

## The most important city development initiatives of Hungary \*

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Recently, Hungary's urban development issues have been gaining increasing attention, while directions and institutional frameworks of regional politics are in a constant change. In this context, the study discusses the contents and connotations that can be linked to the territorial concept of major Hungarian cities; it also examines the changes in the position of these cities in the urban system. Major cities have a key role in territorial development as they facilitate spatial processes, and hence it is crucial to identify the weight and directions these centres with complex functions represent in development concepts. The formation or even restructuring of spatial processes require time. Since the democratic transition in 1989–1990, different development directions were assigned to major cities in short cycles. Cities have failed to adapt to these ever-changing objectives.

The first part of this study presents the layers of the concept of major cities and characterize such categories as regional centre, city, county seat, and city with county rights. The second part tries to locate these centres, exploring changes in their developmental emphases, and also identifies pathways in the frequently changing territorial politics of the post-transition period.

## **Introduction**

Since 1990, major cities and their hinterlands have been embracing various concepts and directions for achieving development, thereby significantly contributing towards the contents of territorial politics and developmental concepts. Since then, these centres have evolved from being regional administrative centres (1990–1994), to main- and sub-centres of development regions (1998–2005), and eventually to growth poles (2005–2008). Meanwhile, they were also subject to a discontinued

\* This work relies on this study: Rechnitzer (2019).

attempt of administrative decentralization (2006–2010), and, later, they became centres of development, independent of the counties (2012–2016). Today, the focus of these centres has shifted to territorial development. As stated earlier, besides numerous generic development goals, unique and specific developmental concepts have been designed for major cities over the past 30 years. These centre- and region-specific ideas and concepts were well-coordinated by several cities, which led to dynamic development. However, other cities were less successful in this synchronization, and hence their situation did not improve significantly.

The development of major cities in the urban network as counter-poles to Budapest was not a successful process both before and after the transition. The capital is considered unique and has a paramount position owing to its size; economic concentration; role in the settlement network, the Hungarian culture, or public thinking; and weight. Although there were several attempts toward decentralization at a territorial level, Hungary continues to have a centralized structure. Due to centralized administration and national development and the strong centralization of the various state functions, major cities have failed to offset the ‘capital myth’, despite the creation of many regional organisations.

### **Dimensions of the Metropolitan System**

The importance of cities can be determined by two factors that are built upon one another and define one another’s institutions, entirely or partially. These factors are the population and the role of a city. So the more people live in a settlement, the more versatile the market spaces are, so we can count on more functions and the presence of organizations and institutions that embody them. The population size determines the role of a city’s and its institutions, and vice-versa. In other words, the institutions and organisations of a city attract inhabitants and increase the concentration of population (Lengyel–Rechnitzer 2009). These two concepts form a unified system and both stand as the outcome of the development process that has been taking place since centuries in the metropolitan world.

In regional economics, the centers are settlements that can organise, supply, and direct market areas of various sizes and spreads. However, lacking in various functions, they are subordinate to other market supply areas. These central places emerge from the intersection of internal networks. The resources – products, materials, personnel, skills, innovations, and information – free flow in space and intersect each others’ paths formed and organised by geographical factors, historical processes, and/or social behaviour.

The network nodes, as central places (predominantly multifunctional), which become dense spatially, concentrate economic, community organising roles and institutions and, correspondingly, attract producers, consumers, and inhabitants.

Big cities stand out from among such central places as they possess stronger concentration skills; market attraction (unlike their surroundings); a unique economic, social, and human capital, and a robust infrastructure (Rechnitzer 1987).

The definition of cities can be based on its population. It is, generally, accepted that the aforementioned function of population concentration can generate mutual effects and facilitate synergy when the population size is around or above 100,000 persons. These synergies, in part, create new processes, institutions, and market-consumer matrixes. The interplay of roles and institutions embodying them also spreads in space, forming different catchment areas. After all, the spatial market for functions, including their attractiveness, is diverse, both in size (e.g. population size) and in scope. (e.g. number and orientation of settlements).

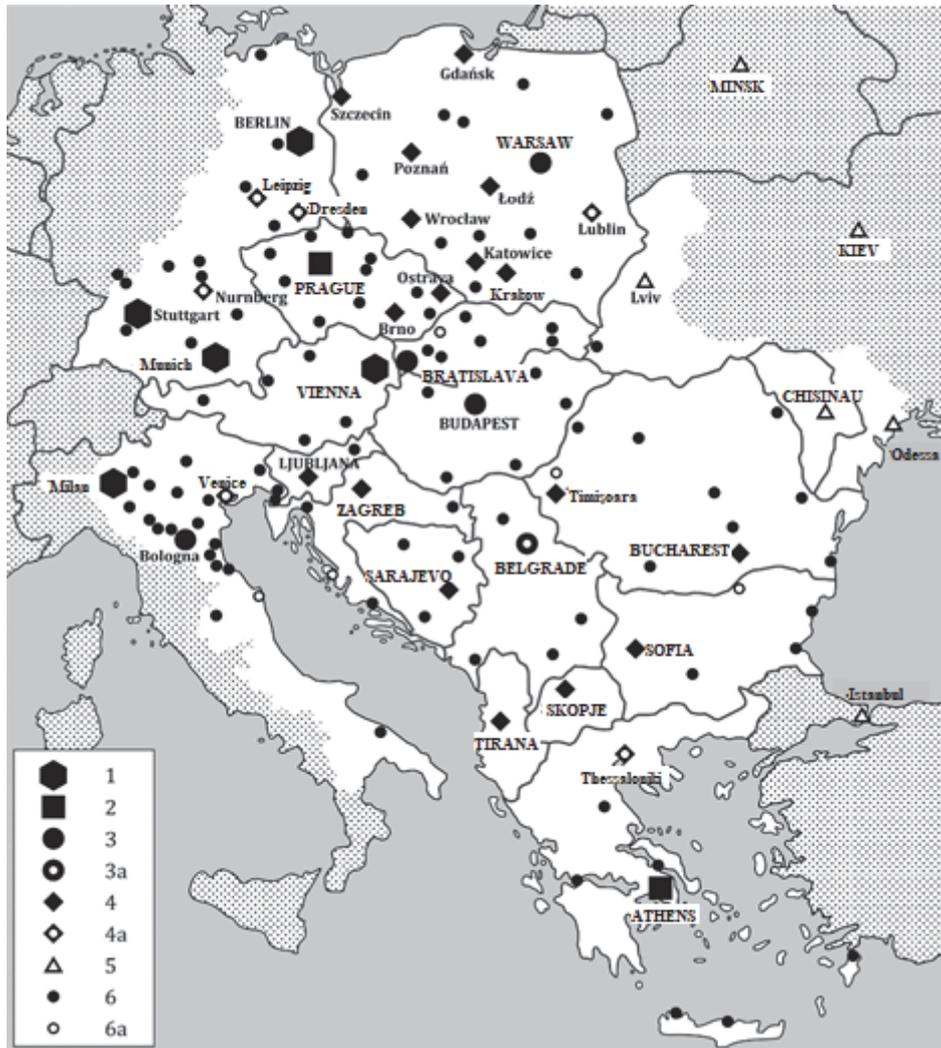
The functions of a city, therefore, hold space-forming power, and the larger the centre, the more widespread is the influence of these functions. These dimensions can capture one portion of a country or a sum of its parts. It can also spread abroad to a border country, other countries' functions, or institutions of certain regions.

