



National Urban Policies in the European Union

*Czech Republic, Hungary, Poland, Slovakia, Slovenia, Estonia,
Latvia, Lithuania, Cyprus, Malta*

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Countries**

Position, Problems, Policies

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Preface

Towards the end of 2003, we were commissioned by the Department of Urban Policy of the Dutch Ministry of the Interior and Kingdom Relations to undertake a research study of the urban issues and urban policies in the ten new EU countries. Answers had to be found on the following questions:

- How can the position, problems, and perspectives of the cities in the ten new EU countries be characterized?
- How can the priorities in national urban policy be characterized?
- How can the contents, direction, and organization of the national urban policy be characterized and explained?

We have asked specialists in each country to answer the research questions mentioned above for their own country. They were asked to write a chapter of about 20 pages. In some cases the authors of the country chapters are academics; in other cases they work in more practically oriented jobs. Without exception they can be considered to be people with a very extensive knowledge about the urban issues and urban policies in their country.

We have asked all the authors to keep to the same outline so as to make the country chapters readily comparable. We asked all the authors to provide us with a first draft of their reports in February 2004. The editors then commented extensively on these first drafts. A second draft, in which the authors of the country chapters took account of the remarks made by the editors, was completed by the end of April. The editors again commented on this version and after that a pre-final version of each chapter was delivered. This pre-final version has been offered for comments to members of the Urban Development Group. For most of the chapters comments were received, which were then incorporated in the chapters.

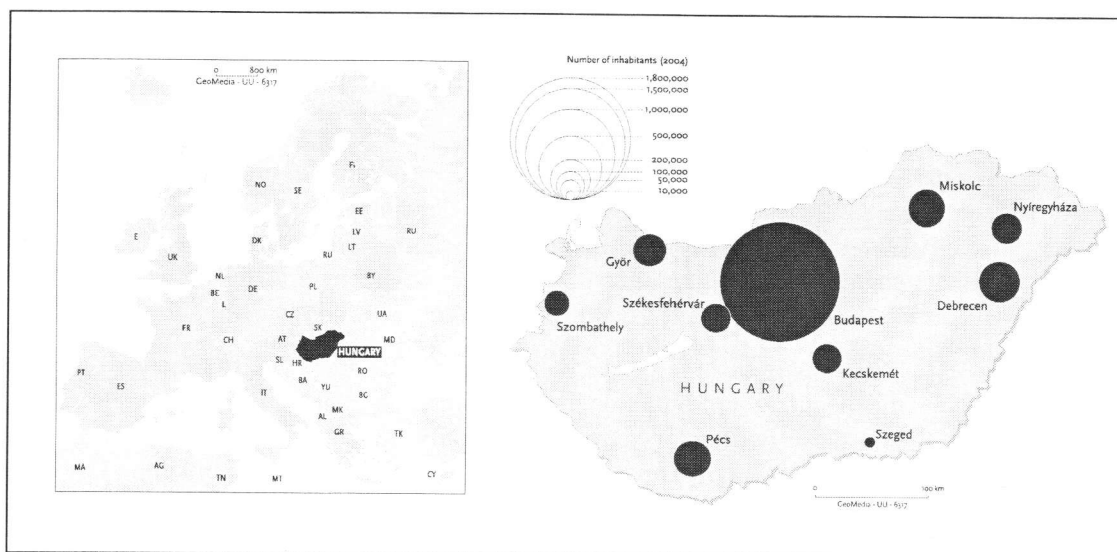
Some of the information asked to the specialists is factual and based on quantitative data. In some other cases we have specifically asked for the authors' opinions. This holds especially for their views on the problems and perspectives of the policies and the cities. This means that especially in these parts of the chapters the information could be more or less coloured. We have also asked the authors to write the conclusions of their country chapters from their own perspective. This approach has enabled us to put together an attractive compilation of facts, opinions, and ideas.

This report does not contain the full chapters. We have summarized all chapters to make a more compact overview on the urban issues, developments and policies in the ten new EU-countries. In these summaries we have focused more on facts than on opinions. The summaries are preceded by a more general introduction on urban issues and we (the editors) provide a more general analysis on the basis of the country information. After the summaries we also give some final remarks. It is our intention to publish the full chapters in a book that will be published by the end of 2004.

