

Neighbourhood Segregation and Spatial Mobility –
Spontaneous and Policy Factors in Post-Communist Hungary

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The analysis of the spatial and social structure of modern cities and patterns of changes represent one of the basic research directions of urban sociology. In literature, two main directions prevail, “ecological” and “historical”. According to the first one, changes take place in accordance with practically the same model in various parts of the world. The driving force of urban development is economic development (social-political factors only have a modifying role), and therefore in the case of all cities the same phases follow each other, with a slight delay only. However, according to the other theoretical direction, there are different development paths even with similar levels of economic development. In other words, major historical social factors, leading to different types of urban development, occur with economic development, and often even stronger (Szelényi, 1996).

Comparative urban sociology researches of the 70s and 80s focused on a specific case of the above problem, i.e., comparison of development in capitalist and socialist countries. Those following the “ecological” direction did not see any significant differences between urban development in socialist and capitalist countries, only a time delay, providing that the economy of the former countries was weaker than that of the latter. This also explains differences between their cities. For example, according to György Enyedi, Hungarian regional development is nothing else but one of the sub-categories of general European development, very similar to the one observed in the West (Enyedi, 1996). However, according to sociologists of the “historical” trend, the development of cities of Central and Eastern Europe is significantly different from that of West European and American cities, although there are still some similarities. Cities of socialist countries went through different development paths, because compared to capitalist countries at a similar level of development they had a different spatial and social structure. Development was fundamentally influenced by the lack of market conditions and state re-distribution. Due to reproduction of the structure of social differences, power structure and method of operation, even phenomena which seem similar for the first sight had a different social meaning. (Welawowicz 1992, Ladányi-Szelényi 1997b, Tosics Iván - presentation, 1998.)

The systemic change in the former socialist countries has created a very interesting situation for the above dispute, which can also be considered an experiment. After the change of the political and social system it became possible to study whether social processes of cities have also changed as a result of changes in power and social conditions. Other impacts of differences observed in the historical conditions of the systemic change in certain countries also became available for analysis. A lot of signs indicate that different models of the socialist “heritage”, and transformation, and of course different “load-bearing” capacity of the economy of individual countries, and typical ways of their development have such a strong influence on urban development that new models need to be created which differ from West European or American ones. Therefore, while we cannot talk about a universal urban development model at all, within which cities of various countries are only in different phases

of development, another open issue is how to explain similar phenomena of cities developing on the basis of different models. Similarly to West European and North American cities, for example, internal parts of cities have started to turn into slums and suburbanisation began too in former socialist cities. However, the moving out of the population of the capital city cannot simply be identified as suburbanisation in a Western context. In Hungary's case, not only the middle classes move out from the capital city into villages surrounding it, but families in lower statuses also move to villages with more underdeveloped infrastructure. This trend involves people who obtained good housing conditions in socialism as a result of their second jobs undertaken in the economy, but after the systemic change they got into a trap and hoped to break out by moving out from the city. (Ladányi-Szelényi 1997a)

This study intends to highlight an aspect of the dispute mentioned above using the example of Budapest and its agglomeration. We try to describe those factors that determined the relationship between Budapest and its surrounding area in the 1990s. We shall argue that typical social processes fundamentally defined spatial mobility processes and their characteristic features too. At the same time, this study can also be considered the continuation of former studies too. While changes in the spatial and social structure of Budapest were analysed in previous research studies by ignoring the relationship between Budapest and its agglomeration (Csanádi-Ladányi, 1992), after the systemic change a joint analysis of the two seems to be more adequate. During the last few years, a much closer relationship and mutual effects have developed between the two areas. All these changes call for the extension of former research activities in this aspect too, and an analysis of spatial dimensions of an urban society even if the problem is not only limited to the administrative borders of the capital city only, but Budapest and its whole agglomeration forms the subject of analysis together. The reason for this is that it is more difficult to understand the spatial and social processes taking place within the boundaries of the city without taking into account also the tendencies prevailing in a wider environment.

Housing policy and its effects

Housing policy in Hungary the last fifteen years can be divided into three, firmly distinctive periods.

