

# Socio-Economic Segregation and Urban Form in Post-Socialist Budapest

Anthony Noody

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*State University of New York @ Buffalo  
University at Buffalo, Buffalo, NY 14261  
<http://www.geog.buffalo.edu>  
[anoody79@yahoo.com](mailto:anoody79@yahoo.com)*

*Budapest Corvinus University  
1093 Budapest Fovam ter 8  
<http://www.uni-corvinus.hu>  
Adviser: Dr. Janos Ladanyi*

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## 1. Introduction

The primary goal of the study will be to analyze the change in the urban morphology of Budapest in the post-socialist environment. In particular the issues of urban sprawl and socio-economic segregation will be examined.

As has been shown in the literature, planning under communism was highly centralized with most decisions carried out at the national level, and generally integrated with the five year plans. Although segregation did exist under socialism, it has been suggested that the levels of socio-economic segregation were much lower than in most western cities. In addition, high levels of subsidies were given to public transportation. This fits in with the general socialist principle of accentuating those goods that were viewed as public goods at the expense of those considered private luxury items (such as private automobiles). Since 1990, however, there has been a radical decentralization of planning decisions to the local governments. In Budapest, this has meant the twenty-three individual districts within the city.

## 2. Common characteristics of cities under socialism

There has been significant debate in the literature about whether or not there exists a separate socialist city, uniquely identifiable from capitalist cities. French and Hamilton (1979) in one of the first major works on the urban form of socialist

cities argued that they are indeed unique. French and Hamilton look at the unique characteristics that distinguish socialist cities. They argue that indeed there is a "socialist city," and that it has been largely disregarded in the literature in the West, despite the large volume of work on urban theory and practice produced by academics in the socialist countries. They argue that it is the most neglected subject in the field of urban studies.

Much of the urban growth in many of the countries in the region (with the GDR being the exception) has occurred since the adoption of communist system, and there are many similarities between them. The transformation of cities under socialism has been overlaid characteristics of the previously inherited systems fossilized in stone. French and Hamilton refer to those cities which still retain substantial elements of their past (Leningrad, Prague, Lodz, Krakow, and Budapest) as socialized cities. The names of squares and monuments had symbolically changed, and many previously private stores and business have been nationalized and carried names describing their functions (dairy, hairdresser, supermarket, etc.). Urban living has been considered the highest form of socialist life, and therefore there has been an attempt to urbanize (and industrialize) the rural areas into agrogorods (French and Hamilton 1979). This would form a part of the settlement hierarchy.

There has been an attempt to separate industry and residences, while at the same time putting them in close enough proximity to limit commuting. (French

and Hamilton 1979). The mikrodistrict has become the primary unit of new housing construction in socialist countries. It consists of high-rise residential blocks, along with most lower-level daily services. Many theorists in the socialist countries have argued for the limiting of cities to an optimum city size. Over time the size has been increased, and various measures to limit urban size have been largely unsuccessful. This is largely the result of priority given to rapid industrialization and the benefits of the economies of scale. Socialist cities could be either monocentric, such as Budapest, Moscow, Sofia, Warsaw, Gorky, Lodz, Novosibirsk, and Sverdlovsk, or they may be multinuclear such as the industrial agglomerations of Donbass, Upper Silesia, and the Kuzbass (French and Hamilton 1979). Although French and Hamilton do acknowledge a degree of social stratification in socialist cities, they argue that it has generally not acquired wide scale spatial dimensions. They argue that the free, and non-spatially variable health and education provision is one of the factors in this.

