
MUNICIPAL TOWNS

DR. CSAPÓ TAMÁS

1. HISTORICAL OVERVIEW

The city, as economic category, is much younger than the county and is not completely originally Hungarian. The city as a form of settlement with local government and some certain privileges appeared in Hungary by taking over the city statutes of the Holy Roman Empire. Our imperators commended several privileges (letters) from the early Middle Ages, but the status of a uniform and general privilege, the free royal town, appeared only in the 15th century. The more significant towns in the 18th century were the cities disposing fortress and/or episcopate, later on in the age of the Anjou and Sigismund (Zsigmond) in the hierarchy those royal or episcopate cities were following the capital which were reinforced by walls or castles. In the 15th century under the reign of the Jagello and the Hunyady family, Hungary had 8 free royal cities: Bártfa, Buda, Eperjes, Kassa, Nagyszombat, Pest, Pozsony and Sopron, out of which only three or, according to present law, two of them were in the area of today's Hungary (ILLÉS I. 1996).

The number of free royal towns grew slowly from the 15th century and after the Turkish secession at a faster pace. They were nearly 50 by the end of the 18th century (under Joseph II) out of which ten were in the area of today's Hungary (*Table 1*). At the time of the Compromise there were 81 free royal towns in Hungary, but the ratio did not change since only 16 of them were within the present borders (Baja, Buda, Debrecen, Esztergom, Győr, Hódmezővásárhely, Kecskemét, Kőszeg, Komárom, Miskolc, Pécs, Pest, Sopron, Szeged, Székesfehérvár, Vác). The free royal towns were forming the most significant and important city privileges. This status meant that these cities were released from the feudal referee and taxing and so the local population paid their tax directly to the kings and the city. The deputies of the free royal towns could take part in the diet, but their role was subordinated compared to the counties. While each royal county had 1 vote, this far all the free royal towns had 1 vote altogether.

Apart from the royal towns, some settlements could receive certain privileges and rights from the noblemen and the prelates. They could receive the market town or oppidum status or collectively could redeem themselves from the feudal engagements but they could not bypass the authority of the county administration and court. The number of market towns or oppidums was 711 in 1867. The status of the royal towns maintained until the Compromise, more exactly until the 1867 administrative reform (BELUSZKY P. 1999.).

Table 1. Town privileges, statuses until the 2nd World War

Date	Royal town		Municipal town		Ordered council town		Market town
	<i>Historical Hungary</i>	<i>Today's Hungary</i>	<i>Historical Hungary</i>	<i>Today's Hungary</i>	<i>Historical Hungary</i>	<i>Today's Hungary</i>	
15 th century	8	3 (2)	-	-	-	-	no data
1784	48	10	-	-	-	-	609
1867	81	16	-	-	88	29	711
1876	-	-	25	11	106	35	719
1923	-	-	-	11	-	38	-
1938	-	-	-	11	-	45	-

Source: BELUSZKY P. 1999. HAJDÚ Z. 2001.

After the Austrian-Hungarian Compromise they started to create and build the modern Hungarian state organisation. It included the creation of the self-supporting and independent judiciary power, the separation of jurisdiction from administration. Through this, from 1870 to 1886 they created the regional municipalities, regularized the (spatial and town) judicial state, scope and internal organisation of the municipalities by the 42nd act of 1870. They created the municipal royal counties at that time and the system of municipal towns which were independent from the earlier mentioned. The law recognised all settlement and spatial units, on all historical basis with municipal rights as municipal authority. The 1871 parish law created the ordered council towns and the large and small parishes. The 33rd act of 1876 regulated the spatial classification of the public municipalities and determined the seat of the municipalities with spatial characteristics.

In 1886 the 1980 administrative act's regulation was corrected so the 21st act of 1886 reconditioned some elements of the functioning of the municipal authorities and determined again the area and seat of the municipal authorities of spatial characteristics. With the changes in 1886, essentially, the shaping of the modern Hungarian civil administration was finished which has not been changed until 1949. The 1886 act lists the counties (63) and the towns with municipal authority rights (*Table 1*). There were 11 municipal authority towns in today's Hungary: Baja, Budapest, Debrecen, Győr, Hódmezővásárhely, Kecskemét, Miskolc, Pécs, Sopron, Szeged and Székesfehérvár. According to the 1869/1970 census, the population of these towns was the following:

1.	Pest	201 055	7.	Győr	32 456
2.	Szeged	56 091	8.	Miskolc	31 061
3.	Buda	53 870	9.	Székesfehérvár	23 279
4.	Debrecen	45 132	10.	Sopron	23 102
5.	Hódmezővásárhely	41 428	11.	Baja	20 187
6.	Kecskemét	32 830			

In 1871, apart from the municipal authority towns all the other towns gained the status of ordered councils and several towns were re-qualified to great parishes. In 1876 there were 106 ordered council towns, which is 36 in the area of today's Hungary.

The Paris Treaty signed in 1947 made the Trianon borders definite, and another long term administrative reform was necessitated. The 1949/1950 administrative reform took major changes. Out of the 25 counties they created the recent 19. In several cases the county seats were changed as well, for instance out of the former municipal authority towns Baja, Sopron and Szeged lost its county seat rank and they also created Great Budapest by annexing 7 towns and 16 bordering parishes.

The 1st council act in 1950 changed the rights and administration of the towns. It sustained the town category erased from the regional management level, but defined it only to the capital. It also terminated the statuses of the municipal and the ordered council towns. Budapest was subordinated directly to the Ministerial Council. At the same time the more significant towns with more population (24) were subordinated directly to the county councils and the smaller ones (29) to the district councils.

However the majority of the 1953 administrative reform plan was not realised, but one of its consequences was the creation of the 1954 amendment of the council act. The 2nd council act took major changes both in its organisation and the functioning of the councils as well. It altered the system of town management in a way that it considered the biggest towns equal to the counties concerning their administrative rights. So Debrecen, Miskolc, Pécs and Szeged became municipal towns directly connected to the central administration. In the domestic administration there was never such a tight scope of accentuated towns than at that time. The other towns emerged from the subordination of the district councils and their majority became municipal towns under the ordination of the county councils.

