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Suburbanization and Its Consequences in the Budapest Metropolitan Area

by

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1. Introduction

There is only one metropolitan area in Hungary which compares to the metropolitan areas in Europe as a whole. Budapest, and the suburbs having close ties with the capital, have undergone a deep transformation since the collapse of Communism. Up until the eighties, people living in the suburban area longed to move into the city. Living conditions and, consequently, the prestige of the suburbs were comparatively poor. In the 1990s, Budapest lost 15 percent of its population, while its suburban area grew by 20 percent. Many of the emigrants out of Budapest moved to the new suburban areas, looking for a 'greener' environment. At the same time, the suburbs which had been totally neglected by Communist central planning, quickly improved their infrastructure attracting wealthier people who increasingly sought new lifestyles. As a result, the suburban areas expanded and the settlements developed rapidly. In 1990, the Local Government Act devolved numerous competences to the municipalities as well as providing them with a constitutionally guaranteed autonomy status. At the same time, this act did not establish any institution to govern the metropolitan area and the issue became a bone of contention between the district governments and the city government. In general, the extensive local autonomy of the former came into conflict with the city government's aspirations to coordinate development.

These demographic and administrative changes provide the starting point for this paper. We aim to set out the current challenges faced by the Budapest metropolitan area. The first section describes how the area evolved both before and during the Communist system. The second part presents the main socio-economic characteristics of the area while in the third part, we discuss the main problems of governing an area with strong internal links but lacking any overarching administrative units. The rest of the paper focuses on the micro level dimension. The fourth section compares political patterns within Budapest and the suburban areas, followed by an analysis of some of the main conflicts caused by the rapid suburbanization process of the 1990s. This part of the paper is based on original qualitative research carried out by the authors. In the final section we make some conclusions. As this paper is the first product of a research in progress, these conclusions are only tentative.

2. The Budapest Metropolitan Area Before and Under Communism

Budapest was established in 1872 by the unification of three towns: Pest, Buda, and Óbuda ('Old Buda'). This administrative act resolved most coordination problems until the end of the nineteenth century. By the beginning of the twentieth century, urban development had created a circle of settlements that were closely connected to Budapest. In the first half of the twentieth century, the administrative independence of the suburbs as well as the nature of the conservative-authoritarian regime, which tended to regard Budapest as a potential seat of revolutionary activity, made large-scale administrative reform impossible.

Reforms implemented by the Communist power in 1950 led to the establishment of 'Great Budapest'. These reforms lacked the sophistication of earlier scientific plans, primarily because its main considerations were political. The 23 settlements annexed to Budapest were selected so that the 'correct' mixture of workers, peasants (potential workers) and intellectuals was reached. No feasibility investigation preceded the reforms.

No actual planning for the integration of these newly annexed territories was begun until 1960. The suburbanization process, which occurred within the city borders in the 1950s, was neither spontaneous nor planned. Individual decisions often determined the development of the city. As a corollary of forced industrialization, these tended to occur very quickly. The population of Budapest steadily grew until the 1980s, although between 1956 and 1957 92,000 inhabitants not only left the city, but also the country as a consequence of the revolution that was crushed by Soviet tanks and Hungarian Communists.

With regards to the period before 1989/90, we can confidently state that both qualitatively and functionally, suburban development was substantially different after the change of the regime. During the years of state socialism, the agglomeration processes were determined by the growing needs for labor in Budapest. The capital was the focus of the state-socialist development of industry¹ which generated an enormous demand for labor which was not satisfied by the entry of women into the labor market nor by the migration of workers into the capital. This influx was a major contribution to population growth in the outlying areas and was accompanied by a rapid rise in the volume of suburb-to-city commuting.

Additional reasons for settling outside the city center city included the administrative difficulties involved in settling within the city boundaries and, secondly, an under-financing of urban infrastructure which arose out of the preoccupation with industrial development. This, in turn, led to long-term housing shortages in Budapest². As infrastructural development and housing construction could not keep pace with immigration, after 1962, the population inflow was administratively regulated. As a result, a new wave of population growth or, alternatively, population congestion began in the 1960s in the metropolitan area beyond the city. The peak of population growth in the Budapest Metropolitan Area was recorded in the 1960s.

This situation was exacerbated by still current land regulations that protect all agricultural areas.

¹ In the 1950s, 60% of the industrial output in Hungary was concentrated in Budapest. After the 1950s, this ratio began to decrease.

² As a result of this delayed urban development (to use the term employed by Szelényi & Manchin 1972) the number of industrial city workers grew faster than the number of city dwellers. This contributed greatly to a process which saw nearby villages and towns swallowed up by the metropolitan area. As a result, while the level of industrialization was relatively high, large portions of the country's population resided in rural-type settlements and carried on a dual existence. At the time of the change of political regime, 40% of the country's population still resided in villages. Participation in the "second economy" (rural work as a second job) made it possible for village dwellers to accumulate goods and invest in large-scale home construction in villages. At the same time, the infrastructure continued to be underdeveloped, creating a handicap for the local governments of the post-regime-change metropolitan area of Budapest.

Home construction can only take place in the centers of communities around Budapest. Thus, the labor force catchment area extends along major highway and railway lines as far as 60 to 70 kms from Budapest and, in some cases, even beyond that.