The capital cities of several central and eastern European countries have different population concentration. The percentage of inhabitants in the ten largest cities account for between 10% and 20% of the total population of the country, that is, the administrative divisions of these capital cities are found to be proportional.

Studies on European city development have typologised the networks of big cities. Based on the research, we can classify mega centres into the following four categories (Figure 1): global nodes (MEGA1<sup>1</sup>), 'the European engines' (MEGA2), strong and multifunctional metropolis (MEGA3), and potentially-weak big cities (MEGA4). The basis for the arrangement of the above categories is the varying degrees of competitiveness held by the institutions and organisations possessing global, continental, or perhaps only macro-regional significance. These studies consider the cities to be well-supplied with resources, and an emphasis is given to the cities' human capital, institution levels, the density of internal connections, and their geographic position. MEGA cities include capitals and cities, macro-regional centers that have an impact on the European spatial structure and macro-regional dimension (Figure 1) (Rechnitzer 2007, Egri 2014, Faragó 2014).

<sup>1</sup> MEGA: Metropolitan European Growth Area.

Figure 1  
**Functional urban districts of national / international importance**  
**Central Eastern Europe, 2006**



Note: 1 – MEGA1: global nodes; 2 – MEGA2: Europe's engines; 3 – MEGA3: strong and multifunctional metropolis; 3a – MEGA3 candidates; 4 – MEGA4: potentially poor cities; 4a – MEGA4 candidates; 5 – Uncategorized MEGA; 6 – International/National Functional Urban Areas; 6a – International/National Functional Urban Areas.

Source: Ricz-Salamin (2010, p. 43.) based on own editing.

Smaller cities<sup>2</sup>, which have a national significance<sup>3</sup>, are also considered at par with megacities (Faragó 2007, Lux 2012). In the centres of Western Europe, the influence of such concentrated functions stretches beyond a nation's borders (e.g. international institutions serve as interregional network nodes when they benefit other neighbouring regions, thereby establishing connections with two or more countries, etc.). These functions are likely to play special economic roles (e.g. large companies' headquarters, university, and R&D centres), attract companies with cross-border market presence, and establish collaboration with big cities in formal and informal networks (e.g. importers). Beneath this level, we find regionally significant (big) cities whose influence is – relevant – defined by some principle – based on area; they engage in pre-defined (institutional) formal and (regional) informal roles<sup>4</sup> and allow the establishment of institutional networks.

In Hungary, we consider cities with populations greater than 50,000<sup>5</sup> big cities, while settlements with more than 100,000 inhabitants are considered regional big cities or regional centres.

Big cities perform their functions in different sized spaces. Thus, different-sized, centre-focused catchment areas, which can be characterized by various principles, have been created. Given the number, size, economic activity, renewing ability, and economic and organisational skills of their markets, it can be stated that the roles of these cities are continuously developing; additionally, these areas – facilitating a multitude of functions – cover different regions that change periodically (Nagy-Molnár–Lendvay 2018). The size and spread of catchment areas affect the density of big cities, the way these cities interact, or the division of the functions they share.

The attributes of the settlement network, its complexity, subdivisions, the size of hubs (cities) and their interrelation also influence the spatial extent of the various functions (Figure 2). In regions where, owing to historic, geographical, economic, or political reasons, a big city is a determining factor, although the small centres (with smaller populations) take up functions, the concentration of roles and organisational institutions is localized to one centre. Meanwhile, in regions with several large competing cities, regional roles are shared and, in some cases, parallel roles exist. An overlap in the spatial structure is observed in such regions, which often leads to the improper evaluation of a city's true territorial impact; in some cases, it leads to either an external intervention (of a political nature) into the maintenance of institutes or the expansion thereof.

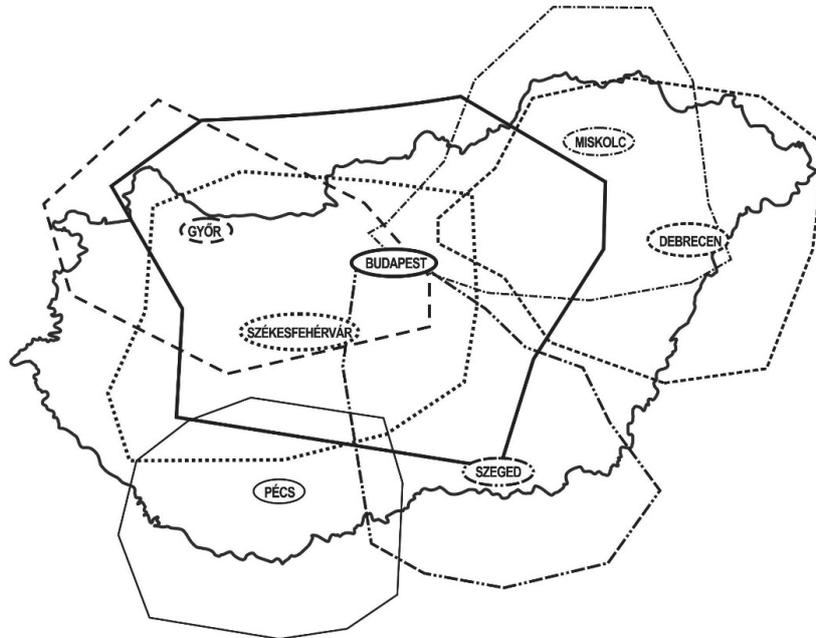
<sup>2</sup> In International literature, cities with a population size of 300,000 – 500,000 inhabitants are considered large cities, while cities comprising between 100,000 and 300,000 inhabitants are considered small cities (Lux 2012).

<sup>3</sup> Hungary does not have a MEGA4 level, as the population does not exceed 200,000 (Debrecen) in the largest case, and hence the country has smaller cities (MEGA3) and regional centres after the capital (Faragó 2008).

<sup>4</sup> According to the Hungarian scientific literature, there are regional centres with incomplete roles (Csomós 2009).

<sup>5</sup> A city with more than 50,000 inhabitants is considered a city with county rights by Act LXV of 1990; it means that such cities can define territorial tasks to be carried out under their authority. The county law is governed by Act LXIII of 1994. The law also applied to townships of the county with less than 50,000 inhabitants, which further eroded the metropolitan system. There are currently 23 cities with county rights.

Figure 2

**Availability of Hungarian big cities within 1.5 hours by car**

Source: Salamin et al. (2008, p. 22.).

