cent of the total population. If the demographic trends go on unchanged, the number of Gypsies in the region will reach 3.6 million by 2025, similar to the total population figure of Ireland today (cp for Hungary: Hablicsek 1999) (*Figure 2*).

This extraordinary demographic dynamism of Gypsies can be attributed to their young age structure, high fertility and above average natural growth. In Hungary the rate of child age population (age group 0-14) is 38 per cent among Gypsies, while it is only 19.1 per cent among non-Gypsies (Kemény 2000). Similarly, the rate of old age population (age group 60+) was 5 per cent among the Romas and 19.2 per cent among non-Romas in 1993. In 1992 in Romania 43.5 per cent of the Gypsies were younger than 16 years, and in Slovakia 43 per cent of them were younger than 14 (Pons 1999; Jurová 1996). Because of the relatively high mortality rate, vulnerability to illnesses and unfavourable public health conditions, the life expectancy of Gypsies at birth is much lower tan that of the non-Gypsies. In 1995, in Hungary life expectancy was 55.4 years among Gypsy and 65.3 years among non-Gypsy males, moreover 66.2 years among Gypsy and 74.5 years among non-Gypsy females (Hablicsek 1999). The average number of children born to a woman of fertility age also demonstrates the high fertility rate of Gypsies. In 1997 there were 3.1 children per Gypsy female, while only 1.38 children per non-Gypsies female in Romania. The same parameter was 3.4 among Gypsies and 1.7 among non-Gypsies in 1992 (Pons 1999).

As it was pointed out earlier after the democratic transition Gypsies became gradually unemployed. As a consequence, the ratio of active earners dropped to 18.3 per cent among Gypsies in Hungary, while it was 35.2 per cent among non-Gypsies in 1993. Proportionally the unemployment rate increased to 35.8 per cent among the Hungarian Gypsies (1993), and to 45.2 per cent among the Romanian Gypsies (1992). The ever growing unemployment among Romas is due to their open or hidden discrimination on the labour market, and to their low level of education and training. In 1993 in Hungary, the rate of population having graduated from the eighth class of elementary school in the age group 7+ was 55.4 per cent among Gypsies, and 75 per cent among non-Gypsies. Only 2.6 per cent of the Gypsy population older than twenty-five managed to graduate from a higher educational institution, while 10.7 per cent did among the non-Gypsies (Hablicsek 1999).

Sketch of the settlement area of Romas. In spite of the considerable east-to-west and village-to-town migration that took place in the last half a century, the main settlement areas of Gypsies are almost the same today as they were at the time of the Gypsy Census in 1893 (*Figure 3*). The majority of Romas usually live in the less urbanised, traditionally rural areas, together with a population mixed in both ethnic and religious aspects, where they were likely to find their place in the local division of labour. After the elimination of the Gypsy shanties organised by the state, the share of Gypsies living in their former colonies decreased from 65.1 per cent in 1971 to 13.7 per cent in 1994 (Havas 1999). This, however, did not induce a decrease in the spatial segregation of Gypsies both at the macro- and micro-scale. Even, the high population growth, the immigration of the Gypsy population to some peripheral rural regions with tiny villages accelerated the out-migration of the non-Gypsies, and thus the process of segregation. This phenomenon is known as 'Gypsization'.

According to a survey carried out in Hungary in 1993, 60.5 per cent of the Romas live in villages whereas the proportion of rural population is only 38 per cent among non-Gypsies. Moreover, 40 per cent of the Romas live in villages with a population less than two thousand (Havas 1999). Two thirds of the Romas were found to live under strongly segregated conditions in ethnic ghettos which are being constantly formed in many places. Regions that are especially exposed to 'Gypsization' are the North Eastern and Eastern areas of the Carpatho-Pannonian region with hilly and marginal lowland characters. The spatial concentration of Gypsies is high (8-10 per cent) in Eastern Slovakia: in Gemer, Spiš, Šariš, South-Zemplín, and around Košice; (10-11 per cent) in NE Hungary: Nógrád, Borsod-Abaúj-Zemplén, Szabolcs-Szatmár-Bereg counties, and the Middle-Tisza-Region; (10-20 per cent) in Transylvania: Satu Mare, Bihor, Arad, and Timiş counties in the borderland between the mountains and in the Transylvanian Basin (eg. Mureş, Sibiu, Cluj counties) (*Table 2, Figure 3*). The concentration of Gypsies is also considerable in some other areas of the region e.g. in the southern part of Hungarian Transdanubia (Baranya, Somogy counties), in the Serbian Banat, in the cities of Belgrade, Budapest, and Bratislava.

Sketch of the political situation and attitude of Romas. After 1989 several Roma political parties and organisations were formed, but they have hardly reached any political success due to their disintegrated network, confused programmes and the rivalry among their leaders. Despite representing 5 per cent of the total population in Hungary and Slovakia respectively, and 10 per cent in Romania, the parliamentary representation of Romas is negligible and they are also underrepresented in many local governments. This is partly due to the lack of their electoral unity on ethnic base. Since 1993, however, Hungary has been representing a unique place in Europe as far as the political rights and self-governance of Romas are concerned.

At the time of the latest elections of local governments in Hungary, as stated by Act 77 of 1993, Gypsies and other minority groups were entitled to enforce their rights and protect their interests for the second time. This right, like in the elections of 1994, is invested upon only 13 so-called native minorities that have lived for at least one hundred years in Hungary. They are Armenians, Bulgarians, Croatians, Germans,

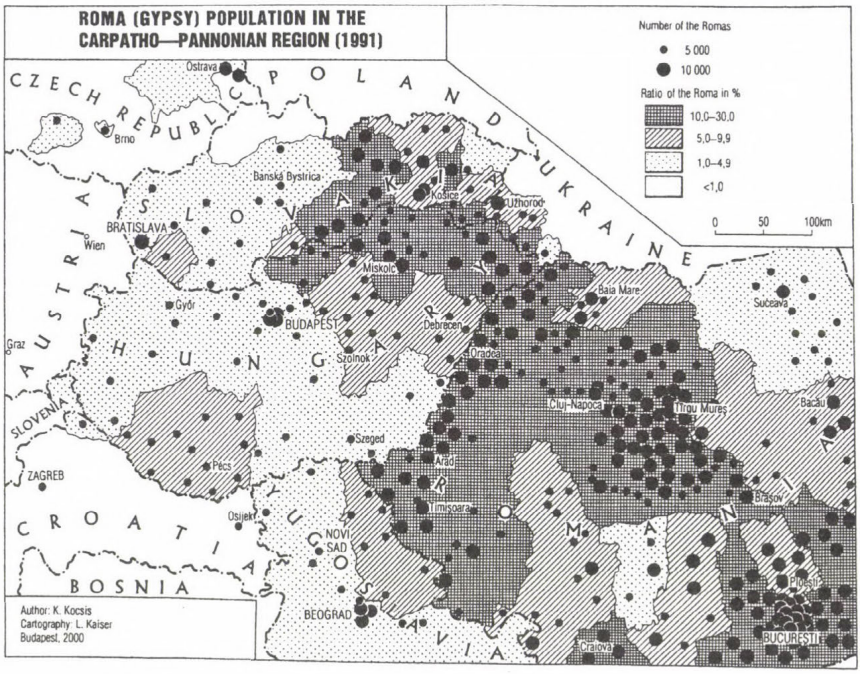

Fig. 3. Roma (Gypsy) population in the Carpatho–Pannonian region (1991)

Greeks, Gypsies, Polish, Romanians, Serbs, Slovakians, Slovenians, Ruthenians, Ukrainians. According to the Act, minority self-governments within municipalities could be formed and, either directly or indirectly, local minority self-governments could be established depending on the ethnic and demographic proportion of the local minorities (Kaltenbach et al. 1994).

After the local elections on 18th October 1998, 1364 minority self-governments were altogether formed in Hungary. This is much higher when compared to the 816 minority self-governments at the end of 1995, which reflects a strengthening self-consciousness and recognition of the advantages lying in this form of enforcing the interests of minorities. It also meant a 67 per cent increase in the number of governments (Demeter-Zayzon 1999). Due to the Gypsy and German minorities the number of minority self-governments grew most dynamically in Baranya and Borsod-Abaúj-Zemplén counties, and in Budapest (*Table 3*). Most of the minority self-governments were formed by Gypsies (764). The Croatians and the Gypsies were the most active in forming self-governments with 513 and 646 persons per government respectively.

Hungarian Gypsies, whose number was 450,000 in 1991 (today exceeding half a million), managed to establish 764 minority self-governments up to the end of 1998. According to the traditional settlement pattern of Romas these organisations are mainly

Tab 2. Roma (Gypsy) Population in the Carpatho-Pannonian Region (around 1991)

country, region	total population	census number of the Romas	census ratio of the Romas (%)	estimated number of the Romas	estim. ratio of the Romas (%)
Hungary	10374823	142683	1.38	450800	4.35
Budapest City	2016774	8123	0.40	37000	1.83
Baranya County	418642	6795	1.62	25100	6.00
Bács-Kiskun County	544748	4979	0.91	15600	2.86
Békés County	411887	3184	0.77	12200	2.96
Borsod-Abaúj-Zemplén County	761963	31882	4.18	80100	10.50
Csongrád County	438842	2118	0.48	8300	1.89
Fejér County	420628	2497	0.59	6800	1.62
Győr-Moson-Sopron County	424439	1126	0.27	5000	1.18
Hajdú-Bihar County	548728	7584	1.38	26500	4.83
Heves County	334408	8176	2.44	24100	7.21
Jász-Nagykun-Szolnok County	426491	9112	2.14	30400	7.13
Komárom-Esztergom County	315208	1445	0.46	8100	2.57
Nógrád County	227137	5901	2.60	22200	9.77
Pest County	949749	6665	0.70	27200	2.86
Somogy County	344708	8458	2.45	24800	7.19
Szabolcs-Szatmár-Bereg County	572301	24970	4.36	56500	9.87
Tolna County	253675	2887	1.14	14200	5.60
Vas County	275944	1630	0.59	5600	2.03
Veszprém County	382153	1875	0.49	9000	2.36
Zala County	306398	3276	1.07	12100	3.95
Slovakia	5274335	75802	1.44	262000	4.97
Bratislava Region	606351	972	0.16	11600	1.91
Banská Bystrica Region	659320	12080	1.83	56400	8.55
Košice Region	741187	26138	3.53	73100	9.86
Nitra Region	716875	3932	0.55	23200	3.24
Prešov Region	739264	26082	3.53	65000	8.79
Trenčín Region	600575	1510	0.25	7300	1.22
Trnava Region	541992	2498	0.46	18800	3.47
Žilina Region	668771	2590	0.39	6600	0.99
Transcarpathian Region (Ukraine)	1245618	12131	0.97	40000	3.20
Transylvanian Counties (Romania)	7723313	202665	2.62	1110000	14.00
Maramureş County	540099	6701	1.24	37000	6.85
Satu Mare County	400789	9823	2.45	54000	13.50
Sălaj County	266797	9224	3.46	50000	18.70
Bihor County	638863	21796	3.41	120000	18.80
Arad County	487617	13325	2.73	73000	15.00
Timiş County	700033	14836	2.12	80000	11.40
Caraş-Severin County	376347	7776	2.07	43000	11.40
Bistrita-Nasăud County	326820	9004	2.76	50000	15.30
Cluj County	736301	16334	2.22	90000	12.20

Tab 2. continued

country, region	total population	census number of the Romas	census ratio of the Romas (%)	estimated number of the Romas	estim. ratio of the Romas (%)
Alba County	413919	12661	3.06	70000	16.90
Hunedoara County	547950	5577	1.02	30000	5.47
Sibiu County	452873	18730	4.14	103000	22.70
Braşov County	643261	15612	2.43	86000	13.40
Mureş County	610053	34798	5.70	190000	31.10
Harghita County	348335	3827	1.10	20000	5.74
Covasna County	233256	2641	1.13	14000	6.00
Vojvodina Province (Serbia)	2013889	24366	1.21	60000	3.00
Bačka Region	1009879	6387	0.63	15700	1.55
Banat Region	648611	14337	2.21	35800	5.52
Srem Region	355399	3642	1.02	8500	2.39
East-Central Croatian Counties (Croatia)	3204052	5423	0.17	24300	0.50
Vukovar-Srijem County	231241	265	0.11	1200	0.52
Osijek-Baranja County	331979	782	0.24	3500	1.05
Brod-Posavina County	174998	223	0.13	1000	0.57
Požega-Slavonia County	134548	24	0.02	100	0.07
Virovitica-Podravina County	104625	70	0.07	300	0.29
Bjelovar-Bilogora County	144042	144	0.10	600	0.42
Karlovac County	174121	16	0.01	100	0.06
Sisak-Moslavina County	287002	315	0.11	1400	0.49
Zagreb County	167374	47	0.03	200	0.12
Zagreb City	867865	1062	0.12	4800	0.55
Krapina-Zagorje County	149141	2	0.00		0.00
Varaždin County	187343	333	0.18	1500	0.80
Koprivnica-Križevci County	129907	220	0.17	1000	0.77
Medjimurje County	119866	1920	1.60	8600	7.17
Transmura Region (Slovenia)	89855	683	0.76	2500	2.80
Burgenland Province (Austria)	270880	100	0.04	1600	0.60
Carpatho-Pannonian Region	30196765	463853	1.54	1951200	6.46

situated in the following counties: Borsod-Abaúj-Zemplén (128), Szabolcs-Szatmár-Bereg (90), Baranya (65) and Somogy (58) (*Figure 4 and 5*). The spatial distribution of Romas highly coincides with their self-governments. They managed to establish as many as 218 minority self-governments even in such places where their ratio was below 5 per cent (*Table 4*).

At the same time, in the 'Gypsized' regions (like Baranya county), they showed high political passivity. In the first half of the 1990s, Gypsy self-governments were only formed in 5 out of 14 villages with Gypsy majority. The same is true for 31 other villages in Baranya, where the ratio of Romas is considerably high (between 10 and 50 per cent). To sum up it can be stated that the political activity of the minorities in establishing their own self-governments has been on the rise in parallel with their drop in demographic size and with the disintegration and scattering of their settlement areas.

Table 3. Number of the Roma (Gypsy) self-government bodies in the Hungarian counties (1st January, 1998 and 1999)

Region	Number of the Roma (Gypsy) self-government bodies	
	1998	1999
Budapest Capital	21	23
Bács-Kiskun County	12	26
Baranya County	19	65
Békés County	18	20
Borsod-Abaúj-Zemplén County	82	128
Csongrád County	6	7
Fejér County	6	15
Győr-Moson-Sopron County	4	14
Hajdú-Bihar County	23	36
Heves County	36	55
Jász-Nagykun-Szolnok County	24	34
Komárom-Esztergom County	3	8
Nógrád County	18	42
Pest County	28	45
Somogy County	20	58
Szabolcs-Szatmár-Bereg County	45	90
Tolna County	16	29
Vas County	3	12
Veszprém County	11	21
Zala County	8	36
Hungary	403	764

Sources: A Magyar Köztársaság helységnévkönyve (Gazetteer of the Hungarian Republic) 1st January, 1998 and 1st January, 1999, Hungarian Central Statistical Office, Budapest

This attitude of the ethnic groups and Diaspora, which had been pushed to the edge of assimilation by the majority societies, was induced by the danger of the demographic-ethnic assimilation. In places where the risk of the above mentioned 'pressure of assimilation' was low, e.g. in places where Gypsies represent the majority, political passivity and a lack of political interest could be observed.

CONCLUSIONS

Nowadays, the almost totally unemployed Roma population try to earn a living on social aids and 'bread-and-butter crime' on the spatial and social periphery. Still they have high natural population growth and the tension between them and the majority society has led to several conflicts of international importance e.g. in the Czech, Slovakian, Romanian and Hungarian societies in the last decade (e.g. Hamberger 1996; Haller 1999; Pons 1999). The relatively poor, impatient majority nations (or some groups of them), stricken with natural decrease of the population, respond to the 'Gypsization' of certain regions, settlements or urban districts and to the life style of

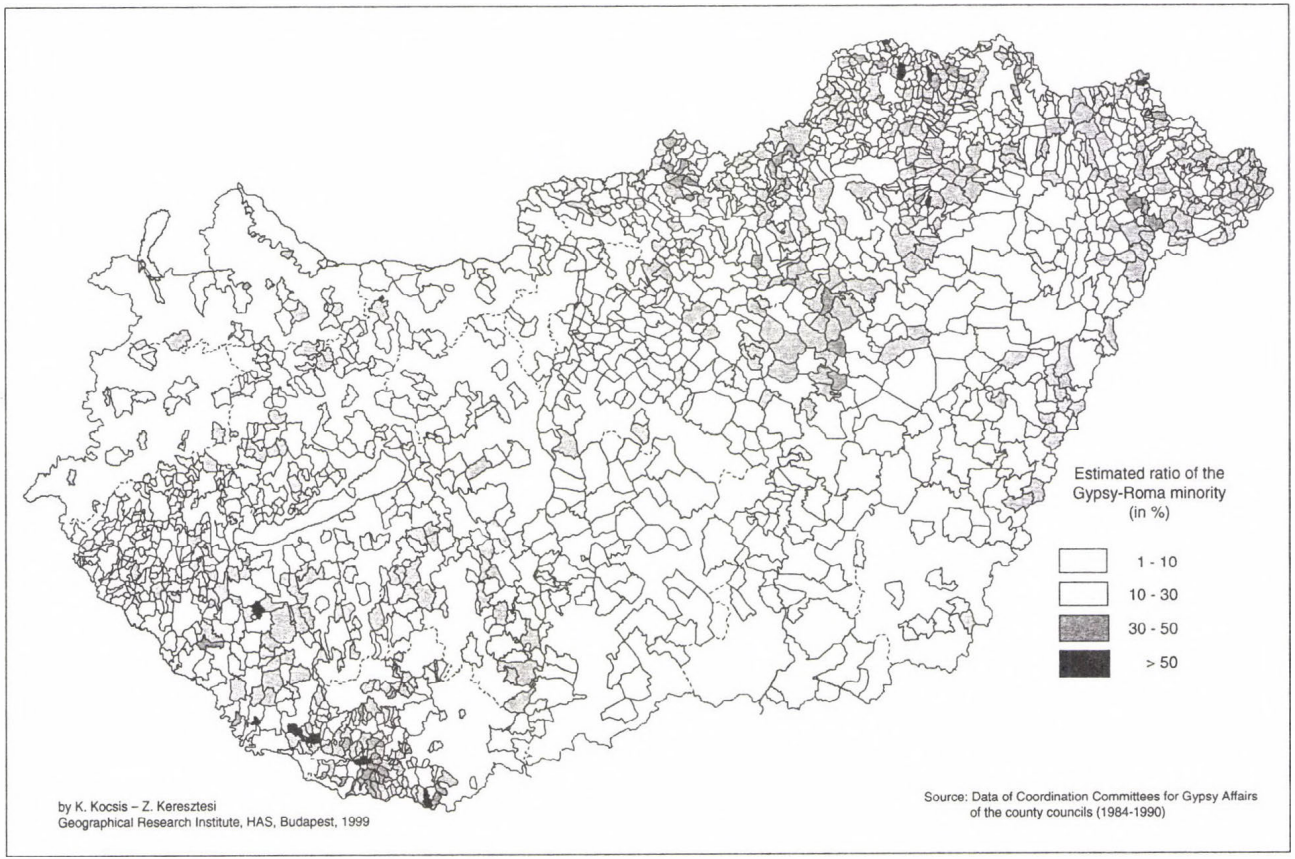

Fig. 4. The ratio of Roma population in Hungary, 1984–1990

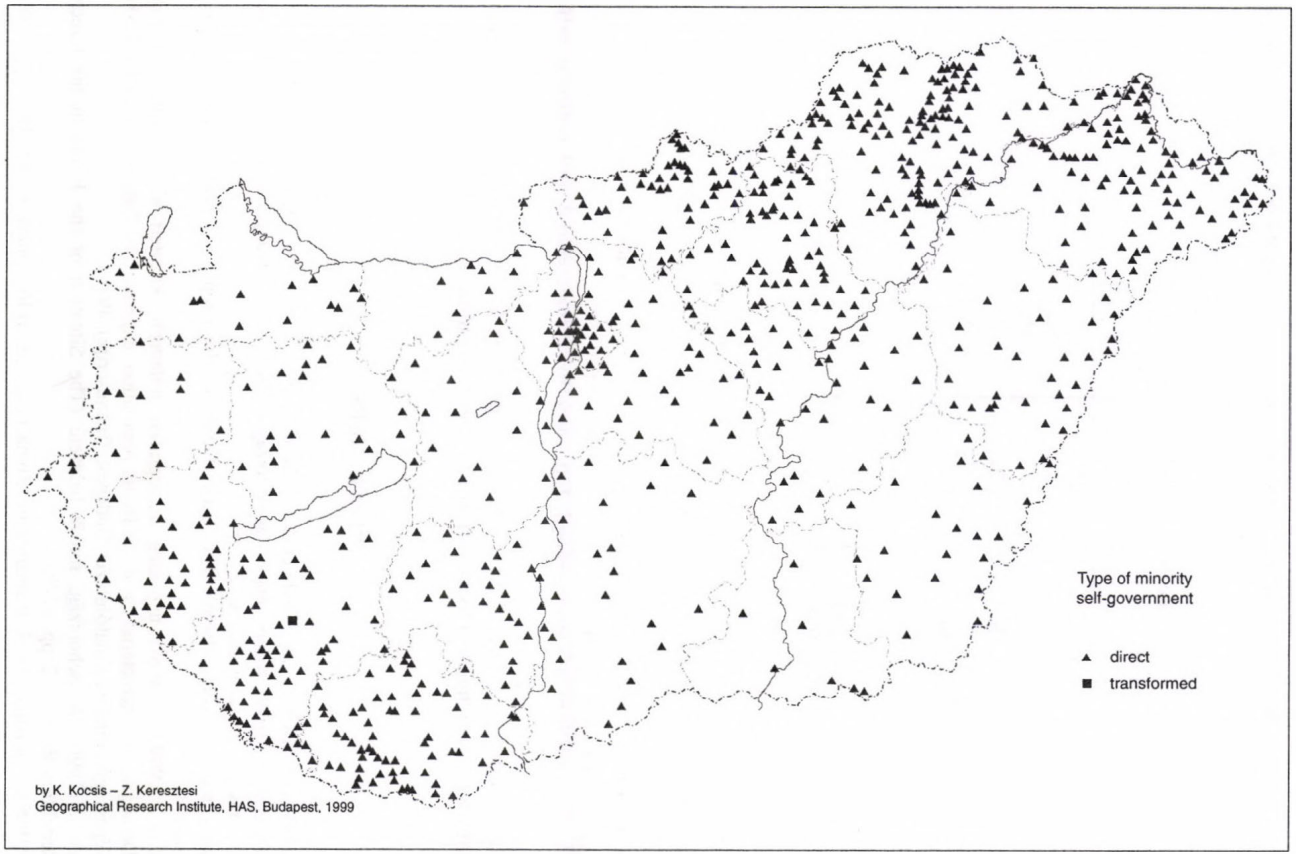

Fig. 5. Roma self-goverments in Hungary, 16 January 1999

Table 4. Distribution of Hungarian settlements according to the proportion of Romas and the existence or absence of Roma self-governments (1st January, 1999)

Local share of Romas (in %)	Settlements with or without Roma (Gypsy) Self-government	
	with	without
< 5	214	
5 - 9,9	186	288
10 - 19,9	230	214
20 - 29,9	74	54
30 - 39,9	41	17
40 - 49,9	12	7
50 - 59,9	3	3
60 - 69,9	2	1
70 - 79,9		
80 - 89,9	2	
90 - 100	2	1
Total	766	

Roma masses in a very irritated, often rude manner. The above outlined 'Roma Question' undoubtedly seems to be one of the most serious problems in the internal politics of Hungary, Romania, Slovakia and the Czech Republic. These countries try to solve the problems in different ways both at the macro and local levels. Mostly the emancipation and equality of the Romas and the improvement of their educational and employment conditions are encouraged, but sometimes their social and political self-organisation is also supported. At the same time, forceful social segregation of the Romas, by forcing them into ghettos, may also occur on the pressure of the local non-Roma majority (e.g. Chanov District in Most, Czech Republic).

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CHANGING LEVELS OF SPATIAL MOBILITY IN HUNGARY[1]

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INTRODUCTION

In the course of studying human movements in space the volume, balance, structure, direction, distance, causes and consequences of migration, as well as the characteristics of migrants are the most frequently examined topics. Of the characteristic features listed above this paper deals primarily with the changes of the volume of migration in Hungary, their presumable reasons and the composition of migrants by sex. Characteristics of migration in Hungary have been excessively discussed by geographers and other social scientists in the past (Acsádi 1956; Andorka 1995; Bene 1975; Bies & Tekse 1980; Compton 1971; Daróczi 1998a, 1998b; Dövényi et al 1998; Ekéné Zamárdi 1998; Illés 1995; Kok 1997; Langerné Rédei 1985b, 1994; Sárfalvi 1964, 1965, 1991). Present paper puts special emphasis on describing how the trends of migration, residential mobility as well as commuting have changed over time exploring the main causes of these moves at the macro (i.e. country) level. We pay special attention to the effects of the socio-economic changes having swept through Hungary since 1989 on the general levels of migration.

DEFINITION OF THE VOLUME OF MIGRATION

Of the various forms of spatial mobility we examine here permanent migration, temporary migration and re-migration, and in addition two other types of moves: local residential mobility (i.e. moves within the same settlement) and daily commuting. According to the Hungarian statistical definitions local residential mobility and commuting are excluded from migrations. However, it has been supposed that despite minor conceptual differences they have similar backgrounds and therefore their joint investigation is justified. Moves inside the settlements and commuting have similar motivations just like the official categories of migration and even they are often competing phenomena with each other. Hence disregarding the moves within the settlements and the moves connected to commuting in the study of migration is missleading and provides a distorted picture regarding the spatial mobility of people. These are not only competing forms of migrations but the factors influencing them are

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also similar. Beside the density of settlements, the transport geographical situation of the settlements, and the ageing process of the population all have their effects on the dynamics of spatial mobility.

The general concept of migration referring only to three types of population migration (i.e. permanent migration, temporary migration, temporary re-migration) differs from a *local residential mobility* (i.e. move within the same settlement) only in that respect that in the former case migrants cross the administrative boundaries of the settlements and in general they move over longer distances compared to those who move inside a settlement. From the 1950s to 1990 the amalgamation of rural settlements (with each other and more frequently with towns) was typical in Hungary. This administrative action itself reduced the levels of inter-settlement migration as well as of the commuting and increased the difference between the officially registered migrations and the actual moves of people.

Daily commuting generally means the crossing of the boundary of a settlement periodically without changing the place of residence. Journey to work is the primary motivation for that but other factors can play a role as well. In our opinion the phenomenon of commuting can be counted as one specific way of migration because of the following reasons:

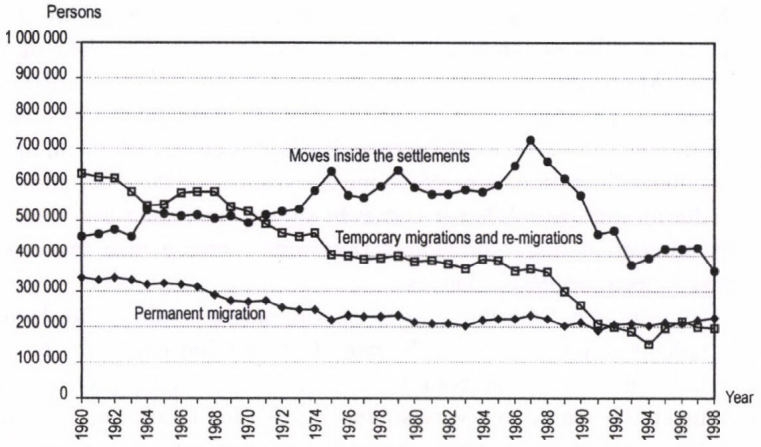
- Commuting can be an initial step towards migration (often means the preparation for migration) and it can be considered as a certain compromise as well (when the question 'to go or to remain' arises).
- We can say with high probability that on personal level the motives for commuting are similar to those of the statistically registered migrations.
- Finally, a significant part of long distance ('non-daily') commuters have to maintain a temporary accommodation near to their workplace, therefore in the year of registration of arrival they are considered as temporary migrants, too.

In our opinion the joint study of the volumes of the officially recognised migration, the local residential mobility and daily commuting reflect the spatial movements of people in general and their dynamics in particular more adequetly than if we investigate only migrations in a strict statistical sense.

CHANGING DIMENSIONS OF MIGRATION IN HUNGARY

It is a well-known phenomenon that from the end of the 1950s and the beginning of the 1960s the volume of migration showed a continuous decline in Hungary apart from smaller fluctuations (*Figure 1*). The trend of general decrease of migration was interrupted by the growth of temporary migrations in the second half of the 1960s, and by an increase in permanent and temporary migrations from the middle of the 1980s. From 1989 onwards, however, signs of a considerable change could be observed. The multitude of the declining trends of migrations observed already in the earlier period radically strengthened.

It is worth examining within the total volume of spatial mobility how much and in what sense the volume of local residential moves has changed over time. The question may arise: do the trends of local moves follow those tendencies registered in the case of 'official' migrations or not? In the following we try to answer this question.



Source: Demographic Yearbooks 1960-1998, Hungarian Central Statistical Office, Budapest.

Fig. 1. Internal migrations and residential mobility in Hungary between 1960 and 1998

Until the mid-1960s the volume of *local residential mobility* was roughly one half of the total level of migration. However, in the first half of the 1980s it was almost equal, then in the second half of the decade it was already higher. Thus, with regards to those moving within their own settlements there was an opposite tendency compared to the general trend of migration and the number of local moves grew continuously over time. However, just like in politics radical changes could also be observed in the flows of population migration after 1989/90. The smooth, though relatively limited growth observed before the political changes ceased and turned into a rapid decline.

In the case of *daily commuting* we do not apply the data of flow type obtained from the continuous vital statistics but the data of stock type of the population censuses.

Table 1. Number and rate of daily commuters by sex between 1960 and 1996

Years	Number			Commuters as per cent of economically active persons		
	Total	Males	Females	Total	Males	Females
1960	636 000	518 000	118 000	13,4	16,9	7,0
1970	977 000	708 000	269 000	19,6	24,1	13,1
1980	1 218 000	829 000	389 000	24,0	28,9	17,7
1990	1 145 641	744 341	401 300	25,3	29,6	19,9
1994	901 026	580 351	320 675	24,5	28,7	19,4
1996	886 746	574 764	311 982	25,4	29,7	20,2

Source: The 1980 population census, Vol. 33. The working place and place of residence of the economically active persons. Data of daily commuters. Hungarian Central Statistical Office, Bp. 1983. 8. p.; The 1990. Population census, Vol. 25. Data of occupations. HCSO Bp. 296-297. pp.; (Bőhm, A. 1997. 20. p.) Microcensus, 1996; The working place and place of residence of the economically active persons. HCSO Bp. 1998. 34. p.

On the basis of these statistics it can be declared that from the 1960s through the 1980s the level of daily commuting increased continuously. The data of the 1990 Census and 1996 Microcensus show a completely new situation. The significant growth of daily commuters characteristic for the earlier decades was replaced by a decrease. It should be noted here that the decline in commuting took place parallel with the decrease of the total number of active earners. Nevertheless, the rate of the daily commuters did not decrease during that period, but it had even slightly increased and stabilised. The trends in the number of daily commuters (moderate increase then fast decline) are similar to those of local residential moves.

Between 1990 and 1996 the number of commuters continued to decrease. But this numeric reduction did not change the rate of commuting within the economically active persons, because since 1990 both the number of economically active persons and of daily commuters decreased to a very similar extent. The ratio of daily commuters – characterising the level of commuting – within the economically active persons has not changed since 1980, i.e. of 100 economically active persons 25 persons commute daily. The effect of the transition can be assessed only in respect of the quantities because the relative level did not change. As we point out later, there were significant modifications in the structure of daily commuters, more precisely in their composition by sex. On the other hand, in term of the age composition of daily commuters a rejuvenation process can be observed.

The decrease in the number of *long-distance commuters* could already be foreseen in the middle of the 1980s, since they represented commuters of the lowest educational level being in the worst position on the labour market. The events confirmed our forcast, and after the change of regime the conditions of long-distance commuting altered drastically. The spatial pattern and magnitude of long-distance commuting changed radically but the phenomenon itself has not disappeared completely. According to cautious estimates the number of long-distance commuters to Budapest is about 10 thousand. Due to the lack of direct data their number for the country as a whole can only be estimated. According to the 1996 microcensus only 4 per cent of the economically active persons participated in the inter-settlement circulation of labour which altogether meant 122 thousand daily commuters. The number of long-distance commuters was surely lower, it could be only 10 thousand for the country as a whole. (The 1980 population census counted 270 thousand long-distance commuters which represented 22 per cent of the total of daily commuters. Supposing that this ratio decreased to 10 per cent by the end of the decade the number of long-distance commuters could be around 115 thousand in 1990, and 89 thousand in 1996.

Summarising our earlier findings it can be stated that from the 1960s onwards the changes of opposite trends in population moves (a general decline of migrations, and growing residential mobility and commuting) began to diminish, and from the end of the 1980s all forms of spatial mobility started to decrease in Hungary.

THE METHOD OF DOUBLE STANDARDISATION

In this chapter we deal exclusively with the dynamics of permanent and temporary migrations (according to the concept considering the changes of the 'place of residence' and 'place of stay', respectively). This research was accomplished under the professional supervision of *E. Valkovics* and the first results were published in a joint paper (Valkovics & Illés 1998). The scope of the study was to the above mentioned two fields because along with the population censuses it is the regular statistics on migration that supply detailed data (by sex and for five-year cohorts) meeting the demands of the method to be used, namely the *double standardisation*.[2]

Our aim was to measure the impact of the changes in the number of the population related to both sexes in Hungary. Moreover, we tried to analyse the chaning age structures of migrants on the one hand, and the changes in the frequency of migration by age groups on the other. With respect to the numbers and crude rates of permanent migrations, temporary migrations and re-migrations as well as of total internal migrations we analysed the sex composition of migrants and assessed the data separately for the years of 1960 and 1970, of 1970 and 1980, of 1980 and 1990, as well as 1990 and 1994. The advantage of the method is that the length of the period chosen does not affect at all the results, as a disadvantage however it can be mention that it does not take into consideration the events occurring during the period examined. Because of the above mentioned conditions it is necessary to indicate carefully the starting and final points because in this way we get indicators which are not disturbed by opposite movements.

If the number of migration by age-groups is (n**V**x) and it is interpreted as a product of the multiplication of mid-year population figure by age-groups (n**P**x), and of the age-specific rates of migration (n**v**x), then the difference in the volume of migrations by age groups of the calendar years (1) and (2) is as follows:

$$ {}_nV_x^{(2)} - {}_nV_x^{(1)} = {}_nP_x^{(2)} \cdot {}_nv_x^{(2)} - {}_nP_x^{(1)} \cdot {}_nv_x^{(1)} = \qquad (1) $$

$$ \sum_{x=0}^{\omega} {}_nV_x^{(2)} - \sum_{x=0}^{\omega} {}_nV_x^{(1)} = \sum_{x=0}^{\omega} {}_nP_x^{(2)} \cdot {}_nv_x^{(1)} - \sum_{x=0}^{\omega} {}_nP_x^{(1)} \cdot {}_nv_x^{(1)} = $$

and on the basis of this:

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[2] Unfortunately data covering movements on local (i.e. settlement) scale and on daily commuting are not available in a similar detail.

$$= \left[{}_n P_x^{(2)} - {}_n P_x^{(1)} \right] \cdot {}_n v_x^{(1)} + \left[{}_n v_x^{(2)} - {}_n v_x^{(1)} \right] \cdot {}_n P_x^{(2)} =$$

(2)

$$= \sum_{x=0}^{\omega} \left[{}_n P_x^{(2)} - {}_n P_x^{(1)} \right] \cdot {}_n v_x^{(1)} + \sum_{x=0}^{\omega} \left[{}_n v_x^{(2)} - {}_n v_x^{(1)} \right] \cdot {}_n P_x^{(2)}$$

This method deriving from *E. Kitagawa* has several other versions. This method is presented in greater details also in the methodological manual of *Wunsch and Termote* (1978). The application of the method in Hungary can be found in the analysis of internal migration (L. Rédei 1985a) and of mortality (Valkovics 1998).

Apart from the accurate description, on the basis of the analysis it can be stated that the component resulting from the change in the frequency of migrations plays a much greater role in the explanation of the differences in the quantities of migrations and of the differences in the rates than the component resulting from the change in the number and age-structure of the population.

THE EXTERNAL CONDITIONS OF CHANGING MIGRATION LEVELS

In Hungary spatial movements of the population have been mostly the results of individual decisions. However, migrations have often been influenced by external conditions, too. Among these factors not only the general processes of the socio-economic development of the country but also changes in the life course of the masses of individuals as well as various daily events can be mentioned. In the following part of the paper we try to concentrate only on the causes of migration generated by the macro-economic and political level.

Among the *causes of the first big waves of post-1945 migration* (i.e. the great migration waves of the late 1950s and early 1960s that were generated basically by macro-economic processes) the centralised industrialisation creating mass job opportunities (as pull-factors), the collectivisation and the rapid modernisation of agriculture (as push-factors) should be mentioned. These factors together generated massive flows of people primarily towards urban centres in Hungary. These moves were also supported by politics giving preferences to cities in the course of infrastructural development at the expenses of villages. During this period migration was the most important intermediary mechanism of urbanisation and social mobility. Later on due to several factors a continuous decrease of migration could be observed in Hungary. Among the causes we can mention e.g. the decentralisation of industrial development, the slow levelling out of regional development, the amalgamation of settlements into single units which resulted in the increasing weight of internal moves (moves inside the

settlements) and daily commuting which can be considered as alternatives to "real" migration.

A slow decline in the volume of migration was also characteristic for the 1980s. However, after 1988/89 the intensity of migration declined sharply compared to the previous period mainly due to the dramatic fall of temporary migrations and re-migrations. The significant decrease of migration could be connected first with the radical decline of investments and constructions, which resulted a sharp decline in the number of long-distance commuters. A further reason for the great decline in migration was that by the end of the 1980s social mobility generally slowed down in Hungary and the structure of the society based on the first economy almost stiffened compared to the 1960s and 1970s.

Starting from the end of the 1980s there has been an enormous political, economic and social transformation in Hungary but the volume of spatial mobility was decreasing consistently and as we see even the process of decline accelerated. This is somewhat astonishing, since in the previous decades in Hungary and in other East Central European countries we could observe that the population reacted to "great changes" almost automatically with a growing spatial mobility, und thus an increase in the quantity of spatial mobility was always a good indicator of these changes. Therefore, one can put the question, why the post-1989 transformation was not connected with increasing spatial mobility in Hungary? The reaction to "big changes" on behalf of the population was increasing migratory movements earlier - but this time Hungarians responded to the transformation with decreasing spatial mobility.

Beside the permanent migrations all the other forms of spatial mobility began to fall rapidly. Thus, the indicator function of spatial mobility worked just in an opposite way compared to the earlier decades. The reason was partly administrative. It is almost sure that the weakening of the civic discipline which could be observed in the registration of the residential addresses also played a certain role in the great fall of migration values. Formulating in another way, as a reaction to the earlier "soft dictatorship" many people felt after 1989 that as one of the manifestations of the growing liberty it was not necessary to give notice about the alteration in their residential addresses to the "state". According to our view the negligation of the registration of the changes in the residential addresses played only a minor role because the personal interests of people (e.g. taxation, health insurance) also required the registration and after a rational consideration most of the citizens surely did it. The rapid fall in the levels of migration had lot more causes from the macro-level exerting an influence on the whole society. In our opinion there have been significant explanatory factors in the changes of the *housing system* and the *labour market* in this period.

Before describing the transformation processes of the housing system and the labour market as well as the modification of the regional inequalities we try to outline here briefly the correlation – which at present can be considered already as trivial – between urbanisation and migration, between social mobility and migration, and the temporal development of the two macro-spheres.