We wish to thank all the authors of the chapters, the members of the Urban Development Group for their comments and our advisory group in The Hague for their assistance. We do hope that these summaries will provide some new information to many politicians and practitioners in urban Europe.

Ad Baan
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3 Cities in Hungary



3.1 Position

Urban population

In January 2003 Hungary had 10,142,362 inhabitants. Although the population is predominantly urban, agrarian settlements still accommodate a high percentage. Statistical data shows that in 2003 a considerable segment of the Hungarian population, – 35.1 percent – 3,559,567 persons – lived in villages, whereas 6,582,795 people – 64.9 percent - lived in cities and towns. This meant a substantial change from 1960, when 43.3 percent of the population lived in villages and 56.7 percent in towns and cities.

Urban system

The largest city by far is the capital Budapest, which had a population of 1,719,342 inhabitants in January 2003. A particular developmental structure and a series of historical decisions have led to an essentially uneven population distribution among the cities in Hungary. Only one ninth of the capital's population, namely 205,881 people, live in Debrecen – the second largest city after Budapest. The population in the third largest city of the country – Miskolc – barely reaches 180,000.

Urban development

The cities, including Budapest, are usually attractive places in which to live. The population growth is, however, confined mostly to the small and middlesized towns, whereas bigger cities are steadily losing residents. Table 3.1 shows the population decline in Hungary and in Budapest. However, most families leaving the city still rely on its infrastructure, school, and health care systems. What seems to be changing is that the inner city of Budapest is becoming more attractive for the younger generation.

Table 3.1 Population change in Hungary and Budapest

Year	Hungary	Budapest
1980	10,709,463	2,059,226
1990	10,374,823	2,016,681
2001	10,200,298	1,777,921
2002	10,174,853	1,739,569
2003	10,142,362	1,719,342

Source: Magyarország statisztikai évkönyve 2002 [Statistical Yearbook of Hungary 2002]

Age structure

This drastic decline of the population of Budapest has two major sources: the negative reproduction rate and the suburbanization. Research shows that these two factors have been equally important, each contributing to a net loss of approximately 10,000 – 12,000 persons annually. The two tendencies have led to a drastic alteration of the age structure in Budapest (see Table 3.2).

Table 3.2 Age structure of the population in Budapest

Age Group	Number of people in 1990	Percentage in 1990	Number of people in 2001	Percentage in 2001
0-19	493,897	24.4%	328,866	18.5%
20-44	713,862	35.4%	640,430	36%
45-64	492,918	24.5%	495,085	27.8%
65-	316,097	15.7%	313,540	17.7%

Source: Népszámlálás 2001 [Census of 2001]

None of the other major cities in Hungary, such as Debrecen, Miskolc, Pécs, Szeged, Székesfehérvár, Győr or Nyíregyháza, have suffered a population loss comparable to that of the capital. Sometimes they have even gained population however modestly.

Economic position

The motors of Hungarian economic development are the cities. It is around them that the bulk of foreign investment is concentrated. But how much of their development is felt in the countryside surrounding them is questionable. What seems sure is the fact that they provide employment opportunities for many people living in the surrounding villages, where the economic activity is disproportionately less. It can be stated in general terms that cities in the Hungarian countryside stand out against their respective counties and regions, producing higher GDPs and lower unemployment rates than the settlements around them. Budapest is the major economic centre of the country. In 2001 the GDP per capita here was the highest in Hungary – 2,977,000 forints (11,674 euro) – with one of the lower unemployment rates in the country: 4.2 per cent. Table 3.3 shows the GDP per capita and official unemployment rates in the most important Hungarian cities with their surrounding counties.