In general, under communism, urban planners had significant power in affecting the shape of the urban environment (although arguments can be made that they were at the same time extremely limited as a result of ideological constraints imposed by the communist government). Despite the limitations imposed by the need for ideological consistency with communist principles, planners in socialist Central and Eastern Europe didn't have to deal with working under market considerations in the same

way that urban planners under capitalism have generally had to. This distinction has been pointed to by Reiner and Wilson (1979) and Szelenyi (1996) among others. This has allowed planners to do things which may otherwise not have occurred in the cities of capitalist countries, such as the provision of large public squares in what would otherwise be valuable land in the center of the city. Two prime examples of this are Alexander Platz in the center of what was East Berlin (Szelenyi; 1996, p. 301), and the extravagant construction of the central boulevard in downtown Bucharest under Ceaucescu. Many of these large public squares and boulevards in otherwise valuable areas were to serve as ceremonial monuments to the power of the state, and would also often have socialist-realist statues located in them.

Many authors also point to the relatively lower level of socio-economic segregation in the socialist cities (French and Hamilton, 1979; Harloe, 1996; Szelenyi, 1996). Although French and Hamilton do acknowledge a degree of social stratification in socialist cities, they argue that it has generally not acquired wide scale spatial dimensions. They argue that the free, and non-spatially variable health and education provision is one of the factors in this. Although Szelenyi has agreed with the notion that socio-economic segregation was much lower in the socialist cities than in the West, he acknowledged that its existence as a result of the distribution of state housing, in which party elites and higher educated households were more likely to have access to the best state housing.

Another characteristic of cities under socialism identified in Szelenyi (1996), among others, is that of under-urbanization. This refers to the disproportionately low level of urbanization compared to the level of industrialization. Socialist countries in the region had achieved a fairly high level of industrialization without going through the same degree of urbanization that had occurred in the West. Szelenyi explains this pointing to the heavy emphasis that was on the development of heavy industry under socialism, and the accompanying suppression / neglect of commercial goods. This also happened to include housing as it was seen as a non-productive segment of the economy. Thus many continued to live in rural areas surrounding the cities, and commuted to work in industry, as pointed out by Compton (1979) in the case of Budapest. Another reason for under-urbanization was the desirability of part-time family farming in order to supplement ones income (thus industrial workers also participated in part time farming, both for private consumption, and for sale in the informal second economy).

Reiner and Wilson (1979) Smith (1996) the ubiquitous and cheap (highly subsidized) provision of public transportation as one of the distinguishing features of socialist cities. The fact that Soviet cities rely much more upon public transportation and much less on the automobile is reflected in the distribution of land-use. In all size cities much less land is allocated to streets in Soviet cities than in US cities. In smaller cities, much

of this is instead allocated for residential uses, while in larger cities it is allocated to commercial and public land use, and parks. It has been pointed in the literature however, that land is inefficiently over-allocated to industrial use in the Soviet Union (although exact data was not public attainable at the time).

### 3. Budapest under state socialism: 1945 to 1990

In general, under communism in Central and Eastern Europe, planners had significant power in affecting the shape of the urban environment. Despite the limitation imposed by the need for ideological consistency with communist principles, planners in socialist Central and Eastern Europe didn't have to deal with market considerations in the same way that urban planners under capitalism have generally had to. This has allowed planners to often do things which may otherwise not have occurred in the cities of capitalist countries (at least as far as most development during this period is concerned), such as the provision of large public squares in what would normally be valuable land in the center of the city. Along these lines, there has also been a significant amount of preservation of the earlier structures in the centers of the socialist cities, unlike the pressure for more profitable uses (skyscrapers, etc.) in many North American cities for example. Budapest, indeed can be considered a good example of this, with most of the

center being rebuilt in the old way (despite significant destruction during the war), and much of this being left comparatively intact under socialism.

Another key difference was the far more limited degree of socio-economic segregation than that which existed in most Western cities (Harloe 1996; Compton, 1979). Szelenyi (1996) also points to the relatively lower level of socio-economic segregation, in-line with the general ideology of socialism, but does point to the existence of segregation by social status as a result of the way in which state housing was distributed. Under the system, party-elites and those with higher levels of education tended to have the best access to the highest quality state housing (particularly housing in the Buda hills).