The quantitative indicator of urbanisation (i.e. the ratio of urban dwellers) increased without interruption in Hungary after 1989 which, however, was not the result

of the migration of people towards towns as earlier but of promoting villages to towns and of the natural population growth of towns.[3] Similarly the processes of social mobility have not not changed dramatically either after 1989, and social restratification was affected by the transformation even less intensively. Thus, it can be understood that also the role of migration connecting the processes of urbanisation and social mobility decreased significantly because (formulating more explicitly) there was hardly anything which could have been connected.

Analysing the causes of migration at the macro-level certain changes in the housing market and the labour market should be mentioned. It is already well-known that changes on the *housing market* played a decisive role in the decreasing spatial mobility of the population after 1989 (Kovács 1998). Of the factors inluencing migration related to the housing market the lack of adequate housing has been a permanent phenomenon in Hungary. The construction of dwellings has decreased continuously since the middle of the 1980s which in turn surely diminished the chances of spatial mobility. There is a general consent that the traditionally low level of residential mobility in Hungary can be explained partly by the uneven distribution of rental dwellings, and the general shortage of such dwellings on the housing market.[4] On the other hand, since housing construction and the acquirement of housing properties were certain forms of capital investment and thus wealth accumulation during communism (mainly in the form of single family houses with high values), this mechanism also decreased the general level of mobility on the housing market. In terms of housing the change of regime affected rapid transformation. This transformation could be characterised mainly by the transformation of housing ownership system. The state as the main landlord (at least in urban areas) "got rid of" the most problematic part of the Hungarian housing stock, the public rental dwellings. After 1989 local authorities were entitled to sell their dwellings at a price which was much lower than the market price. However, these recently privatised dwellings could hardly be sold on the free market, because of their low standards (inner-city tenement blocks, high-rise housing estates etc.), poor environment, unfavourable location etc.

On behalf of the housing market the decreasing spatial mobility of the population after 1989 could be explained by the following factors:

- The construction of new dwellings diminished drastically (in this respect 1989 is not a marked dividing line since the willingness of people and the state to build new dwellings decreased already from the mid-1980s).
- The single family houses built mainly in the rural areas after 1989 are very spacious with high comfort, and in general they were built to meet high demands and therefore their impact on mobility is very low.

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[3] After 1989 the process of suburbanisation appeared (Dövényi et al 1998). This, however, could not yet, affect significantly the development of the total figures in the greater part of the period examined. It is however worth noting that from 1993 onwards more people migrated from urban to rural areas than the opposite way.

[4] During the period directly before the transition the housing shortage was apparent in the country as a whole. A long queuing was only for the acquirement of tenement dwellings (council dwellings) much supported.

- Due to the transformation real estates in the regions of depression were devaluated radically under the market conditions. The prices of these real estates began to fall corresponding to the market conditions and through which in turn hindered the realisation of the intentions to move. For the country as a whole it is general that the savings invested in the dwellings – with few exceptions e.g. Budapest – did not keep their real value. Given the extreemly low selling prices in the peripheral regions which would not even make possible to buy a dwelling with a ground-floor half as large in the dynamically growing regions of the country (e.g. Western Hungary and Budapest) many people were trapped in their place of residence and sought strategies of survival struggling in the double pressure of the lack of job opportunities and rising maintenance costs of their houses, which grew irrationally.
- After the Law on Local Governments in 1990 a great part of the housing stock of the state became the property of local authorities. These dwellings were sold – and probably will be sold in the next future too – by the local authorities mostly to the tenants living there.

Of the changes on the *labour market* the most important factor was that unemployment came to the front, spread spatially and became a mass phenomenon in Hungary. The unemployment in Hungary is mostly a structural phenomenon which has not exerted a great influence on the levels of permanent migration (Dövényi 1993). Nevertheless, it has affected the level of temporary migrations and re-migrations. As it has already been mentioned, the decline of long-distance commuting was well-reflected in the decrease of the volume of temporary migrations and since a great part of the former daily commuters became unemployed the level of commuting also fell after 1989.

The significant regional differences observed in term of unemployment put the question why was it not possible to reduce the level unemployment of the crisis zones through the removal of those who became unemployed. Formulating otherwise: why did the spatial imbalance of the demand and supply on the labour market not decrease through permanent migrations since migration and spatial mobility can be considered as mechanism ensuring a dynamic regional balance of the demand and supply of labour. We can assume that in dynamic regions of the country where labour demands could not be met from internal sources employers were seeking foreign sources of labour force rather than to recrute new labour in other part of Hungary. This of course does not seem at all to be the right solution in the present situation of the national economy. In the socialist period a levelling out of differences between regions was characteristic for the spatial development of Hungary. However, one of the main characteristics of the transition to market economy was a spectacular increase in regional inequalities which manifested at the level of individuals in growing differences of life conditions.

Starting from 1994 signs of a new phase could be observed in the mobility of people between regions since the great fall observed until then ceased almost without any transition. As far as regional mobility increasing trends could be registered. One of the causes for this growth is probably the substantial increase in regional disparities which – with a certain delay – induced a more intense inter-regional migration compared to the previous periods.

DIFFERENCES OF MIGRATION AND DAILY COMMUTING BY SEX

Analysing the differnt forms of migration by sex a slight female surplus has always been characteristic for the permanent migration. The massive male surplus in the case of temporary migration prior to 1989, however, ceased by the end of the 1980s and from the early 1990s a female surplus could also be observed. Nevertheless, the permanent migration is still more characteristic for females.

On the basis of the double standardisation method also the gross number of internal migrations (total migration rates) can be calculated during an average duration of life if the effect of mortality and external migration is left out of consideration and if it is supposed that the conditions of the given year remain prolonged. The figures are the sums of the five-fold value of the per capita reduced rates summarised till the age of 60, and of the forty-fold value of the rate of the 60 + persons. The calculation of the total fertility rate is carried out in a similar way with the method of fictive cohorts and also the analytical value of the indicator (total migration rates) is the same as that of the total fertility rate. From the total migration rates temporal or regional series can be produced since the modification in age-structure does not affect the development of these indicators.[5]

After all the total migration rates indicate the average number of internal migrations zhat can be expected at birth, supposing that conditions of the given year will remain stable during a long period. These sums (namely the average per capita gross number of migration) decreased in the case of permanent migration until 1980, then between 1980 and 1990 as well as between 1990 and 1998 they increased slightly. The total temporary migration and re-migration rates always fell in value with a monotonous character.

Beside the almost uniform modifications in tendency it is worth noting also the changes in the levels in relation to both sexes. According to the conditions of 1960 100 males would have migrated on average almost 964 times during their life, while 100 females only 641 times. Thus, in this period of time males were more mobile than females (*Table 2*).

The decrease of males' mobility however became more and more significant and after thirty years we do not find any difference between the two sexes and even according to the values calculated from the data observed in 1994 females already migrate more during their life (100 females 314 times, 100 males only 285 times). After 1994 growing tendency can be measured for both sexes. We can assume that beside other mechanisms also migration played a role in the realisation of the massive feminisation process observed in Hungary (one can refer to the increasing participation of women in secondary and higher education, to the increasing length of their life

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[5] According to E. Valkovics this indicator was calculated on the basis of transversal (calendar year) data although theoretically it would have been a better solution to calculate the average number of internal migrations expectable at birth and may be at certain important ages from longitudinal data (also by birth years). Unfortunately, however appropriate cohort data are not yet available.

*Table 2. Total migration rates by sex**

Types	Males						Females						Together					
	1960	1970	1980	1990	1994	1998	1960	1970	1980	1990	1994	1998	1960	1970	1980	1990	1994	1998
Permanent migrations	2,73	2,13	1,56	1,77	1,75	1,90	2,87	2,25	1,72	1,85	1,88	2,06	2,81	2,19	1,64	1,81	1,82	1,98
Temporary migrations and re-migrations	6,91	4,53	3,23	2,05	1,10	1,48	3,54	2,89	2,45	1,97	1,26	1,70	5,18	3,70	2,84	2,01	1,18	1,59
Total migrations	9,64	6,66	4,79	3,82	2,85	3,38	6,41	5,14	4,17	3,82	3,14	3,76	7,99	5,89	4,48	3,82	3,00	3,57

* Values calculated with the method of fictive cohorts on the basis of data referring to migration moves of a given year.
Source: *Valkovics, E.–Illés, S. (1998)* and own computations.

expectancy at birth compared to males, or to their advance in certain segments of the labour market).

As data in Table 2 show we can find a relatively balanced situation in term of permanent migration between the two sexes. In the case of temporary migration, however, there is no such a relative stability. In 1960 the temporary migration was still nearly double for males than for females. This is also valid for the 1970s and 1980s, but from the beginning of the 1990s the situation altered radically. According to the statistics on internal migrations based on the registration system of dwellings females are more mobile now also in the case of temporary migrations. At present the prevalence of females in the migration movements is without any doubt.

In term of commuting, in the 1980s the number of daily commuters began to decrease but the changes by sexes (which were similar till that time) developed in a fairly different way. Compared to 1980 the number of commuting males fell drastically whereas that of the commuting females grew.

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ETHNIC MAP OF TRANSYLVANIA 1992
THE CHANGING ETHNIC FACE OF THE REGION

by Károly Kocsis
Budapest, Geographical Research Institute H.A.S., 1997.
Size: 83x118 cm, price:10 US$

Published by the Geographical Research Institute Hungarian Academy of Sciences this series of maps, diagrams, graphs, tables and eplanatory notes presents the changing ethnic spatial pattern on the territory of the present-day Transylvania for the past five hundred years and the actual situation. On the front side a colour map of 82 x 119 cm size shows the ethnic composition for the 5314 settlements each indicated with pie-charts proportionately to their population number, based on the Romanian census data of 1992. This map is enclosed by diagrams illustrating the changes in the ethnic composition of the 13 largest towns of Transylvania between 1880 and 1995. On the reverse there are three black-and-white maps referring to the ethnic or lingual pattern of 1495, 1910 and 1992, two graphs and a table, furnished with explanations in Hungarian and English, which together provide an essence of the ethnic transformation of Transylvania for the past five hundred years and its spatial patterns. The very detailed representation of the main map and the ethnic map of the present territory of Transylvania from 1495 (the latter based on research by Hungarian, Romanian and German historians) might be considered unique in international comparison.

This large-scale compilation in the ethnic domain might be used successfully not only by the Hungarian and foreign (primarily Romanian and German) experts (geographers, historians, demographers, sociologists, statisticians), representatives of the involved national minorities, but also by the Hungarian public interested in Transylvania, this vital part of the Hungarian cultural heritage, and especially by students and pupils who study geography and history.

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GEOGRAPHICAL ASPECTS OF CHANGING CONDITIONS OF WOMEN IN POST-SOCIALIST HUNGARY[1]

JUDIT TIMÁR

INTRODUCTION

The forces and results of uneven development of the 1990s have become a focus for geographical studies in Hungary. The transformation of the spatial structure of economy, infrastructure, income, and demographic profile have been excessively analysed at various scale. At the same time, women's studies, which is an emerging discipline in the whole of East Central Europe, has revealed some aspects of gender inequalities in the context of restructuring of the society and has evaluated the changing conditions and roles of women in the public sphere, more precisely politics, the labour market and the family.

The problem is that geographers have not recognised the gender basis of social life as yet, and feminists have not "come down to earth, quite literally, by incorporating space, place, and location into feminist understandings of everyday life, into feminist understandings of context and into feminist understandings of how differences are created and dissolved." (Hanson 1992, p. 583.). There have been very few attempts to investigate gender differences across space and among places in post-socialist Hungary (see e.g. Tardos 1993, Timár 1993, 1993b, Timár & Velkey 1998, Momsen 2000). A systematic evaluation of the era from this point of view still needs to be elaborated.

This paper only undertakes to examine how the changes in the socio-economic system have affected the situation of women in politics and in the labour market, compared to their earlier situation and men, with special regards to space and place dimensions. The gender blindness of geography and the space blindness of gender studies have challenged us to explore some "new" aspects of the interrelationship between space and society and to give some examples of how social and regional policies can strengthen each other.

[1] The present study contains some results of a project sponsored by the FULBRIGHT Program (1999/2000) and another one sponsored by the National Research Fund (OTKA) Project No. T020443.

POLITICAL PARTICIPATION OF WOMEN

> "The most beautiful achievement of the change of regime is freedom and, as a consequence, the strengthening of civil and political rights. These changes could give women, too, a chance to work for their own interests and to get 'women's issues' and gender relations out into the public debate." (Ferge 1999, p. 24)

The use of the conditional clause in this statement is not accidental. Even ten years after the political changes we are still on the level of possibility instead of reality. Democratisation has not resulted in growing political participation for women in Hungary.

The *right to vote* in itself is, of course, not an achievement of the new political system. Nevertheless, during socialism, voting was a formal and partially forced action for both men and women. In 1990, in the first free parliamentary elections after 45 years women were slightly less likely to vote (77.1 per cent) than men (78.6 per cent) (Pongrácz & Tóth 1999). However, by 1998 the picture had been reversed (67.9 and 67.4 per cent). But this change is far from being the result of an increasing political activity and awareness of women, it represents rather a greater disappointment and faster withdrawal of men from voting.

Although Fodor (1994) claimed in her study on the first free parliamentary elections that women's political opinions were distinct from those of men, we could arrive at a more precise picture if we knew in which social group and in which type of settlements women expressed their disagreement in their votes. I wonder how typical the experience of the notary I interviewed is, namely that several village men wanted to vote on behalf of their wife and children even in a 1993 by-election? Has the practice of earlier decades in interpreting elections as "socialist emulation" left such prevailing impressions? Or has the democratisation of political life had so little impact on the private form of patriarchy in rural families observing the conservative tradition? And what does the "new freedom" mean to husbands and wives, daughters and sons in these families?

Patriarchy on a national level becomes more obvious if we investigate the changes brought about in the question of the *right "to be elected"*. While the representation of women among MPs in West European countries increased by 4-5 per cent on average during the second half of the 1980s and the beginning of the 1990s, East European women lost 13-14 percent of their seats in Parliament after the political changes (Tóth 1995). In Hungary, 20.7 per cent of all parliamentary representatives were women in 1985 but their ratio dropped to 7.3 per cent after the first free election in 1990. Beside the dissolution of the communist system which kept the political participation of women artificially high, Tóth (1995) has pointed out the following explanatory factors for this significant loss:

- The disadvantageous positions of women in the economy;
- The unfavourable policy of government;
- The unwillingness of the political parties to involve women;
- The disadvantageous social and cultural environment;
- The general apathy of women regarding political participation.

However, if these are the factors responsible for the "disappearance" of women from politics after the 1990 elections, none of them have been changed during the first decade of transition to make women really visible in national politics. Although women gained new seats in Parliament in the 1994 elections when a socialist-liberal government came into power, they lost almost all of them again in 1998, with the inauguration of a new conservative government (today 8.5 per cent of all MPs are women). Among the member-states of the European Union, it is only Greece where the representation of women falls below this level, and among the "most successful candidates for EU membership" only Slovenia is behind Hungary. In a ranking of 127 countries (constructed by the Inter-Parliamentary Union), Hungary has the same level of representation of women as Botswana, Gabon, Cambodia and Burkina Faso (Kiss 1999). Not surprisingly, in her evaluation of the new arenas opened in both politics and the economy after 1989, Adamik (1997: p.55-56) pointed out that "the Hungarian case suggests that it seems to make no difference whether the Great While Male as a social-political actor is conservative, socialist or liberal."

While in some EU countries women's presence in government positions exceeds 30 per cent, in Hungary their average representation in parliamentary committees has remained below 12 per cent since the political changes (Lévai & Kiss 1999, Kiss 1999). The highest proportion achieved during the ten years of transition was obtained in the 1994-98 period when the Health and Social Committee of the Parliament, one of the traditional "feminine territories", consisted of 9 women and 11 men. However, the success was not long-lived. After the 1998 elections this division changed to 6 women and 15 men.

In 6 out of the 21 committees there is no woman at all. One major contradiction to the official voices stressing the importance of women in the society is reflected in the composition of the committees responsible for preparing national level decisions related to youth and sport or to education and science, where women have no chance to vote. The situation is the similar in the committee responsible for regional development, which works without a single female member though at the same time it aims to handle uneven spatial development whose main losers are typically rural women.

Moving towards *local elections* and studying both spatial and gender aspects of political participation, we can gain a better understanding about the changing position of women during the transition. Especially for rural communities, a very important result of democratisation was the replacement of the previous socialist council system with a local government system based on the modification of the Constitution and a new law in 1990. According to the new law local governments elected in democratic elections and committed to citizens could replace centrally directed councils. But these elections also, similarly to the parliamentary ones, left a smaller space for women in local decision making. While in 1985 27 per cent of the councillors were women, their participation dropped to 16 per cent in the newly elected local governments in 1990 (Vajda 1991). Similarly to other countries, women in Hungary are more visible at the local level and they have been steadily increasing their presence at this level since the change of political system (e.g. in 1998 they achieved a level of 22.8 per cent among local government representatives) (Pongrácz & Tóth 1999). On the other hand, taking into

prestigious the place and the less political and economic power it possesses, the greater the probability of women being in a position of responsibility for coping with poverty in their communities.

To assist the development of a market economy in every region, and at the same time, to reduce inequalities between developed and disadvantaged regions, as well as among the capital city, towns and villages, a totally new regional policy had to be introduced in Hungary. In addition to fundamentally changed aims and regulations, a new institutional system was established based on the *Regional Development and Physical Plan*. As part of a territorial decentralisation, county development councils were set up in 1996. In spite of the fact that the scope of the regional (according to the EU terminology, the NUTS II) level had not been clearly defined, one year later a few regional development councils were also created voluntarily with the hardly disguised aim of increasing access to EU resources. However, in 1998 a new national government came into power and, although it encouraged regionalisation, nevertheless, it moved towards centralisation by giving fewer seats to local and regional organisations and authorities in the development councils which had to be (re)constructed.

Half of the 18-20 members of the new *regional development councils* are delegates of ministries. Besides the 3-5 mayors of the largest cities with county rank, only 3 mayors can represent the local government associations. All in all, out of the 152 members of the 7 regional development councils of the country, there are only 17 women, most of whom are employees of different ministries. Among the 45 people representing local governments or their associations, only 3 women (6.7 per cent) received the opportunity to take part in this level of decision making.

The picture on the county level is even more unfavourable for women, especially if we take into consideration that, for the time being, the *county development councils* have relatively high power because the decentralised part of regional development resources is allocated through them. Out of the 158 members of the 19 county development councils there are only 9 women (5.7 per cent), which means that they are completely absent from the majority of the new institutes that were established in the name of democratisation. Half of the council members are mayors, but in the whole country only 3 women mayors (3.8 per cent) have been delegated as decision-makers. One of them leads a city with county rank, one is a mayor in a small town and only one is coming from village. Thus, the declared national aim of "balanced" regional development seems to be inconsistent with the composition of the institutions serving this aim. The power of these councils is concentrated in the hands of urban males. Moreover, this power is clearly to increase in the future through the access to EU Structural Funds even if it is beyond question that the HUF 14 billion of the total expenditure earmarked for regional development and spent through the county development councils in 1998 is not comparable to the role of foreign direct investment which is the main driving force of regional development in Hungary (Horváth 1999).

One counter-argument might be that in a democratic system mayors have the right to elect and control the presidents of the local government associations made up from representatives of the settlements. However, our studies in several micro-regions suggest that the mayors of towns can marginalise village mayors (men and women

alike) given their larger budgets, more information, broader social networks, and higher educational attainment similarly as women are marginalised by men in any masculine decision-making body. As some MPs pointed out at the beginning of the transition period in Hungary: "women have to be much better qualified than men to be noticed and accepted." (Fodor 1994, p.184)

It seems to be a general East European experience that although women are aware of the special difficulties that they have to confront in their active political role, they usually do not regard these problems as an organic part of the more general agenda, namely the social transition they have to cope with (Todorova 1993, Fodor 1994, Regulska 1994, Ferge 1999). This attitude is expressed vividly by Elena Bonner, leader of a radical democratic movement in the former USSR, who was asked in the U.S. in 1990 about the role of women in the struggle in the Soviet Union:

> "You know, our country is on such a low economic level that, at the moment, we can not afford to divide ourselves into 'us women' and 'us men'. We share a common struggle to feed the country." (Todorova 1993, p.30)

However, after spending ten years in a similar "struggle" and "achieving" the above described under-representation of women in politics, we should also take into account the evaluation of Šiklova, who has claimed that what is actually taking place in Eastern Europe is "a transition to male democracy" (Regulska 1994).

WOMEN IN THE LABOUR MARKET

One of the most conspicuous changes in the transition period in Hungary is the significant drop in employment. The fall in the participation of women in paid work, as well as in politics, runs against the tendency in Western Europe in the past decade. On the other hand, there is similarity as well insofar as the participation of women in formal paid employment lags behind that of men. On the basis of the *female-male activity rate ratio*[2] (70.9 per cent), Hungary[3] ranks with the best EU member states evaluated by Perrons (1998). Comparing these countries, however, it is difficult to give a complex and comprehensive explanation for a relatively high level of gender equality in employment that is valid for post-socialist Hungary. Perrons's summary (1998) suggests that, for example, Denmark with its good indicators is a model of the so-called 'social-democratic regime' characterised by the support of gender neutral citizenship (Leibfried & Ostner 1991).

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[2] The activity rate is the proportion of the population in a particular age group either employed or formally unemployed. The female-male activity rate ratio expresses the female activity rate as a percentage of the male activity rate

[3] As Hungary has only recently started to gather data conforming to international statistical norms, the chronological comparison concerning economic activity is not feasible, thus only the data of the 1996 micro-census are available for statistical analysis.

The fact that it would be important to explore the temporal changes of the female-male activity rate ratio, the manner and dynamics of economic restructuring as well as cultural characteristics is strongly supported by the heterogeneity of the 'average' counties which are not studied here. There is, however, one interrelationship that is general in Hungary i.e. women's economic activity shows greater regional differences than men's and their labour market chances are more determined by the region they live in.

For the time being, however, their place of residence – whether they live in villages, cities or the capital city – is even more important. The levels of gender equality in all four major age groups unequivocally follow the settlement hierarchy: it is highest in Budapest and lowest in the villages (*Table 2*). Rural women face a twofold disadvantage in the labour market competition. The only age group whose level of economic activity is well below men's, without differing from urban women's, is that of the 15–29 year-olds. Rural men and women alike leave school earlier than their urban counterparts. However, while men can either start work or become registered as unemployed, rural women become officially labelled as homemakers in larger numbers than women living in cities, and they are also more likely to make use of the system of childcare benefit. Or are they forced to do so? At a later age, however, free choice or a regionally different interpretation of female roles is clearly out of question. In recent years while women in cities approaching the age of retirement were able to maintain the economic activity which characterised them in their thirties, every fourth woman in rural areas went into forced retirement.[4]

Table 2. The proportion of the economically active population and the female-male activity rate ratio by age and settlement types in Hungary (%), 1996

Age group	Budapest			Other cities			Villages		
	Activity rate %		Female-male activity rate ratio %	Activity rate %		Female-male activity rate ratio %	Activity rate %		Female-male activity rate ratio %
	Women	Men		Women	Men		Women	Men	
15-29	43.9	54.3	80.8	42.5	60.1	70.7	43.1	65.6	65.7
30-39	74.2	91.6	81.0	72.9	91.5	79.7	65.9	86.4	76.3
40-54	74.9	84.1	89.1	72.4	80.8	89.6	59.3	73.0	81.2
55-59	16.5	50.9	32.4	9.3	40.6	22.9	4.6	31.1	14.8
Total	36.8	48.2	76.3	35.4	47.9	73.9	28.7	55.8	63.9

Source: Calculated from Microcensus, 1996. The Characteristics of Population and Dwelling. Budapest: Central Statistical Office.

The increasing participation of women in the labour market of the EU member-states can be linked with the *general restructuring process of these economies* and a subsequent shift towards the tertiary sector. Although female employment in the group of active wage-earners grew in Hungary in the 1980s (the female male ratio of active

[4] Just like the untimely health damage, it is a typical feature of the transition and it was accompanied by a massive loss of jobs in the early 1990's.

wage earners being 76.8 per cent in 1980 and 80.1 per cent in 1990), this tendency did not continue after the political changes (79.9 per cent in 1996). Nevertheless, the tertiary sector has acquired a considerably larger importance in Hungary too, but the underlying causes of this process, seemingly similar to the West European ones, are different. After the political changes of 1989/90 privatisation, the withdrawal of the state, the radical restructuring of agriculture, the loss of Eastern (Soviet) markets, the collapse of certain traditional industries and the intense establishment of 'forced small enterprises' mainly in the tertiary sector have together led to the restructuring of the economy causing a drastic decline in both female and male employment.[5] However, it is not clear yet whether processes reflecting a restructuring of employment coincide with those of West European tendencies or represent a peripheral type of development in a special Hungarian way (see Barta 1998).

It can also be attributed to the differing nature of the processes that labour market laws operating in West European market economies do not apply to the *gender-sectoral segregation* in Hungary. In the EU member-states the spread of the tertiary sector has increased segregation (namely the Duncan Index of Dissimilarity[6] has risen),

$$100 \times \sum_{i=1}^{N} \left| \frac{\frac{x_i}{x} - \frac{y_i}{y}}{2} \right|$$

and, for example, in Greece, where the agricultural sector has an outstanding weight, gender-sectoral segregation is lower than in any other country of the EU (Kyriazis 1998). In contrast, although the level of segregation somewhat increased in Hungary between 1980 and 1996, it was not strongly linked to a higher proportion of tertiary sector employment either in the counties or settlements. We can thus say that the situation is just the opposite: segregation least increased in Budapest and reached the lowest level there, whereas the highest level of increase was registered in the villages (*Table 3*).

Basically the increasing *horizontal segregation* is very much similar what we can experience in Western Europe: it goes hand in hand with the gender stereotyping of jobs. The concentrated employment of Hungarian women in education and health care is the most striking phenomenon in comparison with men employment. Although the

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[5] Many people having lost their jobs were "forced" to become self-employed after the political changes. The majority of these single person enterprises was engaged in low quality services.

[6] „N is the number of occupations; Xi is the number of women in occupation i; X is the total number of women employed; Yi is the number of men in occupation i; and Y is the total number of men employed. The Index ranges from 0 (complete integration) to 100 (complete segregation) and it is based on the assumption that integration exists when the proportional representation of men and women in each occupation is the same as the proportion in overall workforce"(Kyriazis 1998, p.73).

Table 3. Distribution of active earners by economic sector and gender in Hungary (%), 1980-1996

Economic sector	Budapest				Other cities				Villages			
	1980		1996		1980		1996		1980		1996	
	women	men	women	men	women	men	women	men	women	men	women	men
Agriculture, hunting, fishing	2.46	5.32	0.41	0.89	8.51	14.73	2.55	7.57	33.4	36.70	9.29	21.34
Mining	0.25	0.29	0.05	0.07	1.31	4.91	0.41	1.53	0.83	4.03	0.27	1.51
Manufacturing	32.45	32.35	13.93	18.20	34.65	31.17	22.60	26.82	28.43	20.82	26.69	24.37
Electricity, gas, and water supply	0.74	1.26	1.18	1.67	1.12	2.12	2.17	4.48	0.52	1.48	1.35	3.28
Construction	3.53	12.68	1.76	9.77	2.95	12.12	1.09	8.97	1.92	11.38	0.88	10.37
Wholesale and retail trade	13.55	8.62	17.83	17.41	12.28	7.03	15.75	12.29	10.21	5.18	14.22	7.58
Hotels and restaurants	4.08	2.74	3.93	3.42	3.91	1.48	3.81	2.95	2.06	0.62	3.57	1.96
Transport, storage	6.91	13.71	6.93	12.59	4.38	10.28	4.31	11.06	4.00	10.31	5.89	12.95
Financial services	1.47	0.42	5.73	2.50	1.19	0.30	3.42	1.25	0.68	0.09	2.16	0.54
Real estate and business activities	8.00	6.59	7.33	8.75	2.50	2.04	3.36	3.76	0.88	0.92	1.65	1.78
Public administration	5.14	5.13	9.54	8.15	3.90	3.99	6.75	7.05	3.12	2.98	8.56	6.69
Education	7.40	2.71	12.62	4.53	9.98	2.72	16.79	4.69	7.29	1.24	13.24	2.17
Health and social work	7.48	2.02	10.31	3.12	8.39	1.78	12.31	3.06	4.13	0.77	9.29	2.10
Other services	6.54	6.15	8.46	8.95	4.94	5.33	4.67	4.51	2.58	3.49	2.93	3.37
Total (number)	483678	545585	335629	373264	961123	1220153	739679	884714	757245	1101056	472704	678835
Duncan index	19.38		20.84		26.38		28.0		24.20		32.33	

Source: Calculated from Microcensus, 1996. Changes of Employment, 1980-1996. Budapest: Central Statistical Office.

level of segregation is also considerable in the case of commerce, however, the differences have only increased in villages in recent years and decreased in cities. Among the causes we can mention the decline of processing industries in cities, especially in Budapest, suffering an above average loss of jobs, from whence women presumably streamed into these most 'feminine jobs' in large numbers. Cutbacks here assumed such proportions that, in contrast with the situation in the past, this branch today attracts more men than women. For rural women, however, it was agriculture where an even more drastic loss of jobs took place.

Examining the female-male occupational structure, we can get a more precise picture. Gender segregation grew in this respect as well, but changes in individual settlement types varied extremely: while in 1980 the *occupational gender segregation* of cities on the countryside exceeded that of Budapest, not to speak of villages, by 1996 the order had completely changed (*Table 4*). Women are more than ever dominant in white collar occupations, with the notable exceptions of the highest prestige and best-paid jobs in e.g. legislation, administration, trade unions and lobbies as well as business management. Getting an élite job still remains a male privilege, to a slightly decreasing degree, though[7]. On the other hand, hardly more than one-third of all women in rural areas make a living in white-collar jobs. The proportion of women working in low status clerical and administrative jobs is 19 times higher than men. To some extend it is a favourable development that their number has grown considerably, in occupations requiring high school or college qualifications.

It would take more investigations to outline the aggregate results of these positive and negative tendencies. However, what seems certain is that the changes in the occupational structure of women with regards to position and salary is less favourable than that of men. If we accept Koncz's (1994) argument that feminisation normally begins in occupations which have been devalued, and the same true, occupations are devalued because they have been feminised, the recent decrease in gender inequality of chances on the labour market is least to be expected in villages. Also, it must be borne in mind that economic restructuring and the feminisation of employment raise several problems for women and at the same time polarise them. As Szalai (1999) has revealed „women, as their clients in the mushrooming welfare-service units become ghettoised in a world where each blames the other, and none of the partners find the way out."

To sum up the effects of the "new economic order" on the employment of women in Hungary we have to emphasise that during the transition it was *unemployment* that caused the greatest shock for both women and men (the unemployment rate was 7.0 per cent and 8.5 per cent in 1998 respectively). One of the most intriguing features of Hungarian unemployment is a phenomenon rare both in Western Europe and in the former state-socialist countries: i.e. among the unemployed women are underrepresented compared to their rate of economic activity. It would require detailed research to find out the exact causes of this phenomenon. According to

[7] Women are strongly underrepresented in the managerial posts especially compared to their high level of education (Nagy 1999).

Table 4. Distribution of active earners by occupation and gender in Hungary (%), 1980-1996

Occupation	Budapest				Other cities				Villages			
	1980		1996		1980		1996		1980		1996	
	women	men	women	men	women	men	women	men	women	men	women	men
Legislators and managers	5.79	12.12	6.47	10.12	4.15	10.44	4.81	8.75	2.46	5.85	3.42	4.11
Professionals	15.49	13.05	19.97	17.39	10.31	6.31	15.64	10.02	4.82	2.26	8.27	4.01
Technicians	21.61	10.47	25.77	14.02	13.83	7.73	21.86	9.23	6.56	3.47	15.36	4.95
Clerks	18.79	1.80	16.92	1.34	15.63	1.34	13.15	0.64	9.37	0.70	10.63	0.38
Service and sales workers	10.71	4.6	15.00	13.6	13.44	4.21	18.96	12.89	12.00	3.91	20.54	10.32
Agricultural, forestry	0.33	0.58	0.11	0.32	2.63	3.80	1.27	3.3	11.34	10.10	4.70	8.90
Industrial and construction	14.38	34.70	6.25	25.84	17.4	37.79	9.38	32.66	18.13	36.25	13.22	36.06
Plant, machine operation	4.08	13.48	1.18	9.70	7.72	17.01	5.53	14.0	8.92	21.19	8.50	19.72
Elementary occupations	8.81	9.20	6.43	5.07	14.88	11.37	8.90	5.63	26.42	16.27	15.07	9.61
Military	-	-	1.01	2.61	-	-	0.49	2.87	-	-	0.29	1.94
Total (number)	483678	545585	335629	373264	961123	1220153	739679	884714	757245	1101056	472704	678835
Duncan index	36.73		33.12		37.14		40.10		33.79		40.60	

Source: Calculated from Microcensus, 1996. Changes of Employment, 1980-1996. Budapest: Central Statistical Office.

Frey (1993) one explanatory factor is the mode of economic restructuring. Or, as our previous research revealed, the lower female unemployment is connected with the conceptualisation of the term 'unemployed' and the definition accepted by the International Labour Office (ILO). Practically, the present official calculation of unemployment rates hides the real chances and problems of several social groups in difficult situation. This method affects women especially badly, misinforms the society and leads to misleading conclusions. Introducing an 'adjusted' rate and studying the actual employment situation of women in one county (Békés) we found that except for large villages and small towns, in every settlement category relatively more women are actually without job than those potentially endangered with unemployment at any time. Not only in the county seat but in villages with fewer than 1,000 inhabitants, too, women constituted the majority of the actual unemployed. These villages are typically located in backward areas along the border or in the internal periphery. The inhabitants of these communities most often work in agriculture, and usually do unskilled manual work (Timár & Velkey 1998).

The spatial aspects of the changing position of women in the Hungarian labour market reinforces Ferge's (1999) assumption: if the state cannot or does not want to intervene in market transactions, and at the same time, does not regard the problems of gender distinctions as part of its political agenda, the majority of women become losers of the transition. The recent spatial inequalities in Hungary suggest that a significant part of the unskilled and less mobile women living in villages of the North Eastern periphery of the country, far from the more dynamic regions and Western investors, fall into this category.

CONCLUSIONS

This study on the geography of the changing positions of women in politics and in the labour market has revealed the difficult situation of some groups of women compared to the 'national average' and to men. Learning about these spatial inequalities can help us understand what lies hidden behind the macro-statistics and how much the possibilities of women depend on economic and political power.

Therefore, not only could feminism and geography learn from each other but social and regional policy could also exercise a much stronger influence on each other if their creators paid attention to both the spatial and gender consequences of their intervention.

- Gender inequalities in the very backward areas can be reduced not only by an economic (sectoral) policy but an efficient regional development policy can also contribute to the decrease of these gaps.
- Decentralisation would not only be a key issue in regional policy, but it would also improve women's conditions by delegating more power to the local level where they work. It could also teach women how to translate this local activism into visible participation at the national level of politics.

No strong feminist movements will be in a position to resolve the problems of unequal chances arising from a spatial development outlined above, as these movements hardly exist in Hungary. An efficient protection of women's interest would need women themselves to perceive that their oppression is rooted in social relations, and in the structure of the power relations. Gender issues should not be expressed as a separate women's agenda. It has to be regarded as a coherent part of the current dominant political debates (Nemenyi 1994).

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THE SITUATION OF HIGH-RISE HOUSING ESTATES IN HUNGARY[1]

TAMÁS EGEDY

INTRODUCTION

Due to the destruction of World War II, and the declining housing construction there was a housing shortage in the whole Europe in the 1940s. This condition got even worse because of the high mobility of people when not only political refugee changed residence, but many people were arriving from villages to towns as a result of the modernisation of agriculture (Kovács & Douglas 1996). At the same time industrialisation led to the systematic development of new cities and neighbourhoods where people employed in industry were put up. The situation after World War II leading to the appearance of big housing estates in Europe was not by chance. Demands effected the housing construction ideology of the first half of the century (functional city) and other humanistic ideas aiming at reforming society like the targets of the CIAM and the Athens Charter issued slightly more than a decade earlier (Irion & Sieverts 1991).

In the Central and East European countries housing estates became determining and through almost forty years they dominated the housing market after World War II. The great number of this building type in the former Eastern Bloc served not only as a remedy for housing shortages, but fulfilled an important ideological role as well. The governments wanted to prove the superiority of the socialist economy with the mass building of housing estates, further more these kinds of buildings served as a base to create the socialist society and family pattern. The new housing estates mostly located in the suburbs, and in the new socialist towns bringing substantial changes in the structure of towns (Gyáni 1992; Iván 1996; Perényi 1987; Preisich 1998). They also contributed to the process of urbanisation and fostered the development of the infrastructure, giving a chance for millions of people to live in better circumstances than before.

HISTORICAL DEVELOPMENT OF HOUSING ESTATES IN HUNGARY

The beginning of the construction of housing estates

The housing estate construction boom started after World War II, however, the appearance of these neighbourhoods dates back earlier. In the last third of the 19th

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century the population growth of Budapest accelerated significantly, mainly due to the industrial boom. This process resulted in a housing shortage experienced never before, which had a negative effects mainly on the housing conditions of the lower classes.

The first social (public) housing and housing estates turned up between the turn of the century and World War I. With the appearance of housing estates consisting of primarily small flats from 1908 (Wekerle-settlement, Gyáli Street estate in Budapest) the monopoly of tenement houses ceased and there was some improvement in the housing conditions of the lower classes[2].

Between the two world wars the housing shortage reached its maximum level as well as the over-crowding of houses. In order to ease the problems in Budapest barracks were built in the 1920s. By 1932 there were 18 barrack-estates in the capital containing 6,400 flats, which provided accommodation for almost 40,000 people with miserable one room flats without amenities. These barracks were supposed to be built only for temporary purposes, but unfortunately they turned out to be more durable and were destroyed only after World War II (Gyáni 1992). In the 1930s and 1940s the housing construction financed by the state strongly declined which further worsened the housing situation of the poor.

Housing estates from the Second World War till the change of regime

The housing estates of the 1950s

The first ten years after World War II were used for reconstruction work. There was no housing estate built until 1949 when the first modern-like multi-storey buildings appeared.

At the beginning of the 1950s housing construction remained minimal and in 1953 it reached its lowest figure. Though state financed the construction of flats mostly on housing estates, their rate among the newly built dwellings did not reach 10 per cent. However, after 1953 state expenditure spent on new housing grew significantly and as a consequence the average rate of dwellings built in housing estates doubled within a short time.

In the 1950s when a housing estate was planned, planners paid more attention to obtain the lowest possible costs. Consequently, housing estates of that period were located at the fringe of the inner city on plots which were already supplied with communal infrastructure. The estates of the 1950s were relatively small in size having 300-800 flats. Most of them were properly adjusted to their urban environment. This type of housing estates could be best characterised with traditional buildings made of bricks, with high roof, small windows, and on the facade motifs of classicism. The

[2]There were two important waves of building such dwellings in the capital between 1909-1914 and 1919-1925.

buildings were arranged in a frame structure that is the building bugged courts or squares. The majority of buildings were 3 or 4 storey high.

In the second half of the decade the 'socialist realism' described above as style ceased and it was taken over by the modern ideology of construction. The so-called 'type-planning' greatly contributed to the decline of the prestige of the housing estates.

The flats built in the 1950s brought positive changes in the living conditions of the masses of people, however, the rate of one-room flats remained still high (52 per cent), so there was no development in term of the size of dwellings. The comfort level of these flats, however, improved a lot since almost all the flats were supplied by bathroom.

The housing estates of the 1960s

The 1960s brought fundamental changes in the quality as well as in the structure of housing construction. In 1960 the so-called 15-year housing development programme was launched which aimed at building 1 million flats in Hungary, out of which 250,000 in Budapest. Though housing construction in this decade was relatively fluctuating: until 1965 it declined, but after that it grew again significantly (*Figure 1*). In 1950 the share of state and private sector was equal, later on it shifted towards the state sector.

