

## **Socio-economic transition and regional differentiation in Hungary**

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### **Introduction**

Some years ago in an essay I made an attempt to summarise the main characteristics of the socio-economic transition in Hungary, making account on its most important underpinning factors and the possible spatial outcomes (KOVÁCS, Z. 2000). In that paper I came to the conclusion that the regional structure of Hungary showed an increasing east–west polarisation in the 1990s. However, as it was also highlighted, this process was not without any antecedents. During the forty five years of state socialism the regional structure of the economy and society in Hungary was determined by the so-called heavy industrial axis running from north–east to south–west across the country, with Budapest at its middle point. Despite repeated attempts at regional levelling out made by the communist regional policy the traditional east–west divide of the country, dating back to the period of capitalist modernisation, survived the whole period.

After 1990, the transformation of the economy has been concomitant with the strengthening process of differentiation and polarisation both at regional level and within the society. The subsequent growing inequalities in the spatial pattern of Hungary were due to several external (e.g. foreign direct investments), and internal factors (e.g. quality of labour force, level of infrastructural development). These factors were overviewed and briefly analysed by the paper. Growing regional differences were also thoroughly discussed by a large number of other papers, included partly in the same volume (KISS, É. 2000; MICHALKÓ, G. 2000; NEMES NAGY, J. 2000), or in other relevant publications (ENYEDI, GY. 1994; FASSMANN, H. 2000; MEUSBURGER, P. 2001a; MEUSBURGER, P.–JÖNS, H. 2001; NEMES NAGY, J. 2003; RECHNITZER, J. 1998). Thus, the question may arise whether there is any need to discuss further the context of regional development and socio-economic transition in post-communist Hungary. One factor, however, makes such an analysis reasonable, namely the 2001 census. Earlier studies on regional inequalities were based mainly upon business (e.g. the level of foreign direct investments, relative number of enterprises), or employment indicators (e.g. rate of unemployment) collected by different state authorities, among others the Central Statistical Office. On the basis of these data the relative success of certain regions could be figured out, however, very little information could be obtained in connection with the conditions of the Hungarian society.

The last census in Hungary was held in February 2001. The first results of the census on settlement level were published at the end of 2003; hence it became possible to carry out a deeper analysis of the spatial processes of post-communist society. In this paper we introduce some of the

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results of an analysis which was based upon the original records of the census. The analysis itself focused primarily on the transformation of the housing market, but in addition to that, some general aspects of demographic and social composition of the society, as well as working conditions were also considered. On the basis of the 2001 census data we try to answer the question what the most important spatial outcomes of the socio-economic transition in Hungary have been and how the spatial pattern of the country has changed over the last decade?

### **Demographic trends**

The number of population in Hungary was 10.19 million in February 2001. The population figure of the country has been continuously decreasing since 1980 when it was 10.71 million. Over the 21 year period it meant a loss of 511,000 people. However, the decrease of population has been rather unbalanced in time; the loss in the 1980s amounted to 334,000, in the 1990s 177,000 people. The unexpectedly lower level of population loss was not due to improving fertility rates of Hungarians but to the steady immigration of ethnic Hungarians from the neighbouring countries, who are mainly younger, better educated people. Of course the transition itself can not be blamed for the massive population loss, but the declining social security, the negative consequences of overwork (e.g. in the second economy), and unhealthy life-style surely contributed to the acceleration of population decrease.

The main reason for the population decline after 1980 has been natural decrease, which is basically the outcome of very low fertility rates exacerbated by the dramatic ageing of the society. In 1990 the annual number of births per thousand inhabitants still amounted to 12. This figure decreased to 9.4 by 1999, then the trend turned back, a gradual increase could be registered and by 2001 the level of births reached again 10 per thousand.

The Hungarian society can also be characterised by an ageing process. In January 2004 only 15.9 per cent of the population was younger than 15, whereas 21 per cent was above 60 years. In 1996, the first time in its history, the number of those above 60 years surpassed the number of those under the age of 14 in Hungary. Single persons are constituting a growing part of the households, on the eve of the 2001 census 23.5 per cent of the dwellings was inhabited by single persons. The natural decrease of population is persistent in Budapest and Western Hungary, whereas some eastern regions still show a modest natural increase. This pattern is well reflected by the spatial distribution of households with 3–4 dependent children of school age (6–15 years) (*Figure 1*).

The higher level of fertility rates in Eastern Hungary can be explained by both cultural and ethnic factors. In the north-eastern part of the country ‘grand families’ (i.e. families with 3–4 or even more children) have strong traditions in the society, especially in rural areas, which is rooted in religion (Greek Catholics) and the general life-style of the people. On the other hand ethnicity also contributes to higher births rates, as Eastern Hungary is the domain of Roma population.