Another characteristic of Budapest under state-socialism (along with most other cities in the region) was the ubiquitous and cheap (highly subsidized) provision of public transportation (Tiner, 1995). Budapest already inherited a well developed tram system from its past, which was maintained and updated. It also significantly extended its subway system under socialism, adding metro lines 2 and 3 in the 1970's and 1980's. This is emphasis on public transportation is of course in line with the ideological emphasis of socialism on the collective good, and a de-emphasis on private commercial goods which are considered to be capitalist luxuries (which included the private automobile). Logically, the emphasis on public transportation had an enormous effect on the urban form of Budapest under socialism, where

unlike in the West suburban sprawl never took hold. Smith (1996) describes the significance of this difference, along with the socialist planning concept of Mikrorayons (developed in the Soviet Union, but of broad influence on all cities in the region including Budapest). Mikrorayons are relatively self-sufficient planning units consisting of large-scale state housing estates, and with most major commercial activities that are needed on a daily basis (such as groceries) within walking distance. French and Hilton (1979) described these as self-contained communities. They point to this as one of the unique characteristics of socialist cities. The architecture of these developments was heavily influenced by Le Corbusier, with large-scale (often 10 to 20 story), apartment blocks generally void of any extraneous decoration, situated in park-like settings (although this was often only the idealized case). They have also resulted in comparatively high residential densities towards the urban peripheries in comparison to Western cities as identified by Reiner and Wilson (1979). These high-density apartment blocks in park-like settings are of course only made possible by the emphasis on public transportation rather than the automobile. The mikrorayons were connected via public transportation (in particular in Budapest the metro), to the center, where many of the higher level government commercial functions were located (such as the state owned department stores). Many of these mikrorayons in big cities such as Budapest extended relatively far from the center, and in-essence formed beads of high-density

development along the major public transportation lines, with green-space and lower-density development filling in much of the space in-between. The high-rise housing estates built in the 1970s, and located on the outskirts of the city in such areas as Kispest, Budafok, Rakospalota, Bekasmegyer, Ujpest, Gazdagret, and Kaposztasmegyer are the most emblematic of the mikrorayon style development (Enyedi and Szirmai: 1990).

#### 4. Budapest's post-socialist transition: 1990 to present

One of the most dramatic changes in the transformation of cities of post-socialist Central and Eastern Europe since the fall of communism has been the drastic decentralization of planning decision making. Cities such as Prague, Bratislava, and Budapest, among other cities, were broken down into autonomous local districts (Nedovic-Budic 2001). This process is in many ways the exact opposite of the regional planning concept. One of the most extreme examples of this devolution of planning policy down to smaller units of government has been that of Budapest. Planning is essentially carried out at the level of the district now, of which the city is divided into 23. This has resulted in an atmosphere of competition in which each district has attempted to be as pro-development as possible. Therefore, each district has looked primarily at the ways in which various development projects will affect the area within their own boundaries,

without much consideration for the externalities that would occur to other districts, or the overall effect it would have on the urban form of greater Budapest. Nedovic-Budic succinctly describes this hyper-competition as one in which "local districts compete for investors with other districts and are often lax in their requirements and guidance" (Nedovic-Budic 2001, p. 8). Such a decentralized system of urban planning seems capable of potentially resulting in suburban sprawl, inner-city deterioration, and high degrees of socio-economic segregation, as the wealthier districts, and those with abundant supplies of green-space on the periphery are in the best position to offer the most lucrative incentives to developers.

Douglas (1996) describes this decentralization of much policy decisions and planning control in Budapest to the district level as a result of the 1990 act on local-self-government. Under the devolution of powers in this act, the individual districts now have the power to enact their own laws, collect taxes, and significant responsibility over basic education, cultural and scientific activities, maintenance of local roads, fire-fighting, public housing, the privatization process, and even certain environmental policy issues (both natural and built). Despite the fact that the municipal city council of Budapest (the legacy of regional planning) remained, it has had little power due to lack of financial power, and the non-existence of any requirement for the districts to cooperate in any way. In his work, Douglas looks at how this, along

with the process of housing privatization (a whole subject in itself), has accelerated the socio-economic differences between neighborhoods in Budapest. He does this, analyzing changes in housing value from 1990 to 1994 for various neighborhoods in Budapest, and found that those areas of the city that were already the wealthiest (in particular districts in Buda, and the CBD in Pest) had the largest gains, while the poorest districts faced the largest relative declines.