The growth in the suburban population came about through the migration of a population from provincial cities, towns and villages to Budapest³. After the 1960s, the expansion of the Budapest labor market began to slow down, as did the growth of the metropolitan area. During the 1970s and 1980s, only those areas where the state carried out home construction projects associated with industrial development (as in Százhalombatta, Szigetszentmiklós, Dunakeszi and Gödöllő) or which possessed scenic beauty and favorable location (Szentendre, Solymár and Pomáz) witnessed any significant population growth

One of the main indicators of the expansion of the metropolitan area was the growing number of commuters, which resulted in the creation of a relatively urban employment structure in these communities. While at the nationwide level, 20% of active earners commuted to work in 1970 and 25% in 1980, in the Budapest Metropolitan Area, there were some communities (e.g. Gyál, Üröm, Göd, Isaszeg, Halásztelek, Budakeszi) that in 1970 had 80% of workers commuting to work from their place of residence. During this time, a total of 200,000 commuters were recorded in the Budapest Metropolitan Area (Beluszky 1999). At the time of the 1990 census, 61% of active participants in the labor market commuted from suburban communities to the city.

At the same time, infrastructural developments in the outlying areas lagged behind. In this period not only were such developments under-financed, they were also tied to specific industrial investments. The ban on industrial development⁴ in large parts of the metropolitan area contributed to the emergence of unfavorable living conditions, since, as we have mentioned, state-financed home construction projects only took place in a very few locations. The Municipal Development Concept of 1971 offered no special provisions for the problems in the Budapest Metropolitan Area. As a result of the great influx of people and attendant increase in demand for infrastructural development, these municipalities were disadvantaged in comparison with other villages.

In summary, with a few fortunate exceptions, the suburban communities in the Budapest Metropolitan Area were dormitory communities in this period. They were residential areas serving the labor market needs of the capital and, as such, they lacked many of the features of suburban life, such as developed infrastructure, suburban landscape, and an urban lifestyle. Quite the contrary, these communities suffered from congestion and under-urbanization.

³ As we will mention later, the history of suburbanization of Budapest was a gradual process which at this stage took place largely within city boundaries and only extended beyond them later, in the 1980s and mainly in the 1990s.

⁴ In 1959, 64 communities in the Budapest Metropolitan Area were included in the ban of industrial development, to protect the labor market of the capital.

3. The Transformation in the 1990s

Demographic Changes

After the 1980s, the lopsided functional relationship between the suburban communities and the city began to change, gradually becoming more balanced. During this period, the demand for labor in the capital started to decrease and this continued after 1989. The population total in the Budapest Metropolitan Area showed no significant increase throughout the 1980s and only started to rise in the 1990s. However, the recent population growth is increasingly due to suburbanization. This decade witnessed the transformation of the urban growth pattern into one that resembled most post-industrial societies. The true suburbs of the state socialist era were formed within the city boundaries (Szelényi & Ladányi 1997). In other words, suburbanization in the 1960s and 1970s saw the creation of high-prestige, socially homogeneous communities within Budapest, specifically in some districts of Buda close to the city center. A little later, suburbanization slowly spread to the outlying districts, away from the city center, until it reached low-density housing areas (family homes) on the outskirts. At that point, it moved beyond the city boundaries. Budapest suburbanization was a gradual process and only in its last phase was there a migration of the middle class away from the city center.

Compared to Western European countries, the suburbanization process in Hungary can generally be described as rather belated and one in which the villages played a great part, thereby narrowing the circle of potential settlers. Generally speaking, economic and residential suburbanization in the 1990s took place at the same time. It was motivated by the mass privatizations of apartment buildings, the winding down of state-financed home construction projects, the appearance of an affluent entrepreneurial class and the availability of cheaper real estate and utility prices in the suburbs. The process was also strongly encouraged by a booming real estate market and local government policy incentives for people moving out into the suburbs. The process was further helped by the high ratio of weekend cottages, one part of which at least lent them readily to suburbanization.

It is, however, important to distinguish between two types of motivations for moving into the suburbs: the middle class was inspired by the suburban landscape and environment while pensioners and low-income families moved there for the area's significantly lower costs of living. The result was that the Budapest Metropolitan Area experienced a spatial segregation of different social classes. In conjunction with the business boom, suburban differences became spectacular. In the mid-1990s, Iván Szelényi and János Ladányi predicted that a significant proportion of the low-income families moving from the capital would be forced to settle in communities farther away from the city. According to the authors, in these areas they will form a new "village underclass" (Szelényi & Ladányi 1997). At the same time, deteriorating inner districts of Budapest will create a "ghettoization" phenomena whereby a higher concentration of underprivileged, mostly Roma people, will fill the space vacated by the middle class. The authors predicted that this inner district misery will spread. As it turned out, in some case, the development seems to have been effectively countered, for example, by the rehabilitation projects in the 9th district.

If we look at the figures behind these changes, it appears that in the 1980s the population of Budapest was more or less stagnating (the migration balance still being positive) and, after 1993, it began to decline. In the first three years of the 1990s, the migration balance was still positive, but in the following years more people left Budapest than moved into it. The volume of people moving out of Budapest continuously rose. The natural decline of the population accelerated, due to the decreasing number of births and the steady but still high number of deaths. In the last 7 to 8 years, the population decline in Budapest has been significant with an annual rate of decrease of 1%. In

2000, 10 out of every 1,000 Budapest residents moved into the suburbs in Pest county. The volume of steady migration into this area underwent a dramatic increase after 1992. The migration balance of Budapest versus Pest County has been negative since 1988, but after 1994, it became negative in respect of all other parts of the country as well. Budapest residents move most intensely to the suburbs bordering on or near the city boundaries.