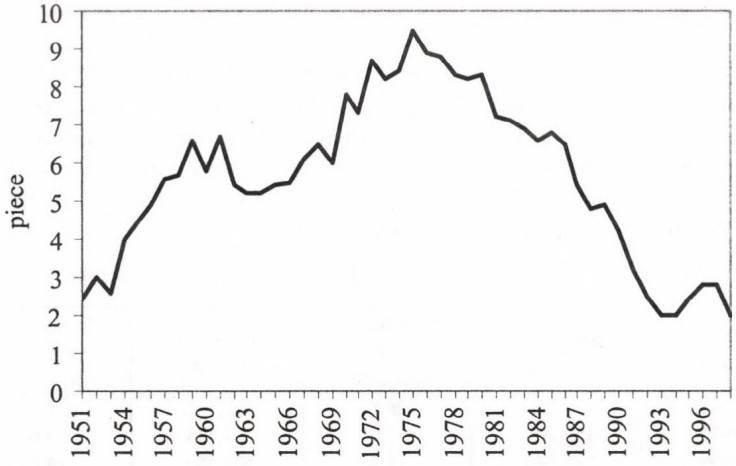

Fig. 1. Number of newly built dwellings per 1000 inhabitants in Hungary, 1951-1998

The housing estates of this decade were built mainly around the inner city in a round shape, which meant that the construction shifted further and further from the centre to the periphery. The structure of the housing stock improved also a lot, e.g. the

number of dwellings with at least two rooms, a bathroom and central heating grew significantly.

The plans set up in the 15-year housing development programme could not be achieved by the traditional building technologies. Therefore, in the mid-1960s and at the beginning of the 1970s the first housing factories were established which promoted the spread of pre-fab (panel) technology. These factories restricted their production only to some types of housing which were prescribed by the state as obligatory. In this decade the application of norms in planning also came into practice. The use of principles of modern architecture dates back to these years.

Point and line houses replaced the frame structures, inner courts had disappeared, houses were surrounded by bigger open places instead. There are three types of buildings which characterise the estates of the 1960s, these are: 4-5 storey N-S and E-W line buildings usually with 3 staircases, cube-house and at the beginning 4-5, later 9-10 storey point houses (Ivan 1996). The size of these housing estates was already larger, they contained 1000-1500 flats.

The prestige of these estates was definitely higher than those built in the coming decade. Mainly better educated, young families, usually having two or more children were typical in these housing estates who moved out from the inner parts of the city to the new estates.

The housing estates of the 1970s

This decade is the most successful period in the history of Hungarian housing estates in term of the quantity of housing construction (*Table 1*). Getting enthusiastic about the success of prefab technology, the second 15-year housing development programme was announced in 1975, which issued the building of 1.2 million flats until 1990. The state financed estate construction program was especially successful in Budapest, where 116,000 prefab wellings were built during the decade, and the number of newly built flats was over ten thousand every year.

Table 1. Occupied dwellings by year of construction in Hungary, 1996

Year of contruction	Number of dwellings	Proportion of dwellings (per cent)	In housing estates	In housing estates (per cent)
before 1945	1,072,728	28.5	12,156	1.6
1945-1959	450,204	12.0	27,111	3.6
1960-1969	579,570	15.4	109,555	14.6
1970-1979	828,900	22.0	335,800	44.7
1980-1989	683,506	18.1	255,454	34.0
1990-1996	152,199	4.0	11,064	1.5
Total	3,767,107	100.0	751,140	100.0

Source: Central Statistical Office - Microcensus, 1996.

The main characteristic of these years was the spread of Russian type panel technology which greatly contributed to the accomplishment of the target, that is the

minimisation of the production costs. In the 1970s more than 70 per cent of the houses were built by housing factories which had great monopoly on the market. Giant housing estates were set up from five to fifteen thousand flats giving shelter for 35-40,000 people. The usual forms were ten storey line houses with 5 staircases, but there were examples with 10 staircases as well (Iván 1996). The location of the housing estates shifted to the fringes of the cities where unexplored green-field sites were offered for construction which lowered the costs of building (*Figure 2*).

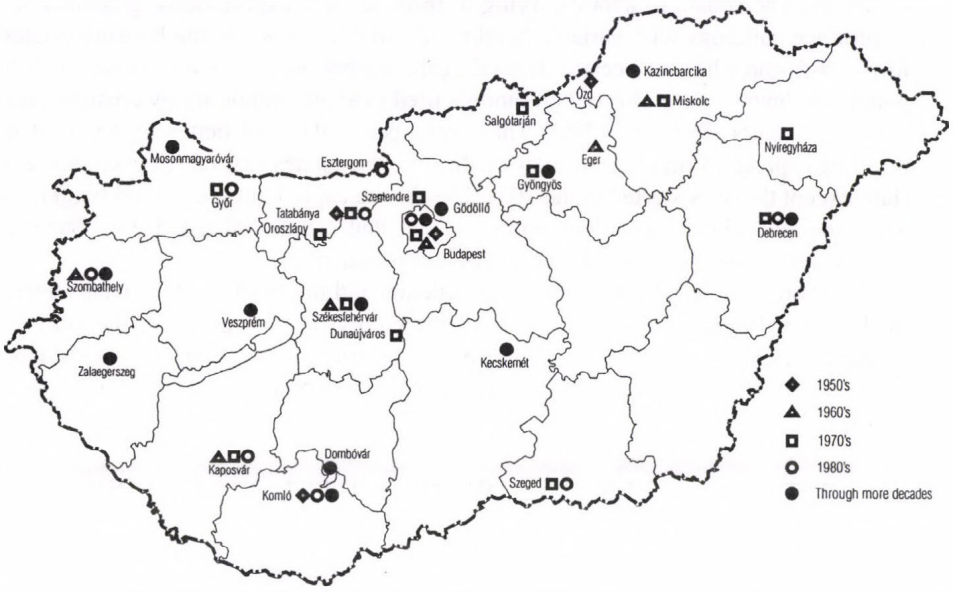

Fig. 2. The representation of the different housing estate generations in Hungary

In the 1970s housing construction became dominated by quantitative targets which gave place to faulty flats or repair works were delayed after handling over the flat to the owners. The reduction of costs became also a central question which greatly affected the investments in transportation and infrastructure, as well as the public utilities.

At the end of the 1970s the quantitative aspects changed for qualitative ones. The number of single-room flats decreased while the 2 or 3 room flats spread. The level of comfort also rose, central heating became general.

This period also brought changes in the structure of the population. New regulations put into force in 1971 determined the allocation of flats by income and other social variables – but firstly by the number of children. In this way the poor could get access to flats on housing estates in greater number, and as a consequence the status of housing estates started to decline. Today, housing estates built in the 1970s are the most problematic ones (Farkas 1993).

The housing estates of the 1980s

This decade can be characterised by the retrieval of the state from financing housing construction and simultaneously by the growing number of private buildings. Since the war the number of privately-financed dwellings first proceeded the state-financed ones in this decade.

Due to financial difficulties the state tried to cancel the projects launched in the seventies. The housing factories, trying to meet the new expectations, gradually started to produce buildings with variable height and variable types. On the housing estates the lower, 4-5 storey houses became general again, furthermore as an experiment 1-2 storey panel row houses were also built. Planners tried to avoid monotony by creating parks in the inner courts (Preisich 1998). The more spectacular and better higher roof panel buildings spread in this decade as well. In size, the estates just rarely exceeded 2-3000 flats except the ones started in the 70's. The private capital got bigger and bigger role as a co-operative flat or as a ban supported flat that can be inherited. Of course these estates were more popular and their prestige was higher.

From the mid-1980s housing construction and the level of investments generally declined in Hungary and this process reached its deepest point in the mid-1990s. (Hegedűs 1998). By the end of the 1980s the construction of housing estates stopped in Hungary, only some less important investments were completed at the beginning of the 1990s.

THE CHARACTERISTICS OF HOUSING ESTATES IN HUNGARY

The number and size of the estates

The first question to be answered is the definition of housing estate. According to the 1980 census it is a kind of habitation separated and bounded with roads, containing integrated units of houses and consisting of low and high infrastructure. Also, they are expected to have their own name. According to the Handbook of Urbanism, the housing estate is a residential building form, based upon unified planning, produced in organised form generally with multi-storey buildings, and they are situated on common plots (Perényi 1987). Finally, according to the definition of the 1996 Hungarian micro-census, housing estates built in the last few decades are mainly a group of houses with medium or large height built by prefab technology.

The latest comprehensive survey of housing estates was carried out in Hungary in the census of 1980. Since that time comprehensive statistical data on housing estates have not been gathered. This fact makes the examination of the Hungarian housing estates rather difficult. In order to make precise investigation we selected the housing

estates with more than 1000 flats.[3] Taking as a starting point the census of 1980, and using the results of the 1996 micro-census, we carried out our own questionnaire survey about housing estates. Therefore, a relatively good assessment can be given about the Hungarian housing estates.

According to the micro-census of the Hungarian Central Statistical Office (HCSO) in 1996, 786,000 of the 4 million flats in Hungary are situated in housing estates, which represents one fifth of the whole dwelling stock. The absolute majority of the flats on housing estate – about 79 per cent - was built in the 1970s and 1980s, mainly by prefab (panel) technology. In the 1990s, the housing estate construction fell to minimum and the number of flats did not reach 15,000. So in the 1990s only very few flats were built on housing estates, and their number did not even reach the level of the 1950s. According to the micro-census the number of inhabitants living in housing estates was 1,906,344 people in 1996, but our investigations and calculations show, that this number must be definitely higher, and it is about 2.3 million people[4].

According to the HCSO, in 1980 there were 469 housing estates in the country: 93 located in Budapest, 315 in towns, and 61 in villages. Nowadays, a town without housing estate is an exception, but the presence of housing estates in the villages is very rare. According to our investigations, in the 1980s 27 housing estates were being constructed with more than 1000 flats each, therefore, the number of housing estates in Hungary is somewhat below 600.

The number of housing estates with more than 1000 flats is 173 (*Figure 3*). Although this is less than one third of the Hungarian housing estates, these estates concentrates 76.7 per cent of the dwelling stock in estate form. Looking at the distribution of the housing estates with more than 1000 flats by size, we can find that in Hungary related to the ex-socialist countries there is only limited number (9) of giant housing estates, having more than 10,000 flats each (*Table 2*). These giant-estates concentrate mainly in the capital, and beside Budapest there are only two in Miskolc and Pécs (*Figure 4*).

Although these giant estates lag behind the really large housing estates of the former "Eastern Bloc" (e.g. GDR, Russia) with several-ten-thousands of flats, these estates concentrate a significant part of the dwelling stock and population: both data is over 15 per cent. Housing estates with 5,000-7,500 flats are situated basically in the cities, bigger towns, county seats – beside the capital. These estates have a similar rate in term of the number of flats and inhabitants, as estates with 2,500-5,000 flats. The latter can be found primarily in the medium-sized towns with more than 25,000 inhabitants (e.g. Sopron, Gyöngyös), and in the new industrial towns (e.g. Ajka, Ózd).

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[3] According to the census of 1980, the average number of flats in Hungary was 1,270 per estates (in Budapest 1,950 flats, in other cities and towns 1,069 flats), which has surely not increased in the last two decades.

[4] The significant difference of the population number may derive from a methodical difference, because people, who also have a temporary address outside the housing estates, do not count in the micro-census. At the analysis of the population of estate-categories, we used our own data.

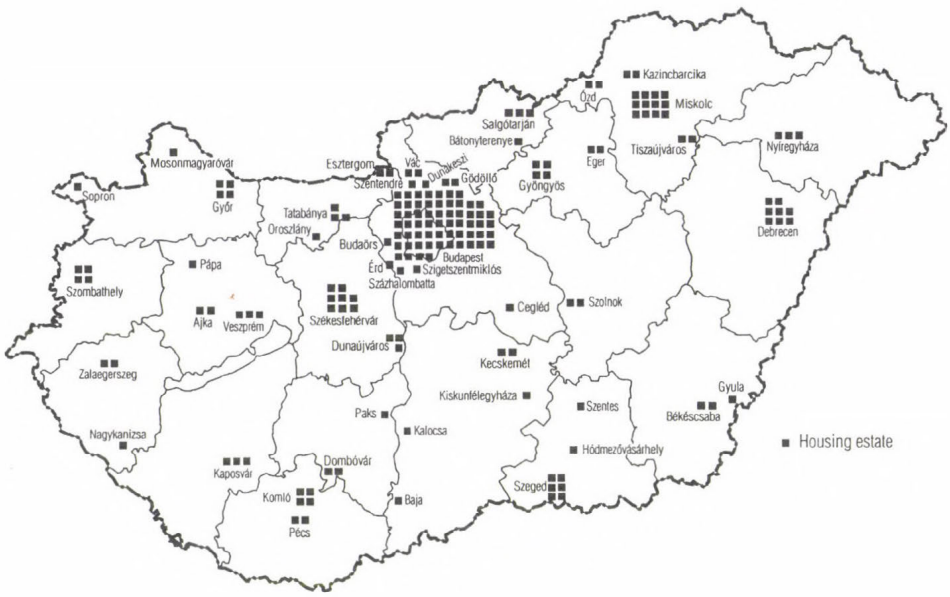

Fig. 3. Housing estates with over 1000 dwellings in Hungary

Table 2. Distribution of Hungarian housing estates by size and population

Size	Number of housing estates	Number of dwellings	Proportion of dwellings (percent)	Population	Proportion of population (percent)
10.000 <	9	121,865	15.5	342,880	15.2
7.500 - 10.000	7	61,404	7.8	164,332	7.3
5.000 - 7.500	21	131,821	16.8	388,750	17.2
2.500 - 5.000	41	137,851	17.6	375,860	16.6
1.000 - 2.500	95	149,146	19.0	440,622	19.4
1.000 >	~ 427*	183,364	23.3	549,654*	24.3
Total	~ 600*	785,451	100.0	2,262,098*	100.0

* estimated, counted value

The number of the housing estates average-size with (with 1,000-2,500 flats) is 95 in Hungary. Every fifth flat can be found in this type of housing estate, and every fifth estate inhabitant lives on this kind of estate. More than one third of these housing estates are concentrated to Budapest, and its wider conurbation. The housing estates with less than 1000 flats are the most important category among the Hungarian housing estates, because of their dwelling stock and population. On the basis of our analysis we can sum up that Hungary can be called the "country of small housing estates".

The size and the construction of the buildings on housing estates was basically influenced by the technology used in the construction. While in the 1950s the conventional brick-wall building-technology was typical resulting smaller estates, from

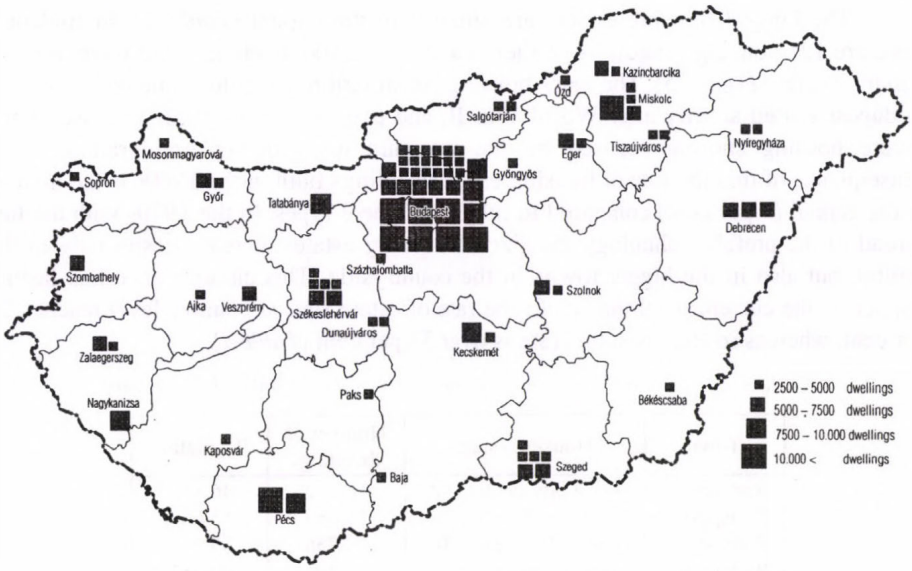

Fig. 4. Housing estates with over 2,500 dwellings in Hungary

the 1960s following the introduction of block technology the buildings started to grow "higher and higher"[5]. Beside the 4-5 storey buildings – which were typical to the early 1960s – in the second half of the decade 9-10 storey buildings also appeared. From the early 1970s the prefab factories started to work in Budapest and in the county seats[6], and thanks to them, the new way of building with prefabricated one-floor sized panels spread quickly. By this technology it became possible to build a great number of flats, very quickly and in a cheap way. The decade resulted in the spread of the 10 storey buildings. But in Hungary the 16 and 25 storey buildings are rare exceptions in housing estates. The trends of the 1970s continued also in the early 1980s, but in the second half of the decade 3-4 storey panel-houses became general again, thanks to the decreasing size of housing estates. The number of panel flats is especially high in Budapest and in some county seats (e.g. Miskolc, Székesfehérvár, Szeged, Debrecen).

Regional distribution of housing estates

In Hungary great differences appear with respect the spatial distribution of housing estates, the biggest housing estates can be found in Budapest, in the county seats and in the so-called "socialist towns".

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[5] The main difference between the block and prefab technology is basically the size and the weight of building elements.

[6] In Hungary from 1966 until 1976 ten prefab factories started to work one. There were 4 in Budapest the others in Győr, Veszprém, Miskolc, Szeged, Debrecen and Kecskemét.

The biggest housing estates are situated in the capital (*Table 3*). In Budapest there are 121 housing estates, 34 of them have over 2,500 dwellings, and there are also 7 giant-estates (*Figure 5*). The mass housing construction using the same technology in Budapest started shortly after World War II, and played a leading role because of the severe housing shortage caused by the war and the growing immigration. As a consequence of this the rate of housing estate dwellings built in the 1960s is the highest in the capital (7 per cent) compared to other settlement types. In the 1970s with the fast spread of the prefab technology the size of housing estates increased especially in the capital, but also in the bigger towns in the countryside. This circumstance had lasting impact on the current dwelling stock: the rate of estate flats at country level reaches 20 per cent, whereas in Budapest this rate is over 33 per cent (*Table 4*).

Table 3. The biggest Hungarian housing estates in the capital and the country

Town	Housing estate	Number of dwellings	Population
Budapest	Újpest city-centre (1)*	16,832	46,846
Budapest	Újpalota (2)	15,886	45,669
Budapest	Óbuda city-centre (3)	13,736	35,950
Budapest	Békásmegyer (4)	13,394	40,581
Budapest	Füredi Street (5)	12,233	30,230
Pécs	Kertváros	15,856	44,861
Miskolc	Avas	11,498	34,695
Pécs	Uránváros	9,651	22,345
Tatabánya	Újváros	8,862	21,275
Kecskemét	Széchenyi város	8,673	35,000

*see Figure 5

Table 4. Occupied dwellings by settlement types, 1996

Settlement type	Number of dwellings (total)	Proportion of dwellings (per cent)	In housing estates (per cent)
Budapest	777,253	20.6	33.1
County-centres	676,279	18.0	41.9
Other towns	977,424	25.9	20.1
Villages	1,336,151	35.5	1.0
Total	3,767,107	100.0	19.9

Source: Central Statistical Office - Microcensus, 1996

Examining the situation of housing estates in Budapest, we can find, that although in some East European cities little or no housing estates can be found near the city centre, this is not typical in Budapest. Comparing the capital to the bigger cities of the country, it can be pointed out, that in Budapest the inner city rehabilitation resulting the destruction of older inner city neighbourhoods was fairly intense from the 1970s. Therefore, besides the housing estates built on green-field sites, the rate of estate flats is relatively high in the inner-urban neighbourhoods.

In the former state-socialist countries the Soviet type building concept was accepted and became typical after World War II, which means that the cities were built-

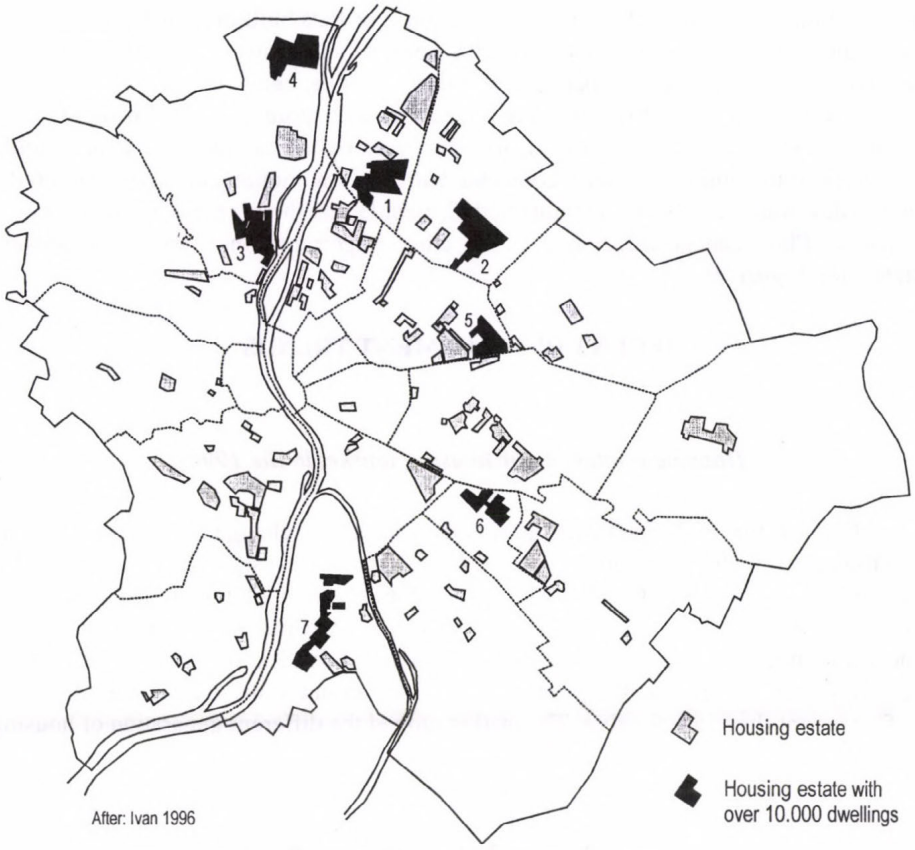

Fig. 5. Housing estates of Budapest built after 1945

up like North-South oriented "band-cities". This was also typical for Budapest, the results of this construction can be discovered in the texture of the city still today. Moreover, in the case of Budapest the ring-structure of the housing estates is also typical, what is shown by the distribution of the housing estates.

In Hungary the rate of the housing estate flats is different by regions. The rate is highest in Budapest, Western Hungary and in the Central-Transdanubian area, and the lowest on the Great Hungarian Plain. In the county seats of Central-Transdanubia (i. e. Veszprém, Tatabánya, Székesfehérvár) the ratio of estate dwellings is 59 per cent, and it is also high in the county seats of Northern Hungary (i.e. Eger, Salgótarján, Miskolc), where the value reaches 48 per cent. On the other hand, in the county seats of the North Great Plain region (Debrecen, Nyíregyháza, Szolnok) only every third flat was built on estates.

Also, there are smaller towns where the construction of housing estates was typical. Firstly, these are cities which developed very quickly in the 1950s, because of

the forced industrialisation. In these towns the ratio of flats built on housing estates was very high already at the time of the 1980s census (e.g. Dunaújváros 90.5 per cent, Komló 65.7 per cent, Ózd 35.1 per cent, Várpalota 23.4 per cent) (Lakatos 1998).

If we examine the distribution of the estates with more than 1000 dwellings, we can draw a NE-SW axis through Hungary dominated by the capital and its conurbation and the central region. This axis coincides with the traditional industrial axis of the country developed during the socialist period. Beside that the bigger cities of the Great Hungarian Plain can be mentioned as the other important concentration of housing estates (*see Figure 4*).

RECENT DEVELOPMENT TRENDS

Housing estates on the housing market in the 1990s

One of the most important phenomena after the change of regime was the privatisation of public dwelling stock. A great part of the estate dwellings was also involved in this process. On the whole only 5-6 per cent of the dwelling stock of housing estates remained in the hands of local governments. As a summary we can render, that housing estates belonged to the looser of privatisation, because despite the increasing nominal value of the property prices of the estates, these dwellings showed a ca. 50 per cent drop in real value. The market judged the different generation of housing estates differently (*Figure 6*).

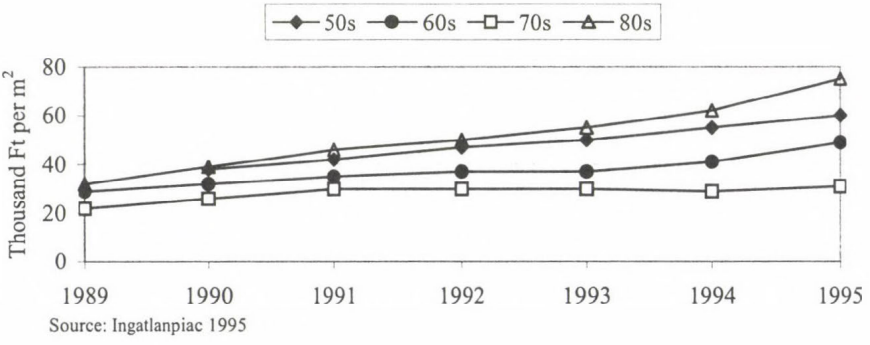

Fig. 6. Sales prices of housing estate dwellings, 1989-1995. After Kovács & Douglas 1996.

The elite housing estates of the 1980s enjoyed the most advantageous position, because the prices of these flats were able to keep up with the inflation. In the case of

the other generations we can find a sharp decrease in real values. Surprisingly, the housing estates built in the 1950s have had a strong position on the housing market, thanks to their traditional building technology, human character and the advantageous location of these housing estates. Housing estates built in the 1970s were devaluated most dramatically by the housing market where the decrease of value was the most conspicuous, and these estates face the biggest problems (Kovács & Douglas 1996).

The privatisation of the hosing estate dwelling stock have had other consequences as well. Although privatisation was not compulsory, tenants were afraid of a drastic increase of rents, and on the other hand they were worrying about a possible relocation after the privatisation, because of the mixed property of the blocks (Farkas et al 1995). Therefore, many people spent their last Forints for buying their flats, and now they are not able to pay the common charges. All these make conflicts among the tenants and the new owners intense (Farkas & Szabó 1995).

Another serious problem raised by the transformation of the housing market is the deterioration and renovation of the public dwelling stock after the change of regime. The costs of living after the change of regime – especially on the housing estates, built by panel technology – have been incredibly increased. While in the 1980s generally 10-12 per cent of a household's total income was spent for housing, now it is about 25 to 30 per cent, in the case of poor families it is almost 45-50 per cent (Hegedűs 1998).

There are two other developments on the Hungarian housing market which strongly affect the housing estates. The strong polarisation of residents and the extremely limited residential mobility. *Polarisation of the population* can be attributed to the general growth of income differences within the society which increased considerably after the change of regime. Due to that social strata with higher income had got the opportunity to move out from housing estates throughout the 1990s, whereas poorer strata were left behind. Meanwhile the poor had no opportunity to move to a better (elite) housing estate or were squeezed out of the housing estates with higher status. The limited level of residential mobility can almost qualified as a traditional feature of the Hungarian housing market. People do not want to get rid of their flats where they live, housing still serves as an investment although most of the flats have lost this kind of role. All these together led to the situation where apart from the richer strata, nobody wants to move out of their flats, and if they do so they plan it and do it very carefully.

Due to the growing polarisation and the limited residential mobility of the population of housing estates we can expect the possibility of the rise of a typical 'housing estate society'.

Possible future of housing estates in Hungary

Due to the extreme size of housing estates, the problems related to the built environment are very acute in the East Central European countries. The state did not pay enough attention to the technological deficiencies for decades, the maintenance and the necessary renovation of the buildings were neglected. Due to this the change of

political regime found these quarters in a very bad condition, the renovation of housing estates started later compared to the West and cost much more. As a consequence, after the change of regime flats of the housing estates did not have high values on the housing market and they were even further devaluated. This is especially clear in the case of housing estates built in the 1970s.

The fairly diverse social structure, earlier concerned as an advantage, began to disintegrate quickly and the richer strata started to move out from these estates. The social structure of the housing estates has always been different from other residential areas and the situation is still the same. On the one hand, the old age group – over 60 year – is underrepresented in the population of the housing estates (13 per cent compared to the national average of 20 per cent), on the other hand the ratio of younger population – mainly between 15-29 and 30-49 years – is much higher. Of course there are differences between the different generation of housing estates in term of the composition of the population. The later an estate was built, the younger population it has. In fact not only the Hungarian society but also the population of the housing estates show a tendency of ageing. We have to count increasingly with this ageing process in the near future, especially in the estates built in the 1950s and 1960s.

On the other hand, we can find a higher rate of incomplete families (one parent families) in the household structure of the high-rise housing estates built mainly in the 1970s which may cause social problems in the future. Concerning the social composition of the population, qualification is a very important factor. In Hungary the population of the housing estates has higher educational attainment compared to the average, but this indicator differs in each generation. Population living on estates built in the 1950s have the lowest educational level, whereas estates of the 1980s and the beginning of the 1990s have the highest qualification. The main problem in each generations of housing estates, that people with the highest qualification and income are moving out. As a consequence a "filtering down" process can be observed in the Hungarian housing estates. This process can be slowed down or speeded up by the conditions of the built environment.

The rehabilitation of the environment of the housing estates is still negligible. Of course, there are successful examples but there is no comprehensive national rehabilitation program like for example in Germany. According to our empirical survey the composition of the dwelling stock and the renovation processes will play a very important role in the future of the housing estates. It was also proved by the opinion of people who expressed their intention to move out. If it were possible for them, every third or fourth person would move out of the estates. Of course, the ratio of those who have really the opportunity to do it is much less but the high number shows that the prestige of living in an estate has significantly decreased in Hungary since the change of regime. There is not much difference between the different age groups for the reasons of moving out – thinking of the estates of the 1970s with bad reputation or the elite estates from the 1980s. The main motivation for moving out, in all cases, is the size of flats (*Figure 7*). The nearly homogeneous composition of the flats is the most considerable problem although the pre-fab buildings with large panels could have given more

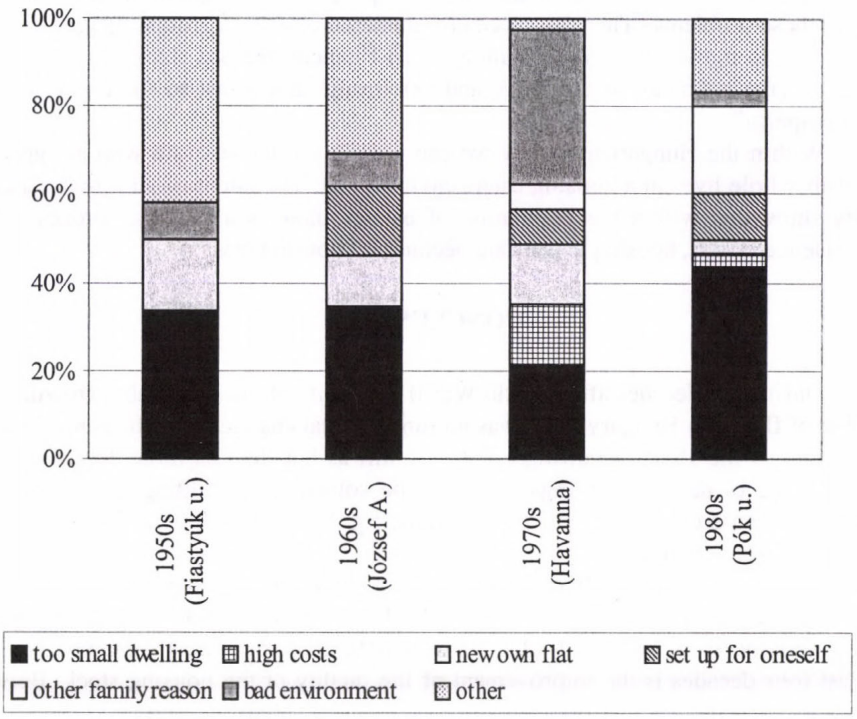

Fig. 7. The main reasons of moving-out intention in the different housing estate generations of Budapest

possibility to build flats of different size. With reshaping or giving variety to these flats (e.g. intercommunicating flats) could reduce the intention of out-migration.

The conditions of buildings built in the 1970s are far the worst. Their building technology, the deficiencies in facade, the roof and pipe system, the poor insulation of the buildings are the main shortcomings. In addition, these flats have high expenses because of the inefficient central-heating. These problems put a burden on the tenants which they cannot finance themselves. It is not accidental that the conditions of these estates are far worse compared to the other generations. Bad conditions of the built environment are the main reasons of moving out of these buildings. In addition to the problems revealed by social researches there are objective reasons for these bad conditions too, for example the unsettled property relations. It means that there are not private areas around the buildings, the ground-floor is owned mostly by the state (local authorities) etc.. There is a general lack of green areas, flowerbeds, parks etc. which would belong to the residents. Of course, this leads to the situation where the tenants do not feel any responsibility for their environment.

The question also comes to the fore, why people still remain in housing estates in spite of these problems? The reasons can be clustered into three groups: i) age (residents do not plan to move out over a certain age); ii) financial reasons (lack of money, most residents have no financial chances); and iii) strong attachment to the estate, to their "own property".

Within the Hungarian society we can clearly see those strata who are going to live their whole lives in a housing estate environment. The intention of moving and the reality show that within the population of estates there is a one-way process. As a consequence of this, housing estates are becoming "housing classes".

CONCLUSIONS

During the decades after World War II – in spite of the favourable growth in the number of flats – in Hungary there was no fundamental change in the housing situation. At the end of the 1980s acquiring a flat was still as hopeless as three decades earlier. The shortage of decent dwellings could not be solved with building large number of new flats because of the inefficient regulations, e.g. bad rent policy, inefficient property and flat exchange policy.

The decades of socialism could be characterised by the forced development of housing estates, especially the 1970s. These buildings have not much to be desired concerning social, architectural, planning considerations. The most important result of the last four decades is the improvement of the quality of the housing stock. Between 1949 and 1990 the average floor area of flats has grown considerably and the level of comfort has also increased.

Housing estates in Hungary are mainly concentrated in cities, but there are some regional differences, too. Budapest the capital city has the greatest number and the biggest housing estates in the country. In Hungary as a whole the small and medium sized estates are typical, the population and dwelling stock of these estates is less than 2,500.

The future development of the estates depends on their re-integrating process to the housing market. As our research revealed, renovation and modernisation of flats and buildings could decrease the inclination to out-migration. Another important task would be the improvement of the built environment, otherwise the bad residential environment make the better off on the move. Although this process is going on with a different speed in the different generations of the estates, the process can be considered as general among housing estates.

By now it has become a fact, that the "estate-life" satisfies the claim of a certain group of the society. At this time in Hungary every fifth, in Budapest every third person lives on housing estates. The main question is what processes will start at the threshold of the new millennium; and what will be the results of these processes? What will be the destiny of those several hundred thousand people, living on housing estates?

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ECONOMIC TRANSFORMATION AND REGIONAL DEVELOPMENT

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SPATIAL PREFERENCES OF ENTERPRISES IN HUNGARY[1]

GÁBOR KOZMA

INTRODUCTION

As one of the most important consequences of the change of regime at the end of the 1980s, regional differences have grown significantly in Hungary and became more obvious for the wider public (Cséfalvay 1993; Sándor 1998; Nemes Nagy 1998; Major & Nemes Nagy 1999). Traditionally, the north-western and central regions of the country (Fejér county, Győr-Moson-Sopron county, Komárom-Esztergom county, Vas county and Budapest) have always had the most favourable conditions with respect to economic development (e.g. easy accessibility, presence of qualified labour force), and this fact is clearly supported by the GDP indices of the country reflecting the level of development (*Table 1 and Figure 1*).

Table 1 The changes of GDP per capita by counties (Hungary=100)

counties	1994	1995	1996	1997
Baranya	83.8	79.8	77.8	79.9
Bács-Kiskun	77.4	78.9	75.7	73.1
Békés	79.5	78.1	76.5	71.7
Borsod-Abaúj-Zemplén	70.4	76.1	70.7	69.4
Csongrád	94.6	93.4	92.9	89.9
Fejér	96.5	99.1	103.4	117.1
Győr-Moson-Sopron	103.5	108.7	110.5	109.4
Hajdú-Bihar	83.1	77.6	78.1	76.3
Heves	72.9	74.5	73.8	72.2
Jász-Nagykun-Szolnok	78.8	77.4	75.6	75.1
Komárom-Esztergom	80.2	86.5	89.5	86.1
Nógrád	61.9	59.4	57.2	52.7
Pest	76.2	72.7	73.1	77.6
Somogy	76.5	76.1	74.9	70.2
Szabolcs-Szatmár-Bereg	61.6	60.7	59.2	57.9
Tolna	94.4	92.2	90.7	84.2
Vas	103.3	106.6	109.5	114.1
Veszprém	79.8	84.3	80.9	80.3
Zala	94.4	91.8	93.3	91.2
Budapest	180.0	180.9	185.5	187.3

[1] This reasearch was supported by the Hungarian National Research Fund (OTKA) grants No. F012854 and F025454.

Fig. 1. Counties and towns involved in the investigation

From the viewpoint of economic activities, the capacities of certain regions and counties are well reflected in the level of investments within the private sphere. Private sector regards profit as the most important target, therefore, investments in this sector go where the maximum profit can be expected. Analysing the trends of investments between 1992–98, the preference of the north-western and central parts of the country can be recognised again i.e. in these regions the amount of investments per capita has always been above the national average (*Table 2*). Parallel to this, some new trends have also became distinct in the second half of the 1990s, namely the value of investments grew significantly along the newly built motorways and, thus, in the more easily accessible regions (e.g. Heves county).

The aim of the present study is to analyse how much the economic changes taking place in Hungary and the different endowments of certain regions are reflected in the opinion of entrepreneurs; and whether there is a connection between the objective economic data reflecting the 'real' situation and the subjective judgement of the certain regions.

METHODOLOGICAL BACKGROUNDS

In order to perceive the spatial preferences of entrepreneurs in Hungary, we designed a questionnaire survey within the framework of two National Research Fund (OTKA) grants (No. F 012854, F 025454) in 1997/98.

The basis of the selection of the interviewees was the database on "The Large and Medium Enterprises of Hungary" published by the Hoppenstedt Bonnier company.

Table 2 The value of investments per capita by economic organisations (Hungary=100)

counties	1992	1993	1994	1995	1996	1997	1998	average
Baranya	68.3	109.8	63.0	67.9	48.9	55.8	60.4	62.9
Bács-Kiskun	51.8	49.9	64.3	64.9	62.1	54.7	54.2	57.6
Békés	47.8	57.1	56.3	40.0	54.9	52.2	48.2	50.6
Borsod-Abaúj-Zemplén	112.5	74.9	73.9	73.7	92.8	74.2	88.5	83.6
Csongrád	81.9	81.6	76.8	64.8	90.2	76.9	78.0	78.1
Fejér	94.2	97.3	115.0	150.2	139.4	171.9	159.2	144.1
Győr-Moson-Sopron	98.1	110.4	132.0	123.2	169.3	150.3	143.6	139.4
Hajdú-Bihar	63.3	68.1	72.9	66.2	47.9	60.1	80.5	66.9
Heves	67.1	77.7	67.2	58.9	70.0	85.0	144.7	91.3
Jász-Nagykun-Szolnok	57.9	65.7	61.2	93.1	70.0	58.2	57.6	64.9
Komárom-Esztergom	138.9	112.8	111.8	104.1	147.2	117.8	83.2	112.0
Nógrád	34.2	32.6	34.2	34.8	48.4	47.1	38.6	40.0
Pest	74.0	79.8	107.7	84.3	67.0	113.3	95.2	93.6
Somogy	72.0	56.5	68.3	46.2	45.1	54.5	55.5	55.5
Szabolcs-Szatmár-Bereg	43.8	54.6	65.0	42.4	35.3	47.5	54.1	49.5
Tolna	62.9	91.0	99.5	92.8	94.0	96.5	88.5	91.0
Vas	257.2	131.2	102.0	171.9	137.7	125.6	109.6	136.3
Veszprém	77.6	93.0	78.3	72.2	70.8	106.7	97.2	88.4
Zala	105.2	74.9	96.8	68.8	59.4	70.0	97.2	81.7
Budapest	176.0	188.9	176.1	192.6	191.7	164.7	162.5	173.7

Applying the simple random sample taking method we selected 45–55 enterprises per county (100 in Budapest) employing 20 to 300 people, and a standard questionnaire was sent out to each of them. The average ratio of positive replies was 31.3 per cent, and in the majority of the counties the response was above 30 per cent (with the exceptions of Hajdú-Bihar county 20.5 per cent, Zala county 23 per cent and Budapest 26 per cent).