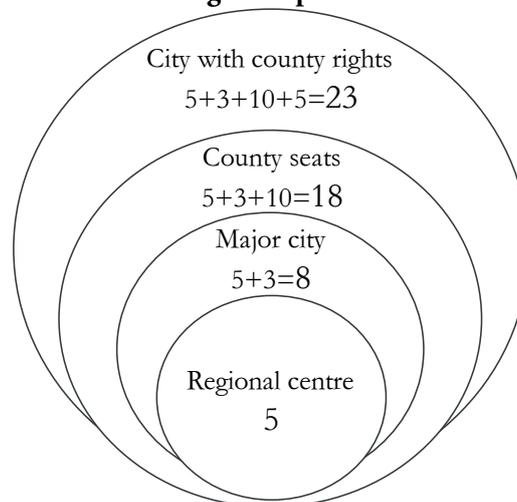
The national, territorial, and other developmental documents determine regional centres. They highlight one or two centres as headquarters. The most populated city, the one that plays the maximum number of roles, or possesses the maximum number of institutions does not always win; rather, the winner is determined by several factors including historic value, location, and political structures.

The seat of the given and nationally interpreted territorial level (province, region, county) thus accepts administrative and management roles and institutions, serving as their centers. Market participants, depending on their interests and values, either accept this designation of a regional center or not, choosing the settlement where they find the most favorable conditions for their operation. The stronger the dependence of economic agents on the political system and its institutions, the more determined is the orientation of economic units towards the designated regional center, whereas the opposite is observed in the emergence of dual or multiple centers with territorial separation and division of administrative and management functions.

The next level or degree of a city's spatial-organisational role is associated with the formation of the functional urban area (FUA)<sup>6</sup>. This role is concerned with facilitating an integration between a city and its surroundings; precisely, a more organised, institutionalised form of internal cooperation takes place when towns, spatially influenced by big cities, create (with cooperation) the conditions for joint operations, plans, and development. This is characteristic of hierarchical urban agglomeration, wherein the networks focus on the central city and internal cooperation is minimal. Additionally, this case represents horizontal big-city regions, wherein sub-centers are formed, the attracted settlements also interact and enforce their functions (Enyedi 2012). The network is interconnected, which may comprise transportation networks; common institutions with a regional impact; or planning, development, and management systems. This connection leads to resource-savings and allows the formulation of new spatial organization, management and governance solutions (Somlyódyne Pfeil 2008, 2014, Faragó 2008). Big cities simultaneously generate, initiate, and participate in these new connections; when playing these roles, these cities either give place to countless other roles or, in the interest of organising the latter, draw in new, external resources. The *Hungarian metropolitan system* is modelled here in Figure 3.

Figure 3

**Model of the Hungarian metropolitan system  
(the numbers in the figure depict the number of cities)**



<sup>6</sup> In 2007, the Leipzig Charter adopted by the European Union Ministers for Regional Development set out the basic principles for a European polycentric urban network. As a result, the principles and directions of the National Settlement Network Development Concept started during the same period. The work revealed many results on the characteristics and development directions of the Hungarian settlement network. This aspect and the FUA delineation and its tasks have been presented in detail. It is regrettable that the concept has not been developed and its political acceptance has not taken place.

The metropolitan 'core' is represented by regional centres, which, according to experts, consist of five centres concentrating significant population and economic power (Debrecen, Győr, Pécs, Miskolc, Szeged). These, functioning as county seats and having county powers, are home to institutions with a large regional (multi-county and sometimes cross border) impact. The next metropolitan 'shell' is made up of large cities with little or no regional role, but with outstanding populations and functions (Kecskemét, Nyíregyháza, Székesfehérvár). These are also county seats and cities with county rights. The third 'shell' of our metropolitan system is represented by cities serving as county seats (in our case another 10 + 1 cities where Budapest is the capital and also a county seat, but as stated we do not take this into account). These centres, which concentrate significant population and economic power, have roles that affect a larger area (one or more counties), with middle-level administrative responsibilities and county competences. The final metropolitan layer comprises towns that have county rights (five more cities). Each of these are equal in that they all wield certain city functions with regional influence (perform special roles), not submitting to the public administration, that is, the county. However, they do not have institutions that can enable them to provide public functions at an intermediate level.

The metropolitan structure of the city network is a *not closed* – permanently fixed formation. Big cities can 'move' or can 'migrate' between the functions of each 'shell'. A city can expand its roles and, consequently, institutions. Additionally, the population of a city can increase or decrease and its spatial impact can expand or contract. The constant motion of the latter and the development that comes with it displays *the Metropolitan System* or the system of big cities.

## **Metropolitan trajectories in development concepts and in practice (1990–2016)**

### **New cities with county rights, crisis resolution (1990–1996)**

The transformation of the public administration system was among the first developments to take place, by the order of Act LXV of 1990 on local governments, which is also called the *first municipal law*. An important element of this law was to create or rather restore the institutions of cities with county rights. Towns with a population size exceeding 50,000 persons were qualified for county rights and functions. Subsequently, these towns move out of county councils' area of influence, gaining independence, equal roles, and economic rights. Besides the aforementioned major cities that also act as counties (Debrecen, Győr, Kecskemét, Nyíregyháza, Miskolc, Pécs, Szeged, and Székesfehérvár), the county seats (Békéscsaba, Eger, Kaposvár, Salgótarján, Szolnok, Szombathely, Tatabánya, Veszprém, and Zalaegerszeg) also qualified for county rights. Moreover, many secondary centres in multiple

counties have become autonomous, creating the conditions for competition between cities, which will become increasingly important in the future. With the constitutional amendment of the *first municipal law in 1994* led to the removal of the minimum population requirement of 50,000. Additionally, *independent initiatives* supported the transformation of simple towns into county cities (Szekszárd immediately seized the moment; additionally, in 2006, Budapest's biggest agglomeration settlement, Érd, also successfully gained this title). Today a total of *23 towns hold the 'city with county rights title'*.

The competences are not broader in their case than in an average city, but they could operate in the same rank as the counties, independently of the county government. Among the rights-wielding cities, however, there were large differences in city functions and institution facilities. Additionally, in the years following the change in regime, the economic bases of these cities kept changing.

The regime change led to an economic crash in Hungary, the decline having started at the beginning of the 1980s. Meanwhile, the elements of the *market economy* formed gradually (independent entrepreneurs, formation of state-run businesses, multi-level banking system, commercial rights insurance, and the presence of foreign working capital, among others). Their interaction with the *various economic participants* and their *centres* took different forms and had diverse effects. Moreover, market changeover as well as the rapid change of ownership (privatization) was seen in branches where international economic relationships were diverse. However, for units involved in eastern markets or specialized in domestic production, the transformations and/or adjustments were much slower and harder, or perhaps, never occurred. All this was mirrored in *the territorial fabric*. Economic centres that had companies with a strong market position experienced a much faster and less painful transformation.