The 3rd council act of 1971 took back the restricted possibilities of local governments to the council system. The district was no more a council level and the parish category was split into two, the great parishes emerged. The towns uniformly got into the county framework and the municipal town as category was ceased. At the same time they became county towns and Győr was ranked to the former accentuated cities as well. Since the National Settlement Network Concept was accepted at the same time as the 3rd council act, which dynamically developed the towns on the top of the settlement hierarchy, the population of the great towns especially the county towns rapidly grew (*Table 2*). In the area of administrative regional organisation the reform ideas were conceptualised in the beginning of the 1980s due to which in 1984 instead of districts they formulated the town surroundings status. However, this was not dealing with the rights of the county towns.

The 4th reform of the council system was prepared in 1989 before the change of the regime which formed, according to the new political conditions, the process of the local government administration. On 1st April, 1989 the scope of county towns was extended since another three towns (Kecskemét, Nyíregyháza és Székesfehérvár) with a population more than 100 000 was joined. These 8 county towns had relatively highlighted rights, their state budget relations were quite direct, but all of them were under the direction of the county party councils.

The LXV. Act of 1990. on Local Governments took major changes. This law took into account the progressive Hungarian civilian traditions and the European Local Government Charta. According to the act the local governments were created: parish, town, capital, capital district. Concerning the towns, apart from the capital, they distinguished between two categories, as an old/new category the municipal town and the town. According to the act there were two conditions to become a municipal town. According to the 19th paragraph of the Constitution, giving forth to municipal towns is the decision of the parliament. By the 61st paragraph of the LXV. Act of 1990. on Local Governments: “*The parliament – on the petition of the delegate committee – could give forth to towns with more than 50 000 inhabitants to become municipal towns.*” The other functional term was that the town should dispose those institutional conditions, which make it able to fulfil the roles and scope of the county local government and higher level of public services. According to the Local Government Act: “The municipal town is a local government and on its area – with corresponding alterations – it caters the tasks and scope of the county local governments.”

Due to the above mentioned, the 20 towns – by their own application – become municipal towns by 1st December, 1990. Since at that time the minimum number of the inhabitants was 50 000 out of the county seats Salgótarján and Szekszárd was not able to ask for this status, but on the other hand Dunaújváros, Hódmezővásárhely, Nagykanizsa and Sopron was applying and receiving this status (*Figure 1*). There was an alteration in 1994, so the rights were extended to all the county seats, irrespectively of the number of their inhabitants, thus the so far dropped out Salgótarján and Szekszárd became a municipal town as well.

Since then the conditions have not changed however the act was criticized by many. Out of the numerous problems one of them was the change of the number of the inhabitants. As a result of the change of turnover in urbanisation in Hungary, which can be dated from around the change of the regime, at a small but increasing extent the number of the population in the towns is decreasing. It is especially true to the bigger municipal towns (*Table 2*).

Table 2. Change of population in the municipal towns (1870-2007)

City	1870	1949	(%)	1960	(%)	1970	(%)	1980	(%)	1990	(%)	2007	(%)
Békéscsaba	27 624	44 053	59,5	51 798	17,6	58 654	13,2	64 044	9,2	67 157	4,9	65 211	-2,9
Debrecen	45 132	115 399	155,7	134 930	16,9	167 860	24,4	198 195	18,1	212 235	7,1	204 124	-3,8
Dunaujváros	5 266	3 949	-25,1	30 976	684,4	45 129	45,7	60 736	34,6	59 028	-2,8	50 084	-15,2
Eger	20 847	32 352	55,2	39 157	21,0	48 405	23,6	60 901	25,8	61 576	1,1	56 647	-8,0
Érd	3 027	16 444	443,2	23 047	40,2	31 205	35,4	41 330	32,4	43 327	4,8	62 408	44,0
Győr	32 456	69 583	114,4	84 290	21,1	102 600	21,7	124 130	21,0	129 331	4,2	128 865	-0,4
H. vásárhely	41 428	49 417	19,3	53 605	8,5	53 579	-0,1	54 486	1,7	51 180	-6,1	47 485	-7,2
Kaposvár	10 210	37 945	271,6	47 945	26,4	60 957	27,1	72 377	18,7	71 788	-0,8	67 746	-5,6
Kecskemét	32 830	61 730	88,0	71 226	15,4	84 482	18,6	96 882	14,7	102 516	5,8	109 847	7,2
Miskolc	31 061	109 841	253,6	144 741	31,8	181 398	25,3	208 103	14,7	196 442	-5,6	172 637	-12,2
Nagykanizsa	14 840	33 158	123,4	38 961	17,5	43 913	12,7	52 430	19,4	54 052	3,1	50 823	-6,0
Nyíregyháza	21 038	56 334	167,8	65 607	16,4	81 949	24,9	108 235	32,1	114 152	5,5	116 298	1,9
Pécs	29 839	89 470	199,8	116 042	29,7	150 779	29,9	169 134	12,2	170 038	0,5	156 649	-7,9
Salgótarján	7 035	32 571	363,0	37 686	15,7	43 434	15,2	49 603	14,2	47 822	-3,6	39 640	-17,1
Sopron	23 102	35 506	53,7	41 981	18,2	47 952	14,2	54 836	14,4	55 083	0,5	57 210	3,9
Szeged	56 901	104 867	84,3	117 515	12,1	145 312	23,6	164 437	13,2	169 930	3,3	164 883	-3,0
Székesfehérvár	23 279	42 260	81,5	56 978	34,8	79 064	38,8	103 571	31,0	108 958	5,2	101 600	-6,8
Szekeşzárd	12 001	16 354	36,3	19 456	19,0	24 896	28,0	34 648	39,2	36 857	6,4	34 174	-7,2
Szolnok	16 115	37 520	132,8	48 822	30,1	63 601	30,3	75 362	18,5	78 328	3,9	75 475	-3,7
Szombathely	12 934	47 589	267,9	54 758	15,1	65 297	19,2	82 851	26,9	85 617	3,3	79 534	-7,1
Tatabánya	3 214	40 221	1151,1	52 079	29,5	66 223	27,1	75 971	14,7	74 277	-2,2	70 541	-5,0
Veszprém	14 279	20 682	44,8	28 222	36,4	40 415	43,2	57 249	41,7	63 867	11,6	62 023	-2,9
Zalaegerszeg	9 784	21 668	121,5	30 147	39,1	40 541	34,4	56 108	38,4	62 212	10,9	61 898	-0,5
Total	494 242	1118913	126,4	1390969	24,3	1727645	24,2	2035619	19,6	2159100	6,1	2035800	-3,8

Source: Regional data, 2001. census. KSH/CSO Budapest.