Table 3.3 GDP per capita and official unemployment rates in most important Hungarian cities with their surrounding counties

2001	Budapest	Budapest and Pest County	Debrecen and Hajdú-Bihar County	Győr and Győr-Moson-Sopron County	Miskolc and Borsod-Abaúj-Zemplén County	Székesfehérvár and Fejér County	Pécs and Baranya County
GDP in euro	11,674	9,035	4,254	6,862	3,670	5,870	4,321
Unemployment rates	4.2%		6.5%	3.9%	10.5%	6.1%	7.2%

Source: Magyarország statisztikai évkönyve 2002 [Statistical Yearbook of Hungary 2002] and Statistical Yearbooks of Budapest, Hajdú-Bihar County, Győr-Moson-Sopron County, Borsod-Abaúj-Zemplén, Fejér County and Baranya County of the year 2002.

3.2 Problems

Physical problems

Rundown housing stock (pre-WWII)

Probably the most urgent problem to be resolved is that of renovating an outdated housing stock together with rehabilitating the large, run-down areas where they are situated. In Budapest the condition of this old housing stock is still troubling, although much has been renovated by the cities in the rest of the country. Statistical data shows that slightly more than 22 percent of the capital's housing stock was built before 1919.

<i>Rundown housing stock (post-WWII)</i>	Besides the deterioration of some older neighbourhoods, it is the large housing estates that present the biggest physical problem. This – unlike the previous problem – seems to be common in all the cities throughout the country. Clearly, something needs to be done about these estates built between the middle of the 1960s and the end of the 1980s. They account for about 21 percent of the Hungarian housing stock and they house about two million people. The figures are even more striking in the case of Budapest. In the capital approximately 33 percent of the housing stock is in the housing estates. One of the biggest problems is the fact that most of the apartments in these estates have been privatized. Many of the people who bought the apartments they had been renting from their local councils are not financially capable of maintaining either the apartments or the buildings (running costs are high) and certainly not of renovating them.
<i>Too much traffic (congestion)</i>	The residents in the capital often complain about the environmental problems that have hit Budapest hard in the past 15 years. It is the dirt, the noise, the lack of greenery, and the level of the traffic that they criticize. This sentiment is partly the reason behind the mass suburbanization movement towards nearby villages and towns. Approximately 200,000 commuters (19% more than in the early 1990s) travel to Budapest every day from the surrounding settlements, contributing substantially to the traffic congestion.
<i>Quality of urban transport</i>	Public transportation in the capital – as in other bigger cities elsewhere in the country – has been on the defensive (the modal split decreased from 85% to 60% in the course of the 1990s), as car use grew very quickly (from 235 to over 300 per 1000 residents). In Hungary, public transportation companies, usually chronically under-financed, are often on the verge of bankruptcy. However, the situation is particularly tense in Budapest where, despite the setbacks, 60 percent of the population still uses the trams, buses, trolleys, and metro lines that are in such urgent need of repair.
<i>Polluted soil</i>	The use, or rather the lack of use, of brownfield areas poses environmental problems. Located between the inner city and the suburbs, the brownfield areas present an obstacle to the creation of a unified city texture, occupying 6800ha (13 percent) of Budapest's administrative territory. The seriously polluted soil together with the lack of major thoroughfares makes their reuse very difficult.

Economic problems

- Poverty* The depth and the extension of poverty in Hungary is difficult to document with statistical data, since the most vulnerable and poorest groups are likely to evade any kind of survey. In 2002, approximately one-third of all Hungarians lived on a subsistence level. They were the people who had been hit especially hard by the housing costs and surging utility prices growing rapidly from the beginning of the 1990s.
- Social exclusion* A problem that affects most cities in Hungary is that of the exclusion of the Roma population. Their presence is not confined to the urban areas, however, as they are present in both villages and cities. Apart from Budapest, the highest proportions of Roma are mostly found in the poorer Northern areas together with Pécs and its surroundings in the south of the country. The tension between the Roma and the non-Roma personifies one of the deepest frictions in Hungarian society. The strong anti-Roma feelings bring about a situation of clear-cut social exclusion
- Unemployment* The Hungarian economy has to struggle with several difficulties, but they are not city-specific. On the contrary the cities usually stand out against their respective surroundings, creating employment opportunities for many who do not live there. The problems they contend with are largely related to the regions where they are situated. Consequently, it is mostly in the north-eastern region where problems accumulate, with the lowest GDP per capita and the highest unemployment rates. Cities situated in this area are not competitive on a larger country-wide or European scale. At the same time important cities in the western and central regions – Budapest, Győr or Székesfehérvár – have already encountered different problems: the lack of skilled workers on the one hand and a surplus of college and university graduates with consequent graduate unemployment on the other.
- Housing expenses* The contradiction of the housing estates – that relatively low-income families have to live as owners in relatively expensive-to-run buildings – has resulted in a massive increase of arrears. Debts in district heating and other utility payments became very high in the 1990s.