In the Metropolitan Area in 1990, despite the natural decline, there was a rising trend in the population. Between 1990 and 2000, the population of the suburbs in the Metropolitan Area grew by over 100,000, a 19.13% increase. At the same time, Budapest experienced a 12.77% decline in the number of residents. By the time of the 2001 census, roughly one-quarter of the country's population (2,434,603 people) lived within the Budapest Metropolitan Area. 72% of this population resided in the city, down from the 78% that was recorded in 1990. It is important to keep in mind that the population growth of the suburbs is solely due to the people settling there as deaths outweigh births and the natural trend is declining. In other words, the general population decline that characterizes the entire country is just as observable in the Budapest suburbs, despite the lower average age there. The most significant population increase took place in Telki, a village on the Buda side, where the population grew from 629 in 1990 to 1892 in 2001. This tripling was the result of a Budapest-rooted population. Already in 1995 three of four inhabitants (73.3%) in Telki were immigrants from Budapest (Daróczy 1999) and in all probability this ratio has since grown.

One important demographic consequence of the migration from Budapest to the suburbs is that the population within the city center is much older than that of the suburbs. 23 percent of the population of Budapest is more than 60 years old, while the equivalent ratio is only 16,9 percent in the suburban area. The national average is 20 percent.

Compared to 1990, the number of residences in the suburbs grew by 23% by 2001, while the growth in Budapest was only 3%. With regards to the intensity of home construction, there is a clear North-vs-South dividing line in the suburbs, with most of the construction work taking place in the areas north of Budapest. Lately, rising land prices has led to a leveling-off of new house building.

Economic and Infrastructural Changes

The fact that suburban communities managed to shake off their status as dormitory communities of Budapest was primarily due to the economic boom. After the change of the political regime, a process of homogenization began between Budapest and the suburban areas, the most important feature of which was the strengthening of the local economies. For a wide array of production facilities, the suburban areas possess a number of attractive qualities, such as space, ample labor supply, relatively developed infrastructure, complex labor market, favorable tax conditions, more affordable real estate, close proximity to Budapest as a market for goods, access to information and so on. This all means that the former division of labor is undergoing significant changes and the spatial system of business relations is also being transformed. One of the most significant changes within the Metropolitan Area is the decreasing centralization of the capital city.

Looking at the number of business enterprises per 1,000 people, at the end of 2001, there were 95 business enterprises recorded in the suburbs. While this maybe lower than the Budapest average of 138, at the same time it is significantly higher than the national average. These figures attest to an economic growth that is more dynamic than the national one. The suburbs saw a 250% increase in the number of business enterprises between 1990 and 1995 and a further 33% expansion between 1996 and 2001. Within this, the number of companies increased by 89%, while the number of single-person businesses (self-employment) saw only a modest increase of 4%. What is also noteworthy is that the growth rate in the villages and towns exceeded that of the cities. During this period in Budapest, growth was less dynamic with an overall increase of 22% while the number of self-employments actually decreased. By the end of 2001, 36% of all domestic business enterprises

were registered in the Budapest Metropolitan Area – 79% in Budapest, 21% in the suburbs (Central Statistical Office 2003).

The economic development of the area is even more conspicuous if one looks at the figures for business enterprises incorporating foreign capital investment. For every 10,000 residents, Budapest had 81 such companies and the suburbs 25. As much as 60% of all domestic companies with foreign stakeholders are registered in this area while 68% of all foreign capital was invested here. In the Budapest Metropolitan Area, foreign capital was invested in and around the four edge cities of Gödöllő, Budaörs, Vác and Dunaharaszti.

As regards the number of business enterprises and the rate of unemployment the Southern Gyál area is the most disadvantaged while the number of business enterprises is highest in the areas west of the city (Budaörs and Törökbálint) and in Szentendre, located North of Budapest.

In the 1990s, there were emerging differences not only between suburban municipalities but also between the part of Pest County belonging to the Budapest Metropolitan Area and the part which does not. The number of commuters in these suburban communities not only refused to grow since 1990 but, in fact, a slight decline was recorded. According to the 2001 census the proportion of commuters out of the economically active population was 59%. Suburbanization is responsible for the fact that this ratio did not drop by an even greater extent. The smallest decreases were recorded in communities where the ratio was already rather low in 1990 as well as in those outer suburban communities that are farthest from Budapest.

Increasing tax revenues facilitated enormous infrastructure developments in the suburban municipalities. The most dynamic growth was recorded in the case of the natural gas pipeline system. Whereas in 1990, only 36% of all households were connected to the system, by 2001 this figure grew to 86%. Most of the communities undertook the development of sewer systems. The number of communities without a sewer system dropped from 46 in 1990 to 29 in 1997 and to 13 in 2001. During the same period, the proportion of households connected in the central city grew from 80 to 89 percent. In 2001, 49% of all households were connected to a sewer system and whereas the figure may not seem all that impressive, progress is undeniable as in 1990 the corresponding rate was only 20%. In this respect, villages and towns experienced a significantly higher rate of progress than cities. The relative underdevelopment of the suburbs under Communism is indicated by the fact that, already in 1990, 88 percent of households were connected to the main sewage system.

In the years following the change of the political regime, the suburbs became increasingly differentiated both socially and economically. On the one hand, we can draw a dividing line between the inner and outer rings of suburbs. On the other, differences are pronounced between various sectors within the suburban areas. Generally speaking we can posit that various social statistical indicators demonstrate that the conditions in the outer ring are the least favorable, while there is also an East vs West divide. For example, the inner sectors on the Buda side have the highest ratio of people with higher education, per capita personal income tax and number of business enterprises. The southeastern sector of the suburban area displays the most halting process of urbanization, the lowest ratio of business enterprises and a high ratio of commuting blue-collar workers. Residents here are still very much involved in agrarian production, earning the region the description “a working class district in a rural environment.” (Beluszky 1999)

4. The Governance Challenge

As in other metropolitan areas, governance in Budapest exhibits a tension between administrative fragmentation on the one hand and socio-economic unity on the other. Successive political regimes have been unable to respond to this challenge, although it probably would be as accurate to say that they have not made much attempt to resolve the situation.