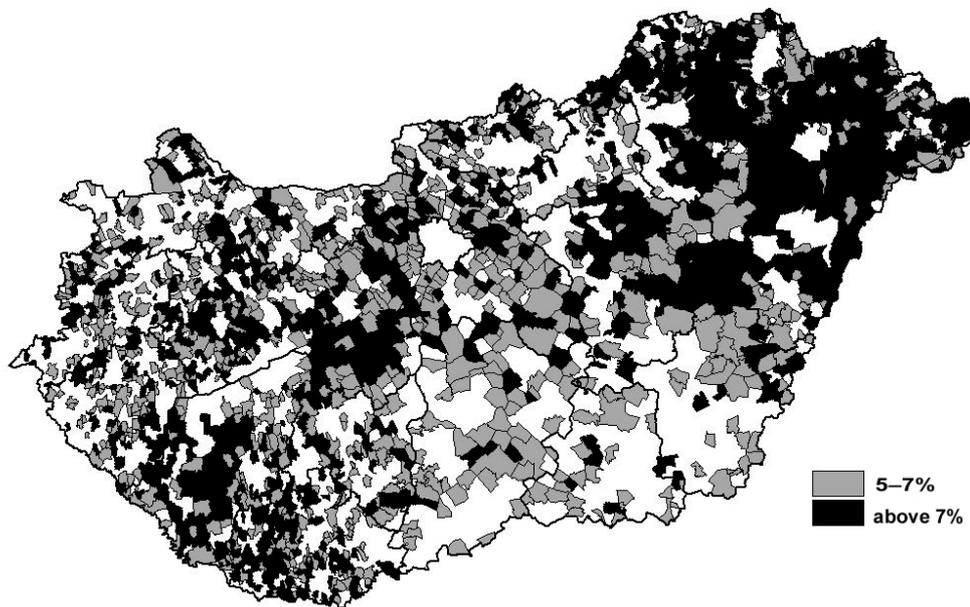


Fig. 1. Ratio of households with 3–4 dependent children of school age in Hungary, 2001

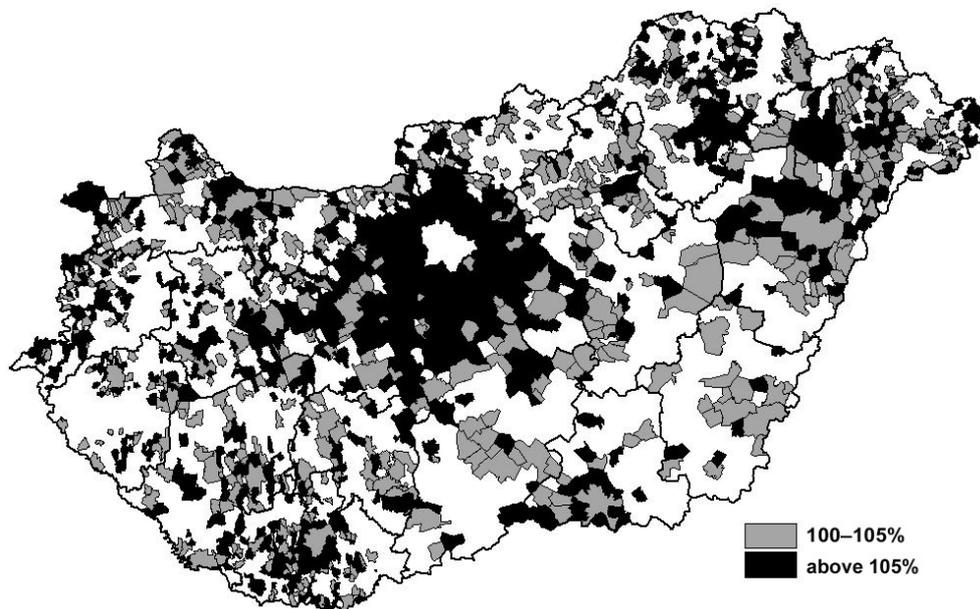
Roma is the only sizeable ethnic minority in the country. In the 2001 census only 190,000 people indicated for his or her ethnicity and cultural background as being Roma. However, according to reasonable estimates made by experts (Kocsis, K. 2000) and Roma organisations the size of this ethnic group in Hungary is about 600,000, i.e. 5–6 per cent of the total population. They live in larger concentrations in North-eastern Hungary (around Miskolc and Nyíregyháza) and in the southern part of Transdanubia (south of Pécs), where they often make up 20–30 per cent of the inhabitants, in some settlements being even in absolute majority. The Roma population stand out with high fertility rates and a grand family model which differs very much from the mainstream society. They still preserve their predominantly rural character; the rate of urban population among Romas is estimated ca. 40 per cent which is much lower than the general urbanisation level of the society. This leads to a conflict situation in many communes of North-eastern Hungary and Southern Transdanubia, where the settlement pattern is made up primarily by small and tiny villages (i.e. villages with less than 200 inhabitants). In these small communes the coexistence of elderly Hungarian and young Roma families is not without any tension. This paradoxical situation is confirmed also by the demographic profile of the settlement hierarchy. Ageing is the most advanced and the proportion of oldest age group (above 70 years) is the highest in the small and tiny villages, beside Budapest. On the other hand, the average number of children per families is the highest also in the same settlement group.

## Population change and migration

Demography is only partly responsible for changing population figures and new patterns of population distribution; migration is an equally important factor in this respect. If we look at the map of population change in Hungary between 1990 and 2001, a clear picture can be seen on the balance of demographic and mobility processes of the 1990s (*Figure 2*).