Conversely, in industrial centres that had a dense presence of traditional branches of industry (mining, metallurgy, chemical industry), the sector crisis broadened to a territory crisis. As a result, the growing problem of unemployment, functional organisation issues, and maintenance problems had to be dealt with in the centres and in their areas of effect (Alpek–Tésits–Hoványi 2018).

Another attribute of this temporary period is that *foreign investors* desired to invest in businesses in the cities, county seats, and larger industrial centres in the western part of the country. This can be attributed to the quick access to resources, the presence of skilled workforce, and a seemingly more favourable environment to build economic and business infrastructure (headquarters and service provider companies) in these regions. The new democratic government correctly recognized this phenomenon because it provided economic development support for the renewal of the western region's industrial centres' economic mechanisms or for building infrastructure that serves to support those mechanisms.

Some of the regionally organized *republic trustees*, while overseeing the legality of the operation of municipalities, called for the actual establishment of the regional

level, but the majority insisted on their official duties. At this time, they nurtured poor connections between the counties and big cities, as the latter performed authoritative functions. Conflicts broke out between *counties and county seats* regarding the share of wealth and institutional roles; besides, there were disagreements on the means to fund operations. The conflicts were natural; as the participants were not familiar with the new council system formed at that time. Gradually, the laws were formed and were full of loopholes, these laws were misinterpreted. Besides, the illusion of autonomy and the disillusionment that followed thereafter permeated the public administrations; this is because of a surge in the number of jobs and the lack of financial support. The public pressure continued to grow, while *regional cooperation fell apart*, and the connection between the city and the countryside, as well as between council units (settlements), loosened.

In 1994, the new government dissolved the quasi-regional administration and the legality supervision model and *strengthened the counties*. In the case of the latter, decision-making was not vested in the hands of the county administration, but the council legality supervision existed at a county level.

A direct county-level election institution was established, which started the politicisation of the county self-government. Cities with county rights were once again omitted from the counties, which functioned as an intermediate territorial level, thus perpetuating disagreements between counties and cities with county rights. The county council continued its institution maintenance roles, and though the sources needed for its operation grew slightly, they were insufficient to support county-wide development.

### **The spatial development act, institutional Congress, and preparation (1996–2004)**

Act XXI of 1996 laid down the foundations for the *new Hungarian regional 'policy'*, which led to the second phase of the transition. The Act defined *the goal of spatial development*, according to which the following must be ensured in every part of the country: the establishment of a social market economy, the conditions for sustainable development, the spatial spread of innovation, the reduction of disparities between the capital city and rural areas, a harmonious development of the spatial structure, and the safeguarding and strengthening of the regional identity. The Act established a *unified institutional system for regional development*. It drew up tasks at national, regional, county and micro regional levels, designated the decision-making bodies of regional development and named the decision-makers (parliament, government, county development council, micro regions, local governments, economic sector, and employee representatives). The law defined the tools of regional development (Regional Development Fund, then Earmarked Appropriation for 1996–1999, Earmarked Appropriation for Rural Development 1999–2002) and even its

resources, and later a separate regulation was drawn up concerning the principles of distribution among territorial units. The *Regional Development Act* assigns *decentralized* resources to the county development councils, which are organized on the principle of partnership. The county development councils had to prepare *development strategies* and *programmes* that were built upon those strategies, thus forming the basis for using the state's resources. In its first draft, the Act entrusted the counties with the creation of regional levels, tasking the various regions with only the planning and statistical roles.

After the law was passed, the year still being 1996, the *National Spatial Development Concept* (NSDC, 1998) started to unfold, which was approved by the parliament in March 1998. The NSDC passed in 1998 determined the future *directions of spatial development*; specified the goals and guidelines of spatial policy; defined the priorities of development along with the areas of intervention and the types thereof. Furthermore, it defined the principles of operation for the instrument and institutional system. The aforementioned concept, in relation to some of its branches, even points out directions of development and, in the end, summarizes spatial-political measures for joining the European Union.

The decision-makers selected for spatial development were in a state of confusion. The selection of the decision-makers was not backed by sufficient analyses (the representation of cities holding county rights was not set, with subregions representing a large ratio), the financial difficulties surrounding the initial operations caused tension, and the lack of professional personnel led to uncertainties in the execution of the organisational frameworks.

In October 1999, the Spatial Development Act was renewed (Act XCII. of 1999). The first reason behind the amendment was *to strengthen the regional level* (the earlier regional initiatives were affirmed by the act, and, in this way, seven planning and statistical regions were delimited). Second, it was important *to validate the legality checks*; eventually, finally, the amendment, based on the already changed set of political values, transformed the representation of the spatial development players within the institutional system. The most controversial points of the forward-looking amendment were about *partnership*. In the regional and county development councils mentioned earlier, chambers of commerce and employees received advocacy functions, while micro regions got full legal representation. This newly passed amendment restrained the advocacy role of the chamber of commerce and employees organization, allowing them only the right to counsel. In other areas, however, government representation through the full membership of ministries and some decentralized bodies increased and the situation of cities with county rights was favourably resolved. However, at the same time, the practical distribution of ministerial representation took place according to party politics (in place of ministry appointment, parties designated local representatives), and no direct contact was established with the authorities.

Additionally, in this period, the *Regional Development Councils* (RDC) were reorganised, based on the territorial delimitation of the 1998 NSDC; regional programmes were also developed on the basis of the previously adopted development strategy.

In the *Regional Development Agencies* (RDA)<sup>7</sup>, the operative arm of the regional development councils, specialists worked on programming and materializing developments (personnel headcount during this period fluctuated from 5 to 22, regionally). The *selection of the centres of the planning-statistical regions* generated controversy. The RDC and the institution operating the RDA were not always headquartered in the same settlement. Cities with county rights began to fight for these headquarters. These battles were about gaining regional centre status, as planning-statistical regions could even become political regions in the future. In each of the seven regions, different organisational strategies were implemented for the establishment of the regional development institutions.

Cities with county rights also began building *their planning* apparatuses, in preparation for joining the European Union. Although they had the right to participate in the elaboration of the regional development plans, their willingness to collaborate was varied. There were county seats wherein regional and county city developers had worthwhile connections, and thus the interests of the big city appeared in the plans. Conversely, we found that Act XCII of 1999 prescribed conciliation forums for regions and cities with county rights, but these were more formal than substantive.

### **EU resources, new programming period, regionalization initiatives and planning activity (2004–2010)**

Receiving encouragement from the European Union, Hungary consented to having only one *regional development operative Programme* (*Regional Operative Programme – ROP*) in the First National Development Plan (NDP) (2004–2006). When designing the program, regional government bodies, as well as the regions themselves, were weak, ineffective advocates. From the NDP 1's *five operative Programmes*, the *regional Programme* was built on the residual principle; some of the goals of this programme were *tourism* (121 winning projects), *road reconstruction* (77 winning projects), *improvement of kindergartens and schools* (120 winning projects), and *training and employment* (112 winning projects). Between 2004 and 2006, a sum of 107.14 billion HUF was at the ROP's disposal. By June 19, 2006, a total of 2,233 grant applications were filed, of which 521 were approved; these changes drove the decision to financially support the programme. The 521 winning grants received a total of 106.37 billion HUF in support.