There has never been one administrative unit that covered both Budapest and its suburbs. The administrative system has never considered the specificities of the municipalities around the city, treating them in the same way as the rest of the country. Most suburbs belong to Pest County. Nevertheless, this county has a large, mostly southern part, which does not belong to the suburban area. Moreover, there are several suburbs that belong to other counties.

The 1971 Law on Councils⁵ already allowed the establishment of a special administrative unit, the so-called 'city environs' ('városkörnyék'), but for many years this institution was not used. Only in 1984 did city environs replaced the previous, highly centralized district system, providing more opportunities for self-determination to the towns around Budapest.

The 1971 law was followed by Government Decree No. 1005 in 1971, which established the official Budapest Metropolitan Area. This Area incorporated 44 suburban communities, towns and villages within its boundaries. The criteria for inclusion in the Budapest Metropolitan Area depended on the labor force needs of the capital and the existence of easy access from the community to Budapest. In other words, communities with a high volume of commuter traffic to the capital were included in the Budapest Metropolitan Area. In practice, the establishment of this Area had no consequence and the importance of the decree was rather symbolic than practical.

The new general development plan (the so-called 'ÁRT') did have more practical relevance. Not only did it cover Budapest, it included the suburban municipalities in a single document. This was a very significant new development, although the suburbs were still treated from the perspective of the development of Budapest. There were no plans to devolve functions to them, but undoubtedly the outer districts of Budapest did gain a new impetus. The scheme was prepared from 1980, but came into force only in 1989.

The 1990 Local Government Act brought about an enormous change. Freely elected, autonomous local governments replaced the centrally commanded local units. The local government system became one of the main pillars of the new political regime and local governments obtained genuine rights and competences. The Act contains a separate chapter on Budapest, which received a special administrative system of its own. The districts of the capital received broad authorities and complete legal autonomy. This paved the way for the development of the previously subordinate outer districts, resulting in the emergence of several sub-centers within the city. Despite these advance, the law did lead to three, as yet unresolved, problems:

1. The 23 district governments and the capital government are legally equal and, in principle, their competences exist at different levels. However, the law is not entirely clear in this regard which in the beginning led to many conflicts between the two tiers. Practice, precedence and minor legal changes have subsequently improved this situation.
2. The central government and the national parties often stir up strife between the liberal-socialist-led city government and the district governments and between the inner and outer districts. More importantly, the central government often attempts to limit the financial autonomy of the municipalities, creating tension between the wide legal and narrow financial autonomy. The underfunding of compulsory services resulted in some community property being sold off. Thus, municipalities are mortgaging their future.

⁵ In this case 'Council' means 'Soviet', i.e. the local unit of the Communist party-state.

The municipalities of the suburban areas emerge as the losers in the privatization deals. With respect to infrastructure, the suburban communities were handicapped from the start. As state socialism neglected to bring about fundamental developments in these areas, by now, certain infrastructure developments simply cannot be put off any longer. As the state had no resources for that, it sold the gas and electricity companies (in practice monopolies!) to foreign investors (often state-owned firms like the Gaz de France). Even though some suburban communities share infrastructure systems with the city of Budapest, neither they, nor the district governments of Budapest received a share of the revenues from privatizing these systems and had no say in how privatization was done.

3. The fragmented nature of the Budapest Metropolitan Area is not counter-balanced by any kind of metropolitan institution. Because the governmental structure in the suburban areas is rather fragmented, so far no solutions have been found to problems such as managing and coordinating public services and organizing regional development across municipal boundaries. The capital government is not really interested in a metropolitan government because it would take competences away from Budapest, hamper their ability to divert resources in their direction, and generally weaken their power vis-à-vis the suburbs. On the other hand, the suburbs want to preserve their independence and are still very conscious of the centralization times when they occupied a subordinate position in relation to the center.

The 1990 Act relied upon the voluntary cooperation of the local governments to resolve problems of coordination. While local governments did form some associations, their interests in autonomy mitigated against a voluntary solution. The amendment of the Local Government Act in 1994 did attempt to solve some of the institutional problems. In the debate between the capital government and the districts, by centralizing decision-making within Budapest the law gave priority to the capital, which happened to be of the same political color (liberals and socialists) as the parliamentary majority. Still, the district governments did make skillful use of their few competences in order to effectively blackmail the capital. The dispute remains unsettled.

The redrawing of the boundaries of the Budapest Metropolitan Area had long been on the agenda of urban development professionals but it was not until 1996 that the earlier boundaries were modified. The redrawing incorporated 78 communities into the Budapest Metropolitan Area, and, in 2003, 17 of these communities had city status. The change ultimately became necessary because of the shrinking of the Budapest labor market and the consequent diminishing of commuter traffic. In addition, there was the evolution of a new system of relationships, with higher degrees of cooperation between suburban production units, modernization of the suburban infrastructure, an expanding circle of services available in suburbs and an intensifying process of economic and residential suburbanization. Simultaneously, phenomena such as intensive land-use, blurring of boundaries between communities, the decline of the natural environment and certain segregation patterns have also become apparent in the Budapest Metropolitan Area.