Areas showing population increase in Hungary between 1990 and 2001 can be classified into two groups. Regions of North-eastern Hungary and Southern Transdanubia owe their population growth nearly exclusively to natural increase, which was partly highlighted above. Other regions, like Western Hungary, the surroundings of Lake Balaton and especially the Central Region show up growing population figures mainly due to a positive balance of migration.

Migration gains are also twofold according to the distance of migration. On the one hand, these regions being economically prosperous areas have attracted great number of migrants from other regions, partly from the demographically more fertile eastern regions. They were able to utilise their more favourable geographical location and more developed human and infrastructural resources to take advantage of the transformation after 1990 and became the main targets of domestic migration. Other regions, less well endowed were unable to keep pace with the profound economic changes and were hard-hit by massive waves of out-migration.



*Fig. 2.* Population change in Hungary between 1990 and 2001

On the other hand, short distance migration has also played a significant role in the population growth of some regions, especially in Central Hungary. A well-known spatial phenomenon of post-communist Hungary is suburbanisation which has been most pronounced in the metropolitan region of Budapest (KOK, H.–KOVÁCS, Z. 1999; TIMÁR, J.–VÁRADI, M.M. 2001). Between 1990 and 2001 the population figure of Budapest has decreased by 238,000. About half of this population loss could be attributed to natural decrease, the other half to increasing out-migration towards the periphery of urban region. Similar, though less pronounced processes can be observed around other major cities of Hungary (e.g. Szeged, Miskolc, Pécs). The relative de-concentration of the population resulted in new spatial patterns of daily commuting within the country (*Figure 3*).

Commuting, as a spatial phenomenon first emerged in larger scale during the early communist period as a consequence of the collectivisation of agricultural land and the rapid development of the industrial capacities of cities. In 1960 already 636,000 people were commuting on a daily basis which represented 13.4 per cent of the active earners. The total number of daily commuters reached its peak in 1980 with 1.2 million people, which was 24 per cent, i.e. one quarter of the economically active people (ILLÉS, S. 2000). The absolute number of commuters has not increased ever since, but the relative weight of commuting became even greater on the labour market. According to the census in February 2001 1.1 million people were commuting in Hungary, which made up 28.9 per cent of the active earners. If we add the number of pupils commuting to their schools daily (407,000) it can be stated that at the beginning of the 2000s more than 1.5 million people was involved in commuting in Hungary.

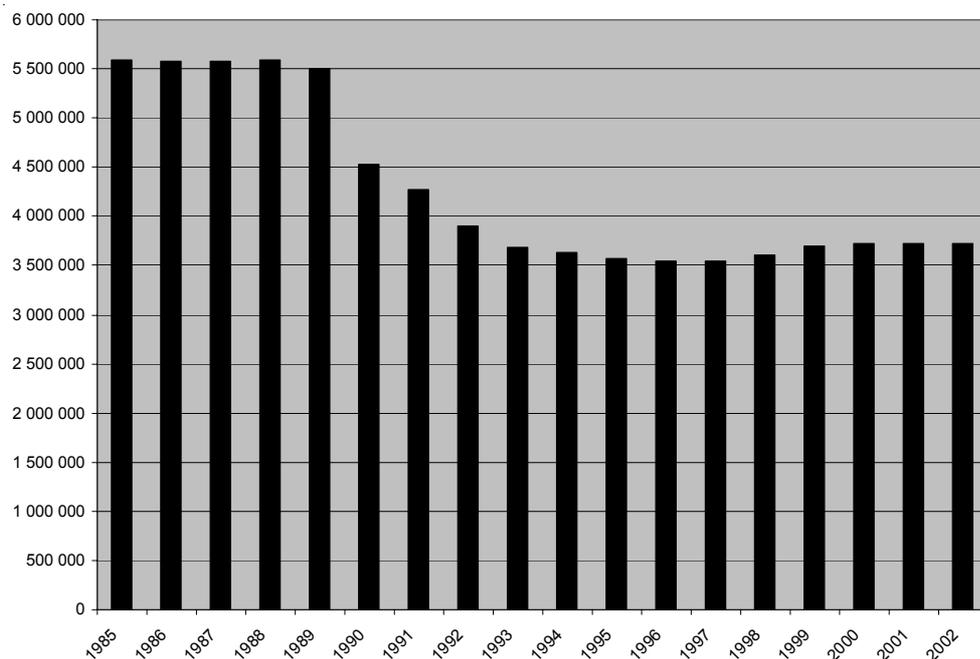


*Fig. 3.* The ratio of daily commuters among active earners, 2001

On the basis of *Figure 3* it can be stated that the spatial pattern of commuting shows sharp east-west disparities. There are two possible explanations for that. On the one hand, the settlement pattern of Eastern Hungary (the Great Hungarian Plain) can be characterised traditionally by the duality of large agrarian towns and scattered farmsteads ('Tanya'). Smaller villages from lower levels of the settlement hierarchy are nearly absent in this region. Under these circumstances inter-settlement connections are generally weak; zones of influence including commuting zones are less accented around urban centres than in Northern Hungary or west of the Danube. On the other hand the settlement pattern can not only be blamed for less intense commuting pattern. Lower income levels, the lack of well paid jobs or less developed transport infrastructure are equally important factors of this situation.