All this resulted in the fact that the population of Hódmezővásárhely, which in 1870 was the 4th more populated town of Hungary, decreased under 50 000 – which is the condition of municipal towns according to the law – from the middle of the 1990s and it seems that this trend is persistent. So Hódmezővásárhely which is not a county seat should not be a municipal town anymore. But based on the “purchased right” it can keep its status. On the other hand Érd, the agglomeration town of Budapest with an increasing population abundantly passed the limit of 50 000. On 1st January, 2000 the number of its inhabitants was more than 50 000. The delegate corporation has handled in its proposal in 2000 to become a municipal town. This was rejected by the Government and later on by the Parliament as well but finally Érd received this title in 2005. This process was disapproved of many, among others the National Association of Local Governments (NALG/TÖÖSZ) saying that: “...instead of orders adequate to every settlement, the advancement of towns in the administrative echelon is decided by ad hoc political bargains.” (BABUS E. 2001.)

Figure 1. The domestic municipalities based on the date of obtaining their status



Source: own editing

Besides Érd, the member of parliament of Esztergom made an attempt in 1998 and 1999 to receive the support for Esztergom to become a municipal town. In 2001 after these attempts were not successful a memorandum was handed in to the Parliament by all the six parties to alter the local government act. It was supported by the fact that besides Esztergom there were 10 more towns with great historical past and significant spatial role which intended to receive the municipal town status. Non of these towns reach the population of 50 000 and even 40 000, while Balassagyarmat and Sátoraljaújhely are small towns with even fewer than 20 000 inhabitants. On the other hand it is a fact that out of them Baja was once a municipal town, while Balassagyarmat, Esztergom, Gyula, Sátoraljaújhely, and for a while Baja and Szentes functioned earlier as county seats. So in the case of the upper mentioned towns this aspiration was based on “historical rights” while in the relation of Cegléd, Gödöllő, Jászberény, Pápa and Vác on their more significant spatial role. The presented six party proposal was properly rejected by the Parliament referring to that the upper mentioned middle sized towns do not dispose of significant spatial attraction and functions due to which they would not be able to fulfil the middle level public services on their own area served by the present county local governments. If the 2001 six party proposal would have been successful than the municipal town right would have further been degraded and so their number would have grown to 33. It is also worth mentioning that after all such towns could have asked for

this status as the county seat Mosonmagyaróvár, Makó and Mindszent. Moreover, in such a basis, we could suggest such towns to become municipal towns having more significant functions and spatial role as for instance Gyöngyös or Keszthely.

Compared to the area, population, present administrative system, the hierarchy of the town network on the basis of the population and according to the general European practice it seems to be unsubstantiated to give to such a high number (23) of towns the accentuated administrative role. As a counter example we could mention a much more populated country with much more developed town network, Germany where only Berlin, Bremen and Hamburg possesses of an accentuated (province) right, or Austria with the relatively similar size and population as Hungary where only Vienna has a province rank.

In Hungary in the professional and political scene the administrative alteration of the country is a long debate now, which' very important element would be the forming of the regions with administrative role. In case this act would have been formed, needing a two thirds majority in the Parliament, and so 7 administrative regions would be created in Hungary, than we will have the chance to rethink the judicial conditions of giving forth to towns with accentuated rights. In this case, it would be more practical to decrease the number of the towns with accentuated status and so give this right only to the 7 regional centre.

2. THE POSITION AND CHARACTERISATION OF MUNICIPAL TOWNS

The 23 domestic municipal towns have a special role within the Hungarian settlement network. They are at the same time micro regional centres and, in a large measure, county seats as well, but they are, due to their regional functions, high level specialised catering and service activities, regional attraction centres as well. Their general features are the following:

- Agglomerations, or centres of agglomerating regions,
- They are the location of high level of population-, economy-, and wealth concentration,
- They are settlements with the role of a regional centre,
- They are the locations of the de-concentrated state, administration, magisterial and economic services,
- Their situation of finance is the worst within the local government system (BOGNÁR Z. 2003).

2.1. Administrative and local government tasks and scopes

The determination of the status of the municipal town emerges strongly in the operate judicial and legislative regulation, on the one hand in the Constitution, and on the other hand in the local government and the scope of authority act. According to this the local government of the municipal town caters:

- The public service and public authority tasks formulated in the local government and other acts,
- The voluntarily assumed local public matters,
- With adequate departure, as an own scope, the county local government's tasks and scopes

It can be derived from the above mentioned that the municipal town is on the one hand settlement and on the other regional local government as well. Though the basic rights of the local governments are equal, but according to the Local Government Act the engagement – tasks and scopes – of the municipal towns is more extended. It can be derived as well from the Regulation of the Local Government Act that apart from the municipal towns any other settlement local government could undertake the upper mentioned tasks and scope, but they could also discontinue them in favour of the county council, but the municipal town is unable to do this. Out of this it generally succeeds that the municipal towns, which cater the most their accentuation zone's population, do not have the necessary financial sources to carry out their tasks.

So the municipal town status means basically an advantage in the area of obligations and tasks. These can not be transferred to the county local government but it can make an arrangement with it by sharing the tasks. This type of cooperation can not be smooth. The cooperation was especially problematic during the first election period (1990-1994) mainly because the municipal towns did not have any delegates in the county councils. This disposal is incorrect from the point of view of settlement geography and economy as well since essentially the municipal town (or towns) is not part of the county, so the centre(s) and the periphery does not constitute an organic unity. This situation was a bit improved by the 1994 alteration of the Local Government Act with institutionalising the cooperation between the municipal towns and the county councils in order to fulfil the tasks they mutually were involved. In practice it means that a conciliatory committee should be created in order to assure the cooperation concerning the mutual tasks. All these appear in the mutual financing especially in health care in case of county hospitals or as in Szombathely the

county cultural centre where in every year it is a particular problem to solve these tasks peculiarly when the two local governments have different political consistence. The cooperation is more problematic in the case when there is not one but two municipal towns in a county, especially when there is a traditional rivalry between the two cities (see Győr-Moson-Sopron and Zala County).