At the same time that planning has been decentralized, and in many ways made ineffectual, the urban environment of Budapest has come under the seductive power mass-consumerism. Indeed, mass-consumerism has filled the ideological vacuum created by the retreat of state-socialism, and the buying and selling of Western commercial products in particular has been, and still is in many ways a symbol of rebellion against the previous communist regime (Bar-Haim 1987).

One of the most noticeable phenomena in post-communist Budapest has been the rapid proliferation in the number of malls (Dingsdale 1999). As of December 1999, as many as 19 shopping centers had been built or were already in the process of being built in and around Budapest. This has caused concern among some, including the city's chief architect, Schneller. He has stated that he doesn't like "those boxlike structures being built in green-field areas, these primitive boxes covered with metal. The architecture of these shopping centers is very inhuman. You arrive at a gray parking area and you

go into a box. They are claustrophobic." (Kovac 1999, p. 52). Indeed the balkanization of planning decisions in post-communist Budapest (as outlined above) has allowed for such developments to occur, despite objections from certain architects and planners over their overall aesthetic quality and their effects on the urban form of greater Budapest. One of the best examples of the new mass-consumerist Budapest is the "West End City Center." The \$200 million project, built in 1996 includes a multiplex cinema, numerous shops, offices, indoor parking, and a five star casino hotel. It is over 80,000 square meters, and is considered to be Central Europe's largest multi-use shopping center (Kovac 1999). Of particular interest is the slogan of the mall as being "Az uj belvaros" or "the new city center." Wiessner (1999), Sykora (1999), and Kreja (2004) have found commercialization and proliferation of shopping centres to also be characteristic of the post-socialist development of cities in the former GDR, Prague, and Warsaw.

Between 1990 and 2001, the population of the city of Budapest decreased by about twelve percent from approximately 2.02 million to 1.78 million. At the same time, the population of surrounding Pest County increased by about 13.8% from approximately 0.95 million to 1.08 million. This certainly seems to indicate that urban sprawl has been occurring during the transition. It is expected that this drastic decentralization of the population is not only affected by the changes in the transportation system, but will also in turn affect the future demand (and

thus potentially supply) for automobile oriented transportation infrastructure. The literature has also suggested that socio-economic segregation has increased during the transition. The process of housing privatization has been pointed out as one of the primary causes of this.

## 5. Housing Privatization

Privatization of previously state owned housing has been one of the primary components of the transition from socialism. It has widely been upheld by many Western experts and major international organizations (such as the World Bank and the IMF) as the inevitable thing to do. This is much in line with the general neo-liberal economic bias of many of these organizations in attempting to give advice with regards to the transformation in the region. Marcuse (1996; 2004) however, argues that rapid privatization of property could lead to disruption. He looks at property rights as consisting of a bundle of rights which may be very different under different systems and for different types of property ownership arrangements. Marcuse pointed to the general misconception that property rights didn't exist under socialism. On the contrary, under socialism there existed significant property rights to usage, even in state owned housing. The right to profit from the ownership of land was restricted however. Increased rights to obtain speculative profits through privatization and changes in the actual contents of property rights has often led to decreased usage rights for many however, and also increased potential for evictions and homelessness.

The privatization process itself has often led to increasing socio-economic disparities, as those that already had the most advantageous positions under socialism, also had the most advantageous position afterwards (Douglas 1996; Kovacs 1998; Sailer-Fliege 1999; kharkik 2002). Sailer-Fliege argues that as the housing policy in many of the post-socialist countries has come to more resemble those of the neo-liberal Anglo-American model, segregation has increased, along with decay of old housing stock in less favored areas. She points to Hungary as being one of the most noticeable cases of this, with some of the other countries more resembling the Continental European corporatist welfare systems.

