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“Artificial Towns”

in the 21st Century

Social Polarisation

in the New Town Regions of East-Central Europe

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SOCIAL POLARISATION IN THE NEW TOWN REGIONS
OF EAST-CENTRAL EUROPE

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The Main Characteristics of East-Central European Urbanisation Processes

Viktória Szirmai

A different or a delayed model?

In connection with the evaluation of the Eastern European model of urbanisation there are various professional opinions and opposing views. The two key arguments are represented by Iván Szelényi (*Szelényi, 1996*) and György Enyedi (*Enyedi, 1996*) in the most explicit way. By Szelényi's opinion: 'the urban development in the socialist epoch in Eastern Europe was quite different from the urban development in Western countries at a similar stage of economic growth' (*Szelényi, 1996, p. 286.*). In contrast, Enyedi points out that 'the socialist urbanisation (more precisely, the urbanisation of East-Central European countries) was not a new model of modern urbanisation. Rather East-Central European socialist countries replicated stages of a more generally applicable global process of urban development. These countries also exhibited special characteristics at each stage of urbanisation, because of the delayed economic and urban modernisation, and the mechanisms of the socialist political system.'

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(*Enyedi, 1996, p. 102.*) Musil is substantially on similar opinion when he accepts Enyedi's concept, but points out the historical process of differentiation: 'Urbanisation trajectories in socialist countries differed from those in capitalist countries, most notably in the first phase after the socialist takeover. After 10 to 15 years of socialist rule, however, urbanisation trends in Central and Eastern European countries began to converge with those in Western Europe' (*Musil, 2005, p. 40.*).

The author on the basis of her own empirical experiences, including the exploration of the characteristic features of the society of new towns, agrees with the latter approach. According to this, urbanisation in Central and Eastern Europe is seen as a part of modern global urbanisation, it does not constitute a specific socialist model, except for some early historical periods (for example, the first periods of the development of new towns). Central and Eastern European urbanisation is characterised by the mechanisms determining urbanisation processes in developed Western European countries, and by each country's specific historical features or regional power and political social conditions, according to their semi-peripheral status, and their influences.

The differences from the West-European processes are partly the outcomes of the regional historical heritage, the power of the past (*Hamilton et al, 2005, p. 11; Musterd–Kovács, 2013*). The history of Central and Eastern European countries both in the 19th and the 20th centuries was characterised with the dependence on various superpowers, the lack of Western-style autonomous urban development, the historically peripheral economic and social situation compared to Western Europe, and as a partial consequence, delayed development, including belated urbanisation (*Węclawowicz, 1992; Enyedi, 1998*).

An evidence for the delay is that in the researched region industrialisation and urbanisation only began in the 19th century. The Polish, Slovak and Hungarian society for a long time maintained its rural character (an example for that is that in 1950 the proportion of rural population in Poland was 70% and 60% in Hungary. In today's Slovakia, even in 1970 this ratio was still 63%). The Czech society as Central Europe's central region was more urbanised (*Enyedi, 1998; Węclawowicz, 1997*).

The state socialist system created further differences. These systems were characterised by centralised, one-party-based power

structure, redistributive social management mechanisms, which means reallocation was based on the redistribution of financial resources¹. In addition to this, the lack of local (corporate, regional) autonomy, exclusive state property, neglected market conditions, the absence of social participation, civil society organisations and movements, and last but not least, ‘zigzaggings’ between the characteristic features of “soft” and hard “dictatorship, the intimidating presence of the party state perching on individuals’ everyday lives, the total lack of the freedom of speech. The social, political, power system mechanisms partly delayed the emergence of global urbanisation and partly dampened the effectiveness of processes as well. These are the reasons why the socialist type of urbanisation model is called delayed.