The Development Act in 1996 led to the most promising change in the metropolitan governance of Budapest. The Budapest Suburban Development Council (Budapesti Agglomeráció Fejlesztési Tanács - BAFT) was established in 1997. That was the first institutional framework to include all stakeholders: the central and capital governments, districts, suburban municipalities, and chambers. Despite this, the experiment largely failed. The ministries were over represented, the relationship between Pest County and the BAFT was undefined, and, most importantly, the Council did not receive any serious funding and the body became insignificant. Its most important competence was the right to express opinions on development plans, but this opinion was not compulsory. The Council produced many conceptions, schemes, and recommendations, although on the whole without much effect. In 2000, it was abolished and its functions transferred to the development council of the Central Hungary Region. The region includes Budapest and Pest County, but not the suburbs belonging to other counties. The region is a statistical one, so it has no administration and

no elected bodies. The regional development council does distribute real funds, but lacks a strong metropolitan perspective.

As a result of these changes, several main problems persist:

1. There are three systems of mass transportation which overlap each other. A monthly pass for Budapest transportation, for example, is not valid for trains and coaches. Moreover, commuters cannot buy passes covering both Budapest and the suburbs. The parallel infrastructure is costly and this is especially so for people living around the city. The Budapest Transportation Association (BKSZ) has been planning for more than a decade, while the actual government announces a new implementation scheme almost every year. Despite this no steps forward, not even little ones, have been made since the beginning of the 1990s.
2. Municipalities share certain communal services which they cannot operate without a coordinating institution. Communities that share infrastructure systems are often at odds over how much each of them should contribute to the development, maintenance and operation of these systems. Moreover, fragmented municipalities have much less bargaining power against the privatized electricity and gas companies, which cover the territory of Budapest and its environs.
3. As the first part of the paper outlined, many people within Budapest have been migrating to the suburbs where new residential zones have replaced green areas (including many forests). Since 1990, 2000 hectares of green surface have disappeared around Budapest. All municipalities, including Budapest, have an interest in converting agricultural territories into building plots. Collectively, however, all would benefit from regulations that could slow down the loss of the green areas.
4. Suburban people use educational and health institutions of Budapest, but pay taxes in their home municipality. The capital as well as districts often raises this issue, but they cannot force the suburbs to contribute. The usual counter-argument of suburban leaders is that commuters go not only to hospitals and high schools, but also to shops, and they pay business taxes to the municipality of Budapest. A mutually satisfactory solution will not be reached without an institution that covers both Budapest and the suburbs.

In sum, several attempts have been made to resolve the challenge of metropolitan governance, but so far without much success. As a result, the metropolitan problems persist.

5. Political Patterns

As far as electoral patterns are concerned, the true dividing line lies not between the city of Budapest and its suburbs but between the Buda and Pest sides of the Danube.

In the first round of the parliamentary elections, voter turnout in the suburbs generally followed the national pattern. By contrast, in all three election years there was a voter turnout in Budapest that was well above the national and, of course, the suburban average. In 1994, 73.4% of Budapest residents cast their ballots, 6% more than people in the suburbs (67.5%). The difference recorded in the 1998 elections was the same (63.1% and 57.5%) while by 2002, this difference diminished slightly (76.6% and 73.1%). In the suburban area, the Western and Northwestern sectors on the Buda side – where other development indicators are also significant – produced a higher turnout than the rest of the suburbs in all three elections. Likewise, in Budapest, areas west of the Danube (the Buda side) produced higher turnouts.⁶ In all three elections, the North Buda area produced the highest and the Inner Pest area the lowest voter turnout in Budapest.

An examination of election results (voting patterns) highlights the regional differences within the Budapest Metropolitan Area.

As for the parliamentary elections in Hungary, the most important temporal change is that by 2002, an essentially bipolar party system had evolved which resulted in a great concentration of votes on the right (Fidesz-Hungarian Civic Association) and the left (Hungarian Socialist Party, the former Communist party). In the suburban communities, Fidesz only gained an average of 7% of votes in 1994, rising to 28% in 1998 and 41% in 2002. While 27% of Budapest voters cast their ballots for Fidesz in 1998, this rate only went up to 31% in 2002, 10% less than the size of the Fidesz vote in the suburbs.

The party on the other end of the spectrum, the left-wing Socialists gained 5-6% more votes in Budapest than in the suburbs in all of the three election years. In the suburbs the Socialists recorded 28%, 28% and 38% of the votes respectively while in Budapest the corresponding figure was 35%, 33% and 43%. At the same time, if we look at the different areas of Budapest separately, it becomes apparent that in the two Buda areas, Fidesz have done much better than its Budapest average. In these areas, the other right-wing party, the Hungarian Democratic Forum (MDF) also did well with respect to other Budapest areas. At the same time, the Socialist Party secured a much lower percentage of the vote in these areas than in other Budapest districts in all elections. The Socialists did best in the Outer Pest region which appears to be the most left-leaning area in all of the Budapest Metropolitan Area. Here, they secured 40% of the vote in 1994, 36% in 1998 and 44% in 2002. As for the suburban areas, the Socialist were mostly supported in those sectors which were adjacent to the Outer Pest region, i.e. the Southern and Southeastern sectors, while Fidesz was dominant in the Northwestern suburban areas, adjacent to the North Buda area of Budapest.

We must point out that Fidesz did not receive the kind of support in the Buda districts as it did in the Buda sectors of the suburban areas. One of the reasons for this is that in the Buda districts of Budapest, the liberals (Alliance of Free Democrats, SZDSZ) and the far-right (Hungarian Life and Justice Party, MIÉP) exhibit similar support patterns, receiving more votes on the Buda than on the Pest side. Both these parties have a stronger voter base in the city than in the suburbs. Not surprisingly, the agrarian party (the now extinct Independent Smallholders Party, FKGP) did better in those suburbs with strong ties to agriculture, securing twice the number of votes there than in the city. By 2002, FKGP had become utterly insignificant in all areas.