Besides the counties the municipal towns have important role in the micro regions as well. Every municipal town is the micro regional centre at the same time and so there is a tight relation system between the city and countryside. But the development of the municipal towns – according to the present system – could mean a disadvantageous discrimination for the other settlements of the micro region in terms of regional development. Namely, the micro regions connected to the municipal towns usually do not belong to the disadvantageous, so grantee, areas, which mean a univocal disadvantage in the distribution of the county and the regional pecuniary resources (KÉKI Z. 2003).

2.2. The regional role of the municipal towns

According to Tibor Mendöl the settlement is the spatial ensemble of the living and working place of people (MENDÖL T. 1963). These two are the principle functions. But beyond these there are local and central roles of the settlements as well. The local functions, which fulfil the every day needs decisively to the local population of the settlement, do not create an attraction zone. On the other hand the central functions, which fulfil the not every day necessities, supply not only the local population but the inhabitants of the nearby settlements as well. According to the geography of settlement, the settlement network can be differentiated based on the functional differences. Those settlements having only local functions and so do not have any attraction zone are mainly villages. On the other hand the settlements with central role as well are the towns due to which they have an attraction zone. Usually the more and stronger the central role is, the collective attraction of the city spreads as further and so the settlement disposes of a more genteel position in the hierarchy of the towns.

The Hungarian geographers usually agree in that the central function can be classified into two major types. One of the categories is the local or elementary town functions which fulfil the needs of the town or its proper attraction zone (agglomeration, micro region) and so their attraction extends only to the tight environment of the town(s). These roles or institutions can be more or less found in the small and medium sized towns. The other group of central functions is given by the special cues which satisfy more and more infrequent needs disposing of either county or even bigger attraction zone. So the special central functions can be categorised into two. One of them are the county roles which were decisively ordered by the 1950 administrative

reorganisation to the county seats. According to a 2001 survey at present there are 28 different central functions of county scope primarily in the county seat municipal towns (CSAPÓ T. 2002). There are only three county seats in Hungary where some institutions with county competence are to be found in other towns of the county (Békéscsaba, Salgótarján and Tatabánya). The common situation among these three towns is that all of them became county seats after the 1950 administrative reorganisation and some important institutions remained in general in the old county seat and still are there up to this day. In Komárom-Esztergom County, the County Archives and the Territorial Office are in Esztergom and the County Plant Hygiene and Soil Protection Station is in Tata. In Békés County, the county court, the directorate of the public prosecutions, the hospital and the archives are in Gyula. And in Nógrád County also, the county court, the directorate of the public prosecutions, the hospital and the Plant Hygiene and Soil Protection Station is in Balassagyarmat.

After the change of the regime the county functions were more and more concentrated on the county seats. In this context out of the towns which are municipal towns but not county seats it is only Hódmezővásárhely to possess one institution of county competence; there is not a single de-concentrated institution or organisation in Dunaújváros, Nagykanizsa and Sopron.

Those organisations, associations, institutions and offices belong to the other category of special central roles which can not be found in every county seats but only in certain cities. In this case since their presence is much rare their attraction zone is much bigger, extends the county borders and very often escalates to several counties. These roles are called regional or – as some would call – city functions (KOC SIS Zs. - RECHNITZER J. 1990). János Rechnitzer defined the regional functions as follows: “Polity-authority, organisation-management, trade and service and R&D roles extending over the county borders which mean the high concentration and combination of productive forces and are informational and communication systems at the same time” (RECHNITZER J. 1987).

So out of the central role of the settlements, the regional functions mean such rarely appearing special organisations, offices, institutions and authorities which’ attraction extends at least to two or more counties and which appear in the great cities visualising the great scale concentration of productive forces and human capital, so mainly the municipal towns.

From 1900 to regional roles changed several times in Hungary. All this of course was in connection with the productive forces and the change of the social-economy and politics as well. It occurred that only the name changed not the content, and it is also characteristic that some certain institutions and offices could be classified in the past and today as well as having regional roles. Observing to towns of the Hungary at the turn of the 19th 20th centuries Pál Beluszky found the following institutions, offices and organisations to be of regional competence: *royal court, mine*

captaincy, press court, chambers, teaching district head directorate, defence district centres, gendarmerie captaincy, industrial supervision, national railway directorate, post directorate, treasury council, scrivener chamber, clinics, university, regional great bank, head agencies of national insurance companies (BELUSZKY P. 1990).

Essentially there were no basic changes concerning the regional functions until the socialist administrative reorganisation in 1950. But the Trianon borders redistributed the attraction zones, we lost the majority of our regional centres. As a consequence of this, some regional functions were transformed from the annexed cities within the new border for instance the University of Pozsony/Bratislava to Pécs, the University of Kolozsvár/Cluj Napoca to Szeged and the Mining Academy of Selmecbánya/Banská Štiavnica to Sopron.

The former regional functions partly changed partly disappeared from 1950 because of the objecting to the decentralisation of the new centralised policy. The regional roles were also set back that many formerly existing spatial institutions were terminated (teaching district, chambers, gendarmerie etc.) and certain activities were institutionalised and secularized (trade, financial and credit institutions, insurance etc.). So the role of the county grew, the functions were rendered to the county framework. Regional institutions functioned further only at some areas – higher education, research, clinics, mail-transport, railway management. The anti-infrastructure policy set back as well the development of the regional roles which is important from the point of view that a certain part of the regional functions is characterised by infrastructure and service (electricity and gas service, telecommunication, transport etc.).

The economic-social-political change started at the end of the 1980s, than, on the effect of the change of the regime in 1990, recently there is a strengthening and numerical increase of regional roles over again. It is promoted on the one hand by the building of the market economy and that the great towns were freed of the administrative, state-regulated fixities, and on the other hand our joining to the European Union as the general strengthening of regionalism and decentralisation was increased. So the conditions in order to strengthen the regional roles and to create the spiritual, economic and service centres in the countryside are favourable. The book and paper publishing was liberalised, new functions appear in the areas of media, finance – credit – and stock commerce, economic-business services, trade and productive sphere characteristic to great towns. In many cases the state promoted this process as well for instance reforming some county institutional systems and their raising to regional level such as in the financial sector or in the case of polity-authority regional institutional systems.