SPACE AND ENTREPRENEURALISM IN HUNGARY

Spatial links of firms

In the survey, first we wanted to explore the *geographical connections* of the interviewed companies, therefore, we asked them to indicate to which regions they deliver their goods (East of the Danube, West of the Danube i.e. Transdanubia, or abroad). The results show a rather significant *export-orientation* of our companies, more than 75 per cent of them deliver their goods partly abroad, and this value is followed by the country west of the Danube and east of the Danube (*Table 3*).

A rather significant variation could be detected among the counties in term of the *location of their consumer markets*, where the main determining factor was the *situation of the county related to the Danube river*. On average, only 71 per cent of the companies exported their goods East of the Danube, while this ratio was 81 per cent in the case of the companies lying West of the Danube (Pest county and Budapest were not taken into account in this case).

Table 3 The dynamism of enterprises and the geographical pattern of their markets

	Destinations of the goods delivered by the interviewed companies (%)			The rate of enterprises growing in the earlier period (%)
	East of the Danube	West of the Danube	Abroad	
Borsod-Abaúj-Zemplén	65	53	76	81
Szabolcs-Szatmár-Bereg	89	89	61	62
Hajdú-Bihar	84	62	67	74
Heves	88	76	59	53
Jász-Nagykun-Szolnok	60	60	80	67
Békés	71	71	79	50
Nógrád	73	60	73	60
Pest	74	78	83	74
Bács-Kiskun	65	64	80	85
Csongrád	45	45	75	75
Budapest	81	81	81	73
Komárom	68	89	79	84
Fejér	62	75	75	94
Tolna	66	92	75	67
Baranya	50	73	77	59
Győr-Moson-Sopron	50	69	81	75
Veszprém	56	81	88	75
Somogy	80	87	80	53
Vas	63	75	94	69
Zala	50	75	83	83
average	69	72	76	71

Even a sharper difference appear if we investigate the main consumer markets of the firms within the country. In this respect, both among the companies situated East and West of the Danube a preference of their own region could be observed, where the factor of decreasing transportation costs played an important role. However, the bias (or economic tights) in connection with the own region was much stronger in the case of the Transdanubian (West of the Danube) companies, which can be explained most probably by the relatively high purchasing capacity there. Companies in this part of the country prefer their own region, and do not take too much into consideration the areas lying East of the Danube.

Economic dynamism and obstacles

With the next group of questions the *dynamism of the companies* and their *business prospects* were studied, whether a given company grew, and if yes, then in which respect, and what difficulties the company had to face. According to the survey results, a considerable part of the companies (71 per cent) was on the track of growth in the previous years, whereas stagnation or decline could be detected only in the case of 29 per cent of them. Looking at the spatial distribution of the companies showing high dynamism, it can be concluded that except for only one or two most of them are

situated along the *Bécs–Budapest–Szeged axis* (in Győr-Moson-Sopron, Veszprém, Komárom-Esztergom, Fejér, Pest, Bács-Kiskun, Csongrád counties and Budapest), and in Vas county along the Austrian border.

With regards to the *forms of growth*, it turned out from the replies that most of the companies found the *increase of the turnover* (87 per cent) as most important, secondly *gaining new markets* (67 per cent), and only 49 per cent of them indicated that their growth was accompanied with the *increase of the number of employees.* This also means that economic dynamism of the firms in Hungary contributed only to a limited extent to the easing of unemployment. Investigating the individual counties, no significant difference could be revealed, in most cases the order was very similar.

In the next question the firms had to indicate *factors which prevents growth* according to their opinion, i.e. the interviewees had to list difficulties which caused problems for their development. Two main inhibiting factors were relevant: i) the *shortage and lack of capital*, and ii) the *shrinking of the market.* These two elements were mentioned by 50 per cent, and 42 per cent of the companies showing growth respectively. Other factors like the *activity of the state* (e.g. curtailments and unforeseeable acts) and the *shortage of qualified labour force* meant problems of medium intensity (21 per cent, and 20 per cent respectively), whereas less complaints were made on the *presence of black economy* (8 per cent), the *deficiencies of the paying discipline* (5 per cent) and the *inadequate relations and/or attitudes of the local governments towards the enterprises* (3 per cent). Among the factors mentioned above, only the responses referring to the "lack of qualified labour force" and the "enterprise-unfriendliness of the local governments" showed a distinct spatial pattern. The first problem was especially sharp in Békés county (71 per cent), Vas county (45 per cent), Somogy county (38 per cent) and Csongrád county (33 per cent).

Location factors

The *importance of the individual location factors* was also measured by the following group of questions: we asked the interviewees to give grades from 1 to 5 (1 – unimportant, 5 – very important), how much importance they associate with the location factors in the case of establishing a new company, or widening the scale of an existing one (the interviewees were allowed to use one grade only twice, thus, the results reflected a kind of order). On the basis of the answers, we found that *the quality of labour force, the infrastructure and the size of the consumer market* were the most important factors. The least influencing locational factors were represented by *the property prices, the standard of living and the proximity of scientific institutions and universities.*

As it becomes clear from *Table 4* there is hardly any difference among the counties in this respect. Exceptions could be found in *the size of the consumers market* (which was ranked only on the sixth place in Nógrád, Somogy and Szabolcs-Szatmár-Bereg counties as opposed to the national third place), similarly in term of *the*

Table 4 The importance of location factors (1 - not important, 5 - very important)

	lm	qi	ql	cl	lp	sl	co	cg	eq	ur
Borsod-Abaúj-Zemplén	4.25	3.88	4.18	3.59	2.56	2.35	3.35	4.35	2.13	1.88
Szabolcs-Szatmár-Bereg	3.25	4.13	4.17	3.83	2.47	2.22	3.44	3.83	2.89	1.78
Hajdú-Bihar	3.91	3.71	4.13	3.51	2.62	2.56	3.22	3.34	2.98	2.19
Heves	3.75	4.06	4.06	3.41	2.56	2.50	2.94	3.59	2.50	1.59
Jász-Nagykun-Szolnok	4.07	3.40	4.07	3.43	2.33	2.60	2.87	3.47	3.00	1.93
Békés	4.07	3.64	3.92	3.71	2.64	2.64	3.36	3.64	2.57	2.43
Nógrád	3.14	3.71	4.13	3.64	2.57	2.00	3.33	3.93	2.80	1.86
Pest	3.67	4.23	4.26	3.41	3.14	2.14	3.30	3.57	3.17	2.00
Bács-Kiskun	3.57	3.63	4.50	3.95	2.25	2.25	3.42	3.55	2.74	2.30
Csongrád	4.06	3.79	4.40	3.79	2.65	2.39	3.21	3.58	2.32	2.22
Budapest	3.89	3.96	4.44	3.79	2.87	2.63	2.92	3.08	2.96	2.00
Komárom	3.79	3.82	4.74	3.56	2.83	2.83	3.33	3.47	3.11	1.78
Fejér	3.44	3.94	3.94	3.44	2.75	2.75	3.44	3.56	2.75	2.13
Tolna	4.25	4.00	4.00	4.08	2.75	2.67	3.17	3.50	2.67	2.33
Baranya	3.95	3.77	3.76	3.38	2.38	2.73	3.32	3.14	2.33	1.95
Győr-Moson-Sopron	4.13	4.07	4.40	3.14	3.00	2.57	3.15	3.93	2.60	2.00
Veszprém	3.81	4.09	4.16	3.67	2.07	2.50	3.00	3.63	2.94	2.44
Somogy	3.20	4.00	4.67	3.87	2.54	2.60	3.60	3.73	3.07	1.93
Vas	3.25	4.38	4.56	3.38	2.67	2.88	3.13	3.25	3.47	2.13
Zala	3.58	3.91	4.33	3.83	3.00	3.18	3.58	3.33	3.17	2.33
Hungary	3.79	3.89	4.29	3.61	2.63	2.54	3.24	3.53	2.82	2.06

Legend: lm – the size of local market, qi – the quality of infrastructure, ql — the quality of labour, cl – the cost of labour, lp – land prices, sl – the standard of living, co – local authority co-operation, cg – central governments supports and subsidies, eq – environmental quality, ur – universities, research institutes.

infrastructure in Jász-Nagykun-Szolnok county (fifth place as opposed to the third place on the national average), *the state of environment* in Vas county (it was mentioned on the fourth place as opposed to seventh in the whole country), and *the relations of the available supports* (national ranking: fifth place as opposed to Borsod-Abaúj-Zemplén county: first and Nógrád county: second place). Only the last factor can be answered in an acceptable way: because of the backward situation of the counties (high unemployment, deep sectoral crisis etc.) which made perhaps the interviewees think the presence of this location factor as an indispensable condition for development.

The image of regions

The perception of enterprises about the *closer and wider environment* was also evaluated: we asked the interviewees to give grades for their settlements and counties with respect to 10 listed factors. On the basis of this analysis it became possible to rank the counties and the settlements (i.e. the county-seats in most of the cases), and to compare them as they were perceived by the companies.

When examining the average judgement of the counties the average of the grades given to each factor was calculated and this is indicated in the last column of *Table 5*. In the analysis of the values (what was also applied in the coming parts) we regarded the deviation of 10 per cent from the average as significant.

Table 5. The opinion of entrepreneurs about their own country

	lm	qi	ql	cl	lp	sl	co	cg	eq	ur	av
Borsod-Abaúj-Zemplén	2,76	3,00	3,41	3,53	3,50	2,65	3,00	3,35	2,82	3,59	3,16
Szabolcs-Szatmár-Bereg	2,31	2,35	3,47	4,59	4,18	2,76	3,35	4,24	3,24	2,88	3,34
Hajdú-Bihar	2,33	2,56	2,83	3,16	2,98	2,49	2,21	2,37	2,49	3,88	2,73
Heves	2,41	3,76	3,35	3,41	2,81	2,82	3,00	2,65	3,12	2,59	2,99
Jász-Nagykun-Szolnok	2,07	3,21	3,14	3,07	2,86	2,50	2,43	2,57	3,00	1,93	2,68
Békés	1,62	2,29	2,79	3,29	3,86	2,93	2,36	2,79	3,21	2,14	2,73
Nógrád	1,73	3,00	3,27	3,60	3,47	2,53	3,07	3,20	3,00	1,73	2,86
Pest	3,67	4,05	3,48	3,43	2,71	3,67	3,33	2,43	3,53	3,90	3,42
Bács-Kiskun	2,70	3,40	3,50	3,40	3,11	3,05	2,75	2,05	3,05	2,40	2,94
Csongrád	2,74	3,85	3,37	3,21	2,84	3,58	2,68	2,58	3,26	3,63	3,17
Budapest	3,96	4,33	3,67	2,46	2,04	3,75	2,83	2,58	2,88	4,00	3,25
Komárom	3,44	4,22	3,28	3,28	3,24	2,83	3,06	2,56	2,71	2,06	3,07
Fejér	3,69	4,38	3,56	3,44	3,00	3,75	3,13	2,93	3,38	3,00	3,43
Tolna	1,92	3,50	3,42	3,17	3,09	2,75	2,50	2,58	3,33	1,82	2,81
Baranya	2,14	3,05	3,55	3,50	3,23	3,23	2,77	2,55	2,55	3,91	2,79
Győr-Moson-Sopron	3,87	4,07	3,6	3,33	2,71	3,80	2,86	2,5	3,14	3,2	3,31
Veszprém	3,63	4,00	3,69	3,50	3,13	3,63	3,31	3,06	3,19	4,00	3,51
Somogy	2,20	3,13	2,60	3,73	2,93	3,07	2,73	3,00	3,53	2,87	2,98
Vas	3,69	4,50	3,79	3,29	2,64	3,93	3,50	2,93	3,64	2,43	3,43
Zala	2,75	3,53	3,75	3,33	2,91	3,08	2,67	2,17	3,83	2,00	3,00
average	2,78	3,51	3,38	3,39	3,06	3,14	2,88	2,75	3,15	2,90	

Legend: see Table 4, av - average, the stronger shade refers to values which are higher than the average at least 10 %, while the lighter shade refers to values at least 10% below the average.

According to the interviewees, *four counties* (Veszprém, Fejér, Vas and Pest) had good, *high above average endowments*. Looking at the regional aspects, it can be observed that they are situated either in the central region or in the North Western part of Hungary without exception. These counties were closely followed by Győr-Moson-Sopron and Szabolcs-Szatmár-Bereg counties (in the case of the latter, the available state support, as well as the favourable wages and the low property prices contributed to the formation of a favourable opinion). What is surprising that Budapest was only ranked after them. In the capital the main problems were basically caused by the high prices of sites and wages).

The counties of Jász-Nagykun-Szolnok, Hajdú-Bihar and Békés represented the *other end of the scale* constituting a more or less contiguous region which was so far not affected by the more important infrastructural developments (e.g. motorways), and whose backwardness is not outstanding enough to receive more significant state support and moreover, there are also serious problems concerning the enterprise-friendliness of the local governments.

From the detailed analysis it became also clear that out of the 10 factors listed the *size of the consumer market* was found relatively good in seven counties and Budapest (Győr-Moson-Sopron, Fejér, Vas, Pest, Veszprém, Komárom). With regards

to their locations, it can be pointed out that all of them are situated in the North Western part of Hungary, where the disposal of the products does not mean too much difficulty for the entrepreneurs given the bigger local purchasing power and the proximity of the Austrian market. Enterprises forming the other extreme were mainly operating in the counties East of the Tisza river (Békés, Szabolcs-Szatmár-Bereg, Hajdú-Bihar), and in the counties of the southern part of Hungary (Tolna, Baranya, Somogy).

In terms of *infrastructural conditions*, the interviewees found the presence of motorways the most important factor: high above the average grades were given for those counties (Fejér, Komárom-Esztergom, Győr-Moson-Sopron, Pest, Veszprém and the capital city Budapest) which have been joined to the circulation of the country by motorways (the only exception was Vas county where the proximity of the Austrian border played a decisive role). At the same time, the interviewees were convinced that the lack of motorways causes a very big infrastructural disadvantage and counties situated far from these motorways were given the lowest grades (e.g. Somogy, Baranya, Borsod-Abaúj-Zemplén, Nógrád, Hajdú-Bihar, Szabolcs-Szatmár-Bereg and Békés counties).

It is very difficult to evaluate the answers referring to the *quality or qualification and price of labour force*. In the case of the latter, the most favoured counties (that are with the lowest wages) are situated in the backwarded regions of Hungary (especially Szabolcs-Szatmár-Bereg and Somogy, but to some extent Borsod-Abaúj-Zemplén Nógrád and Baranya counties as well), where labour force is cheaper due to the higher level of unemployment. This factor (i.e. expensive labour force) caused the biggest problem for the enterprises in Budapest.

The opinions of the firms concerning the price of labour (at least with regards to the extreme values) coincide with the officially published data. According to the data of the Central Statistical Office (KSH), Budapest stood on the first place on the basis of the personal net income with 271,000 Forint (HUF) in 1995. The buttom places were occupied by Borsod-Abaúj-Zemplén (190,000 HUF), Nógrád (189,000 HUF), Hajdú-Bihar (186,000 HUF) and Szabolcs-Szatmár-Bereg (175,000 HUF) counties (Várkonyi 1998).

The evaluation of firms about *the price of sites and premises* was influenced to a decisive extent by the economic prosperity of the given county. In the majority of the counties with rapid economic growth (Budapest, Vas, Pest, Győr-Moson-Sopron counties) there is a lack of available industrial sites which in turn increased the prices. At the same time, in the economically stagnating crisis-ridden regions (e.g. Szabolcs-Szatmár-Bereg, Békés, Borsod-Abaúj-Zemplén, Nógrád county) the lack of demand keeps the prices low. This factor has most probably also influenced the formation of opinion about the *living standard.* In the eye of enterprises economic prosperity results in increasing welfare (e.g. Vas, Győr-Moson-Sopron, Budapest, Fejér, Pest, Veszprém), whereas poor economic performance makes its impact felt in this respec as well (e.g. Szabolcs-Szatmár-Bereg, Tolna, Nógrád, Jász-Nagykun-Szolnok, Hajdú-Bihar).

The grades on the *enterprise-friendliness of local governments* primarily depended on the circumstances of local politics. In some counties the interviewees had an explicitly positive opinion (e.g. in Vas, Szabolcs-Szatmár-Bereg, Pest and Veszprém

counties), while in other cases they mainly emphasised their strictures (e.g. in Jász-Nagykun-Szolnok, Békés and Hajdú-Bihar counties). The judgement of *available supports* was basically in accordance with the policy and activities of the central government. A positive opinion was formed mainly in those counties (e.g. Szabolcs-Szatmár-Bereg, Borsod-Abaúj-Zemplén, Nógrád) where the most significant part of the regional development funds were spent in the previous period – for the sake of initiating economic development.

The values related to the *condition of the environment* were very much influenced by the circumstances prior to the change of regime: the worst grades were given to those counties – except for Hajdú-Bihar – where the economy could be characterised by heavily polluting industries (e.g. Borsod-Abaúj-Zemplén, Baranya, Komárom). The long-lasting impact of this still can be felt today (the grade for Budapest is close to the average due to the heavy traffic). On the other hand, before 1990 hardly any polluting industrial branches were operating in the counties with the best grades (e.g. Zala, Vas, Somogy, Pest). Moreover, these regions offer a picturesque natural environment (mountainous-hilly landscape) which may also contribute to the positive opinion.

The results concerning the *proximity of scientific institutions and universities* were unambiguous. The counties with universities (Budapest, Veszprém, Pest, Hajdú-Bihar, Csongrád, Borsod-Abaúj-Zemplén) received a grade well above the average, while the values of the counties hosting less important colleges or high schools were rather low.

The image of towns

As the next step, we made a general and a detailed (by factors) analysis of the settlements (only those settlements were included from where at least five questionnaires were returned, and thus the risk of distortion was not too high).

According to the interviewees the following three settlements have the *best endowments* for economic activities: Székesfehérvár, Szombathely and Tata (*Table 6*). The ranking of Tata in this group might be a slight surprise, however, in the case of Tata the infrastructure (motorway M1), the quality/qualification of labour force, and the pleasant environment were most often mentioned as favourable factors. The three settlements were closely followed by Kecskemét (one of the new developing centres of the Great Plain whose development will be probably accelerated by motorway M5), Budapest (especially the price of sites and the price of labour force meant problems here) and Eger.

On the other hand, Ózd got into the group of settlements with the *worst endowments*, and surprisingly Kaposvár and Debrecen also belonged to this category. Beside these towns Komló and Salgótarján are also very close to this category.

The results received in the study of the towns were in most cases in compliance with those of their respective counties. With regard to the *size of the consumer market*,

Table 6. The opinion of entrepreneurs about their own settlement

	lm	qi	gl	cl	lp	sl	co	cg	eq	ur	av
Budapest	3,92	4,62	3,77	2,58	1,96	3,92	2,58	2,00	2,96	4,12	3,25
Debrecen	2,69	2,88	2,92	3,09	2,73	2,78	1,78	2,00	2,30	4,3	2,75
Eger	3,33	4,67	4,00	3,83	2,33	3,83	2,33	2,00	3,50	2,67	3,25
Gyöngyös	2,14	4,57	3,14	3,14	3,00	3,00	2,14	2,00	3,29	3,00	2,94
Győr	3,20	3,40	3,80	3,50	2,80	3,80	2,60	2,40	3,00	2,40	3,09
Kaposvár	2,00	4,25	2,50	3,25	2,75	3,00	2,50	1,50	3,00	1,75	2,65
Kecskemét	3,60	4,40	4,00	3,60	2,40	3,60	2,60	2,40	3,40	3,20	3,32
Komló	1,50	3,67	3,17	3,50	4,17	3,17	2,33	1,50	2,17	2,83	2,80
Miskolc	2,33	3,33	3,00	3,33	3,00	3,00	3,33	3,67	2,67	3,67	3,13
Nyíregyháza	2,67	3,17	3,86	4,00	3,00	2,86	3,00	2,71	3,29	2,86	3,14
Ózd	1,50	3,25	3,00	4,00	3,75	2,00	2,25	1,75	1,75	2,00	2,53
Pécs	2,00	2,63	3,88	3,63	2,75	4,13	2,5	1,75	2,88	5,00	3,12
Salgótarján	1,17	3,83	3,50	3,17	3,00	3,17	2,67	3,50	2,83	1,38	2,82
Sopron	3,75	4,00	3,00	2,75	1,50	3,75	2,50	1,50	3,25	3,00	2,90
Szeged	2,00	3,50	4,00	3,20	2,75	3,40	2,20	2,20	3,00	4,20	3,05
Székesfehérvár	4,25	4,89	4,11	3,00	2,78	3,78	3,22	2,89	3,89	2,89	3,57
Szombathely	3,56	4,67	3,77	2,89	2,56	4,22	3,22	2,77	4,00	2,44	3,41
Tata	3,60	4,80	4,60	3,40	2,80	3,60	2,80	2,20	3,80	2,00	3,38
Tatabánya	3,00	4,20	3,60	3,80	3,80	2,60	3,60	2,60	2,00	2,00	3,12
Veszprém	3,50	4,25	4,00	3,50	2,75	3,00	2,00	2,00	2,75	4,00	3,18
Zalaegerszeg	3,00	4,50	4,20	3,60	1,80	3,20	1,60	1,20	4,20	1,00	2,83
average	2,79	3,98	3,61	3,37	2,78	3,32	2,56	2,22	3,04	2,89	

Legend: see Table 5

the towns situated in the north-western part of Hungary were in advantage. Eger and Kecskemét were the most striking exceptions whose distinguished position is most probably due to the economic development generated by the presence of multinational companies. From the aspect of *infrastructure* the primary factor is the route of motorways (in this respect, the low value for Győr and the high values for Kaposvár and Eger were somewhat surprising, although the two latter values might reflect the expectations in connection with the airport in Taszár and the extention of Motorway M3).

The opinions concerning the *price of labour force* showed strong connection with the economic prosperity in the wider region: in the towns with rapid economic growth – and in two cases with proximity to the Austrian border – (Budapest, Sopron, Szombathely, Székesfehérvár) labour force was judged to be expensive. On the other end of the scale, there are two "surprising" settlements (Tatabánya, Eger) beside two East Hungarian towns (Nyíregyháza and Ózd).

The judgement on the *price of sites* was influenced not only by the increasing demand towards properties accompanying economic growth (Budapest and Komló, Ózd representing the two extremes), but also by another factor, namely the geographical situation of the given settlement. It is more and more difficult to get access to sites at a fair price in Sopron and Eger which are not only famous tourist places but are surrounded by hills and, thus, they can spread in space only to a limited extent.

The question on the *standard of living* was also affected by economic prosperity – as in the case of counties – and in addition to it, especially in the cases of Pécs and Eger, the openness and the internationality of the towns were also influencing factors. The *enterprise-friendliness of local governments,* as we pointed out earlier, is a feature peculiar to each settlement: the interviewees were especially satisfied with the leaders of the local governments of Nyíregyháza, Szombathely, Székesfehérvár, Miskolc and Budapest. As opposed to this, the work of the local governments of Zalaegerszeg, Debrecen, Veszprém, Gyöngyös, Szeged and Ózd were sharply criticised.

The grades given to the *supports available on the local level* in many cases were in compliance with the impressions developed concerning the counties: the seats (Salgótarján, Miskolc, Nyíregyháza) of the counties with the most positive values (Nógrád, Borsod-Abaúj-Zemplén, Szabolcs-Szatmár-Bereg) are also said to be in a good position by the local companies. In addition only three other towns were included in this category: Tatabánya (somewhat understandable ranking), Székesfehérvár and Szombathely (the ranking of both of them are rather surprising).

Some of the most negative grades were found in South Transdanubia: the directors of the companies in Kaposvár, Pécs and Komló saw this issue rather problematic. In the case of the two latter local people found the measures taken by the government unsatisfactory. The same is true for Ózd where the low grades clearly referred to the criticism of the local interviewees towards the government.

In terms of the *environmental conditions and the proximity of scientific institutions and universities* the conclusions drawn are similar to the counties. Towns which were earlier heavy industrial centres (Ózd, Tatabánya, Komló, Miskolc), or had no major universities (Zalaegerszeg, Kaposvár, Salgótarján, Tatabánya, Tata, Ózd, Győr, Székesfehérvár) received the lowest grades; while towns lacking heavy industrial branches, and in addition situated in an attractive natural environment (Kecskemét, Eger, Tata, Székesfehérvár, Szombathely, Zalaegerszeg), or which host universities (Kecskemét, Miskolc, Veszprém, Budapest, Szeged, Debrecen, Pécs) received favourable grades. With regards to scientific institutions and universities, only the high grade of Kecskemét and the low grades of Győr and Szombathely may cause surprise.

The questionnaires also provided an opportunity for the comparison of the image of the county seats and other towns besides the county seats by their own entrepreneurs: from the aspects of which factors were certain settlement types given better grades and what motivations were in the background (*Table 7*). The difference between the two grades, and thus the better evaluation of a settlement type was regarded important if the difference was higher than 10 per cent of the average of towns (these are indicated by stronger shade in Table 7 and the explanations are also provided for these cases). If the same opinion was recorded in at least twice as many counties, we regarded the evaluation of the county seat or a settlement other than the county seat unanimously good.

On the basis of our calculations it became clear that there are four factors in which respects the evaluation of the county seats proved to be unanimously better, these are: the *consumer market, quality of labour force, standard of life and the proximity of*

Table 7. The comparison of the county seats and other settlements

	lm	qi	ql	cl	lp	sl	co	cg	eq	ur
Baranya	+0,36	-1,01	+0,81	+0,27	-0,63	+1,20	-0,36	-0,25	+0,17	+2,21
Borsod-Abaúj-Zemplén	+0,12	-0,46	-0,43	-0,53	-0,69	+0,36	+0,12	+0,46	-0,10	+1,31
Bács-Kiskun	+1,93	+1,00	+0,47	-0,07	-1,20	+1,07	-0,47	+0,47	-0,07	+1,73
Csongrád	-0,07	-0,50	+1,13	-0,09	-0,39	+0,26	+0,13	+0,47	-0,14	+1,91
Fejér	+2,25	+0,32	+0,11	-1,00	+0,21	+1,35	-0,35	+0,32	+1,03	-0,54
Győr-Moson-Sopron	-0,69	-0,70	+0,70	+0,50	+0,47	+0,10	-0,07	+0,73	-0,33	+0,31
Hajdú-Bihar	+0,55	-0,42	+0,06	-0,15	-0,46	+0,45	-0,84	-0,19	-0,60	+1,40
Heves	+1,33	+0,49	+0,80	+0,56	-0,67	+1,10	+0,06	-0,45	+0,40	+0,17
Komárom	-0,08	-0,26	-0,63	+0,42	+0,65	-0,32	+0,83	+0,60	-1,38	+0,39
Nógrád	-0,94	+0,72	-0,06	-0,50	-0,78	+0,73	-0,66	+0,61	-0,17	+0,39
Somogy	+0,27	+0,80	-0,50	-0,48	-0,70	+0,55	-0,23	-1,32	-0,73	-0,43
Szabolcs-Szatmár-Bereg	+0,94	+0,26	+0,41	-0,45	-1,09	+0,46	+0,50	-1,69	-0,21	+0,16
Vas	+0,99	+1,10	+0,34	-0,54	-1,11	+1,65	+0,51	+0,34	+0,29	+0,87
Veszprém	+0,68	+0,75	+0,50	+0,75	-1,07	+0,25	-0,92	-0,08	-0,17	+0,75
Zala	+1,14	+0,64	+0,49	+0,74	-1,63	+0,91	-1,40	-1,51	+0,49	-1,29

Legend: The „+" sign refers to the fact that the evaluation of the county seats is better from the given aspect, while the „-„ sign means that the evaluation of the settlements other than the county seats is better; the tinged values are higher than the 10% of the average values of the settlements of the county.

scientific institutions and universities. The advantage of county seats compared to the rest of the towns from this respect is fairly evident. Therefore, it is more important to seek an explanation for the differing answers (that is, preferring the other towns of the county).

In term of the *consumer market*, it is very difficult to give an acceptable explanation for the two counties forming exceptions, these are Győr-Moson-Sopron and Nógrád counties. In the case of Győr-Moson-Sopron, it is possible that in the towns closer to the Austrian border (e.g. Mosonmagyaróvár, Sopron) the purchasing power and capacity is stronger due to the proximity of the Austrian tourists, while in Nógrád, the difficult economic situation of Salgótaján may be the primary reason. However, in this case it is also valid that the other towns of the county – e.g. Szécsény, Balassagyarmat, Bátonyterenye – are not in a favourable situation either.

In two cities (Tatabánya and Miskolc), the negative opinion of entrepreneurs about the *quality of labour force* may be traced back to the fact that the results of the change of the qualification structure (dominance of mining, iron and steel metallurgy) has not succeed yet, while it does not mean a real problem in other towns of these counties (e.g. Tata, Komárom, Esztergom, or Tiszaújváros and Kazincbarcika).

As far as the *standard of living* is concerned, the only exception (Tatabánya) can be explained by the fact that no such drastic decline of the economy took place in other towns of the county (see above) than in the county seat itself. Therefore, the interviewees found the standard of living better in other towns.

With respect to the *proximity of research institutions and universities*, none of the three county seats with poor results (Kaposvár, Székesfehérvár, Zalaegerszeg) has a really good quality higher educational system, and perhaps it was the reason for the lower grade.

The opposite (that is, when the evaluation of other towns in the same county is unanimously better) occurred in the case of two factors: the *enterprise-friendliness of the local self-governments*, and the *property prices*. The former, as we have already mentioned before, is a special factor and it seems from the data that the leaders of the (in most cases smaller) towns other than the county seats care more for the companies, and pay more attention to this field.

In relation to the *property prices*, it may be stated that this factor caused a more serious problem in the majority of the county seats (most probably because of the bigger demand for premises as a consequence of the faster economic development) than in the other towns. Exceptions were experienced only in two counties: in Győr-Moson-Sopron county, in towns closer to the border (e.g. Sopron, Mosonmagyaróvár), the proximity of Austria raises the prices. In the case of Komárom-Esztergom county, the collapse of the economic life of Tatabánya was followed by an "abundance in sites", and the start of the economic recovery has not yet created a significant deficiency in this field (as opposed to, for example, Esztergom, Komárom and Tata).

In the case of the other four factors there was no significant difference with regard to the number of those preferring the county seat or the other towns of the county (it cannot be observed in any of the cases that the number of those counties which prefer the county seats or the other towns are the double of those representing the other extreme).

Nevertheless, these data allowed us to draw the conclusion that the evaluation of the county seats is generally better with regard to *infrastructure* and *funds*. In relation to the previous factor it may be fully understood (for instance, the public utilities network is more developed in the county seats), and the only surprising fact is that in some of the counties an opposite opinion was formed. The situation is similar with respect to the *price of labour force*, and the *state of the environment.* It was not surprising, however, that the entrepreneurs of the towns other than the county seats found their own settlements better, but the fact is that there were numerous counties where the opposite opinion was found.

GEOGRAPHICAL PATTERN OF ENTREPRENEURALISM

For the purpose of the ranking of the Hungarian towns from the aspect of economic life the directors of the companies were asked to grade the settlements marked on a map according to their capability for conducting economic activities. The results demonstrated the relevance of four factors: i) the geographical location of a given town, ii) its accessibility, iii) its size, and iv) the state of the local economy (these factors are, of course, in strong connection with each other) (*Figure 2*).

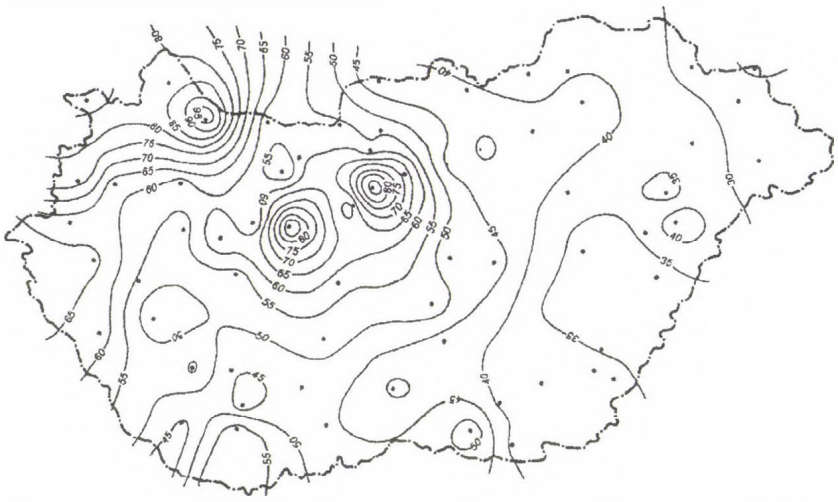

Fig. 2. The evaluation of Hungarian towns with respect to their capacity for conducting economic activities (Győr – 100 %)

The impact of *geographical location* can be felt in two ways. On the one hand, an *east-west rise* has clearly developed: the directors of the companies found that the economic circumstances are less favourable moving towards east. This general image, however, can be further differentiated, a small-scale worsening could be detected when leaving the western boundary (Komárom–Oroszlány–Pápa–Ajka–Keszthely–Marcali axis), which is followed by the prominently high grades of Budapest, Gödöllő and Székesfehérvár. As moving east from the capital, again, a decline could be seen, and Debrecen and Nyíregyháza are situated in the centre of a very unfavourable/disadvantageous group of settlements.

On the other hand, the positive effects of the location *close to the state border* could also be demonstrated. It is supported by the fact that those towns which could be involved in international trade received higher grades than their environs (Záhony can be definitely listed here, but this factor also played a decisive role in the favourable ranking of Pécs and Szeged).

The popularity of the towns with *flourishing economy* becomes obvious from the map. Székesfehérvár, Budapest and Győr (which are most often mentioned in the news from this aspect) were in the forefront, and for example, the judgement of Gödöllő which hosts the SONY company is still better than that of the surrounding areas. Ózd and Salgótarján represented the other extreme receiving a very bad qualification due to the existing economic problems.

In the case of Budapest, Pécs, Debrecen and Szeged the favourable grades were partly given due to their *high population numbers.* Most of the interviewees thought that these cities can create a favourable economic environment thanks to their high population numbers.

The results of similar studies carried out in Western Europe refer to the phenomenon that among the entrepreneurs a spatial bias may be observed (Meester 1994). They found their own environments more favourable from the aspects of economic life as compared to the national average. For the sake of checking this phenomenon in Hungary, we also calculated the grades given by the entrepreneurs operating in the county.

According to the results, spatial bias only partly appears in Hungary. Entrepreneurs of the economically more developed counties (e.g. Győr-Moson-Sopron and Zala county) found their own counties better than the national average (*Figure 3 and Figure 4*). As opposed to this, the situation was reverse in the economically less developed regions, where the entrepreneurs, who know the local conditions quite well, gave lower grades to the surrounding settlements than the national average (e.g. Borsod-Abaúj-Zemplén and Baranya county) (*Figure 5 and Figure 6*).

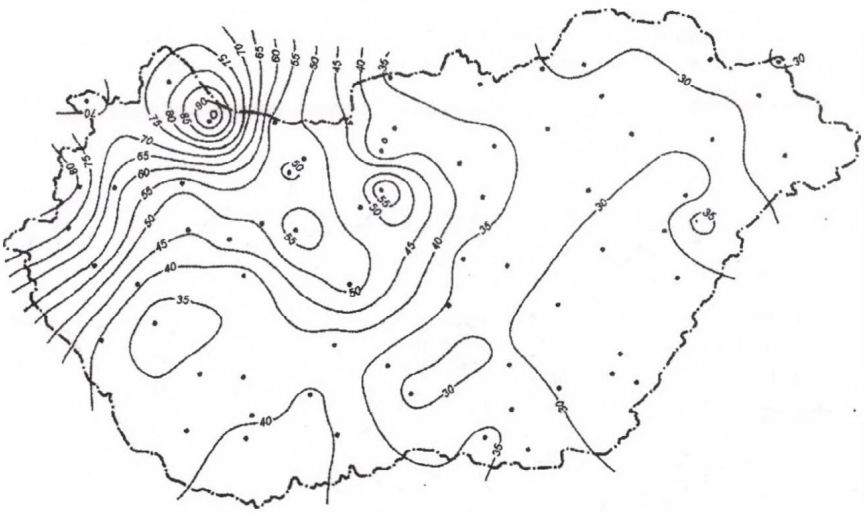

Fig. 3. The evaluation of Hungarian towns with respect to their capacity for conducting economic activities by the entrepreneurs of Győr-Moson-Sopron county (Győr – 100 %)

To sum up, it may be concluded that there is a very tight connection between the economic, social and political events of today, the economic performance and the attitude of the agents of economic life with regard to space. The processes taking place in our environs considerably influence the formation of their opinion about the economic sphere.

