

# FROM SPATIAL INEQUALITIES TO SOCIAL WELL-BEING

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# The History of Researching 'Social Well-being' in Hungary<sup>1</sup>

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On 25th November 2009 a conference was held at the Hungarian Academy of Sciences under the title 'Beyond GDP: Measurement of Economic Performance and Social Well-being'. This was the first time when the Hungarian scientific community heard about the Stiglitz Report in the interpretation of recognized Hungarian scientists. The paper 'Report by the Commission on the Measurement of Economic Performance and Social Progress' was prepared by worldwide famous and respected economists and social scientists headed by Joseph E. Stiglitz, a Nobel Prize winning professor at Columbia University<sup>2</sup> in 2009. The Report was prepared at the request of Nicolas Sarkozy, the President of the Republic of France. The purpose of invitation was to investigate the main determinants of the economic, financial and social crisis broken out in 2006-2008 and also to seek new solutions to the problems.

The Report stated that one of the major causes of the crisis is that the GDP (i.e. the Gross Domestic Product), an indicator to be used for measuring social and economic processes, is unable to measure social development, it is an improper indicator of it, so new measurement tools need to be introduced. That tools are taking into account the aspects of sustainable development, its main pillars; the economic, environmental and social contexts including the social well-being of individuals as well.

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<sup>1</sup> The publication was co-financed by the EU and the European Social Fund. It was prepared in the framework of TÁMOP-4.2.2.A-11/1/KONV-2012-0069 project titled: 'Social Conflicts – Social Well-Being and Security – Competitiveness and Social Development'.

<sup>2</sup> No Central and Eastern European scientists participated in the Commission's work.

The Report's central idea is that instead of taking production- and economy-oriented measurements emphasis should be placed on the examination of the social well-being of present and future generations<sup>3</sup>. This opinion means a significant change of today's paradigm expressing that it is not just the economy, the economic processes, but also social relationships and the everyday living conditions including the well-being of the societies concerned, are important in this aspect; either when interpreting the different phenomena occurring in the world or when selecting from various types of development goals, or when trying to tackle and eliminate social, economic and political problems and tensions.

Naturally, the approach emphasizing the importance of social factors is based on some precedents: we have studied several works which have criticized mostly urban development concepts built on a purely economic approach, and have urged for analyses focusing on social aspects as well (e.g. *Dogan, 2004; Kolossov-Loughlin, 2004*). I myself have also criticized with my colleagues the 'one-dimensional' analyses – focusing mainly on economic aspects – in an earlier work, (*Szirmai et al., 2002*). Within the framework of another big research project we were investigating the interrelationship between economic and social factors, the two main components of competitiveness which were clearly distinct at that time, and it really was partially verified (*Szirmai, 2009*).

It was the demands of world economy in the 1970s and 1980s that have created – by Dogan's terminology – the one-dimensional, economy based urban theories and development concepts, because these approaches were fully appropriate at that time, because they partly expressed, partly contributed to the processes of global economy, including the unification of urban networks.

In the former socialist countries during the early 1990s, the period of economic and social transition, the global economic urban theories with their ways of approach and their resulting urban development paths were fully approved. For the countries of Central and

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<sup>3</sup> The term of social well-being comprises eight factors: the material living conditions (such as income, consumption and wealth indicators) the aspects of health, education, personal activities (including work) as well as the indicators of political representation and governance i.e. the indicators of political advocacy, the contexts of social and personal relationships, the aspect of present and future environmental conditions and finally the dimensions of economic and physical uncertainties (*they are detailed in the different studies of the book*).

Eastern Europe the relationship with global cities at that time was primarily important in economic terms. This was partly due to the fact that national political elite groups and even urban policymakers supporting the transition process could not imagine a different path than transition and economic integration into European social (and urban) systems, solely driven by dynamic economic growth.

Facts show that social or urban development concepts concentrating on the exclusivity of economy are adequate, as long as the needs of economic development demand it so, or until the economic and social needs for a paradigm shift have not been formed.

The paradigm shift i.e. the emergence of economic needs that are different from previous ones, demanding other ways of thinking, is due to the recent economic crisis and also to the recognition that the economy cannot be managed and cannot be improved unless it stands on the basis of integrating social contexts, managing adverse social impacts and developing the social well-being of affected nations. The attention of decision-makers was drawn to this integration by a variety of social tensions, conflicts, the increasingly strong criticism on urban societies, their new kind of local social needs, as well as the criticisms formed by anti-globalization movements and various professional groups against globalization, the negative impact of global economy, and last but not least by a multitude of scientific works.

The book 'Inequality and Well-being: the Forms of Well-being in Metropolitan and Rural Areas' has been written in the spirit of this paradigm shift, as a consequence of the Stiglitz concept and its antecedents in accordance with the value system of researchers dedicated to the exploration and mitigation of social problems. The verification of the Stiglitz model in Hungary was not our intention, as the Stiglitz concept has been established in such social contexts that are different from the Hungarian one, in significantly better social and economic circumstances. However, Stiglitz's theory of social well-being and the main components formulated within the model had been taken into account; we used them as a starting point, because we considered that they represent the best of all the relevant social-minded views known today and they interpret this phenomenon on global scale.

However, the results of the model were observed with criticism as well, mainly due to its excessive theoretical nature. For those who know it, it is obvious that the Stiglitz Report based social

model of development even in its complexity is rather a theory only. There are no theories aspiring to reveal the interconnections between economic and social development and social well-being, which are supported by empirical facts and verified by real processes, either at European or national (or global) level, there are only a few analyses focusing on certain correlations of social well-being, so we can see only rather partial results here (*which will be described in detail in several chapters of the book*). Therefore it was an important goal of our project to explore the issue of social well-being on empirical basis.

