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### Everyday life and attitude of creative people in the Budapest Metropolitan region. Understanding the attractiveness of the metropolitan region for creative knowledge workers

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# Everyday life and attitude of creative people in the Budapest Metropolitan Region

Understanding the attractiveness of the metropolitan region  
for creative knowledge workers

ACRE report 5.4



Zoltán Kovács  
Tamás Egedy  
Zsuzsa Földi  
Krisztina Keresztély  
Balázs Szabó  
Anna Balogi

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Accommodating Creative Knowledge – Competitiveness of European Metropolitan  
Regions within the Enlarged Union

Amsterdam 2008  
AMIDSt, University of Amsterdam



# ACRE

ACRE is an acronym of the international research project ‘Accommodating Creative Knowledge – Competitiveness of European Metropolitan Regions within the Enlarged Union’.

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## EXECUTIVE SUMMARY

The Budapest Metropolitan Region (BMR) is the economically most advanced area of Hungary and it serves as gateway for innovation and creative activities in the country. BMR as the only genuine metropolitan region of the country and it has always had a considerable share in the creative knowledge sector in Hungary, as a significant part of the organisations in the field of creative and knowledge intensive industries is located in Budapest and its agglomeration. This is confirmed by statistical data: the share of Budapest Metropolitan Region within the creative knowledge sector in Hungary was 42.3 percent in 2004 (ca. 112,000 companies and sole proprietors) employing 427,000 people. This figure substantially exceeds the share of BMR in the population (25 percent) and total GDP (33 percent) of the country. In addition, we also have to stress that the core city plays a predominant role within the urban region as far as creative activities are concerned.

In the policy making mechanism with respect creative industries in Hungary the most powerful player is the state, treating creative industry separately as subject of development policies of economy, education and culture. On the other hand, it can also be stated that on the national level the making of overall policy for the creative industries has never been properly defined, often shifting among ministries and national authorities. Lower administrative levels (county, municipal level) have always had the right to work out their specific programmes for specific themes such as the creative economy but they only have had limited resources to implement them. Policy making process of creative and knowledge-based industries in Budapest (and in Hungary) is generally weak in comparison to West European city-regions, and this process started relatively late during the post-communist transition.

Between June and November 2007 a questionnaire survey was carried out in Budapest and its metropolitan region among ‘Workers’ and ‘Graduates’ as target groups engaged in the creative and knowledge intensive sector in order to investigate their opinion about local living and working conditions. The survey included altogether 200 questionnaires: 150 quantitative household questionnaires were completed by workers of the creative knowledge sector (75 by creative workers and 75 by knowledge-intensive workers). In addition altogether 50 questionnaires were completed by university graduates. This report (WP5) summarises the most important and relevant results of the survey.

ACRE as a research project has been approaching the development process of creative knowledge sector from the perspective of the workforce, i.e. from the “human factor”. In the first phase of ACRE-project comprehensive analyses were carried out on the socio-economic development of the distinct metropolitan regions and on the current situation of creative knowledge sector. According to these results (WP2 report) the main hypotheses of research were established by the research team (WP3 report). The main aim of current research was to prove the theoretical background of the project and the most important hypotheses amongst

workers and graduates of creative knowledge sector. As far as the original hypotheses are concerned, the results can be summarised as follow:

According to our hypothesis cities where the conditions for the creative and knowledge-based economy are favourable, often have less active innovation policy and weaker policy making process. This working hypothesis has completely been proven in Budapest. The city enjoys high level of primacy within the country in terms of businesses, higher education, research & development, media and culture. The brand “Budapest” is well known all around the world, many foreigners identify the country with its capital city, Budapest. From this point of view local politicians at city or district level do not have worries about the competitiveness and attractiveness of their city in the field of creative activities. On the other hand, in spite of the late and hesitant policy making process concerning creative and knowledge intensive industries we can state that BMR (and especially the core city of Budapest) provides strong profiles both in creative and knowledge-based industries at a European scale.

Our hypothesis that living conditions (life quality and consumption), and tolerance are more important than working conditions for creative workers as compared to knowledge-based workers could partly be proven in Budapest. In general it can be stated that reasons for choosing to live in Budapest is dominated most often by personal relations and job related factors. Sectoral circumstances did not show strong differences in this respect, though the search for work and job opportunities proved to be somewhat more important for the representatives of knowledge workers than the creative ones. In the latter group Budapest born people were also overrepresented. At the same time it must be mentioned that for the representatives of the creative sector diversity of leisure and entertainment, cultural diversity, and the size and location (good transport links) of the city played more important role. These aspects in knowledge-based sector had less significance. Thus, soft factors had higher scores among creative workers compared to knowledge-based workers. Concerning the perception of tolerance representatives of knowledge-based sector were more critical about tolerance in Budapest and they consider the city less tolerant than respondents of the creative sector.

The hypothesis that deficits in the housing market and in the public infrastructure can be substituted by a rich offer of amenities and tolerant climate for creative workers hasn't been justified in Budapest. For almost all respondents either from other locations or other neighbourhoods of the city who have moved to their present dwelling, the most determining factors in choosing their new dwelling were predominantly hard factors: e.g. size and price of the dwelling, and not so much the quality and atmosphere of surrounding neighbourhood.

There are no significant differences in the residential preferences of creative and knowledge-based workers, however, some slight divergences could be detected between the two groups: respondents from creative sector prefer villages and small towns of the BMR at a higher rate than those from the knowledge-based industries. Latter would rather move to the peripheral (green) districts of Budapest. A further difference is that the downtown seems to be a potential destination for some groups of the creative workers (first of all for the young), which is less typical among knowledge workers. From the analyses of cross-tables on the choice of residence the conclusion can be drawn that young people tend to make their choice along the hard factors (in pursuit of studies in Budapest, seeking for job), whereas soft factors (e.g. proximity to natural environment) appear as preference for the middle-age and older

generations. Among the problems related to the life in the city the high level of the living costs and their ongoing drastic rising, transport-related issues, the deficiency of clean and tidy environment, air and noise pollution should be mentioned above all.

As a general conclusion it can be stated, that highly qualified people employed in the creative knowledge sector in the Budapest Metropolitan Region in the course of decisions about their place of residence tend to take into account both hard and soft factors, but in general the hard ones are more influential. Since workers and highly qualified representatives of the creative knowledge sector as it was revealed by our survey were more satisfied with the soft factors of the city than with the hard ones, in Budapest it would be essential to improve the hard location factors.



# 1 INTRODUCTION

## 1.1 Outline of report

The triggering factors of urban development have changed continuously over the past decades, always adapting themselves to the processes of globalisation – claimed by some a positive tendency and by others a negative one – and to the related trends. As a consequence of the shift from the Fordist production system to the post-Fordist economic structures the metropolitan regions have acquired an ever growing importance and became the centres of economic and social development of countries and regions. Thus the economic progress and urban development are in a permanent and advancing interrelationship (Scott 2006). Naturally, parallel with the metropolitan development trends new research topics have appeared in the sphere of social sciences with an aim to reveal the motivations behind this rapidly changing and intricate progress. International experience shows that in economic competition – along with information and its flow – an increasing role is played by creativity (and particularly by culture), invention and innovation. (Hall, 1998; Lambooy, 1998). From this perspective big cities and metropolitan regions play a prominent role; in addition due to their size and population number they represent a considerable material, spiritual and intellectual “mass” (Malecki, 1987). Concerning further development of the European metropolitan regions it might be decisive how these city-regions will be able to attract and integrate firms in the sphere of the creative knowledge sector and their manpower (Glaeser, 2005).

ACRE as a research project approaches the development process of creative sectors from the perspective of the workforce, i.e. from the “human factor”. In the project – among others – it is targeted to identify the most relevant stimulating factors prompting the creative firms and experts to establish themselves in a given metropolitan region and also to find out what similarities and differences exist in this context between the various urban regions across Europe representing diverse pathways of development. From this perspective the investigation of the Budapest Metropolitan Region (BMR) – as the largest urban agglomeration of Central and Eastern Europe having passed through profound social and economic changes over the past two decades – can be highly instructive.

In the first half a year of ACRE programme, as the primary task the theoretical foundation of the research project was accomplished. Workpackage 5 (WP5) is the first package of its kind in the project where the main aim was to conduct empirical survey. In this phase of the project an answer is sought to the following question: what are the most relevant “hard” and “soft” components in a metropolitan environment for the experts active in the creative knowledge sector. The forthcoming workpackages (WP6 and WP7) will further refine the picture with in-depths interviews. Altogether three target groups of experts within the creative knowledge sector are being involved in questionnaire survey and interviewing, these are: highly qualified

specialists and workers with university degree, managers occupying leading positions in creative and knowledge-based firms; and transnational migrants.

In compliance with the timing of the research project first a questionnaire survey was carried out between June and November 2007 among Graduates and Workers as target groups engaged in the creative and knowledge intensive sector in order to investigate their opinion about local conditions. This report (WP5) presents the most important results of the survey.

The report can be subdivided into five main parts. In the introductory chapter an overview of the socio-economic situation of the BMR is presented and the current knowledge policies are briefly outlined. The second chapter provides a short description of the role played by the creative knowledge sector within the BMR and of the position of subsectors to be surveyed with a special reference to employment opportunities of creative workers. On the other hand, it also introduces the circle of highly qualified graduates. The third chapter is composed of the summary of methodology with an insight into the elaboration and application of the questionnaire and the sampling process. The most relevant results of the survey – with special emphasis on the satisfaction of workers and graduates – is introduced and discussed by the fourth chapter. At the end of the report a short concluding chapter can be read.

## **1.2 Introduction of the Budapest Metropolitan Region**

The Budapest Metropolitan Region (BMR) is located in the official EU-region of Central Hungary, which is one of Hungary's seven NUTS-II regions. The settlement system of the Central Hungary Region can be subdivided into three segments: i.) Budapest, the capital city of Hungary; ii.) the agglomeration zone of Budapest, including officially 80 settlements, and iii.) the rest of Pest county – excluding Budapest and its metropolitan region – with 106 settlements (i.e. municipalities).

The area of Budapest is 525 sq. kilometres: Buda lying on the west bank of the river comprises one-third of the area, while Pest situated on the east occupies two-thirds of its territory. Administratively the city is subdivided into 23 districts. Because of its favourable geographical position and the concentration of the development potentials including skilled labour, all the economic, education and transportation systems show a mono-centric pattern in Hungary, with strong dominance of the BMR.

The Budapest Metropolitan Region is the economically most advanced area of the country. The economic output of the Budapest Metropolitan Region has always been dominant within Hungary. The rapid transformation of the economy after the change of regime was also fostered by foreign capital investments mainly in the fields of logistics, transportation, telecommunication, retail and high-tech industry. In 2004 44.5 percent of the GDP was produced in the Central Hungarian Region, and 35 percent in Budapest itself. The per capita GDP produced in the Central Hungary Region (Budapest and Pest county) was 159 percent, in Budapest 205 percent and in Pest county 89 percent of the national average (Table 2.2).

Since the change of the political regime the Budapest Metropolitan Region managed to keep its leading position in the economic development and modernisation of the country in most respects. It serves as gateway for innovation and modern technologies, and national centre of



most creative activities (education, R&D, media, finances etc.). In terms of output and employment the five most important branches are: chemical industry, machinery, food processing, woodworking and publishing. Within services the financial sector has been developing most intensely, other innovative economic branches in Budapest are info-communication technologies, life-sciences (medicine production, bio- and nano-technology), creative industries and cultural economy.

In the economy of the Budapest Metropolitan Region (BMR) service sector plays an outstanding role. In the capital city nearly 80 percent of the value added was produced in the service sector, which is outstanding even by EU standards (SM, 2006). Within service sector the activity of real estate and economic services takes the leading position. The most important growing economic sectors are logistics, banking, R&D, tourism in close relation with cultural economy and innovative branches like info-communication technologies and life-sciences. Thanks to the economic dynamism of Budapest, the Metropolitan Region shows the lowest unemployment rates in Hungary.

The economic and spatial changes of the Budapest Metropolitan Region were at their most intense on the metropolitan periphery. Not only did the existing functional areas change in the process of transition but new areas of economic growth with novel functional specialisations emerged. Thus, the position of agglomeration zone has been appraised within the urban region, new economic poles and new industrial parks emerged around Budapest.

The housing stock of the Budapest Metropolitan Region in 2005 was 1,120,077 this meant a 5.3 percent growth compared to 2001. Because of the suburbanisation the growth in the agglomeration zone was double as dynamic as in the city (4.1 percent in Budapest, 9 percent in the agglomeration zone). The housing affordability in the Budapest Metropolitan Region has always been worse than in the rest of the country. The average housing prices were 40-50 percent higher than the national average while the household incomes were only 15-20 percent higher.

Budapest currently has a population of 1,7 million inhabitants, whereas Budapest and its agglomeration have altogether 2,44 million inhabitants and with this figure it is the largest metropolitan region in East Central Europe (Földi, 2006). However, the age structure of people in Budapest is older on average than in the country. In the past 25 years it was the year of 2006 when the population of Budapest did not decrease compared to the previous year. The increase was minimal and according to analysts it was due to the increasing number of people officially registered but not living in the Hungarian capital (many of them foreigners).

In Budapest between 2001 and 2005 the share of the economically active population (employed and unemployed together) increased to 47 percent, which meant a 2.2 percent increase to 2001. This value was 4.7 percent higher than the national average. The number the employed in Budapest was 755 000 in 2005. Within the employed the share of people under 30 decreased due to the fact that the age for starting a career is generally growing. The representation of the employed in manager and other higher rank white-collar jobs was 61.9 percent, which was almost 20 percent higher than the national average (43.4 percent). The share of employed people in industrial blue-collar jobs reduced to 16.9 percent by 2005, while the national average was more than 10 percent higher (29.5 percent). By 2005 the average

level of education in the whole population further improved in Budapest compared to the favourable trends of the 1990s.

### **1.3 Introduction of the existing creative knowledge policies**

In the policy making of the creative industries in Hungary the most powerful player is the state treating creative industry separately as subject of development policies of economy, education and culture. Lower administrative levels (county, local level) have had the right to work out their specific programmes for specific themes such as the creative economy but they only have had limited resources to implement them. The programming period of 2007-2013 has brought a new situation forth. Regions (NUTS II.) by working out their own Operational Programmes – based on the National Development Plan – have the chance to direct financing into the creative industries they judge as of strategic importance, besides regions other than Central Hungary are also eligible to use funds supported by thematic operational programmes.

On the national level, the making of national policy for the creative industries was never properly defined. In 2004 Acts on the research and technological innovation fund, on research and development and on technological innovation were passed and the first administrative institutions called the National Office for Research and Technology charged with the execution of law was established in Hungary for planning and coordinating the development of creative knowledge sector.

The Science and Technology Policy Counselling Body in 2004 assessed the situation of the innovative sector in the country and made strategic proposals to improve it. Its analysis highlighted among others the necessity of increasing R+D expenditure and also the significant importance of harmonising education, science and technological policies. It was emphasised, that SME-s are to be made a distinguished subjects of development for working out and building the proper innovation networks and eliminating the financial and legal obstacles and establishing a clear supporting policy with funds accessible via less complicated bureaucratic processes are inevitable for further developments.

The most important development policy on national level in Hungary is the *New Hungary Development Plan*. The New Hungary Development Plan (2007-2013) contains directions for development of creative knowledge sector (e.g. establishment of the innovative knowledge based economy, development of human resources required for research/development and innovation). The Plan names those concentrated development poles where these conditions of development are sufficient to avoid high risk of such developments. The development poles are Budapest, Győr, Pécs, Szeged, Debrecen Miskolc and the Székesfehérvár-Veszprém axis.

Among the thematic priorities creative economy appears with great emphasis in the Development Plan. It is presented in the first priority (Economic Development – Establishment of the innovative knowledge based economy) and it comes back also in the third priority (Social Renewal – Development of human resources required for research/development and innovation).

On national level directions and milestones of cultural policy are integrated in the National Plan and the relevant Operational Programmes. These demands for development are

summarised in the new Hungarian Cultural Strategy. The new Hungarian Cultural Strategy treats the cultural-development-based regional development, the stimulation of the traditional and new forms of community participation establishing of the preconditions of co-operation; the protection, maintenance and management of cultural heritage; the promotion of representatives of contemporary culture and the integration of its products into everyday practice; and the improvement of accessibility of cultural supply creating a more open national culture.

On the regional level the document that set the vision of creative industries – most of all innovation – was *The Regional Innovation Strategy of the Central Hungarian Region (2004)*, which was prepared with the support of the EU 5th Research and Development Programme. The priorities and the measures set by the strategy to achieve the vision were: Developing the working conditions of the SME-s in the region; Product and technology development; Spreading of innovation culture.

Currently the most important development strategy on regional level is the *Central Hungary Operational Programme*. On regional level, the Central Hungary Operational Programme aims to increase the international competitiveness and to strengthen the knowledge-based economy of the region. In this sense, the most significant task is the stimulation of co-operation between the players of knowledge based economy. The operational programme names five priorities around which the actual measures and tasks are centred: 1. Innovative and Enterprise-oriented development of the knowledge based economy; 2. Improvement of the Preconditions of Competitiveness; 3. Development of the Region's attractiveness; 4. Development of the System of Human Service Institutions; 5. Renewal of Settlement Areas.

Within the Operational Programme the role of Budapest is highlighted as that of a Development Pole. The *Budapest Development Pole Programme* encourages creative cooperation between local enterprises and professional organisations research and development bases and educational and training institutes in a model that increases the national and international competitiveness of the economy.

On local level, the *Medium-term Urban Development Programme for Budapest (Podmaniczky Programme)* contains the capital's urban planning developments for the coming decade and outlines projects within the full spectrum of sustainable urban development that contribute to the development of creative and innovative industries in the metropolitan area of Budapest. The Podmaniczky Programme gives clear orientation and priorities for the city's development, it defines the goals of development planning, as well as goals for local authority sector-based planning. Over the course of nine years, the programme outlines 130 development plans worth 2100 billion HUF – 600 billion HUF of which will come from the Municipality of Budapest.

One of the most important aims of the Core Programme of the above mentioned development concept is to *renew, decentralise and democratise the cultural life in Budapest*. In this context Budapest has to utilise – through its geopolitical position – its existing advantages. In advance, another important object in the development of the city is to *strengthen the innovation and to establish a 'technopolis' area* in the Northern and Southern part of Budapest. Within the framework of the EU's Lisbon Agenda, one of the most important aims

in the Metropolitan region of Budapest is the development of a *knowledge-based economy* which can bring the highest added value to the long-term development of the capital. Important task is to *develop the IT environment* of public administration, education and the library network.

Summing up relevant information we can conclude that policies concerning creative and knowledge-based industries already exist in Hungary and in the Budapest Metropolitan Region and on the regional and local levels the strategic intentions and the political and philosophical vision are the same as on the national level. In this sense policies in different levels of Hungarian administrative system are actually harmonised and they follow the international proposals and guidelines of the European Union.

## 2 EMPLOYEES AND GRADUATES IN THE CREATIVE KNOWLEDGE SECTOR OF THE BUDAPEST METROPOLITAN REGION

### 2.1 General characteristics of creative knowledge sector regarding employment

At the end of 2004 there were 264 thousand active economic organisations in Hungary operating in the field of *creative industries* and *knowledge intensive industries*, which made up 36.4 percent of the active economic organisations registered in the country. Within the creative knowledge sector the proportion of creative industries was 57 percent with 150.331 organisations, whereas the knowledge intensive industries represented 43 percent.

BMR as the only genuine metropolitan region of Hungary has always had a considerable share in creative knowledge sector on national level. A significant part of the organisations in the creative industries and knowledge intensive industries are located in Budapest and the BMR with a predominant role of the core city. The share of Budapest Metropolitan Region within the creative knowledge sector in Hungary was 42.3 percent in 2004 (ca. 112,000 companies and sole proprietors) employing 427,000 people. Within the creative knowledge sector the weight of BMR is especially outstanding in the fields of ICT (53.6 percent), R&D and higher education (52.4 percent). BMR has a favourable position also with regards the creative industries, concentrating 43.4 percent of these firms (Table 2.1).

**Table 2.1 - The importance of BMR in the creative knowledge sector in Hungary (%)**

	Enterprises			Employees			Revenues		
	1999	2004	Change	1999	2004	Change	1999	2004	Change
Creative industries	42.0	43.3	<b>1.2</b>	40.5	44.8	<b>4.3</b>	58.3	62.3	<b>4.1</b>
ICT	55.8	53.6	<b>-2.2</b>	49.8	46.7	<b>-3.2</b>	42.4	43.1	<b>0.7</b>
Finances	28.2	27.4	<b>-0.8</b>	75.5	66.5	<b>-9.0</b>	89.7	91.2	<b>1.5</b>
Law and business	42.3	41.9	<b>-0.4</b>	52.7	53.0	<b>0.3</b>	80.4	66.6	<b>-13.7</b>
R&D, higher education	65.6	52.4	<b>-13.2</b>	48.1	48.7	<b>0.7</b>	77.5	77.5	<b>0.0</b>
Creative knowledge sector	42.1	42.3	<b>0.2</b>	47.4	49.0	<b>1.6</b>	58.5	58.4	<b>0.0</b>
Total	34.5	35.0	<b>0.5</b>	37.8	39.1	<b>1.3</b>	51.3	53.2	<b>1.9</b>

*Source: CSO Hungary; 1999, 2004*

Since 1998 the level of employment has been continuously increasing in the BMR. In 2005 63.3 percent of the age group between 15 and 64 was actively employed (65.4 percent in Budapest), and both figures are well above the national average (56.9 percent). The ratio of white-collar employees is very high (56.7 percent), just like the proportion of people working for the public sector (37 percent). In terms of wages, the level in Budapest is 27 percent above the national average.

According to Table 5.2 both with respect employment BMR and Budapest play outstanding role in Hungary: 39.1 percent of all employees worked here in 2004. Greatest extreme can be found in finances: 66.5 percent of employees are working here, and 91 percent of total revenues are realised here.

The number of employees in law and business showed a considerable rise (37.4 percent) both in absolute and relative terms after the turn of new millennium. With regard to the number of employees the ICT sector also expanded dynamically. In spite of an upward trend of enterprises and employees in ICT, finances and law and business, the BMR had lost from its weight after the turn of the millennium. The employment rate in higher education has shrunk considerably. There should also be mentioned that – along with an overall growth of organisations in R&D and higher education – the weight of the BMR in this branch lessened in a national comparison. A conclusion might be drawn that the importance of these sectors had been upgraded and come to the fore in provincial major cities in the countryside.

Creative industries enjoyed positive trends in the number of enterprises and employees and in the volume of revenues (Table 2.2). This is the only branch within creative knowledge sector, where the share of the BMR within the national had grown with regard to all the three parameters between 1999 and 2004.

**Table 2.2 - Number of employees in the BMR (1999-2004)**

	1999	2004	Change	Change percent
Creative industries	179232	194009	14777	8.2
ICT	48651	56767	8116	16.7
Finances	56319	53930	-2389	-4.2
Law and business	65286	89702	24416	37.4
R&D, higher education	39266	32649	-6617	-16.9
Creative knowledge sector	388754	427057	38303	9.9
Total	1347878	1482829	134951	10.0

*Source: CSO Hungary; 1999, 2004*

## 2.2 Subsectoral characteristics of creative knowledge sector regarding employment

From the summaries of comprehensive statistical analyses during the first period of ACRE project a statement could be made that creative and knowledge intensive industries within the metropolitan regions have had and actually have different characteristics and endowments. They have followed different paths of evolution, therefore considerable disparities can be traced between creative drawing sectors in the various cities. Nevertheless, a circle of those sectors can be outlined which are typical and play a decisive part in the economy of each metropolitan region.