After the transition in 1989, housing constructions by the state ceased, since one of the important ingredients of non-sustainability of the socialist economic system was precisely that the redistributing system, due to its squandering nature, could no longer be financed. Besides the change in the power structure, we may regard the transformation of the economic structure as a principal characteristic of the epoch. This process went in hand with familiar crisis phenomena. In our case, it was that housing factories and organisations in building industry at once closed down that had produced the prefab housing estates, making up approximately one third of all housing constructions in the 1980s. The rest of the building industry was not able to compensate for the shortfall. One of the reasons is the length of time necessary for adaptation. Nonetheless, it was equally important that income of the population decreased, therefore the demand shrank. Because housing policy did not encourage housing construction, the annual number of new dwellings fell to two thirds compared the number in previous epoch. After the three-four years of dramatic decline, we witnessed stagnation till the end of the decade; the state housing policy was inactive.

During this period, neither the incentives that may regulate the housing market in market economy conditions nor the institutional structure that would effectively fulfil this role were formed. Typically, the regulation of the field was carried out by multiple ministries, even in varying set-up.

Passivity of the central housing policy cannot be considered an accident. Two major aspects of structural critiques of socialist economic and social regulation targeted the methods of state-party-state power practice and the related ownership structure. Exactly that made the privatisation and decentralisation seen unavoidable in housing policy as well. We may have perceived two consequences:

First, in the transforming municipal system, the competences – including the housing policy in question – were transferred to the municipalities, the role of larger territorial aggregations were minimised. In Budapest, it implied the introduction of a special, two-tier system. Large majority of municipal jurisdiction was shifted to the districts; the capital authority works as a 24th local authority, besides the 23 districts. As a consequence, we find rather dissimilar housing policies within the capital.

Second consequence of the political transformation was the mass privatisation of previously state-owned dwellings as virtually the sole visible means of housing policy. In 1990, about the half of the dwellings of the capital was in municipal ownership; by the mid-1990s, this ratio fell to about one tenth. During the socialist epoch, the housing sector was a good example of how the state was a bad proprietor. This part of the housing stock was in much worse state than that in private ownership. Throughout the privatisation, it was hoped that ‘real’ owners would be better possessors of the flats and buildings than the state used to be. Being their own interest, they will maintain and renew their dwellings. In privatisation, actual tenants could become proprietors for a fraction of the market value of the flat, with very advantageous loans. The optimistic scenario, however, prevailed only partly, in higher status areas of the city. The former tenants in worse areas of the city faced increasing costs of housing maintenance; it gradually reached a hardly bearable level compared to their low income. As a consequence, possibility of buying their tenement was not a ‘national gift’ for them – as for more fortunate people – but a trap was increasingly difficult to break out of.

This situation basically confined the housing policy of municipalities. A huge pressure was put on them by middle and higher status portion of the potential tenants – that represent the ‘visible’ part of the electorate – to privatise as quickly as possible the tenement flats and the municipalities tried to do all to the utmost to meet the demand. Besides the obvious political gains, they hoped rather that they would get rid of the burdens of maintaining the flats than they feared for losing the bulk of their possessions as a consequence of this process. In the end, about eighty per cent of the tenement flats went into the possession of the ex-tenants, the municipalities kept only the part that could not have been transferred.

In consequence, housing stock in the worst state, which could not be sold to tenants, concentrated in certain areas of the city; thus it remained in the possession of the municipality with all its troubles and impoverished dwellers. Basically, similar spatial distribution is characteristic of the housing stock, which is in slightly better state, and therefore privatised by the ex-tenants who on the other hand do not have enough financial resources to maintain and renovate their new possessions.

