

Position and Possibility of Large Hungarian Towns in the Hierarchy of the European Towns

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1 ABSTRACT

There is a dual research objective: the position of the large Hungarian towns in the hierarchy of the EU on the other hand their possibilities and development directions. The population of the town dwellers has been gradually increasing during the last decades. It has resulted in the concentration of the new job openings, knowledge and possibilities. But unfortunately this particular trend has implied negative consequences as well. The issues such as sustainable development of towns, converting them places where well-being is guaranteed are both topical questions. The engines of the settlement networks are such places where resources and activities are concentrated. Towns of the European Union can be arranged in groups based on several criteria. According to the research towns are terminated as European or trans-national towns (called mega) moreover national, regional and local centres (Rechnitzer 2007). Centres in Hungary – comparing to the capital- are significantly smaller settlements representing less population and more modest significance. The population of Budapest is about 2 million. The so called 8 big town's population is about 100- 200 thousand.

The significance of the national borders has been eased in the tremendous competition for the profit for the continuous development. The significance of several other potentials has been developed such as inexpensive labour force, knowledge, the number of the active population, the culture of the population, professional preparedness of the population. The potentials of the local values are upgraded and valued. Geopolitical potentials are also incorporated. A higher educational institution can be a special regional attraction being a professional headquarter of labour force reinforcement. Numerous young moves to towns and elderly also can be attracted due to sophisticated service supply. The significance local values, local traditions, cultural values and natural values are being kept at a high esteem evaluating the role of country living. Infrastructural changes modify the way of country living making transport and employment a mobile business. Competitiveness depends on the productivity with which a location uses its human, capital, and natural resources. Productivity sets the sustainable standard of living (wages, returns on capital, and returns on natural resources). It is not what industries a nation competes in those matters for prosperity, but how it competes in those industries. What Determines Competitiveness? Nations and regions compete to offer the most productive environment for business. The public and private sectors play different but interrelated roles in creating a productive economy (Porter 2008).

On the basis of all this it is acceptable that competition started between towns at first since this particular competition is all about for companies, tourists and the increasing number of the population. There is a very close connection between the towns and the companies since these two factors individually increase the attractiveness of each other. Qualified professional labour force, having intellectual language acquisitions is a significant factor to attract companies to launch a new business and vice versa a company providing good living standards attracts young, mobile labour force. (Filep 2009). As different countries, companies can be compared so can towns. But an only identical type seems to be worth being compared. Our research has been designed to position Hungarian towns into the hierarchy of European towns.

2 COMPETITIVENESS OF CITIES: MEASURES OPINIONS IN FOCUS HUNGARY¹

Recently – besides analyzing the regions – regional research focused on the successfulness of cities as well. It is not by chance, because more and more people live in towns. „Today there are more than 300 cities with a population over a million in the world (city region), and there are almost 20 among them having more than 10 million inhabitants.” (Enyedi 2003). The population of the town dwellers has been gradually increasing during the last decades. It has resulted in the concentration of the new job openings, knowledge and possibilities. But unfortunately this particular trend has implied negative consequences as well. The issues such as sustainable development of towns, converting them places where well-being is guaranteed are both topical questions. The engines of the settlement networks are such places where resources and activities are

¹ This part is writing of Bálint Filep by „Competitiveness and Area Organizing Functions of Major Cities” PhD Thesis, 2009.

concentrated. Towns of the European Union can be arranged in groups based on several criteria. According to the research towns are terminated as European or trans-national towns (called mega) moreover national, regional and local centres (Rechnitzer 2007). Centres in Hungary – comparing to the capital- are significantly smaller settlements representing less population and more modest significance. The population of Budapest is about 2 million. The so called 8 big town's population is about 100- 200 thousand. The Hungarian "big" cities are not compare with the European big cities!

Which are the factors which may serve the way forward in this competition and amend the positions of cities. Studies have been made earlier to compare and evaluate competitiveness on national and on international levels as well. We can read deeper analyses in scientific literature, which cover the way of development of a city and seek its reasons and motivating factors and contribute to the elaboration of the development strategy. The economic sphere and human resources and the connection between them play an important role in the different theoretical and practical measuring tests. In my opinion examining the competitiveness of cities and their surroundings is a really exiting topic. It would be worth observing the individual cities from their formation, because the choice of the site and the historical events formed the cities, their role, their society, their traditions and economy. Competitiveness depends on the productivity with which a location uses its human, capital, and natural resources. Productivity sets the sustainable standard of living (wages, returns on capital, and returns on natural resources). It is not what industries a nation competes in those matters for prosperity, but how it competes in those industries. What Determines Competitiveness? Nations and regions compete to offer the most productive environment for business. The public and private sectors play different but interrelated roles in creating a productive economy (Porter 2008). International examples show that nowadays competitiveness appears beside on the level of companies, higher education and several other dimensions, also on the level of nations, regions, towns. There is a competition for floating production factors like capital, skilled manpower. Several other factors can contribute to competitiveness; some of them can be expressed with exact indicators, but some immeasurable factors may also occur, which are debated in rational and emotional economics as well. The historical development also contributes to the conditions of today.