Based on the local statistical databases, ACRE research project focuses during the project on the following branches: of creative industries software consultancy and supply (NACE code: 722), motion pictures and video activities and radio and TV activities (NACE codes 921 and

922) and advertising (NACE code: 744), of the knowledge intensive industries law, legal, accounting, book keeping, auditing and market research (NACE: 741), Financial intermediation (NACE: 65) and R&D and higher education (NACE: 73, 803).

### 2.2.1 *Software consultancy and supply*

The software consultancy and supply branch has been some of the fields dynamically developing, with a considerable ratio of the BMR. This number had risen to over 6,500 (Table 2.1). With regard to the dynamics of the branch and the weight of the BMR: in 1999 4,000 firms (60 percent of the country's active enterprises) operated in the BMR with 12,200 workers (72 percent of the total number of employees). Until 2004 the number of enterprises had risen to over 6,500 producing an increase by 67.1 percent, while the number of employees approached over 18,100 producing an increase by 48 percent (Table 2.3). The branch however displayed considerable spatial disparities within the BMR: though the employees were concentrated overwhelmingly in Budapest (85.5 percent), the progress was significantly more dynamic in the settlements of the agglomeration.

**Table 2.3 - Enterprises, employees and revenues in the selected creative branches**

	Enterprises		Employees		Revenues (1000 EUR)	
	1999	2004	1999	2004	1999	2004
Software consultancy and supply (722)	3943	6590	12210	18073	642737	1126538
Motion picture, video etc. (921, 922)	2364	3056	10147	9093	344956	926892
Advertising (744)	2170	2740	5491	6977	611317	1 219 289

*Source: CSO Hungary; 2004*

### 2.2.2 *Motion pictures and video activities, radio and TV activities*

Motion pictures, video, radio and TV activities belong to branches not being among the most important creative industries but displaying a highly dynamic development of revenues and profit and a clear-cut dominance of the BMR. Although a large portion of 3,056 firms is to be found in Budapest, the expansion in their number is clearly more dynamic in the settlements of the agglomeration. The number of persons employed in both of the branches had been reduced nearly by 1,000 which can be mainly attributed to those working in radio and TV activities. So there had been a restructuring of this industry to the benefit of more efficient companies operating with fewer workers. An overwhelming part of employees are concentrated in the BMR, motion pictures and video activities are more relevant in this sense: 82 percent of the employees of the national total operated in the BMR in 1999 and it showed 3-4 percent growth during the following five years.

### 2.2.3 Advertising

On the whole it can be stated that advertising has been able to get onto the top list of the important industries but it cannot be mentioned among the most relevant creative industries. Part of creative industries, advertising has not gained prominence by the number of enterprises and employees, it is represented correlating to the general weight of BMR. However, its development has been extremely rapid in the settlements of the agglomeration zone and on national level it is to be characterised by an absolute dominance of the BMR in the field of revenues. The number of employees increased nearly to 7,000 in the BMR by 2004 with a high concentration of workers in the core city within the BMR. The revenues had shown an upward trend having been doubled between 1999 and 2004 reaching 4,8 million EUR, the growth of returns was particularly impressing in the agglomeration zone (440 percent). A conclusion can be drawn that among the creative industries chosen it is the companies in the advertising branch that possess the highest efficiency and profitability in terms of revenues per enterprise and per capita.

### 2.2.4 Law, legal, accounting, book keeping, auditing and market research

Law and business sector is prominent, and as its part *legal, accounting, book keeping, auditing and market research* branch plays the most significant part within law and business sector, however, their development is not enough dynamic and the weight of the BMR is not outstanding on a national level. Based on the number of enterprises and employees law and business is the most significant knowledge intensive sector, and it is also one of the leading branches in terms of the revenues (Table 2.4). Between 1999 and 2004 the number of workers increased from 65,300 to 89,700 (a 37.4 percent growth), and this dynamic expansion had been mainly due to enterprises in Budapest. The latter is to indicate a prevalence of larger firms with more employees operating in Budapest. The weight of this industry has been lately in close correlation with the importance of the BMR and did not change considerably, which means that 40 percent of the enterprises and slightly more than half of the employees are to be found in the BMR. This is to indicate that firms of the countryside in law and business are closing the gap with those of the BMR in terms of the number and quality of enterprises and, as a result in their efficiency and profitability.

**Table 2.4 - Enterprises, employees and revenues in the selected knowledge intensive branches**

	Enterprises		Employees		Revenues (1000 EUR)	
	1999	2004	1999	2004	1999	2004
Accounting, auditing etc. (741)	16670	24931	40521	49520	1933439	2 211 206
Financial intermediation (65)	267	325	34147	33707	910452	3 121 745
R&D, higher education (73, 803)	1306	2181	39266	32649	146510	171 428

*Source: CSO Hungary; 2004*



### 2.2.5 *Financial intermediation*

It can be stated that finances with financial intermediation branch are large employers and revenue generators. Revenues have shown a clear-cut dynamic upward trend and the weight of the BMR is sizeable in employment and efficiency within the knowledge intensive sector. Financial sector as a rule is represented by large economic organisations, consequently it is not the number of enterprises but rather the high number of the employees (especially in Budapest) and the large volume of the revenues are its dominant characteristic features (Table 2.5).

Finances with its 54,000 workers belong to the largest employers among knowledge intensive industries. Whereas a mere 28 percent of the enterprises classified into the sector are to be found in Budapest and its agglomeration, already two-thirds of the employees work here and nine tenths of the revenues are generated here. In terms of the number of enterprises and volume of revenues the weight of the BMR has not changed during the past years, however its importance dropped somewhat taking into account a diminishing number of the employees.

Large size of the firms is also typical of the financial intermediation branch. Consequently a relatively few enterprises (a mere 325 in 2004) of this branch employ 33,700 people. On the other hand, financial intermediation is one of the industries producing the most dynamic changes in revenues (enterprises in the agglomeration realised a nearly 560 percent increase in revenues between 1999 and 2004).

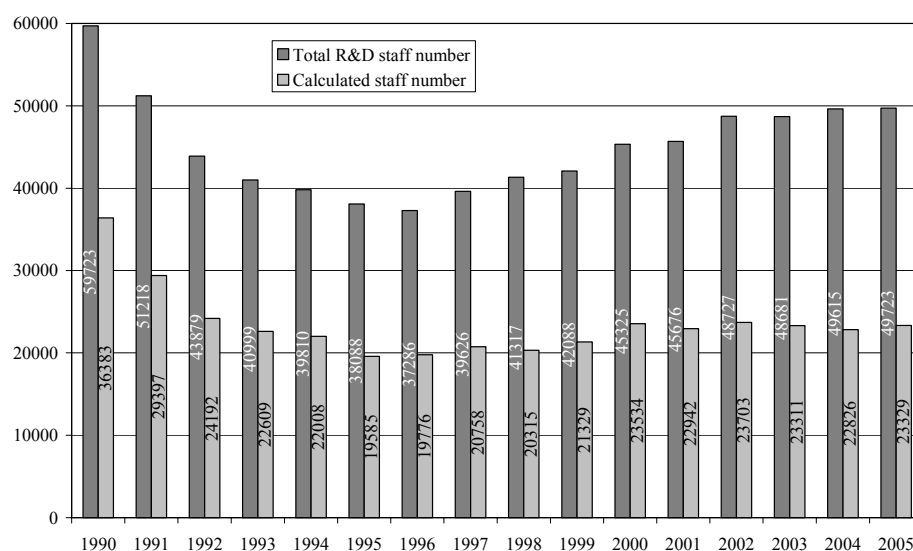
**Table 2.5 - Average number of employees in the creative knowledge enterprises**

	Budapest	Agglomeration	BMR	Country
<i>Creative industries</i>	3,2	2,1	3,0	2,9
ICT	6,3	7,3	6,5	7,5
Finances	11,3	1,6	8,7	3,6
Law & other	3,3	2,0	3,1	2,4
R&D	16,1	8,7	15,0	16,1
<i>Knowledge intensive industries</i>	5,5	3,2	5,0	3,9
<b>Creative knowledge sector</b>	<b>4,2</b>	<b>2,5</b>	<b>3,8</b>	<b>3,3</b>

*Source: CSO Hungary; 2004*

### 2.2.6 *R&D and higher education*

R&D and higher education sector does not play a decisive role among the knowledge intensive industries either in terms of the number of enterprises or the revenues gained, but due to institutions of higher education and research institutes financed from the state budget it is an important employer. In 2005 altogether 2516 R&D units were taken account of in R&D statistics, of which 1566 were institutes of higher education and 749 units were located in the business sector. The total number of R&D personnel was 49723 in 2005. This is equivalent to 23329 full time earner (0.6 percent of all active earners) of whom 15878 (68 percent) of were scientists and engineers (Figure 2.1). 37 percent of the scientists have a PhD degree and 69.5 percent of the total number of persons employed in R&D graduated from universities or colleges.

**Figure 2.1 - R&D personnel data in Hungary**

Source: CSO Hungary; 2005

R+D – just like higher education – are over-represented in the Budapest Metropolitan Region. The number of people working in R+D was 25,536 in 2005, which is 51.3 percent of the national total (Table 2.6). The weight of the BMR within R&D has shown a downward trend in the new millennium.

**Table 2.6 - Principal data of scientific research and development in Budapest**

	2000	2001	2002	2003	2004	2005
R&D unit	840	1033	1041	1089	1127	1066
Total number of staff	24865	24175	25639	25527	25480	25536
Scientist, engineers	15564	15616	16346	16736	16524	17005
Calculated number of staff	13958	13646	14064	13986	13740	13719
Current expenditure (million HUF)	54647	73394	90592	88923	95411	108138
Capital expenditure (million HUF)	14211	14016	16716	16556	13933	23321
Expenditure total (million HUF)	68858	87410	107308	105479	109344	131459

Source: CSO Hungary; 2005

### 2.3 University graduates from creative and knowledge-intensive disciplines

Due to Budapest, the general level of educational attainment in the Budapest Metropolitan Region is much higher than the national average. In the adult age group (18+) 54.1 percent of the population holds secondary education (national figure is 38.4 percent), whereas the ratio of people with higher education is 13.6 percent, nearly double the national average. Currently, the ratio of people having completed higher education is 17 percent in Hungary in the 26–64 age-groups.

During the last years the higher education produced a hitherto unprecedented expansion with an ever growing number of students. In the year of 2005, 58 percent of the applicants were accepted in higher education institutions. Economics, law and psychology continued to be the most attractive faculties at the universities, and tourism and catering, management and communication proved to be the most popular at the colleges. To the daily courses of 71 higher educational institutions 231 thousand young people matriculated for the 2005/2006 academic year (Table 2.7). There are 11 thousand persons receiving basic higher education (BSc) and further 207 thousand students study at universities and colleges. 8,300 students received higher level vocational training and further 5,900 studied in PhD and DLA courses. Of the scientific branches social sciences and humanities, a law, and technological sciences, whereas at the colleges business and administration and technological sciences play the leading role (Table 2.8).

**Table 2.7 - Tertiary education in Hungary**

	1990/1991	1995/1996	2004/2005	2005/2006
Institutions	77	90	69	71
Students	108376	195512	421520	424161
Students in full-time education	76601	132923	225512	231482
Teachers	17302	18098	23787	23188

Source: CSO Hungary; 2005

**Table 2.8 - University and college students\* by ISCED fields of training, 2005/2006**

	University level	In full-time edu.	College level	In full-time edu.
Teacher training and education science	9 457	5763	43931	19924
Arts	3 732	3531	1730	1327
Humanities	22 821	19308	4082	1581
Social sciences	26 921	19322	17791	10659
Business and administration	8 868	7003	78463	25326
Law	18 474	9680	–	–
Science	6 939	6936	278	123
Computing	7 576	7020	5215	2647
Engineering, manufacturing and construction	14 164	12984	36810	23546
Agriculture	4 824	4398	7010	2328
Health and welfare	11 428	10913	20323	8514
Services	3 790	3077	26005	11335
Total	138994	109935	241638	107310

\*Including students in BSc training.

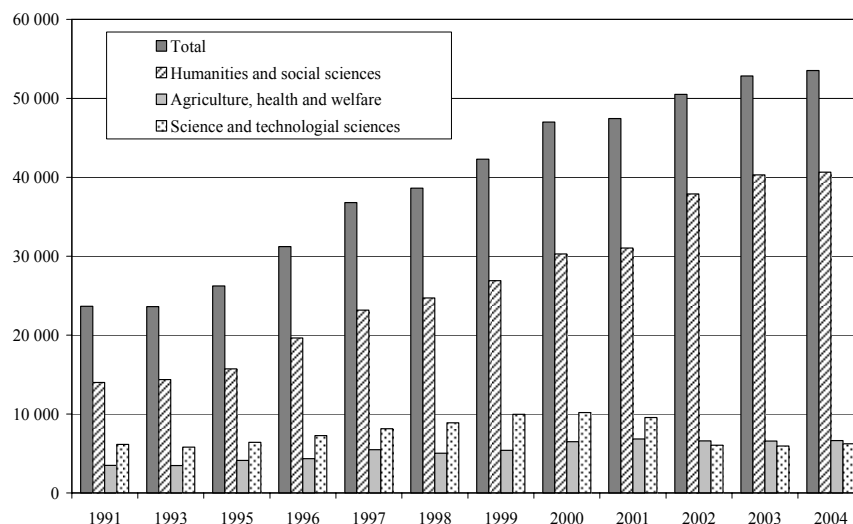
Source: CSO Hungary; 2005

In 2004 53,500 students graduated in various fields of science in Hungary. The representation of social sciences, with 24,500 (46 percent) graduates, markedly stands out. The number and share of graduates in humanities were also high, 16,200 and 30 percent respectively. The representation of graduates in these two fields of science altogether exceeded 75 percent.

The government pays especial attention to the issue of the unacceptable composition of graduates in its recently elaborated educational policy. In order to launch transformation, the

government provides state subsidies for only fewer places in social sciences and humanities, meanwhile intends to extend the number of students and graduates in technological and natural sciences (Figure 2.2).

**Figure 2.2 - Graduates in different fields of training in Hungary**



Source: CSO Hungary; 2004

Budapest Metropolitan Region has always had the largest concentration of higher education institutions in the country. This central role remained and even strengthened in the past 15 years. From 2001 the total number of students in higher educational institutions increased by 19 percent in Budapest, it was 166,000 in 2006 (Table 3.3). However, the ratio of students studying in Budapest is much lower than in the 1980s. Almost half of the students attended colleges (equalling BSc and BA) further 37 percent attended universities (equalling MSc and MA) and 10 percent participated in post-gradual specific education and training (Table 2.9). In the higher educational institutions of Budapest 25 percent of the students participated in courses of economics and management, 18 percent studied technical sciences and 12 percent studied arts. Relatively low share participated in courses of information science (5.6 percent), similar was the representation in law studies.

**Table 2.9 - Total number of students at tertiary institutions and faculties in Budapest**

	2005/2006
BSc training	7,212
Higher vocational training	3,894
University level education	61,408
College level education	76,334
Professional further training	13,466
PhD and DLA training	3,944
Total	166,258

Source: CSO Hungary; 2005

After 2000 the number of students graduated in the higher educational institutions based in Budapest increased significantly. Between 2001 and 2005 the number of graduated regular students increased from 11,600 to 14,500 in Budapest, which accounts for a 25 percent growth.

Among the employed the general level of education has also improved since the turn of the new millennium: in the BMR the share of employed with higher educational diploma increased from 29.8 percent to 34.6 percent from 2001 to 2005 – this was 13.8 percent greater than the national average.

Regarding the creative knowledge sector the proportion of employees with university and college degree is extremely high (above 75 percent) in the fields of ‘R&D and higher education’, ‘finances’ (accounting, book-keeping and auditing activities) and ‘law’ (legal services). The ratio of people with higher education is also relatively high in occupations of the IT sector (software consultancy, analysts etc.). It can be stated that in occupations within the ‘knowledge intensive industries’ (ICT, Finances, Law, R&D and higher education) the share of highly educated employees tend to be generally high. Within the ‘creative industries’ the proportion of employees with higher education is somewhat lower, highest ratios can be found in the field of ‘architecture’, ‘electronic media’ (Radio and TV), and ‘performing art’<sup>1</sup>.

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<sup>1</sup> For detailed information about BMR as living space for creative workers please see Chapter 5.3.1 of ACRE report 2.4 (From state socialism to global capitalism: Budapest on the way to creative and knowledge-based cities)



### 3.1 Creation and application of questionnaire

The questionnaire was developed and coordinated by members of the Dublin team. The creation of the questionnaire entailed a number of different steps which involved collaboration both within the team as well as with members from the entire ACRE consortium. Below is a short outline of the different steps followed during the design and formulation of the questionnaire, from its conception to the final version<sup>1</sup>.

#### 3.1.1 Content and structure of questionnaire

The objective of this particular section of the project and, more specifically, of the questionnaire, was to understand the factors behind the decisions of higher educated graduates and workers in creative and knowledge-intensive industries to find a job at a specific location in the region. A second and interrelated objective was to explore the role that both ‘hard’ and ‘soft’ location factors play in workers’ and graduates’ decisions to live in a particular location in the region, as indicated by guidelines and descriptions provided in the ACRE proposal.

With these general objectives in mind the questionnaire was divided into 4 main sections:

a) Satisfaction with the city: One of the key arguments in the debate on knowledge and creative cities, is that what are termed ‘soft factors’ are increasingly important in both the location decisions of firms/organisations as well as individual workers. In particular, it is argued that workers in the creative sector place a high value on what are termed ‘soft factors’, by which is meant for example the atmosphere of a city, the variety of attractions and interests that are to be found there. The idea behind the creation of this section of the questionnaire was to find out the level of satisfaction of workers and graduates with different aspects of the city. In developing this section, it was intended to achieve an overall evaluation of the city.

b) Satisfaction with job and work environment: With regards the knowledge economy, and in particular the creative sector, there is a suggestion that the work-life of the knowledge worker is more flexible, creative and interesting than other types of jobs. This sought to address issues of satisfaction with respect to the respondents’ job and general work environment.

c) Satisfaction with neighbourhood/area and dwelling: Although a person can be generally satisfied with the city in which he or she lives, this satisfaction does not necessarily translate into other spheres of life. Given that neighbourhood in which people live is a central element

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<sup>1</sup> The whole questionnaire of the survey can be downloaded from the following website: <http://www2.fmg.uva.nl/acre/results/index.html>

to people's satisfaction, the Dublin team thought it would be pertinent to address issues of neighbourhood and, more concretely, dwelling satisfaction in the survey.

d) Section D (Personal data): Background information (e.g. age, sex, income etc.) is essential in any questionnaire, as it is what provides a basis for the analysis.

The formulation of many of the questions required drawing from current research on, for example, life satisfaction and quality of life issues. Upon completion of this task, the Dublin team met to share/discuss the questions produced and think about possible omissions. Through a deliberate process the Dublin team began to identify and discard overlapping questions. Once the overlaps were addressed, the challenge was to identify gaps in each section.

The Dublin team piloted the questionnaire (sample of 12) locally and made adjustments from the feedback. Once the pilot questionnaire was implemented, a number of problems were identified with the existing draft. The postdoctoral researcher, who conducted the pilot test, shared the experience and addressed some of the existing problems of the questionnaire to the entire Dublin team. The team agreed that substantive revisions of some sections of the questionnaire had to be made and some questions had to be rephrased. As soon as the post-pilot editing was completed, the Dublin team met once again and went through the entire questionnaire to make sure it was substantively, grammatically and linguistically precise.

### *3.1.2 Development process of questionnaire*

#### Distributing the draft questionnaire

Upon completion of the first draft, the entire questionnaire was sent to the management team (Amsterdam). The questionnaire was then returned to the Dublin team with some minor comments and suggestions. Changes and edits were made accordingly. At this point, the questionnaire was ready for distribution with all the participating teams. During the project meeting in March 2007 (Sofia), the Dublin team gave a general introduction to the rationale behind the structure and logic of the questionnaire. In addition to the presentation, each of the 12 teams was given a copy of the first draft of the questionnaire. After the presentation, each team was given a space to discuss, suggest and provide constructive comments on the existing draft of the questionnaire. After this general 'questions-answers' session in the conference room, a consensus was reached over how to proceed with the existing structure of the questionnaire: each team was to provide comments and suggestions on how to change the questionnaire to fit the broad objectives of the research as well as to account for the particularities of their individual case study. The teams had just over one month to provide comments.

#### Feedback and revision

Once the agreed deadline was reached, the Dublin team met to discuss the received suggestions. Some of the suggestions were relatively straightforward and required minor editing's. Other suggestions, however, required extensive thought and, in some cases, major substantive revisions. In the majority of cases, the suggestions and recommendations coming



from the various teams were incorporated into the questionnaire. This, however, extended the size of the questionnaire significantly (more than double the original size), and the Dublin team was thus faced with a problem of size/length of time per interview. After the recommendations were added to the questionnaire, a first draft was sent to the coordinating team – Amsterdam. The questionnaire was then fully revised and significantly reduced in size by then approved by the coordinator and the coordination team. The Dublin team was asked to ensure that the teams restrain from changing elements of the questionnaire, as it would make future comparisons difficult.

#### Posting online – extranet

Once the coordination team revised the questionnaire, the Dublin team edited the questionnaire in accordance to the recommendations made and posted it on the extranet. This was done in May 2007. However, two months after the questionnaire had been posted one of the teams noticed a potential minor problem with one of the questions (question A2). The team raised the issue with the coordination team, who then asked the Dublin team to change question in accordance to the suggestion made. Once this suggestion was incorporated, the new version of the questionnaire was posted online (extranet) in July, 2007.

#### *3.1.3 Application of questionnaire and experiences during the survey*

The process of surveying could be divided into three phases: a) Preparatory phase; b) Empirical phase; c) Processing and analytical phase.

The most important steps and experiences of the individual phases are outlined below.

#### Preparatory phase:

Prior to the start of the survey the Budapest project team discussed the possible options of the application of questionnaire (setting the methodological foundations). The circle of firms to be involved in the survey was identified and the possible ways of establishing contacts with the target firms were explored. A rapid and cheap solution for the selection of firms was the review of company registers and data banks stored in the internet. This method also provided an opportunity for search by geographical areas, economic sectors and activities. With this method the firms to be surveyed were chosen and registered in our database. Taking into account the quantitative and qualitative expectations the team decided to apply four methods in the empirical phase: i) contacting the expert to be involved in the survey by phone and setting a date for a subsequent meeting and interviewing; ii) after establishing phone contact an on-line mailing of the questionnaire to the firms; iii) on-line mailing of the questionnaire with an accompanying letter to the firms to be involved; iv) traditional (hard copy) mailing of the questionnaire with an accompanying letter to the firms to be involved. As it appeared in the preparatory phase the feasibility and success of the applied methods varied widely leading eventually to a shift of their weight in the survey.

Empirical phase:

As a first step of this phase the team contacted the management of the selected firms. In addition, the objectives of ACRE project were described shortly and the support of the contacted managers for filling the questionnaires was requested. At the beginning of the survey the contacts were established nearly exclusively by phone. Persons who were contacted were generally not those from the top management of the firms but most frequently human resources managers responsible for personal affairs within the firm, or communication managers and other contact persons. This was mainly because the uppermost managers were hardly available or they considered the objectives of the ACRE project “irrelevant”.

Even in the initial phase it became clear that personal interviewing would not work because the persons to be involved in the survey were too busy or often they referred to the lack of time. Quite commonly the manager or person to be interviewed asked to send the questionnaire on-line (for the sake of a rapid and simple handling) and promised to return it duly filled. In this phase of the survey traditional mailing was not typical. It must be noted that phone contacts and sending out the questionnaires on-line and the receipt of the filled forms proved to be very slow and made little progress due to frequent refusals. The method delivering the questionnaire personally (personal contact after communication by phone) was more successful in this phase of the research.