In 2005, the Parliament adopted the National Regional Development Concept (NRDC 2005) (Parliamentary Resolution 97/2005. (XII.25.)). The 2005 NRDC is a

<sup>7</sup> The RDAs were also headquartered in the regional centres, except for Western Transdanubia, where the agency was headquartered in Sopron, while the Regional Development Council in Győr.

modern, long-term document comprising the *new directions* of the European spatial policy. It precisely documents both Hungarian and central European regional processes. The 2005 NRDC determines long-term strategic goals, which from the perspective of our topic, are listed below:

- The strengthening of *regional competition* across the entire country as well as within regions and other territories;
- *Sustainable* regional improvement and heritage protection;
- The reinforcement of connections *beyond the border* in the Carpathian Basin;
- Central Europe’s more organized integration into the European spatial structure;
- Promotion of a *decentralized development policy*.

Concerning the vision and overall goal implementation in the mid-term, by 2013, the *spatial goals* from the country’s and our topic’s perspective are as follows:

- *To create a competitive Budapest metropolis*;
- *To strengthen regions’ dynamic poles of competitiveness* for improving the city network’s contact system.

The concept urged that the *reorganization of the regional public administration* must be initiated. The first initiative comprised the formation of state administrative operations in the regional institution form (2005–2007). During the mid-level realignment and renewal, political units were not formed since this would have affected the municipal law and the Constitution, requiring a two-thirds parliamentary majority to make any changes to either. The decentralized state administrative bodies with county jurisdiction in development regions were organised; this implies that, by the start of 2007, eight regional organisations with different centres were established.

The second initiative aimed at broadening metropolitan functions between 2007 and 2013; it was known as ‘*the Pole Programme*’<sup>8</sup> (2005–2007). The 2005 NRDC named Debrecen, Győr, Miskolc, Pécs, and Szeged as the development poles, and added Székesfehérvár and Veszprém as partner poles. At the beginning of the decade, much emphasis was put on the ‘formula’ of knowledge-based society (in European development policy) and on its role in sustainable economic growth and the reduction of spatial disparities (Lengyel 2007). These drove the government to work on a Hungarian development/competitiveness pole programme. Its policies as follows:

- It must possess region-forming institutions and factors, and its connections must reach across the border
- It must have knowledge-intensive economic bases; high research, development, and investment potential; multi-functional university education; and research bases,
- It must focus on widespread *municipal development*,

<sup>8</sup> Official Name: Competitive Poles.

- It must have a definite and structured *town agglomeration*,
- It must ensure that the weight of the centre is definitive in *the region's economic, social, and institutional* relationships,
- It must be able to provide a broad range of quality *business, economic, and cultural services* to the region.

The planners thought of five major centres and one pair of partner centres and determined desirable development goals and directions for the big cities, focusing on *large-scale scientific capacities*.

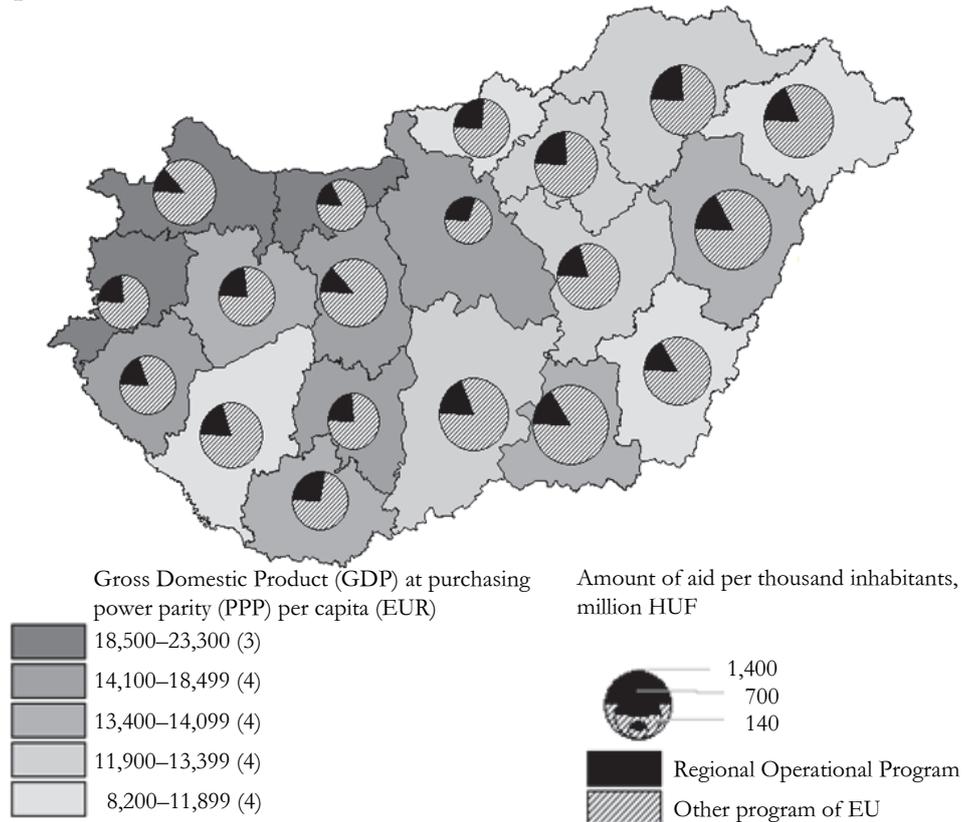
The directions of the growth pole concepts are as follows. In *Debrecen*, building upon the pharmaceutical industry and agricultural innovations, the concepts targeted the 'industrialisation of knowledge'. They saw *Győr*, with its auto-industrial, mechanical production, and renewable energy research, as an 'auto-polis'. *Miskolc* was envisioned to grow into a 'technopolis', facilitating developments pertaining to nanotechnology, the chemical industry, mechatronics, and renewable and alternative energy research. They determined that *Pécs*, being built upon the health, cultural, and environmental industries and their research, would be considered 'a healthcare hub'. In *Széged*, they dreamed of a 'bio-polis' that would concentrate on healthcare, environmental industry, and agricultural biotechnological research. Concerning *Veszprém-Székesfehérvár*, it was considered a hub for mechatronic, logistical, and environment industrial research. Each of these new centres emerged from planning possible directions of development. (Doktor 2010). Each potential centre prepared its own *pole programme concept*, which not only gave the foundation for reviewing research and development resources but also provided opportunity for cities with county rights to come up with and work through their *integrated municipal development strategies* (IMDS), since many elements reappeared in the renewal concepts associated with either metropolitan development or higher education. Sadly, the pole programme was reduced to regional, metropolitan innovative group development (cluster development), and eventually disappeared from the scene. As an initiative, the elements of municipal development were given emphasis, within the IMDS. However, the metropolitan city councils and the Hungarian regional/town development institution systems as well as the public *were unprepared* for such expansive city-system development. Additionally, there was no monetary and European support.