It is important to determine our aims and the devices to analyse while typing the regions. It is not easy to type regions; there are several possibilities. To limit the attraction field of towns is not simple either. In many cases this limitation is very evident, because almost every country has well known borders, the limits of the regions in the European Union show up on maps well, the Hungarian counties and small areas are also known. The borders of towns are a bit harder to define; the limitation of their attraction field depends significantly on the examined factors. In some cases the limitation is strongly influenced by the geopolitical situation. It is particularly true in the case of towns and regions on the nation's borders (Dusek 2004.) Competitiveness and welfare will be defined by several theoretical indicators. The most common are GDP, GDP/person, HDI (Human Development Index). In opinion of Berey and Nemes (1998–2001) the reason for the regional differences characterized by the indicator of GDP/P was mainly the regional discrepancy of the gross value added (GVA) per person². In the opinion of Nemes, Nagy József (Nemes 2007) as a result of information explosion, it is possible to get information from many places of the world. It is questionable whether they can be compared. The mathematical statistical approach, typical of the 1970s-1980s, narrowed to more simple indicators. All these can be traced back to the fact that these comparisons were not made for scientific purposes, but to serve the supporting politics.

We can find comparing reviews with different indicators, related to a point in time or time range: innovation clusters for a development index by Grosz–Rechnitzer (Grosz–Rechnitzer 2005), components of Nárai (Nárai 2005) created by factor analysis. Horváth (Horváth 1999) analysed different international major cities based on individual indicators. Similar reviews have been made in other countries as well. Gyórfy and Benyovszky analysed the productivity of work in Romania and the evolution of the regional competitiveness in the counties (Gyórfy–Benyovszky 2005). Many of the methods mentioned above cannot be used during the analysis of the Hungarian towns, because a lot of data – e.g. GDP – is not available on the town level.

² Berey and Nemes published a method in 2002 saying that the ratio/figure of GDP/P often used to characterize regional competitiveness and living standard (where P is for the population) can be divided as follows: $GDP/P = GVA/P + (T+D-S)/P$, where GVA/P shows the gross added value per person, T+D-S/P shows customs- and product fees per person (T+D) and state subventions (S). GVA can be inscribed by the multiplication of the ratio of gross added value per person and the employed labour per person: $GVA/P = GVA/E * E/P$, where E means the employed labour (Berey–Nemes 2002).

Zoltán Nagy measures the level of social-economic development with a manifold indicator system (2007), the so called Bennett method, which turns heterogeneous indicators into synthesized indicators. The essence of the method is „in the case of all indicators, the data of that region will be considered as the basis, where the value of the indicator is the highest. Bennet treated the sum of the relative values of each region units as the result of the calculation. So we can see which regional units have the highest values, and what kind of a relative development they have.” (Nagy 2007). Using this method Nagy positioned the following towns: Békéscsaba, Debrecen, Eger, Győr, Kecskemét, Miskolc, Nyíregyháza, Pécs, Salgótarján, Szeged, Szolnok. He made the calculations for the years 1900, 1920, 1949, 1980, 1995, 2000 and 2004. In the total ranking of these 11 towns, Győr has always had the first or second place up to 1980. The position of the town has declined in the last years and it went back to the 4th - 5th place. Nyíregyháza shows a more various picture. It has had the 7th or 8 th place continuously until 1980, when it sank back to the last place, but in the last three years it reached the 6 th place³.

The significance of the national borders has been eased in the tremendous competition for the profit for the continuous development. The significance of several other potentials has been developed such as inexpensive labour force, knowledge, the number of the active population, the culture of the population, professional preparedness of the population. The potentials of the local values are upgraded and valued. Geopolitical potentials are also incorporated. A higher educational institution can be a special regional attraction being a professional headquarter of labour force reinforcement. Numerous young moves to towns and elderly also can be attracted due to sophisticated service supply. The significance local values, local traditions, cultural values and natural values are being kept at a high esteem evaluating the role of country living. Infrastructural changes modify the way of country living making transport and employment a mobile business.