### Economic activity and labour market processes

The level of economic activity in Hungary showed substantial changes over the last fifteen years. After 1989 the level of employment (people of active age that are officially employed) has dramatically decreased. On the eve of the collapse of communism 5.5 million people were actively working in Hungary. This figure declined to 3.5 million by the mid-1990s (*Figure 4*).



*Fig. 4.* Number of active earners in Hungary, 1985–2002

Behind the sharp decline of the number of people who are actually employed one can distinguish several factors:

- rising unemployment rates,
- spreading early retirement (as a tool of avoiding unemployment),
- new possibilities of employment in the informal sector, which generates 16–17 per cent of the GDP in Hungary,
- increasing number of Hungarians working abroad,
- increasing number of school leavers carrying on formal studies in higher education, which delay their entering the labour market.

The geographical pattern of economic activity shows significant east-west disparities in Hungary. In the economically prosperous western regions the level of economic activity and employment is much higher than in the east. In 2001 56.4 per cent of the household-heads was actively employed in Győr-Moson-Sopron county, whereas only 40.0 per cent in Szabolcs-Szatmár-Bereg county. Budapest as one of the winners of transition had also higher employment rate with 54.1 per cent. In addition to regional disparities large scale differences existed within the settlement hierarchy in term of the level of employment. Budapest and the smaller villages showed lower employment rates, whereas towns of 50–100,000 inhabitants exhibited the highest employment rates within the country.

Spatial dimensions of unemployment also confirm this picture. Unemployment was not officially recognised and registered during communism, therefore it was not surprising that unemployment rates rocketed in Hungary immediately after the change of regime (DÖVÉNYI, Z. 1994). Between the autumn of 1990 and early 1993 the number of registered unemployed rose from 50,000 to more than 700,000, and made up 13 per cent of those active age within the society. Following the peak in February 1993 the number of unemployed people started to decrease in response to the slow recovery of the Hungarian economy. By 2003 the number of unemployed reduced to 244,000 and thus, the rate of unemployment lowered to 5.9 per cent.

Despite the fluctuation in the number of unemployed over the 1990s the map of Hungarian unemployment shows a high degree of stability (*Figure 5*).

Regional difference between different parts of Hungary had been established by 1990; since then, unemployment rates have changed but their spatial distribution remained more or less the same. Regions with high rates of unemployment constitute a compact belt in North-eastern Hungary and to a less extent in Southern Transdanubia, while low unemployment rates are concentrated primarily in Budapest and the western border region. The difference between the westernmost and easternmost parts of the country was more than tenfold at the peak of unemployment (DÖVÉNYI, Z. 2001).

The spatial structure of unemployment reflects the relative economic prosperity of a given region and the flexibility of its labour market within the wider economic conditions. Regions with traditional heavy industries and/or with weak agricultural economies located in the north-eastern part of the country have been hard

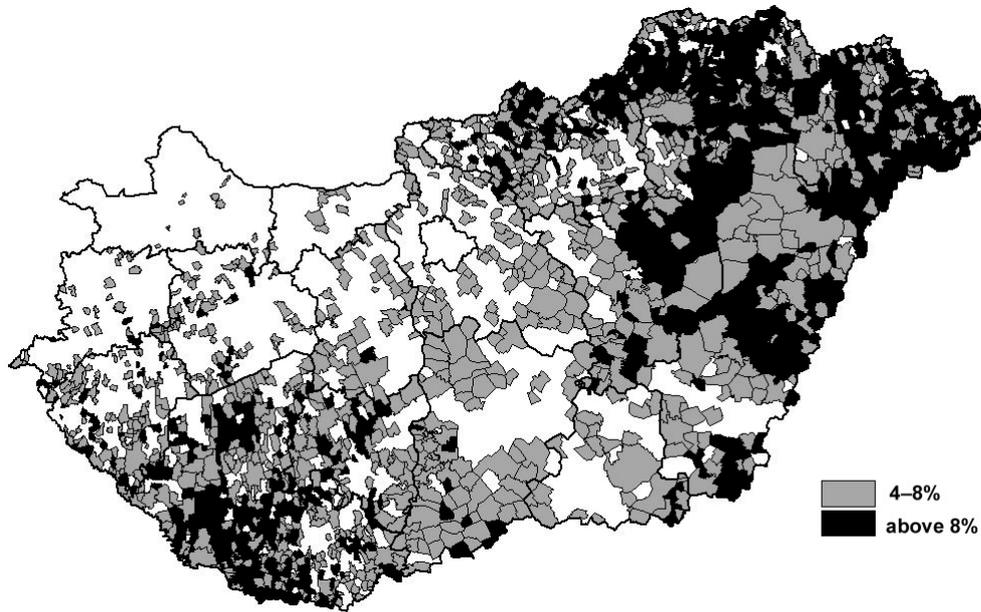


Fig. 5. The ratio of dwellings where the household-head is unemployed, 2001

hit by economic restructuring under the new competitive circumstances (KISS, É. 2000). In other areas the ability to attract innovative technologies and foreign capital was stronger; therefore unemployment always remained far below the national average.