Kharkik (2002) describes the process of housing privatization in Tartu, with particular emphasis on its implications for winners and losers. Towards the end of the article she develops a theory explaining the transformation in the housing system and its effect on the increasing socio-economic disparities in the region (which she argues it has). In particular she incorporates the changing relationship between owners and tenants into the model on transformation. Kharkik argues that those that acquired housing through restitution gained the most under the system (under restitution property is given back to the original, pre-socialist owner, with proper documentation of its confiscation from the communist regime in the 1940's - when Estonia became part of the Soviet Union). Those that had privatized gained the second most as they were able to take advantage of the vouchers that were given to privatize at highly subsidized rates. Those that

previously lived in apartments that were transferred as a result of restitution are now the most disadvantaged, as they did not have the opportunity to privatize / purchase their home. Many of these are ethnic Russians, which came to Estonia after it became part of the USSR, with the active encouragement of the Soviet government.

In his dissertation, Douglas (1996) examined the relationship between privatization and renovation. Regarding privatization, he showed (using the 1995 neighborhood survey data) the privatizers tended to be younger, wealthier and better educated than non-privatizers. Also, non-privatizers were more likely to be unemployed or physical workers. With regards to the quality of the housing that was privatized, it tended to be of higher value, larger, newer, and was more likely to have been renovated since 1989, and/or in the process of renovation (in 1995). This seems to support the hypothesis that the lower quality, older housing, most in need of renovation, is increasingly becoming residualized in the public sector.

It was also found that privatizers tended to be more satisfied with their neighborhood, with non-privatizers being much more concerned with crime in their neighborhood than privatizers (for privatizers issues such as noise, traffic and smog came up as the biggest reasons for dissatisfaction with their neighborhood). In addition, privatizers were more likely to be satisfied with the privatization process under the transformation. This is only to be expected as they gained the

most under the low subsidized housing prices (often as low as ten percent of the market value), while those that didn't privatize were not able/willing to take advantage of this benefit. Non-privatizers were also more likely to support public subsidization of rents and a mix between public and private housing (as opposed to a predominantly private housing market).

As for renovation, it was found that renovators tended to be younger, wealthier, and better educated than non-renovators (as they most likely had the greatest means to do so). The privatized houses were found to have the highest rates of stated renovation from 1989 to 1995, or planned up until 1996. This may be explained by the higher social status of those that privatized, and their younger age (greater means). In addition they had the most to gain from renovation, as they tended to live in more valuable homes, usually in more valuable areas of the city. In addition, there has been decreasing support for renovation within the public housing sector since the transformation.

Spatially, renovation was found to be the most extensive in the inner-city areas. This has been particularly true for the nicer parts of the inner-city, such as District V (the CBD), with Lipotvaros having the highest percentage of stated renovation (from the surveys) between 1989 and 1995 (Douglas, 1996).

## 6. Deindustrialization and changing land-uses in post-communist cities

Many studies have shown that de-industrialization has accelerated rapidly with the fall of communism (Kiss, 2002; Kovacs, 1994; Riley, 1997; Dingsdale, 1999). Under socialism, deindustrialization was largely warded off as the governments generally continued to subsidize large state owned manufacturing plants. With the fall of communism however, many of these outdated state owned heavy industrial facilities were outdated, and were either closed or privatized (usually accompanied by significant cutbacks). Instead areas of the new economy such as command and control functions, producer services, low-end service jobs, and high tech firms have been the new focus of rapid growth. Deindustrialization has been the most pronounced in the central areas of many of the new offices and commercial developments have expanded the most during the transition.

