Regional disparities in Central and Eastern Europe
International Conference, Smolenice, Slovakia, 17-19 November 2010

Introduction
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The Stiglitz Report:
- urban competitiveness depends not only on economic circumstances but it also depends on the characteristics of social conditions

A paradigm change is necessary in Central Europe and Europe and in Hungary as well.

It is necessary to work out a new competitiveness concept and practices

Introduction

Some Hungarian research experiences also verified the necessity of the paradigm change, because of:
- the social disparities between the different types of urban regions,
- the social inequalites between city centres and suburbs
- the social inequalites between the different neighbourhoods.

The determining factors are:
1. Conceptual problems of urban development documents
2. Urban development model problems

- Dominant economic approach,
- Lack of the complex, and the social approach,
- Lack of the management of social problems.
### The historical characteristics of the urban development model during the state-socialist system

**Delayed urbanisation (Enyedi, 1998)**

The historical reasons:
- the industrial revolution was delayed
- the transition from rural society to urban society was delayed
- (the majority of the population lived in the countryside in 1950)

The first stage of modern urbanisation was only completed in the state socialist system.

### Further specificities

**The historically strong role of the state,**
- The state penetrated into all spheres of society (the people’s everyday life)

The highly centralised state-political system regulated the production and the distribution of the socially produced surplus, (based on its political interests)

**The consequences**
- The advantageous positions of the capital and the largest cities and the new towns,
- The disadvantage of the rural areas.
What happened after the transition in Hungary?

- At the end of the socialist regime: significant crisis in the urban areas
- After the transition: the FDI, the multinational companies were attracted by central regions, by urban areas, by the western part of Hungary.

At the beginning of 2000, it was not clear what kind of social structures were created in the urban regions based on the historical processes and the global effects?

Empirical background
The empirical background


carried out by the Institute of Sociology of the Hungarian Academy of Sciences,

Empirical survey:
Sample: 5248 persons, 9 large cities and outskrit zones.
   3 developed,
   3 underdeveloped villages in the peripheries,
   108 elite deep interviews.

„The social mechanisms and interests determining territorial consumption models”, carried out by the Institute of Sociology of the Hungarian Academy of Sciences, within the project titled „Sustainable Consumption, Production and Communication” supported by the Norwegian Financial Mechanism, organised by the Corvinus University.

- Sample: 1000 persons in the Budapest region,
- in the city and in
  2 developed,
  2 underdeveloped villages in the peripheries,
  50 elite deep interviews.
The studied cities („Urban areas, spatial and social inequalities and conflicts - Spatial and social dimensions of European competitiveness”)

The 9 largest Hungarian urban regions, and the Budapest metropolitan region

Source: edited by Károlyi, J., PESTTERV Ltd.
Summary of the main research results

The changing core-periphery model in the Hungarian urban regions before the transition

The state socialist regime changed the historical core-periphery model (high-ranked core and low ranked periphery model)
- The focus of development was the construction of housing estates,
- There was a lack of development and rehabilitation programs in inner cities.
- The problems of inner cities (slums, environmental damages, concentration of the poor, the old-aged and the Roma population) (1970)
The changing core-periphery model in the Hungarian urban regions after the transition

The functional change of the historic city centres
- The modernisation of the inner cities
- The gentrification and the marginalisation, the presence of modern and slum areas at the same time. (Lichtenberger, Cséfalvay, Paal, 1995)
- Social exclusion due to the rehabilitation projects, case of Budapest, Bratislava, Warsaw, Prague. (Enyedi, Kovács, 2006. Pécs)
- Modernisation of the inner cities
- The gentrification and the marginalisation, the presence of modern and slum areas at the same time. (Lichtenberger, Cséfalvay, Paal, 1995)
- Social exclusion due to the rehabilitation projects, case of Budapest, Bratislava, Warsaw, Prague. (Enyedi, Kovács, 2006. Pécs)

- The polarisation of the suburban zones (low and high status settlements)