These areas enjoyed a lot of geographical and economic advantages from the very beginning of the political change and thus, they could attract more foreign direct investments (GÜNTHER, J. 2000). The regional distribution of enterprises with foreign capital investment, joint ventures and entirely foreign owned companies is characterised by a sharp east-west division in Hungary (RECHNITZER, J. 1998). A disproportionately large part of joint ventures and foreign capital investment have been concentrated in Budapest and the north-western part of the country in the first ten years of economic transition. These investments have been primarily in the service sector and modern industries, such as the manufacturing of automobiles, so they have been less dependent on raw materials and energy. As a consequence of these foreign investments the labour market of these regions has not suffered so much from the transition, and the level of unemployment remained low.

In addition to differences in geographical location, or the level of infrastructural and technological development the average standard of knowledge is also unevenly distributed in Hungary. This in turn has strong impact on the quality of the labour force, its competitiveness and adaptability to market conditions (MEUSBURGER, P. 2001b). One of the most serious bottlenecks preventing regions in catching up is a lack of basic education (*Figure 6*).

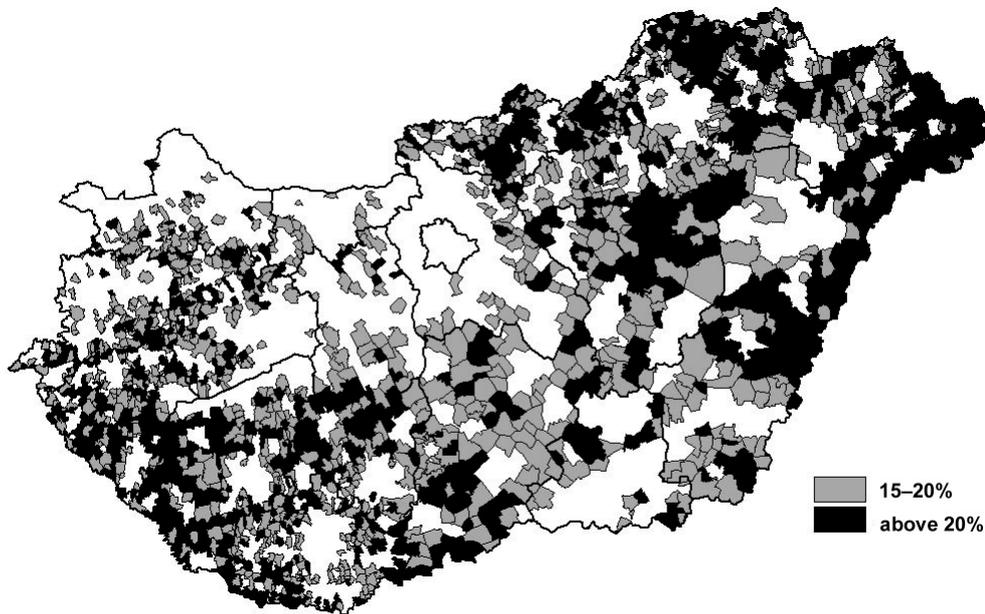


Fig. 6. Ratio of people above 15 years of age without eight classes of primary school, 2001

The proportion of people without eight classes of basic schooling is relatively high in the eastern regions of Hungary and in the inner periphery of Southern Transdanubia. As noted by MEUSBURGER, P. 2001b) these people were least prepared for a market economy, they were the most vulnerable in a system of meritocracy, and the first to be sacked on the labour market. Indeed, regions with low level of relative educational attainments show the highest degree of unemployment. The negative correlation between low level of education and high unemployment rates is clearly reflected by these maps.

Spatial differences in income are the results of the regional patterns of employment in qualitative terms, i.e. what kind of jobs are offered to what kind of labour force (NEMES NAGY, J. 2003). In this respect we can also observe huge differences within Hungary. In February 2001 44.3 per cent of the population was tax-payer in Hungary. The rate of tax-payers within the society was in strong correlation with the level of employment and showed marked east-west disparities. On the other hand, the amount of paid tax reflecting the income conditions of the society showed a similar, but even more polarised pattern (*Figure 7*).

In the year 2001 the average annual gross income per tax-payer was 982,000 HUF in Hungary, which was equal with ca. 4000 EUR. However, beside the average value significant differences can be found both geographically and within the settlement system. In addition to Budapest and its surroundings, regions of North-western Hungary had the highest gross income per tax payer in 2001. At the other end of the