Since 1990 more than a dozen new, regional organisation and institution was created. Their majority is primarily polity-authority organisation and institution such as the Regional Directorates of the Agrarian Marketing Centre, the Regional Head Architect Offices of the Ministry for Agriculture and Rural Development, the Regional Rural Development Offices of the Ministry for Agriculture and Rural Development, the Regional Marketing Directorates of the Hungarian

Tourism Ltd., the National Health Protection Development Institutions, the Regional Youth Service Offices, the Regional Work Force Development and Training Centres, the Regional Development Agencies, the Regional Tourism Committees and the Regional Agencies of the Regional Development Directorate of the VÁTI/Hungarian Regional Development and Urbanisation Non Profit Association. But head consulates were established in several countryside cities, the institutional system of monument protection changes as well and most recently the Immigration and Citizen Office of the Ministry of Interior Affairs was also decentralised since they created 7 regional directorates from January, 2002. Most recently the regional verdict courts are set up.

Besides the polity-authority authorities and institutions some new regional firms or institutions were created in several areas. Concerning the economy, the Hungarian Investment and Trade Development Non Profit Company, the Primus Media Agencies, the Regional Investment Corporations belong here, but a part of the bank and insurance network has been regionalised as well. The higher education institutions were integrated, the Spatial Centres of the National Translating Offices were established and the National Public Education Value Rating and Examination Centres as well. Finally the health care and the social institutional system were reshaped as well, the Regional Social Resource Centres were created and from 2001/2002 the National Catastrophe Defence Head Directorate of the Ministry of Interior is building its 9 regional technological rescue bases throughout the country.

So together from the change of the regime 24 new institutions and organisation with regional role were created and the several actors of economy were regionalising their national networks. So by today the number of institutions, offices and organisations with regional scope grew significantly. This process was strengthened in the last 3-4 years especially from when the NUTS levels appeared in the domestic institution system of regional policy and within that the planning-statistical regions and their regional development institutional network was established. The regional development councils on the regional level were created and their development agencies as well so the state increasingly decentralises the regional development support sources in the regions. Although the regions with regional development function do not necessarily claim for a regional centre, still there is a great rush among the municipal towns in order to receive the old and new regional functions. So there is a kind of redistribution fight among those towns which are probable winners to become regional centres for every regional role and directly to supervise the given region. Out of the municipal towns the new regional functions concentrated in the most populated cities assigned to be regional centres (*Table 3*). The most was given to Pécs, Szeged, Debrecen, Miskolc and Győr. Out of the municipal towns without being a county seat only Sopron established itself new regional roles (6), making rings round of several old and more populated county seats.

Table 3. New regional roles established from 1990 in the municipal towns *

Number	Town	New institutions (piece)	Hypermarket, regional bank and insurance company (point)
1.	Pécs	18	9
2.	Szeged	16	7
3.	Debrecen	15	8
4.	Miskolc	14	7
5.	Győr	11	8
6.	Békéscsaba	8	1
7.	Veszprém	8	5
8.	Székesfehérvár	7	5
9.	Szombathely	7	5
10.	Kaposvár	6	3
11.	Sopron	6	2
12.	Zalaegerszeg	5	4
13.	Eger	5	2
14.	Nyíregyháza	4	2
15.	Szolnok	4	3
16.	Kecskemét	3	5
17.	Salgótarján	2	-
18.	Szekszárd	1	1
19.	Tatabánya	1	1
20.	Nagykanizsa	-	2
21.	Dunaújváros	-	1
22.	Hódmezővásárhely	-	-

Source: Own edition.

* Érd was not yet a municipal town at the time of the survey

In 2002 there were altogether 80 regional roles registered in Hungary out of which there was 31 in the area of polity, 16 in the area of economy, 19 in the areas of education and culture and finally 14 in the areas of social and health care. Among the municipal towns in terms of the number and weighted points of regional functions there happen to be significant differences.

The regional roles (institutions)

By the piece		According to the weighted number of points		
1.	Pécs	60	1. Pécs	101
2.	Debrecen	58	2. Debrecen	95

3.	Szeged	56	3.	Szeged	94
4.	Miskolc	44	4.	Miskolc	71
5.	Győr	40	5.	Győr	60
6.	Szombathely	30	6.	Veszprém	42
7.	Veszprém	29	7.	Szombathely	39
8.	Kecskemét	24	8.	Sopron	32
9.	Szolnok	23	9.	Székesfehérvár	31
10.	Székesfehérvár	21	10.	Szolnok	31
11.	Kaposvár	20	11.	Kaposvár	30
12.	Sopron	19	12.	Kecskemét	29
13.	Nyíregyháza	16	13.	Eger	21
	Zalaegerszeg	16	14.	Zalaegerszeg	21
15.	Eger	15	15.	Nyíregyháza	20
16.	Békéscsaba	14	16.	Békéscsaba	18
17.	Szekszárd	6	17.	Tatabánya	7
18.	Tatabánya	6	18.	Szekszárd	6
19.	Nagykanizsa	4	19.	Nagykanizsa	5
20.	Dunaújváros	3		Salgótarján	5
	Salgótarján	3	21.	Dunaújváros	4
22.	Hódmezővásárhely	2	22.	Hódmezővásárhely	2

Based on the above mentioned, the Hungarian municipal towns, of course according to the weighted counts (points), can be ordered in the following hierarchy ranking:

- **Univocal regional centres:** Pécs (101), Debrecen (95), Szeged (94)
- **Regional centre with incomplete functions:** Miskolc (71), Győr (60)
- **Superlative centre with several regional functions:** Veszprém (42), Szombathely (39), Sopron (32), Székesfehérvár and Szolnok (31-31), Kaposvár (30), Kecskemét (29)
- **Superlative centre with a few regional functions:** Eger and Zalaegerszeg (21-21), Nyíregyháza (20), Békéscsaba (18)
- **Partial superlative centre with only slight regional functions:** Tatabánya (7), Szekszárd (6), Salgótarján and Nagykanizsa (5-5), Dunaújváros (4), Hódmezővásárhely (2).