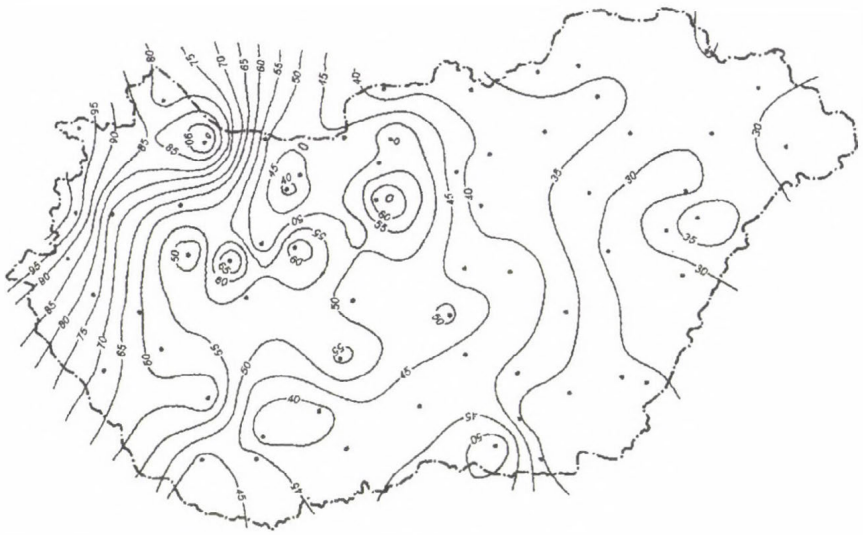

Fig. 4. The evaluation of Hungarian towns with respect to their capacity for conducting economic activities by the entrepreneurs of Zala county (Sopron, Szombathely – 100 %)

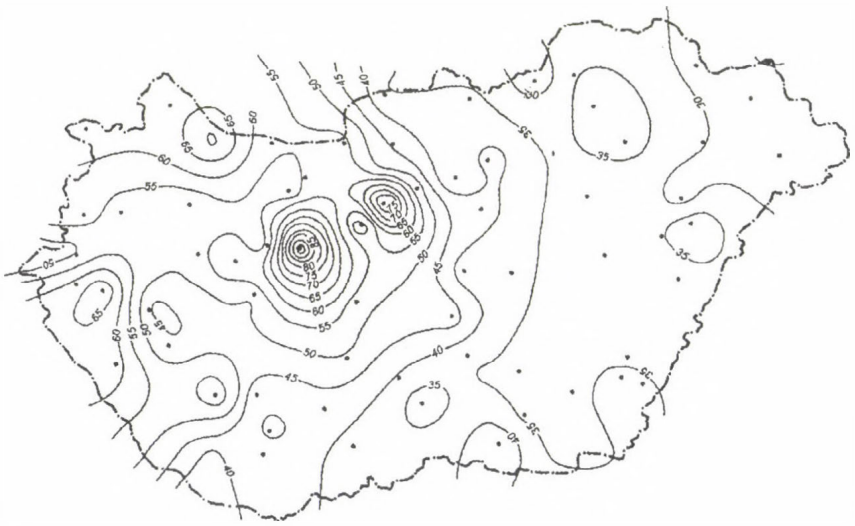

Fig. 5. The evaluation of Hungarian towns with respect to their capacity for conducting economic activities by the entrepreneurs of Borsod-Abaúj-Zemplén county (Székesfehérvár – 100 %)

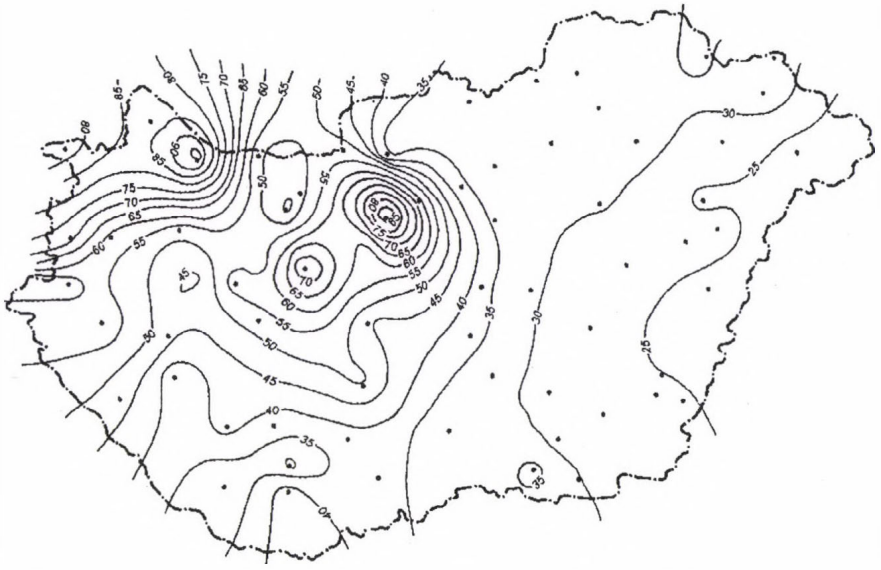

Fig. 6. The evaluation of Hungarian towns with respect to their capacity for conducting economic activities by the entrepreneurs of Baranya county (Győr – 100 %)

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HUNGARIAN AGRICULTURE IN TRANSFORMATION: SPATIAL ASPECTS

ISTVÁN BERÉNYI

INTRODUCTION

Agriculture has been traditionally considered as one of the most important economic sectors in Hungary. Given its excellent natural endowments (soil, climate etc.) the country became one of the major food producers and net agricultural exporters of Europe as early as the beginning of the 19th century. Prior to 1945 Hungary produced primarily crops (e.g. wheat) and meat for the West European markets. The intensive agricultural production became the early basis of industrial revolution and urbanisation. World War II meant a turning point in the historically developed land provision and agricultural production system of the country when similarly to other East European countries (except for Poland and Yugoslavia) collective ownership and large-scale farming became predominant. Despite the communist type organisational and production system, the long years of communism could also be characterised with a constant (though less intense) growth of agriculture in Hungary (Benet 1998). After 1945 the main destination for the Hungarian food products became the COMECON headed by the Soviet Union where the mass production of the country could be easily sold. The importance of agriculture is well reflected by the statistics. As late as 1990 12,5 per cent of the GDP of Hungary was still generated in farming, moreover, 17 per cent of the active earners were employed by this sector. The political changes of 1989/90 heralded a new phase of development also in the agriculture. The sector had to face new challenges brought about by the rapid economic transformation of the country, the increasing market constraints, the re-orientation of foreign trade, as well as the declining subsidies. The main aim of this contribution is to highlight the general background of the spatial transformation of the Hungarian agriculture. After the external economic conditions of agriculture the transformation of the organisational and ownership patterns of agriculture are explored, and the spatial differences of production together with its social impacts analysed. Special emphasis will be paid to the changing land use pattern of the country and to the possible trends of territorial organisation of agriculture.

CHANGES IN THE EXTERNAL ECONOMIC CONDITIONS OF AGRICULTURE

Position of Hungarian agriculture on foreign markets seemed to have been stable between 1980 and 1985 because loans and subsidised export made it possible to sell the produce. Nevertheless, default in certain external markets had become evident by the mid-1980's and in the second half of the decade exports and production tended to decline. In this period the index of agricultural production exceeded the 1980–85 average by a mere 1 per cent. In this situation followed the disintegration of the Comecon with a subsequent shrinking of the previous primary market, an event which had heavily affected the whole Eastern-Central European (ECE) region.

In spite of the above circumstances farming production of Hungary in 1993 was only by 10 per cent less than the average of the previous five years and this secured an eminent place among the post-socialist countries. There was a medium 15 per cent decline of agricultural production in the ECE region. At the same time western Europe (Belgium, Luxembourg, the Netherlands, the United Kingdom, France) increased its production by 5.1 per cent and southern Europe by 3.1 per cent supported by 48 per cent state subsidies as the average. In the early 1990's farming subsidies amounted to 72–78 per cent in Switzerland, Norway and Finland, to 48 per cent in Austria whereas they reached a mere 11–14 per cent in Hungary.

So Hungarian "farming crisis" cannot be viewed as an isolated phenomenon in the ECE region and the fundamental causes are to be found in the incompetitiveness of the national economy in general and of agriculture in particular. It can be attributed to the weakness of the so called drawing (manufacturing and tertiary) sectors unable to raise funds for farming subsidies (similar to the West European level) being in the phase of transition themselves.

A structural rearrangement of the agricultural sector of foreign trade actually started in the mid-1980's when there occurred a decline of export of traditional items to the Soviet Union (apples, wine and pig for slaughter). Nevertheless, these circumstances hardly affected domestic production because centrally established procurement prices were capable to neutralise the negative effects of the drop in demand (e.g. procurement price of meat had risen from 39.5 HUF/kg up to 70 HUF/kg between 1985–90 while its export had halved). Of course these temporarily put off problems with marketing exploded in the early 1990's as one of the censequences of the change of economic system and e.g. the pig population had decreased from 8.5 million to 4.7 million. The imbalance between farming production and sales was typical of the whole agriculture but it had to be handled differently by agricultural branches (cropping or animal husbandry). This broken balance resulted not only from the loss of foreign markets, but among others from the decline of the internal consumption.

It is also to be taken into account that due to the emerging and diversifying contacts with the EU countries not only the export rose but so did the import and the latter at a higher rate. Consequently, the trade balance had deteriorated (*Table 1*). The

export to western Europe got an impulse in 1989 and peaked in 1991 such helping reorientation in the foreign trade, then export fell to a previous level, while import expanded continuously. At the same time there was a decrease in production and capability to export had weakened.

Table 1. Agricultural foreign trade with the EU member states between 1988 and 1993 (thousand ECU)

Year	Hungarian export	Hungarian import	Balance	Exp/Imp
1988	615 386	90 617	+ 524 769	6,79
1989	758 292	111 930	+ 646 362	6,77
1990	713 797	119 126	+ 594 671	5,99
1991	919 320	152 489	+ 766 831	6,03
1992	830 507	228 589	+ 601 918	3,62
1993	624 000	229 000	+ 325 000	2,09

THE ROLE OF FARMING IN THE NATIONAL ECONOMY

The rate of development of Hungarian agriculture and food industry showed maximum in the early 1970's having been stimulated by a rising export to the Comecon countries and broadening domestic consumption. Although the annual rate of growth was curbed during the following decade and a half (*Table 2*) but an equilibrium of production and consumption had been maintained because of a relative stability of market conditions.

Table 2. Annual average increase of the output of farming produce and food processing, per cent

Year	Cropping	Animal husbandry	Agricultural output,total	Food processing
1971–1975	5,6	3,5	4,6	4,7
1976–1980	1,7	3,4	2,5	3,3
1981–1985	0,4	1,0	0,7	2,0
1986–1990	- 1,0	0,3	- 0,4	- 0,1

Gross domestic product (GDP) was on the increase even during the period of transition, thus the share of farming within GDP had been reduced (*Table 3*).

Agriculture was losing its positions between 1985–95 under a joint impact of several negative factors: a rearrangement and shrinkage of the mentioned markets abroad, a drop of domestic consumption and a further widening of price gap between agricultural and industrial products (by 1991 the difference between the procurement prices and price indices of industrial products used in farming had raised up to 34 per cent). This is because the industrial sector almost immediately entered into the sphere of competition whereas agriculture remained in the "post-socialist" production and marketing sphere, where processes of transformation became only felt later, in the mid-1990's.

Table 3. The share of agriculture within the Hungarian GDP (current prices, million HUF)

Year	National economy, total	Share of agriculture	
		m HUF	per cent ot total
1985	1 033 658	166 664	16,1
1990	2 089 313	261 236	12,5
1991	2 498 319	230 593	9,2
1992	2 942 668	189 879	6,5
1993	3 548 262	206 095	5,8
1994	4 364 811	262 271	6,0

The influx of foreign capital primarily affected modern manufacturing (engineering, electronics, telecommunications) and processing (household chemicals, tobacco and food industries) and the tertiary sector, so investment into farming, in a sector with additional problems of marketing dropped by ca 20 per cent between 1985–92.

However it would be a mistake to draw a conclusion that farming is to experience a further serious decline in the economy of Hungary. On the one hand, its transformation and restructuring usually takes place much slower in farming than in the other sectors. On the other hand this sphere is closely related with natural endowments, traditions and lifestyles and through them with the local, regional and sectoral interests. These circumstances are a hindrance to the prevalence of market conditions in farming compared e.g. with the industrial sector.

TRANSFORMATION OF ORGANISATIONAL AND OWNERSHIP PATTERNS IN AGRICULTURE

The large-scale production pattern in Hungarian agriculture showed a relative stability in the 1970's. Later in the 1980's the number of state farms and farming cooperatives was on the decrease due to merges carried out for economic reasons. Simultaneously there was a growth of auxiliary and private farms and their importance also increased because activities became interrelated with those of large-scale farms. The Company Act (1988) has created conditions for the disintegration of large size units and for the deconcentration of agricultural production.

In 1985 more than 90 per cent of the cultivated land in Hungary belonged to 127 state farms and 1268 (farming and specialised) cooperatives. Production units of these large-scale farms extended over several settlements and included industrial and service workshops. Returns produced by the latter in the large farms located in the urban environment exceeded those from the basic (farming) activities.

In fact in the types of farms it was the industrial and service activities which "supported" agriculture and they were indispensable for the maintainance of farming, whereas the latter provided an access to agricultural subsidies.

For the efficient production units the mentioned Company Act has made it possible to become independent and to create legal entities as organisational framework

for their operation. State farms were transformed into 707 enterprises and companies. Farming cooperatives forced to merge in the early 1980's were disbanded and independent cooperatives were formed (their number amounted to 1913 in 1996). The area used by them has not changed essentially because an overwhelming majority of the "new" owners that have regained land through compensation let their parcels on lease to the cooperative. Plots taken out by former co-op members were those poorly utilised previously or cultivated as household or auxiliary farms.

Based on data of 1993 enterprises and companies cultivated 20.2 per cent of the agricultural area of the country, 53.3 per cent was used by cooperatives, whereas private entrepreneurs, smallholders and households were farming on 26.5 per cent. These proportions had been modified considerably by 1997 as the process of compensation proceeded. Two million households live on farms of their own with a total area of 1.6 million hectares, but only 1.5–2 per cent of them have a holding larger than 10 hectares. Private entrepereneurs cultivate a mere 0.1 per cent of the agricultural area (*Figure 1*).

In 1994 there were 51 thousand private entrepreneur farmers in the country predominantly dealing with mixed farming (83 per cent of the farms included cropland and raised animals). 86 per cent of the land cultivated was their private property, of it 70 per cent was arable land. Of this group of farmers 22 thousand persons paid personal income tax or company tax. Of the private entrepreneurs 26 persons had a farm with an area of land more than 500 hectares.

One third of the area in the possession of private entrepreneur farmers was obtained through compensation. Approximately half of this land has become property of farmers possessing an area over 5 hectares. 62 per cent of 9.3 million hectares (the total territory of Hungary) is used by economic units (former state farms and transformed farming cooperatives) whereas other groups of population utilise 30 per cent of the area. A major part of these areas is in non-agricultural use.

Farming activities in a western European sense (based on the private property of agricultural land) make up a minor part of Hungarian farming. The share of other organisations and farmers in production might be larger than their possession of land still the representation of their interests is weaker which is quite understandable because in 1997 companies and cooperatives employed ca 270 thousand persons at the same time there were only 14 500 private entrepreneurs. The number of those entitled compensation was less in Transdanubia, thus a larger portion of cropland remained in the use of companies and cooperatives.

In contrast, in the Great Plain a more differentiated organisational and ownership pattern prevailed even earlier due to the presence of specialised farms (counties Bács-Kiskun and Szabolcs-Szatmár-Bereg) which was enhanced by the compensation process after 1990 also stimulating private entrepreneurship in farming (counties Csongrád, Békés and Hajdú-Bihar). 45 per cent of private ventures are to be found in these counties and they use 12–15 per cent of cropland. At the same time the previous large-scale organisational pattern has remained almost intact in Jász-Nagykun-Szolnok County because innovation ability of the ageing and halved rural population is very poor.

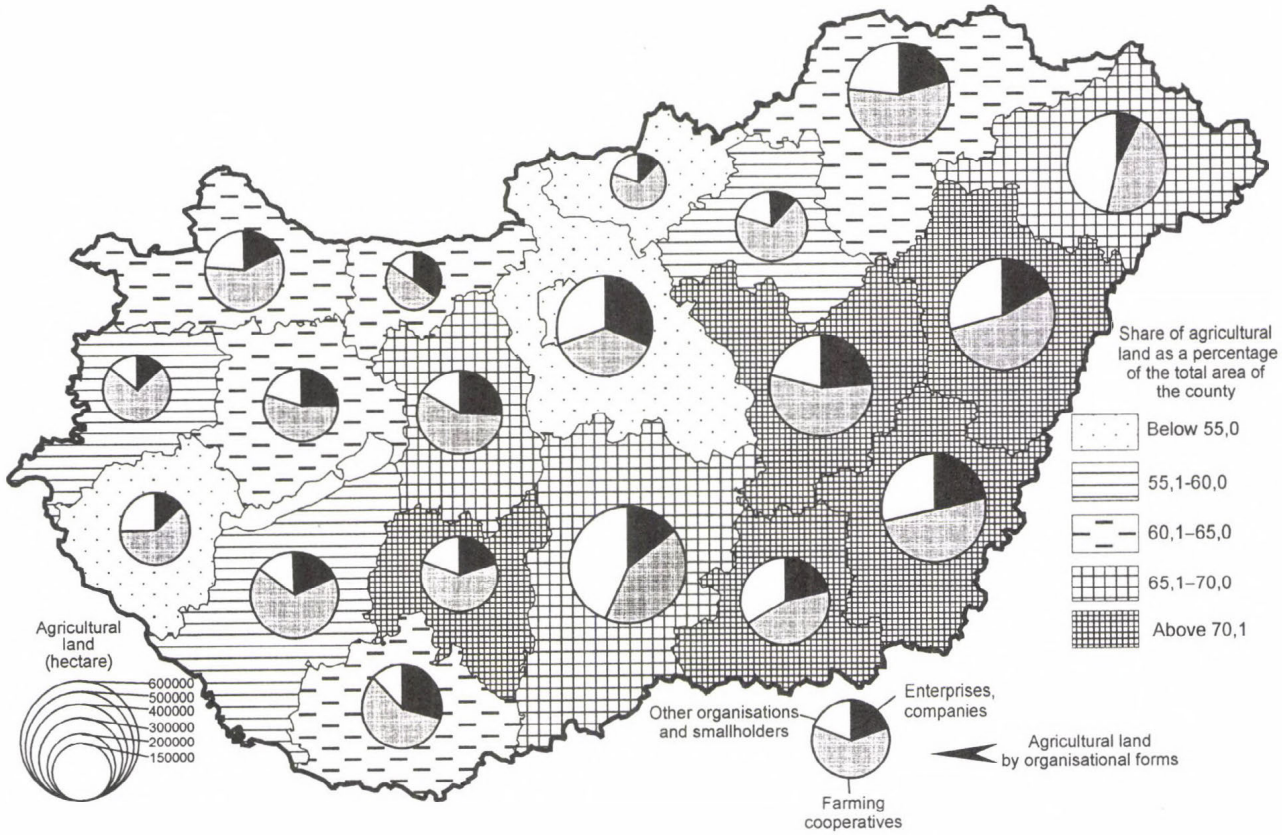

Fig. 1. Agricultural land by organisational forms in the mid - 1990s

So in the counties of the Great Plain with an intensive crop cultivation there occurred a more radical turn in the organisational and economic structure of farming than in the other Hungarian counties but it has hardly affected the dimensions of the earlier land use pattern because the new entrepreneurs followed the traditional production trends. In fact special expectations of the EU are poorly reflected by the production pattern. Although there have been some efforts to introduce new trends of crop cultivation and animal husbandry, for the time being these are local initiatives with minor impact on the farming sector as a whole.

These circumstances are also responsible for the limited growth of entrepreneurs in farming and a slowdown of organisational and ownership restructuring. Formally the number of private entrepreneurs is high because the category "farmers and entrepreneurs undistinguished" includes private ventures, individual farmers, and people involved in household farming, i.e. all the "farmer" possessing with a plot larger than 1500 square m. This overall category possesses the largest portion of cultivated land in the Great Plain and it is probable that here is the biggest chance for the establishment of economic units of the new type. Although the share of households as private ventures is not high but that of landed proprietors with more than 50 hectares exceeds 10 per cent.

In spite of hiatuses in statistical data it can be stated that the organisational structure of agriculture had overcome a considerable change between 1989 and 1993 but the modified ownership forms has exerted a very moderate impact of on the land use pattern.

SPATIAL DIFFERENCES IN THE PRODUCTION PATTERNS AND STANDARDS

Positions of agriculture and food industry deteriorated in the decade of transition, their share within the GDP decreased by 3 per cent between 1985–90 and by 8 per cent during the following five years. Moreover, the contribution of farming (without food industry) had been reduced by one third, but that of the combined sector to exports hardly changed during the same period. It seems food industry has become independent of the production of raw materials, this way the interrelated system of production–processing–marketing has weakened and the individual activities followed the interests of their own.

The gross output of farming in an annual average dropped by 0.4 per cent between 1986 and 1990 and by 6.5 per cent between 1991 and 1995. This reduction was especially serious in animal husbandry (with 8.1 per cent as the annual average). The stabilisation of production started in 1996 showing a correlation with favourable changes in the whole of the national economy.

Despite the decline of agricultural production the crop pattern has been hardly changed, with grains occupying 60–62 per cent of the arable land for three decades or so, and half of the crop area has been under wheat. Only the shrinkage of the sown area under fodder crops could be observed owing to a decrease in the number of livestock. A

favourable trend has been the expansion of land under spice paprika, vegetables, industrial crops and medicinal herbs from 0.6 to 7.5 per cent by 1996. A slow transformation of the crop pattern can be attributed to different factors (production structure, traditions, special skills, infrastructure, inherited chains from production to marketing, and last but not least the subsistence economy of small farms).

The above factors unfavourably influenced the production standards.

Wheat had a sown area of 26.9 per cent in an annual average between 1986 and 1990 and it was 25.3 per cent in 1996. At the same time the output dropped from 6.1 m tonnes down to 3.9 m tonnes, indicating a 40 per cent decrease in average yields. It is associated with a growth of sown area in North Hungary with the lowest yields in the country.

The second in importance crop of ploughland is corn (maize) with 22.5 per cent, overtaking wheat in counties Tolna and Baranya, where it occupies 40 per cent. At the same time pig population had halved. Maize production has shown a decline in the Great Plain. Owing to the reduction of the internal consumption it has become exported increasingly.

Of the industrial crops sunflower had expanded from 7.4 to 10 per cent. It is because vegetable oil industry was the first privatised industrial branch and its products immediately found western markets. No territorial specialisation can be observed: sunflower occupies 10 per cent of the ploughland in North Hungary and 11 per cent in county Békés.

The example of the above three crops demonstrates a slow modification of the crop pattern and a non-adequacy to ecological endowments.

Perhaps it was wine growing that was the least affected by transformation in farming after 1990. The area occupied by vineyards has not changed radically, neither the output, nor average yields have undergone great fluctuations. One of the reasons is that about half of the area under grapevine was managed by specialised cooperatives prior to 1990 (i.e. it was part of private ownership) and there has been no need of transformation in the organisational pattern. On the other hand, state farms of wine growing districts soon acquired new forms of organisation, established joint ventures with foreign participation, so production capacities survived and the entry to western markets was secured. Branches of viticulture with high quality plantations that belonged to the ordinary cooperatives have also become independent economic ventures. In spite of the above changes, for the time being in viticulture a decisive part is played by small and medium-sized units, part of which is market oriented, producing high quality wines. It has been stimulated by the expectations of the western markets and tourism, and there is a shift of the domestic consumption in this direction as well.

Wine growing area of the country in 1997 was somewhat less than 100 thousand hectares yielding 600–700 tonnes of grape and producing 4.1–4.5 m hectolitres of wine. Following international and domestic demands, the production of red wines have come to the fore. Nearly half of the vineyards are to be found in the Great Plain (Danube–Tisza Interfluve i.e. environs of Kiskörös, Hajós, Baja and Csongrád) one third are located in the historical wine regions of Transdanubium (Villány, Mecsekalja, Szekszárd, Badacsony, Balatonfüred-Csopak, Balatonmellék, Mór Somló,

Pannonhalma-Sokoróalja, Ászár-Neszmély, Sopron) and one fifth of them are situated in the foreland of the North Hungarian Mountains (Mátraalja, Eger, Bükkalja, Tokaj-Hegyalja).

Fruit production had dropped from 1.5 m tonnes in 1990 to 1 m tonnes, which can be primarily explained by the decline of the eastern export of apples. This is corroborated with a data on a 42 per cent contribution of county Szabolcs–Szatmár to the total output and the reduction of the former to 36 per cent by 1996. Large-size orchards provide 30 per cent of the output in county Zala while their contribution is about 10 per cent in other counties. 56 per cent of the total production is made up by four kinds of fruits (apple, peach, sour cherry and plum) processed overwhelmingly by the production of soft beverages, canning and distilling industries.

Animal husbandry was especially hit by the transformations of the 1990's. Martketing problems arose as early as in the 1980's and there had been a decrease in output between 1985–90 (*Table 4*).

Table 4. Livestock in Hungary between 1985 and 1990 (thousand)

	1985	1990	1995
Cattle	1766	1571	927
Pig	8280	8000	5032
Sheep	2465	1865	977
Output of animal produce			
Cow milk (million l)	2631,1	2763,9	1919,6
Cattle beef, pig and sheep for slaughter (1000 t)	2306,7	2219,7	1402,0

The reduction of animal husbandry has not been uniform over the country: the cattle livestock halved in North Hungary and dropped to one third in county Nógrád. Also half of the livestock have survived in counties Zala and Szabolcs–Szatmár–Bereg and in other counties where the production of rough and juicy fodder is expensive and livestock can only be maintained at high costs. Regretfully 30 per cent of the above listed counties is occupied by grassland that has become underutilised owing to the shrinking livestock.

There has been even less relation between the changes of pig population and corn (maize) production. The former decreased by 40 per cent in the Great Plain while the crop area remained unchanged, at the same time pig population in North Hungary have reduced to a lesser extent though here maize has occupied a mere 10 per cent of ploughland. Neither is a direct correlation between maize production and pig-breeding and spatial adequacy can only be observed in counties Somogy, Tolna and Baranya which is rather to be attributed to the presence of meat processing plants than to the favourable ecological endowments for maize growing.

A relative increase in beef and veal consumption and a drop of pork consumption from 39 kg to 27 kg per person per year between 1990 and 1995 can hardly be explained by a general "pauperisation" rather with the expansion of the household pig-breeding owing to the rising food prices.

SOCIAL REARRANGEMENT OF POPULATION ENGAGED IN FARMING

For the critical situation of large-scale farming in the second half of the 1980's the above outlined factors (the loss of foreign markets, a rapid rise of energy prices and, as a consequence, delayed accumulation, deterioration of fixed assets in agriculture) only partly were responsible. A similarly negative impact was exerted by the transformation of the rural communities, which has been referred to less frequently. The fact that the deepening crisis had remained hidden before the public and farming was conceived as a "success sector" was a result of the self-exploitation of the unskilled and ageing population trapped in agriculture and their sticking to traditional lifestyle. An agricultural boom between 1970 and 1980 resulted in the establishment of a relatively young age structure of the active earners, living standards were raising and the prospects of rural development were promising. At the same time this social group was in aware of the final negative issue of its way of life and the younger generation had been alienated from the farming activities. As a consequence, Hungarian population engaged in agriculture have been on a steady decrease.

It was primarily the middle aged generation that remained to work in agriculture; these people based their existence on the cooperation with large-scale farms. This is especially valid for the skilled labour force because manual workers increasingly left the farming sector for the industrial sector and their share dropped from 41 per cent (1970) to 22 per cent (1997). The cheap manpower of large-size farms had been heavily reduced by the early 1980's and the harvesting of special cultures (grape, fruits) partly was taken over by students, soldiers and by the population in the frame of a "pick it yourself" movement.

The decrease in manual manpower indicated the issue of internal division of labour in farming cooperatives and the dormant problem of the whole agricultural society: a total split of administrative functions, agribusiness and manual labour. The economic transition starting with the mid-1980 and the subsequent political changes enhanced the controverse among these clusters, because the first group was interested in the maintainance of the existing then structures, the second group insisted on a radical modification of the organisational form and on the realisation of the entrepreneurial approach, while the third group was about to make an attempt to lay a free and independent economic background.

This social progress was prepared by the adjustment to market conditions, the appearance of subsidiaries and ancillary plants, the emerging different forms of marketing and by the legal and semi-legal privatisation starting with the early 1980's.

The political changes in 1989–90 created opportunities for the solution of problems accumulated in the 1980's: entrepreneurial groups of large-scale farms could become independent, the managerial groups tried to keep together and reorganise the large farms, especially the remains of cooperatives and to get rid of the labour surplus, a smaller group of privates obtaining land through compensation have made an attempt to operate individual farms. This altogether resulted in a rapid decrease in the number of active earners in farming (*Table 5*).

Table 5. Active earners in agriculture and food processing (1000 persons)

Year	In farming (F)	Of it basic activity	Food industry (FI)	Total F+FI
1985	981,1	660,6	202,5	1183,6
1989	837,5	565,3	207,2	1044,7
1990	813,3	530,0	203,0	1016,3
1991	709,8	468,0	194,1	903,9
1992	552,6	365,0	196,8	749,4
Their share in the active earners of national economy				
1985	20,0	13,4	4,1	24,1
1989	17,4	11,7	4,3	21,7
1990	17,0	11,1	4,2	21,2
1991	15,2	10,0	4,2	19,4
1992	13,0	8,4	4,6	17,6

The above outlined transformation of agricultural society has shown significant regional disparities:

It follows from the farming policy of the past three decades that the rural society in Bács-Kiskun County has remained relatively stable even during the 1990's since there have not been changes in the wine and fruit growing (with mixed ownership forms) of similar scale to those having occurred in areas with a dominance of arable crop cultivation and animal husbandry. State farms and cooperatives with the wine growing profile were forced to reduce their output owing to difficulties in marketing but their turn into economic corporations with legal entities has not involved an emission of a mass of unemployed.

Counties with highly developed agriculture (Vas, Gyõr–Moson–Sopron, Komárom–Esztergom, Csongrád and Békés) were more capable to carry out restructuring because large-scale farms possessed relatively advanced infrastructure, processing capacities and broader marketing relations. In these units labour costs were lower even prior to 1990 than in the farms of the Great Plain thus they emanated less manpower during the period of transformation. At the same time, redundancies could be absorbed by construction industry, manufacturing and service sector revitalised by an influx of foreign capital (in the Gyõr–Komárom–Tatabánya–Székesfehérvár belt).

The regional situation has been different in the counties Békés and Csongrád but the compensation and reorganisation processes here lave led to the emergence of a strong group of entrepreneurs and individual farmers with good positions in the protection of their interests. Also the differentiated organisational and ownership pattern have reduced unemployment in farming.

In Pest County changes in the rural society has not caused conflicts either because a spectacular advancement of the service sector of the capital provided jobs for the active population dismissed from agriculture.

Changes after 1990 especially hit rural societies of counties where large-scale farms were maintained through state subsidies between 1983 and 1988. These units were overmanned to avoid unemployment and their outdated production structure had been conserved as well (counties Szabolcs–Szatmár–Bereg, Borsod–Abaúj–Zemplén,

partly Heves and Nógrád). Of them the situation in counties and regions with collapsing industry turned particularly serious (environs of Ózd and Salgótarján) because both the agricultural and industrial sectors became emitters of labour force.

In counties Baranya, Somogy, Tolna and Jász–Nagykun–Szolnok controversial compensation and reorganisational processes have created unfavourable situation because there are less competitive undertakings and individual ventures and in a lack of "clear" ownership forms the capital interested in modernisation has avoided farming which is a hindrance to the revitalisation of the society in the countryside.

POSSIBLE FUTURE TRENDS OF LAND USE

A regional prediction of economic processes involves a systematic description and study of phenomena related to the probable, possible or desirable spatial processes and patterns.

International regional prognoses concerning the spatial aspects of social transformation are prepared as a rule for short (5 years), medium (15 years) and long (30 years) perspectives. Since changes in land use pattern take place slowly, these prognoses put an emphasis on the medium-term and long-term processes. In the case of Hungary the trends of the European integration are expected to exert local and regional impact and effects in land use will be felt in the first decade of the new millennium. Nevertheless, certain favourable and unfavourable trends in the agglomeration of the capital or in backward regions have already been recognised.

Probable and possible trends of land use are to be studied from the following three aspects: the harmony between land use and ecological conditions; the structure and standard of production and the probable modifying effects of the external and internal markets; the effectiveness of social-demographic prerequisities for the farming activity in a given social space. The culture of the local society expresses itself in the interrelationship of the above three spheres, in the reflection of human activity through the landscape.

Expected trends in transformation of land use pattern

A general European phenomenon in the circumstances of urbanisation and of the modernisation of farming is a transformation of agricultural land use, the emergence of areal specialisation adjusted to natural endowments. Although this process had been slow due to the previous external orientation of Hungarian agriculture and a prevalence of the expectations of the national economic policy, still there was a trend of the spatial differentiation in land use. Along with the shrinking of the land in agricultural use there had been an expansion of meadows and pastures in some regions of Hungary, whereas the ratio and extension of ploughland remained unchangeable in other regions or even was on the increase as in the Mezőföld and Csongrád County.

This way the transformation of the land use pattern was more or less in harmony with the natural endowments of microregions. In the framework of the EU integration the following spatial trends of land use are conceivable:

a) In three types of *microregions in the Great Plain* a moderate change of the land use pattern might be expected for the following reasons:

1. Over the agricultural regions with a prevalence of arable land (Jászság, Nagykunság, counties Békés and Csongrád – or at least the trans-Tisza portion of the latter –, Mezõföld, the southern part of the Little Plain, Mohács Plain) more than 70 per cent of ploughland is managed by the agricultural units inherited from the former large-scale farms. They are interested in the maintainance of the former crop pattern because grains (wheat, fodder wheat and maize) can be marketed using state subsidies.

The transformation of these microregions basically depends on the ability and will of the different farms to adjust themselves to the demands of the market. Large-scale farm obviously represent the interests of the international trade offering uniform and regulated mechanisms of production. Natural fertility of the Hungarian arable land is higher than that of their counterparts in western Europe and this advantage could be made a good use of (in the case of the hopeful EU accession) if principles of the CAP reform are to be materialised. In an opposite situation the position of small and medium-sized companies could be strengthened which are more sensitive to changes in the input-output rates (their economic interests are linked with the local and regional markets) and tend to give up production in areas of low fertility if land market conditions are given.

The transformation of the organisational structures and ownership forms has already affected the land use pattern of the above listed regions: the reorganised large-scale farms strengthened by the foreign capital invested maintain a virtually unchanged pattern of fields and production; there is a minor importance of small and medium-sized farms. In contrast, in counties Békés and Csongrád it is just the role of the latter has increased; their produce is processed by the regional plants or marketed in the neighbouring countries.

2. About one fourth of the area of microregions with unfavourable natural endowments (southern areas of Borsod and Heves, the Middle Tisza Region, marginal parts of the Hortobágy) is occupied by grasslands while ploughland is of poor fertility in these places. The former large-scale farming necessitated considerable state subsidies so their survival under market conditions is hardly conceivable. Owing to the relatively low population density and ageing rural population land use could shift toward an extensive one and large areas might be deprived of agricultural land use. This can offer an opportunity for the utilisation according to ecological conditions (Middle Tisza Region). Such a change might be triggered even by the EU accession (see the Austrian accession and the subsequent shrinkage of arables in Upper and Lower Austria). The related financial support would make it available an ecologically oriented shift of landscape utilisation.

3. The land use pattern of wine and fruit growing regions of the Great Plain (counties Bács–Kiskun and Szabolcs–Szatmár–Bereg) can only be modified with great difficulties and substantial financial expenses. These cultures are cultivated with special

knowledge, in a unique configuration of plantations, structure of production involving subsidiary branches, infrastructure (special machinery and processing plants) that could be replaced by other cultures only with high costs. During the past one hundred years a region with a specific agricultural society came about that especially strengthened in the system of specialised cooperatives of the socialist era. As it is widely known these regions provided mass produce for the Comecon market which can hardly be proceeded for western Europe and this might cause temporary difficulties.

There are natural barriers to the transformation of land use pattern because agricultural landscape more or less has been shaped by the ecological endowments. It is very probable that the expansion of sectors outside farming (e.g. the development of rural tourism, forestry and game management) could lessen the expected hardships of an eventual restructuring.

b) The extension of ploughland in the hilly regions might be decreased in a continuous and spatially differentiated manner:

1. Hilly landscapes as part of the North Hungarian Mountains from Nógrád to the Cserehát has the least fertile arable lands so the area left fallow is expanding year by year. There are various options for the utilisation of land deprived of cultivation: new gardens can be created on the outskirts of urban settlements serving both for weekend recreation and individual biofarming. In the extensive wastelands of the outskirts grassland utilisation and afforestation are the most frequent trends of land use transformation but in western Europe landscape conservation for touristic purposes (aesthetic values) has swidely spread and farms involved are entitled extra subsidies.

2. Ecological endowments are more favourable in the Transdanubian Hills thus they are cultivated in a more intensive way. Within this macroregion the following use of land is typical:

In hilly landscapes of counties Somogy and Tolna the share of ploughland exceeds 60 per cent. This ratio had grown during the era of the dominance of socialist large-scale farms because in the course of the consolidation of holdings a part of grassland was ploughed to create large fields to be cultivated using heavy machinery. This had led to intensification of erosional processes and resulted in a subsequent spectacular loss of fertility (e.g. in the Tolna Hills). Land use pattern is the most adequate in Outer and Inner Somogy, with a higher ratio of woodlands and grasslands.

Within both of these hill landscapes there are microregions with natural conditions allowing traditional cultivation of grapevine and fruits (environs of Szekszárd and Balatonboglár etc.) and these areas are bound to show a relative stability. On the other hand, reduction of the proportion of arable land would be desirable, especially in the Tolna Hills (with afforestation) and in Somogy (with the utilisation of grassland and with the development of game management; the latter could give an impulse to rural tourism). These microregions are suitable for the combination of farming with non-agricultural activities.

Over the hills of counties Vas and Zala ploughland, grassland and woodland have a nearly equal share in the land area which indicates a rational link between ecological conditions and spatial pattern of land use. In the hills in the southwest of Transdanubia sectors different from agriculture (tourism, sport), biofarming based on

private land property, forestry and game management, horticulture and partly fruit growing may obtain a special importance.

c) Microregions of middle mountains character (from the Keszthely Mountains to the Zemplén Mountains plus the Mecsek and the west of Transdanubia) are wooded, relatively closed ecological units. Farming of the intramontane basins is of local importance which can support tourism and be instrumental in meeting requirements of local consumption but only of secondary significance in production for the market. These local undertakings went bankcrupt during the years of collectivisation or subsequently met the demands of the family or that of the neighbourhood. It is rural tourism that could support these family ventures (e. g. in the Keszthely or Zemplén Mountains).

Historical wine growing districts are confined to microregions of middle mountains on the south-eastern, southern and south-western slopes. Forestry, wine growing and viticulture and foreland arable farming or grazing used to make up a complementary pattern of local economy and to provide permanent employment. During the past decades the economic interests of forestry, viticulture and ploughland cultures diversified, primarily serving for the interests of state and, as a result, the local settlements impoverished, their socio-economic structure deteriorated and the traditional wine growing and production have survived only in places where state interest and tourism kept them alive.

Possible trends in the territorial specialisation of agriculture

There has been a long-lasting and close interrelationship between natural endowments and land use at the level of macroregions, the structure of the latter being a result of interaction of the natural conditions and socio-economic progress. This latter exert a strong impact on the territorial specialisation of production in which ownership forms, the size of the holdings, price and marketing conditions, transport facilities and costs, traditions of farming etc. play decisive role.

In the course of socio-economic changes different groups of factors are instrumental in shaping spatial specialisation of production. Between the world wars natural endowments were decisive in determining subsistence economy. After collectivisation large-scale farming, new technologies and the centrally controlled market (a uniform system of prices) had come to the fore.

If the external conditions of Hungarian agriculture are to be established according to the CAP reform and this will involve "clearance" of farming structure and its spatial distribution along the above described spatial types of land use, specialisation can be modified in the following directions:

a) The *company sector* might be suitable for being present in the interrelated EU system of production–processing–marketing being at the same time part of the all-European division of labour for it will be able to produce a group of competitive standard commodities. The Little Plain, Mezőföld, Middle Tisza Region (Jászság, Kunság) and south Great Plain are suitable regions for operating the companies because

there are extensive areas of high fertility, a relatively advanced environment of market towns is sensitive to innovations and capable for receiving the foreign capital interested in farming and food processing.

These regions and companies can be competitive (even in European scales) in the production of grains, industrial and fodder crops and animal husbandry, especially if they are to absorb not only tasks of production and processing but those of research and development, and marketing.

b) The *cooperative sector* (in a regional sense) might become part of the system of support of central and south-eastern Europe (e.g. Transcarpathia, Transsylvania and countries of the former Yugoslavia) especially if it intends to switch from an essentially producing role to

This requires a fundamentally new style of management and professional skills and a specialisation of production adjusted to regional markets. It seems this might be realised in counties Hajdú–Bihar, Szabolcs–Szatmár–Bereg and (partly) in Békés and Csongrád, where a most radical change of ownership have taken place. Apart from this function the cooperatives still play (and are to play) a role in the supply af regional and local markets and in building up the interrelated system of production–processing–marketing.

In farming units encompassing several settlements there is a chance to make a good use of advantages stemming from natural conditions to create specialisation of production.

c) Activities of *middle and small sized entrepreneurships and individual farmers* is closely tied with regional and local markets (e.g. to local consumption or food processing) and traditional forms of farming (wine, fruit and vegetable growing e.g. that of spice paprika, onion, melons) with a skill and local culture of labour, a maintainance and enhancement of which should be a primary target of planning in agriculture. This sector is suitable to create a new pattern of land use over the mountain and hill areas of country (making up ca one third of its territory) and along the Danube and Tisza rivers, capable absorbing activities outside farming as well (tourism including rural tourism, craftsmanships) that could provide employment both for the active earners and elderly people and it could gain a special importance in the rural regions of ageing.

Activities of the above three sectors cannot be strictly separated neither spatially nor by territorial specialisation only by the distinct conditions of production. This type of areal differentiation started after 1990.