As the deadline of the period to return the filled questionnaires was getting closer the project team has changed its methodological strategy in a following way. To the firms selected for the database – knowing and considering the pros and cons (a lower rate of return and responses) – the questionnaires were sent out with an accompanying letter (with a sealed couvert), partly on-line, partly by traditional mail. Surprisingly, in the latter case the willingness and rate of response was much higher than in the former one (Table 3.1). The reason for that is assumed to be postal registration, which made the impression of interviewees more serious than in the case of on-line communication. At the same time in both cases a positive outcome was that the respondents filled the questionnaires overwhelmingly carefully, so voids and omissions were less typical, consequently data and information loss were less frequent.

**Table 3.1 Methods applied in the survey and the number of questionnaires sent out**

<b>Method</b>	<b>Number of questionnaires sent out</b>	<b>Number of questionnaires filled and sent back</b>
Communication by phone – personal interview	2	2
Communication by phone – personal contact	40	36
Communication by phone – on-line delivery of the questionnaire	138	96
On-line communication and delivery of the questionnaire	145	18
Communication and delivery of the questionnaire by traditional mail	285	48
<b>TOTAL</b>	<b>610</b>	<b>200</b>

### Processing and analytical phase:

In the final phase of the survey the questionnaires received back were coded according to the international practice and a computer database was established. Data input was performed using Excel and finally the database was converted into SPSS and prepared for statistical analysis. As the last step of the analytical stage frequency tables were prepared and analysed, conclusions were drawn and the results were summarised in Chapter 4 of this report.

The experience gained with the survey in general, and application of the questionnaire in particular, is summarised below:

- The elaboration of and discussion about standard questionnaire to be applied in international partnership need sufficient time and care. (In spite of the changes suggested by the partners several possible answers remained in the questionnaire that is difficult to interpret under local conditions, in addition some methodological problems concerning the application of the questionnaire remained also unsolved.)
- Preparations for the survey did not take much time and it was relatively simple.
- In surveys like this it should be taken into account that establishing contacts with the firms and involving them in the project require considerable energy and effort. Without enough flexibility and engagement serious hindrances might emerge (suspicion, refusal, unconcern etc.).
- Personal interviews with top managers are very difficult to organise. This method is less suitable and efficient to perform surveys of similar volume.
- On-line communication (without any contact by phone) is less successful to conduct similar surveys (very low rate and willingness of response).
- A promising way of application is personal (phone) communication and sending out questionnaires by traditional mail or delivering (and collecting) questionnaires personally.

## **3.2 Sampling**

### *3.2.1 Identification of most important creative knowledge sectors in the BMR*

In the first phase of sampling process the most important creative knowledge sectors for surveying were identified (detailed information about results of these analyses were highlighted in WP4 report of Budapest). For the identification of creative knowledge sectors playing decisive role in the Budapest Metropolitan Region (BMR) the international NACE codes were used, which are identical with the TEAOR'03 codes applied by the Central Statistical Office (CSO) of Hungary. Data about the number of enterprises (divided by companies, sole proprietors, and government institutions), their number of employees and annual revenues (in 1000 EUR) were supplied by Central Statistical Office (CSO) Hungary. This set of data was available in a cleaned and structured form for 1999 and 2004. For the analysis of regional variations of creative knowledge sector within Hungary we used data aggregated for the entire country, for regions (former NUTS II), counties (NUTS III), and for the Budapest Metropolitan Region, respectively. Afterwards the position and weight of branches included in the creative knowledge sector was studied within the BMR. In selection

of the target groups the database was rearranged accordingly (data filtering), and the individual branches were ranked by the conditions of filtering. When choosing target groups the following aspects were taken into account:

*Indices of absolute volume:*

- Number of enterprises operating in creative and knowledge intensive industries in 1999 and 2004;
- Number of employees engaged in economic organisations and enterprises in 1999 and 2004;
- Revenues of economic organisations and enterprises in 1999 and 2004.

*Indices of the dynamics of changes and importance of the BMR:*

- Change in the number of employees and volume of revenues between 1999 and 2004;
- Weight of the BMR in the individual creative and knowledge intensive industries in 1999 and 2004 (to what extent did the sector concentrate in the area of the BMR in 1999 and 2004?);
- Change in the weight of the BMR in the individual creative and knowledge intensive industries with respect to the country between 1999 and 2004.

Using the above indices the leading branches were selected and compared with similar selections of other project partners of the ACRE project. After comprehensive discussions branches playing an outstanding role in creative knowledge sector on international level were determined by the consortium for further investigations.

### *3.2.2 Sampling process and selection criteria*

#### Selection of workers

The ACRE research team determined the number of quantitative questionnaires to be completed in the selected creative and knowledge-intensive sectors. The survey included altogether 150 quantitative questionnaires, 75 in the selected creative industrial sectors, while the rest 75 in the knowledge-intensive sectors. Based on the analyses of the statistical data and taking into consideration the sectoral differences between Budapest and its agglomeration zone within the BMR (Table 3.2.), the distribution of questionnaires among sectors was carefully planned and realised in the way presented below (Table 3.3):

**Table 3.2 - Number of enterprises, employees and revenues in the BMR**

	Number of enterprises		Number of employees		Revenues (1000 EUR)	
	BMR Total	Of which in the agglomeration	Total	Of which in the agglomeration	Total	Of which in the agglomeration
Software consultancy (722)	6590	1388	18073	2620	1126538	117 558
Motion picture etc. (921, 922)	3056	499	9093	663	926892	22653
Advertising (744)	2740	491	6977	863	1219289	78 900
Law and business (741)	24931	4408	49520	6662	2 211 206	191 335
Finance (65)	325	44	33707	875	3 121 745	42 073
R&D (73,803)	2181	339	32649	2940	171 428	13917

**Table 3.3 - Selection of interviewees from creative workers (by location of workplace)**

	Interviewees planned			Interviewees realised		
	Budapest	Aggl.	Total planned	Budapest	Aggl.	Total realised
Software consultancy (722)	28	7	35	32	6	38
Motion picture etc. (921, 922)	17	3	20	16	0	16
Advertising (744)	15	5	20	21	2	23
<i>Creative industries</i>	<i>60</i>	<i>15</i>	<i>75</i>	<i>69</i>	<i>8</i>	<i>77</i>
Law and business (741)	25	5	30	15	6	21
Finance (65)	23	2	25	21	7	28
R&D (73,803)	17	3	20	19	5	24
<i>Knowledge intensive ind.</i>	<i>65</i>	<i>10</i>	<i>75</i>	<i>55</i>	<i>18</i>	<i>73</i>
<b>TOTAL</b>	<b>125</b>	<b>25</b>	<b>150</b>	<b>124</b>	<b>26</b>	<b>150</b>

As it is shown in Table 3.3 our objectives related to sampling were basically reached among the Workers<sup>2</sup>. The number of respondents indicates considerable deviation from the projected targets only in the case of ‘law and business’ branch (instead of 30 questionnaires 21 was filled in). As far as the complete data set (N=200) is concerned, however, this difference does not influence and distort the results of the survey, because on the other hand this branch is overrepresented among ‘Graduates’, thus the branch has more or less an adequate weight in the selected sample. It should also be noted that in Table 3.3 the geographical location of jobs was the basis of sampling. However, taking into account the place of residence of employees, 34 out of all interviewed workers lived in the metropolitan region, this share of 22 percent is not much behind their weight within resident population of the BMR (29 percent).

#### Selection of university graduates

According to the selection criteria used by the ACRE consortium altogether 50 questionnaires were to be completed by university graduates. 25 respondents who attended university institutions were planned to be interviewed, respective of the internal distribution of students, faculties and majors. Further 25 questionnaires were to be completed in higher educational institutions specialised in arts and media. As in the BMR most of the students study in institutions based in Budapest, the students and the graduates had been selected from the capital city exclusively. Table 3.4 summarises the number and distribution of the to-be-completed and completed questionnaires among graduates.

<sup>2</sup> Owing to the low number of elements (N=200) the present survey cannot be considered a representative one but this has not been a primary criterion of sampling.

**Table 3.4 - Planned selection of interviewees from university graduates**

Field of training	Interviewees
Social sciences and humanities	7
Law	5
Science and computer science	5
Engineering, manufacturing and construction	5
Business and administration	3
<i>Total</i>	25
Arts	10
Media	15
<i>Total</i>	25
<b>TOTAL</b>	<b>50</b>

At the beginning of the survey we faced several problems: e.g. universities and other higher education institutions have information virtually about the number of graduates only. The ‘Alumni system’ in Hungary is in a very pre-mature phase. Therefore universities have not been able to support actively our survey; after finishing studies there are hardly any link between the graduates and their school (alma mater). In contrast to Alumni and other civil organisations active in western countries, they are not common in Hungary yet; that is why we had only limited information at our disposal at the beginning of the survey. We had to change our methodological concept: from the database some firms were chosen by random selection and they were sent letters by traditional mail that had proven to be expedient before. Persons having graduated from the university some (2–4) years before and now working at least for one year in executive positions with creative occupation at their firm were requested to fill in the questionnaire. These young people have experiences on the labour market and can formulate opinion about the state of affairs at their workplace. This shift in the methodology has proven successful: even though the original scientific subdivision could not be retained, a sampling among the graduates of creative knowledge could be undertaken. Their sectoral distribution is shown in Table 3.5.

**Table 3.5 - Realised selection of university graduates by creative and knowledge-based branches**

	Interviewees realised		Total planned
	Budapest	Aggl.	
Software consultancy (722)	6	3	9
Motion picture etc. (921, 922)	1	0	1
Advertising (744)	5	0	5
<i>Creative industries</i>	12	3	15
Law and business (741)	16	0	16
Finance (65)	4	0	4
R&D (73,803)	14	1	15
<i>Knowledge intensive ind.</i>	34	1	35
<b>TOTAL</b>	<b>46</b>	<b>4</b>	<b>50</b>

If the sectoral distribution is compared with the table of field of training and the institution issuing university diploma is also taken into account, we may come to the following cautious conclusions concerning the *projected vs. realised selection*. Graduates in law and business are slightly overrepresented within our sample. The same is to some extent true for social

sciences and humanities, science and computer science, and engineering, manufacturing and construction categories. On the other hand, graduates in the spheres of media and arts are underrepresented in the sample.

There is another important difference between the group of creative workers and graduates, and this is employment. 92 percent of the graduates involved in the survey were employees, whereas the ratio of self employed/freelance people was a mere 8 percent. In the case of workers the proportion of employees is much lower (76 percent) and the self employed/freelance position is more dominant. Graduates were most typically employed by public organisations, like research institutes of the Hungarian Academy of Sciences, or universities. They were typically young intellectuals at the beginning of their career. This factor must be taken into account when analysing the survey results.

With statistical analyses at our disposal (especially those of highest educational qualification and age structure) it can be stated that there are no substantial differences between the two sets of samples (workers and graduates) along the above criteria so a joint analysis of the two samples seemed to be reasonable. Anyway, the limited number of interviewed people in all three groups would not have made a comparative analysis possible. Or the other way around, an issue concerning the working hypothesis emerges: was it justifiable to make distinction between the two groups? To solve this problem we split up the group of graduates between the creative industries and knowledge-intensive industries and analysed only these two (extended) groups of respondent. According to occupation 35 graduates were incorporated in the group of knowledge workers, and 15 in the creative workers. Of course, this had further implications on the attitude and behaviour of the two subgroups which had to be taken into account.





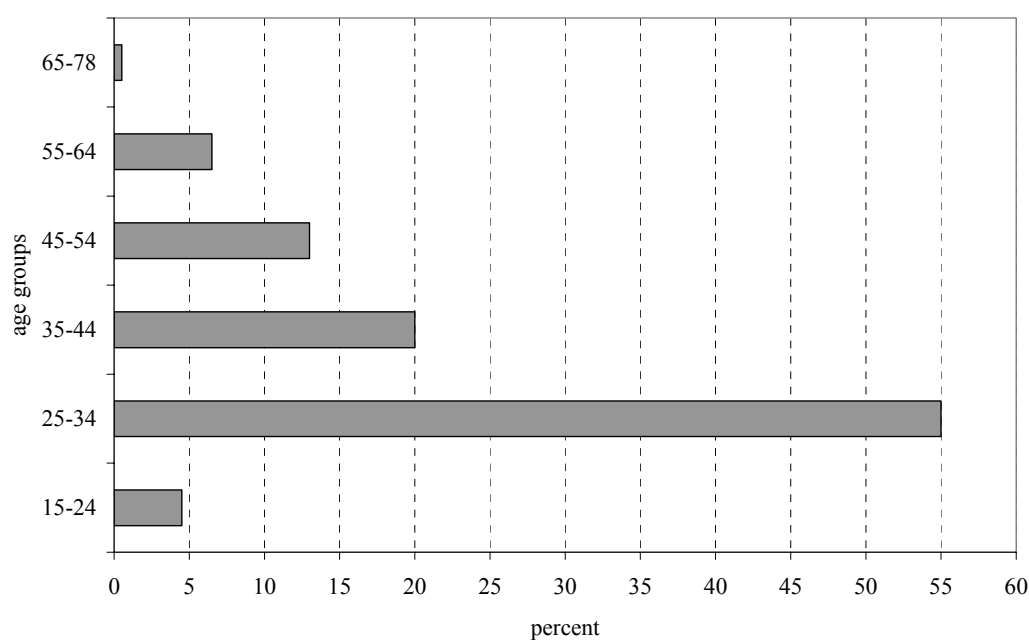
## 4 RESULTS OF THE ANALYSES

In this chapter demographic composition, residential attitude and employment features of respondents involved in the survey will be analysed. In addition to this respondent's satisfaction with Budapest as working and living place will also be investigated.

### 4.1 Demographic structure of the sample

The *demographic structure* of the sample substantially influences other characteristics (e.g. job, leisure) of the respondents and this way the outcome of the whole analysis. The demographic structure of the sample is best characterised with the breakdown of respondents by age groups. The age structure of the sample for the Budapest agglomeration is basically young. Almost 80 percent of the people involved in the sample belong to the three age groups below 45 years. The age group between 25 and 34 appears with far the greatest representation in the sample (Figure 4.1). The share of this group in the sample is 55 percent. The second most highly represented age group is the one between 35 and 44 years: 20 percent. This group alone has a share of respondents as high as the three age groups above 45 altogether. It is of no surprise that the groups with the lowest representation in the sample are the one with respondents aged between 15-24 (4.5 percent) and the one with people beyond 65 (0.5 percent). These are the typical age groups in Hungary 'still studying' or 'already in pension'. The willingness to respond to this question on age was high, almost 100 percent.

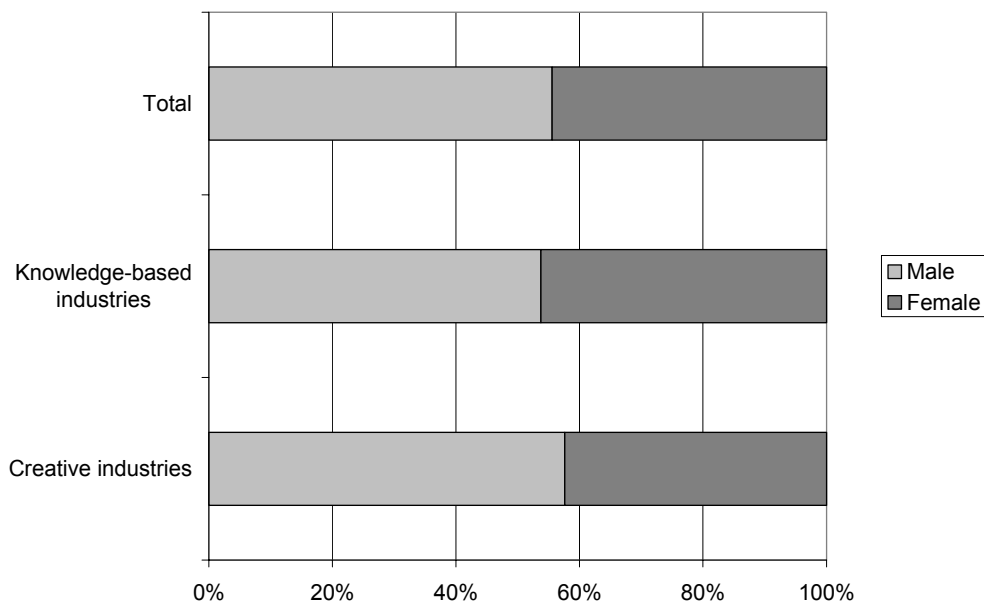
Figure 4.1 - Age structure of the sample



The age composition of persons involved in the survey somewhat differed by sector. Both sectors were dominated by the 25–34 year cohort, but respondents from knowledge-based sector were younger: the ratio of the 25–34 cohort was 47.8 percent in creative sector and 61.7 percent in knowledge-based sector.

The breakdown of the sample by *gender* shows a relative imbalance between the share of male and female respondents in favour of males. Their representation in the sample is 55 percent (Figure 4.2). The number and share of respondents who failed to answer this question is negligible (2 people making 1 percent of the sample).

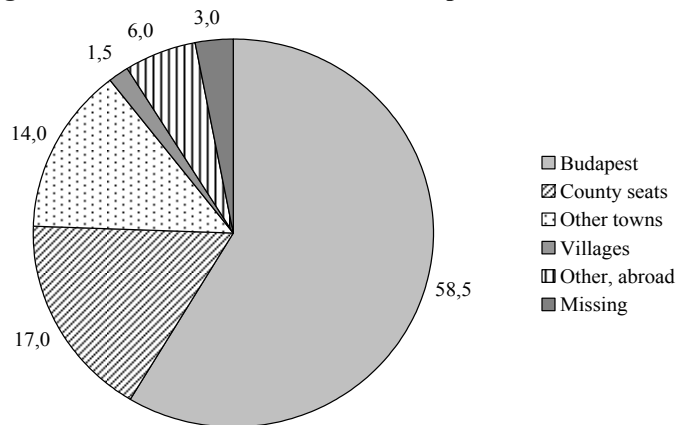
**Figure 4.2 - Breakdown by gender in the creative and knowledge-based industries**



In term of gender, there is a slight difference within the two sectors: among the respondents from the creative sector there are nearly 4 percent more males (57.6 percent) than in the knowledge-based sector.

With regards the place of origin 89.5 percent of the people partaking in the survey were born in Hungarian urban settlements<sup>1</sup>. Practically 58.5 percent of people involved in the survey named Budapest as their *place of birth* (Figure 4.3). A little more than 30 percent of the sample were born in towns of Hungary other than the capital city with an almost 50-50 percent division between the county seats and other (lower rank) towns. Only three respondents of the 200 (1.5 percent of the sample) were born in villages. The share of people in the sample who were born outside Hungary is 6 percent. Only 3 percent of the respondents did not answer this question. For further analysis of the sample, the division between native Budapest inhabitants and the rest might be relevant.

<sup>1</sup> However, not necessarily meaning that they were all living there at the time of their birth.

**Figure 4.3 - Place of birth within the sample**

Among representatives of creative sector the ratio of those who were born in Budapest was considerably higher. At the same time many respondents from the knowledge-based sector had roots in countryside. The latter were attracted intensely to Budapest and the BMR by career opportunities (Table 4.1).

**Table 4.1 - Place of birth in the creative knowledge sector<sup>2</sup>**

	Creative industries	Knowledge-based industries	Total
Budapest	65,2	52,8	58,5
County seats	10,9	22,2	17,0
Other Towns	14,1	13,9	14,0
Villages	1,1	1,9	1,5
Other, abroad	6,5	5,6	6,0
Missing	2,2	3,7	3,0

The data regarding the *number of people living in the same dwelling unit* as the respondent shows a pattern which implies a sample predominated by young intellectual respondents. This is confirmed by the fact that 58 percent of the sample lives in units inhabited only by one or two persons. The division of respondents between the first two sub-groups is not balanced since the number of dwellings with two people still outweighs the number of dwellings with one person. A little more than 35 percent of the respondents live with 2 or more people in their dwelling units (categories of 3+). Within this part of the sample hardly any respondents share their dwellings with more than 4 people (categories of 5+). These respondents represent altogether 8 percent in the sample. A considerably larger share of the respondents (5.5 percent) failed to answer this question than the ones discussed above.

The breakdown of the sample by *household types* partially reflects the results of the previous analysis. One person households come to 20 percent of the sample with equal shares in both sectors (Table 4.2). The share of husband and wife and cohabiting couples is 38.1 percent. These two subgroups roughly correspond to the share of the first two subgroups in the analysis above, together representing almost 60 percent of the total sample. 27 percent of the

<sup>2</sup> Tables in chapter 4 highlight basically distributions by percentual figures.

respondents live with a partner (in marriage or cohabiting) and children. The lone parents living with children (and others) come only up to 3,5 percent of the total sample, similarly low share (4,5 percent) can be observed in the case of couples (with children) living with other people. People living with non-relatives have the same low representation in the sample. These are most certainly the youngest generation respondents living mostly in rented apartments. There is a strong relationship between the fact that 60 percent of the respondents are below 35 and 58.4 percent of them live alone or in marriage (or partnership) with no children. The European tendency that young intellectuals start a family later in their 30's is well reflected in the sample of the survey.

**Table 4.2 - Breakdown of the sample by household types**

	<b>Creative industries</b>	<b>Knowledge-based industries</b>	<b>Total</b>
One person	20,7	20,0	20,3
Husband & Wife/cohabiting	34,8	41,0	38,1
Husband & Wide (or cohabiting couple) with children	28,3	26,7	27,4
Lone father/mother and child	4,3	1,0	2,5
Husband & wide (or cohabiting couple) and other persons	4,3	1,9	3,0
Husband & wife (or cohabiting couple) & children & others	1,1	1,9	1,5
Lone Father/mother and children and others	1,1	1,0	1,0
Two family units	2,2	0,0	1,0
Non-family household with related or non-related persons	2,2	6,7	4,6
Other	1,1	0,0	0,5

With regard to sectoral relations it can be stated that young couples before founding of their family are represented higher in the knowledge-based industries sector (41 percent) than in the creative one (34.8 percent). There is another difference in term of family structure between the two sectors: there is a 6.7 percent ratio of 'Non-family household' with related or non-related persons in knowledge-based sector. From this figure a cautious conclusion can be drawn about the *characteristic prevalence of two-child family model in the knowledge-based sector (15.8 percent of all households), whereas families in the creative sector tend to have more children*. Within the latter the share of families with three children or more is near 15 percent, whereas in the knowledge-based sector it remains below 3 percent.

The average monthly net income of households is clearly higher in the creative sector. Although in both sectors the overwhelming part of respondents belong to the 1000-2000 EUR category in Budapest (40.7 percent for creative industries and 36.9 percent for knowledge-based industries), households in the higher income segments have a larger share in the creative sector than those belonging to knowledge-based industries (Table 4.3).

**Table 4.3 - Monthly income after tax**

	Creative industries	Knowledge-based industries	Total
Less than 501	0,0	2,9	1,6
500-1000	26,7	36,9	32,3
1000-2000	40,7	36,9	38,6
2000-3000	10,5	8,7	9,5
3000-4000	2,3	1,9	2,1
4000-5000	1,2	0,0	0,5
6000-7000	2,3	0,0	1,1
8000-9000	1,2	1,0	1,1
Don't know/refuse	15,1	11,7	13,2

## 4.2 Residential features and satisfaction with the residential area

The functioning of local housing market has direct impact on residential mobility of highly skilled employees. The type and location of dwelling has equally strong impact on the satisfaction of employees in creative and knowledge-intensive sectors with the wider urban environment.