In the Budapest Metropolitan Area then, the principal dividing line for the large political parties is

⁶ When examining electoral patterns, we divided Budapest up into four areas: 1. North Buda (Districts 1, 2, 12) 2. South Buda (11, 22) 3. Inner Pest (5, 6, 7, 8, 9, 13, 14) and 4. Outer Pest (4, 10, 15, 16, 17, 18, 19, 20, 21 and 23).

the Danube. West of the river, both in the city and in the suburbs, the conservatives (and liberals) are the better supported side while to the east of the river, in Pest and in the adjacent suburbs, the Socialists are the main political party of choice. The liberals and the far-right, which constitute a special political subculture, do better in Budapest than in the suburbs.

One can find some interesting patterns concerning the local elections. Voter turnout at municipal elections grew between the 1998 and 2002 elections in the suburban communities. While in 1998, an average of 48.4% of eligible voters cast their ballots, in 2002, 52.37% turned up at the voting booths. These rates are somewhat higher than the national average. Voter turnout rates actually decreased in a quarter of the municipalities and increased in three-quarters. In those municipalities where voter turnout increased, the rate of increase was 7% though the base rate (initial condition) was 45%. In 1998 those municipalities that exhibited decreasing tendencies had a voter turnout rate above the national average (56%). Thus, the changes really amount to a leveling of differences. Above-average voter turnout increases were recorded in the Eastern and Southern sectors of the metropolitan area. Cities exhibited a rate increase that was twice that of the villages. In the fast-growing municipalities⁷, voter turnout was several percentage points above the suburban average both in 1998 and in 2002 while the growth rate in these suburbs was only average.

We tried to find out whether the political races in the municipal elections had intensified in the suburbs by examining the number of candidates for the representative (council) and the mayoral seats. In 1998 an average of three candidates contended one seat and this remained largely the same in 2002 (2.95 and 3.03). At the same time, in 55% of the communities races did seem to intensify. It is interesting to see which municipalities had the most intense races and, out of these, to see which of them saw the greatest degree of intensification. In both 1998 and 1998, the races were twice as intense in the cities as in the villages. At the same time, the cities exhibited a decreasing number of candidates per seat while by 2002 in the villages there was an average of 0.24 more candidates for each seat, in other words there was one more candidate for every four seats. The cities however, did exhibit a decreasing tendency which outstripped the increase in villages: in 1998 there were 4.5 candidates per seat and in 2002, only 4.1. Two-thirds of the villages can be said to have had a wider election contest in 2002 while this is true for 25% of the cities. Of course, the growing number of candidates might have something to do with the population growth: in fast-growing municipalities, the race intensified by 0.25 candidate, while other suburban communities recorded no change in intensity. At the same time, the fast-growing communities in 2002 were still behind other municipalities with respect to the number of candidates, 2.74 and 3.18 per seat respectively. It would appear that the status and particular features of the municipality has more to do with the changes in the intensity of political races. In the case of villages experiencing an average or slower growth, we witnessed an intensifying pattern but cities in the same category recorded a significantly higher rate of intensification. This growth can be observed in both fast-growing cities and fast-growing villages.

The examination of changes in the number of candidates for mayoral seats yields similar results. The average number of candidates grew slightly between 1998 and 2002, but the growth rate is less than impressive (0.11). The average number of candidates remained unchanged in the cities but increased in villages, where there were 0.2 more candidates in 2002 than in 1998 per race on the average. At the same time, the average number of candidates was less in the villages than in cities. In 2002 there were 3.25 candidates in mayoral races in villages while in the cities this figure was 3.94. Though the difference is still striking, it has been diminishing since 1998 when cities had one more candidate per race than the villages. In municipalities with an above-average population growth rate, there were 0.5 more candidates per seat in 2002 than in 1998, which is a significant

⁷ We looked at 27 suburbs separately – these communities between 1990 and 2001 exhibited a population growth rate higher than the average of 25%. These 27 suburbs were included in our „fast-growing community” category. 89% of the fast-growing communities have a status of municipality and there are only 3 cities among them.

growth rate by any calculation. Similarly, slower-growing municipalities exhibited a decreasing intensity in mayoral races. Again, we come up against the question whether this interesting observation could not be explained by the make-up effect, that is, by the fact that the village category always had a higher rate of municipalities with higher population growth rates. It seems however, that this could not be the reason. In both cities and in villages where we found an above-average population growth rate, we also recorded an increase in intensity in elections.

6. Suburbanization and Socio-Political Tensions Within Suburbs

Suburbanization has resulted in a significant reshaping of a good number of municipalities in the Budapest Metropolitan Area. This section examines the changes in the political life of the suburban communities wrought by the rapid and voluminous population influx from Budapest. Our observations are based on three qualitative case studies – Diósd, Veresegyház, Pomáz – therefore our primary objective is to highlight certain phenomena and effect mechanisms rather than measure their scope and extent.

To summarize our research, we can conclude that the population explosion throughout the 1990s in the suburban communities in the Budapest Metropolitan Area created conflicts. These were not so much between the immigrant and resident populations but between the municipal authorities and certain groups of the population. One problem area common to all the municipalities in our analysis was the struggle to diminish the “infrastructure deficit” that emerged between the growing population and the infrastructure needed to sustain them. As we have indicated earlier in this study, the municipal authorities have had to deal with a “terrible legacy” from the previous regime. This, of course, is true for other parts of the country, but in the communities of the Budapest Metropolitan Area, because of the high growth rate of the population the demands for infrastructure development are more intense and pressing. Needless to say, different authorities have different means at their disposal to manage this process. From this perspective, the starting point i.e. municipal infrastructure, real estate market and general economic conditions, does play especial significance. In the following section, we will highlight the main conflicts and their manifestations in the political life of these communities.