Kiss (2002) looks at the effect of deindustrialization in Budapest under post-communist transformation, and its effect on industrial areas (with particular emphasis on reuse). She explains how this process had only begun to accelerate since 1989 in Hungary (almost two decades later than in much of the West). Kiss begins by discussing the locations and historical development of industrial areas in Budapest (which date back about 130 years ago). There are two major concentrations

of industrial activity in Budapest, both in the North and South of Pest (particularly in districts XIII and IV, and districts IX and XXI respectively). There is also a slightly smaller concentration east of the CBD, centered on district X. She shows that deindustrialization has been particularly fast in district XIII (especially in the Southern part of the district). She argues that this is primarily due to its location adjacent (just North) of the CBD in district V, and the expansion of inner-city activities into this area (as it is over-crowded in the CBD proper). In addition this area has favorable transportation links to the center of the city (with the Metro 3 running through the district).

Similar to Kiss's analysis of Budapest, Riley (1997) describes evolution of uses of the central area of Lodz (with particular emphasis on deindustrialization). The city itself was planned in 1824, in an effort to promote economic growth through the development of the textile industry, and the present grid layout of the streets date back to this plan. He explains how many areas located in or near the CBD that were industrial before World War II, remained predominantly industrial under socialism, as the socialist government took a relatively pragmatic view towards continuation of use of already existing manufacturing facilities. By the 1970's there was massive development of offices and department stores in the Southern part of the center of Lodz, thus extending the CBD in this direction (this was part of an effort by the planners to create a new socialist style CBD in

competition with the older pre-socialist one. Since the fall of communism, there has been a drastic decline in manufacturing in Lodz (particularly in the central areas), and many of the previous factories have been converted into commercial and office uses. This has particularly been the case for the most central locations, near the central Piotrkowska street. There has been an increase in mixed use in the center of Lodz, with many courtyards (and other parts of buildings) being converted into offices and commercial uses. This has changed the relatively monotonous, single land-use pattern that existed under socialism. Thus, similar to Kiss, in describing the former industrial areas of Budapest, Riley found that former factories in the central area of Lodz were given away to new, more diversified commercial and office functions during the transition.

## 7. Planning decentralization and neighborhood change

One of the other most dramatic changes in many of the cities throughout the region, since the fall of communism, has been the drastic decentralization in planning. Cities such as Prague, Bratislava, and Budapest, among other cities, were broken down into autonomous local districts (Nedovic-Budic 2001). One of the most extreme examples of this devolution of planning policy down to smaller units of government has been that of Budapest, where most planning is essentially carried

at the level of the 23 districts that make up the city. This has resulted in an atmosphere of competition in which each district has looked primarily at the ways in which various development projects will affect the area within their own boundaries, without much consideration for the externalities that would occur to other districts or the overall effect it would have on the structure and condition of greater Budapest. Such an atmosphere has indeed played well for both domestic and international developers, which may play the aspirations of each district off each other. "As owners of significant portions of land and the ultimate decision makers, local districts compete for investors with other districts and are often lax in their requirements and guidance" (Nedovic-Budic 2001: 8). Such a decentralized system of urban planning seems to be capable of potentially resulting in sprawl like suburbanization, inner-city deterioration, and high degrees of socio-economic segregation as the wealthier districts, and those with abundant supplies of green space on the periphery are in the best positions to offer the most lucrative incentives to developers (Tosics 2004).

As has been mentioned above, Douglas (1996) also decentralizing effects of the 1990 act on local self-government in Hungary. With this decentralization of planning policy and the effect of housing privatization on socio-economic disparities (ad the different rates of housing privatization between each of the different districts) in mind, Douglas looks at how the *rendszer* affects

(post-communist transformation) or “change of system” has accelerated the socio-economic differences between neighborhoods in Budapest. He does this by analyzing changes in housing value from 1990 to 1994 for the neighborhoods that were studied in the 1995 survey, using data from the Budapest Duties Office (Ingatlan Piac). The data for Pok utca and Zuglo are for the housing estates (that were examined in the 1995 survey), but for the other areas the district level data were used (District V for Lipotvaros, VII for Erzsebetvaros, IX for Ferencvaros, and XIII for Angyalfold). Data for Pestlorinc was not directly comparable, as it was only available in the housing unit level, and not by square meters.