### 4.2.1 Basic residential features

For each factor potentially influencing the choice of dwelling the table highlights (with bold figures) the rate of importance that the respondents indicated with the highest frequency. The 16 factors considered were judged differently in the decision making process leading to the last selection of residence, however there were factors whose judgement was quite similar. E.g. the ‘proximity to family/friends’ has a relative even frequency with a „peak” at the *somewhat important* category while the ‘size of dwelling’ has a markedly uneven frequency with a striking peak (48 percent) at the *quite important* category (Table 4.4). In Budapest the nearness to pubs/nightclubs has also uneven judgement with an even more marked peak at the *not very important* category. By analysing the distribution and peak of frequency a general ranking of circumstances playing roles in the relocation decision can be outlined.

**Table 4.4 - Role of factors in choosing the current dwelling place<sup>3</sup> (whole sample)**

	Very important	Quite important	Somewhat important	Not important	Don't know	Missing
cost of dwelling	33,5	<b>40,5</b>	11,0	6,0	3,5	5,5
size of dwelling	23,5	<b>48,0</b>	13,5	6,5	3,5	5,0
availability of private open space	19,5	<b>28,0</b>	14,5	26,0	6,0	6,0
proximity to family/friends	10,5	20,0	<b>34,0</b>	29,0	2,0	4,5
closeness to services/facilities	7,0	34,5	37,5	14,5	2,0	4,5
proximity to public transport	19,5	<b>44,5</b>	20,5	9,0	2,0	4,5
proximity to major roads/highways	6,0	21,0	29,5	<b>36,0</b>	3,0	4,5
nearness to pubs/nightclubs	1,5	4,0	19,0	<b>68,5</b>	2,0	5,0
closeness to city centre	7,0	20,0	26,0	<b>40,5</b>	1,5	5,0
proximity to good quality schools	3,0	18,5	22,5	<b>44,0</b>	7,5	4,5
availability of crèches	3,5	18,5	15,5	<b>48,5</b>	9,5	4,5
availability of leisure facilities	5,0	23,0	36,5	<b>28,0</b>	2,5	5,0
quality of surrounding neighbourhood	33,5	<b>38,0</b>	16,0	4,0	2,5	6,0
closeness to public open spaces	15,5	25,5	<b>34,5</b>	17,5	2,5	4,5
the neighbourhood atmosphere	28,0	<b>39,5</b>	19,5	5,5	3,0	4,5

There were 3 factors where the value of *very important* and *quite important* answers together reached 70 percent in the sample, and these were: ‘cost of dwelling’ (74 percent), ‘size of dwelling’ (71.5 percent) and ‘quality of surrounding neighbourhood’ (71.5 percent). These are clearly the decisive factors in choosing the dwelling place in Budapest among creative workers.

As regards the selection of the place of residence there was virtually only one substantial difference between the behaviour of the respondents belonging to the sectors compared. Proximity to public transport is fairly important for one fourth of respondents occupied in knowledge-based sector, moreover, for half of them it is a highly important aspect (their combined ratio is 74.8 percent). This rate is much lower (58 percent) for those working in the creative sector (Table 4.5). This reflects clear differences between the two groups as far as daily routine is concerned. Income and lifestyle differences between the two groups also come to the fore, the cost of dwelling is less important for the creative employees, just like the size of dwelling. On the other hand it is quite surprising that among the representatives of this sector pragmatic and material (hard) factors play such a relatively high importance when choosing their home, at the expense of soft factors such as the availability of entertainment and leisure time spending.

<sup>3</sup> The highest rates are bold, among them the figures exceeding 40 percent are framed.

**Table 4.5 - Main factors in choosing the current dwelling place in the creative knowledge sector**

	Very important	Quite important	Somewhat important	Not important	Don't know
<b>Creative industries</b>					
cost of dwelling	29,9	44,8	11,5	8,0	5,7
size of dwelling	19,5	52,9	17,2	4,6	5,7
closeness to city centre	6,9	19,5	20,7	49,4	3,4
proximity to public transport	15,9	42,0	25,0	12,5	4,5
quality of surrounding neighbourhood	34,1	38,8	20,0	2,4	4,7
the neighbourhood atmosphere	30,7	39,8	22,7	2,3	4,5
<b>Knowledge-based industries</b>					
cost of dwelling	40,2	41,2	11,8	4,9	2,0
size of dwelling	29,1	48,5	11,7	8,7	1,9
proximity to public transport	24,3	50,5	18,4	6,8	0,0
closeness to city centre	7,8	22,3	33,0	36,9	0,0
quality of surrounding neighbourhood	36,9	41,7	14,6	5,8	1,0
the neighbourhood atmosphere	28,2	42,7	18,4	8,7	1,9

Another clear trend is that respondents were cautious about judging any of the factors as *very important*, this way none of the factors were judged as such with the highest frequency. ‘Cost of dwelling’ and the ‘quality of the neighbourhood’ however were judged as very important by over 30 percent of the respondents but even in these two cases the *quite important* category was still more frequent.

The frequency of the *quite important* category is over 40 percent for the ‘cost and size of dwelling’ and the ‘proximity of public transport’. Also relatively big share (over 35 percent) of respondents think that the ‘quality and the atmosphere of the neighbourhood’ were quite important factors in their decision making process. These five factors can be ranked among those having the greatest impact on the last relocation decision in the sample. Still higher than 25 percent of the respondents attributed importance to the distance to work and to availability of private open space: their frequency was 29 percent and 28 percent respectively.

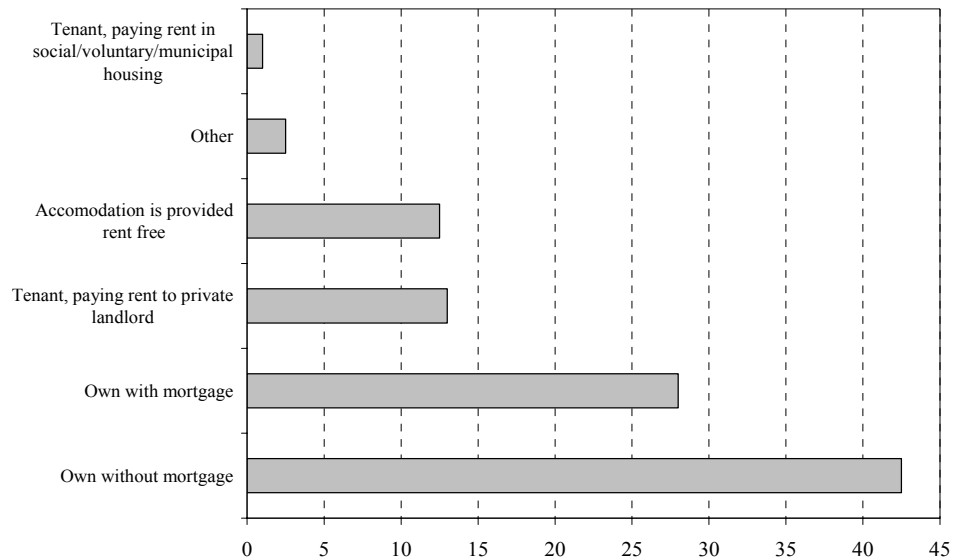
The factors which have the highest frequency in the *somewhat important* category are generally distributed among the categories relatively evenly and their peak value is not very high. These factors were relatively neutral for the respondents in their last choice where to live: proximity to family/friends, closeness to facilities/services, availability of leisure facilities, close location to public open spaces.

A group of factors with uneven frequency and peak at the *not very important category* are: nearness to pubs/nightclubs, availability of crèches, proximity to good quality schools. With a lower peak but relatively high frequency closeness to city centre and proximity to major roads/highways also belong to the group which played a significantly *low importance* in the last decision of the respondents to choose the present dwelling place.

The predominance of the owner occupied sector in the Budapest housing market is confirmed by the survey. 42 percent of the respondents live in *mortgage-free* dwelling owned by themselves, further 28 percent live in their own apartments while having mortgage on the unit. It altogether means that two-thirds of the respondents have their own dwellings with or

without mortgage. 13 percent of the respondents live in rented apartments and pay to private landlords, who are mostly individual owners letting their indwelled housing units out and using it as source of extra – often unauthorised – income (Figure 4.4). Merely 1 percent of the sample live in social housing units, which is simply the reflection of the Hungarian housing structure with extremely low representation of the public sector. The rest of the respondents live in apartments, which are not their own and they do not pay for the use. These respondents mostly cohabit with partners owning the dwelling unit.

**Figure 4.4 - Ownership structure of dwellings (whole sample)**



The questions on the share of income covering the *rent payment* concerned only 14 percent of the sample i.e. 28 respondents. In 90 percent of the 28 cases the share of the total income spent on the rent remains under 40 percent. The average income shares spent on rent are typically higher than 10 percent – 18 percent belongs to the group paying less than that. 42 percent of the rent payers remain between 10 and 30 percent and nearly 30 percent spend 30-40 percent of their income on this purpose. The sample has only three cases where rent payment exceeds 40 percent of the income and there is only one respondent who pays more than half of his/her income on housing rent.

The same type of question regarding *mortgage payment* concerned only 56 respondents, which makes 28 percent of the total sample. Comparing with the sample for the rent payers in this sample only 68 percent of the respondents remain under 40 percent regarding the share of income spent on mortgage (Table 4.6). The share of those paying less than 10 percent of their income is as low as 3.5 percent. Almost 20 percent of the respondents paying mortgage spend beyond 40 percent of their income on this purpose.

The main conclusion of the comparison is that a considerably greater share of the rent payers remains under 40 percent of their income in their spending on housing than the mortgage payers, who generally pay higher share of their income on housing than the rent payers.



**Table 4.6 - Rent payment and mortgage payment relative to the total income**

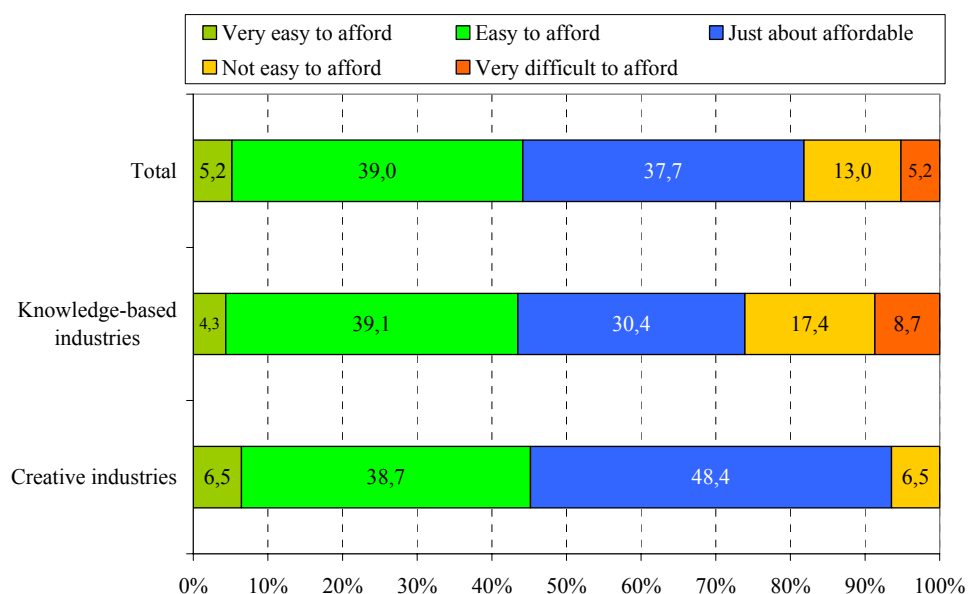
% of income	Rent payment			Mortgage payment		
	Creative industries	Knowledge-based industries	Total	Creative industries	Knowledge-based industries	Total
0-10	30,8	6,7	17,9	0,0	6,5	4,0
11-20	15,4	26,7	21,4	42,1	29,0	34,0
21-30	15,4	26,7	21,4	31,6	29,0	30,0
31-40	38,5	20,0	28,6	15,8	16,1	16,0
41-50	0,0	13,3	7,1	10,5	12,9	12,0
51-60	0,0	6,7	3,6	0,0	6,5	4,0

In the total sample 77 respondents replied to the question on *affordability of housing*, which is less than the sum of those paying rent or mortgage. Almost 40 percent of those replying to the question found it easy to afford paying rent or mortgage, while a little smaller share judge the amount just about affordable. These two categories come up to 77 percent of the sample of 77 respondents (Table 4.7). Further 10 respondents (13 percent of the sample) found this financial burden not easy to afford. The two extremes (people with extreme difficulties and the ones finding paying very easily affordable) are rather rare but still represent 5 percent each.

**Table 4.7 - Ownership structure of dwellings**

	Creative industries	Knowledge-based industries	Total
Own without mortgage	46,7	39,3	42,7
Own with mortgage	25,0	30,8	28,1
Tenant, paying rent to private landlord	12,0	14,0	13,1
Tenant, paying rent in social housing	2,2	0,0	1,0
Accommodation is provided rent free	13,0	12,1	12,6
Other	1,1	3,7	2,5

Some deviations can be found when analysing ownership relations. In both investigated sectors owner occupied apartments had a high share (ca 70 percent), the ratio of unencumbered homes was unambiguously higher for respondents from the creative sector (47.6 percent) than for those from the knowledge-based sector (39.3 percent). In the latter mortgaged apartments reached 30.8 percent. The share of rented flats is similar in both sectors (14 percent), social tenement flats, however, is not typical for persons of creative knowledge occupations. A large portion of people (38.5 percent) working in the creative sector and renting apartment pay 30–40 percent of the household income for the rent, but many of them (30.8 percent) spend only less than 10 percent for this purpose. Roughly half of the respondents from knowledge-based sector pay rents equivalent between 10 and 30 percent of the household income, but in each fifth household this ratio is above 40 percent. Two-thirds of the families living in mortgaged apartments spent 10–30 percent of monthly net income to pay instalments. It is typical that respondents from knowledge-based sector take financial burden and risk of paying high sums of instalments (or rents) upon themselves and this is a heavy load for household budgets. It is not by accident that each fourth respondent from this sector considered the payment of instalments and rents a complicated task (Figure 4.5).

**Figure 4.5 - Affordability perceptions of rent/mortgage**

#### 4.2.2 Satisfaction with the neighbourhood and wider residential environment

The majority of the respondents in the Budapest sample chose to live in the outskirts of the city or in smaller settlements in the suburban zone (Table 4.8). This share of the sample comes up to 55.7 percent. With those living in the towns of the metro area this share goes as high as 71.3 percent. The survey clearly shows that creative people in the Budapest metropolitan area prefer to live in the periphery with green, and they seem to refuse to live in the densely built inner city and the rest of the core city. These two zones hold only 25 percent of our respondents.

**Table 4.8 - Residential location of respondents**

	Creative industries	Knowledge-based industries	Total
City Centre	10,9	5,6	8,0
Rest of the core city	17,4	16,8	17,1
Rest of city, including the outskirts	25,0	33,6	29,6
Village or small town in metro area	29,3	23,4	26,1
Medium or large town in metro area	16,3	15,0	15,6
Don't know	1,1	5,6	3,5
Total	100,0	100,0	100,0

The table shows three fundamental differences concerning the place of residence of respondents from the two investigated sectors. Representatives of the creative sector tend to live in villages and small towns in greater number (and at a higher rate /29.3 percent/ than respondents from the knowledge-based sector). Some of the creative workers tend to settle in quarters remote from the city centre (but they are less enthusiastic about it than workers in knowledge-based sector). It is also the creative workers who give preference to inner city residential quarters (10.9 percent) more frequently than representatives of the other sector do

(5.6 percent). This implies that many of creative sector workers feel a strong attraction to the city centre.

The explanation is that this segment of the Budapest society – involved in the survey – has been able to accumulate such wealth that made them capable of leaving the city for the better environment in the outskirts and the agglomeration. By travelling and building up working experience abroad they also had another pattern of life in mind which could be realised in a non-urban but close to urban residential environment.

On the basis of the frequency table created from the answers to the questions on the satisfaction with the living environment it can be stated that people in the survey are generally *quite satisfied* with most aspects of their living environment (Table 4.9).

**Table 4.9 - Satisfaction with the living area (whole sample)**

	Very satisfied	Quite satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	Missing
Nearness to employment	29,5	43,0	18,5	7,5	1,0	0,5
Personal safety	23,0	63,5	11,5	1,5	0,0	0,5
Level of traffic noise	20,5	33,5	29,5	16,0	0,0	0,5
Level of pollution	14,0	32,0	30,5	21,0	1,5	1,0
The provision of childcare	10,0	38,5	13,0	5,0	32,5	1,0
The provision of healthcare facilities	5,0	37,5	27,0	16,0	14,0	0,5
The level of social interaction between neighbours	9,0	41,0	26,0	11,5	12,0	0,5
Appearance of the neighbourhood	15,5	44,5	28,5	10,0	1,0	0,5
Access to commercial facilities	22,5	54,0	20,0	2,0	1,0	0,5
Access to public spaces	13,0	39,0	27,5	18,5	1,5	0,5
Access to public transport	15,5	47,0	23,5	11,0	2,5	0,5
Overall quality of life in neighbourhood	13,5	64,0	18,5	3,5	0,0	0,5

All the aspect listed had the highest frequencies in this category, which does not mean that the weight of this highest frequency was the same in each case.

People in the survey were rarely *very satisfied* with any of the aspects – as experienced before they were very cautious with this category. Still quite high frequency of this best category can be seen with aspects such as nearness to employment (29.5 percent), personal safety (23 percent), and access to commercial facilities (22.5 percent).

In the *quite satisfied* category the most significantly striking out aspects with over 60 percent frequency were personal safety, and overall quality of life in the neighbourhood. So basically the same aspects are typical as mentioned above.

A fairly even judgement can be seen in aspects such as level of traffic noise, level of pollution, provision of health and child care. These aspects are valued very differently by the respondents but still the highest frequencies (with far below 40 percent) were in the quite satisfied category.

Respondents rarely judged the aspects of living as very unsatisfying. People in the survey were most unsatisfied with the ‘level of pollution’ (21 percent), followed by ‘access to public

spaces', 'level of traffic noise' and 'the provision of health care facilities' all with a frequency over 15 percent in this category.

Both investigated groups are basically satisfied with their living environment (as it was concluded by nearly 80 percent of the respondents). The ratio of those who are satisfied or very much satisfied with personal safety is close to 90 percent in both groups (Table 4.10). Proximity to the workplace and access to commercial facilities were appreciated very positively; the latter especially by respondents from knowledge-based industries (80 percent). There were substantial disparities between the two groups in statements about provision of healthcare facilities and access to public transport: representatives of creative sector were increasingly dissatisfied (by 12–14 percent more compared to those working in knowledge-based industries) with these aspects of the residential environment.

**Table 4.10 - Satisfaction with the living area in the creative knowledge sector**

	Very satisfied	Quite satisfied	Generally satisfied	Somewhat unsatisfied	Very unsatisfied	Generally unsatisfied
<b>Creative industries</b>						
Nearness to employment	25,0	46,7	<b>71,7</b>	18,5	8,7	<b>27,2</b>
Personal safety	19,6	67,4	<b>87,0</b>	10,9	2,2	<b>13,0</b>
Level of traffic noise	21,7	34,8	<b>56,5</b>	27,2	16,3	<b>43,5</b>
Level of pollution	17,6	27,5	<b>45,1</b>	30,8	22,0	<b>52,7</b>
The provision of healthcare facilities	5,4	32,6	<b>38,0</b>	31,5	19,6	<b>51,1</b>
Access to public spaces	12,0	41,3	<b>53,3</b>	28,3	18,5	<b>46,7</b>
Overall quality of life in neighbourhood	10,9	68,5	<b>79,3</b>	18,5	2,2	<b>20,7</b>
<b>Knowledge-based industries</b>						
Nearness to employment	33,6	40,2	<b>73,8</b>	18,7	6,5	<b>25,2</b>
Personal safety	26,2	60,7	<b>86,9</b>	12,1	0,9	<b>13,1</b>
Level of traffic noise	19,6	32,7	<b>52,3</b>	31,8	15,9	<b>47,7</b>
Level of pollution	11,2	36,4	<b>47,7</b>	30,8	20,6	<b>51,4</b>
The provision of healthcare facilities	4,7	42,1	<b>46,7</b>	23,4	13,1	<b>36,4</b>
Access to public spaces	14,0	37,4	<b>51,4</b>	27,1	18,7	<b>45,8</b>
Overall quality of life in neighbourhood	15,9	60,7	<b>76,6</b>	18,7	4,7	<b>23,4</b>

Generally it can be stated that the respondents were all basically satisfied in connection with their life in their present place of living. Aspects such as safety, nearness to employment and access to commercial facilities are judged very positively, while other aspects such as noise, pollution and access to public spaces are regarded differently but found as less pleasing in general.

### 4.3 Employment features and satisfaction with the job and working place

#### 4.3.1 Basic employment features

The distribution of respondents among the six sub-sectors defined as creative economic activities is quite even. Software development has the highest representation with almost one-quarter (23.5 percent) of the sample (Table 4.11). Research & development and law have the second highest shares among the respondents with representations of 19.5 percent and 18.5 percent, respectively. Finance and advertising appear equally with around 15 percent (with +1 percent) share in the sample while motion-picture has the lowest representation among the people partaking in the Budapest survey.

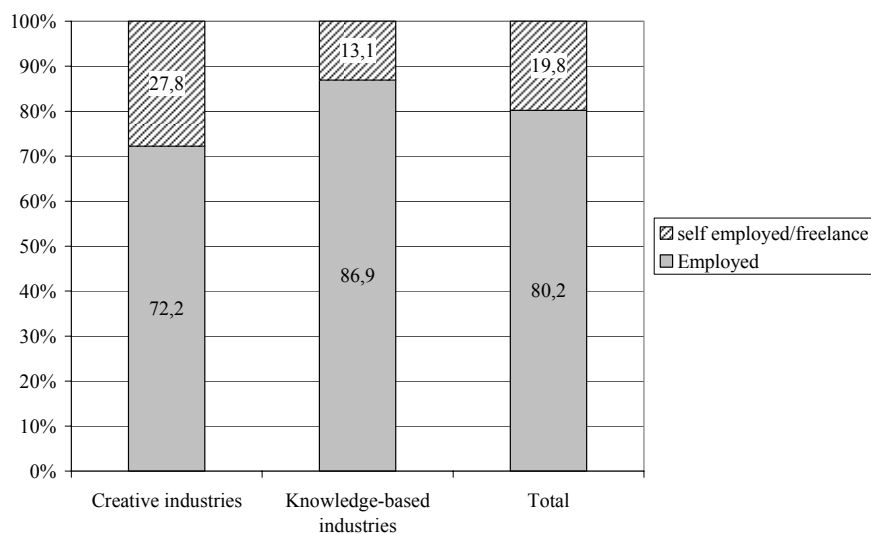
**Table 4.11 - Distribution of respondents by sub-sectors**

	N	Ratio
Software consultancy	47	23,5
Motion-picture	17	8,5
Advertising	28	14,0
Law	37	18,5
Finance	32	16,0
R&D	39	19,5
<b>TOTAL</b>	<b>200</b>	<b>100,0</b>

In the sample 80.2 percent of the respondents are employed. The rest of people involved in the survey are self-employed or freelance. As there is hardly any difference between the number of employed respondents (158) and those who are on limited permanent contract (156) it can be stated that those who are employed – without hardly any exception – are employed on limited permanent contract. The self-employed respondents are more often contracted on a fixed term base (9 percent of the sample) than on project base or temporary employment base. The last two alternatives together come up to only 4 percent of the total sample. Every twentieth respondent in the survey are working without a written contract or work on other alternative terms.

The basic difference between the two sectors concerning employment status is clear: the proportion of respondents with employee status is much higher among the workers of knowledge-based sector. They work for public organisations (e.g. academic institutions) in greater number. On the other hand, the share of self-employed/freelance workers is high (27.8 percent) in the creative industries, whereas it is a mere 13.1 percent in the knowledge-based industries (Figure 4.6). This pattern is very similar in contract employment: on the one hand the ratio of those working on limited permanent contract is somewhat higher in creative sector (83 percent vs. 77.6 percent registered in the other sector), on the other hand the share of respondents employed on a temporary employment agency contract is more than 5 percent. Another difference between the two groups is a higher frequency of occurrence of employment on one year permanent contract in the creative industries as compared to the knowledge-based sector (7.5 percent of the respondents).