The impacts of transition

As a result of the social and political transformation processes of the 1990s, the regime change in the Central and Eastern European countries, then of the European integration, and the effects of globalisation regional and social differences (even in the new towns) steadily declined in Western and Central and Eastern Europe and similarities strengthened. This was namely due to the gradual build-up of the market economy, to privatisation processes, to the evolution of the real estate market, to the inflow of foreign capital, to the emergence of international companies, and in general to the transformation of the urban economy (*Enyedi, 1998*). Another essential factor of the transformation process was the establishment of local governments, local territorial self-organisation which giving way to local planning and

¹ Max Weber defines two kinds of territorial governance and management by his distinction of autonomous western cities capable for self-advocacy, planning, settlement development against the central power from eastern cities capable neither for independent community advocacy, nor for autonomous management, planning and development against the central power, and local residents are individually subjected to the central authority. (Weber, M. (1947). *Wirtschaft und Gesellschaft in Tübingen*. Moht, 385.p.) In the case of redistributive allocation, central state authority distracts and centralises the local companies’ municipalities’ resources and redistributes them according to its own preferred aspects.

development, thanks to the new laws² enabling the local-level utilisation of locally generated resources and to the development of non-governmental organisations³, creating the preconditions of public participation.

The built mostly urban environment was also re-generated: in all major cities: foreign financial institutions appeared in a significant number: banks, modern office buildings, economic and trade centres, large shopping centres were built. Many hotels were renovated or new ones were built: business-market real estate development was a characteristic feature of urban development.

Large urban centres were modernised rapidly by elegant shops, new restaurants and cafes, pedestrian streets, and the transformed public spaces as well. The new towns were not exceptions from this: urban centres were and are renovated, commercial and other services also started to develop, although there are strong differences between cities.

Today inner city quarters, the new architectural solutions reflect the atmosphere of West-European cities. This is due to the fact that the transformation of urban neighbourhoods more strongly depends on the spread of the global economy and from its local effects than on the influence of the national economy. The urban characteristics of large cities, especially in the capital's inner-city parts such as hotels, office buildings, commercial centres, fast food restaurants and entertainment centres are becoming more and more standardised; due to the functional solutions and design serving for the interests of the big multinational trading and service companies. This city-centre structure becoming more homogeneous in its tendencies is mainly serving for the interests of transnational and cosmopolitan elite groups (*Martinotti, 2010, p. 9.*).

² Later on they changed, for example, because of the financial centralisation introduced in Hungary. In 1990 local personal income tax revenues were entirely collected for the local municipality's budget. In 1992 there was equal sharing between the central government and the local government. In 1993, it was only 30% of tax revenues that remained at the local governments. Since 2013 no personal income tax revenues have remained at local governments.

³ There were significant differences between countries in civil society organisations: the legal framework and opportunities were not always in line with the actual processes; the lack of resources and the urge for party organisation were generally stronger than movement organisations, due to the absence of civil society bases.

The integration into the network of European cities, the participation of cities in international competition, and, last but not least, the restructuring of urban societies also contributed to the catching up trends. Bourgeois middle-class, the new elite groups, including entrepreneurs, multinational company employees, financial and other advisors having been existing for a long time in Western societies have also appeared (albeit at a much smaller scale) in Central and Eastern European societies, in the new towns even in smaller proportions. The social polarisation, the structural dichotomy between the high and the low social status classes and its territorial imprints, the processes of social segregation, residential segregation, territorial exclusion also followed the western trends, albeit delayed and in different quantity and quality (*Enyedi, 1998, p. 16.*)

The suburbanisation process was also accelerated in the context of the transition; with the strengthening of the housing and real estate market, with the building of market economy, with the availability of personal cars for masses and last but not least, with the slow but nevertheless starting middle-classification, with the emergence of needs for new residential (including detached house) neighbourhoods.

Central and Eastern European countries are highly urbanised. The proportion of urban population is between 50-74%. The concentration of urban population, economic activity, and global capital in metropolitan areas are also indicating that the development progress is harmonising with the European trends. (*Illés, 2002, p. 74.*) In accordance with global trends, the regions' major cities, especially capital cities play a key role in economic and social modernisation (*Węclawowicz, 1998, p. 55.*)

There are internal differences in the concentration of urban population by country size, for example, between larger and smaller countries. The table below shows these internal differences, the concentration of urban population is the highest in Poland in big cities with over 100 thousand population (and the capital). It is followed by the concentration of Hungarian urban population in metropolitan areas (and the capital) and by the Czech urban population in metropolitan areas. The Slovakian data suggest a lower level of concentration.