For districts V, II, and Pok utca (district II), the housing values increased the most (both in absolute and relative terms). All of these areas had already been favored under socialism, and only became more valuable at an accelerated pace under the transformation. The values tended to stagnate (or increase only slightly) for the other areas however. One of the fastest rates of increasing housing values was noted in district V. Douglas argued that this was a result of the relative degree of disinvestment / deferred maintenance in this area under socialism compared to its expected attractiveness given its location in the commercial, business, and government center of the nation (CBD of Budapest). With the transformation, there has been a rapid increase in the amount of commercial speculation, which is significant in explaining the rapidly increasing values in the district. This

has also been accompanied by fairly high levels of renovation in the district. In addition, Douglas argued that district V was relatively well off financially (vis-à-vis the other districts), and was thus able to use this advantage to increase its position even more.

In contrast to District V, the state / district sponsored gentrification efforts in district IX (originally dating back to the 1980's and centered around Ferenc ter) were not found by Douglas to have resulted in any significant increase in housing values for that district. Dingsdale (1999) and Tosics (2004) have argued this has indeed been a noticeable case of successful gentrification in Budapest (despite some of the negative aspects of dislocation).

Douglas also examined the issue of housing mobility by neighborhood, as a proxy for the potential for neighborhood change (either up or down). It was found that mobility was strongly correlated with age (with younger residents being most likely to move more frequently), and income and education (higher status / income residents were more mobile). Spatially, the highest mobility rates were found in Erzsebetvaros and Pok utca (both with a high concentration of younger residents), and the lowest were Angyalfold, Pestlorinc, and Verhalom.

Concern over the effects of planning decentralization in Budapest were also expressed in a 1991 round-table discussion entitled “Local government reorganization and housing policy in Budapest: a roundtable discussion,” which included the mayor of Budapest, Gabor

Demszky (who also happens to be a sociologist), along with several academics. The discussion took place after the “Hungarian Sociological Association Annual Conference” of that year, and was organized by the sociologist Ivan Szelenyi. During the meeting, Szelenyi brought up the possible connection between planning devolution and the potential decline of public transportation. In doing so, he referred to his experience in Los Angeles, stating that “the independent suburbs refuse to allow the subway into their areas because Beverly Hills does not want to let the hispanics and blacks ride on the subway down to Rodeo Drive shopping centres, they don't want to see these people, they prefer to leave them 25 miles away in East Los Angeles or in Rods.” (IJURR: 1992, p.472). Indeed as decentralized planning decisions, and decentralized property tax rate determination occur in such post-communist cities, one may expect increased socio-economic marginalization. This may perhaps also result in a decline the desire for cooperation between the various municipal divisions in such areas as the development of the strategic transportation plans. In addition, transportation may potentially become increasingly class-stigmatized as it is in many American metropolitan areas. Ladanyi (1989;1993) argues however that segregation against gypsies (Romany) is much greater than that based on socio-economic characteristics in Budapest

This relative decline in public transportation vis-à-vis the automobile may also result in an acceleration of

urban sprawl in the region. This may prove to further increase the potential for socio-economic segregation with the potential for greater distances between different groups (and reliance on different modes of transportation). Tiner (1995) pointed out the rapid rise in the number of automobiles, and relative decline of public transportation in Budapest since the 1980s.

In the case of Budapest, there has already been a rapid decentralization of the population as between 1990 and 2001, the population of the city of Budapest decreased by about 12 percent from approximately 2.02 million to 1.78 million. At the same time, the population of the surrounding Pest County increased by about 13.8 percent from approximately 0.95 million to 1.08 million (data from KSH – Central Statistics Office of Hungary). This is in contrast to the dynamics under socialism, in which suburbanization of the population wasn't very significant. Kok (1999) pointed to the rising phenomenon of suburbanization around Polish and Hungarian cities. She found however that unlike in many Western cities, the socio-economic status of those that suburbanized in Hungary and Poland were not necessarily higher-status. Instead the primary motivations tended to be based on family structure, with the birth of a child being one of the primary motivations to suburbanize in Hungary. Enyedi (2000) confirms this, by arguing that the Hungarian capital has been one of the most dynamic growth areas in the country economically under transition, and that it, along with areas located between

the capital and Vienna such as Győr and Sopron, have been increasing their relative socio-economic status, only widening the pre-existing regional disparities. Wiesner (1999) has noted the same phenomenon of rapid suburbanization (and inner-city population decline) to be particularly pronounced in former East German cities.