Table 4: Hierarchy of the Hungarian municipal towns according to different surveys

Pál Beluszky (1999)	Iván Berényi and Zoltán Dövényi (1995)	Tamás Csapó (2002)	Ernő Szigeti (2004)
1. Complete regional centre: <i>Debrecen, Pécs, Szeged</i>	1. Developed regional centre: <i>Debrecen, Pécs, Szeged</i>	1. Univocal regional centre: <i>Debrecen, Pécs, Szeged</i>	1. Accentuated regional centre: <i>Debrecen, Pécs, Szeged</i>
2. Incomplete regional centre: <i>Győr, Miskolc</i>	2. Regional centre: <i>Győr, Miskolc</i>	2. Regional centre with incomplete functions: <i>Győr, Miskolc</i>	2. Regional centre: <i>Győr, Miskolc</i>
3. Complete county seats: <i>Eger, Kaposvár, Kecskemét, Nyíregyháza, Székesfehérvár, Szolnok, Szombathely, Veszprém</i>	3. Developed superlative centre: <i>Békéscsaba, Eger, Kaposvár, Kecskemét, Nyíregyháza, Szolnok, Székesfehérvár, Szombathely, Veszprém, Zalaegerszeg</i>	3. Superlative centre with several regional functions: <i>Kaposvár, Kecskemét, Sopron, Szolnok, Székesfehérvár, Szombathely, Veszprém</i>	3. Partial regional centre: <i>Kecskemét, Nyíregyháza, Székesfehérvár, Szolnok, Szombathely, Veszprém.</i>
4. Incomplete or partial county seat: <i>Békéscsaba, Salgótarján, Sopron, Szekszárd, Tatabánya, Zalaegerszeg</i>	4. Superlative centre: <i>Salgótarján, Sopron, Szekszárd, Tatabánya</i>	4. Superlative centre with a few regional functions: <i>Békéscsaba, Eger, Nyíregyháza, Zalaegerszeg</i>	4. Superlative centre: <i>Békéscsaba, Eger, Kaposvár, Sopron, Zalaegerszeg</i>
5. Sterling middle town: <i>Dunaújváros, Nagykanizsa, Hódmezővásárhely,</i>	5. Developed middle level centre: <i>Dunaújváros, Hódmezővásárhely, Nagykanizsa</i>	5. Superlative centre with hardly any regional functions: <i>Dunaújváros, Hódmezővásárhely, Nagykanizsa, Salgótarján, Szekszárd, Tatabánya.</i>	5. Partial superlative centre: <i>Salgótarján, Szekszárd, Tatabánya</i>
			6. Municipal town: <i>Dunaújváros, Hódmezővásárhely, Nagykanizsa</i>

Source: BELUSZKY P. 1999., BERÉNYI I. - DÖVÉNYI Z. 1995., SZIGETI E. 2004. and own editing.

It can be stated that out of the municipal towns the regional role is generally stronger in the cities as county seats, since during socialism primarily they were preferred. Only Sopron is an exception which is 8th in the list of the municipal towns concerning its regional roles. Behind this there is the strong traditions derived from the royal free town status and also that after Trianon Sopron took over many regional roles from the annexed towns of the Highland.

Arising from their regional role, the large towns (municipal towns) are the economic, social development centres of the region and even are its motors, and basically determine the forming of life circumstances in the domestic regions and guarantee the public services. In the domestic public life there is a long debate on forming the regions, on what functions should the regions be given, more exactly if they should receive administrative function as well apart from the statistical and regional development roles. We should not answer this question here but it is sure that the politics would like to realise the regional administration. This question is very interesting from the point of view that if the regional administration level is not formed than their centres should not be denominated. Then again if the administrative regions will be created than it should be necessary to point out their capitals, centres. Obviously the regional centres could emerge from the municipal towns, that is why it is interesting to survey, based on the regional functions of the towns, which municipal towns could come into question from the given regions as regional centres.

Out of the 7 regions of Hungary it can be univocally stated in 5 which town should be its regional centre. In Central Hungary Budapest, Northern Hungary Miskolc, nevertheless its regional role is incomplete. In the other 3 regions the situation is still more unambiguous since every city should be concerned to be developed regional centres. In the Northern Great Plain region Debrecen, Southern Great Plain region Szeged, South Transdanubia Pécs, which otherwise out of the municipal towns has the strongest regional roles. There are 5 municipal towns in Western Transdanubia and so the regional roles are greatly split, maybe due to the traditions as well, basically among 3 (maybe 4) towns. Győr is the biggest town of the region with the most regional functions, institutions but its situation is not univocal. Apart from it Szombathely should be considered primarily maybe Sopron as well. The same situation is experienced in Central Transdanubia where the biggest town of the region is Szombathely, but the regional role of Veszprém is stronger, so any of them could be considered as regional centre.

In this respect the professional and political opinions very much differ. According to some points of view one region can have only one regional centre which is the biggest town in the region and so the regional polity, authority and catering institutions should be concentrated there. According to other opinions, – to which the Alliance of the Municipal Towns belong as well – besides the regional centres there could be co-regional centres as well which share the regional functions and their adherent institutions.

3. ECONOMIC ROLE AND COMPETITIVENESS OF MUNICIPAL TOWNS

The municipal towns mean a decisive factor of the Hungarian economy as well as the settlement network where the majority of the domestic economy is concentrated. In the globalising world the competitiveness of the towns is well shown by its two economic aspects: one the one hand deregulation, and on the other hand the technological change which primarily mean the increasing economic role of information techniques and technologies, the information retrieval, the spread of new types of bank and financial systems and the wide range of telecommunication possibilities (KRESL, P. K. - SINGH, B. 1999). All this takes the economic forging ahead of the town economies since the increasing scale purchase induced by the market, technology and other externals are more concentrated from a geographical point of view – and not on the international or national level – and so they are present in the economies of the towns.

All this means that the development of the towns and the division of the town network is influenced by, besides the central functions, the business and economic services and the economic performance together. In Hungary all this appeared following the change of the regime, from around the second half of the 1990s (LENGYEL I. - RECHNITZER J. 2000.). In these days the institutions (central/regional functions) connected to public services are played down and they are replaced by the activities and institutions connected to town economy as market and consumption space and their attraction functions.