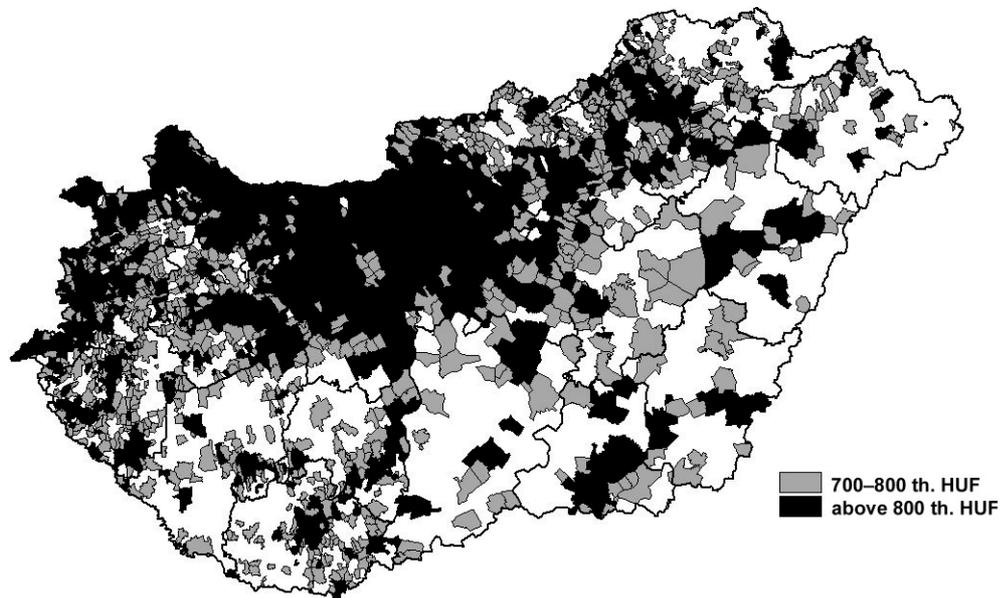


Fig. 7. Annual gross income per tax-payer, 2001

scale, as expected from other indicators, the lowest income figures were registered in regions of Eastern Hungary, apart from some major town centres and county seats (Szeged, Békéscsaba, Debrecen etc.). Income data also reflect strong polarisation within the settlement hierarchy. Budapest with 1.4 million HUF annual gross income per tax payer is far above the rest of Hungary, whereas the average income of tax payers living in villages smaller than 200 inhabitants was only 670,000 HUF for the same year.

What are the factors that determine this extreme polarisation of incomes? First of all, the uneven spatial distribution of better paid jobs. Jobs that are better paid are mostly offered by joint ventures and foreign enterprises in Hungary that are located mainly in Budapest and in the north-western part of the country. These companies pay significantly higher salaries as equivalent domestic firms. Secondly, another important factor in wage inequalities is economic efficiency. Most of the new, innovative businesses are located in Budapest and along the Budapest–Vienna growth axis. These firms can afford to pay more salary for the same job as their eastern counterparts, thus even within the same sector and profession we find usually higher salaries in Budapest and North-western Hungary than in the eastern and south-eastern regions. Income has strong impact on the housing conditions and residential mobility of the society, and consequently, the development of the settlement system.

## Housing market and urbanisation

The political and economic changes have generated new spatial processes on the housing market and within the national settlement system as well. In spite of the declining population figures the number of households in Hungary has been increasing since 1980. This fact of course has had a direct impact on the demand side of the housing market. At the time of the 2001 census the number of dwellings (4.06 million) exceeded the number of households (3.86 million) significantly, thus the quantitative housing shortage, so typical for the communist period is practically non-existent in Hungary. Even there is a substantial vacancy within the housing stock, 341,000 dwellings, approximately 8.4 per cent of the total housing stock was empty at the time of the 2001 census. Dwellings that are not inhabited are located primarily in small villages with peripheral location and Budapest. However, the reason for high vacancy rates differs very much, in small villages ageing and depopulation; in Budapest the functional conversion of flats to offices are the main factors (KOVÁCS, Z.–DÖVÉNYI, Z. 1998).

Improving housing conditions and lowering residential densities have been realised under declining housing construction. The level of housing construction has been decreasing in Hungary since the mid 1970s, when 80–90,000 new dwellings were constructed annually (*Figure 8*).

A great part (around 40 per cent) of new dwellings at that time was constructed directly by the state, but private constructions also enjoyed significant state subsidies. Due to economic difficulties and financial restrictions state gradually withdrew from the housing market, subsequently, housing construction started to decline from

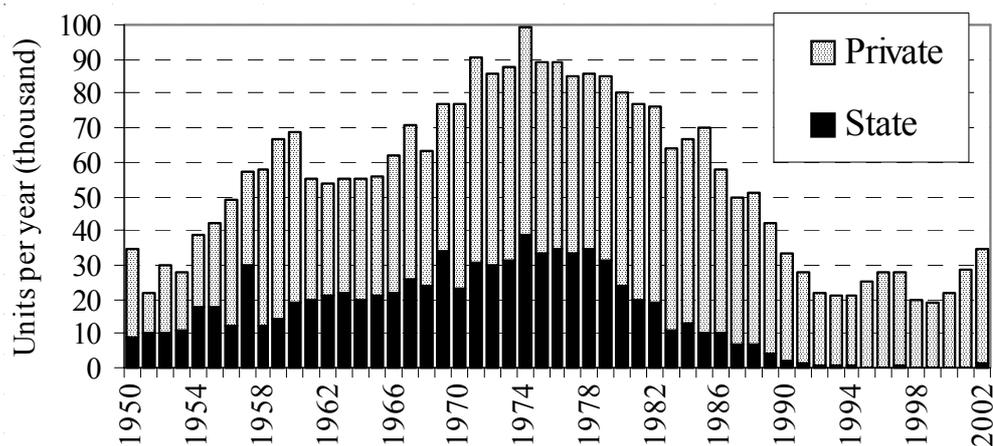


Fig. 8. Housing construction in Hungary 1950–2002

the early 1980s. As it is obvious from the figure, there was a further significant drop in housing construction after 1990, which was an outcome of the transition. In the 1990s the number of newly constructed dwellings was around 20,000 in Hungary annually, and a modest increase could only be observed after 2000. Latter could be interpreted as an outcome of the new housing policy of the central government and improving income conditions of the society.