According to Kok, despite a general economic crisis in the countryside, and lower unemployment rates, and higher paying jobs, net urban to rural migration has increased in Hungary and Poland since the transition from socialism. Most of this is attributed to suburbanization however, as short distance urban to rural migration has grown, while long distance urban to rural migration has decreased (and overall migration nationally has decreased).

Under socialism, suburbanization was largely constrained. This was due primarily to “low levels of investment in infrastructure, services, and public housing as well as low levels of car ownership.” (Kok: 1999, p.57) Traditionally suburbanization had been primarily a low status phenomena (with those with lower levels of educational attainment more likely to suburbanize). Kok shows that there has been a steady increase in suburbanization of higher status households throughout the 1990s however.

Kok argues that in the West, In the West suburbanization is typically associated with changes in housing career (often from rental to owner occupied). The major push factors are congestion, pollution, noise, and safety concerns. It

generally is a predominantly middle and upper income phenomenon. Singles are less likely to suburbanize both because of their housing needs, and because of there stronger focus on urban amenities. In the West suburbanization is typically not strongly motivated by activity changes (changing jobs, studying, etc.). In Hungary and Poland however, it was found that changing an activity, increased the odds to suburbanize (Kok, 1999).

## 8. Conclusions

As has been shown, there has been a radical decentralization of planning decisions to the local governments throughout much of post-socialist Central and Eastern Europe. In Budapest, this has meant the twenty-three individual districts within the city. At the same time, it has been argued in the literatures that planning in Central and Eastern Europe has had significant difficulty in overcoming the stigmatization that results from its association with the former authoritarian regime. The current decentralized system of urban planning seems to be capable of resulting in suburban sprawl, inner-city deterioration, and high degrees of socio-economic segregation. In addition, those municipalities with abundant green-space on the periphery are in the best position to offer the most lucrative incentives to developers. There has also been a drastic increase in the number of automobiles and significant road building/improvement projects (including the planned construction of the M0, an outer ring highway encircling

Budapest). The drastic decline in the population of the City of Budapest, and the dramatic increase in the population of the surrounding Pest County seem to lend support to the increase in suburbanization. The literature, regarding the effects of privatization, also accounts some of the potential increases in socio-economic segregation.

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# A review of the inaugural year of the Hungarian-Chinese bilingual elementary school

Linda Huang-McCullough

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*E-Business Consultant  
At-Large  
huang\_linder@hotmail.com*

*ELTE UNESCO Minority Studies Program  
Institute of Sociology  
1117 Budapest, Pf. 394 Hungary  
<http://unesco.tatk.elte.hu/>  
Adviser: Antal Örkeny*

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## Abstract

*Significant migration from the People's Republic of China to Hungary began in the 1990s. Looking for entrepreneurial opportunities, these transnational Chinese have found significant success in operating restaurants and retail stores selling primarily clothes, shoes, and housewares. Following economic success, the growth of Chinese and mixed heritage families has become more visible in the past few years. Recognition of the permanence of Chinese immigrants in Hungary has culminated in the opening of the Hungarian and Chinese bilingual primary school in Budapest's XVth district in 2004, funded by both Chinese and Hungarian governments. This first year of the school started with many challenges with behavior, discipline, adjusting the curriculum, and culture shock. For the most part, the year has been successful, as demonstrated by the advancement in Chinese language by native Chinese speaking children and the bilingual progression of the student body in general. This school has also served as a site for field research on child development of cultural identity (an examination of the Chinese term "lao wai") and a study of cultural differences in self-concept.*