According to a 2001 survey there are altogether 7800 different innovative firms in the municipal towns (CSAPÓ T. 2002). We call those firms innovative which represent the “new town economy”, involve the increase of the innovation receptive abilities of the town economies, and mainly they are flourishing in financial-business services, R&D and education, media, telecommunication, technological and communal services and commerce and tourism services.

There are 3 towns with more than 600 innovative firms, out of which Pécs and Szeged have nearly 700, but Győr belongs to here as well. This last town from this point of view reached a remarkable position which is based by the huge economic potential of the town situated next to river Rába. They are followed by the 2 univocal regional centres Debrecen and Miskolc; there are 5-600 innovative firms inn both towns. In Székesfehérvár and Kecskemét, having more than 100 000 inhabitants and several regional functions, have 481 and 411 innovative firms. In Székesfehérvár, where the economic potential is similar to Győr, this number is relatively a few, while in Kecskemét, compared to the economic strength of the town, these firms are relatively numerous. Szombathely, Szolnok, Veszprém, Nyíregyháza and Kaposvár belong to the middle field of the municipal towns where there 3-400 innovative ventures registered. There are 2-300 innovative firms

in 7 towns out of which Sopron is a surprise with only 206 ventures, since the city of faith possesses university and strong regional role as well. The range of municipal towns is closed up by Nagykanizsa, Dunaújváros and lastly Hódmezővásárhely with fewer than 140 innovative ventures.

The above mentioned study surveyed the economic potential of the municipal towns as well. This meant the annual gross revenues of the middle and large ventures of the towns in 2001 and the number of those ventures having more than 1 Billion HUF gross revenues. In 2001 in the 22 municipal towns the total revenue of the middle and large companies was 7400 Billion HUF and a total of 730 firms had more than 1 Billion HUF gross revenues out of which 77 exceeded 10 Billion HUF. Out of these towns, Győr and Székesfehérvár far overtop the others with their economic power since they realize 42% of all the revenues of the municipal towns and there are the most giant ventures (with more than 10 Billion HUF revenue) found (*Table 5*).

The two large countryside economic centres are followed by Pécs where there is the second most middle and large companies (525), with a revenue of 517.1 Billion HUF. Out of them 50 produced more than 1 Billion HUF annual revenue. Szeged and Szombathely possesses of the 4th and 5th positions with nearly the same revenues, but there are almost two times more firms in the list than in Szombathely. In the case of the county seat of Vas we have to mention that more than half of the total revenue of the city's firms are given by one company, the Philips. This situation is quite frequent at the towns since in the case of Győr the Audi provides 58%, in Székesfehérvár the IBM provides 46.8%, in Zalaegerszeg the Felxtronics provides 78% and in Dunaújváros the Dunaferr provides 61.9% of all the revenues.¹

¹ As it can be seen, the strength of the town economy depends frequently from one large company. There were significant changes since the survey, the IBM ceased in Székesfehérvár and the Philips significantly cut back in Szombathely as well.

Table 5. The economic role of the municipal towns according to the receipts of the biggest firms (2002.)

Name		The middle and great firms		The number of the biggest firms		
		Receipts (Billion HUF)	Number (piece)	Total	Above 1 Billion HUF	Above 10 Billion HUF
Rank	Towns					
1.	Győr	1552,7	519	75	67	8
2.	Székesfehérvár	1370,4	380	60	50	10
3.	Pécs	517,1	525	50	43	7
4.	Szeged	433,4	516	55	49	6
5.	Szombathely	430,3	265	37	31	6
6.	Debrecen	372,9	548	64	57	7
7.	Dunaújváros	337,4	123	15	12	3
8.	Miskolc	317,4	438	50	45	5
9.	Zalaegerszeg	240,7	216	24	21	3
10.	Kecskemét	224,6	350	40	35	5
11.	Szolnok	176,7	282	31	28	3
12.	Nagykanizsa	175,8	120	14	12	2
13.	Nyíregyháza	158,2	326	40	39	1
14.	Eger	131,4	194	17	14	3
15.	Veszprém	125,4	213	24	22	2
16.	Kaposvár	119,8	216	23	20	3
17.	Békéscsaba	79,8	181	17	17	-
18.	Sopron	68,0	150	16	15	1
19.	Tatabánya	62,3	151	10	9	1
20.	Salgótarján	60,5	130	15	15	-
21.	Szekszárd	45,2	167	14	14	-
22.	Hódmezővásárhely	38,9	127	10	10	-

Source: Large and medium sized firms of Hungary Budapest 2002. TOP 200 Figyelő különszáma/special edition 2002.

The biggest countryside city, Debrecen is only in the 6th place, however there are the most middle and large sized ventures (548) and the second most ventures above 1 Billion HUF of revenues. The 7th place of Dunaújváros is quite a surprise but it is interpreted by the huge heavy industry company of the former socialist town, the Dunaferr. Otherwise, after Nagykanizsa, here are the less middle and large companies out of all the municipal towns. Miskolc, the great Northern Hungarian industrial city, which earlier had favourable periods as well, is only at rank 8 with a total of 50 companies with more than 1 Billion HUF revenue. Zalaegerszeg and Kecskemét have 200 Billion HUF as well, but from the two Kecskemét has much more large companies.

There are 6 towns belonging to the middle field with a revenue between 100-200 Billion HUF. Out of them Szolnok, Nagykanizsa and Veszprém have traditionally developed heavy industries. The economy of Nyíregyháza, Eger but especially Kaposvár developed significantly in the last decade. In this group the most middle and large sized companies are in Nyíregyháza (with 100 000 inhabitants) and Szolnok, while the fewest are in Nagykanizsa and Eger. The distribution of the number of companies having more than 1 Billion HUF revenue is similar, but it is obtrusive that there is only one venture with more than 10 Billion HUF revenue in Nyíregyháza.

The last ones are those towns, 6 in number, where the middle and large sized companies' revenues do not reach 100 Billion HUF. There are 4 county seats among them with a number of inhabitants around 50 000, excluding Békéscsaba and Tatabánya. Maybe the 19th and 20th positions of Tatabánya and Salgótarján is a surprise since they are traditional industrial cities, but their economy could not yet successfully change, no multinational companies were settled in those cities with great price revenue. Out of the 6 towns, Sopron and Tatabánya have one company above 10 Billion HUF revenue, no other.