Development of the farming sector and rural regions

Agricultural policy as a whole is not a purely economic problem but an option to raise rural areas. A national program should include targets such as: protection of fertile land as a kind of renewable natural resource, modernisation of economic activities of the rural society and a functional enrichment of the settlement network in the countryside.

A general problem in rural areas is a population loss and spiritual decline, trends that might eventually lead to the stabilisation of a peripheral position of these regions. There has been an especially grave situation in settlements with less than 1000 inhabitants comprising ca 8 per cent of the total population of Hungary with nearly 700 thousand people. The number of these villages amounted to 1703 in 1994 accounting for 58 per cent of the Hungarian settlement stock.

Although owing to the decline of industrial sector between 1988 and 1992 part of the dismissed labour force returned to rural areas but they rather added to the mass of unemployed than strengthened human resources. Population loss remained the main trend and another 50 settlements fell into the category of tiny villages (population below 500). This has involved a shrinkage of the cohorts that the development of rural areas could be based on (*Table 6*).

Table 6. Age structure of villages with population below 500, 1990

Age groups	Settlement categories by population number				National	
	200–499		199 and less			
	persons	%	persons	%	persons	%
0–15 year	42 044	18,3	5 896	16,6	130 549	20,5
15–59 year	129 636	56,3	18 791	52,9	284 428	60,6
60 year and older	58 536	25,4	10 926	30,5	1 959 846	18,9
Total	230 216	100,0	35 513	100,0	10 374 823	100,0

Population number of Hungary dropped to 10 million by 1999 and this especially unfavourably affects rural areas because the active groups of society representing an innovative spirit see perspectives of progress in urban settlements and in their gravity zones.

Obviously in this situation an implementation of three different rural development programmes, would be necessary from the regional viewpoint, in accordance with the land use pattern of the given region, farm types and ownership forms. These programmes should be open toward and instrumental in the further socio-economic transformation of rural regions.

a) Functional contacts between *urban settlements and rural areas belonging to urban regions* should be strengthened. A rapid advancement of the tertiary and quaternary sectors, a partial shift of dwelling and service functions from the cities to the countryside, the involvement of the latter in tourist and leisure time activities altogether are phenomena enhancing the chances of survival for the villages in the gravity zones of towns because the farming sector is bound to be adjusted to this functional system. In fact the urban-rural relations within the area bounded by the Budapest–Esztergom–Győr–Tatabánya–Székesfehérvár–Gödöllõ–Vác line have already shifted in this direction since 1990. (This process has even been stronger in other regions of Europe that is why a question is formulated by researchers and planners of new regionalism: "do urban and rural regions overlap?").

b) The *Great Plain as classical agricultural region* with populous urban settlements, developed food industry and farming enterprises and cooperatives forms a

system of socio-economic and local-regional political interrelationships to be altered only by the forthcoming European market, because in the background of the present structure there are unskilled, ageing and in its livelihood defenceless rural communities (Jászság, Kunság, Heves, and certain parts of counties Fejér, Tolna, Somogy, Baranya). This is to exist until changes are enforced by the unified European market, urban development, and by economically stable independent farms.

c) In *regions with tiny villages* accounting for one third of Hungary and in agricultural areas with unfavourable natural conditions the scope for action represented by the former large-scale farms is to be restricted further, because the market of commodities produced at costs higher-than-average is becoming limited (west and south Transdanubia, North Hungary) so there will be better chances for a land use transformation. Medium and small sized enterprises and individual farmers are to play an increasing role because their objective is the maintainance of the economy for several generations and of the vitality of rural communities.

Land use and production pattern of these ownership forms is flexible to adapt themselves to the requirements of the market, their restructuring involves less expenditures and even a decrease in the number of units is not to cause local problems similar to the collapse of large-scale farms.

Based on the foregoing a probable success can be predicted for an agricultural and rural development programme capable to integrate the above issues and to handle them in a complex but regionally differentiated manner.

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SEISMIC SAFETY OF THE PAKS NUCLEAR POWER PLANT

Edited by Sándor Marosi and Attila Meskó
Budapest, Akadémiai Kiadó, 1997. 193 p. 15 $

On behalf of the Paks Nuclear Power Plant comprehensive investigations have been conducted in the impact zone of the power plant and its wider surroundings for more than ten years to evaluate seismicity and to assess safety of the operation. In the course of these studies a great amount of geological, tectonic, geophysical, seismological, geotechnical and geomorphological data and knowledge have accumulated in the form of reports, maps and publications.

The Paks Nuclear Plant Co. Ltd. decided to publish a concise summary of the research work over the last ten years thus making the results of investigations available for the domestic and international audience of geosciences and experts in nuclear energetics. Each of the invited contributions has a character of a summary, since authors outlined the methods, key points and conclusions of reports on previous extensive mapping activities or measurement results sometimes comprising several hundred pages. The description of geological surveys and an overview and evaluation of tectonic and neotectonic evidences are followed by a summary of various geophysical measurements and the evaluation of seismological data. Seismic measurements carried out on the Danube constitute a separate chapter because of their vital importance in deciding about the presence or absence of capable faults (transgressing youngest subsurface geological formations). A chapter on geomorphology serves as the closing part of the investigations. A glossary of terms has been compiled in order to help the non-specialist.

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THE HUNGARIAN INDUSTRY IN THE PERIOD OF TRANSITION[1]

ÉVA KISS

INTRODUCTION

1989 was a new landmark in the history of Hungarian industry. Since then radical changes have taken place in its development which goes back to 150 years. The political, economic and social reforms introduced in Hungary linked with the transformation of the world economy with all the challenges of globalisation have affected an industrial transition as well. The Hungarian industry had enormous difficulties from the early 1980s and the change of power in 1989 opened new perspectives as a trigger of processes that had been maturing for several years. Over the last ten years not only the position of industry in the economy has been modified but the sector itself has also experienced relevant changes (*Table 1*).

Table 1. Importance of industry in the economic life of Hungary, 1990-1998

Share (per cent) of industry	1990	1998
of the number of the corporations with legal entity	21*	6.2**
of the number of employed persons	30.7	31.4
of the number of enterprises with foreign direct investment	17.2***	16.3
of all investments	37.4	39.8
of the Gross Domestic Product	32.3	30.6
of the export	83.2	72.9
of the value of fixed assets	48.1	52.5****
of the value of real assets	56.1	44.5
of all use of energy	41.5	34.5

* Data from 1992.
** Data refers only to the active corporations.
*** Data from 1991.
**** Data from 1994.
Source: Hungarian Statistical Yearbook, 1991., 1992.,1994., 1998.
Regional Statistical Yearbook, 1990, 1998.

In this study, after a brief overview of the main stages of the development of Hungarian industry those changes that have occurred in the organisation, structure,

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ownership and spatial pattern in the past decade will be presented. Compared to other East European countries Hungary was in the front-runner of industrial development (Berend & Ránki 1979) not only in the 19th century but, due to the socio-economic transformation, at the end of the 20th century as well. Hence, trends analysed here might be instructive for processes taking place in the region.

HISTORICAL BACKGROUND

Industrialisation in Hungary started within the entity of the Austro-Hungarian Monarchy in the second half of the 19th century. Its development differed from those in the western part of the continent not only because it had been delayed by 50-100 years (Berend & Szuhay 1973), but also because it had distinct features. Initially the food industry was the leading branch (flour mills, sugar refineries, distilleries etc.) followed later by heavy industry (coal mining, metallurgy, engineering etc.). New enterprises were established using both domestic and foreign capital. The joint stock company used to be the most prominent enterprise form. As a result of such a rather controversial and undistinguished industrial revolution the sector became an important part of the economy by the early 1900s. Budapest emerged as the dominant centre of manufacturing while extracting industries concentrated to the peripheral areas of the country; large areas between them remained less industrialised.

The First World War broke the earlier dynamism of industrial development with a consequence of the disintegration of the Monarchy and shrinking of Hungary's area and population. The overwhelming majority of the extractive industries remained in areas ceded to the neighbouring states, thus, exaggerating a distorted spatial pattern of industry.

Between the two world wars industrialisation was going on though the rate of its growth slowed down, except for the textile and paper industries. The importance of the food industry (playing a leading role formerly) diminished considerably, it became oversized within the new state boundaries and suffered from the under-utilisation of capacities. Only preparations for the Second World War ended the long period of stagnation in the sector, however, no substantial modification occurred in the size composition of firms. Adaptation of new technologies was limited and structural revival was postponed as well. In this way the technical level of Hungarian industry lagged behind that of characteristic for the more developed West European countries. During this period Hungary was one of the most slowly advancing countries in Europe.

The Hungarian industry was severely hit by World War II. After the reconstruction of war damages the earlier capitalistic system of economy was replaced by the state-socialist system. Private property was virtually eliminated, factories were nationalised and a centrally planned economy was introduced. In the new situation further development of the industrial sector showed controversial features though it played an indisputable importance in the socio-economic progress of the country. As a consequence of the second (socialist) wave of industrialisation, industry became the leading sector of the national economy and the industrial phase of socio-economic

development was completed. Due to the frequent change of governmental concepts concerning industrial development during state socialism (1948–89), several phases can be distinguished.

In the 1950s, the **first phase** of industrial development was characterised by a rapid and extensive growth with an emphasis put on the rise of heavy industry. During this "hasty industrialisation" the branches with a meagre domestic base of raw materials (mining, metallurgy) were developed predominantly. Several new enterprises were established but no relevant change in the inherited spatial pattern of the industry occurred.

During the **second phase** (1960–68) the extensive industrial development continued though at a slower pace. Nevertheless, the sector succeeded in strengthening its foremost position within the national economy (Berend 1973). In this phase a new concentration of companies took place and there were concentrated efforts to develop engineering and chemical industries. In this way structural development of Hungarian industry followed the global trends for the first time in its history (Berend & Ránki 1972).

The **third phase** (1968–78) commenced with the adoption of a new mechanism of economic management which secured a relatively great independence for the companies in decision making. After a couple of years, however, the reform was curbed (Inzelt 1988). The early 1970's saw a new wave of centralisation of enterprises and, as a result a heavily distorted and oversized structure of companies emerged (Kopátsy 1983). During this phase intensification was coming to the fore, which included improvements of the quality of products, rising competitiveness and raising technological standards. Due to the industrialisation of areas lying beyond the main NE–SW industrial axis the spatial pattern of industry changed positively as well. At the same time, from the mid-1970s symptoms of the crisis appeared, substantially enhanced by global economic trends (e.g. oil price explosion).

In the **fourth phase** (1978–88) progress within the industry was stopped. Under the circumstances of a deepening crisis a great part of the companies struggled with the unfavourable economic conditions both at home and abroad. Many of them were kept alive by state subsidies but this only delayed the solution of problems. In some of the branches (mining, metallurgy, textile industry etc.) the situation was particularly critical. Over these ten years the basic shortcomings of the Hungarian industry became evident: low technological standards, outdated product mix, poor quality of production, inflexible management, distorted company structure (Bora 1992). In addition, neither the macrostructure (branches) nor the microstructure (production) of the industry developed in accordance with the endowments and market requirements. Although there were attempts to overcome the towering difficulties (e.g. introduction of small enterprises after 1982), a decisive turn for a correction of erroneous decisions made in the previous phases only came after 1989.

NEW PHENOMENA AND TRENDS IN INDUSTRY AFTER 1989

Changes in the organisation and spatial relations

Since the change of power the organisational framework of industry has undergone substantial changes. Of the reforms this was one of the most rapid and spectacular processes. The company law adopted in 1989 enabled the firms to choose a form of organisation most fitting to their activity. On the other hand a monopoly of the old forms of organisation (state enterprises, co-operatives) came to an end. Now in each sector, including industry, firms of new type prevail; among them limited liability companies, partnerships, and private entrepreneurship are the most frequent.

For the past decade the number of economic corporations (with legal entity) in industry has multiplied. In spite of that their share within all firms reached a mere 13 per cent because the overwhelming majority of new enterprises were in the tertiary sector. Most of the industrial firms are new ventures without antecedents, with the rest being the old ones that underwent renewal and those formed from the disintegrated socialist enterprises (Kiss 1993).

The internal structure of firms has gone through considerable changes, too. As a consequence of the repeated waves of centralisation huge enterprises were typical for the final phase of state-socialism with several units where production and management were divided spatially. The sites of the production were typically located in the periphery, far from the centres, while management was concentrated to the various centres (most typically in Budapest, and in the county seats). Changes after 1989 have affected these big enterprises differently. Some were reorganised in their former entity or were closed down, but most of them were disintegrated partly or entirely and their premises became independent business units. Later on, however, many of the newly established industrial corporations (for one reason or other) went bankrupt; which is reflected by a drastic drop of their number (*Table 2*).

In most of the original industrial sites productive activity is still carried out, though in the last years at many of them non-productive activities (e.g. trade, storage, services) became also typical. This trend is in accordance with the process of transformation in industrial production when manufacturing and tertiary activities become gradually overlapping. At the same time with the growing independence the centralised nature of management was also moderated. Former industrial branches became increasingly independent. Parallel to the decreasing organisational dependency the spatial one has also been diminishing (Barta 1992).

Changes in the organisation pattern also entailed modifications in the size structure of industrial firms. During the past decade there has been a marked shift towards small and medium sized enterprises, i.e. the bulk of the newly established firms were units of that type. To this category corporations derived from the disintegrated former large state enterprises were also added. At the same time the number of firms employing more than 300 persons decreased radically. As a consequence a more

Table 2. Changes in the Hungarian industry, 1990-1998

Denomination	1990	1998
Number of the economic corporations with legal entity	14,105*	22,823**
Of which: limited liability company	11,329	21,151
Of which: joint stock company	578	953
Number of industrial plants	12,934	7,052
Number of enterprises with foreign direct investment in industry	4,066***	4,120
Amount of foreign direct investment in industry (in billion HUF)	1,146	1,236
Share (per cent) of foreign direct investment of all investment in industry	64.8	76.1
Amount of all investment in industry (in million HUF)	104,794	691,181
Number of firms with less than 50 employees in industry	11,240	20,272
Number of firms with more than 300 employees in industry	872	552
Number of all employees in industry	1,282,185	750,900
Of which: in machinery industry	421,554	187,458
Of which: in light industry	283,246	162,558
Of which: in food industry	198,890	119,523

* Data from 1992.

** Data refers only to the active economic corporations.

*** Data from 1994.

Source: Hungarian Statistical Yearbook, 1990., 1992., 1994., 1998.
Regional Statistical Yearbook, 1990., 1998.

balanced and proportional firm structure has emerged. In 1998 94 per cent of the industrial corporations employed less than 50 persons, and 82 per cent of them less than 11 persons. Firms with more than 300 employees reached 1.4 per cent only. This proportion of size categories shows strong similarities with that of the more developed western countries but most of the domestic small enterprises are still lagging behind in terms of skills, technical equipment and competitiveness.

Similarly, several factors have played a role in the rearrangement of the spatial relations of industrial enterprises. Based on a survey carried out in the largest industrial region of the country (Budapest and its agglomeration), there is a double aspiration of industrial firms. On the one hand, they strive to retain former (and) working production relations and to create new ones aimed at higher quality, reliability and precision. On the other hand, most of the firms are looking for opportunities to build up a broad marketing network in Hungary and abroad as well. Most of the enterprises with international links have established relationships with the EU member countries (Kiss 1996).

Specific features of privatisation

Compared to other East European countries in Hungary all the conditions had existed for an earlier start of privatisation prior to 1989, which was also promoted by the organisational reform. The initial "spontaneous" privatisation was soon replaced by a state controlled procedure of privatisation (Voszka 1998). At the beginning emphasis

was put on the privatisation of big state-enterprises, small in their number but with large fixed assets. Later smaller but more numerous firms became the targets of privatisation. As a result, the Hungarian economy soon became dominated by private property, and some branches of the economy are fully or overwhelmingly controlled by the private capital: these are chemical industry (e.g. pharmaceuticals), food industry (e.g. tobacco industry, brewing), printing and publishing, paper and packaging industry (Iván 1998).

Privatisation which has been finished by now was differentiated both in space and time, and the present owners are of mixed origin. In the mid-1990s Hungarian ownership was typical in South-Transdanubia, the Great Plain and North-Hungary, while foreigners prevailed in Budapest, Pest County and North-Transdanubia (Cséfalvay 1996). This spatial distribution was a consequence of the different levels of social and economic development, the geographical setting, the transport geographical conditions, the provision of infrastructure, the standard of industrial production, its structure and assets in a given area, the composition of local society, the state of the built environment and the image of the region. In this way privatisation has led to a certain extent to the preservation of the earlier regional contrasts, and even to their enhancement. Industry has been developing dynamically especially in regions, where foreign investors were increasingly present among the owners of the larger enterprises. In contrast, there are more Hungarian investors among proprietors of small and medium enterprises with a moderate amount of capital, typical for domestic entrepreneurs. Also, when the ownership of a firm is shared by several proprietors it can be a source of tension due to the conflicting interests, uncertainties etc. and these circumstances negatively affect the further development of the given venture.

Nowadays there are considerable disparities between the firms in domestic or in foreign ownership as far as their level of equipment is concerned (van Hastenberg 1999). A general experience is that modernisation, the renovation of industrial buildings and the adoption of the latest technology are carried out much more rapidly in firms owned by foreign investors (Kiss 1999).

The role of foreign capital

In Hungary there has been a legal basis to establish joint-ventures with participation of foreigners since 1972, but their number multiplied only after the change of power. There were only 21 joint ventures in industry in 1985; however, their number rose to 4,120 by 1998. They make up 16per cent of all enterprises with foreign interest indicating that foreigners have established or purchased firms primarily outside the industrial sector. On the other hand 52per cent of all foreign investments was attracted by the industry in 1998. It shows well the attractiveness of the Hungarian industry where there have been less numerous ventures with foreign participation but more capital-intensive projects. Of the 50 biggest multinational companies of the world 35 have made investments in Hungary. Of these companies with more than 100 million $US investments such as General Electric, General Motors, Volkswagen, Ford, Unilever, Suzuki, Siemens, Guardian Glass are especially important (Diczházi 1996).

In 1998 nearly 40per cent of the industrial ventures with foreign participation were to be found in Budapest. They represented one fourth of the total foreign investments directed into Hungary. There is a high concentration of such companies in the north-western part of Hungary, while in the rest of the country they have a sporadic distribution concentrating mainly in the larger towns. Both the capital city and the whole country are dominated by brown-field investments. Most of the green-field developments are to be found in the north-western and western areas (Diczházi 1997).

Foreign investment has been typical in engineering branches (computer techniques, telecommunications, car manufacturing etc.). On the other hand, chemical industry and food industry (e.g. brewing, tobacco processing, confectionery), as well as printing and publishing have also attracted many foreigners who either launched new ventures or were eager to buy the best firms within these sub-sectors (*Figure 1*).

Most of the foreign investors in the Hungarian industry are Germans and Austrians who chiefly have established small and medium enterprises. Americans are less in number but they have invested in large projects. Capital of English, Dutch, Japanese, French, Italian and Belgian origin has also played a certain role in privatisation and investment. There have been different motivations for choosing Hungary. The most frequent attractions mentioned are political and economic stability, a relatively cheap but skilled labour force, the various advantages granted to investors, and a relatively advanced infrastructure. In the future the time factor will come to the fore with a greater importance of rapid accessibility, an option of immediate participation in communication, security, reliability and predictability, as well as the quality of the wider environment of the site in general.

For the past decade industrial investments have multiplied with an ever increasing share of foreign capital. Particularly high figures are registered for the foreign capital investments in the northern part of Transdanubia where Audi (Győr), Opel (Szentgotthárd), Ford (Székesfehérvár) and Suzuki (Esztergom) have established their plants. Other branches of engineering are also to be found in this part of the country. The largest project of Nokia in Hungary has been a factory manufacturing mobile phones at Komárom. Philips and IBM have established subsidiaries in Székesfehérvár which is considered to be one of the most dynamically developing cities of the world. The 23rd factory of the American SCI Systems which is an electronic company will be soon completed in Tatabánya. VAW (a German corporation) is producing cylinder heads at Győr and wheel disks at Tatabánya. The latter are good examples that the settlement of a multinational company might induce the appearance of other firms e.g. manufacturers of components in the case the former would not be able to find Hungarian firms to produce components. This was typical especially in the early 1990s when the domestic industry was much less prepared for technology transfer and it could not meet the extremely strict quality requirements. Multinational companies having built a substantial network of suppliers contributed a lot to the technological advancement of these firms and other subcontractors (being primarily Hungarian small and medium sized enterprises). This was especially typical in car manufacturing, which also provided work opportunities for many people in the wider surroundings of their plants.

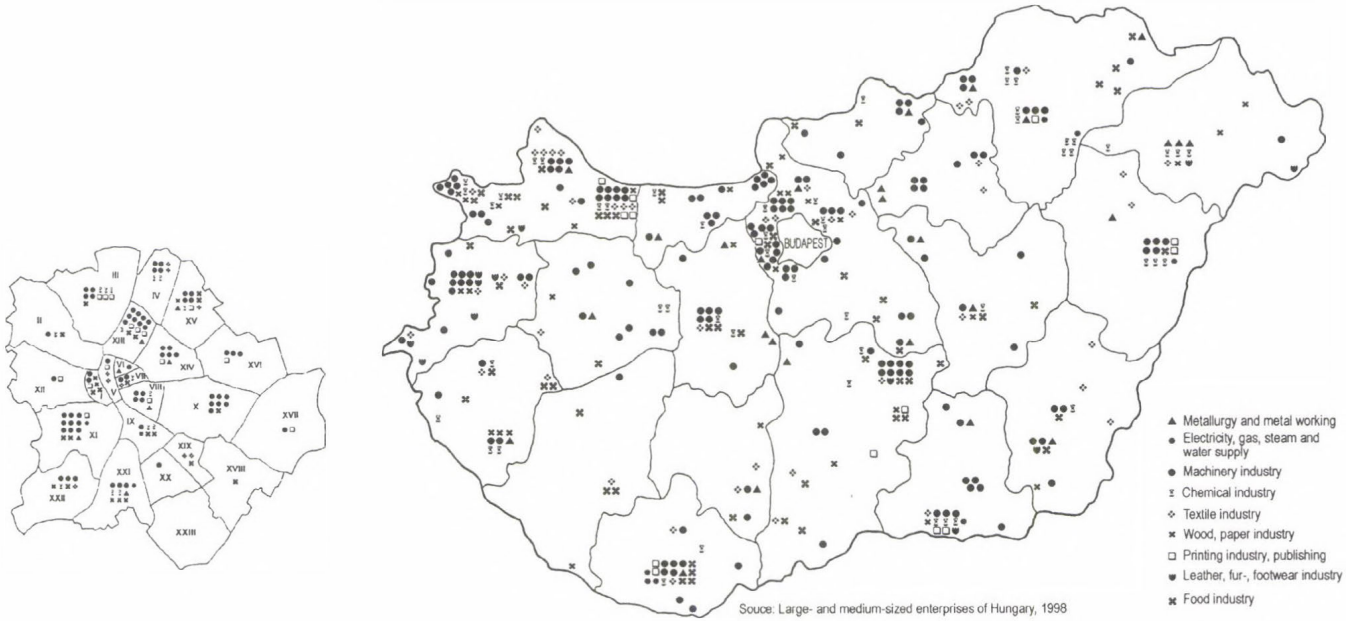


Fig. 1. The most significant enterprises with foreign direct investment in the Hungarian industry by branches, 1998

Beside transnational corporations other kinds of entrepreneurship also played a significant role in the modernisation of the Hungarian industry, with creation of a new product scale, establishment of a new work-style and, as a result bringing up Hungarian industry to world standards. A substantial part of investment is spent on purchasing new machinery and equipment.

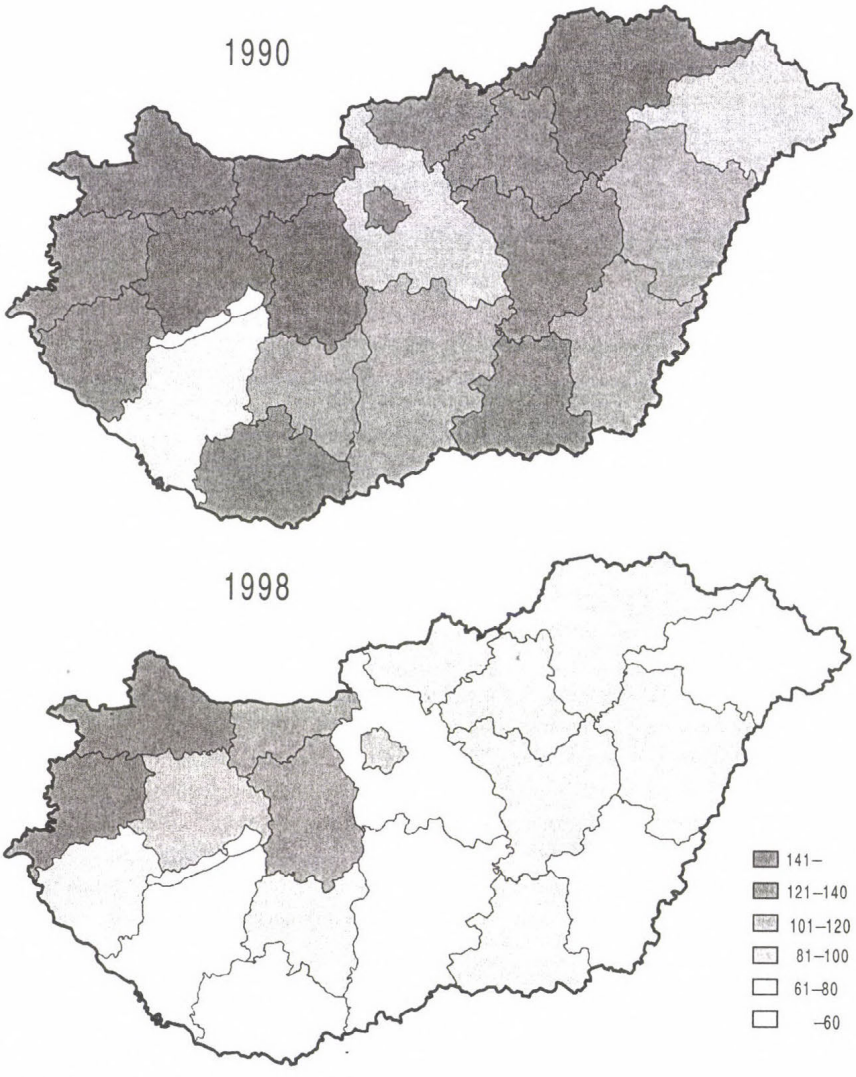
Employment

The spectacular increase in the number of industrial firms has been accompanied by a gradual decline of industrial employment. In 1998 the number of persons employed in the industrial sector was 751,000 which was a considerable decrease when compared to 1990 (1,282,000 employees). This drop was especially drastic in the first half of the 1990s in the north–northeastern part of Hungary and in the capital. With the deepening crisis unemployment acquired scales which had been unprecedented until then. On the other hand industrial employment saw a minimum drop in North-Transdanubia due to the massive investments. Regional disparities are illustrated by the change of industrial employees per thousand inhabitants also referring to modifications in the spatial concentration of employment. In general, the centre of gravity of industrial employment in Hungary has been relocated from the north-eastern region to the north-western one. Budapest, however, has remained the largest "employer" of the sector with 22 per cent of all industrial workers (*Figure 2*).

The workforce has shrunk in each of the industrial branches and positions of manufacturing have strengthened. Mining has lost 88 per cent of its manpower, but engineering (56 per cent), light industry (43 per cent), food industry (40 per cent) and chemical industry (30 per cent) were also among the losers. All these changes, however, have not resulted in any modifications in the rank of branches according to the number of employees. Most of the industrial employees (25 per cent) still work in engineering, followed by textile and clothing industry, and food industry. The new sectoral structure and the general reduction of industrial employment have not modified the proportion of manual workers and white collar employees considerably, with the former being in the majority (78 per cent).

Structural transformation

The change of the political regime in 1989 offered an opportunity for solving structural problems in the Hungarian industry. Extractive industries and the production of basic materials became overshadowed by manufacturing and knowledge-based branches which gained in importance tremendously. Nowadays, engineering (telecommunications, computer techniques, electronics, manufacturing of vehicles and their components etc.) are developing at the most rapid pace, having been concentrated in the northern part of Transdanubia. As a result of the progress over the last years a massive spatial concentration of machinery took place, which is the most relevant



Source: Regional Statistical Yearbook 1990, 1998

Fig. 2. Number of industrial employees per 1000 inhabitants by county

change in the spatial pattern of industry. This is partly because other industries have not shown a similar spatial reshuffle. Within the chemical industry manufacturing of plastics, rubber and pharmaceuticals enjoy good prospects with plants in Budapest, in the north-eastern part of the country and in Veszprém county. Of the light industrial branches printing and publishing have been the most dynamic ones. The food industry advanced moderately and, in accordance with its traditions and endowments it plays an eminent role in the industry of the counties on Great Hungarian Plain.

The inflow of foreign capital also stimulated the structural reform of industry accelerating it by selective investments into branches which were considered worthwhile to develop and competitive in the long run. Having focussed, however, on "brown-field" investments and constructing relatively few "green-field" sites, foreign investors have not been able – apart from some exceptions – to rearrange the branch-tructure of settlements inherited from the socialist period (Kiss 1998).

Spectacular changes in the structure of industry occurred only in those settlements where traditional heavy industry dominated previously. Some of these settlements acting quickly have been able to overcome difficulties (e.g. Tatabánya) where mining and metallurgical activities have been replaced by flourishing firms of electronics and computer techniques. In contrast, in the northern part of the country (e.g. Miskolc) economic restructuring has been being carried out at a considerably slower pace. This is an indication of the spatial differentiation of the structural revival of industry and due to socio-economic factors the process is relatively faster in the Transdanubia than in the regions located east of the Danube.

Changes in the spatial pattern

The spatial pattern that emerged during state socialism, as the extreme case of the fordist territorial structure, have been in the state of constant rearrangement since 1989 (Enyedi 1996). This process includes the emergence of a new spatial structure of industry as well. In a relatively balanced spatial configuration inherited from the past the existing and latent regional disparities have been brought to the surface and displayed sharply due to several factors (e.g. an increasing number of industrial companies, the influx of foreign capital, the increasing role of local autonomy in decision making concerning the economy, the structural and organisational reforms within the industry). It became clear soon that processes having started in the "era of globalisation" might be favourable for certain regions and detrimental or not so advantageous for other ones (Amin 1994). As a rule, places and regions that did not belong to the traditional districts of heavy industry have been in a better position and reacted to the new challenges of economic restructuring promptly and adapted to the altered circumstances making use of their good geographical location and infrastructure on the one hand and, a higher level of qualification, innovativeness, flexibility and wealth of the population on the other. These regions have become the "winners" of the change of the political system. At the same time, the position of some "fordist-type industrial regions" considered formerly as advanced have become considerably worse

after 1989. This has happened partly due to a deepening crisis of their branches, and partly because they were unable to adapt themselves to the new conditions in the changed domestic and global conditions of the economy and became even more lagging. These regions of prolonged backwardness and depression are in fact the "losers" of the change of power, with a distinct spatial pattern differing from those of the "winners".

Though formation of the new industrial space is under way even nowadays, the new spatial structure of industry is being outlined with a prominent position of Budapest and its agglomeration. In spite of its decreasing weight this region continues to be the most important industrial district of the country with a considerable portion of industrial employees, firms, and foreign investments. Budapest has a good chance of becoming a centre of regional economy or of industry in East-Central Europe.

The other intensely developing region in the new national economic space is the northern half of Transdanubia (Győr-Moson-Sopron, Fejér, Vas and Komárom-Esztergom counties). Instead of the former north-east/south-west axis industry tends to be concentrated along the Vienna–Budapest corridor and close to the western border. In other parts of the country, beyond the mountain regions with depression, there are hardly any flexible industrial centres with radiating dynamism. This spatial pattern is unlikely to be changed even by the network of industrial parks (their number is 112 in 2000), because the majority of them is in the stage of emergence being greenfield investments. Nevertheless, they attest to the importance attributed to industry for the local economy in a longer perspective. On the other hand the industrial parks might also contribute to a more balanced industrial spatial pattern at present showing disequilibrium and to the mitigation of spatial disparities between regions (*Figure 3*).

CONCLUSIONS

The process of transition in the Hungarian industry is coming to an end: a major part of the changes having occurred since 1989 are settled. This phase of the development of the sector was highly significant in laying down new fundamentals of its further progress. In the wake of the 21st century a new chapter of the economic history of the country has been started in which the major actors are the multinational companies and larger foreign firms. Using brand new technologies and equipment these companies manufacture products of high quality and through their spatial contacts they integrate into the global economy organically. On the other hand the bulk of the Hungarian industrial firms are still small enterprises which are badly equipped, develop slowly and produce predominantly for the domestic market. That is why in the future a strong emphasis should be put on the development of small and medium sized enterprises, on the establishment of closer and wider contacts with the multinational corporations, on the promotion of the country as a regional centre of industry and on the attraction of R&D centres of transnational firms to Hungary. Based on the processes having taken place so far it seems that the industrial sector is to play a more important part in the economy of the forthcoming decades compared to that of the western countries.

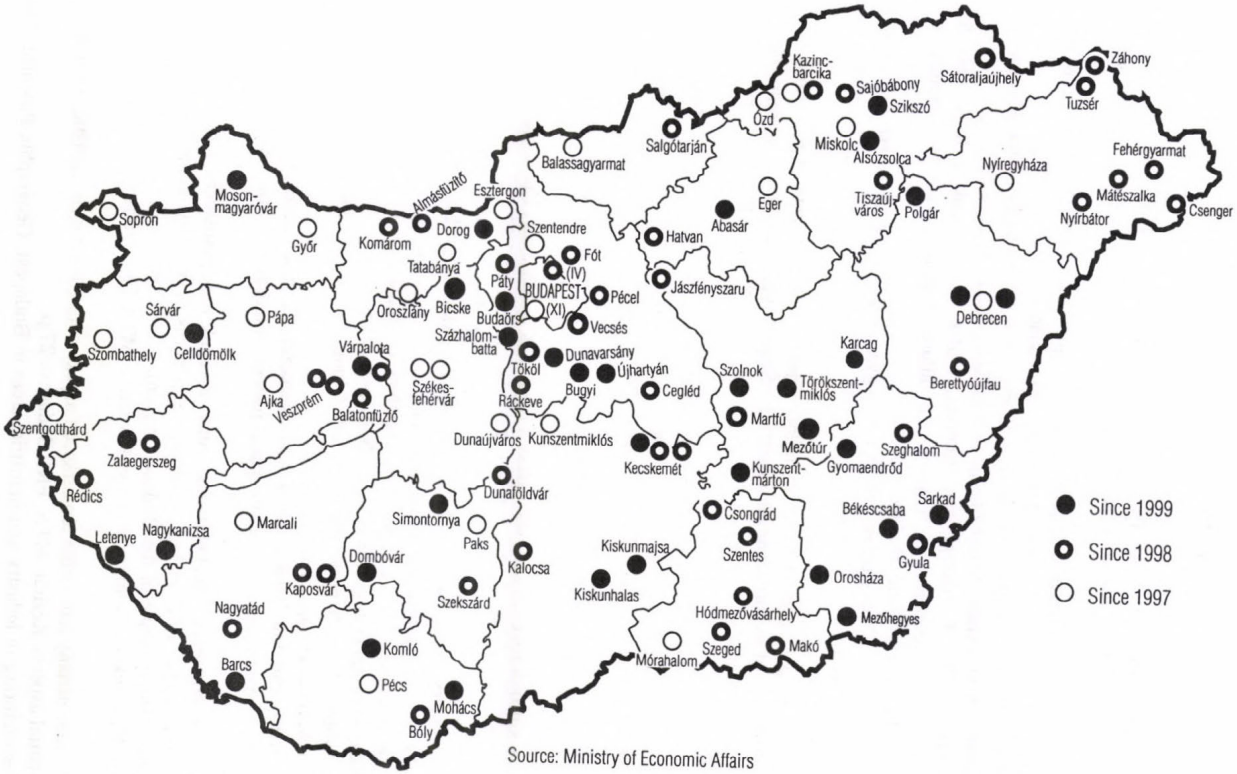


Fig. 3. Industrial parks in Hungary

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The most significant enterprises with foreign direct investment in the Hungarian industry by branches, 1998

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CHANGING SPATIAL PATTERN OF TOURISM IN HUNGARY[1]

GÁBOR MICHALKÓ

INTRODUCTION

Tourism has been playing an increasingly decisive role in modern societies and recently it has become a primary form of spending leisure time, human contacts and the creation of economic and cultural relations.

Due to its favourable geographical setting, architectural heritage, cultural and gastronomic traditions, hospitality of its population and completion of the railway between Vienna and Budapest, Hungary became part of European tourism as early as the early 20th century. Until the Second World War it was the international events organised in the capital and its thermal baths that represented the main attractions of the country. In the period of socialism (1947–1990) a relatively economic well-being and social openness made Hungary worth visiting. For the guest from Eastern Europe the country was the symbol of affordable summer holidaying, for the western European (and overseas) visitors it meant an opportunity to cast a glance "beyond the iron curtain". Apart from Budapest another highlight was the Lake Balaton with its splendid conditions for summer bathing. (It simultaneously offered opportunities for the encounter of the families living in the divided Germany.) The Hortobágy and Bugac presenting remnants of "puszta" (primeval steppe) and traditions of horse riding; thermal spas of the countryside; and Tokaj and Eger internationally famous for wine-tasting had been the primary tourist targets. Following the change of the political regime (1990) the European Union became the potential market of Hungarian tourism and raising the quality of the services has come to the fore.

Hungarian geography (beside traveller's guides and classical descriptions of the country) started to prepare studies on the relationships of tourism with natural, economic and social conditions in the late 1960s. At the beginning this research focussed on the physical environment (Pécsi 1967), and continues up to now (Berényi 1979; Somogyi 1987; Kertész 1988; Tózsa 1992). The social geographic approach has also played an important part in studies on Hungarian tourism (Lettrich 1970; Berényi 1992; Michalkó 1999). Other topics relating to the sector were represented by regional development (Aubert 1995), environmental protection (Kollarik 1991) and rural tourism (Csordás 1994) in the 1991s.

[1] This research was carried out in the framework of the National Research Fund Project No. T031983

The present contribution is aimed at providing an overview of the processes that have taken place in Hungarian tourism. It introduces the spatial pattern of tourist attractions, describes conditions prevailing in the tourist industry and summarises the latest economic and social phenomena affecting tourism.

TOURIST ATTRACTIONS OF HUNGARY

There is a wide range of tourist attractions, however, (with some exceptions) they do not present a strong competitive position in international comparison. There are unique cultural, architectural, religious-historical and natural values, some designated by the UNESCO Commission on World Heritage as treasures of mankind. Among them is Hollókő, a small village with its folkloristic architecture, that was put on the list of World Heritage sites (numbering more than 500 items) in 1987. In the same year Budapest with the panoramic view of the two banks of the Danube and the castle district were taken under protection. Since then the caves of Aggtelek and the Slovak Karst (1995), the Pannonhalma Benedictine High Abbey (1996), and the Hortobágy Puszta (1999) were added to the list of World Heritage.

There are seven forms of what are called by experts of tourism "complex tourist product" in Hungary They shape tourist image of the country and facilitate a regular return of visitors *(Figure 1).*

1. *Medical tourism.* This branch of the sector has an outstanding significance and broad perspectives. One of the most valuable natural resources of the country is thermal water with curative effects on automotive or digestive organs, suitable for healing gynaecological diseases and those of the nervous system which were recognised and exploited by the Romans and Turks. Budapest has a number of thermal spas (Gellért, Rudas, Rác, Lukács, Király, Széchenyi, Thermál) with abundant medicinal waters of international rank. There are 49 settlements over the country with medical or thermal spas, some of international renown (e.g. Sárvár, Hévíz, Hajdúszoboszló, Bük, Zalakaros, Gyula, Harkány, Balf). Medical tourism has an ever increasing role in safeguarding health, prevention of diseases, therapy, rehabilitation, and the maintenance of physical and mental fitness. The level of expenditures by tourists, duration of stay, amount and quality of services required in medical tourism is far above the average. In this branch of tourism seasonality is virtually eliminated, so securing an almost full utilisation of capacities.