Physical Infrastructure

Infrastructure represents a key problem area. Many areas without the necessary infrastructure become overloaded and the local authorities cannot develop at the same pace that people move in to the area. The situation is exacerbated by construction or additions that take place without permits, as well as by the slow, “informal” transition of resort areas into inadequately regulated residential areas. Diósd and Pomáz are both good examples of this tendency. The municipal government of Diósd re-zoned the extensive resort areas of the municipality into residential areas last year. Because the resort zones were already in a more advanced initial condition in comparison to other, similar areas in the region, lacking only a sewer system but possessing all other forms of infrastructure, the area was already populated mainly by permanent residents. Some still maintained a Budapest apartment, some moved here in the hope of cheaper living costs. As the municipal government could only apply for state development funds for residential areas and because it could not possibly build roads, sewer systems etc. from its own resources, it decided to rezone the area. Simultaneously, the residents themselves placed some pressure on the government. They benefited from the rezoning in various ways, for instance, only property in residential areas can serve as collateral to loans. The rezoning did not benefit the municipal government financially, but it certainly did the property owners of the rezoned area, whose plots went up in price.

Social Infrastructure

The rapid population growth placed a great strain on social infrastructure, such as the congestion of nursery schools and kindergartens. In 1990, in the suburban cities, there were 122 children for 100 nursery school places, in towns and villages the equivalent figure was 130. In the same year, there were 115 children for every 100 kindergarten places. Needless to say, that these problems have intensified with the growing population influx. In Veresegyház, for instance, a new 24-room school was recently completed, but it is already clear that its capacity will be exhausted in the near future

and another school will have to be built. Nor is the “doctor density” in health care as it should be -- the physician-per-resident rates in suburban communities lag behind the national average. At the end of 1998, for every 10,000 residents, there were 20 physicians in the suburbs of the Budapest Metropolitan Area, 66 in Budapest while the national average was 36.

Budget Challenges

While tax revenues are rising significantly, in most communities, these resources do not cover the skyrocketing costs of education, infrastructure development and social services. When planning their long-term objectives, municipal governments were depending on revenues from local personal income tax. In the early 1990s, 100% of the personal income tax went to local governments, this first dropped to 50% and currently, only 10% of income tax revenues go to local governments. With the drying up of central, redistributed sources, local governments have had to find alternative means to finance public tasks out of their own sources. However, even communities with strong economic backgrounds have difficulties dealing with their infrastructure deficit. Budget deficits are plugged by rezoning and selling more and more land. This is a vicious circle⁸ which reproduces the deficit in infrastructure. Different local governments have varying means to break out from this vicious circle. These are usually determined by their initial conditions and the growth rate of their municipalities. Some local governments scope for action depends on whether they have privately owned lots or revenues from other sources⁹.

The other obvious strategy to raise revenue is to increase the industrial zone, in other words, to attract business into the locality. As we have already seen, there are great differences in this respect between the sectors within the suburban area. The main business incentive tool in the hand of local governments is the granting of municipal tax breaks. At the same time, industrial projects may come up against resistance from residents and often it is difficult to find any solution that is both environmentally and resident friendly. Veresegyház is a good example of this struggle. In the last decade, the population has practically doubled. As the influx is constant so the local government tries to keep up by attracting industry. Recently, a factory manufacturing car batteries tried to move to the municipality but the resistance and protest of the residents thwarted the project.

Difficulties of Land Use Planning

One of the primary preconditions which made large-scale settlement possible was the privatization processes of the 1990s. This saw many old-time residents regain their property which was nationalized under the Communist regime. However, one of the primary features of the land privatization in Hungary was that it created a highly fragmented lot structure. New owners received small and frequently scattered plots. Needless to say, speculators kept a close eye on privatization deals and bought up many of these lots. As a result, the owners of privatized lands exerted pressure on the local government to help them capitalize on their property interests (especially if the land owner also happened to be a local representative) resulting in the rezoning a lot of the land. In many cases, “exerting pressure” smacked of corruption or bribery.

It is however, very difficult to create a comprehensive zoning plan for heavily fragmented areas without injuring the interests of at least some of the owners. As the mayor of Diósd put it,

⁸ Local residents in Piliscsaba, Telki and Pomáz have already staged demonstrations against rezoning and incorporating new lands into residential areas.

⁹ The local government of Pilisjászfalu, for instance, is the only player on its real estate market and the community is not only well-located but it also inherited infrastructure from the previous regime with which it is now able to attract companies to open facilities there. (Váradi 1999) The local leadership envisioned a slow, long-term growth, tightly controlled by the local government, which would see infrastructural development followed by subdivision and sale of lots with the provision to develop.

“These plots were not originally formed to be residential plots but were divided for agricultural production, narrow strips of land from 6 m to 12-20 m wide. These lots had to be merged but people had a hard time coming to agreements with their neighbors, let alone with anybody else and these difficulties slowed down the process of settlement.”

In many cases, when it clashed with the interests of some owners, the construction of a road that was wide enough proved to be a problem. Infrastructure developments also ran into similar difficulties.