Another factor of our critical attitude was the lack of territorial aspects. Despite all of our respect towards Professor Stiglitz, we think, it is regrettable that the model of social well-being disregarded spatial aspects and did not call attention to the importance of investigating differences in regional endowments. As a result its individual dimensions remain too general, they do not reveal any differences either on national or regional or sub-regional levels. For this reason a relevant analysis based on spatial aspects had primary importance in our research serving as a basis for this book. It was implemented on two spatial levels: empirical surveys were conducted on the one hand in nine metropolitan regions of Hungary with a population over 100,000<sup>4</sup>, and on the other hand, in four disadvantaged micro-regions<sup>5</sup>.

The main objective of the empirical survey of 5,000 people was to explore the specific characteristics of the social well-being of people living in Hungarian metropolitan regions, and the specifics of the well-being of different social groups living in big

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4 The metropolitan region research was based on a representative sample of 5,000 people. The studied metropolitan regions were: Budapest, Debrecen, Szeged, Miskolc, Pécs, Győr, Nyíregyháza, Kecskemét, Székesfehérvár and their urban zones. This survey was funded by the sub-project of Kodolányi János University of Applied Sciences; the collection of survey data was performed by TÁRKI Social Research Institute Inc. between 9th January 2014 and 17th March 2014. The research methods, including a detailed description of the nine metropolitan regions, see in the methodology chapter.

5 In case of the four disadvantaged micro-regions (i.e. the Sarkad, the Sásd, the Fehérgyarmat and Sárbogárd micro-regions) a representative sample of 1,600 was collected which was performed by the Hungarian Academy of Sciences Centre for Economic and Regional Studies Regional Research Institute another member of the consortium. The survey data were collected also by TÁRKI Social Research Institute Inc. between 21st February 2014 and 23rd March 2014. In this book we present only some of the major results of the sub-project.

cities whose various districts, and suburban zones are at various stages of development. Based on all this the survey was trying to find an answer to the question how the characteristics of social well-being depend on the spatial location and on the social, structural (education, employment, income and demographic) positions of the affected population.

During the analyses of the sample of 1,600 people living in 'well-being deficit'<sup>6</sup> hit areas similar targets were set up not only because of the interpretation of the research concept but also due to the intentions to compare the results of the two sample areas. As a result, we wanted to know not only what differences and similarities there are between the features of social well-being in metropolitan regions and disadvantaged micro-regions, but also wanted to shed light on whether the differences and similarities correlate with territorial (i.e. urban or rural determinations) or rather with structural (i.e. education, employment, income, demographic) differences. In this aspect, we also had an opportunity to test some assumptions, to explore whether metropolitan regions can rather be characterised by the presence of well-being while small regions can rather be characterised by the absence of well-being.

The selection of the nine metropolitan regions and the empirical analysis had been motivated by a very important factor: the possibility of comparing the data with the results of another research which was conducted in 2005 in the same metropolitan regions. We did this, and recorded significant changes as a result.

The book's another important direction of analysis was the exploration of the correlation between social well-being and competitiveness. In doing so, we examined whether – in the sense of Stiglitz's theory – people living in big cities under better well-being circumstances are in a better position regarding competitiveness, whether they can better cope under the present circumstances, whether they are more successful and happier than those whose well-being level is lower than that of the previous group.

The book opens with the Foreword, which is followed by an introductory chapter focusing on general trends, and the processes ongoing in Europe, including Western Europe, Eastern Europe and Hungary. This section describes the various documents of international well-being policies as well. It is followed by

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<sup>6</sup> This is the term as used by Judit Timár and Katalin Kovács.



a comprehensive section, where the problems of social well-being connected with spatial inequalities is presented. The summary chapter summarizes the main results. It provides a kind of an answer to the question formulated in the title of the book rather more as an effort (or perhaps hope) than reality: how to get – if we can get at all – from regional disparities to social well-being?

We would like to express our thanks to those contributed to this book and to the major results. First of all, to the winning project. The ‘*Social Conflict – Social Well-being and Security – Competitiveness and Social Development*’ (TÁMOP 4.2.2.A-11/1/KONV-2012-0069) research project was implemented between 1st March 2013 and 28th February 2015 in a consortium framework: through the joint cooperation between Kodolányi János University of Applied Sciences as consortium leader, Széchenyi University and the Centre for Economic and Regional Studies of the Hungarian Academy of Sciences Regional Research Institute as consortium members. I would like to say a big thank to our consortium partners, to colleagues implementing the other research directions of the project (which are not included in this book) for the successful cooperation. The supervisory body of the project (ESF Social Service Nonprofit Ltd.), but especially dr. Péter Szabó, the Rector of Kodolányi János University of Applied Sciences, dr. Gyöngyvér Hervainé Szabó, the Scientific Vice-Rector of Kodolányi János University of Applied Sciences, and Ágnes Schattmann, project manager also deserve my thanks. Several people contributed to this book by writing papers. They are my co-authors, to whom I wish to say a special thank for their dedicated and enthusiastic work. The edition of this book is due to Kodolányi János University of Applied Sciences, the implementer of the project, while the printing preparation of the book, the classy and sophisticated cover design is prepared by VIVIDesign Ltd. We are also grateful to those people, whom we visited during the investigation, whose opinion we asked for, without whom this book would have never been written. Finally, I personally thank my family for their understanding and patience which were very badly needed during the entire research and the writing of the book.

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*The editor of the book, the principal investigator of the project*