2. *Rural tourism.* The utilisation of residential buildings in rural settlements is coupled with the presentation of the natural environment, values of rural life (hospitality, clean air, tranquillity), acquaintance with the everyday life of village people (animal husbandry, land cultivation, craftsmanship), unique catering. Rural tourism is a product of the community where unused and in most of the cases seemingly worthless resources, are marketed by local efforts. Nowadays, rural tourism means not only rural lifestyle as an attraction but (due to positive side-effects) it has become one of the means for development of rural areas and is practiced widely. Individual and dispersed initiatives characteristic of the late 1980s has become micro-regional co-operations based on mutual assistance (Fertőrákos, Tát, Hosszúhetény, Poroszló, Gyömrő, Nyíracsád, Pusztamérges).

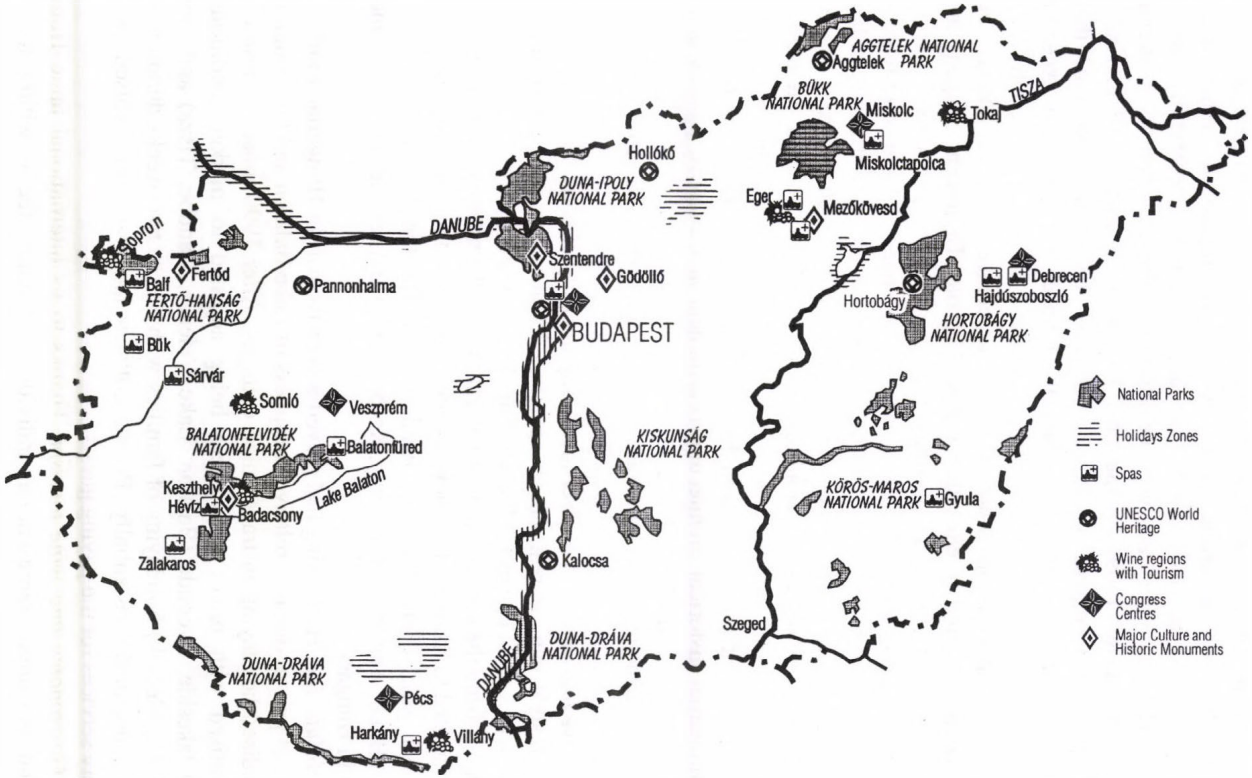

Fig. 1. Major tourist attractions in Hungary

3. *Conference tourism.* Similar to business and incentive travel, conference tourism is part of professional tourism. Congresses, conferences, symposia, round-table meetings, professional exhibitions, fairs, workshops are organised for the dissemination of new information and scientific achievements, discussions in political affairs, solution of various problems for those who are concerned. At these events delegates confer or acquire marketing or academic experience in an organised framework using preliminarily ordered services. Such international events successfully have been organised in Hungary since the very beginning of the 20th century (International Congress of Physicians 1909, International Eucharistic Congress 1938, Festival of World Youth 1949, Congress on Tumour Research 1986). In 1998 more than 200 meetings were organised in Hungary where the number of participants exceeded 200 persons delegated from more than three countries. Most of the conferences are organised in Budapest (Convention Centre, conference halls of hotels), but the provincial centres of higher education (Pécs, Miskolc, Debrecen, Szeged) are also favourite places for professional meetings. Conference participants spend on average three times more than other tourists thus raising the revenues of the host settlement.

4. *Cultural and heritage tourism.* An increasing interest toward cultural heritage; local and regional cultures; the recognition of a fusion between leisure time activities and the arts, have all contributed to an upgrading of cultural tourism. Stemming from the geographical setting and historical role, Hungary enjoys material and spiritual remnants from the different periods of European civilisation. From the perspective of tourism Hungarian historical architecture (Parliament at Budapest, palaces at Fertőd, Keszthely and Gödöllő), musical events (Budapest Spring Festival, Szeged Cultural Festival), and dancing (contemporary ballet) folklore and folk craftsmanship (Mezőkövesd, Kalocsa) have an outstanding attractive power.

5. *Active tourism.* With an ever increasing intensity of work-time efforts aimed at a healthy lifestyle can be realised by spending leisure time with physical exercise. Hungary provides ideal places for horse riding, biking, water sports, hiking, angling and hunting. Apart from the conservation of natural values, the national parks of the country have been created to facilitate the above activities of active tourism. At present there are nine national parks (Fertő-Hanság, Danube-Dráva, Balaton Uplands, Danube-Ipoly, Kiskunság, Bükk, Aggtelek, Hortobágy, Körös-Maros) and several regions of landscape protection in Hungary.

6. *Holidaying.* Holidaying had played a decisive part in Hungarian tourism up to the change of power, due to a relative cheapness of Lake Balaton and the availability of state subsidised holidaying in trade union cottages. After 1990 most of these cottages were privatised with prices of services being adjusted to market conditions, and traditional lakeside, riverside (Balaton, Lake Velence, Danube, Tisza) and mountain (Mátra, Bükk, Mecsek) holidaying of families with one or two weeks duration serving passive rest declined substantially. Private cottages have been modernised providing high quality services for the paying guests.

7. *Gastronomy and wine tourism.* Thanks to its international fame Hungarian cuisine and viticulture represent an individual attraction factor within the tourist

industry. The success of Hungarian masters-cooks, confectioners and viticulturists abroad contributes to the considerable interest toward local specialities shown by foreign tourists. The year 1999 was declared "Year of Wine and Gastronomy" indicating a need for a complex marketing of these two groups of products. An earlier highly limited offer has been changed by a complete range of more then 500 wines produced by the 22 growing districts of the country. The most favourite among them being *aszú, szamorodni, kékfankos, merlot, olaszrizling, chardonnay, hárslevelű.* Wine consumption and marketing have become more sophisticated, too. Nowadays visits to wine cellars, as a rule are included in programmes for foreign guests and „wine tours" are organised (vicinities of Villány–Siklós). Tourist programmes also include national and international festivals (Csongrád, Szekszárd, Badacsony, Tokaj, Balatonboglár). Hungarian gastronomy is represented by events like the Kalocsa Paprika Festival, Makó Onion Days, Békéscsaba Sausage Festival.

TOURIST TURNOVER IN HUNGARY

According to the data of the World Tourism Organisation, 625 million people visited foreign countries all over the world in 1998, 2.4 per cent more than in the previous year. Europe had continued to be the world leader with 59.6 per cent of tourist arrivals. Hungary's share was 4 per cent within the global tourist turnover and 7 per cent of that in Europe. Based on tourist arrivals – taking into account the size of the country and of its population, its landlocked and primarily lowland character – Hungary occupies a prominent place among the target countries (5^{th} in 1990, 4^{th} in 1994 and 14^{th} in 1998).

Since 1990 the distribution pattern of foreigners visiting Hungary has undergone considerable change. Until then the overwhelming majority of tourists came from socialist countries, but owing to the collapse of the socialist world system, an introduction of passports granting travel liberalisation, a free access to foreign currencies, an economic crisis in certain countries on the one hand, and the rise of Hungarian prices on the other hand, the number of tourists from the post-communist countries had dropped to half and sometimes to one third of previous levels. The number of Western European and overseas tourists has been on the increase continuously *(Figure 2).*

According to a survey (GFK Hungária 1999) the primary objectives of their stay in Hungary mentioned by foreigners were the followings: shopping (27 per cent), holidaying and medical treatment (24 per cent), visit to relatives (18 per cent) and official or business travel (10 per cent). Shopping tourism is typical with the majority of visitors arriving from the neighbouring countries. Those seeking medical treatment are mainly Germans (15 per cent), Austrians (15 per cent) and Croats (14 per cent). Nearly one third of the visitors return to Hungary monthly, 14 per cent of them yearly. There is an extremely high rate of one-day visits (47 per cent), but the proportion of stays of over one week duration is low (12 per cent). The longest visits are typical of those arriving for medical treatment (7 days), followed by foreigners coming to see relatives (4.5 days), while the shortest visits (1 day) are registered with people involved in shopping tourism.

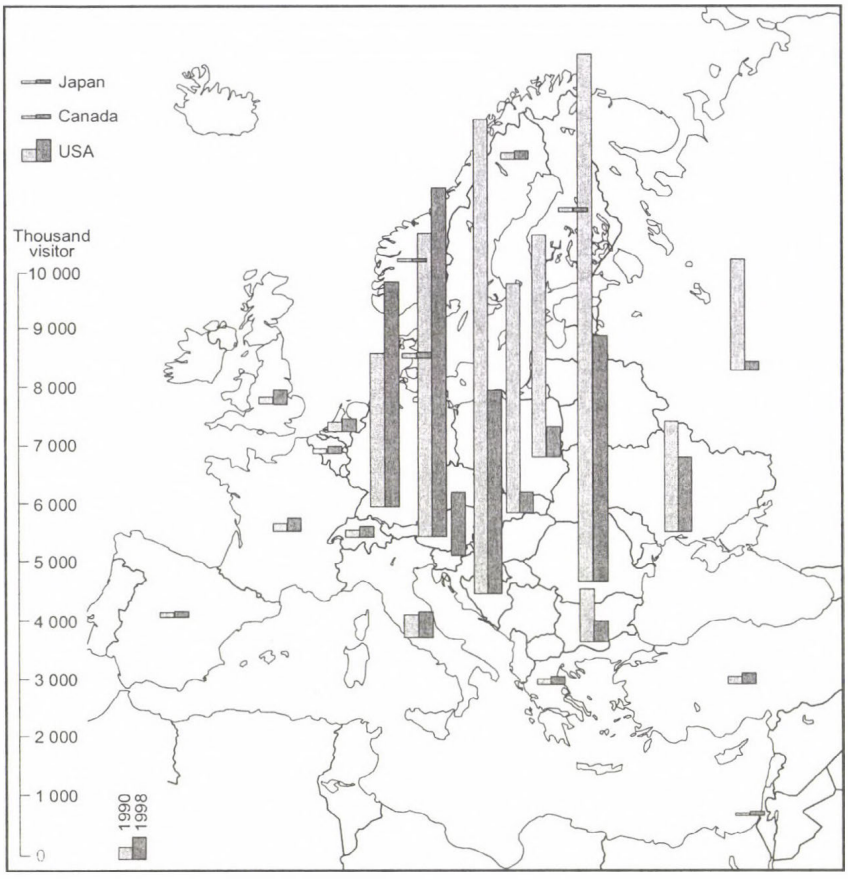

Fig. 2. International arrivals by countries in Hungary 1990–1998

Following the change of power domestic tourism was brought to the verge of ruin by a drastic decline of incomes, a reduced leisure time, the increased prices and the elimination of social tourism. At the end of the 20th century only one third of Hungarian families could afford at least one visit when two members spent a minimum one night away from home (Szonda Ipsos 1998). 15 per cent of travelling families typically made journeys both at home and abroad, 70 per cent of them, however, could afford travelling in Hungary only. 15 per cent of the population over 16 years took part in individual tours, 17 per cent of them both in Hungary and abroad, 59 per cent only at home.

To encourage domestic tourism, managers have recently initiated promotions; as a result home turnover of commercial accommodation rose from 2 million visits in 1990 to more than 2.5 million visits in 1998.

The whole system of social tourism has been changing. In 1992 the former central trade union cottages became a property of the Hungarian National Recreation Fund as an umbrella organisation responsible for social tourism in the country.

Recreation vouchers released by the Fund are being bought up by employer firms and subsequently given to the employees. The vouchers can be used by the latter as means of payment at any place of accommodation belonging to the Fund. In addition to the social, political targets of population recreation of and health protection this system has facilitated the development of domestic tourism, too.

Number of households with members going abroad at least once a year is estimated at 300 thousand (10 per cent of all households). Greece, Romania, Italy and Austria are the most frequently visited countries, making up more than 60 per cent of the journeys (*Table 1*). The majority of tourist travels was aimed at holidaying and recreation with visiting relatives and friends as a further motivation. Per capita expenditure on family tours amounted to 155 USD in 1997.

Table 1. The most popular target countries among the Hungarian population touring abroad

Target countries	Number of families (thousand)	Ratio (per cent)	Target countries	Number of travellers (thousand)	Ratio (per cent)
Greece	53	17.7	Austria	75	16.7
Romania	51	17	Germany	70	15.6
Italy	44	14.7	Italy	60	13.3
Austria	39	13	France	45	10
Croatia	32	10.7	Greece	50	11.1
Germany	27	9	Romania	50	11.1
Slovakia	25	8.4	Slovakia	35	7.8
Spain	20	6.7	Great Britain	30	6.6
Other	8	2.8	Other	35	7.8
Total	*300*	*100*	*Total*	*450*	*100*

Source: Szonda Ipsos

The number of individual tourists participating at least once in a tour abroad annually was 450 thousand (4.5 per cent of the population). With regard to individual travels Germany and Austria proved to be the most frequently visited countries. The typical motivations here also were holidaying and recreation, and beside visiting relatives and friends, business travels were mentioned. An average size of per capita expenditures was about 225 USD, while the average duration of journeys in both cases was 10 days.

THE INFRASTRUCTURE OF TOURISM IN HUNGARY

Since 1990 the most striking changes have concerned hotels, pensions and the facilities of paying guest service. The change of the political system has been expressed in the hotel industry in the transformation of the ownership forms (Lengyel 1993). A major part of hotels and the catering trade was privatised by the State Property Agency. The three greatest hotel enterprises (Hungária, Pannónia, Danubius) have been transformed into joint stock companies. As a result of the influx of foreign capital and decision of the owners at the end of the 1990s 18 smaller or greater hotel chains operate in Hungary. Of them the most extended is the Danubius Hotel Group which beside its own hotels is the proprietor of those formerly belonging to Beta and HungarHotels.

Hunguest Hotels possesses hotels in the countryside of medium categories which have been remodelled from places of accommodation formerly serving the purposes of social tourism. Accommodation provided by Eravis Co. was created through renovation of workers' hostels into two or three star hotels. Of the international hotel chains Accor has been the most successful absorbing former hotels of Pannónia and owning Mercure, Ibis and Novotel hotels at present. Inter-Continental, Kempinski, Hilton, Radisson, Hyatt, Marriott, Rogner, Best Western and Holiday Inn are also represented in the country *(Table 2).*

Table 2. The most important domestic and foreign hotel chains in Hungary, 1999

Hotel chains	Number of units	*****		****		***	
		Budapest	Country	Budapest	Country	Budapest	Country
Danubius	41	1	-	9	5	3	18
Hunguest Hotels	34	-	-	-	-	-	24
Accor group	19	1	-	4	1	7	5
Mol Hotels	18	-	-	-	1	1	7
Aktiv Hotels International	15	-	-	1	1	3	8
Eravis	10	-	-	-	-	5	1
Taverna	9	-	-	1	-	4	3
Best Western	3	-	-	-	1	2	-
Marriott	2	2	-	-	-	-	-
Holiday Inn	1	-	-	-	1	-	-
Kempinski	1	1	-	-	-	-	-
Intercontinental	1	1	-	-	-	-	-
Corinthia	1	-	-	-	-	-	-
Rogner	1	-	-	-	1	-	-

Source: www.miwo.hu database

Almost all the five-star hotels meeting international requirements are to be found at Budapest, but since 1999 one has been in operation at Parádsasvár. A favourable trend that might be mentioned is in the four-star hotels of the countryside, thus, providing high quality facilities for these regions. During the period of change of the political regime the catering trade was enriched by pensions, small hostels flourishing in the 1930s but vanishing in the socialist era. Though offering fewer places they sometimes provide services similar to hotels of high categories. Simultaneously paying guest service, prospering until 1990 – owing to the changed market demand and legal framework – declined considerably *(Table 3).*

The catering trade has been a decisive component in the tourist industry. At the end of the 1990s there were ca. 50 thousand catering units (from snack bars through confectioneries to luxurious restaurants) employing at least 250 thousand persons. In the last decade the catering trade has been reorganised, while losing traditions and former prestige. Privatisation has not prevented famous restaurants and confectioneries from being closed down owing to change of the proprietor or unfavourable rental conditions. As a consequence of the decreasing real incomes of the domestic population turnover of

Table 3. Commercial accommodation capacity in Hungary

	1990		1994		1998	
	Units	Capacity (persons)	Units	Capacity (persons)	Units	Capacity (persons)
Hotels	327	56655	415	85605	651	96805
*****	4	2491	5	2642	5	3324
****	21	10714	27	9222	41	14623
***	83	18496	118	33868	268	37723
**	97	13723	144	23100	214	27050
*	122	11231	121	16773	123	14085
Hostels (Pensions)	176	12689	475	28646	1166	39608
Tourist hostels	93	7759	98	12036	239	33429
Cottages	166	12291	188	15333	342	17027
Camping sites	165	97631	226	105771	313	100233
Paying guest service	27591	118945	17291	41229	no data*	no data*

*Paying guest service has been considered private accommodation since July 1 1997 and so it does not belong to commercial accommodation.
Source: Central Statistical Office (KSH)

the catering trade units dropped by 44 per cent. A typical feature has been an expansion of the international fast-food chains (McDonalds, Pizza Hut, Burger King, Kentucky Fried Chicken) which soon ousted the similar Hungarian actors from the market. Some renowned national cuisine (Italian pizzerias, Chinese restaurants, Turkish snack bars, Greek taverns) gained also quickly popularity, posing a challenge to Hungarian entrepreneurs. There has been a revitalisation of traditional cafés. Irish pubs as an entirely new phenomenon have become extremely popular as well.

In the organisation of tourism in a settlement or a region travel bureaus play an important role and they have acquired extended functions in the past years. Nowadays, they deal not only with organisation and mediation of tours but also offer travel services (insurance, car leasing, accommodation, programmes) and goods (photo and video articles, maps), and there are banking activities in some of them. In the so called travel centres (e.g. Vista) goods and services are offered in small individual shops, according to the consumers' demand. Privatisation of large state enterprises active in the organisation of tours (IBUSZ, EXPRESSZ) had been completed virtually by 1993 and by the beginning of 2000 these activities had become dominated by small and medium sized enterprises. In 1998 there were about 1000 travel agencies International firms (Neckermann, Fischer) or joint ventures (Yorgos, Club Espana) play an important role in the sector.

THE ROLE OF TOURISM IN HUNGARIAN ECONOMY

Global returns from international tourism reached 445 billion USD in 1998, 50.8 per cent of which was generated in Europe. Tourism-related (direct and indirect) revenues (3.5 billion USD) are estimated to provide 11 per cent of the global GNP. GDP produced by the tourist industry tends to increase by 3 per cent annually and the

number of workplaces provided in tourism expands by 5.5 per cent year by year. The sum total spent in international tourism makes up 8 per cent of the global exports and to this traditional export of goods used by the tourist industry is added.

The economic importance of tourism in Hungary has been upgraded in the last 10 years, though revenues have lagged behind expectations when the former were calculated on the basis of the number of foreign visitors. As a consequence, the share of tourism in the GDP is estimated at 9 per cent. According to the official records of the Hungarian National Bank foreign exchange revenues from tourism amounted to 2,504 m USD *(Table 4).* There was a positive balance of international tourism (1,298 m USD) and based on foreign exchange revenues in 1992 Hungary was the 50th, in 1994 the 44th and in 1998 the 39th in global comparison.

*Table 4. Foreign exchange turnover of tourism**

Year	Revenues million USD	Expenditures million USD	Balance million USD
1990	818	473	345
1992	1231	641	590
1994	1428	925	503
1996	2246	957	1288
1998	2501	1205	1295

*Revenues from tourism are considered foreign currency exchange by foreign visitors, expenditures are regarded foreign currency purchased by Hungarians going abroad.
Source: Central Statistical Office (KSH)

An increase of revenues from tourism reflected by *Table 4* can be explained by the fact that the number of visitor nights spent in Hungary, by those having arrived from the countries of the European Union have increased. Simultaneously, expenditures by tourists (due to the extended range and improved goods and services) had grown considerably, whilst non-legal currency exchange dropped.

Surveys completed among tourists have shown that revenues from active international tourism in Hungary far exceed the officially recorded and published figures. One of the reasons for this gap (especially in the beginning of the 1990s) was part of the spending having been covered using non-legally changed currency. A significant portion of revenues are concealed and rooms are also frequently let to foreign tourists in an illegal way, thus, providing a non-taxable income.

As far as the revenues from tourism are concerned real property/cottages purchased by foreigners should be mentioned. These are ca 200 thousand houses, 75 thousand of them bought up by Germans, while 100 thousand are in Austrian proprietorship (Jusztin 1999). Most of them are leased but it is not reflected by statistics of turnover or revenues. With the above facts taken into account the actual revenues from tourism (estimated by experts) exceed the officially registered ones by 2 to 2.5 times.

The main source of investment in Hungarian tourism derives from the Tourism Funds as part of the annual state budget. It is covered by payments by firms running

activities in tourism. Enterprises operating objects of commercial accommodation, units of catering trade, travel bureaus and certain other ventures (e.g. car leasing) fall under this obligation. The extent of payment amounts to 1 to 2 per cent of the net income. This sum (expected to reach 12.5 m USD in 1999) is doubled by the government making up the final sum granted for tourist purposes.

Local sources of the sector are provided by the tax on tourism paid by firms to local governments. The extent of this charge varies by recreation regions and is paid into local government budgets as a fixed per cent of net income from commercial accommodation. Central budget adds two HUF to each one HUF of the sum coming in.

Based on the official statistics it is difficult to make estimations on the number of persons employed in tourism in Hungary because only those for commercial accommodation and the catering trade are published. Employees of tourist bureaus and offices of tourism are not included. The share of the employees in tourism within the total working population has increased somewhat since the change of power and it was 3.3 per cent in 1998 *(Table 5).* The economic importance of tourism is enhanced by a trend of falling employment at a national scale (by 9.5 per cent between 1992 and 1998) with a simultaneous increase in the ratio of those employed in tourism (by 5.2 per cent)

Table 5. Number of persons employed in tourism and their earnings

Employment	1992		1994		1996		1998	
	Sector	National	Sector	National	Sector	National	Sector	National
number (1000 persons)	115.6	4082.7	110.6	3751.5	114.1	3648.1	121.6	3697.7
average gross income per month (HUF)	19156	22294	26218	33309	35267	46837	46437	67764
Exchange rate 1 USD = Ft	79		105		153		214	

Source: Central Statistical Office (KSH)

As reflected by average salaries and wages (gross values) tourism does not belong to the most profitable sectors of the economy since earnings remain below the national average. This gap was 16.4 per cent in 1992 and rose to 46 per cent by 1998. Concerning the rate of growth of earnings the sector also has been lagging behind for against a 2.5-fold increase of the sector, whereas the national average had shown threefold rise. These lower wages and salaries are due to a high portion of manual workers and the acknowledgement of the employees being tipped.

In spite of the improving market situation, conditions for investment targeted at tourism were not favourable in the 1990s. There was limited domestic capital available, tourism-oriented investments carried out by the local population were ambiguous, therefore, most of the hotel investments have been realised using foreign capital. Budapest proved to be the most attractive place with the construction of high category hotels and thermal hotels (Kempinski Corvinus, Corinthia Aquincum). Establishment and modernisation of hotels and tourist facilities has contributed to the rising number and quality of the services offered.

Apart from the organisation of tours (being a less capital-intensive activity) investments focussed on restaurants and smaller hotels (pensions) created and maintained by family ventures. However, the expansion of small and medium enterprises was heavily hindered by unfavourable credit conditions and high rates of interests. Of the total investment in Hungary tourism accounted for 2.4 per cent in 1992 but had fallen to less than 1 per cent by 1998. During the same period value of total investment in the country rose 4.8-fold while that of tourism grew only twofold *(Table 6).*

Table 6. Investment in tourism, current prices (million HUF)

	1992	1994	1996	1998
Sector	10804	7192	10515	19524
National	445489	842737	1337561	2137879
Exchange rate: 1 USD = Ft	79	105	153	214

Source: Central Statistical Office (KSH)

TOURISM POLICY IN HUNGARY IN THE 1990'S

During the decade since the change of the political regime tourism has not received the attention it would have deserved from the state. A declining demand in comparison with the previous period, an outdated legal framework and an inadequate regional network of organisation characterised the tourist sector (Lengyel 1993).

At the level of legislation from 1994 the sector was represented by a Parliament sub-commission within the Commission on Environmental Protection and since 1998 tourist affairs have been dealt with by an independent Commission on Tourism. Although several concepts have been elaborated, no law has been adopted on tourism until now (there is one in the neighbouring Austria).

Following the change of power the operative management of national tourism became the responsibility of the Ministry of Industry and Trade (IKM). In 1998 it was replaced by the Ministry of Economy in fulfilling the functions relating to tourism, where professional management and strategic decisions (both their taking and implementation) are undertaken by three bodies in close co-ordination and co-operation:

1. The *National Tourism Committee* as an advisory board of the minister is the foremost organ taking decisions on tourism. This commission shapes the principles of tourism policy and development strategy and gives its approval concerning governmental proposals.

2. The *Department of Tourism Policy* within the Ministry of Economic Affairs is competent in co-ordination between the activities of different organs in state administration.

3. The *Hungarian National Tourist Office* is an organisation created to perform marketing tasks at a national level. This is a joint stock company in exclusive state proprietorship. Ownership rights are exercised by the minister of economy consulting the Section of Tourism.

The regional administration of tourism was reorganised in 1998 and the country was subdivided into 9 tourist regions. Except for three, they coincide with planning-statistical regions *(Figure 3).* Committees of these regions are designated to co-ordinate national objectives of the sector on the local level, harmonisation of the national and regional interests, and qualitative and quantitative promotion of tourist offer.

The task of developing tourist infrastructure in the receiving areas rests with regional and local governments to make the former suitable for tourist developments. It includes the preservation of tourist attraction.

The Hungarian National Tourist Office Co. provides basic and comprehensive information on the natural beauty, architectural monuments, culture, and gastronomy of the country, and other tourist attractions. Further, this information includes the whole range of tourist services which promote offer to meet demands and generate increasing revenues from tourism. The Hungarian National Tourist Office Co. integrates activities like the elaboration of tourist marketing plans; management of tourist products; marketing, promotion and checking of the latter. It also represents Hungarian tourism abroad. Foreign marketing is performed by 19 foreign representations and 4 information offices. Beyond Europe there is representation in the USA, Israel and Japan. Beside introducing Hungary in fairs of travel and other events national representatives play an important role in advertising the country among media persons to prepare their visit to Hungary. They produce many articles for press and TV reports enhancing a positive image of the country. A network called *Tourinform* provides foreign tourists with useful information, maps and prospects in 100 offices all over the country on a non-profit basis.

In spite of the fact that the elaboration and adoption of a joint policy on tourism within the European Union was voiced in a resolution of the European Parliament in 1994 the respective law has not been enacted yet. In the so called country analysis preparing Hungary's accession to the EU, tourism is not treated individually, there are only references to it within other topics. Since statute laws do not contain chapters on tourism a clear regulation with regard to tourism is still missing in the EU (Lengyel 1997).

According to the tourism strategy adopted in Hungary the best opportunities for the promotion of tourism would be provided by a closer co-operation and joint marketing activities with other nations of the East-Central European region designated for accession to EU (Czech Republic, Poland). For the EU this region as an entity can provide a new market and opportunities for capital investment and offer an option to relocate tourist flow and relieve some already congested centres of tourism in Western Europe.

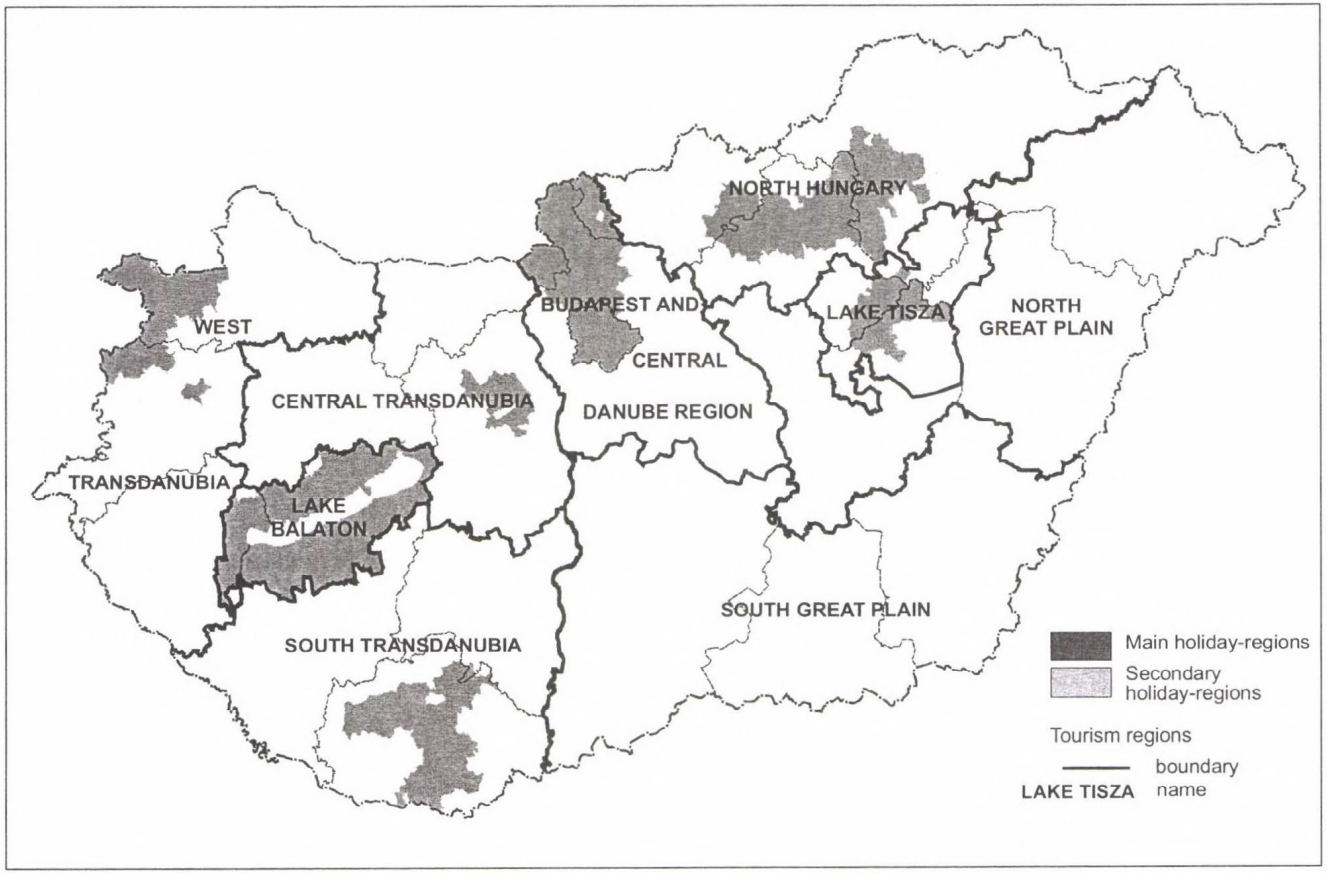

Fig. 3. Tourist- and holiday regions in Hungary

CONCLUSIONS

Tourism in Hungary have become a decisive factor of a new type regional policy in the 1990's. The sector has been recognised to promote the advancement of backward regions, conservation of natural and cultural values, improvement of living standards of the population and integration of Hungary in the EU. In the following years a competitive tourist industry must be operating capable in marketing tourist attractions of the country with returns (in commercial terms) similar to the level in EU countries. At the same time adequate developments should serve an intensification of the domestic tourism. In this process state budget is expected to play a crucial role, since shaping mechanisms for the operation of the sector and fulfilling the tasks of marketing necessitate financial contribution from central budget sources.

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STRUCTURAL CHANGES OF TRANSPORT DEVELOPMENT IN HUNGARY IN THE 1990s

TIBOR TINER

INTRODUCTION

A well known fact among economists is that transportation sector (together with telecommunication) according to its economic performance shares only 5-7 per cent of the national income (GDP) and provides 8-9 per cent of the employment in Hungary. In spite of these relatively small rates transportation plays a significant role in the economic, social and cultural life of the country and its complex function has become more important towards the turn of the third millennium. Now transportation and telecommunications with their modernised structures, networks and organisation are the key sectors of economy and society (Erdősi 1999). Their quality, capacity, exploration capability and liability to rapid modernisation significantly determines the development processes of Hungary both for the short and long term prospects.

Widely acknowledged feature is that transport geographic position of Hungary is highly advantageous in East Central Europe (Erdősi 1996). With regard to the general trends of the European transport development it would be very important for the country to have benefits from this position. Three major pan-European corridors i. e. trans-European traffic routes, which play an important role in shaping interregional transport network of the Continent pass through Hungary. These corridors have been defined at the 3rd Pan-European Conference on Transport held in Helsinki 1997 (Vörös 1999).

These corridors crossing Hungary are the following (*Figure 1 and 2*):

- the NW–SE transversal route (pan-European corridor No. IV) connecting the countries of West and Central Europe with the countries of Southeastern Europe and the Near East;
- the SW–NE transversal axis (corridor No. V) connecting Ukraine and Russia with the ports of the Adriatic Sea;
- the Danube as a special pan-European corridor (No. VII) providing links between the most important Western European harbours and inland waterways on the one hand and the Black Sea ports through the Rhine–Main–Danube Canal on the other hand. This corridor has a particular importance in the Romanian transport development projects (Urucu & Buza 1999).

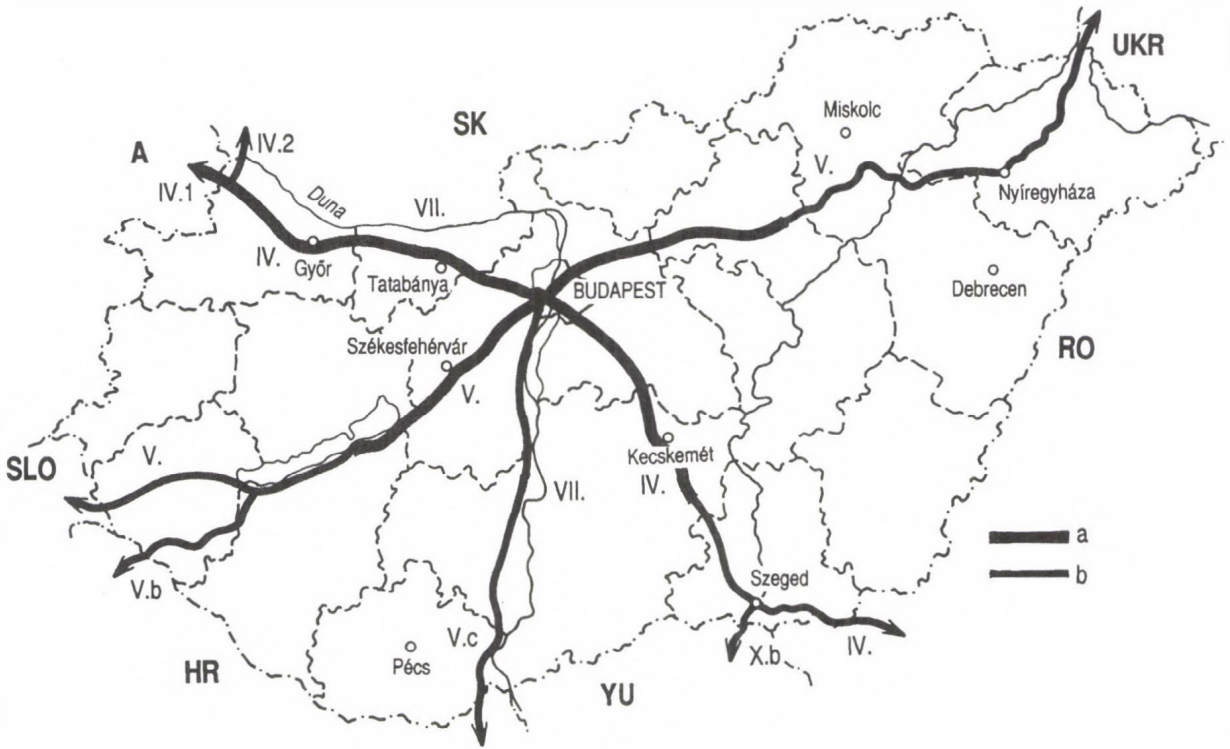

Fig. 1. Pathways of pan-European corridors in road transport. – a = motorway; b = primary main road

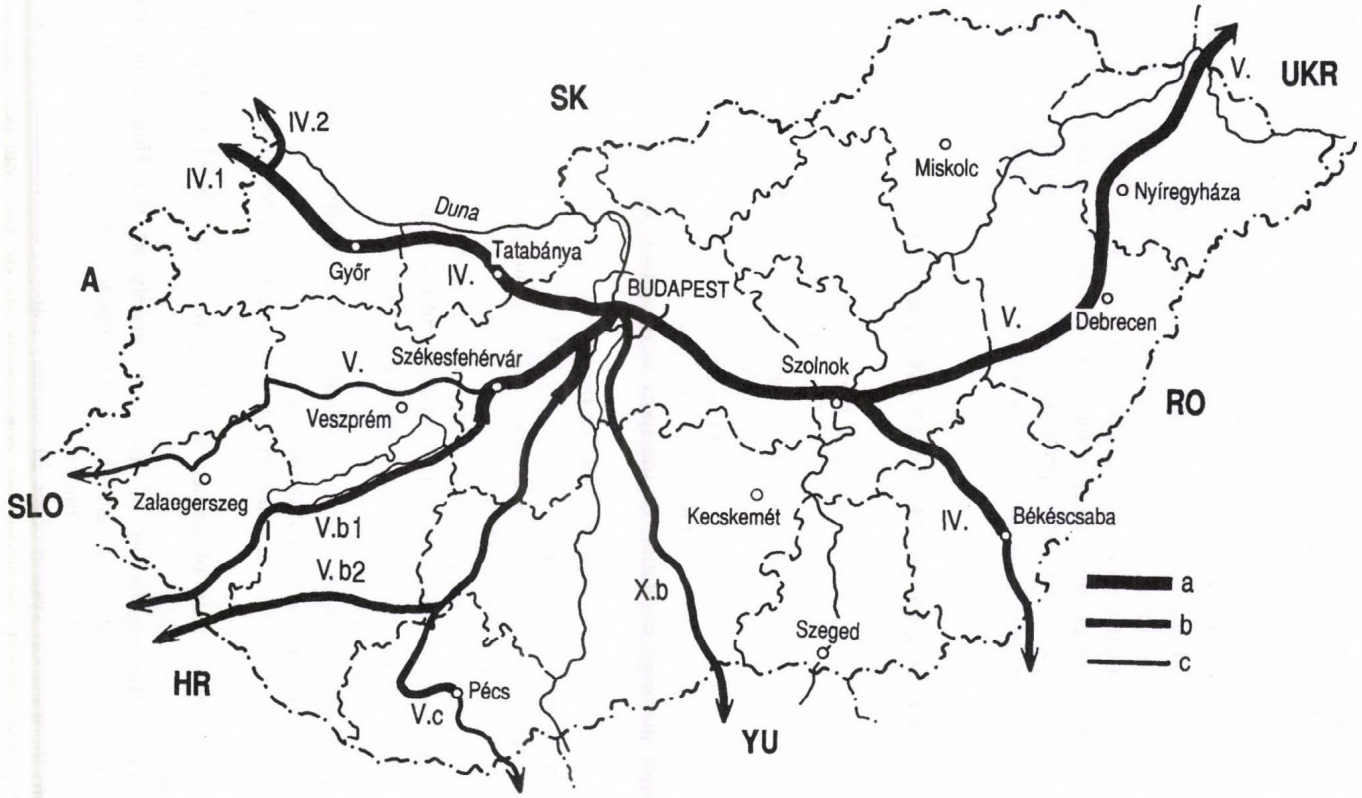

Fig. 2. Pathways of pan-European corridors in railway transport. – a = electrified double tracked line; b = electrified single tracked line; c = single tracked line

Basic elements of these corridors crossing Hungary are divided further into so-called 'branch corridors' (IV.1, IV.2, V.b1, V.b2, V.c and X.b) which help the multilateral connections between corridors IV, V, VII. and X. (This latest one includes the Salzburg–Ljubljana–Zagreb–Belgrade–Nis–Skopje–Volos route.)