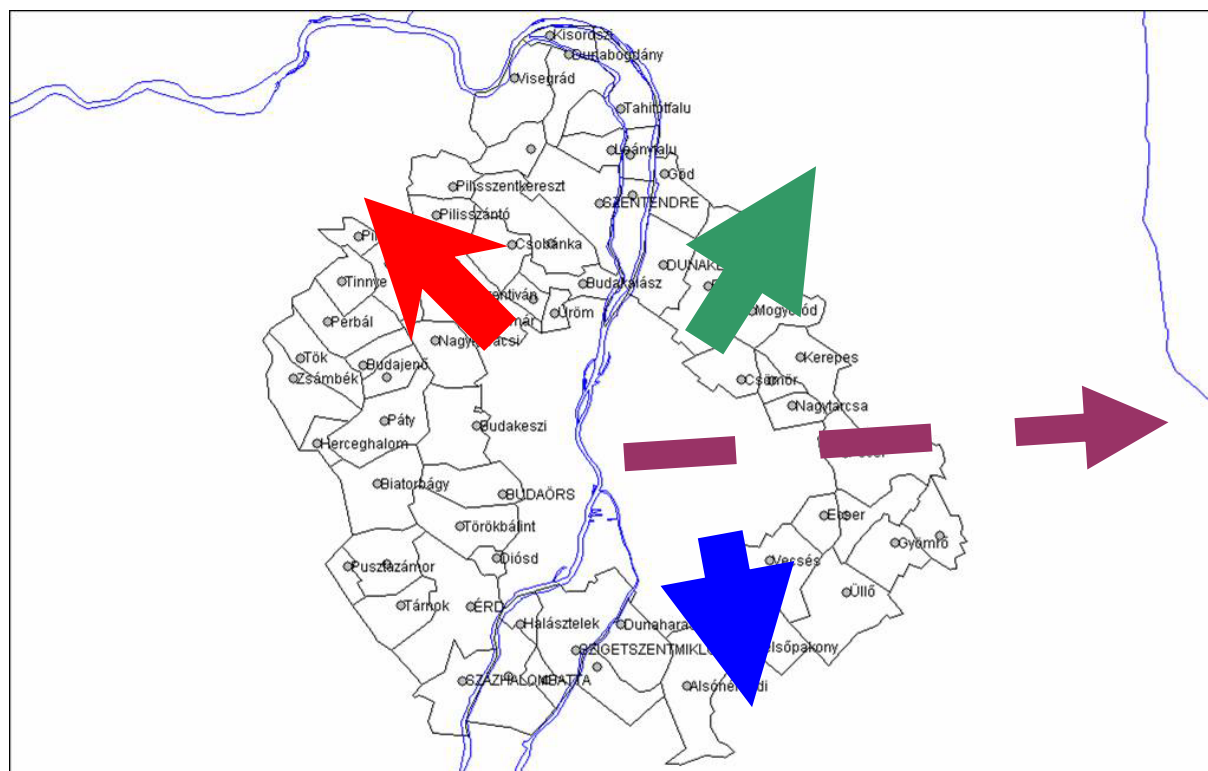
This situation culminated in that the bigger housing stock a municipality possessed the heavier burdens it had to bear in fields of maintaining the flats and attending to their impoverished tenants. As a consequence, in the housing (and in social) policies of the municipalities the tendency strengthened to force out the poorer population groups through various methods. One of the most important means to do so is the urban rehabilitation and reconstruction that goes with large-scale demolitions. In its course, the cost of reallocating the tenants of decayed buildings – often in very bad state thanks to omitted renovation – may be paid by potential investors. So much the more, since the tenants who can hardly even fight for their interest may relatively easily be persuaded to accept comparatively cheap flats – although better than the previous one – or its monetary equivalent. Thus the municipality can easily remark that it serves the interest of the poor with its procedure since they will get in

better position compared to the unaltered situation. Moreover, it considered the interest of the middle-class dwellers of the territory because the district turned tidied and respectful. In addition, for the newcomers are of higher social status than the leavers, municipalities may judge they fulfil their social goals as well. In return, the municipality no doubt becomes increasingly defenceless against the demands of investors. They are partners in realising the above goals only if they make sufficient profit. For this purpose, the municipalities are often willing to make sacrifices such as giving up the traditional urban image and loosening the building regulations, since they fear they may discourage otherwise the investors, possessing immense capital, necessary for developments. Furthermore, it is a risk worth taking that they might hardly parry the suspicion of blackmail when deciding less transparently with reference to efficiency. By all means, it seems this risk is worth taking for the districts in order to get rid of the burdens brought about by the poor, parallel to the backing of demolition forms of urban rehabilitation by the middle class residents and to the gain coming from deepening good relations with investor groups, interested in developments.