From 2007-2008, the work in the cities with county right continued to ensure the formulation of IMDS for the requisition of European and other connected national sources between 2007 and 2013. The development concepts were put together in a pre-determined system, the regulations for which were provided by the central planning authorities. Though the system was pre-determined, a considerable freedom of movement was given to the city. We do not intend to analyse the plans. However, it must be said that, in multiple cities, that plans *very thoroughly* improved the conditions for receiving EU funds at the municipal level, and succeeded in gen-

erating and co-financing developments that contributed to the development of quality urban spaces and conditions.

Figure 4

**PPS-based GDP per capita (EUR) (2015) and the total amount of EU sources per 1,000 inhabitants between 2007 and 2013 (million HUF) for the counties**



Source: <http://terkepter.palyazat.gov.hu/>, Data downloaded: 2014. 02. 15., GDP data downloaded: <http://ec.europa.eu> 2017. 05. 12.

It would be a far more picturesque diagram (Figure 4) if we add the GDP and the EU support data to it as well. Based on the data, we can, in part, surmise that *more intense source usage occurred* in those regions that, based on the regional inequality test, can be judged underdeveloped. It must be confirmed whether the ‘classical convergence’ or ‘absolute convergence’ (Egri–Tánczos 2018) happened *in part* only. This is because while Hajdú-Bihar, Csongrád, or Bács-Kiskun counties all had higher support intensity, Borsod, Heves, Nógrád, and Tolna counties’ support intensity was very low. A ‘one-sided’ convergence is easily seen if we again look at Hajdú-Bihar county, which exhibits a lower GDP and support levels (Figure 4). In comparison,

Somogy county's economic strength is not significant; its support intensity does not compensate for its economic weakness (though note must be taken that the city that applied for the 'Pécs: Europe's Culture Capital' award received considerable resources for preparing and extrapolating its strategies and programmes).

### Towards a New Regional Policy

The seven-year planning period of the European Union and the four-year Hungarian electoral cycle are overlapping, so the realization of the EU development and support objectives *goes beyond* the shorter electoral cycles.

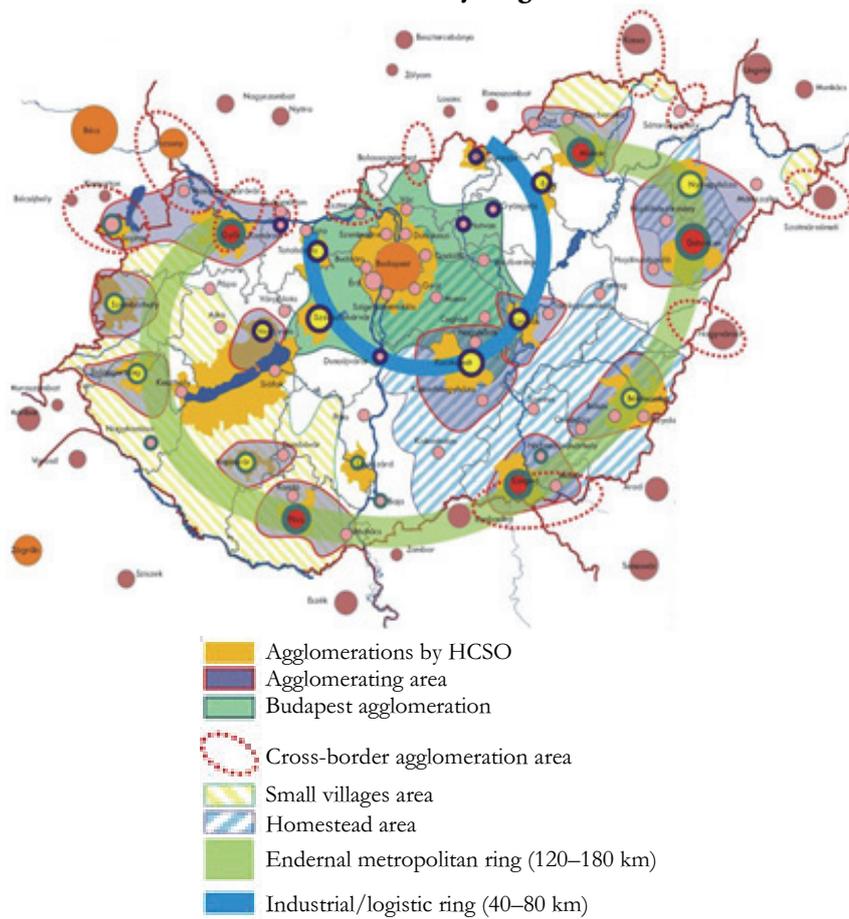
The result of this was that the execution of previously discussed and accepted developmental ideas could only be altered in accordance with the ideas of those in power and only with many *regime-changing corrections*. Starting in 2010, certain circles, in profession-related arguments, rushed the formation of new regional/spatial policies. Perhaps these affected the creation of the *National Planning Office* (NPO) (2012–2014), which will continue with its efforts to achieve the goals of the NDP covering the period between 2014 and 2020.

Along with the NPO, as a central institution, many similar legal rulings emerged during this time, which served to improve the scenario effectively or poorly. The most significant ruling was that the regional developmental and organisational tasks (Act CXCVIII of 2011) were turned over to the *county councils*; the next most significant ruling was associated with the *Regional Development Act's* amendment (Act CCXVI of 2013), in which the transformation of the previous institution's regime took place. This resulted in the *reorganization of the territorial institutional system for regional development*, eliminating the previously well-functioning, highly experienced regional development agencies (Józsa 2016).

The current National Development and Spatial Development Concept (adopted by parliamentary resolution 1/2014 (I.3.)), which is relevant to our topic, has identified the development directions up to 2030, including all factors affecting the major cities and county cities examined at national level. The general principles of the concept are as follows: *economic development* that creates value and provides job opportunities, demographic change, *healthy and progressive society*, and sustainable use of our natural resources, *preservation of our core values and conservation of our environment*, and *sustainable spatial structure* that is based on the regional potential. Thus, concerning the spatial structure, the new desirable structural model of the settlement network emerged (Figure 5).

Figure 5

**Possible direction of the settlement network: The internal and external city rings**



Source: OFTK (2014, p. 187).