**Figure 4.6 - Employment status of workers in the creative and knowledge-based industries**



Creative and knowledge-based workers tend to work for smaller firms. Almost 74 percent of the respondents work for companies with less than 50 employees. Even within this group of respondents 76 work for companies with less than 10 people (this means 38 percent of the total sample). Further 14 percent work for companies with 50-150 employees and all the rest at larger ones. On the other end of the scale only 3 percent of the 200 respondents works for companies with a staff larger than 1000 workers. Generally speaking it can be stated that the respondents in the survey mostly work for small and medium size companies, which is the common tendency in creative industries.

Concerning the number of persons employed by the firms no substantial difference could be observed between the two investigated sectors, micro-enterprises (with less than 10 workers) and SMEs (10–50 workers) prevail in both. A combined ratio of these two categories exceeds 70 percent in both cases (Table 4.12).

**Table 4.12 - Size of companies which the respondents working for**

Number of staff	Creative industries	Knowledge-based industries	Total
under 10	36,7	40,6	38,8
10-49	35,6	34,0	34,7
50-99	5,6	8,5	7,1
100-149	7,8	6,6	7,1
250-499	7,8	3,8	5,6
500-999	3,3	0,9	2,0
1000-1999	1,1	0,9	1,0
2000 or more	1,1	2,8	2,0
Don't Know	1,1	1,9	1,5
Total	100,0	100,0	100,0

The sample indicates that people with high intellectual capacity a lot more often work for companies belonging to the category of small and medium enterprises, than for larger ones. The tendency is that the smaller the companies the larger the share of people in the sample working for them.

The fact that 65 percent of the respondents have been working for their company for 5 or less than 5 years is in close relation with the age structure of the sample. It can also be attributed to the greater flexibility and mobility of the young highly educated intellectuals. 36 percent of people in the total sample have spent only 1 or 2 years at their current workplace.

One-quarter of the people in the survey has spent more than 5 years but less than 15 years at their current place. It is only 6 percent of the sample who have been working for the same company or institution for more than 15 years. The longest period of work at the same working place was 38 years in the sample.

The majority of the respondents (72 percent) are not in leading position at their companies. One-fifth of the sample covers those respondents who are managing 1-10 people. It cannot be stated that they are all middle level managers due to the high representation of SME-s, they might as well be managing directors in small enterprises. There are only 12 people who supervise more than 10 people in their position, and within this group there are only four supervising more than 50 people. The greatest number of people being under the supervision of one of the respondents is 148.

As a consequence of the age structure and the sampling process the young cohorts starting their working career represent a high share within the sample: 63.2 percent of those employed in the creative sector and 71.4 percent in the knowledge-based economy started to work for their firm in the previous five years. This fact, together with the general size of firms (micro and SME) and the methodology of sampling (questioning mainly executives) might be the reason for the low representation of the interviewed people in managing positions (from 200 interviewed 56 had subalterns) and even as a rule they direct the work only a few (1–5) people.

77 percent of the respondents keep more or less to the official working hours determined by law. This is 40 hours a week in Hungary. Within this group of respondents almost 40 percent work as much as required by the law or a little less, while 38 percent spend 3-15 hours more with work than it is officially expected (43-55 hours category). The shares of those who work considerably less or more than the average – less than 30 hours and more than 55 hours – are almost the same: 7.5 and 7.0 percent respectively. Only a limited part of the sample (6 percent) shows uncertainties regarding the working hours to be completed weekly, these are mostly self-employed people whose working load much depends on the contracts.

From the questionnaires a conclusion can be drawn that young, ambitious and capable people, striving for decent living conditions are overrepresented both in the creative and knowledge-based sectors.

#### 4.3.2 *Satisfaction with job and work environment*

According to Table 4.13 the people partaking in the survey are basically pleased with most aspects of their job in spite of the fact that the frequency of the *very satisfied* category is rather low. This category is relatively frequent – exceeding 20 percent – in the case of the amount of influence one has over his/her job, the friendliness of the working environment and the facilities in the workplace. The stimulating aspect of the job is also judged as very

satisfying by one-fifth of the sample. The highest frequencies of answers are concentrated in the category of *being satisfied*. 11 of the 14 aspects have their highest frequency here.

**Table 4.13 - Satisfaction with different aspects of job (whole sample)**

	Very satisfied	Satisfied	Neither	Dis-satisfied	Very dis-satisfied	Don't know	Missing
Sense of achievement you get from your work	19,5	47,5	26,0	3,5	0,5	0,0	0,0
The scope for using your own initiative	18,0	37,5	29,5	8,5	2,0	1,5	3,0
Amount of influence you have over your job	25,0	41,0	26,0	4,0	0,5	0,5	3,0
The facilities in the workplace	21,5	47,5	21,5	6,0	1,0	0,0	0,0
The intellectually stimulating aspect of the job	20,5	41,0	25,0	8,0	1,5	1,5	2,5
The friendliness of the working environment	22,5	42,5	25,5	5,0	1,5	0,0	0,0
The training you receive	9,5	26,5	27,0	15,0	7,5	11,0	3,5
The amount of pay you receive	5,0	33,5	34,0	19,0	5,5	0,0	0,0
The amount of holiday time/paid leave	7,0	51,0	18,0	10,0	3,0	7,0	4,0
Your job security	15,0	50,5	20,5	6,5	1,0	4,0	2,5
Prospects for career advancement	8,0	26,0	30,5	16,0	4,0	12,0	3,5
The ability to balance your professional & personal life	17,5	38,0	26,5	9,0	5,0	1,5	2,5
Ability to meet & network with professionals from your same field	9,5	43,0	32,5	6,5	1,5	4,5	2,5
Overall satisfaction with job	9,0	59,5	24,0	2,0	1,5	1,0	3,0

Satisfaction is the most often (over 45 percent) indicated with the following aspects: the amount of holiday time/paid leave, job security, sense of achievement one gets from his/her work and the facilities in the workplace.

These are of no surprise as creative industries are able to offer such circumstances in which by the free use of facilities the individual can get the most out of his/her abilities.

Dissatisfaction is highest among respondents with regards wages ('amount paid'), received training and the prospects for career advancement. The answers *dissatisfied* and *very dissatisfied* had significantly higher frequency in these three cases than in any of the other categories.

The fact that the respondents were relatively displeased with the prospects for career advancement can be derived from the content of the next table showing the size of the companies the respondents work for with the predominance of small and medium sized ones, which obviously have a poor offer of advancement in the working career.

The frequencies of overall satisfaction with the job show a generally high degree of satisfaction of respondents. 68.5 percent of the people in the sample indicated certain level of satisfaction with their current working situation, 24 percent was neutral, and only 3.5 percent expressed open dissatisfaction.

More than 70 percent of the representatives of creative sector is satisfied or very satisfied with their work and gave a positive answer to the questions about 'sense of achievement you get from your work', 'amount of influence you have over your job', 'the facilities in the workplace' and 'the friendliness of the working environment' (Table 4.14). The ratio of satisfied respondents is similar in knowledge-based sector with the difference that when



ranking satisfaction, on the top there were ‘facilities in the workplace’ and ‘job security’. This correlates with the fact that state employees have higher share among respondents from the knowledge-based sector. In both groups however, respondents tended to complain about low payment, chances for career advancement being lagged far behind their expectation, about a lack of special courses and of training opportunities.

**Table 4.14 - Satisfaction with different aspects of job by sectors**

	Very satisfied	Satisfied	Generally satisfied	Neither	Dissatisfied	Very dissatisfied	Generally unsatisfied
<b>Creative industries</b>							
Sense of achievement you get from your work	20,0	55,6	<b>75,6</b>	22,2	2,2	0,0	<b>2,2</b>
Amount of influence you have over your job	24,4	47,8	<b>72,2</b>	24,4	3,3	0,0	<b>3,3</b>
The facilities in the workplace	26,7	43,3	<b>70,0</b>	22,2	6,7	1,1	<b>7,8</b>
The friendliness of the working environment	27,8	42,2	<b>70,0</b>	23,3	5,6	1,1	<b>6,7</b>
The training you receive	9,0	23,6	<b>32,6</b>	31,5	14,6	6,7	<b>21,3</b>
The amount of pay you receive	4,4	38,9	<b>43,3</b>	33,3	14,4	8,9	<b>23,3</b>
Your job security	13,3	50,0	<b>63,3</b>	23,3	7,8	1,1	<b>8,9</b>
Prospects for career advancement	7,9	27,0	<b>34,8</b>	29,2	16,9	2,2	<b>19,1</b>
Overall satisfaction with job	7,8	62,2	<b>70,0</b>	26,7	2,2	0,0	<b>2,2</b>
<b>Knowledge-based industries</b>							
Sense of achievement you get from your work	20,2	43,3	<b>63,5</b>	30,8	4,8	1,0	<b>5,8</b>
Amount of influence you have over your job	26,9	37,5	<b>64,4</b>	28,8	4,8	1,0	<b>5,8</b>
The facilities in the workplace	18,1	53,3	<b>71,4</b>	21,9	5,7	1,0	<b>6,7</b>
The friendliness of the working environment	19,2	45,2	<b>64,4</b>	28,8	4,8	1,9	<b>6,7</b>
The training you receive	10,6	30,8	<b>41,3</b>	25,0	16,3	8,7	<b>25,0</b>
The amount of pay you receive	5,8	30,8	<b>36,5</b>	36,5	24,0	2,9	<b>26,9</b>

## 4.4 Living in the Budapest Metropolitan Region and satisfaction with Budapest

### 4.4.1 Living in Budapest Metropolitan Region

With reference to the whole sample, more than three-quarters of the surveyed persons have been living in the BMR for over 10 years. Due to the age structure and places of birth presented earlier (creative sector workers are older and were born in Budapest in an increasing number) over 80 percent of creative sector workers have lived in the BMR for more than one decade (Table 4.15). Settling down recently here was especially typical among workers of the knowledge-based industries. This seems to corroborate our assumption about the strong attraction of Budapest for this group of people mainly due to the great number of higher education and scientific institutions located in the city and the concomitant good job opportunities.

**Table 4.15 - Time lived in the BMR**

	Creative industries	Knowledge-based industries	Total
Less than one year	0,0	1,9	1,0
Between one and 2 years	2,2	3,7	3,0
Between 2 and 5 years	6,5	3,7	5,0
Between 5 and 10 years	10,9	17,6	14,5
More than 10 years	80,4	73,1	76,5
Total	100,0	100,0	100,0

Data referring to the previous place of residence confirm that resettlement of respondents from abroad (with a share of 5.6 percent in the survey) or from nearby towns to the BMR is not so typical at all. The two most characteristic trends are the following: the respondents had migrated either within the boundaries of the BMR (and primarily within Budapest), which is typical mainly for creative workers (61.2 percent of them moved to present residence from another quarter of the city), or they had left a town in the countryside and headed for the BMR (32 percent of those occupied in knowledge-based sector, and 27 in creative industries followed this pattern) (Table 4.16).

**Table 4.16 - Residential location prior to moving into the BMR**

	Creative industries	Knowledge-based industries	Total
Never moved	2,4	1,9	2,1
In the city but in other neighbourhood	61,2	50,5	55,2
Another city in the region/province/country	4,7	9,3	7,3
Another city in the country	27,1	31,8	29,7
Outside the country	3,5	4,7	4,2
Outside Europe	1,2	1,9	1,6
Total	100,0	100,0	100,0

The frequency table for the reason to choose to live in Budapest Metropolitan Region has two main dimensions worthwhile analysing: the number and share of respondents considering a specific reason at all and the frequency of the four ranks in each possible category. The group of reasons that the largest share of respondents considered at all was the one labelled as „*personal connection*”. In this group all the four reasons were considered by over 30 percent of the respondents. The reason which was most frequently indicated by the sample (47 percent) was to reside in Budapest because the family was living here. This group of reasons not only has the highest share of consideration but three of them (*born here, family lives here and studied in the city*) were the most frequently ranked as the *most important* reason for living in the Budapest Metropolitan Region (Table 4.17). Proximity to friends is held important by 40 percent of the respondents but it is ranked most frequently as the second most important reason to reside in the city.

**Table 4.17 - Main reasons for living in the BMR (whole sample)**

Rank	1	2	3	4	not ranked	ranked total
born here	28,5	4,0	3,0	4,5	60,0	40,0
family lives here	24,5	14,5	5,5	2,5	53,0	47,0
studied in the city	12,0	3,0	8,5	6,5	70,0	30,0
proximity to friends	4,5	17,5	10,5	7,5	60,0	40,0
moved because of the job	11,0	14,0	6,5	0,5	68,0	32,0
moved because of partner's job	1,5	3,5	2,0	1,0	92,0	8,0
good employment opportunities	8,0	11,5	5,5	5,0	70,0	30,0
higher wages	0,0	6,0	4,5	4,5	85,0	15,0
size of the city	1,5	2,0	5,5	6,0	85,0	15,0
good transport links	1,5	4,5	6,0	3,0	85,0	15,0
proximity to natural environment	2,5	3,5	5,0	4,0	85,0	15,0
diversity of leisure & entertainment	1,0	3,0	15,0	10,0	71,0	29,0
cultural diversity	0,0	3,0	6,0	11,0	80,0	20,0

With two factors considered by 30 percent or more of the sample as relevant the group of *reasons related to job* seems to be of high significance in choosing the city as a place to live. Living in Budapest because of the job and good employment possibilities is considered by over 30 percent of the respondents, but these factors are ranked as the second most important reason the most frequently. Higher wages is also regarded as relevant but ranked as a tertiary reason the most often. Partner's job is hardly held important by the respondents.

Factors of location as reasons to live in Budapest are considered for ranking by 15 percent of the respondents each except for weather/climate (which is much less often taken into account). The respondents having considered them at all rank these reasons as tertiary or less important the most frequently.

The so called *soft factors* including reasons related to city characteristics and to the social atmosphere were considered relevant by around 15 percent (+/- 1–2 percent) of the respondents except for two reasons, which are *diversity of leisure and entertainment* (29 percent) and *cultural diversity* (20 percent). Nevertheless, these two soft factors are ranked as of tertiary or even weaker importance. From the soft factors *overall friendliness* (8.5 percent), *safe for children* (6.5 percent) and *good universities* (8 percent) are probably a bit more in the focus of the respondents than the other possible soft factors. All the three mentioned were ranked as the fourth most important reason the most frequently. Among the soft factors not or hardly ever considered as a reason to live in Budapest are the gay/lesbian friendliness and the language of the city. The first one is related to the relatively low tolerance to these people prevailing in Budapest, the second is attributed to the mono-lingual nature of the place.

As a conclusion it can be stated that the set of reasons for choosing to live in Budapest and its metropolitan region is dominated by *personal relations* and *job related factors*. Location is still more important as a factor in general to live in the city than the soft reasons the exceptions being the wider offer of leisure and entertainment possibilities and cultural diversity.

Sectoral circumstances do not display very strong differences, in both groups family ties and place of birth had played primary role in the choice of the present place of residence. Perhaps it might be emphasised that the search for work and job opportunities had proven to be

somewhat more important for the representatives of knowledge-based sector than for those of creative sector (Table 4.18). It means that for the employees of the knowledge-based sector Budapest and its surrounding was more attractive, whereas the creative workers could also find their fortune in the provincial cities. At the same time it must also be noted that for the representatives of creative sector soft factors like diversity of *leisure and entertainment* (for each fifth respondent it was the pull factor ranking third), *cultural diversity* of the city and in addition the *size and location* (good transport links) of the city had greater importance. These aspects played a subordinate role for workers in the knowledge-based sector. This result confirms our previous hypothesis that soft factors are more important for creative workers than knowledge workers.

**Table 4.18 - Main reasons for living in the BMR by sectors**

Rank	1	2	3	4	not ranked
<b>Creative industries</b>					
born here	30,4	3,3	3,3	5,4	57,6
family lives here	22,8	13,0	8,7	2,2	53,3
studied in the city	12,0	5,4	5,4	7,6	69,6
moved because of my job	8,7	15,2	4,3	1,1	70,7
good employment opportunities	6,5	14,1	4,3	4,3	70,7
size of the city	1,1	1,1	7,6	10,9	79,3
good transport links	1,1	3,3	7,6	1,1	87,0
diversity of leisure & entertainment	1,1	5,4	20,7	8,7	64,1
cultural diversity	0,0	0,0	6,5	14,1	79,3
<b>Knowledge-based industries</b>					
born here	26,9	4,6	2,8	3,7	62,0
family lives here	25,9	15,7	2,8	2,8	52,8
studied in the city	12,0	0,9	11,1	5,6	70,4
moved because of my job	13,0	13,0	8,3	0,0	65,7
good employment opportunities	9,3	9,3	6,5	5,6	69,4
size of the city	1,9	2,8	3,7	1,9	89,8
good transport links	1,9	5,6	4,6	4,6	83,3
diversity of leisure & entertainment	0,9	0,9	10,2	11,1	76,9
cultural diversity	0,0	5,6	5,6	8,3	80,6

#### 4.4.2 Satisfaction with the city

The respondents partaking in the survey were not very critical regarding the quality of the various leisure activities in Budapest. However, the frequency of being ‘very satisfied’ is relatively low in the sample and nowhere exceeds 16 percent. The *quality of cinemas, art galleries/museums* and *shopping areas* are appreciated the most with the highest frequency (14.5-15.5 percent) of being very satisfied (Table 4.19).

**Table 4.19 - Satisfaction with leisure and cultural facilities (whole sample)**

	Very satisfied	Satisfied	Neither	Dis-satisfied	Very dissatisfied	Don't know	Missing
Quality of public spaces	0,5	11,0	51,5	28,0	8,5	0,5	0,0
Quality of sport facilities	1,5	24,5	33,5	22,0	4,5	14,0	0,0
Quality and range of festival events and cultural activities	10,5	53,5	26,0	6,0	0,0	4,0	0,0
Quality and range of art galleries/museums	14,5	64,5	15,5	2,5	0,0	3,0	0,0
Quality and range of restaurants	13,5	55,0	25,5	3,0	0,0	3,0	0,0
Quality of pubs	8,0	41,5	27,0	6,0	0,5	16,5	0,5
Quality of cinema's	15,5	62,5	14,0	3,5	0,0	4,5	0,0
Quality of shopping areas	14,5	49,0	24,0	11,0	1,0	0,5	0,0
Architecture of city/relevant monuments	8,5	27,0	40,5	18,5	4,0	1,0	0,5
Number of associations/ organisations for social activities	0,5	5,5	28,0	20,0	4,5	41,0	0,5

In spite of the fact that the respondents were not *very satisfied* with any of the activities with high frequency the outstandingly high representation of being *satisfied* with them proves that the sample is basically pleased with what they get in Budapest in the field of leisure activities.

With six of the ten activities listed in the questionnaire the respondents were *satisfied* the most frequently. The rate of frequency for being *satisfied* exceeded 50 percent in the case of festivals, art galleries, restaurants and cinemas, while it remained under this level (but still over 40 percent) in the case of pubs and shopping areas. If we aggregate the scores of *very satisfied* and *satisfied* answers as an indication of general satisfaction with leisure and cultural facilities highest values are registered in the field of *art galleries/museums* (79 percent), followed by *cinemas* (78 percent). In all the other options aggregate scores are well below 70 percent.

The respondents were more often neutral than positive or negative in connection with public spaces, sport facilities, the architecture of the city and the associations/organisations for social activities. Neutrality reached the highest frequency in the case of public spaces (51 percent) and the architecture of the city (40.5 percent). This is especially surprising as Budapest possesses an architecturally rich environment.

People in the survey were hardly ever negative or very negative about the *quality of the leisure activities in the city*. Yet, quality of public spaces, sport facilities and organisations has a frequency of being *dissatisfied* more frequently than 20 percent. Respondents seem to be rather displeased with public spaces as it is the only factor with over 5 percent of the „votes” in the *very dissatisfied* category. The *do not know* category is outstandingly frequent in the case of organisations for social activities, which indicates that their work is not going with a high degree of publicity.

Leisure activities were evaluated more or less similarly by representatives of the two creative sectors. Respondents were generally satisfied with the quality and range of art galleries/museums and the quality of cinemas, and remained content with cultural events and performances offered by the city. At the same time they expressed dissatisfaction with transport conditions (transport within the city, connectivity and bicycle lanes), and pointed to a number of problems in health and social services (Table 4.20). On the basis of the table it can also be pointed out, that the level of dissatisfaction is generally higher among respondents from creative industries than in the case of knowledge-based workers.

**Table 4.20 - Satisfaction with leisure and cultural facilities and public services in the city**

Creative industries		Knowledge-based industries	
<b>Satisfaction</b>		<b>Satisfaction</b>	
Quality and range of art galleries/museums	78,3	Quality and range of art galleries/museums	79,6
Quality of cinema's	77,2	Quality of cinema's	78,7
Quality and range of restaurants	71,7	Quality of shopping areas	67,6
Quality and range of festival events and cultural activities	62,0	Quality and range of festival events and cultural activities	65,7
Quality of shopping areas	58,7	Quality and range of restaurants	65,7
<b>Dissatisfaction</b>		<b>Dissatisfaction</b>	
Quality of health services	69,6	Number of bicycle lanes	69,4
Transport within the city	67,4	Transport within the city	59,8
Number of bicycle lanes	63,0	Connectivity between city and periphery	55,1
Social security	54,3	Social security	50,9
Quality of City's transport system	53,3	Quality of health services	50,0

People partaking in the survey expressed their worries about the city life related issues openly (there are hardly any missing data) and the general opinion reflects a rather pessimistic mood among the respondents concerning the issues touched by the survey.

Looking at the results of this question in the survey respondents generally seem to be rather worried about most of the urban issues listed. The highest frequencies (framed in the table) appear in the first two categories (*very worried* and *somewhat worried*) regarding most of the discussed urban elements.

Respondents seem to be *very worried* about urban phenomena – such as homelessness, air pollution – that they encounter in the streets of the city every day. The frequency of being very worried is especially striking in the case of homelessness. While having the highest frequency in the first category the judgement of other issues (such as air pollution, aggressive social behaviour and drug problems) is more diversified.

People indicated the *somewhat worried* category with the highest frequency regarding most of the urban issues in the table (9 of the 16 possible aspects). At the same time these frequencies generally remain below 40 percent, so not markedly high. The exceptions are ‘city crime’ and ‘safety’, where the frequency for the *somewhat worried* category is 49.5 percent and 50.5 percent respectively. Frequencies are much lower, but still close to 40 percent the in the category for urban traffic issues (traffic and the quality of public transportation) as well as affordable housing. These issues are high on the agenda in urban policy in Budapest these days.

Most people participating in the survey are *not particularly worried* about the recreation places for teenagers, prostitution in the streets and the availability of jobs. These are problems not affecting their lives very closely. The age structure of the respondents suggests that they are not concerned about teenage problems (not having children in this age), mostly live in places with no prostitution and are highly educated without any difficulties in finding good job opportunities in the city.

None of the issues has the highest frequency of answers in the *not worried* category but still there are issues in the cases of which the frequency is quite high (over 15 percent): besides availability of recreation for children those issues appear with relatively high frequency here whose highest frequency was in the previous, *not particularly worried* category.

There were minor differences between the two groups in the assessment of poverty. Respondents from knowledge-based sector were more anxious about homelessness (65 percent of them expressed serious concern) whereas those from creative sector are more (by 10–12 percent) worried about drug addiction and transport problems (Table 4.21).