Wherever municipal governments were less influential players on the real estate market, their scope for action in regulating and controlling settlement also suffered. In Diósd, most of the land is in private hands. The municipal government does not subdivide its own lots, yet the rate of influx is one of the highest in the Budapest Metropolitan Area. At the other extreme, we have the case of Veresegyház, where the municipal government is the only player on the real estate market. During privatization, the municipal government bought from all local residents albeit entering into a debt spiral as a consequence. It used the lots as collateral in order to take out mortgage loans. In turn, they could only pay these loans back by selling off the lots to people moving into the municipality. This amplified the rate of settlement. At the same time, this local government is in the fortunate position of being able to stop subdivision whenever it wants to, yet if it did chose to go down this route it would have to find substitute sources for financing the infrastructure developments demanded by the new settlers. Thus, from the perspective of local government's room to maneuver it is very important what alternative sources of income it possesses.¹⁰

Social Segregation

The influx of a population into a non-residential or infrastructurally underdeveloped areas often goes hand-in-hand with social segregation. This is what happened in Pomáz: the resort area, though lacking infrastructure, is situated in a pleasant, forest environment and many people moved there in the hope of lower living costs. Today, the municipal government has to tackle the problem of cottages and shacks constructed without permits which gradually become residential dwellings and constitute a drain on social policy funds. Usually, it is lower-income people who move to the underdeveloped areas, but once they are there, the local government must look after them. Further conflicts arise when people of extremely different financial background become neighbors – especially in situations when all neighborhood residents need to come up with their own share to contribute to infrastructure development.

Social Integration of Newcomers

The social integration of newcomers constitutes a difficult task in certain communities and severely taxes the resources of the local government that has to organize community events, cultural programs, support civic activities and set up the institutions necessary to administer these. Social integration proved less difficult in communities where waves of new settlements took place before the change of regime, in other words where some of the newcomers have been residing in the locality for decades and where some of the population was employed in industry, as in Diósd for example. Communities that were dominated by agrarian populations exhibit clashes of very different mentalities. Long-time residents of what became suburbs are usually suspicious and wary of people migrating into the communities especially as the newcomers tend to quickly become the

¹⁰ The local government of Pilisjászfalu, for instance, is the only player on its real estate market and the community is not only well-located but it also inherited infrastructure from the previous regime with which it is now able to attract companies to open facilities there. (Váradi 1999) The local leadership envisioned a slow, long-term growth, tightly controlled by the local government, which would see infrastructural development followed by subdivision and sale of lots with the provision to develop.

dominant group in local politics.

Conflicts arise not so much between the newcomer and the long-time resident populations but between the municipal authorities and certain segments of the population with diverging interests. For instance, a source of conflict can be where a road is to be built. „If they pave one road, others elsewhere will start complaining and even offer money for the same work in their area but the local government must come up with its own share of the costs,” said a Diósd journalist. Another source of civic discontent is the growing volume of traffic – in Pomáz and Diósd, among the locations in our case study – but this kind of conflict is geographically determined. In other words, people living in the same neighborhood will protest regardless of whether they are new or long-time residents. Many of the communities have civic associations that preserve local traditions and respondents in our survey revealed that events and meetings of these are attended by newcomers as well as long-time residents.

Protest Against Municipality Growth

Ironically, the great influx of population destroys the very value that motivates many to move into the suburbs (peace and quiet). Increased volume of population results in an increased volume of traffic in communities and the mushrooming construction sites can also constitute a source of inconvenience. There are many problems which plague everyday life due to such phenomena as traffic jams, the underdeveloped nature of public transport systems and so on. In many places, commuting has become practically impossible. This is why newcomers, once settled, turn against further settlement and thus become ranged against not only the local government which needs revenues but also against long-time residents who still possess land to sell to newcomers. There is always a great pressure on the local governments to rezone private lands, thereby increasing their value. This pressure is even greater if the lands in question belong to local representatives or officials. In an indirect way, local residents, especially those in the construction business, also benefit from growth. Permitting further growth in these communities has become one of the most important issues that is debated.

The Representation of Newcomers

As for the specifics of political life, our case studies have shown that bodies of representatives did undergo changes under the influence of the newcomer population. On the one hand, political candidates might emerge from the ranks of the newcomers and on the other, newcomers might vote in local elections according to party sympathies, not knowing the candidates personally. In Diósd, the population increase brought party politics into the municipality. Before the 2002 elections, people voted not so much along party lines but along personal preference for the candidate. Long-time community leaders hope that the party sympathies of the newcomers will only last until the first election after which they will get to know the candidates and local conditions better and will cast their vote on the basis of performance rather than party colors.

7. Conclusions

The aim of the paper is to report the socio-economic and political development of the Budapest Metropolitan Area. Its main findings are as follows:

1. The suburbanization process started in the 1960s and gained momentum in the 1990s, when the population of the suburban area grew by 20 percent. Suburban municipalities established new residential areas and significantly decreased the extent of green surfaces around Budapest.
2. The establishment of autonomous and democratic local governments created a favorable environment for the development of the suburbs, something which had been disliked by the Communist planning agencies. The infrastructure has improved and is doing so quickly in the suburban area. Still, the development is not fast enough in many places, finding it difficult to keep pace with the growth of the population. This led to protest against further growth in most suburbs, though in varying intensity.
3. Since the beginning of the 1970s, several attempts have been made to create an institution of metropolitan governance, but these attempts have more or less failed. As a consequence, the problems of mass transportation, land use, shared communal services and educational and health institutions remain unresolved.
4. Concerning political parties, the dividing line is primarily between the Buda side, where the right is more supported, and the Pest side of the metropolitan area, where the socialists (ex-Communists) are stronger. As far as electoral patterns are concerned, the border between Budapest and the suburban area, which is so important administratively, is less important.
5. The integration of newcomers in suburbs is surprisingly smooth. The main conflict is between local government and those who ask for better infrastructure and slower growth.

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