Housing policy and spatial mobility

The privatisation of council flats was a significant motivation factor in the extensive mobility after the systemic change. Since the council flats owned by local governments were not only concentrated in internal districts, it can be concluded that the privatisation impact might have resulted in the decline of population not only in internal districts, but external districts too. Housing privatisation had several impacts on different groups of interested individuals. For example, it significantly increased opportunities for moving, as well as constraints. As a model, we can say that as a result of housing privatisation those who purchased a home in good conditions, in a favourable ecological position, and had sufficient equity or family capital themselves, moved to parts of Budapest agglomeration with a high status. Families who bought their former flats in areas of Budapest with less favourable conditions, and therefore their additional capital was relatively moderate, typically moved towards the Eastern-South-Eastern agglomeration zone, or villages which were slightly further away from Budapest, but still belonged to the agglomeration.

Map 1. The directions of suburbanization



Groups for whom the consequences of housing privatisation increased financial liabilities moved to settlements far away from Budapest (not belonging to the agglomeration). In their case, the main motive of the move was not to improve the housing conditions or symbolic social position, but an escape from an increasingly risky trap involving arrears in expenses, and large debts. In their case, family ties had a very important role in selecting the target place. Usually they moved back to the same place from where they came to Budapest or its agglomeration in the 1950s and 1960s. The majority of such families moved to Budapest while some relative in the larger family retained the house in the countryside (especially in East Hungary), and consequently those who returned to their former homes, still had some properties, including even partially vacant flats, the refurbishment of which was relatively cheap. Therefore, the moderate amount received for their flats in Budapest in bad conditions was suitable for such families to escape from the trap created by housing privatisation. Of course, this solution is rather risky, and its durability depends on whether people found jobs in such settlements, and to what extent the traditional family network helped them to re-integrated into a world which they left behind a long time ago.

Table 1: Distribution of financial position of individuals moving within Budapest, or from Budapest to the agglomeration or even further between 1990 and 1997, (%)¹

¹ This indicator contains three elements. On the one hand, we took into account whether the individuals asked had other properties and assets apart from their homes or not. It indicated a high status too if individuals had certain status symbols in the category of consumer goods. On the other side, if only an out-of-date version of a consumer goods, listed in the questionnaire, was possessed by an individual, it indicated risks of a low status (for example, only black and white TV, traditional washing machine). Apart from that, an individual was only considered one in a low status if he did not possess assets or consumer goods indicating a high status, listed above, and sometimes the family did not have enough money for food, heating or rent. Therefore, while forming a group in favourable financial conditions, we

	Within Budapest	To the agglomeration	To other areas	All out-migrants
poor	10,3	5,0	20,7	13,4
middle	75,7	87,0	74,1	80,1
Well-to-do	14,0	8,1	5,2	6,5
all: 100,0 %N=	N=1896	N=221	N=256	N=477

According to their wealth status, the composition of those involved in movements within Budapest and towards the agglomeration was more or less identical with the average figures prevailing in Budapest, i.e., the ratio of affluent people was nearly 150% of poor people. However, there was a significant difference between the two groups, namely, that among those moving out to agglomeration the proportion of both extreme groups was lower, i.e., this moving option seems to prevail more as an interest enforcing strategy for those with a medium status. On the other hand, among those who moved to remote points of the country, there were more than twice as many poor people as the average figures in Budapest, and the ratio of affluent people was only approximately 50% of the figure prevailing in Budapest. Therefore it seems that a significant proportion of population moving to agglomeration belong to the middle class, among those moving to remote settlements the proportion of people belonging to lower middle and other lower classes is very high.