**Table 4.21 - Levels of worry about urban problems in the BMR (whole sample)**

	Very worried	Somewhat worried	Not particularly worried	Not worried	Not worried at all	Don't know	Missing
Amount of crime in city	5,5	49,5	26,5	12,0	0,5	6,0	0,0
Safety	6,0	50,5	28,5	10,5	2,0	2,5	0,0
Availability of recreation for teenagers	3,5	27,5	33,5	17,5	4,0	14,0	0,0
Availability of affordable housing	28,5	39,5	20,5	8,0	0,0	3,5	0,0
Availability of recreation for seniors	10,5	28,0	23,5	14,5	1,0	22,5	0,0
Availability of jobs	12,5	29,5	29,5	18,0	7,0	2,5	1,0
Availability of public transportation	12,0	38,5	27,0	19,5	2,5	0,5	0,0
Availability of recreation for children	6,5	31,5	21,0	20,0	1,5	19,5	0,0
Amount of graffiti	29,0	29,0	18,5	13,0	7,5	2,5	0,5
Drug problems	33,0	32,5	19,5	6,0	4,0	5,0	0,0
Homelessness	61,0	30,0	5,5	3,0	0,0	0,5	0,0
Aggressive/anti-social behaviour	43,0	39,0	12,5	3,5	0,5	1,5	0,0
Prostitution on streets	14,0	27,5	29,0	18,5	5,5	5,5	0,0
Traffic	34,5	37,5	21,0	5,5	0,5	0,0	1,0
Air pollution	45,0	43,0	9,0	2,0	0,0	1,0	0,0
Demonstrations on public spaces	20,5	27,5	23,0	16,5	11,0	1,5	0,0

According to the table summarising the judgements of respondents regarding the level of tolerance to various issues in the city, it seems that creative people do not think that Budapest is a highly tolerant place (Table 4.22). According to the results more than half of the respondents only partially agree (the category of *neither*) with the statement that the city is welcoming to people from other countries. However, as the frequency of *agree* is still higher – coming up to 73.5 percent together with the frequency of the *neither* category – than that of the *disagree* category the overall judgement of the statement is still more positive.

People most frequently disagree with the statement that the city is a minority, lesbian and gay friendly place. The respondents categorically deny – with altogether 65 percent with the *strongly disagree* category – that the city would be gay friendly. A little better is the

judgement on the statement related to lesbians and even more positive for the visible minorities. In the last case the partially and do not agree categories come up to 80 percent altogether, which suggests a more positive judgement on the issue. The respondents see a marked tension between different income groups altogether more than 50 percent of the respondents *agree* and *strongly agree* with this statement. It is the consequence of the fact that the difference between the income – and visible spending – of people in the lowest and highest income categories has markedly grown in the past 17 years.

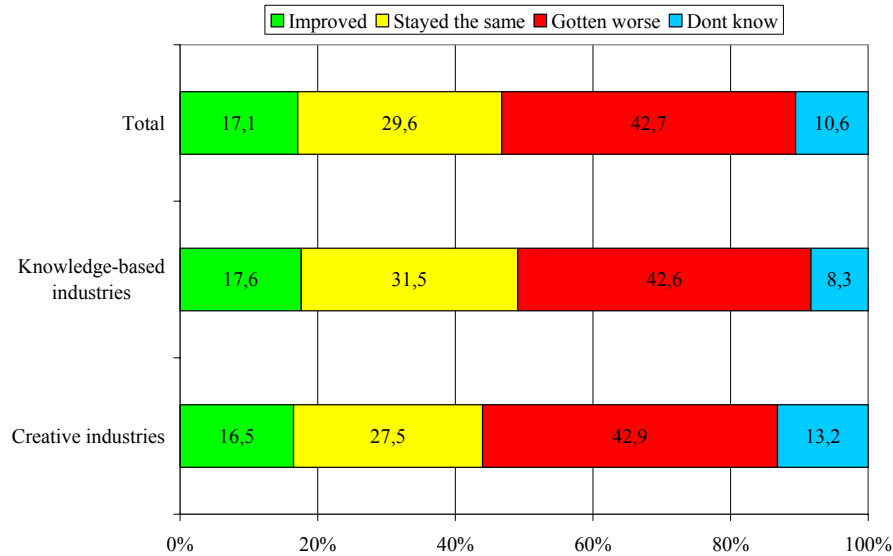
The answers to the question on the change of quality of life in the city also reflect a negative turn in the judgement of city life. 42.7 percent of the respondents think that the living quality has got worse, while almost 30 percent claim that it has remained the same. Merely 17.1 percent of the sample thinks that it has improved, while a surprisingly high share (10.6 percent) claims that he/she does not know.

**Table 4.22 - Opinions about the level of tolerance in the BMR (whole sample)**

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly disagree</b>	<b>Don't know</b>	<b>Missing</b>
Budapest is a welcoming place to people from other countries	5,5	20,5	53,0	16,5	3,0	0,5	1,0
Budapest is a welcoming place to visible minorities	0,5	4,5	35,0	45,0	13,5	0,5	1,0
Budapest is a lesbian friendly place	1,0	4,5	23,5	33,5	12,0	25,0	0,5
Budapest is a gay friendly place	0,0	3,5	14,5	36,0	29,0	16,5	0,5
Budapest is a place with tensions between different income groups	19,5	33,5	29,0	11,5	1,5	4,5	0,5

42–43 percent of respondents from both investigated sectors voiced their stance about the deteriorating quality of life over the past years (Figure 4.7). They were unanimous in making a statement that there are tensions between different income groups living in the BMR and many people exhibit belligerency towards homosexuals in Budapest. Opinions are very similar about the attitudes towards foreign citizens, minorities and lesbians. Representatives of knowledge-based sector are more critical concerning this issue and they consider the capital city less tolerant than respondents from the creative sector do. These distinctions are attributable to specific features of general attitudes, way of life and social connections and interactions of the two groups.



**Figure 4.7 - Perceptions of quality of life improvements or disimprovements**

## 4.5 Main results of the cross-tab analyses

### 4.5.1 Background analyses of mobility issues

#### Individual mobility and reasons for living in Budapest

In the previous chapter we examined relations between individual mobility and possible motivations to move to Budapest. The main reasons for living in the Budapest Metropolitan Region mentioned by the respondents were mostly of *a personal kind*: either the interviewed person's family lives here or she/he was born here. Creative workers have generally stronger personal attachment to Budapest through family ties. Proximity to friends was also often marked as a main reason for living in the city. The second group of motivations for living in the city consisted of *professional, educational or cultural reasons*: moved here because of job; studied in the city; moved here because of good employment opportunities and the diversity of leisure and entertainment opportunities. Moving to Budapest due to educational or professional reasons is somewhat more typical among knowledge workers than creative workers.

In conclusion it can be stated that those who have family in Budapest and were born here obviously lived here all their lives and did not have to consider moving here only because of employment opportunities. Most of those who moved here did not have strong family bonds and chose to move here because of their job.

From the analyses of cross-tables on the choice of residence a conclusion can be drawn that (except for the trivial case when the respondent was born in the BMR and have lived here ever since) *young people tend to make their choice upon the BMR along the hard factors* (in pursuit of studies in the city, seeking for workplace and job opportunities). Job as a reason for moving to Budapest is significantly more common in younger generations (between 25 and

44): about 30 percent of them ranked job as one of the main reasons for moving to Budapest. Surprisingly, presence of good universities in the city was ranked only by very few respondents. On the other hand, soft factors (e.g. proximity to natural environment) appear as preference for the older generations, over 45 years (Table 4.23).

Compared with the general chapters, some significant differences could be observed between the behaviour of the respective cohorts of the two sectors. The analyses of responses have led us to a conclusion that when deciding to move to the BMR, younger and middle-age generations were obviously attracted by better study and job opportunities and a broad range of workplaces in the knowledge based sector, whereas it was the abundance of entertainment and cultural opportunities that have proven to be the magnet for workers in the creative industries.

**Table 4.23 - Choice of residence by different issues\***

	<b>Sector</b>	<b>Cohort</b>	<b>Ratio</b>	<b>Rank</b>
Studied in City	Creative	25-34	13,6	1
	Knowledge	25-34	23,9	1
	Creative	35-44	7,4	1
	Knowledge	35-44	33,3	3
Moved because of job	Creative	25-34	15,9	2
	Knowledge	25-34	25,6	1
	Creative	35-44	18,5	2
	Knowledge	35-44	37,5	3
Good employment opportunities	Creative	25-34	20,5	2
	Knowledge	25-34	19,5	2
	Creative	35-44	7,4	2
	Knowledge	35-44	20,0	2
Diversity of leisure & entertainment	Creative	25-34	29,5	3
	Knowledge	25-34	18,5	4
	Creative	35-44	18,5	3
	Knowledge	35-44	10,0	1
Proximity to natural environment	Creative	45-54	15,4	1
	Knowledge	45-54	20,0	4

\* *highest ratios and ranks concerned*

Half of the respondents had lived in Budapest before occupying their actual place of residence as well, most of them had moved only between *different neighbourhoods of the city*. One third of the respondents used to live in other cities in Hungary before moving to Budapest. This fact shows the low level of mobility of people who were born in Budapest: usually very few of them choose to move to another region or city of the country. Since the early 1990s suburbanisation as a new phenomenon slightly modified this picture, as more and more inhabitants of Budapest moved to settlements located in the zone of agglomeration. However, these movements did not result mobility towards other regions; and most of these people continued to work in Budapest. Only few people had never moved at all previously, and also there is a small number of those who had lived abroad before.

For almost all people either from other cities or other neighbourhoods of Budapest who had moved to their present dwelling, the most determining factors in choosing the dwelling were very similar, mostly hard factors. When choosing dwelling, *quality and atmosphere of the surrounding neighbourhood* and *proximity to public transport* are important to 90 percent of respondents, so as the *size and price of the dwelling*. In addition, two-thirds of respondents also marked as important factors the following: distance from home to work, proximity to family/friends, and closeness to facilities/services. For those who live in Budapest and were born here as well, obviously birth is the main reason for living here. They also appreciate good transport links. People who are coming from the agglomeration were mostly also born here or had family in Budapest.

This pattern changes in the case of those who are coming from other cities or regions of the country. One-third of these people live in Budapest because they had been studying here before: thus in the majority of cases, they stayed in the city after finishing their studies. This is confirmed by the fact that 40.3 percent ranked job and good employment opportunities as their main reason for moving to Budapest.

Intent to move away from Budapest in the next three years is stronger in the case of those individuals who are from other cities and not from Budapest or its metropolitan region. Respondents from Budapest and its agglomeration are more likely to stay here, and it is especially true for people who were born in the core city and who already have a quite established social and professional life here. The results of this table reflect a relatively high capacity of the city to keep its residents on a short term. However, this response is not extended to the respondents' general wishes on their long term plans that may somehow give a different result especially with regard to the general satisfaction of people with the city.

The respondents have proven to be relatively unanimous concerning a possible out-migration in the near future: most of them *do not plan to leave the region* within the forthcoming three years. There is a minor difference, however, between the two groups of creative knowledge sector. There is a decisive indication to remain in Budapest among the creative workers: 51.7 percent of them would rather remain and 32.6 percent do not intend to move off the BMR at all. The corresponding figures for knowledge workers are 39.3 percent and 40.2 percent respectively; at the same time 8.4 percent of them would rather move (Table 4.24). These figures suggest that representatives of knowledge-based industries are more divided over the choice of residence: to move or to stay.

**Table 4.24 - Likelihood of moving from Budapest in the next three years**

	Creative industries	Knowledge-based industries	Total
Almost Definitely	4,5	4,7	4,6
Very Likely	2,2	8,4	5,6
Somewhat likely	9,0	7,5	8,2
Not too likely	51,7	39,3	44,9
Not likely at all	32,6	40,2	36,7
Total	100,0	100,0	100,0

In the case of a tentative change of residence respondents from creative industries would prefer *villages and small towns of the BMR* at a higher rate than those from knowledge-based industries, who would rather move to the *outer districts of Budapest*. These differences can also be perceived with regards residence in the city centre and the lifestyle there being an especially strong attraction for the creative workers (10.9 percent would live here if it was affordable).

### Education and mobility

85 percent of respondents have completed higher education; three-quarters of them graduated from universities the rest from high-schools. More than two-thirds of the people in our sample have graduated from higher educational institutions in Budapest. People born in Budapest and its surrounding understandably preferred to study in the city in a greater proportion (it is a more economical option for the family). However, studying in Budapest remains also popular and attractive for those who are from other regions in the country: 60 percent of them had chosen to be a student of a higher educational institution in Budapest. The reason is simple, studying in the capital of the country, with large number of highly skilled jobs also meant, that they could easier find a job after finishing their studies.

According to our survey there is no significant correlation between education level, place of studies and past or future mobility among creative and knowledge workers. For instance, place of studies does not directly influence the intent to move away from the city. Once settled in Budapest, either born or by moving here, most people do not plan to move away (Table 4.25). In this respect binding forces of Budapest turn out to be strongest in the sample. On the other hand, this can also be explained by the more limited possibilities to find a creative job in other cities in the country, as a result of the relatively small number and size of enterprises in the creative and knowledge industries. This fact can also explain the preference of young people to study in Budapest – a choice that certainly not reflects in any case the quality of education in other cities of the country, as the latter also host highly prestigious institutions.

84.3 percent of creative workers and 79.5 percent of those occupied in the knowledge-based sector made a statement that in the near future they most probably or surely will not move out of the BMR as residence. Analysing the willingness of the respondents to move out by sector and venue of higher education the following disparities can be pointed out:

Within the creative sector the specialists having obtained diploma in the countryside stucked to BMR more than those graduated at the universities of Budapest: 47.6 percent of the former vs. 29 percent of the latter would not plan to resettle from the capital and its region. The results can be interpreted in a way that creative workers having obtained diploma in provincial cities display a closer attachment to Budapest and its labour market.

There is just a reversed picture in the case of employees in the knowledge-based industries: a higher percentage of Budapest graduates (40.5 percent) tended to firmly remain in the BMR.

All in all, workers in knowledge-based industries are bound somewhat more tightly with the BMR than those in creative industries. This statement is equally valid for the whole sample

and for the ones graduated in Budapest, with respective 40.2 and 40.5 percent ratios of those reporting tough unwillingness to move out.

**Table 4.25 - Place of studies and intention to move-out from Budapest**

	Budapest		Other (major) city		No data		Total	
<b>Creative industries</b>								
Almost definitely	3	4,8	1	4,8	0	0,0	4	4,5
Very likely	1	1,6	1	4,8	0	0,0	2	2,2
Somewhat likely	6	9,7	2	9,5	0	0,0	8	9,0
<i>Not too likely</i>	34	54,8	7	33,3	5	83,3	46	51,7
<i>Not likely at all</i>	18	29,0	10	47,6	1	16,7	29	32,6
Total	62	100,0	21	100,0	6	100,0	89	100,0
<b>Knowledge-based industries</b>								
Almost definitely	5	6,8	0	0,0	0	0,0	5	4,7
Very likely	3	4,1	5	18,5	1	16,7	9	8,4
Somewhat likely	8	10,8	0	0,0	0	0,0	8	7,5
<i>Not too likely</i>	28	37,8	13	48,1	1	16,7	42	39,3
<i>Not likely at all</i>	30	40,5	9	33,3	4	66,7	43	40,2
Total	74	100,0	27	100,0	6	100,0	107	100,0

According to our survey there is no significant correlation between the place of studies and the factors determining the individuals to move to their actual residential area. On the contrary: the majority of respondents indicated that the size and price of their dwelling, the proximity of public transport, the atmosphere and quality of neighbourhood were the most important conditions for them in choosing their actual dwelling.

As a conclusion, one can state that in Budapest *hard factors have a far more important role* in determining the residential choices and the mobility chances of people working in the creative and knowledge intensive sector than other soft factors related to the social and cultural qualities of the city. The question remains: is this correlation qualifies first of all the city as having less cultural and social openness and possibilities for creative people, or are creative people of Budapest less sensitive to these factors?

### Age and mobility

Younger generations (aged between 25 and 34) are significantly more mobile than other age groups: two-thirds of those who have moved to Budapest from other cities in the country and half of those who have moved within the city belong to this age group (Table 4.26). The *higher mobility of young people* who were born outside of Budapest might be connected to the fact that a large part of *job opportunities* suitable for their qualification is located in the capital, therefore they are required to move here if they wish to work in the creative and knowledge intensive economy. The significant share of young people within the group of the most mobile individuals also reflects that *the creative sector of Budapest has more intense and therefore geographically more extended attractiveness for young people*.

In older generations the proportion of those having moved only within the boundaries of the city is getting higher with the age (54 percent for the age-group between 35-44; 73 percent for

45-54; and 83.0 percent for aged between 55-64). This can be in relation with the fact that families tend to move to larger dwellings as the size of the family grows.

Taking into account the sectoral subdivision of the dominant cohorts (age groups 25-34 and 35-44) it can be revealed that creatives rather migrate within the limits of Budapest (57.1 percent and 58.3 percent respectively), whereas in the knowledge-based sector most of the representatives of these age groups come from suburban settlements around Budapest (35–44 years cohort) or from provincial towns (25–34 years).

**Table 4.26 - Residential location prior to moving into the BMR by age groups**

Cohorts	15-24	25-34	35-44	45-54	55-64	65-78	Total
<b>Creative industries</b>							
Never moved	0,0	0,0	8,3	0,0	0,0	0,0	2,4
<i>In city but other neighbourhood</i>	0,0	<b>57,1</b>	<b>58,3</b>	76,9	100,0	0,0	61,2
Another City in region/province/country	0,0	7,1	4,2	0,0	0,0	0,0	4,7
Another city in country	100,0	33,3	16,7	23,1	0,0	0,0	27,1
Outside country	0,0	0,0	12,5	0,0	0,0	0,0	3,5
Outside Europe	0,0	2,4	0,0	0,0	0,0	0,0	1,2
Total	100,0	100,0	100,0	100,0	100,0	0,0	100,0
<b>Knowledge-based industries</b>							
Never moved	0,0	1,5	0,0	0,0	12,5	0,0	1,9
<i>In city but other neighbourhood</i>	33,3	46,2	46,2	69,2	75,0	100,0	50,9
Another City in region/province/country	16,7	7,7	<b>23,1</b>	0,0	0,0	0,0	8,5
Another city in country	50,0	<b>38,5</b>	<b>23,1</b>	15,4	12,5	0,0	32,1
Outside country	0,0	4,6	7,7	7,7	0,0	0,0	4,7
Outside Europe	0,0	1,5	0,0	7,7	0,0	0,0	1,9
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0

More than 80 percent of respondents said that they were not likely to leave Budapest in the following three years. Those who consider moving are usually the younger ones (Table 4.27). This fact proves that the mobility of people living in Budapest differs, evidently, according to age groups. Lack of mobility is especially strong in the case of people already possessing an established life, social and professional contacts, more or less permanent living conditions, etc., while mobility is more important amongst young people. Nevertheless, the most important factors that drive mobility turned out to be very similar for all age groups. As mentioned above, these are all hard factors, such as the *price and size of flats, conditions of transportation*, as well as quality and general *atmosphere of the urban environment*.

Analysing the sectoral distribution, a particularly strong attachment of the middle-aged generation (35–44 and 45–54 years) to Budapest is clearly discernible in the creative sector; nine-tenth of respondents is going to stay in the BMR. This ratio is apparently lower in the case of knowledge-based workers, but – similar to the results of investigations into the venues of higher education – their definite stance not to move out could be traced here as well.

**Table 4.27 - Likelihood of moving from Budapest in the next three years by age groups**

Cohorts	15-24	25-34	35-44	45-54	55-64	65-78	Total
<b>Creative industries</b>							
Almost Definitely	0,0	9,3	0,0	0,0	0,0	0,0	4,5
Very Likely	0,0	4,7	0,0	0,0	0,0	0,0	2,2
Somewhat likely	0,0	14,0	8,0	0,0	0,0	0,0	9,0
<i>Not too likely</i>	<i>100,0</i>	<i>41,9</i>	<b>60,0</b>	<b>61,5</b>	<i>40,0</i>	<i>0,0</i>	<i>51,7</i>
<i>Not likely at all</i>	<i>0,0</i>	<i>30,2</i>	<b>32,0</b>	<b>38,5</b>	<i>60,0</i>	<i>0,0</i>	<i>32,6</i>
Total	100,0	100,0	100,0	100,0	100,0	0,0	100,0
<b>Knowledge-based industries</b>							
Almost Definitely	16,7	6,1	0,0	0,0	0,0	0,0	4,7
Very Likely	0,0	10,6	7,7	7,7	0,0	0,0	8,4
Somewhat likely	0,0	6,1	7,7	15,4	12,5	0,0	7,5
<i>Not too likely</i>	<i>50,0</i>	<i>43,9</i>	<b>23,1</b>	<b>30,8</b>	<i>37,5</i>	<i>0,0</i>	<i>39,3</i>
<i>Not likely at all</i>	<i>33,3</i>	<i>33,3</i>	<b>61,5</b>	<b>46,2</b>	<i>50,0</i>	<i>100,0</i>	<i>40,2</i>
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0

### Household characteristics and mobility

One-fifth of respondents live on their own, 40 percent of them live with someone, mostly with a partner or a spouse. More than a quarter of those living with a partner or spouse have child or children. There is a significant correlation between the intent to move away from Budapest in the future and the size of household. While on average 80 percent of the sample was not likely to move in the next three years, more than 90 percent of those belonging to a household of 4 or more persons, said that they were definitely not likely to move away from the city. Mobility is therefore considered even less of an option for families with two children or more. At the same time, 77.5 percent of people living alone are not likely to leave Budapest, either.

Those who almost definitely intend to move away belong to single households and two-person households. The likelihood is getting lower when it comes to couples with children and the size of family grows, the intent to move away is still stronger in the case of lone parents with a child: one fifth (!) of them are somewhat considering leaving the city.

The dominant factors determining mobility (size of flats, urban environment, etc.) are exactly the same as it turned out to be relevant in the previous cross-tab analysis.

### Contract status and mobility

80 percent of respondents are presently on an unlimited permanent contract at their workplace. The rest has a contract for a certain period of time in a project or a temporary employment agency contract. Only 2 percent do not possess a written contract at all. It is to be mentioned that many of the employees in the creative sector in Hungary work in special status. While in practice they work as the employees of a larger company of the creative sector (as regarding their workplace or colleagues, thus their ‘working identity’), legally they are often the employees of a smaller society that is subcontracted to the first one. The subcontractor company is very often led and/or owned – at least partly – by the respondents themselves. So while they refer to the larger company as their working place, they often may

think of their own company when answering questions on legal status, position and salary. This is a distorting factor that has also to be taken into consideration in the case of the answers confirming the possession of an ‘unlimited permanent contracts’. The importance of the high share of this status can therefore be lower here than in the case of some other countries, for example France, where indefinite contracts signify the highest level of the employment structure.

There is no correlation between the types of contract and the intent to move away from the city that can also partly be the result of the above considerations. 81 percent would stay in the city or at least is not planning to leave within the next three years.

#### Position and mobility

Three quarters of respondents have no colleagues under their supervision, about one fifth is supervising between 1 and 10 other employees, and the rest is the “boss” of more than 10 people. Our hypothesis has been proved: the fewer employees one supervises the more they are likely to move. Those who have five or more employees under their supervision are not too likely or not like to leave the city. Only those supervising 4 or less employees have considered leaving the city at all.

#### *4.5.2 Satisfaction with job*

##### Income and satisfaction with job

Occupation of respondents was coded into six sub-sectors: software, motion-picture, advertising, law, financing and R+D (research and development). We can find very high household incomes (above 4000 EUR) only in advertising, financing, law and motion-picture. Software industry and R+D pay generally more than others (about 50 percent of their employees earn between 1000 and 2000 euros, while in law, advertising and finances 38-45 percent has a household income between 500 and 1000 euros.).