The concept of the municipal system can be classified *into two large units*. It refers to an *outer metropolitan ring*, in which the regional centres (several major cities with countywide functions: Debrecen, Győr, Miskolc, Pécs, and Szeged as potential internationally significant big cities) are nodes and *space-forming focal points*. The capital's counterpoints appear in more shaded, descriptive dimensions. On the one hand, these big cities have to fulfil high-level tasks in the fields of services, culture, education, and public administration. In addition, the performance of these cities can be enhanced in terms of R&D functions, cooperation with regional economic stake-

holders, and cultural and creative industries (OFTK 2014, p. 184.).<sup>9</sup> Furthermore, these cities, with the support of settlement agglomeration processes that stretch beyond the country's borders, became centres for the gate regions of the country, which partly aimed at the Hungarian-populated areas and partly aimed at the novel, large-regional (together beyond national borders and connecting with the European regional structure) economic, social, and cultural cooperation networks. The third tie is that *the intermediate regions' county seats* are connected to this outer ring of metropolises. Though these intermediate county seats do not possess more county-widespread functions, they concentrate on regional-organising institutions; they also focus on economic and innovation potential. The concept does not focus on in this aspect; in other words, it does not reveal that county seats' functions or institutions establish *connections*, add to the roles of the metropolises, and establish a robust relationship with them (e.g. delivery networks for economic bodies, business and financial service centres, healthcare-related hubs, educational hubs, and cultural cooperation).

The concept also drew up an *inner city ring*, which in reality *can be found 40 to 100 kilometers from the capital*; it groups other metropolises and cities with county rights. It treats Székesfehérvár as an important economic, logistics and historical centre with spatial planning effects in the central part of Transdanubia. The concept does not emphasize the city of Kecskemét, while in the recent period (from 2014) this historical centre of the Great Hungarian Plain has acquired a strong regional organizing role, mainly due to the strengthening of its industrial potential and the establishment of related service roles. The inner ring also contains county seats and centres with characteristic economic and other functions (education, culture) that have their own distinctive character in the large area around the capital.

The *developmental directions* of the two rings are also defined. Different emphases are used. In the first case, the emphasis was on *joining the international metropolitan network* by developing<sup>10</sup> knowledge, research and development, innovation, and economic potentials. Meanwhile, in the inner ring, the emphasis was on improving the *relationship system*, or perhaps reliving the capital (reception of economic units, bypassing and connecting transport networks) by renewing and expanding the already present potential (economy, education, research and development).

During the course of 2014, the cities with county rights gathered and arranged their IMDS, which are still governed by Government Decree 314/2012 (XI.8.).

The pre-defined content requirements of the strategies were as follows: setting medium-term development goals, necessary interventions for implementation, elaborating an anti-segregation program, systematizing the strategy's external and internal context, and recording the implementation tools and their follow-up.

<sup>9</sup> The latter is the silent smuggling back of growth poles. It is interesting to see that these more complex functions include the placement of some resident institutions in these regional centres. These ideas were formulated (2014), such as the move of the Ministry of Agriculture to Debrecen, the shift of rural development to Kecskemét, or the shift of the Ministry of Defence to Székesfehérvár. However, these ideas did not materialize – only the Prime Minister's Secretary of State for Agriculture and Rural Development moved to Kecskemét (2015).

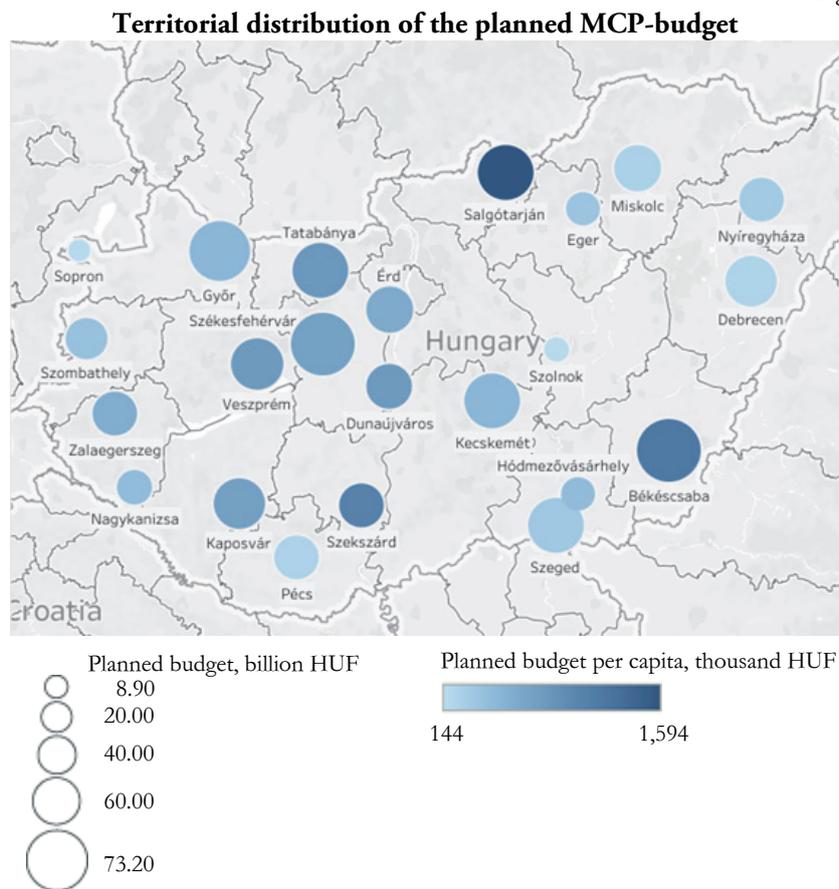
<sup>10</sup> Here, the points made in the pole programme clearly come back.



(167,000 HUF/person) and Nagykanizsa (168,000 HUF/person), while the inhabitants of Szekszárd (365,000 HUF/person) and Zalaegerszeg (289,000 HUF/person) received maximum support since they had the *largest* measures of specific support. We have not seen any examples over the last 100 years of large-scale municipal developmental Programmes under the regional policy. Thus, with interest and confidence, we look towards the implementation of the MCP.

The Hungarian Government started its MCP in 2015 – the plan for implementation being fixed in the period of 2019–2022. However, it harmonizes with basic principles laid down for the municipal development strategies. According to the MCP, a modern city is any Hungarian city that is part of the expressway road network, whose every region-organising function represents high quality. It is also considered to have appropriate public transportation networks, which guarantee space and opportunity for new economic investors and possess special local factors (Gajzágó 2019). Founded upon these elements, the developments affect 23 cities.