The competitiveness of the towns and especially the great towns can be observed since the since the beginning of times, they continuously rival with each other. This is the same situation concerning the domestic great (municipal) towns as well. The competitiveness of the domestic towns was determined by completely different factors before the change of the regime than nowadays. After the economic and political change, due to the alteration to market economy, we can ascertain three important statements in connection with this:

- *The togetherness and correlation of the factors and institutions representing modern business and economic services is more direct.*
- *By the end of the 1990s, instead of the earlier classic institutions connected to public services, the business and economic services (as the group of factors personalizing the market relations) and the economic performances influence together the competitiveness of the towns.*
- *Besides the market and consumption factors, in a very close connection with them, the accessibility and availability of the towns was valorised.*

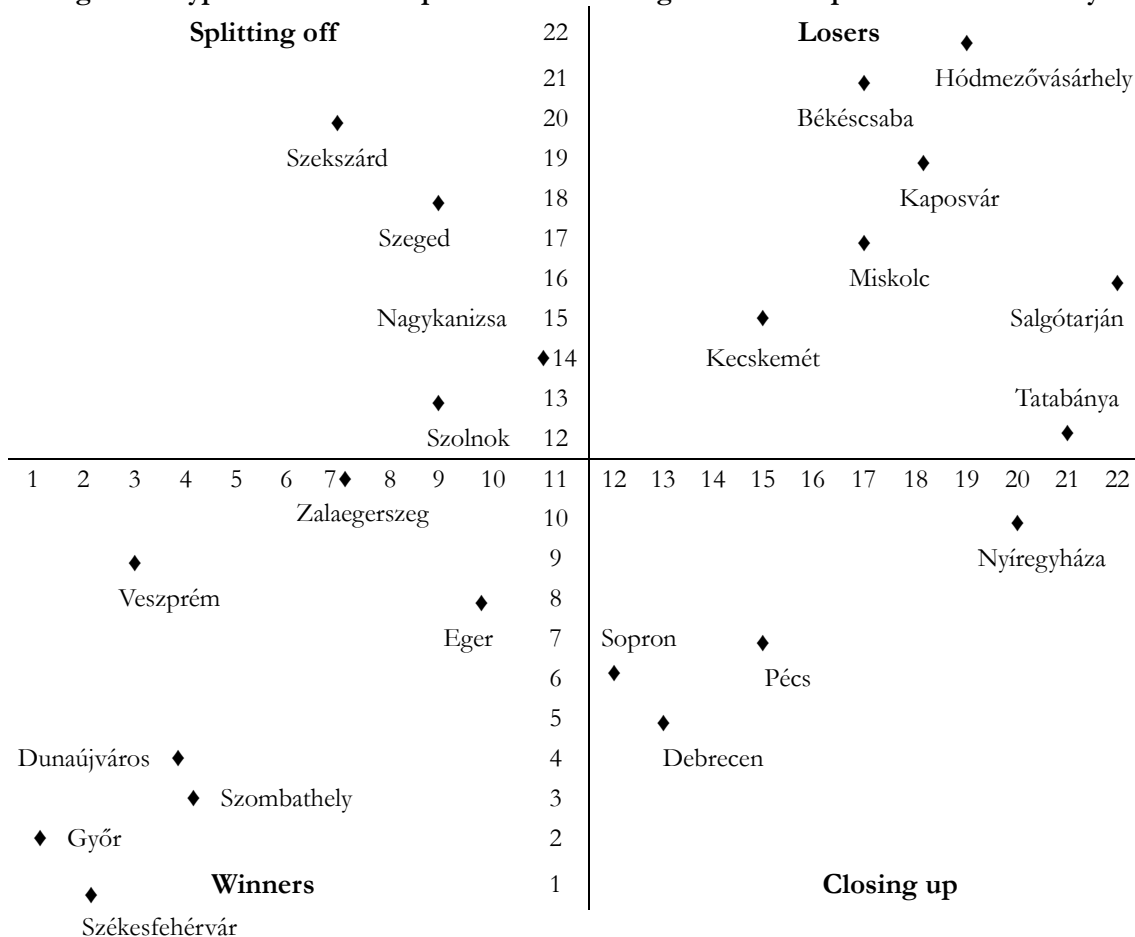
The competition of the towns in Hungary welters among the municipal towns since that is the scene with the greatest success for investors, for the appearance of the new market institutions and organisations and the settling of the different new administration functions/institutions. The last comprehensive survey concerning the competitiveness of the municipal towns was carried out in 2000 (LENGYEL I. - RECHNITZER J. 2000). By adopting an American method, the authors, on the

one hand, surveyed the factual economic potential of the towns, the change of the economic strength of the town in other words its dynamics, and in the other hand the present situation of the towns.²

The real competitiveness and hierarchy evolves taking into consideration at the same time the two hierarchies (dynamic and present). As a result of this, at the turn of the millennium, the municipal towns can be classified into four groups. In the group of the winners the towns are from Transdanubia in a majority, the only exception is Eger. Out of them Győr and Székesfehérvár possess the best positions. Those 4 towns are the closing up towns which have a favourable dynamics, slowly but surely improve their situation and have provisions. Here belong Sopron and Pécs from Transdanubia, Debrecen the second most populated city from the Great Plains and Nyíregyháza. Those towns belong to the 3rd group, which have moderate provisions but their positions were favourable in the given period. Szeged, Szekszárd, Szolnok and Zalaegerszeg constitute the splitting off group. Finally most of the municipal towns, 8 in number, belong to the losers (Békéscsaba, Hódmezővásárhely, Kaposvár, Kecskemét, Miskolc, Nagykanizsa, Salgótarján és Tatabánya) out of which there are only 3 in Transdanubia. The dynamics and present positioning of the towns of this group are both unfavourable in the network of great towns hence on the whole their competitiveness can be regarded weak.

² See the detailed methodology of the research LÉNGYEL I. - RECHNITZER J. (2000): A városok versenyképességéről. In: Horváth Gy. - Rechnitzer J. (Eds.) Magyarország területi szerkezete és folyamatai az ezredfordulón. Pécs.

Figure 2: Types of the municipal towns according to their competitiveness hierarchy



Source: LENGYEL I. - RECHNITZER J. 2000.

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