Table 1: The distribution of urban population by city size in 2011 (total population=100%)

City size category	Poland	Czech Republic	Hungary	Slovakia
Below 5 000	2.49%	8.55%	2.97%	1.35%
5 000-9 999	3.35%	8.77%	7.37%	6.03%
10 000-49 999	18.25%	21.90%	23.49%	24.52%
50 000-99 999	8.33%	8.42%	6.29%	10.46%
Over 100 000	28.30%	22.28%	27.05%	12.07%
Share of capital city	4.42%	12.16%	15.99%	7.62%
Share of urban population in the country's total population	60.72%	69.91%	67.16%	54.43%

Source: <http://www.stat.gov.pl/test/search.jsp>, <http://www.fat.admin.ch/eaee96/abstracts/s24.pdf>
 KSH Hungarian Statistical Yearbook 2004, www.statistik.sk, www.infostat.sk/vdc/

There are further differences between the growth paths of Western and the East-Central European cities: due to economic and social suburbanisation, inner-city social problems and urban natural environmental hazards the Western European metropolitan population since the 1970s steadily declined and in the 1980s, the decline was even more significant. However, the 1990s, resulted in re-urbanisation, further concentration processes brought about a new phase of global urbanisation. In this context, the urban population started to grow again.

The growth of Central and Eastern European cities was high in the 1950s and from the 1970s onwards, there was a slight decrease which was very significant in the 1980s (Jeney, 2002). In the early 2000s, a perceivable transformation took place: in the Eastern and Central European big cities (among them in several major cities such as Bratislava, Prague, Berlin, Warsaw, Budapest) population decline stopped, stagnated or even started to grow (Demographic trends; Jeney, 2005; 2007).

At the time of state socialism there was a typical difference between the Western and the Central and Eastern European trends in the development dynamics of city centres and their urban peripheries. The city's surrounding settlements were often rural, with low-population density where a metropolis emerged

like an island. This difference by now has mostly disappeared due to the economic and social suburbanisation processes, although differences still occur according to the regional development level of urban areas.

In Central and Eastern European urban economies, the role of the industry is generally higher than in the Western cases, and the importance of the tertiary sector is lower. Relative deconcentration is a typical phenomenon as well. The simultaneity of several urbanisation processes can also be observed: in addition to suburbanisation and in parallel with it re-urbanisation process is also a characteristic feature: not only is the moving out but also the moving back of middle-class is an existent phenomenon. The reason for this phenomenon, in addition to the suburban infrastructural deficiencies and the unfavourable traffic, commuting conditions, is that European, including Eastern and Central European middle-classes (as opposed to the majority of American middle-classes, for example), are less fond of suburbs, living in downtown districts has always been a value.

Social-spatial polarisation

It has already turned out from Sassen's analysis that urban networks, cities and their urban areas formulated by the globalising world economy, (and the national societies concerned) have strongly differentiated development opportunities (*Sassen, 1991*). The researches on Central and Eastern Europe also verified the global impacts of territorial polarisation mechanisms and the spatial inequalities originating not only from global connectivity (and its territorial differences), but also from their historical determinations and their organic nature as well as from their intensifying as a result of social and political transition processes (*Gajdoš, 2008; Precupetu—Precupetu, 2013; Horváth, 2015*). Researches show that dichotomies in metropolitan and rural economic development, infrastructure endowment are typical, just like the differences between big cities and their urban areas or in other word the inequalities between centres and peripheries. The differentiation deepened between the post-socialist cities of the East and Central European countries, and also between the new towns in each country.

The capital cities' historically determined advantages can be seen in all the countries examined; they have not only been conserved, but have even strongly increased during the last few years (*Muster-Smith, 2013*). From the analytical case studies from Slovakia the advantage of Bratislava, the capital city, (including the GDP) is clearly visible over the country's other regions, which – among other things – is due to the presence of the Volkswagen Company in the capital city (*Gajdoš, 2005; Gajdoš, 2008*). The economic situation of Bucharest, the Romanian capital, is also much better than the other, such as the east, the north-eastern and south-eastern regions (*Precupetu-Precupetu, 2013*). The Hungarian capital's historical and contemporary advantages are obvious: “From 1989 until the middle of the 1990s, Budapest received far more FDI than other towns in the Central European region (except East Berlin)” (*Tosics, 2005, p. 248.*). The regional distribution of FDI in Hungary shows the significant advantages of the Central Hungary region for many years (see related figure in the next section).