Figure 7



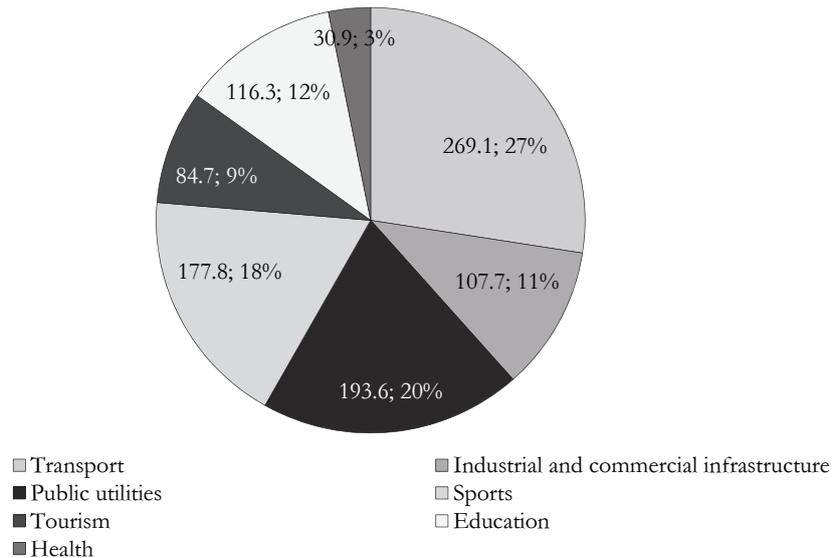
Source: Gajzágó (2019).

The MCP's budget has not been fully clarified either. However, it can be approximated to be around 3.4 to 3.5 billion HUF, with the following territorial breakdown (Figure 7).

The number of people living in one of the 23 cities has been estimated to be near two million. This is not negligible, and hence it is also necessary to focus on their development. The MCP ensures a conceptual and financial *framework* that counterweights the EU support (since the ROP and the Rural Development Programme first target the small countryside towns, the cities with county rights' sources could only manage about 18 to 20% in total). The state wants to finance nearly 60% of the MCP budget from EU sources. If this all comes to pass, then Hungary's EU funds for cities with county rights, per capita, would be outstanding, and the winners of this season would very clearly be these cities.

Beyond the territorial distribution, it is also important to determine which sectors the MCP should support (Figure 8).

Figure 8

**Planned MCP-budget by sectors (billion HUF)**

Source: Gajzágó (2019).

Close to 27% of the budget targets *transport development*, which appears, in the Programme, first in the form of express way and railway development. By contrast, health care receives the least funding; only 3% was allocated to improve this area (presumably due to earlier hospital developments). Besides, considerable investments are planned for sports, industrial, infrastructural, and public works areas (Gajzágó 2019).

In our opinion, the MCP can significantly contribute towards municipal development; it is worth noting that, among the questions of regional development, the city network has a prominent place; this can be attributed to the formation of the Hungarian big cities. Though we do not know whether an impact assessment was conducted, we think this could significantly influence the developmental trajectory of the 23 cities with county rights.

## Conclusions and lessons

Over nearly the past 100 years, big cities and their various forms – the county seats, cities with municipality rights, regional centres, and cities with county rights – have represented *the regional development hubs*. We can consider 1950s and 1960s an exception, when the socialists viewed the *new industrial cities* as excellent centres for political power. They neglected traditional metropolitan circles as *quasi symbols* of the previous regime (citizenship and public administration centres), and thus these centres enjoyed less attention and support (typical of this era, that county seats have been transferred to industrial or other cities, to demonstrate the neglect of civil values and their representatives!)

The more intense developmental support began in the 1970s for these centres, which were formed in the 1950s but were not legalized, on the basis of the *settlement classification system*. The developmental support arranged the towns in groups, based on their city's network development. In this case, the examined cities held the *upper three categories* (high priority (5 cities), high-end centre (7 cities), and partial high-end centre (11 cities)). Though they built their developments into the settlement network's system, owing to the political and economic weights, along with the local/regional elites' ever-growing influence, *their renewal was increasingly detectable from the 1970s*.

From this point onwards, the term 'counter-pole' appeared in national-level developments, which essentially sought to demonstrate that major cities and their hinterlands, as counterpoints, reduce the economic, political and social weight of the capital and become (large) regional organizing centres. The planners saw, in the network of appointed planning and economic district centres, the high priority centres (5); they considered them from the perspective of connectivity; however, they also saw that the political actors shaping the regional processes are also part of the counter-pole's quasi network.

After the *change of regime*, big cities became prominent in development concepts and regional policy. Various development directions have been defined for these centres and their hinterlands. First, they appeared as regional administrative centres (1990–1994), then as main and sub-centres of development regions (1998–2005), and finally as the growth-generating poles (2005–2008). All the while, they became the victims of an aborted administration decentralization attempt (2006–

2010), then they became development centres, independent of the county (2012–2016). Again, in today’s world, they have become the focus of priority development (2015–present). It is clear to see that the big cities and their hinterlands planned to implement many of the aforementioned general and yet uniquely special developmental ideas – or they were the sufferers, recipients, or beneficiaries of such ideas.

It is possible to trace back the metropolises’ and its circles’ continually changing, *short-lived* function supply and its changes back to *attitudes of decentralization* that had not rooted themselves in Hungarian political culture. In *municipal development*, it is possible to have short, *booming periods*, which can transform entirely or partially the city structure, modify institutional bases, expand infrastructural networks, and smooth regional relations. These can influence the speed of municipal development, but only temporarily and with small shocks.

The courses of *municipal development* and the regional structure junctions, metropolises, and their circles are determined by the size, make-up, and internal connections of the *regional capital* (Rechnitzer 2016). The development policy can form the regional capital factors, though this only can succeed if the *centres possess their independent strategies* together with *their own developmental sources*. For this, the *independence* of metropolises and their circles (as internal entities) and the cooperation formed by their participants and communities is needed.

It proved impossible to form the *counter-pole* system in the city network. The *capital’s* size, concentration of population, institutional system, economic control roles, settlement system, the role filled in the minds of Hungarians, and the unique international judgment are only related to Budapest. All of the above-mentioned things are enhanced by the Hungarian political institution system’s centrality – it is controlled from one centre in a top-down fashion. Although there have been several attempts, *the regional-level decentralization* was not implemented here at home. Following not only the centralized public administration and national development, but also *the centralization of the different state functions*, big cities formed and integrated many regional functions, yet these were not able to counterbalance the ‘capital myth’. They could not become real “counterpoints” with their own room for manoeuvre. This is partly because of the structure of power, partially due to the institutional capacities, and also as a result of the division of intellectual resources. All of this does not mean that the metropolitan circle’s potential is weak, that life in the city has a low quality, but rather the opposite. In these centres, the highlighted criteria are exceptional; they surpass the national average. However, the big cities themselves do not have the autonomy that could, in many cases, act as a substitute or complement to the “world of capital cities”.

The *Modern Cities Programme* seems to be a grandiose development. As we said, it could jump-start the metropolises and their surroundings, as well as significantly renew and multiply cities’ and regions’ functions. We hope that the development goals of today serve *the future and not the daily or short-term interests*. Additionally, if con-

create *decentralization can be added* to all this, perhaps this would create the conditions for the Hungarian regional structure junctions to pass on their *developmental momentum*, making them catalysts for real regional development.

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