To the question of overall satisfaction with their jobs only a few people (3.2 percent) responded that they were dissatisfied. All of them belong to households with a monthly net income of 500 to 2000 euros. People with a household income higher than 3000 euros were all satisfied with their jobs. In categories between 500 and 3000 euros 20-27 percent were neither satisfied nor dissatisfied. Of course there are several factors that determine satisfaction and motivation in work, but income is definitely a major one (Table 4.28).

Looking at the sectoral distribution (focusing on the most characteristic income categories) the following statements can be made:

- None of the sectors shows a strictly proportional growth of satisfaction with the work as monthly net income increases. This is not a surprise since the social groups under investigation differ from the average households with their high appreciation of mental values provided by occupation and workplace – apart from the material goods.



- Independently from income categories, a great majority of the respondents were satisfied with their work in both sectors (ratios between 65 and 80 percent were typical). Here the positive answers given to the questions *Sense of achievement you get from your work* and *Amount of influence you have over your job* (in the lower income categories they were frequent among creative workers) were instrumental as also was the circumstance that in both sectors the respondents feel their jobs to be relatively stable. In the medium income categories (eg. 2000-2999 EUR) other factors like working environment and workplace (friendliness of the working environment, facilities in the workplace and high satisfaction with them) came to the fore.
- Along the scale of dissatisfaction the major negative factors figured out especially in lower income groups (500–999 EUR) were such as the amount of payment received, lack of training and prospects for career advancement, and in this respect the creatives proved to be much more critical than persons engaged in knowledge-based industries.

**Table 4.28 - Satisfaction and dissatisfaction with different job issues by households' income**

Monthly household income after tax	Creative industries		Knowledge-based industries	
	Generally satisfied	Generally dissatisfied	Generally satisfied	Generally dissatisfied
<b>500-999 EUR</b>				
Sense of achievement you get from your work	87,0	4,3	70,3	5,4
Amount of influence you have over your job	78,3	0,0	63,9	2,8
The training you receive	21,7	34,8	29,7	21,6
The amount of pay you receive	21,7	43,5	21,6	27,0
Your job security	52,2	17,4	75,7	10,8
Prospects for career advancement	18,2	36,4	24,3	21,6
Overall satisfaction with job	73,9	4,3	78,4	2,7
<b>1000-1999 EUR</b>				
Sense of achievement you get from your work	78,8	0,0	60,5	7,9
The facilities in the workplace	81,8	6,1	76,3	7,9
The training you receive	42,4	12,1	42,1	26,3
The amount of pay you receive	57,6	18,2	44,7	23,7
The amount of holiday time/paid leave	57,6	21,2	54,1	21,6
Prospects for career advancement	45,5	9,1	39,5	28,9
Overall satisfaction with job	75,8	3,0	63,2	7,9
<b>2000-2999 EUR</b>				
Amount of influence you have over your job	66,7	0,0	88,9	0,0
The friendliness of the working environment	88,9	0,0	88,9	0,0
The training you receive	44,4	22,2	77,8	11,1
Your job security	88,9	0,0	77,8	0,0
The ability to balance your professional & personal life	22,2	33,3	55,6	11,1
Overall satisfaction with job	66,7	0,0	77,8	0,0

### Hours worked and satisfaction with job

Almost 80 percent of respondents work between 30 and 55 hours a week. 7 percent works more than 55 hours weekly. The remaining part of interviewees works less or their working hours vary depending on their tasks. Length of time spent with working has an impact on satisfaction; however the correlation is of medium strength. Working 20 hours or less a week makes people the most satisfied with their job (80 percent). The least satisfied are those who spend more than 55 hours per week working or those who work in flexible hours. This latter is certainly in relation with the fact that uncertain working hours make it uneasy to plan working as well as private life.

### Satisfaction with job and expected time in company or organisation

According to the present survey two-thirds of the people working in the creative and knowledge intensive industries are satisfied with their job. To the question referring to expected time in the company they would work, one third of respondents could not answer. Quarter of all people plans to work for the same employer in the next 1 to 3 years. There is a significant correlation between satisfaction with the job and expected time at present company or organisation. Those who wish to stay at the same company or organisation for more than 3 years are mostly satisfied or very satisfied with their job. The least satisfied ones are planning to quit within 6 months.

The contradiction between being satisfied with present job and expecting to quit soon may be resolved by the fact that many of these people are employed on a fix term contract for a specific project.

### Commuting and overall satisfaction with job

Distance between home and workplace may be a factor that determines one's satisfaction with his or her job. One quarter of the respondents is neither satisfied nor dissatisfied. Those living in the suburbs (travelling 15 or more km every day to work) are satisfied with their job. However, none of them has marked the 'very satisfied' answer. We can assume that they chose to work so far from their home because the working conditions or salary compensate the distance. Working at home or having a workplace within 4 km from home provides the greatest satisfaction (between 70 and 83 percent) to employees.

Time spent with travelling to work also influences satisfaction. People travelling the most to work have expressed dissatisfaction in the greatest proportion (9.6 percent). The most satisfied with their jobs are those who travel less than 15 minutes or between half an hour and 45 minutes. Unfortunately data gathered did not give us information on the urban district people live and work in. People may live far from their office but can get there quickly by car or do not have to enter the busiest inner district of the city at all – this information was not included in the survey.

### 4.5.3 *Satisfaction with the City*

#### Age and satisfaction with the city

It may sound trivial that younger people go out more often than older ones, but our analysis has proved it again. About 40 percent of people between 15 and 34 go out to pubs at least once a week, while only 8 percent of the respondents aged between 45 and 64 do the same. Weekly eating out is the most popular amongst the age group of 35-44 (38 percent). All generations like going out to the cinema, but the most active ones are the youngest (15-24 years): 56 percent of them go at least once a week. Art galleries and museums are visited by almost all groups (91 percent) less often than once a week. Night clubs are attractive for the young: 40 percent of those below 35 go sometimes to such places. This group is therefore the least satisfied with safety on the streets; as they have more experience being out at night. In spite of this, over half of the older generations have a negative opinion about the performance of the police.

Walking in the city centre and in parks/green areas is preferred by the younger individuals again.

There is a remarkably high cultural activity amongst people in the creative and knowledge intensive sector regardless their age. About 90 percent of all age groups visit festival events less often than once a week. Most people are satisfied with the quality and range of festivals, cultural events, galleries and cinemas in the city (Table 4.29). This factor is significantly more important for the younger generation (aged between 24 and 34) than to older ones. In spite of that the highest ratios of satisfaction were recorded among the medium-aged persons occupied in knowledge-based industries.

Younger generations are more satisfied with sport facilities, art galleries and museums in the city than older ones. Since younger people go out to pubs and night clubs more often, they are rather satisfied with these services. Cinemas of Budapest seem to be everyone's favourite regardless their age. In both sectors there was a high share of those expressing satisfaction with the above services with only minor distinctions between them: representatives of the creative industries preferred restaurants and catering, whereas many of those from knowledge-based industries praised shopping opportunities.

Social activities are important for all age groups: meeting or visiting friends and do some activities together with them. In younger generations this means going to clubs and pubs, while the older prefer more calm activities such as frequently going to restaurants. Representatives of the creative class prefer going to institutions, restaurants, pubs and cinemas in the lively centre of the city. The downtown is still an attractive place for creative and highly educated people.

**Table 4.29 - Satisfaction and dissatisfaction with different services by age groups**

Age range	Creative industries			Knowledge-based industries		
	25-34	35-44	45-54	25-34	35-44	45-54
<b>Generally satisfied (percent)</b>						
Quality and range of festival events, cultural activities					76,9	69,2
Quality and range of art galleries/museums	86,4	70,4	61,5	80,3	76,9	84,6
Quality and range of restaurants	81,8	59,3	61,5			
Quality of cinema's	84,1	66,7	84,6	78,8	84,6	84,6
Quality of shopping areas		59,3		68,2	76,9	69,2
<b>Generally dissatisfied (percent)</b>						
Quality of City's transport system	61,4		53,8			61,5
Transport within the city	72,7	70,4	69,2	56,1	61,5	69,2
Number of bicycle lanes	63,6	74,1	53,8	71,2	53,8	
Quality of health services	61,4	77,8	84,6			61,5
Connectivity between city and periphery					61,5	
Social security					53,8	
Police services						61,5

As people get older, they become more concerned about the social security system: two-thirds of respondents under 24 have no opinion on this topic, while from the age of 35 more than half of the people are rather dissatisfied with the system. Especially persons belonging to the 35–44 years age group in the knowledge-based industries expressed their dissatisfaction relating to these services. The same pattern goes for satisfaction with the health care system. Creative workers are dissatisfied with health services unanimously, independent of age, but – for understandable reasons – the older age categories are increasingly discontent.

A general dissatisfaction was expressed in relation with the *number of associations and organisations for social activities*, as more than half of respondents never attend such events. People above 45 expressed the most negative opinion on the social life of the city: none of them were satisfied with the number and quality of organisations.

Transport-related problems were tackled in our study several times. Young and medium-aged creative workers are increasingly dissatisfied with urban public transport and the poor provision of cycling tracks. Also, many young people working in the knowledge-based industries are dissatisfied with the latter.

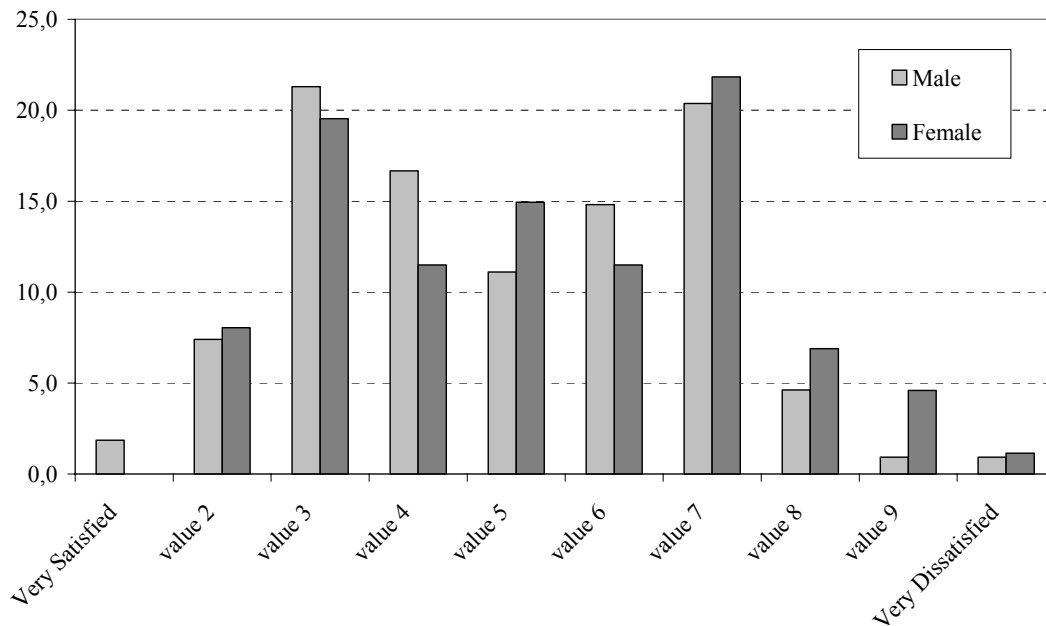
The most dissatisfied with the connection between the city centre and the periphery are people between 35 and 44 years old. We can assume that most of them live in the suburbs with their families. Thus, the only topic that does not divide the creative class of Budapest is the transport system of the city which generates deep dissatisfaction in each group, regardless any socio-demographic variables. Infrastructure is highly criticised (number of bicycle roads), but transport in general is seen as a main present and future problem of the capital<sup>4</sup>.

<sup>4</sup> At this stage we have to note that dissatisfaction of local people is in contradiction of foreigners' view who often praise the efficiency of public transport system of Budapest.

### Gender and satisfaction with the city

We examined relations between gender and overall satisfaction in the creative class in Budapest. A little bit more than half (55 percent) of the sample consists of men. According to our analysis, *men are slightly more satisfied with the city* considering all aspects. At the negative end of the scale (very dissatisfied) women are a bit more represented than men. Overall satisfaction by gender can be seen on Figure 4.8 below.

**Figure 4.8 Overall satisfaction with the city by gender (whole sample)**



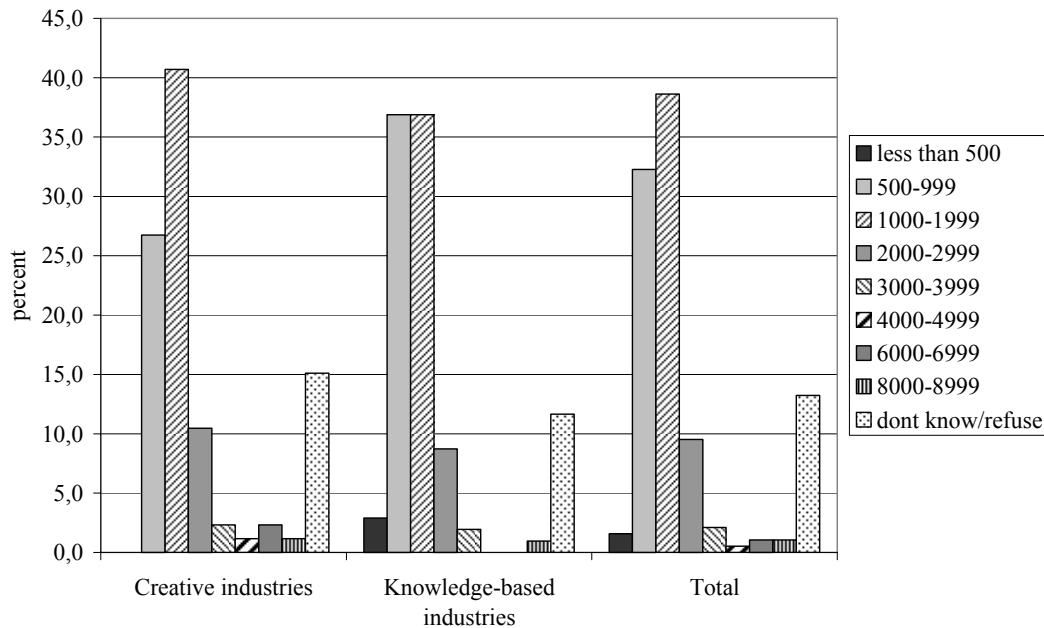
We must note that the chart also reflects that our sample can be divided into two major parts gathering around value 3 and 7. People are split regarding their opinion about the city, in general they are moderately satisfied or moderately dissatisfied, extreme opinions are rather rare. This distribution of opinions is a general characteristic of the sample. The opinion of the population on different urban issues is rather categorist: one part of them supports an issue, the other part does not, while more toned considerations are rarely expressed.

Gender analysis of data regarding the attendance of leisure, cultural and other types of activities reveals little difference between the two sexes. Women seem to keep in touch with their friends more frequently, almost 60 percent of them visits friends at least once a week, while only 53 percent of men do the same. Both sexes are particularly active in attending festivals (90 percent). Members of creative class regularly visit theatres, cinemas and art exhibitions; one third of them eat out at least once a week. Only 13 percent of respondents take part in political activity, 80 percent of them are men. Men are slightly more involved in community work and religious activities as well. And they are of course more interested in attending sports events; while women are more active when it comes to clubbing. Regular resident's association meetings are attended more by women (48 percent) than men (40 percent). Going to parks and green areas is only popular amongst one fifth of respondents. Walking in the centre of the city is significantly more common in the case of women which supposedly can be related to shopping customs.

Income and satisfaction with the city

In the questionnaire respondents were asked about the monthly net income of their household. One third of the interviewed people has a monthly net household income between 500 and 1000 EUR, a bit more than one third has a household income of 1000-2000 EUR and only 15 percent of respondents have a higher income than this (Figure 4.9).

**Figure 4.9 - Monthly net income of households**



Examining the relations between income and overall satisfaction with the city reveals surprising results: all people with the lower monthly household income (500-3000 EUR) are more or less satisfied with the city. Those with a monthly household income above 3000 EUR are in the middle ranges regarding satisfaction with the city (Table 4.30).

It can be stated that with the rise of the monthly net income criticism is increasing and satisfaction with the city is decreasing to a certain extent. Nevertheless, the proportion of the very dissatisfied people is still rather low. The somewhat surprising result can be related to the previous experiences of people: those with less income had in general less possibilities for travelling, consuming certain services regularly, and thus for comparing Budapest with other European cities; also they may be too anxious and stressed about their own individual problems and have no energy to formulate a more critical, open-minded opinion on urban life and cultural conditions of the city. As a result of the limited amount of money they may also have less opportunity to visit cultural events, to go out for leisure, and therefore to formulate a similarly sharp opinion to those people with more income.

**Table 4.30 - Satisfaction with the city by households' income**

	Very satisfied	value 2	value 3	value 4	value 5	value 6	value 7	value 8	value 9	Very dissatisfied
<b>Creative industries</b>										
500-999	0,0	4,3	8,7	4,3	17,4	21,7	30,4	8,7	4,3	0,0
1000-1999	0,0	6,1	21,2	24,2	6,1	18,2	21,2	3,0	0,0	0,0
2000-2999	0,0	0,0	0,0	0,0	11,1	33,3	11,1	33,3	11,1	0,0
3000-3999	0,0	50,0	50,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
4000-4999	0,0	0,0	0,0	0,0	0,0	100,0	0,0	0,0	0,0	0,0
6000-6999	0,0	50,0	50,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
8000-8999	0,0	0,0	0,0	0,0	0,0	0,0	100,0	0,0	0,0	0,0
don't know/ref.	0,0	7,7	7,7	15,4	23,1	7,7	23,1	15,4	0,0	0,0
Total	0,0	7,1	14,3	13,1	11,9	19,0	22,6	9,5	2,4	0,0
<b>Knowledge-based industries</b>										
less than 500	0,0	33,3	33,3	33,3	0,0	0,0	0,0	0,0	0,0	0,0
500-999	0,0	13,5	24,3	13,5	8,1	8,1	16,2	5,4	5,4	5,4
1000-1999	2,6	0,0	21,1	18,4	23,7	13,2	15,8	2,6	2,6	0,0
2000-2999	0,0	22,2	44,4	0,0	11,1	11,1	11,1	0,0	0,0	0,0
3000-3999	0,0	0,0	0,0	50,0	0,0	0,0	50,0	0,0	0,0	0,0
8000-8999	0,0	0,0	0,0	100,0	0,0	0,0	0,0	0,0	0,0	0,0
don't know/ref.	8,3	0,0	25,0	0,0	16,7	8,3	41,7	0,0	0,0	0,0
Total	2,0	7,8	24,5	14,7	14,7	9,8	18,6	2,9	2,9	2,0

There is no marked difference between the income categories in the way of spending free-time. The most typical activities are visiting friends, walking in the downtown, or making an excursion to the green areas. The wealthier visit galleries and museums more often than the others. All income groups like to go to the cinema, but lower income groups do so more frequently.

Our hypothesis regarding the relationship between higher income and greater demand on amenities has not been proved. Those in the lower half of household income ranges (500-3000 EUR/household/month) are the most active in all kind of activities in the city. This might be explained by demographic factors, as lower income households tend to belong to the younger age groups. These people are very active in visiting friends, going to parks, walking in the city centre, and going to pubs. Less frequently they also go to the cinema, and eat out. Those with a higher income take part in such activities less frequently but eat out significantly more often. Members of the wealthiest households (above 6000 EUR) are involved in all kinds of activities the least often, supposedly due to the amount of their work.

Regardless their household income, respondents generally expressed dissatisfaction with the quality of public places and sport facilities. To people in the middle and higher income categories (above 3000 EUR) the quality of amenities of Budapest is rather indifferent: they are neither satisfied nor dissatisfied in this field. However, higher demands for the quality of cultural and entertainment activities (pubs, restaurants, art galleries, festivals, etc.) were expressed by this group. Opportunities offered in the city obviously do not meet the expectations of the wealthiest.

### Cost of living and satisfaction with activities/services offered in the city

Those who consider their housing expenses very high are significantly less satisfied with the quality and costs of services available in the city. Obviously they have to spend greater part of their income on living, so other services may seem relatively more expensive to them. Those who find food and beverages very expensive are less satisfied with the restaurants in the city. Satisfaction with cinemas, festival events, art galleries and cultural life are not in correlation with the opinion on the prices.

### Household characteristics and satisfaction with activities and services provided by city

Type and number of household members of respondents significantly determine their opinion in the activities and services provided by the city. There is a general consensus on the good quality of cinemas, art galleries and festival events in the city. People living on their own and single parents are less satisfied with the quality of public places and sport facilities than others.

Supposedly people in single households have more time to use any kind of facilities. The size of family obviously determines the time people spend at home, therefore more than half of lone parents have no opinion on restaurants and pubs of the city. The transport system also means the greatest problem for lone parents and people living in extended families.

### Characteristic of residential area (neighbourhood) and overall satisfaction with city

Those who live in the most inner districts of Budapest have the most negative opinion on the city; however a great part of them is rather satisfied (43 percent). As discussed above, social inequalities and environmental problems are the most visible in the densely built neighbourhoods. The most satisfied were those respondents who live in the suburbs, or green areas, but still inside Budapest, this way they enjoy the advantages of the suburbs but do not have to commute as much as from outside the city.

It can be stated that the closer one lives to the city centre, the more often he or she is involved in inner-city activities. Those who live in the inner districts visit friends less often, but go to pubs, cinemas and parks more often than others. Amongst the rest of the people visiting friends is the most common activity (45-67 percent of respondents does it at least once a week).

It is also interesting to notice that people living in a medium or large town in the proximity of Budapest go to pubs very often (41 percent at least once a week), but take part in other activities offered by the capital significantly less often. We can assume that their local town does not offer as many activities as the capital, and going home at night may be difficult from Budapest, therefore the pub is the only place they can go to. Also, most people who live far from the city-centre hardly go to night clubs. In conclusion the distance from downtown strongly determines free-time (outgoing) habits and activities of people even in the creative class.



### Satisfaction with job and the city

Respondents in Budapest are working in six distinguished fields within the creative and knowledge intensive sector which are the following: software, motion-picture, advertising, law, finances and research and development. Intent to move away from the city appears in a similar proportion (around 10 percent) in all sectors except motion-pictures and advertising in which people do not plan to leave the capital and largest city of Hungary at all.

About 70 percent of people in the creative sector seem to be satisfied with their present jobs. They are less (between 35 and 40 percent) satisfied with the training they receive, with payment and prospects for career advancement. Surprisingly, there is no correlation between extreme opinions. Those who are very dissatisfied with their job can still be satisfied with the city and vice versa: people the least satisfied with their job may however be satisfied with their city, or it is indifferent for them.

In spite of these extreme cases, dissatisfaction with the city and with the job is not only correlated but also may have a great influence on each-other. Growing dissatisfaction with the city is usually accompanied by growing dissatisfaction in the field of work.