Within the newly constructed housing stock the share of state (public) dwellings has been extremely low (3–4 per cent) for the last decade. But the ownership structure of the existing stock has also fundamentally changed after 1990, since a large part of the former public rental sector has been privatised. As a consequence, the weight of public rental dwellings on the overall housing market has dramatically decreased. While in 1990 still 22 per cent of the dwelling stock was state-owned in Hungary, by February 2001 this ratio dropped to 3.7 per cent. Obviously, this had a negative impact on mobility rates within the country (*Table 1*).

*Table 1. Mobility rates in some countries in the mid-1990s*

Country	Mobility index (%)
USA	26.5
Sweden	13.7
Great Britain	13.3
Greece	12.0
Austria	10.8
France	8.0
Hungary	4.4
Czech Republic	3.4
Poland	2.6

Source: The Housing Indicators Program, Vol. II. United Nations, Centre for Human Settlement

The lack of private rental sector and the large scale reduction of public rental sector together resulted in extremely low residential mobility rates in Hungary. As it turns out from the table, this is not a Hungarian peculiarity, but typical also for other East Central European countries (SAILER, U. 2001). Housing construction of the 1990s was very much polarised in space as well. The intensity of new housing construction between 1998 and 2002 shows remarkable regional disparities in Hungary. We can distinguish four main regions in Hungary where the level of housing construction was constantly above average in the late 1990s (*Figure 9*).

– Eastern Hungary; where the demographic composition of the society is much favourable than in other parts of the country, with higher ratios of younger age groups, thus the demand for new housing is much higher than in other regions of the country;

– The suburban belt of Budapest (and some other major cities), where a lot of young families appeared in the 1990s, as an outcome of suburbanisation, creating huge demand for new housing;

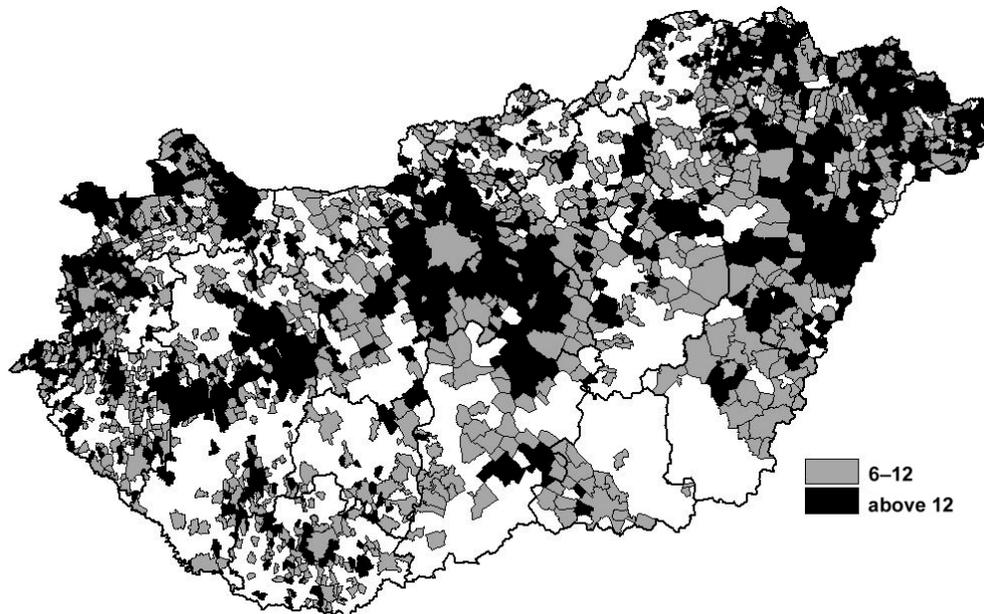


Fig. 9. Newly constructed dwellings per 1000 inhabitants 1998–2002

- The economically prosperous regions along the western (Austrian) border, where above average incomes created more possibilities for local people on the housing market and this led in turn to increasing housing construction;

- The region around Lake Balaton, where long distance migrants, coming mostly from Budapest and other cities of Transdanubia settled down in greater numbers in the 1990s, pushing housing construction figures upwards.