The creation of the new urban double hierarchical social structure.
1. The high-ranked core and low ranked periphery model
2. The low ranked core and high-ranked periphery model

See the verification later in the figures

An example for rehabilitation projects in the city of Budapest before and after ....
An example for the new gated communities in the city of Budapest

An example for the new gated communities in the outskirts of Budapest
The spatial distribution of population by educational level in the 9 largest Hungarian urban regions % (source: NKFP project, 2005)

<table>
<thead>
<tr>
<th>Area</th>
<th>Maximum primary school</th>
<th>Vocational school</th>
<th>Grammar school, secondary school certificate</th>
<th>University or college degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>28,62</td>
<td>18,68</td>
<td>34,33</td>
<td>18,37</td>
</tr>
<tr>
<td>Urban periphery</td>
<td>42,3</td>
<td>28</td>
<td>6,9</td>
<td></td>
</tr>
<tr>
<td>Outpart</td>
<td>38,2</td>
<td>21,1</td>
<td>31,5</td>
<td>9,2</td>
</tr>
<tr>
<td>Transitional zone</td>
<td>27,4</td>
<td>19,3</td>
<td>34,1</td>
<td>19,2</td>
</tr>
<tr>
<td>Inner city</td>
<td>18</td>
<td>14,2</td>
<td>39</td>
<td>26,7</td>
</tr>
</tbody>
</table>

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
The spatial distribution of population by educational level in the different urban zones of Budapest region (%), 2010

<table>
<thead>
<tr>
<th>Zone</th>
<th>Maximum Primary School</th>
<th>Vocational School</th>
<th>Grammar School, Secondary School Certificate</th>
<th>University or College Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>36.6</td>
<td>17.9</td>
<td>29.9</td>
<td>15.6</td>
</tr>
<tr>
<td>Underdeveloped urban periphery</td>
<td>47.5</td>
<td>26</td>
<td>21</td>
<td>15.6</td>
</tr>
<tr>
<td>Developed urban periphery</td>
<td>36.5</td>
<td>18.5</td>
<td>29</td>
<td>16</td>
</tr>
<tr>
<td>Outpart</td>
<td>34.5</td>
<td>15.5</td>
<td>30.3</td>
<td>19.7</td>
</tr>
<tr>
<td>Transitional zone</td>
<td>31.8</td>
<td>16.3</td>
<td>33.7</td>
<td>18.2</td>
</tr>
<tr>
<td>Inner city</td>
<td>31.9</td>
<td>8.3</td>
<td>41.7</td>
<td>18.1</td>
</tr>
</tbody>
</table>

Conclusions

Similarities and differences between the Hungarian and Central European urban processes
Summary of the most important main trends (1)

The general Central European trend is the concentration of economic activities, global capital resources and population in the large urban areas.

- There is a concentration of wealth and upper classes in the city areas.
- The intensity of suburbanisation and the out-migration of middle classes from city centres to suburbs have significantly increased not only in Hungarian but in Czech cities as well.
- But the future development of suburbanization in the Budapest region is in question,
- The concentration of poverty and disadvantageous strata can be observed in certain peripheries and in historical city centres.
- The new segregation urban patterns include gentrification and marginalization at the same time.

Summary of the most important main trends (2.)

The different chances of integration into global economy:

- Citizens living in different urban areas have different opportunities regarding participation in global economy, the labour market and career and social life possibilities.

- therefore a paradigm shift is required

- new complex economic and social dimensions of development are necessary.
The most important conclusion:

The similarities and the differences are present at the same time, however:

- The convergence will be more and more characteristic depending on the progress of modernization.
- The process and speed of convergence will depend on the management of social consequences and conflicts.

References

Enyedi,Gy.-Kovács, Z. (2006) Social Changes and Social Sustainability in Historical Urban Centres, Discussion Papers Special, Centre for Regional Studies, HAS, Pécs,
www.dti.rkk.hu/kiadv/discussion/discussionspec05.html