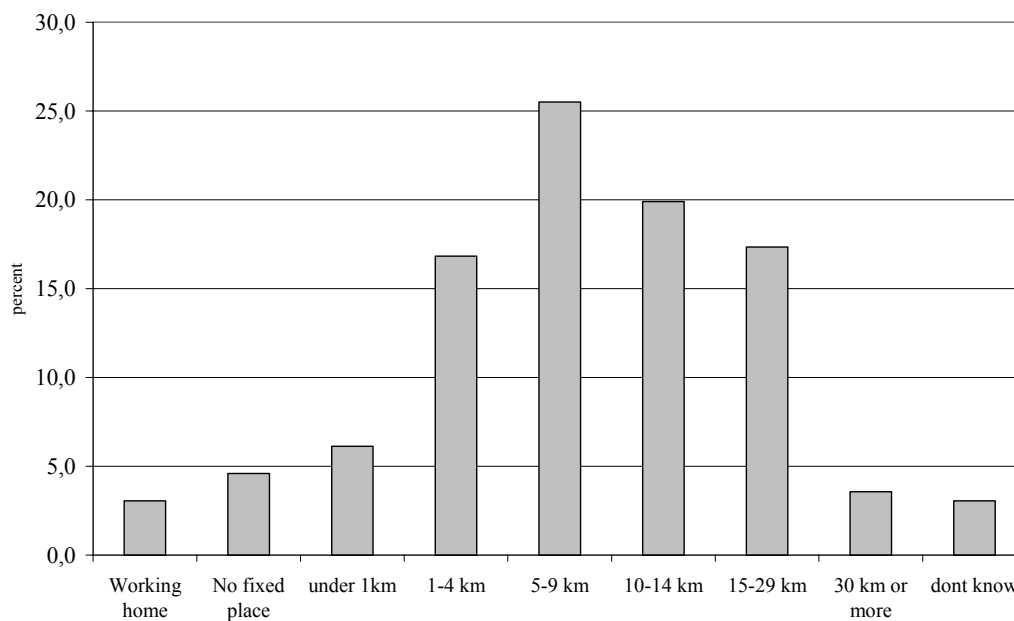
For those who are satisfied with the city but less satisfied with their jobs the main problem is that they are not free enough to realise their own ideas, and that they do not find their workplace intellectually satisfying. Therefore they estimate their carrier possibilities as being too modest, and they assume having problems in coordinating their work with their private life. Their intellectual and mental frustration may also be extrapolated on their opinion about the possibilities and the quality of life in the city and may modify or reinforce their initial opinion. Those who are not satisfied with the city are also mostly dissatisfied with the career advancement prospects and the amount of payment and training they receive.

Parallel, people have the more and more material frustrations concerning the quality of their life in the city (as a result of financial problems, the rise of prices and the stagnation of salaries etc). These feelings may have an effect on their opinion about their job, making it less motivating than normally they would have estimated.

### Commuting and overall satisfaction with city

One fourth of the people in the sample get to work from home every day in between 15 and 30 minutes, 15 percent less than 15 minutes. To 28 percent this trip takes between half an hour and 45 minutes.

One third of respondents travel a distance of less than 4 km to work, 25 percent travel between 5 and 9 km and another quarter commutes more than 10 km to work every day (Figure 4.10).

**Figure 4.10 - Distance between residence and workplace**

According to original hypothesis those individuals with higher commuting times and/or distances from the city centre are less satisfied with the city. Surprisingly, those who travel less than 30 minutes to work showed a greater overall dissatisfaction with the city. They marked value 7 and higher (10 means very dissatisfied) more often than the rest who spends more time with travelling. Our earlier investigations revealed that in Budapest a great part of creative jobs is still located in the city centre, or close to it (Kovács et al 2007). We can assume that those people who live close to their workplace live in the more dense central districts of the city where social inequalities and environmental problems are more palpable. In the suburbs of Budapest (e.g. Budaörs) there are some emerging commercial and logistic centres that employ some part of the creative class. These concentrations usually lack opportunities for cultural and social life and they are located relatively far from the lively city centre. These may be the main reasons why people living relatively close to their workplace are rather dissatisfied with the city.

Those who work at home are also rather dissatisfied with the city. This may be explained by the lack of everyday social contacts and as a result of the feeling of being excluded from public life and decisions.

More than half of the people living the furthest from their workplace are on the other hand generally satisfied with the city. Normally, they live with their families in the suburbs where residential neighbourhoods are of good quality, with lots of green areas and with a more quiet life.

For them this residential quality probably compensates the fact that there are fewer amenities, cultural and social activities going on in the suburbs, and that everyday commuting is getting more and more difficult due to growing congestions on roads. Higher level of satisfaction among those living in the suburbs can also be explained by the fact that suburbanisation is still a quite young phenomenon in Budapest, and that a large part of people in the creative class still believe that living in the suburbs means a better quality of life.

### Budapest in comparison with other settlements in Hungary

In the survey respondents were asked to compare Budapest with other cities in Hungary where they lived for at least one year in a previous stage of their lives. For one third of them the question was not applicable because they had always lived in the capital city. The rest were split into two groups: 43 percent said that Budapest was a better place to live than the other city; on the opposite 57 percent believed that Budapest was a worse place than the previous location.

Many respondents filled in the questionnaire on their own without any guidance which may explain the following. Examining the data in more details we found some contradictions. Some people who have never moved still answered the question and said that Budapest was a worse place to live in than others. Amongst those who could give a response to this question, people who were born in other cities in Hungary mostly had a good opinion about Budapest, while those born in the capital were more negative. We can assume that for some of those who used to live in the countryside, moving to Budapest was an upward mobility. It is common among these people that they consider their city of origin an inferior place compared to the capital city of the country. On the other hand, those who were born in another city and spent at least one year in the capital assume in general that Budapest is not as good as the city they lived in.

#### **4.6 Problems and limitations in the BMR (main results of open ended question)**

When elaborating the questionnaire the consortium endeavoured to avoid open ended questions since closed questions lead to more objective and comparable results. Therefore, only two open ended questions have remained in the questionnaire: i) question indicated A21 referred to the way the quality of life has changed in the metropolitan region over the previous 5 years; ii) question marked B4 was a query about the work performed by the respondent currently in the firm. As in the latter case there might be a multitude of positions or activities and it is not really applicable in terms of statistical analysis, only the responses to the first question were tackled in this chapter.

Altogether 102 valid responses arrived to the open-ended part of question A21, i.e. ca half of the 200 people interviewed substantiated their answer and formulated opinion briefly. In accordance with our expectations based on earlier research and surveys, the respondents expressed basically negative remarks. (The ratio of those reporting positive opinions remained below 5 percent.) With regard to our investigations emphasising the criticism about the circumstances in the BMR it is a strong confirmation and it explains the reasons why most creative workers and graduates expressed their dissatisfaction with the living conditions in the metropolis. At the same time, it is stimulating for us to formulate proposals towards decision makers concerning the future development of the BMR, in order to make it more attractive place for the expansion of the creative knowledge sector.

The answers given to the open ended question referred to the following problem fields (the order of discussion also indicates the rank of dissatisfaction with the three environmental subsystems among the respondents):

- Problems of socio-economic environment within the BMR;
- Comments and remarks on the built environment;
- Critical reflections on the natural (green) environment.

As the responses were extremely diverse, only the following most relevant aspects and trends are mentioned in the analysis.

Most of the negative reflections concerned the unfavourable trends which occurred within the socio-economic environment over the last years<sup>5</sup>. An overwhelming majority of persons involved in the inquiry consider the rising costs of living as the most serious socio-economic problem of today. The reason behind is that due to fiscal policy (high budget deficit) the upward trend of the prices has not been followed by the growth of real wages for the last two years (1) so at present many people are facing some financial problems or at least feels the outcomes of new fiscal policy. This statement (in the mirror of the results summarised in Chapter 4 and of the statistical analyses outlined in Chapter 5.2 of ACRE report 2.4) repeatedly underlines the high significance of material goods for the Hungarian society: orientation towards material values is a characteristic feature of the Hungarians and perhaps other post-socialist societies. In the opinion of the respondents an outcome of the material problems on the level of the families and individuals is the decline of living standards and of the quality of life (5). Concurrently, aggravating social problems lead to increasing polarisation of the society (6) especially in big cities like Budapest with growing homelessness and poverty which cause increasing conflicts (3). By common consent of the respondents there has been a rising aggressiveness and frustration among the people and on the level of the individuals (2). There is spreading anti-social behaviour, and mental and attitude problems provoke conflicts within society. Deterioration of public security and growing criminality give occasion to serious concern and should be handled properly. A dramatic rise of prices in services, lack of cultural services, scarcity of job opportunities, spreading unemployment and the missing local communities in the BMR have also been pointed out by the respondents as problems.

A major part of the respondents expressed sharp criticism towards politicians and emphasised the issues stemming from a *poor political culture* (4) which is a hindrance to the economic take-off of the country in general and of Budapest in particular. In the first place corruption and abuses were mentioned. All these are attributable to the devaluation of politics, political elite and of the image of politicians in public opinion independently from their ideological background over the last years. At the same time sociological investigations point to a sharp political split within Hungarian society, and this growing cleavage formation was also reflected by our survey.

Along with disfunctions in social and economic environment there have been problems with the built environment. Dissatisfaction with the built environment and infrastructure occupies the second place within the environmental block. Respondents were very discontent with *traffic* (1) and *public transport* (2). There have been complaints about the inferior *quality and*

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<sup>5</sup> After mentioning the problems the rank of their importance within the given environmental subsystem follows indicated with numbers in brackets.

*state of paved roads* (3), the busy traffic leading to *frequent congestions* (4) and about the growing difficulties in accessibility of workplaces over the past years. It was somewhat surprising that car parking was not mentioned among the problems though it is especially problematic in the city centre. Some have mentioned the lack of cycle tracks. The respondents are very critical about *the state of the building stock and of public spaces* (5–6). Urban renewal started relatively late (end of 1990s) and was conducted with sporadic success in some districts; graffiti's are a common sight reducing the visual value of the buildings. On the other hand, due to urban redevelopment schemes in other places shopping centres and malls with monsters of residential blocks occupy the space left behind by the demolished obsolete buildings.

Nature conservation and environmental protection occurred in the third place by the frequency and weight of comments and remarks. It is not surprising because environmental consciousness of the Hungarians including politicians and the weight of environmental protection in public thinking of the society are lagging behind the western standards. The problem of *cleanness* considered by the respondents a key issue (1) emerges in this subsystem though it is also associated with the other two. Public premises and roads are full of rubbish and neglected and in many places the population does not seem to take care of the living environment. The real concern is that people realise the significance of the problem but they would not do too much for a healthy and clean environment. Closely related to the busy traffic, *air and noise pollution* (2) also add to the deterioration of the quality of life in the capital city. To further complicate the situation, according to some of the respondents the *extension of green spaces* (3) is not sufficient and their state is inferior in many places.

As it has already been referred to, the ratio of those giving positive responses remained below 5 percent; their standpoint could be evaluated as deviating from the mainstream. They substantiated their opinion referring to the betterment of income situation and quality of life, improvement of the built environment and public roads through infrastructural investments.

To sum up: a bulk of hard and soft factors can be observed which exert a negative impact upon the quality of life and satisfaction of people in the BMR being also decisive for the further development of the Hungarian capital and its international competitiveness in the long run. If proper measures are taken for the amelioration of the environmental factors, Budapest and the BMR could be successful in attracting firms and experts of the creative and knowledge-based sector to settle here. In the opposite case the city region might become a loser in the competition between the big cities and its place would occupy other metropolises with similar potentials from the region.

In a total of the three environmental subsystems the following hard and soft components are the most important limiting factors within the BMR (Table 4.31):

**Table 4.31 - Limiting factors within the BMR**

<b>Factors</b>	<b>Type of factor</b>
Costs of living (prices, level of wages and salaries)	hard
Traffic and public transport	hard
Cleanness of the city and living environment	soft
Air and noise pollution	soft
Intolerance, aggressiveness	soft
Homelessness, poverty, social polarisation	soft
Politics, political culture	soft
Quantity and quality of green space	hard
Living standards, quality of life	soft
Public security	soft
State of building stock and public places	hard

Our results have led to a conclusion that hard and soft components are represented among factors influencing life conditions roughly equally though taking it all in all hard factors are more influential in public opinion and among the respondents.

## 5 CONCLUSIONS

### 5.1 Introduction

Nowadays the role of metropolises and even cities with lower hierarchical rank is growing in importance due to globalisation. This is all the more remarkable because presently there is an ever sharpening competition between different regions of the world. Regional competitiveness is basically determined by cities and other urban settlements, and this is why competition between the regions involves a bitter and growing contest among big cities. A region or a country will be successful if its cities are successful and cities will flourish if the wider region flourishes. Thus, city regions are coming to function as the basic motors of the global economy (Scott 2001; Harrison 2007). The city in itself is a labour market, a commuted, a broadcast area, a communication hub and an economic unit, and its development depends very much on the locally available sources (e.g. creativity, knowledge, human-, social-, financial capital and natural capital).

Also the European Union recognised and expressed the importance of competitiveness of city regions with stressing that: “Europe must renew the basis of its competitiveness, increase its growth potential and its productivity and strengthen social cohesion, placing the main emphasis on knowledge, innovation and the optimisation of human capital”.

At the turn of the millennium it became obvious that in the wake of the post-Fordist social and economic transformation new driving forces had come to the fore in the world competition such as knowledge, creativity, innovation, science and technology. In the global competition those city regions will be able to capture eminent positions and to gain economic advantages that are strong enough to create favourable conditions for the above mentioned basic motors. Here a prominent part belongs to the attractiveness of cities, i.e. to the capability to create attractive cities in social and economic sense (EC 2005).

### 5.2 The Competitive City and the Budapest Metropolitan Region

People want to live and work in cities with clean air, green and secure spaces, attractive architecture and high quality services – including cultural and recreational amenities. To attract geographically mobile and skilled knowledge workers and high value-added activities, environmental quality in its broadest sense is a long-term investment. In this respect – according to the European Commission – at least four key issues require attention: i) Transport, accessibility and mobility; ii) Access to services and amenities; iii) The natural and physical environment; iv) The cultural sector.

*Transport, accessibility and mobility* are key elements of attractiveness. Accessibility, defined as the connections to inter-urban and long-distance networks, is crucial in terms of access to

markets. But clean, efficient, affordable and effective mobility within the city region is also important – both for economic efficiency and the quality of life of the inhabitants. Mobility within the metropolises is a challenge which increases with the size of the city, because both the distances and the volume of traffic are greater. From this point of view, the trend of increasing motorisation and private car use has caused growing congestion in the Budapest Metropolitan Region after 1990. Thus, the problem of urban traffic and public transport deserves an increasing attention in the case of Budapest and the BMR. Lately urban transport has been subjected to a harsh criticism by public opinion. The present survey testifies to this: respondents from creative knowledge sector expressed their pronounced negative opinion of today's transport situation both public and private. As a consequence, transport is a serious risk factor in Budapest; the development of transport network, harmonisation of the internal and suburban services, relief and rationalisation of traffic are urgent tasks.

Well-working and *affordable service facilities* related to health care, social services, training, retailing and public administration are vital to urban competitiveness and the quality of life. They make a city more attractive and liveable for its inhabitants. They are also important employers in their own right. Moreover, quality health services – especially preventative medicine – improve the fitness and working capacity of local people. According to the results of our survey it is another risk factor in Budapest: representatives of both the creative and knowledge-based sectors were rather dissatisfied with the level of health care and other kinds of social services in the BMR. The central government has also recognised the importance of the issue for a couple of years: the reform of health services including a limited privatisation has been under way, although it is difficult to predict its final outcomes. The effects will be felt probably by 2009–2010 at the earliest.

People want to live and work in cities with a distinct identity, where both natural and built *environment* are of the highest quality – with clean air, quiet and clean public spaces, green areas, attractive and sustainable architecture that locals are proud of. In terms of attracting geographically-mobile knowledge workers and high value-added activities environmental quality plays an outstanding role. Respondents from Budapest Metropolitan Region were critical mainly about the extent and quality of green areas and they were more satisfied with architectural aspects of the built environment from both sectors. Perhaps this can be explained by the trend that respondents were highly satisfied with their actual residential environment and by the fact that despite the delayed or postponed urban renewal the building stock of Budapest still remains valuable and rich in protected monuments. Consequently, natural and built environment in the case of Budapest can be evaluated as risk factors of medium weight from the perspective of the future development of the city. Efforts of urban rehabilitation and regeneration have been made on the central and local governmental levels since the mid-1990s and expenditures for the extension of green areas and renovation of the building stock have significantly grown. On the other hand, integrated urban regeneration aimed at a complex renewal of the natural and socio-economic environment has not produced tangible results in Budapest so far.

*Culture and its diversity* is a core area of city competitiveness. A long term cultural vision can be an essential link in a city's plans for economic and social development. Cultural facilities and activities should therefore be part of an integrated approach to city planning and urban



regeneration. As with the environment, cultural amenities are a key determinant of the attractiveness of a city. In particular, a vibrant and diversified culture is an important location factor in attracting knowledge workers and creative industries. Perhaps this is the field where Budapest has considerable advantages and favourable positions compared to other cities in the region. This is due to the centuries old cultural traditions and contemporary vibrant cultural life, events and festivals. Respondents from both sectors expressed their high satisfaction with regards the quantity and standards of cultural services, therefore we may say that this is not a serious risk factor from the viewpoint of urban competitiveness in Budapest.

According to the viewpoint of the European Union, in order to improve competitiveness of urban centres, *innovation, entrepreneurship and the knowledge economy* should be supported and strengthened, job opportunities (more and better work provided) need to be extended, social (and territorial) disparities must be reduced, whereas the level of governance ought to be raised. Actions in the field of entrepreneurship to support small and medium-sized enterprises, micro-enterprises and social economy enterprises should enjoy priority as they are particularly important for urban economies and they as a rule are among the most potent generators of jobs. This is particularly relevant for the ACRE project since most of the creative and knowledge-based firms belong to this group of enterprises. For the time being the Hungarian micro- small- and medium sized firms are facing serious difficulties because they do not receive sufficient political and financial support to develop further. The position of knowledge-based economy and innovation is somehow better because the scientific infrastructure of Budapest with large universities and scientific centres creates favourable conditions for them. It is therefore not by accident that the BMR provides an abundance of job opportunities for the representatives of knowledge-based sector, and attracts them in a large number.

In terms of *job opportunities* Budapest and the BMR provide large number and diverse, well-paid jobs. In Hungary the rate of unemployment is the lowest here (Budapest: 4.6 percent in 2006), and (also confirmed by our survey) a large majority of those occupied in the creative sector are satisfied with their work and conditions of labour. So the BMR has a good position on the labour market and it is very attractive for white collar workers and highly skilled manpower.

With regards *social climate*, there is a growing amount of social problems and tensions in Budapest, and the gap between different social strata has been widening over the past years. This is mainly the outcome of the wider socio-economic transition the country has gone through since the collapse of communism. Central government administration, Budapest municipality and district governments have failed to suppress social exclusion until now. The strengthening of social cohesion (particularly handling the ‘Roma problem’) will be the primary challenge not only in Budapest but over the whole country in the next decade. This is an especially alarming perspective keeping in mind that – according to the opinion of the majority of respondents – the policies and politicians in general do not promote the social and economic development of Budapest and its region thus they diminish its competitiveness. Although there has been a considerable progress in the field of governance since the change of regime, the collaboration between the territorial and administrative organs of different

levels is far from being harmonious and the operation of the institutions is not enough flexible and efficient.

### **5.3 Problems, limitations and risk factors for the creative knowledge economy in Budapest**

This section provides a summary of the key results and components of the opinion of highly qualified workers occupied in the creative knowledge sector about (satisfaction with) their living environment, workplace and place of residence (BMR). As far as, in spite of our preliminary assumption, there were not found any important differences in the demographic composition and opinions between the workers and graduates (mainly stemming from the methodology of sampling), our analyses have been performed only for two groups: those occupied in the creative industries and knowledge-based industries. Graduates were split between these two groups unevenly; a majority of them (35) were included in the group of knowledge workers and the rest (15) in the creative workers. This had certain consequences on the final results in Budapest being the group of knowledge workers generally younger and inner-city oriented.

On the basis of the survey it can be stated that there are *certain differences between the two groups*, both in terms of their demographic structure and their opinion about their dwelling, residential environment and workplace. This is partly due to the distinct age structure and clearly different family model of the two surveyed groups, and in addition to that respondents from the creative vs. knowledge-based sectors had different ideas about urban life and components of the quality of life.

Our previous research testified the *growing expectations and diversifying demands among residents of the BMR for place of residence and residential environment*. This has been especially tangible since the change of regime (1989). These requirements play a pivotal part in the choice of the place of residence (with no regard to professional qualification and place of work), only influenced by financial circumstances as a secondary factor. This is corroborated by the priority given to *the size and price of the apartment* by the respondents both from the creative and knowledge-based sectors. As housing construction has been dominated by smaller apartments (35–48 m<sup>2</sup>, chiefly due to the lack of solvent demand) since the change of regime, this was only partly favourable for employees in the creative knowledge sector. Young singles or couples could easily find affordable housing with good location in the city. However, families with children would have needed larger apartments with higher quality. Analyses of the housing market indicate that the construction of bigger dwellings has already started. When choosing the place of residence the quality of living environment and its atmosphere also play an important role. In both sectors 80 percent of the respondents are satisfied with their home.

At the same time there were substantial differences between the evaluation of cultural events and entertainment opportunities, commercial services, health care and other kind of social services in the closer residential environment. The creative workers occupy the positive side of the scale of satisfaction, whereas respondents from knowledge-based sector are placed on its negative side. *Traffic and public transport conditions* also heavily influence the choice of

the place of residence. Knowing the dissatisfaction of respondents from both of the sectors, these should be considered as deeply limiting factors when buying a new apartment. In this way both hard and soft factors have their role to play in the choice. A concept by R. Florida (2002) about the upgraded soft factors was verified, but their pivotal role in decision making could not be proven.

A relatively positive picture is gained about the degree the workers in creative and knowledge-based sectors are satisfied with the work performed and conditions at their workplace. Our results suggested that about 70 percent of the respondents are content with their work. A majority of them are employees of micro- and small enterprises therefore to raise their satisfaction in the creative and knowledge-based sectors *economic measures should be taken in support of SMEs*. Besides the eternal problem (wages), a lack of training and courses at the place of work and hardships in moving up on the social scale are the sources of frustration. (This can partly be associated with objective reasons due to the restricted opportunities of the firms.) As a summary it can be stated that workplace conditions and opinions about them are positive in the BMR.

Finally, the general opinion of workers in the creative knowledge economy about the city can be summarised as follow:

- In the choice of the BMR as a place of residence *family ties and personal links* (place of birth) are decisive.
- Apart from these and analysing responses of those who were born outside the BMR the main attracting factors are *studies to pursue* (Budapest as a hub of education, high level of instruction, favoured universities), and *good job opportunities* (a rich choice, an easier finding of employment, higher payment in all-national comparison).

For these reasons Budapest serves as a magnet primarily for the young generations. The BMR has a high retaining capacity; once somebody settled here, he or she seldom would want to move further. Being a primate city in the country there is not much alternative of Budapest. Age of the person plays an important role in the migration processes. Young people decide about moving into the BMR mainly along the hard factors, whereas for the middle-age generations and older ones the soft factors are getting increasingly important.

Based on the opinion and levels of satisfaction with the city of the respondents belonging to the two groups, the distinction should be pointed out that though for the workers in knowledge-based sector the BMR is highly attractive and enjoys advantage over the cities of the countryside, in the long run the latter might become challengers to retain or to attract creative sector workers from the BMR. A further difference is that the *downtown can be a target home for some strata of the creative class* (first of all for the young age groups).

Among the problems related to the life in the city the high level of the living costs and their ongoing drastic rising, transport-related issues, the deficiency of clean and tidy environment, air and noise pollution should be mentioned as factors endangering and limiting the quality of life in Budapest.

The problem of tolerance judged by Florida as an important criterion in the choice of the place of residence should also be shortly addressed. Previous investigations showed that Budapest and the BMR are not as tolerant as they are conceived by many people in Hungary and abroad. These results were revisited once again as reflected by the answers of workers in the creative knowledge sector who labelled *Budapest as a less tolerant city* or claimed *aggressive attitude and antisocial behaviour* as a serious issue.

*Summing up our experiences in Budapest we can conclude that in the course of decisions about their place of residence people tend to take into account both hard and soft factors, but in general the hard ones are more influential. In the case of Budapest it might have a special importance because as it was revealed by our survey workers and highly qualified representatives of the creative knowledge sector were more satisfied with the soft factors of the city than with the hard ones.*

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