Nowadays, these corridors have an increasing importance because the economic growth of the Southeast European countries and those of Asia Minor depends greatly on the operational level of the SE–NW transcontinental axis crossing Hungary. So their users are motivated in broadening economic relations with the West (Erdősi 1993).

The long term strategic importance of these axes has been recognised by Croatia being the first among East Central European countries that is preparing its transport development projects according to the expectations of EU (Malic–Badanjak–Stipetic 1999).

GOALS, REQUIREMENTS AND PROBLEMS

Taking into consideration the routing of the corridors mentioned above Hungary has two basic transport development goals. First, to establish high-quality traffic connections along the pan-European corridors mainly by road and rail both with the neighbouring countries and with the states of Western and Southeastern Europe. Second, to widen the traffic connection opportunities between East and West Hungary with different levels of economic and transport infrastructure development.

Through the implementation of transport development of different types of projects, Hungary – and each European country – must be opened for technical and structural innovations appearing on the field of transport in Europe and ready for their timely adaptation. This is especially valid for the transrapid railway network projects worked out for the core area of Central Europe, including Hungary (Molnár & Zsolnay 1995; Tietze & Steinmann-Tietze 1999).

The goals mentioned are to be realised by general development of traffic routes on the three important pan-European traffic corridors and five branch corridors passing through or relating to Hungary. In order to achieve these goals it is necessary to develop a transport infrastructure which would

- satisfy the European service standards both in traffic organisation and computerisation, mainly in the field of railway network;
- satisfy the technical and transport infrastructure parameters in the mentioned corridors;
- upgrade the quality of service and bring them to a level similar to the European one;
- improve the regulations of transport (mainly at the Hungarian State Railways) in accordance with the legislation of the European Union (Katona 1999).

Moreover, in order to enable integration of the Hungarian road, rail and water transport into the transport system of the 21st century Europe, it is necessary to make a number of organisational modifications concerning all of the transport branches (Tiner 1995), such as:

- separation of the fixed infrastructure (roads, rails, technical installations etc.) from the transport activity and carrying capacity;
- providing equal condition for the access to railway infrastructure for all the potential and existing carriers at all sections of European networks including Hungary;
- integration of railways with all comparative systems such as road, air and water transport in order to achieve better quality of services.

All these goals are very difficult to achieve due to several reasons. Although the change of regime in 1989/1990 has created a wide range of opportunities for foreign capital investments into the sphere of transportation and for new economic and organisational rules to be applied in the field of transport, the following are to be taken into consideration:

a) Hungary carries heavy load of a technical-economical heritage of the socialist era, when the general level of development and operational features of the Hungarian transport system and infrastructure had lagged behind the European average (Major 1984);

b) the conditions of transportation in the late 1990s and the processes typical of the last decade of the 20th century show a great deal of problems to be solved in the near or more distant future in Hungary as of a potential member of the European Union to meet the requirements of the organisation (Gyurkovics 1993; Katona 1999).

CONDITIONS OF THE HUNGARIAN TRANSPORT INFRASTRUCTURE IN THE 1990s

Railway transport

The radial structure of Hungarian railway network focused on Budapest has not changed considerably during the last decade. The railway network has been shrinking for decades and the modernisation process has slowed down during the 1990s (Tiner 1993, 2000).

At the end of 1998 the total length of the lines belonging to the Hungarian State Railways (MÁV) was 7642 kilometres compared with more than 8000 kilometres in 1990 which indicated a modest (4.6 per cent) decrease as a result of elimination of sidings leading to large or medium sized industrial plants and facilities.

34 per cent of railway lines was electrified and only 17 per cent was double-tracked in 1998. Since 1990 only 340 km lines have been electrified and the increase in double-tracked railway lines was a mere 56 km which is unacceptably meagre.

The main lines with the largest volume of traffic are electrified but only 40 per cent of them are double-tracked reflecting the problems of relative poor forwarding capacity appearing on the major part of the arterial railway network. 80 per cent of the total freight and passenger transport belongs to these arteries.

Railway network density in Hungary (8.5 km lines per 100 square km) exceeds the European average but the technical parameters of the total network have been low

for decades. However, it is a positive fact that the railway electrification process in the 1990s has been focused on the western part of the country along the pan-European corridor No. V and V.b and a new international line is under construction between SW Hungary and Slovenia.

Hungarian railway communication has a considerable surplus capacity for years. The rail transport of large quantities of raw materials served an extensive and inefficient economic development for decades according to the Comecon practice (Major 1984), started to fall sharply from the late 1980s. Parallel to it the Hungarian railways became neglected technically because the Hungarian state as owner had not invested enough for its modernisation for decades. As a result, railway traffic had found itself in a position of very weak competitiveness compared to road transport by the early 1990s (Tiner 1993).

In spite of the permanent efforts during the 1990s the quality of services still does not comply with the recommendations of international organisations because of the very limited volume of investment serving the renewal of the railway during the last years. As a consequence, both the primary and secondary railway networks are in a poor state owing to insufficient maintenance works, which have led to reduced load-ability and frequent speed limitations (Katona 1999).

In 1998 the railway freight and passenger transport had more than 3300 passenger coaches, 260 railcars, more than 70 motor-trains, 1200 engines and about 24,000 freight wagons. 75 per cent of the total railway haulage belonged to electric engines, 25 per cent accounted for diesel engines. For a number of years the rolling stock of the MÁV, particularly the number of freight wagons has been diminishing. (The drop was dramatic between 1995 and 1998 when the number of freight wagons decreased with 10,000 units.)

Under the current economic conditions the funds available for the MÁV and the government are extremely limited. The purchase of new wagons is financed from corporate borrowings with governmental guarantee. But inflation-indiced salaries for railroadmen are not guaranteed by the MÁV and by the Ministry of Transport, so the independent trade unions at MÁV have organised strikes every year. (These regular strikes have caused serious losses in the budget of the Hungarian State Railways.)

The pool of passenger carriages has been upgraded for international traffic through the purchase of comfortable carriages from Spain. Since 1990 several electric motor trains have been obtained for inland Inter-City trains and for suburban traffic after 1996. Since 1995 more than 100 new freight wagons have been added to the rolling stock.

The performance of railway transport was affected considerably by the transformation of the whole Hungarian transport market in the 1990s (*Figure 3*). The share of this branch of transport measured in freight ton-kilometres decreased from 43 per cent in 1990 to 30 per cent in 1998, whereas the proportion of road transport increased from 17 per cent to 44 per cent. In 1990 railway transport amounted to 18 billion freight ton-kilometres, but in 1998 only 8.2 billion freight ton-kilometres which equals to 55 per cent drops. Parallel to it the structure of cargo carried has changed considerably.

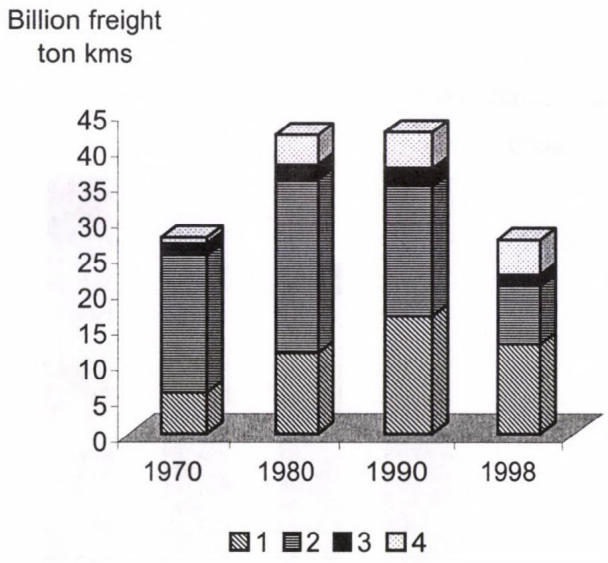

Fig. 3. Change in the modal split of freight transport in Hungary. – 1 = road transport; 2 = railway transport; 3 = inland water transport; 4 = pipeline

Now the railways in Hungary is characterised by wide variety of commodities, where the same items have become dominant as in road transport. The share of machines, finished and semi-finished goods, foods and agricultural export produce of the best quality show an annual increase in railway traffic of goods.

In 1998 nearly 13 million tons of goods were imported by railways and the performance for export was slightly below 11 million tons. More than 85 per cent of import traffic came from the neighbouring countries and Poland but in the export the main destinations are Austria, Germany, Slovenia and Italy. Their share exceeded 65 per cent of the export by rail in 1998.

The volume of import traffic had reduced in comparison with the similar figure in 1990 and it has stagnated over the last years. After the decline at the beginning of the 1990's export traffic by rail had increased persistent since with a better performance compared to the one in 1990. This performance has nearly doubled since 1970 and the tendencies seem to be favourable.

The modal split in passenger transport has changed also during the period investigated (*Figure 4*). Over the past 10 years the number of passengers carried by railway in long distance transport experienced a steady decrease. In 1990 more than 210 million passengers were carried by railway which had fallen to 156 million by 1998. This means more than a 25 per cent drop.

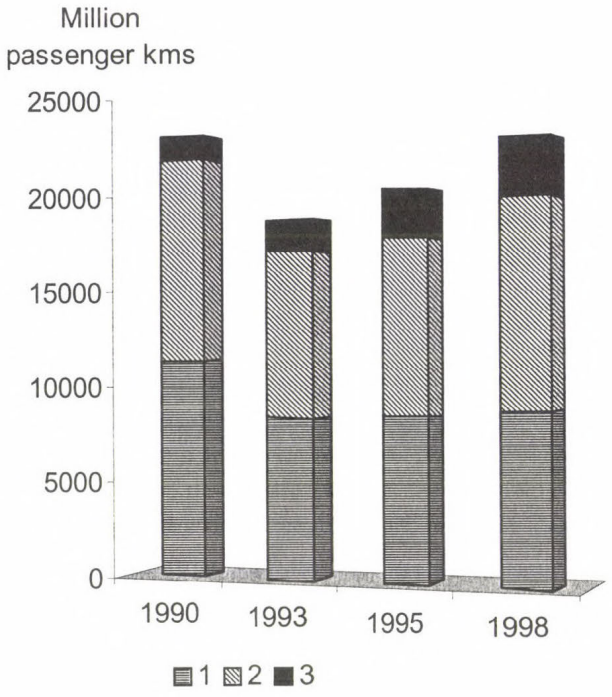

Fig. 4. Change in the modal split of long distance passenger transport in Hungary. – 1 = railway traffic; 2 = bus traffic; 3 = air traffic

The performance in passenger-kilometres decreased from 11.4 billion to 8.8 billion during eight years which equals to a 27 per cent fall.

In 1998 the average distance travelled was 55 kilometres, but half of the traffic came from distances below 30 kilometres (i.e. through commuting). The importance of international passenger traffic by rail decreased persistently during the 1990s because of the radical increase in ticket prices. Its share from the total international passenger traffic of Hungary was only 1.5 per cent in 1998.

Road transport

In the 1990s the length of the nation-wide network of public roads has hardly changed. By the end of 1998 it was slightly more than 30,000 kilometres. Among them the length of primary and secondary public roads was 6980 kilometres, 23 per cent of the total network.

An unfavourable feature of the public road network is that the length of motorways complying with the international standards is still extremely low. According to the latest statistics it was a mere 525 kilometres in 1998 (only 7 per cent of the main road network) against their 46 per cent increase in their length since 1990. With the use of the motorway ring around Budapest (southern section of M0 motorway connecting M1, M7 and M5) a number of districts were relieved of transit traffic and a significant improvement of emission figures was achieved. The next step will be the completion of sections of M0 linking the M3 motorway with the other motorways mentioned.

A further important milestone was the implementation of the first toll motorway section under concession between Győr and Hegyeshalom (border crossing) completing the communication between Budapest and Vienna on the highest level in road transport. The high fee to be paid for the use of this section, however, is a real problem both for the Hungarian drivers and for trucks participating in international transit traffic.

The most urgent task in the development of public roads in Hungary is the extension of motorways to the borders of the country through the partial involvement of private investors and construction of by-pass roads around the largest settlements, mainly the county seats. To meet these requirements is very difficult because the costs of construction for one kilometre motorway exceeded 2.6 billion HUF (10 million USD) in 1999. The so-called Southern Motorway project has been suspended because of the estimated low economic effectivity (Iványi 1992).

A further problem is the poor physical condition of the Hungarian road network, owing to a massive physical pressure on road surfaces caused by the increasing volume of inland and international freight and passenger traffic. For the renewal and maintenance of the main roads with the heaviest traffic Hungarian state budget had to spend 35 billion HUF (140 million USD) in 1998.

Main parts of bridges serving the road transport in Hungary are very old (42 years old as an average). More than 340 public road bridges do not comply with the European standards in tonnage weighting, not to speak about the missing bridges over the Danube (e.g. at Vác, Dunaújváros, Paks, Szekszárd, Mohács), which aggravates the serious regional problems of poor transport connections between eastern and western parts of Hungary for decades.

At the end of 1998 the number of passenger cars in Hungary was over 2.2 million (220 cars per 1000 inhabitants). Over the last ten years it has increased by 24 per cent. Despite the large scale and rapid change, old cars of high consumption and emissions had dominated the structure until 1997. In 1996 the average age of passenger cars increased and exceeded 12 years. This fact also reflected the shifting of balance between the age of older 'western' cars imported, and younger 'eastern' cars exported and aggravates the environmental, traffic safety and energy consumption problems. The objective is to increase the share of new, environmentally-friendly cars with catalyst converters. The government measures adopted in order to limit the import of the old car serve the same purpose.

By 1998-1999 the above trend has reversed (*Figure 5*). More and more new cars appear on the Hungarian roads (e.g. Suzuki, Seat), whereas the 'eastern' cars of the old type (Lada, Trabant, Wartburg, Dacia, Polski Fiat and the 'socialist' Skoda) are

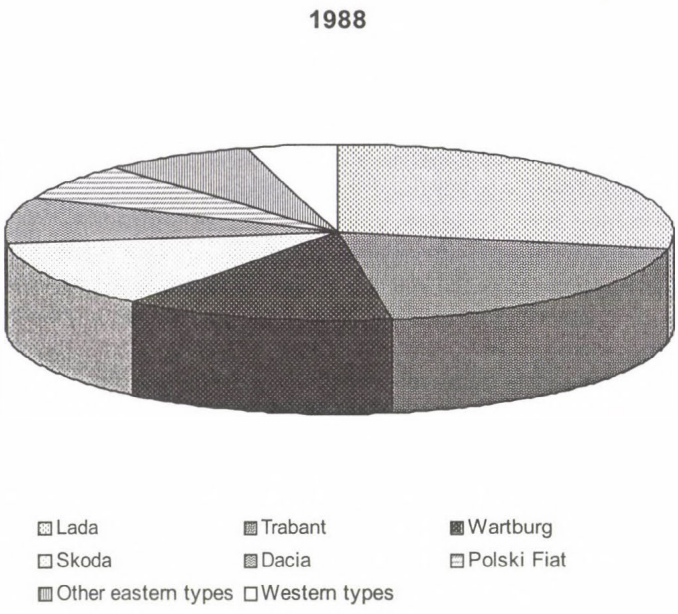

Fig. 5. Passenger car stock by types in Hungary, 1988 and 1998

replaced by 5-8 years old Opels, Volkswagens, Audis, Fords, BMW-s, Fiats and Mercedeses. The proportion of new and middle-aged western types exceeds 70 per cent in the passenger car stock in Budapest, but their share is only about 36 per cent in the countryside.

Over the period in concern the fleet of trucks registered in Hungary increased faster than that of the passenger cars, by more than 40 per cent. At the end of 1998 the total number of heavy motor vehicles including dumpers and special trucks exceeded 336,000. The average age of trucks was over 10 years. In 1998 less than one third of all trucks were high consumption and emission trucks of over 12 years average age, a sharp contrast to the situation in 1990 when nearly two third of these vehicles were of such type. The number of modern trucks is increasing but the lack of funding impedes faster replacement.

Similar to the railways the performance and structure of road freight transport has been transformed radically during the 1990s. The large state-owned enterprises (e.g. VOLÁN and HUNGAROCAMION in international transport) were divided into many smaller firms (holdings) but gradually lost their previous market position against dynamically expanding small businesses employing 50 people or less.

In 1998 nearly 90 per cent of the total amount of cargo carried by road (128 million tons) was transported inside the country, but in freight ton-kilometres the share of inland transport was under 50 per cent. It is worth mentioning that nearly 70 per cent of the total freight revenue came from road freight transport in that year.

In terms of costs per freight ton-kilometre the second most expensive way of transport after air transport was road transport in Hungary. Its flexibility and better organisational conditions makes the latter more popular with the majorities of industrial and commercial firms than the railways. For this reason the share of road transport within the whole Hungarian freight transport has recently been on the increase.

On the basis of total freight ton-kilometre performance vehicles, machines, finished and semi-finished goods made up more than 30 per cent, whereas foodstuff and fodder accounted for more than 10 per cent in 1998. The average transport distance in road freight transport was about 55 kilometres.

The increasing use of environment-friendly vehicles in freight transport has been encouraged for the reduction of emission. By provisions of a Decree of the Hungarian Government entrepreneurs are granted various allowances (e.g. in customs duty and VAT) if they buy modern trucks (Ruppert 1998).

For further reduction of negative environmental effects deriving from increasing traffic on the roads, transit transport is gradually being rerouted to railways and waterways. Piggyback freight transport requiring so-called Ro-La terminals, relay stations or districts are becoming ever more popular and Hungary is strategically positioned to become an important logistic centre of East Central Europe. The first steps towards this goal are the construction and modernisation of relay and logistic centres in Budapest-Soroksár, Sopron, Berettyóújfalu, Kiskundorozsma, Szolnok, Záhony, Nagykanizsa and Baja (Vizsy 1998).

After the change of regime the regional structure of inland road freight transport has been transformed essentially. In an increasingly decentralised structure of industrial

production and commerce, with multinational firms and joint ventures settled down in Hungary there has been a need for decentralised and flexible freight transport services of high economic effectivity. Thousands of entrepreneurs in the sphere of transportation try to do their best to become a stable business partners for large industrial, commercial and service companies of different type.

An overwhelming majority of these companies and the newly built shopping centers are in Budapest, in the agglomeration zone of the capital, along the main motorways and main roads in Northwest Hungary (a smaller part of them are to be found at the county seats). They are the major destinations for inland and international road freight transport which has distributive character. To serve them there has been a growing competition between Hungarian and foreign firms of transportation for years and probably it will be going on in the next decade.

In the field of international truck traffic an adverse trend characterised by the loss of market share in export and import of Hungarian truckers against the foreign ones has persisted in international road transport. The share of the export traffic measured by the total tonnage of goods carried by road vehicles registered in Hungary was only 34 per cent in 1998, against 58 per cent in 1990.

Between 1990 and 1998 the performance of Hungarian road carriers had increased by only 15 per cent, whereas the foreign truckers doubled their performance in international road freight market covering the territory of Hungary. Hungarian carriers had more than 60 per cent of the import traffic in 1990 and only 42 per cent in 1998. So their competitiveness in the market decreased considerably during the 1990s. The performance of Hungarian truckers increased in this sector of transport by 20 per cent compared with the 210 per cent increase of foreign carriers.

In the international road freight transport almost 4 million tons of goods were imported the country by foreign and Hungarian trucks jointly, and the export traffic amounted to 5 million tons in 1998. In comparison with 1990 the performance of both export and import transport increased by more than 50 per cent. This has led to congestion at many border crossings and contributed to the enlargement of handling capacity on the latter in West Hungary (e.g. Kópháza, Sopron, Bucsu, Rábafüzes, Rédics). Border crossing stations were reconstructed in East Hungary as well (Gyula, Nagylak).

The dominant westbound orientation of Hungarian foreign trade can be seen clearly from the figures of trucks crossing the borderline of Hungary in different relation. The change in the volume of truck traffic crossing the Austro-Hungarian border since 1990 is remarkable (*Figure 6*).

Long distance road passenger transport in Hungary represented by scheduled coach traffic in official statistics diminished between 1990 and 1994, but a modest and persistent increase started from 1995 and the process is going on now. The figures for 1990 showed 550 million passengers carried by bus which resulted in a performance of 10.6 billion passenger-kilometres. These values decreased with 12-15 per cent between 1990 and 1994 but increased with 10 per cent between 1995 and 1998. As far as the number of passengers carried is concerned to 76.8 per cent of the traffic was carried by buses and only 22.5 per cent by rail in 1998. (The combined share of air and water passenger transport is below 1 per cent.)

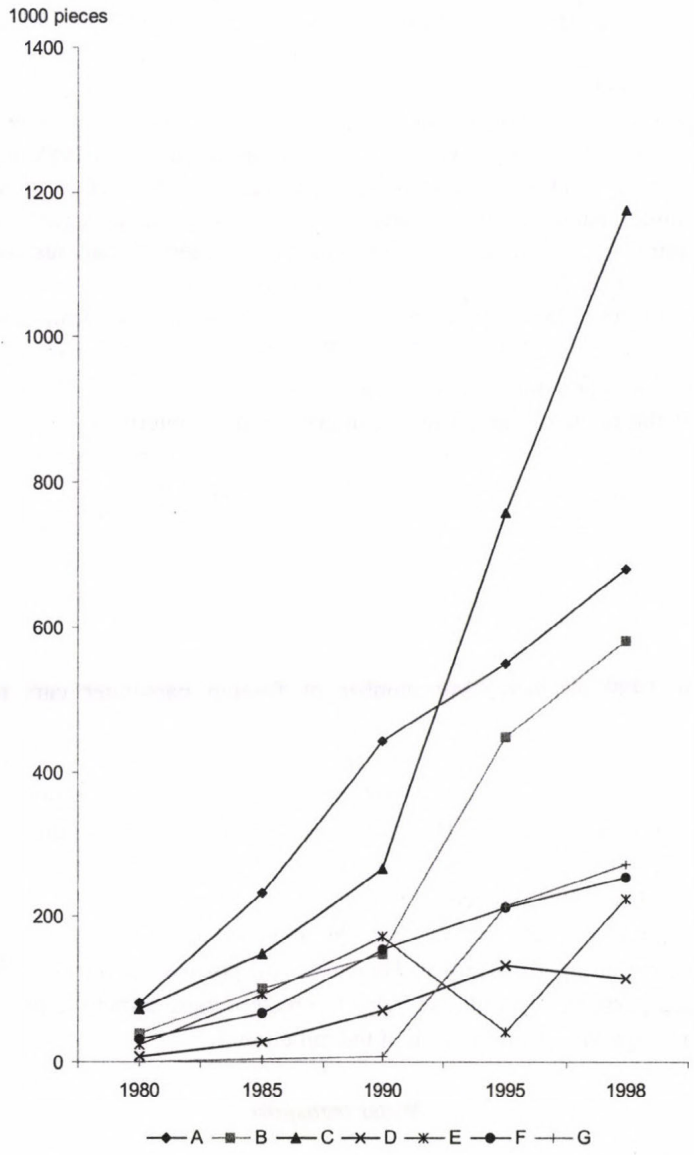

Fig. 6. Change in the volume of trucks crossing the national border of Hungary (by border sections) – a = Slovakian; b = Romanian; c = Austrian; d = Ukrainian; e = Yugoslavian; f = Croatian; g = Slovenian

The main centres of inland long distance bus traffic are Budapest and the county seats. The international bus traffic focuses on the capital but additional direct international bus services are in operation between several Hungarian county seats and larger towns of the Carpathian Basin.

International long distance bus traffic relations have been expanded considerably since the late 1980s (*Figure 7*). After the Iron Curtain fell down in 1989 and the victory of the Romanian revolution in the same year scheduled coach services started to operate to Transylvania, mainly to the 'Seklerland'. These Romanian regions inhabited by Hungarian minority had been absolutely closed for international bus traffic starting from Hungary during the last ten years of the Ceausescu regime.

Opposite to 1988, when the most distant West European destination for scheduled Hungarian coaches was Munich, West Germany, in 1998 already regular bus services were in operation between e.g. Budapest and Oxford, Great Britain. The expansion of the range of Hungarian participation in the international coach traffic are exemplified by direct services to London, Paris, Rotterdam, Hamburg, Stockholm, Basle, Rome, Athens, Istanbul etc. In 1998 more than 120 cities of 21 European countries were accessible by scheduled coach services from Hungary, mainly from Budapest.

The highest volume of road passenger turnover is generated by personal car traffic. Its share had reached 65 per cent in total passenger transport performances by 1998. (In Western Europe this value is about 90-92 per cent.)

Since 1989 an increasing number of foreign passenger cars have entered Hungary annually, and there has been a significant growth in the number of Hungarian cars leaving the country, too. This volume shows a ca. 30 per cent increase between 1990 and 1998 in both direction. In 1998 more than 11 million foreign cars arrived in the country and nearly 5 million Hungarian cars left Hungary. More than 35 per cent of this traffic runs through the Austrian-Hungarian border section where 5 new border crossings have been opened since 1991.

Dynamic growth of the volume of the international motor car traffic reflects the trend of shaping an open society in Hungary with positive image both from political and economic perspectives and also helps to create a more attractive picture about the country by foreign visitors at the turn of the millennium.

Water transport

In 1998 the length of navigable waterways of Hungary was 1622 kilometres of which 1373 kilometres were permanently navigable and 249 kilometres were temporary navigable waterways. Approximately 500 kilometres of the total length of waterways are of international importance (mainly the Danube river as pan-European corridor No. VII), consisting of two sections without direct communication in the Hungarian territory.

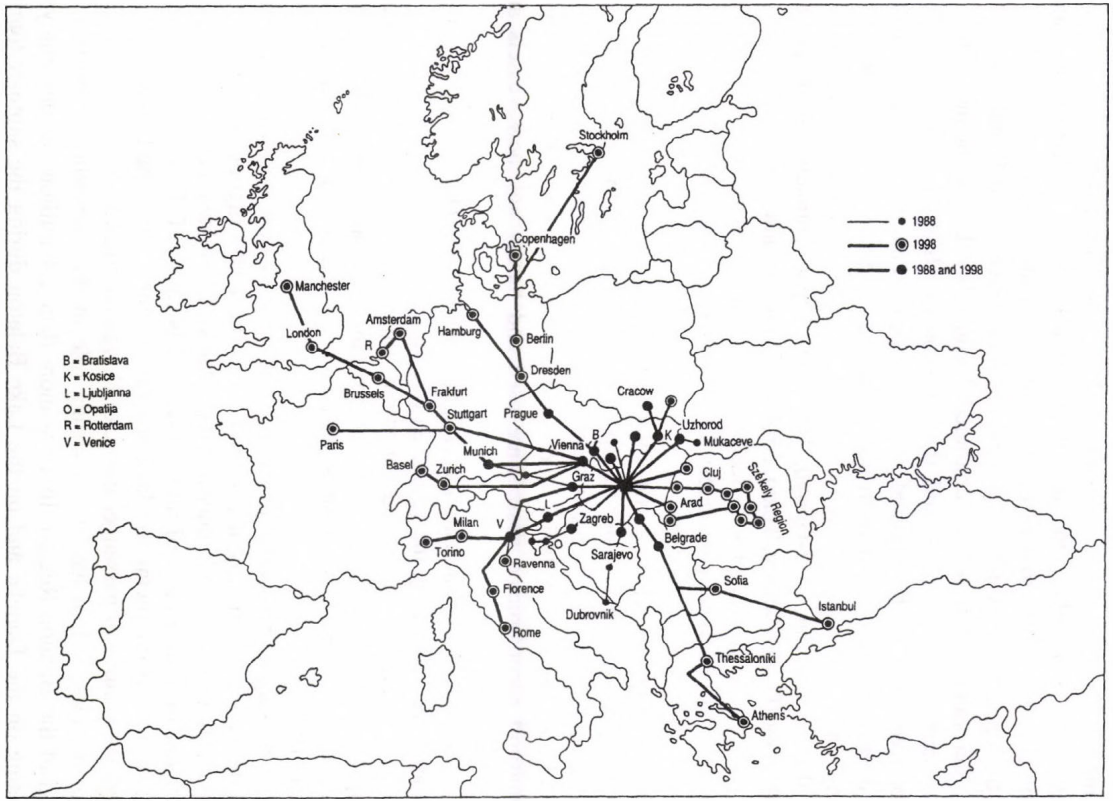

Fig. 7. Main destinations of international long distance bus services leaving Hungary

Due to the Yugoslav crisis in the 1990s the section of the Danube south of Budapest and that of the Tisza remained closed to traffic for years. In many places the international waterways do not comply in with the classification criteria of gauge and bend of international standards and rules of the European Union for the safe inland waterway navigation. Particularly the section of the Danube between Budapest and Komárom where navigation is problematic during the low-water seasons.

With the opening of waterway communication between the Danube and the Rhine, Hungarian waterways have been upgraded considerably. Due to the international obligations concerning the Danube, and the intention of Hungary to join the EU, waterways soon will have to be adjusted to the European standards. This project has been started three years ago. Apart from this, Hungarian water transport require river ports, stopping places and quays of high transloading capacity, equipped with modern facilities on the Danube (in Győr-Gönyű, Budapest-Csepel, Dunaújváros, Baja and Mohács), and on the Tisza (Záhony, Tokaj, Szolnok, Csongrád and Szeged).

Stock of vessels of companies dealing with inland waterway transport (the MAHART in the first place) is very modest. In 1998 there were less than 70 passenger boats and about 200 barges in the fleet.

In water transport including the inland one nearly all the conditions are extremely poor. The situation in water transport is determined by the low capacity of the waterways, outdated fleet of vessels (partly owing to the embargo imposed as a consequence of the war in Yugoslavia), and insufficient port capacity. For freight and passenger transport reconstructed vessels are used and hardly any new vessels are purchased.

The importance of the international freight traffic on the Hungarian section of the Danube has decreased during the 1990s. 21,000 vessels (mainly Austrian, German, Romanian, Yugoslavian, Ukrainian and Bulgarian) sailed the river in 1990 but their number dropped to less than 17,500 by 1998. Among them the proportion of Hungarian vessels was only 18 per cent. 40 per cent of the total water freight transport belonged to transit traffic in 1998.

Hungarian freight transport by water (with very modest performances) was concentrated on three main groups of commodities in the 1990s (agricultural products; ore and scrap metal; iron, steal and other metal products). Combined modes of transport (from road or rail to water) are still underdeveloped because of the low level of co-operation between them and owing to a lack of logistic centres along the Danube.

Though the volume of passenger traffic of Hungarian inland waterways has been negligible for decades, still it has an increasing role in the international tourism of Budapest and of the Balaton Region. In 1998 more than 2.4 million persons enjoyed pleasure boating on the Danube and on the Lake Balaton during the summer tourist season. Short distance sightseeing cruises to the Danube Bend are very popular with foreign tourists. Opposite to it passenger traffic on the Lake Balaton has been diminishing since the late 1980s because much less Hungarian tourists arrive in the Balaton Region than in the previous socialist era. Before 1990 the opportunities for recreation at the Lake Balaton were far more cheaper for millions of people than in the market economy.

To sum up: in the 1990s this branch of transport was unable to find its place in the new system of economy of Hungary, because of its backward position among other factors of transportation. The strong lobbies of road and railway transport represented a great obstacle for the water transport to get resources for development.

Air transport

The only growing segment in long distance passenger transport was the air transport where – mainly after the regime changed – the number of passengers rapidly increased. In 1990 1.5 million, in 1998 2.2 million passengers were registered in the statistics of Budapest Ferihegy international airport, which means 47 per cent increase during the period in concern.

In 1998 the Hungarian air transport company (MALÉV Hungarian Airlines) exploited 38 commercial lines with the total length of 49,000 kilometres. The length of air routes had risen from 57,000 kilometres (1990) to 68,000 kilometres (1998). The performance measured in passenger kilometres has increased nearly with 80 per cent during the period investigated. The average travel distance in air passenger traffic changed from 1120 kilometres to 1390 kilometres in the 1990s. There has also been a considerable increase in average freight transport distance between 1990 and 1998. It was about 1640 kilometres in 1990 and 2800 kilometres in 1998.

The restructuring of air transport was carried out and the conditions of intercontinental flights were created in Hungary. In 1998 there were 32 aircrafts in the possession of the MALÉV including leased and rented planes. The total passenger capacity of aircrafts was 3560, a 40 per cent increase in comparison with 1990. At the beginning of the 1990s in the fleet of the MALÉV there were older Russian aircrafts (type IL and TU) which were replaced by Boeing-737 and Boeing-767-200ER types. Recently a few TU-154 type planes have been used for charter flights or in long distance air freight transport only.

Deriving from the growing competition among air companies on the market, MALÉV had to work hard to avoid financial deficit in operation. It was not an easy task during the 1990s and will not be in the future. The rate of exploitation of seating capacity of the airlines decreased from 52.8 to 42.1 between 1990 and 1998 which marks more than 20 per cent fall.

There are unfavourable figures concerning the rates of delayed flights. In 1990 only 8.9 per cent of scheduled fligts were in delay, but this parameter increased to 21.6 per cent in 1998. This phenomenon derives from the overcongested air corridors over East Central Europe after 1990 at first (the number of transit flights over the territory of Hungary has increased more than fivefold since 1990), and from the great number of charter flights to the Mediterranean region during the summers.

The total structure of flights has been transformed considerably during the studied period (*Figure 8*). In 1989 the majority of flights were destinated to the capitals and other cities of former socialist countries (East Berlin, Moscow, Prague, Sofia, Erfurt, Dresden and Leipzig). Ten years later London, Paris, Vienna, Brussels and

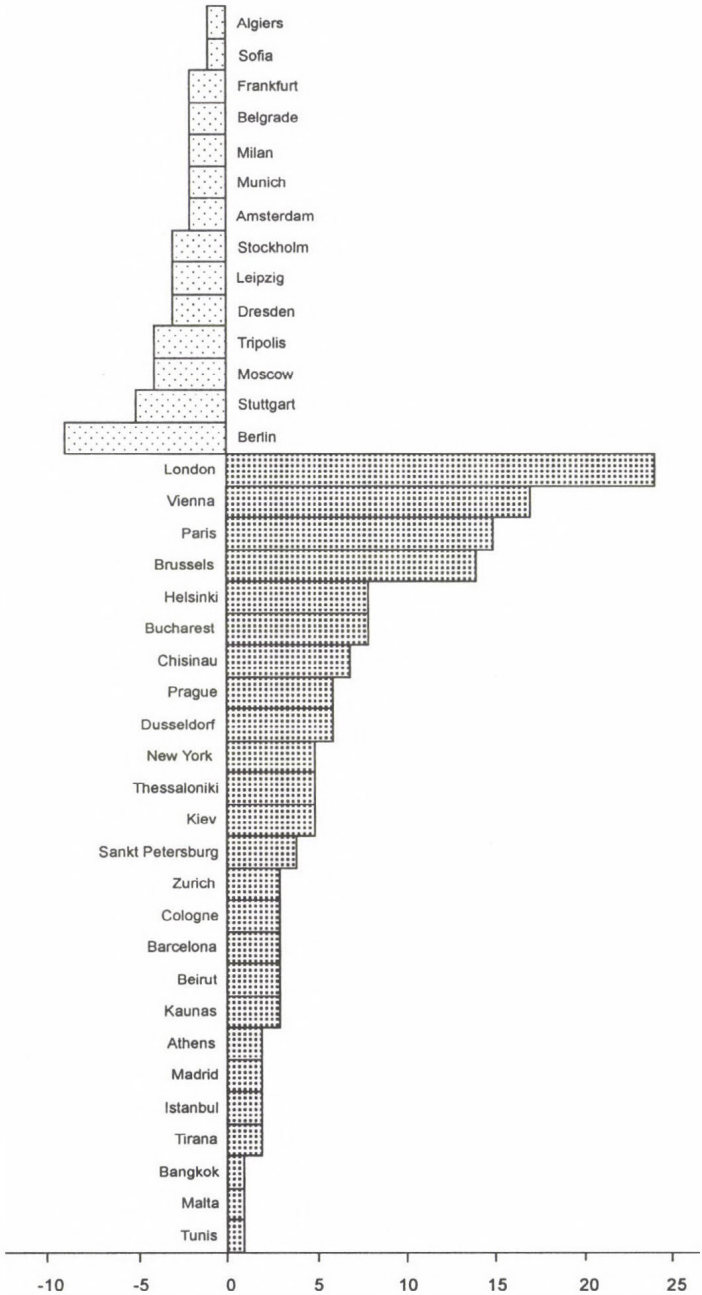

Fig. 8. Change in the number of weekly flight frequencies in Budapest Ferihegy International Airport between 1990 and 1998

Zurich were on the top in the ranking of weekly flight frequencies. Several new routes were opened to traffic during the 1990s (e.g. Bangkok, Toronto, Atlanta, Beijing) and the number of flights to New York has been increased.

To serve the increasing number of air passengers on a high level a new airport terminal (Ferihegy 2B) has been constructed with operation since 1998. This enlarged capacity enables Budapest Airport to serve more than 3 million passengers. There is an additional project for a further expansion of Budapest Ferihegy (Terminal 2C). After putting it into operation more than 6 million air passengers will be served in Budapest and the Hungarian capital will have hub functions in East Central Europe together with Vienna.

CONCLUSIONS

Surveying general tendencies of the European transport development it would be desirable to draw benefits from the advantageous transport geographic position of Hungary and from the three major pan-European corridors running through the country. Nowadays, the importance of these corridors is growing and their users – including Hungary – are motivated in broadening economic contacts with the more developed countries of Europe.

The major goals of transport development in Hungary by branches of transport are difficult to achieve because of the long term negative effects deriving from the poor conditions of transport as an underdeveloped sector of economy. However, since 1990 Hungary has had a better chance for an accelerated development process in this field because the change of political regime has created much better opportunities for foreign capital investment into the sphere of transportation.

With the help of huge sums of money pumped in the transport infrastructure of the country in the 1990s Hungary has made the first steps toward a modern transportation system. Thus, the country is on the way to Europe in this respect but it will take a long time to reach the technical and organisational level expected in a member country of the EU.

In this process we have to cope with problems like poor forwarding capacity of arterial roads and railway lines; insufficient maintenance activities; the missing Danube bridges and by-pass roads around larger towns; the generally bad physical condition of road surfaces; limited navigation possibilities and insufficient port capacities in inland waterways etc.

With its permanent and fast modernisation process only the air transport shows a good example for an efficient transport development in Hungary. Other branches of transportation should follow similar development strategies and practices in the near future.

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