In addition to regional disparities, the intensity of housing construction shows great differences within the settlement system, too. Between 1990 and 2001 the growth of the housing stock was most dynamic in the upper and lower levels of cities in Hungary, i.e. towns with 50–100,000 inhabitants, and small towns with 5–10,000 inhabitants. This indicator reflects the relative prosperity of these settlement types within the country. Towns of medium size (50–100,000 inhabitants) are typically county seats attaining relatively young population and attracting large part of the foreign investments; on the other hand, towns with 5–10,000 inhabitants are typically suburban settlements around Budapest, holiday resorts in the region of Lake Balaton, and dynamic small towns located along the western border areas (MICHALKÓ, G. 2001).

Due to the liberalisation of the economy and changing migration patterns the whole process of urbanisation and urban development has changed in Hungary in the 1990s. After the long decades of constant growth of cities (and limited growth of suburbs) perhaps the most striking phenomenon is the relative decline of urban popula-

tion. National urban ratios have been stagnating around 64 per cent since 1990, though the number of settlements with town status has increased from 166 to 256 between 1990 and 2003.

After 1990 the development of settlement system has had different dimensions. Generally, the gap between towns and villages has somewhat narrowed since 1990. This can be simply explained by the presence of market circumstances and the re-emergence of local governance. Before 1990, as in other centrally planned economies the distribution of resources for communal development was determined by the central political and planning authorities in Hungary. After 1990, the allocation of capital and services in space was basically the outcome of market mechanisms, demand and supply. Thus, the privileges of towns were terminated, at least in political sense, and villages gained more opportunities for infrastructural development, attracting new functions and jobs, and thus keeping their inhabitants. However, due to the same market mechanism new kinds of differentiation and polarisation emerged among urban and rural settlements.

Within the urban system the number of small towns and their weight has increased and the bottom part of the urban hierarchy strengthened. After the change of regime 90 settlements were granted urban status, these are typically small towns with 5–15,000 inhabitants, specialised for certain functions (e.g. tourism, manufacturing), or located in the agglomeration of Budapest or other major cities. Small towns constitute the most dynamic segment of urban hierarchy in Hungary in recent years (IZSÁK, É. 2001).

On the other hand, large cities with increasing pollution and congestion, and decreasing security have become rather unpopular places to live for many Hungarians, thus there have been a growing out-migration from urban areas to the suburbs in the 1990s. Suburbanisation is especially pronounced around Budapest generating massive population loss for the capital city, highlighted above (IZSÁK, É.–PROBÁLD, F. 2001; KOK, H.–KOVÁCS, Z. 1999). However, a peculiar feature of post-socialist suburbanisation in Hungary is that not only the young and better off people but the unskilled and retired are also leaving the cities on account of the high living costs (KOVÁCS, Z.–DÖVÉNYI, Z. 1998).

However, polarisation has been taking place not only between the upper and lower layers of cities, but very often on the same level. Apart from Budapest, the few major cities which have been able to compete successfully for foreign direct investments and for the location of international cultural and educational institutions are located in Western Hungary. The best examples are Győr and Székesfehérvár (each having attracted over 1 billion US\$ foreign direct investment since 1990), but Szombathely, Veszprém or Sopron could also be mentioned. These cities together with Budapest enjoy 'gateway' functions within the country through which most of the international capital and innovation arrives. On the other hand the group of socialist cities (e.g. Oroszlány, Komló) and cities heavily industrialised during the years of communism (e.g. Miskolc, Salgótarján), as well as the agricultural towns of the Great

Hungarian Plain clearly belong to the losers of post-socialist transformation (KOVÁCS, Z.–DÖVÉNYI, Z. 1998).

The east-west polarisation of the settlement system is clearly the outcome of the changing economic fortunes of the regions. The increasing regional differentiation of the settlement system is perhaps best reflected by indicators that indirectly show the level of infrastructural development of communes. Such an indicator is the relative distribution of WC (*Figure 10*).

On the basis of the figure the favourable position of North Transdanubia and Budapest becomes quite evident. Rapid modernisation of the housing stock and communal infrastructure in the west; stagnation and low level of modernisation in the east are the results of the transition. Thus geographical location is increasingly responsible for the widening gap within the national settlement network, too.

### Conclusion

The socio-economic transition in Hungary has brought about substantial changes in the internal structure of the country. As an outcome of the transition new dynamic regions as well as depressed areas appeared on the map of Hungary after 1990. The dynamic regions showed both rapid economic development, attracting new well-paid jobs, and societal development, attracting immigrants from other parts of the country. The technical infrastructure in these regions has also gone through rapid



*Fig. 10.* Ratio of dwellings with WC, 2001

modernisation. To this group belongs North-western Hungary along the Budapest–Vienna growth axis, the Lake Balaton region, and the agglomeration zones of major cities, primarily of Budapest. Settlements and regions lying outside these zones could be characterised by relative stagnation and decline after 1990. They have not been able to take advantage of the proximity of western markets and the new investments coming mostly from the neighbouring EU countries. Thus, it can be stated that geographical location has had a supreme role in the internal differentiation of the country in the first decade of transition. What the next few years will bring is difficult to predict, but we can surely say, that geographical location will have less importance. Projects of regional development policy and other EU policies will affect a more balanced regional pattern within Hungary. On the other hand, further differentiation and polarisation within the settlement system, i.e. at micro-scale, can be expected.

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