Social problems

<i>Population decline</i>	<p>Most striking is the decline of the population below 19 years. Whereas in 1990 almost a quarter of the population belonged to this category, by 2001 the share went down to 18.5 per cent.</p> <p>Both the elderly aged 65 or more and the people between 45-64 years have remained stable in terms of numbers, but with increasing proportionate importance. This overall tendency worries many experts, particularly since the loss of the active population threatens both the income of the city and its economic strength.</p>
<i>Spatial segregation by income</i>	<p>As the processes of polarization have speeded up, a growing spatial segregation has appeared in the bigger cities. Although there may not be any actual ghettos in Budapest, some really bad neighbourhoods have emerged. In these, several disadvantages are present simultaneously: a high unemployment rate, a very low level of education among the inhabitants, a high share of people on social benefits, and typically many sub-standard apartments.</p>
<i>Segregation by ethnicity</i>	<p>The high concentration of poverty coincides mostly with a relatively high share of the Roma population; with the exception of some Vietnamese and Chinese families, there is no immigrant population living in these areas which makes their status especially fragile and prone to the process of ghettoization.</p>
<i>Homelessness</i>	<p>Another serious problem that concerns Budapest more than any other city in the country is that of homelessness. Precisely how many homeless people are living in Hungary has been discussed for years, with varying answers given. Current opinion of the estimated number of street dwellers seems to have stabilized at around 20,000 - 30,000, with approximately half of them living in the capital, but nobody knows exactly. In 2002 there were about 8000 beds available countrywide in different types of shelter, with half of them in Budapest.</p>

3.3 Policies

Urban policies in Hungary

<i>National urban policy</i>	<p>However surprising it may sound, there is no national urban policy in Hungary. There used to be, prior to 1989, but it was washed away by the political and economic changes: neither the institutional system nor the planning-regulating power has been kept at the central level.</p>
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Prior to 1990 there was a special ministry dedicated to urban issues: the Ministry for Building and Urban Development (Építésügyi és Városfejlesztési Minisztérium). This has been dissolved, leaving no place in the government for urban questions.

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| <i>Urban issues in other national policies</i> | It can be said that, in general, the national territorial development policy fails to take the problems of the cities into proper account. Instead of paying attention to special urban needs and problems, the emphasis is placed on larger territorial units, such as counties and regions. This is reflected by the distribution of the national regional development funds, which allocate special funds for underdeveloped micro-regions and regions without having any distinct focus on cities. |
| <i>Urban issues in regional policies</i> | As explained in the Hungarian National Development Plan, one of the most important goals is the elimination of the huge regional differences between the East and the West within the country. Consequently, development in the north-eastern part of the country is regarded as urgently needed and will be heavily subsidized. From a territorial point of view this is understandable, at the same time this allocation does little to help the “locomotive cities” to develop further and become competitive on the European market. |
| <i>Local urban policies</i> | Having created a very decentralized situation with the Local Government Act in 1990, the various central governments delegated all planning competencies to the local, settlement level - although with little money attached. Local governments face not only the problem of having very constrained financial basis compared with their broad compulsory tasks, but also that of the unpredictable changes in the taxation and other financing systems. In the 1990s, having all the planning and decision-making competencies but no financial stability and no regional control, local governments opted for short-term thinking instead of developing longer-term strategies. It is little wonder that, under such circumstances, private investors gained influence on an unprecedented scale on the local level, often determining the way in which a settlement would be developed and capitalizing on the fragmented system of local government authorities. |

Hanna Szemző and Iván Tosics are the authors of the full country chapter on Hungary