Table 2: Distribution of motives for moving among spatially mobile between 1990 and 1997(%)

	Within Budapest	To the agglomeration	To other areas
life was too expensive	7,7	12,0	28,7
No jobs	3,6	2,6	10,6
Housing was too expensive	11,8	17,0	26,0
Improve housing conditions	54,4	55,0	34,5
Move near to relatives	16,0	23,2	43,5
Privatisation gain	6,6	14,8	12,9

The low status of those moving out of the agglomeration and the probability of the related constraint moves was significantly higher among them than among those who moved within Budapest or to the agglomeration in the 1990s. It is indicated by the fact that among the motives for the move the relatively conventional and suburban motive of “demand for a more spacious and better home” occurred only in 34.5 per cent, while in the other two moving types the ratio was more than 50 per cent. Most probably, it is even more revealing that more

considered those affluent who had assets, possessed at least one of the consumer goods indicating a high status, and did not have any financial crisis in their family for the last 12 months.

than one quarter of the individuals moving to remote places (28.7%) had to move towards cheaper areas, and nearly one quarter (26%) found that they were unable to maintain their former home in Budapest. This is an extremely high proportion comparing it to the other two spatial mobility routes—7.7 and 12.0%, and 11.8 and 17.0%, respectively.

The issue of Budapest and its agglomeration is a good example for the impacts of changes in a political and power structure on social conditions. As a result of our analyses, perhaps the most important conclusion is that the development of a city and its environment simultaneously shows the consequences of spontaneous processes and power planning interventions. Among spontaneous processes, we can use the example of Western lifestyle examples, which are becoming more realistic and desirable as a typical consequence of general globalisation impacts. Naturally, it is a real challenge for a group of the society, which is better informed on the matter, and can have access to financial and other capital too, with which it can implement the changes. The suburban life, turning into a lifestyle through mechanisms not listed here, i.e., the ordinary lifestyle of a well-defined Western middle class, is therefore a desirable and potential lifestyle for those groups which are the relative winners from the systemic change in Central and Eastern Europe. However, attempts for this lifestyle do not only represent spontaneous processes, including increasing demand for adequate land, a family house type lifestyle is becoming more and more a definition for a human place of residence. The middle classes, and in general those in power, typically reflect their own requirements and norms as universal requirements and norms, applicable to everyone equally. All kinds of ideological arguments are adopted and increased in order to justify attempts for suburbanisation. These arguments proved to be efficient for them despite the fact that in other aspects a lot of reasonable counter arguments (for example travel time) could strongly doubt the practicality of spatial mobility for these groups. The processes show well that basically the place of residence is selected according to the social status, compared to which the specific advantages and disadvantages of the selected area are secondary. (Naturally, as we are talking about the selection of places of residence and moves of groups with a higher status, such groups usually move to places which are more advantageous in physical and environmental conditions. The conclusion that the primary motive for the change is the preservation or increase of status naturally does not mean that physical conditions are not more favourable than in the case of residential places for groups with a lower status.) Naturally, these spontaneous processes and their impacts are closely related to the opportunities offered in the changed power structure and economy of the 1990s, and the objectives it outlined for the winners. However, looking at the process more closely, it does not only consist of spontaneous efforts and forced answers, but it takes place in a well defined power and planning environment, pointing to the same direction. It is enough to refer only to the disputes between the political management of Budapest and the central government, as a result of which the economic and social problems of Budapest and its surrounding area has always been more or less impossible synthetically to date. Similarly, the decisions which identify the finances of local governments have straight consequences on the extent to which such local governments encourage and the extent to which they resist newcomers, and how and to what extent they try to sell part of their territory for industrial, commercial and service purposes, etc. In addition, these physical development and planning decisions take place in the framework of well-defined planning processes. These processes give a role to new players in the decision-making system, the designers themselves, with their own more or less separate interests and interest representation efforts. Thus, therefore, in addition to the spontaneous efforts of interested parties, the complicated system of expert and political decisions also determine the conditions and directions within which spontaneous efforts can be

implemented. Most probably, one of the most important issues in Central and Eastern Europe in the 1990s was to what extent, in through what mechanisms various social groups were capable of enforcing their interests among the changing power conditions, and to what extent we could observe processes similar to West European models in this complicated system, and to what extent we can consider the observed processes as special mechanisms of Central and Eastern Europe. Thus, therefore, the suburbanisation processes described in relation to Budapest and its agglomeration represent social conflicts and risks, the observation of which can be used as an example of the characteristic features appearing in the first 10-15 years of the systemic change.

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