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3 CITIES GOVERNANCE IN EUROPE

„European integration has led to a manifold and far-reaching involvement of cities in policies devised at the European level. In many respects metropolitan regions and cities have become the concrete, practical testing grounds for EU rules, strategies and programmes. For cities, the EU has emerged as a new political arena, offering both opportunities to gain from policies geared towards local level development, but also new constraints emanating from European regulative frameworks. European policies like this are simultaneously played out at all levels of public administration and policy: first, at the EU level, where formal governing in the absence of a real government materialises; second, at the level of member states governments, where programmes and strategies are formulated in cooperation with the subnational entities (taking different forms in member states with more centralist and more federalist traditions); and third, at the sub-national tier of government that has responsibilities for programme codrafting, programme management and operational implementation.” (European Metropolitan Governance: Antalovsky;Dangschat;Parkinson (eds.) 2005.)

³ Zoltán Nagy examines in his PhD thesis in 2007 the situation of Miskolc with the Bennett–method, comparing it with other cities. He refers to the work of Abonyiné P.J. from 1999.

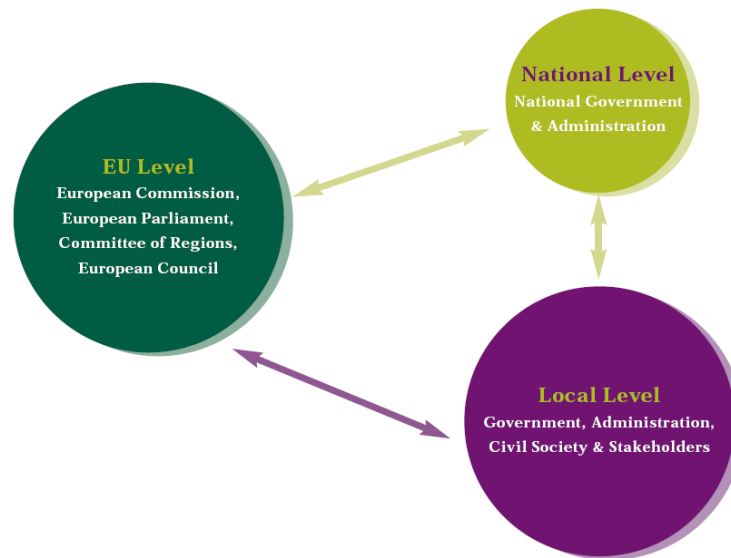


Fig. 1: Governance hierarchy for Cities (European Metropolitan Governance: Antalovsky; Dangschat; Parkinson (eds.) 2005.)

The conclusions regarding this case of deliberative governance are all-important for cities as actors on the European stage with only a very limited formal role in the EU decision-making processes: solely through their presence in the 'discursive space' that surrounds the European institutions, 'good arguments' that are brought forward convincingly and efficiently, the provision of policy expertise to the Commission and the Parliament and, in the final analysis, a 'legitimacy input' for the European Union and the integration process, cities have a fair chance of influencing important EU policy agendas (European Metropolitan Governance: Antalovsky; Dangschat; Parkinson (eds.) 2005.).

Numerous external factors can influence the development of countries, regions, and towns. Veress finds in one of his studies about globalization that in terms of new achievements of the information society and international financial economy we can see: the category of "country" becomes more marginal and irrelevant. „The relation of the state and the business sector can be treated in a way as both parties move in their own ways; sometimes they meet. (Geometrical proportion and speed determine the extent of the autonomy of each party). The lower a country is in the list of the potential sequence of nations; the stronger it depends on the levels of integration, on different international financial levels, and big investors. It has a strong influence on the relationship of the two spheres; a strong need appears for a mutual approach between governments and entrepreneurs. The parameters of each country are determined by their histories, the level of development, economic traditions and the position in the potential sequence altogether.” (Veress 1999). Very important concepts also play a role in interpreting their role in the region.

There are always a lot of external and internal factors, which are very important for the cities future. But the governance and cooperation ability of cities could have a key rule.

4 CONCLUSION

„The city regions of developed countries become the motor of economic growth; there is a significant concentration at these places. The availability of top level business services, research and development, financial institutions, development of cultural economy – in spite of information technology development – is important in determining competitiveness. Networks promoting education, creativity, and innovation come into existence in major cities, because clusters concentrated in regions allow the flexible reaction to the more specific demands. Global markets, increase of specialized demand, and flexible networks of big cities make it possible to attract ever more specialized producers into cities, so regions of major cities became the regional motors of the world economy.” (Hungarian settlement network.2007, 10–11.).

By the one of ESPON forecast we can read: „The development of polycentricity has taken place through the expansion of the pentagon rather than through the development of alternative global economic integration areas. Remote peripheral regions, and even those with large cities, have generally not been successful in generating or maintaining sustained development processes, so that no global economic development area emerged outside the wider pentagon. As a result, large cities in the peripheries remained rather isolated in

their development processes and have not significantly benefited from network and synergy effects. From a global perspective when compared to the early 2000s, European “global” cities have modernized their economic and technological base though their collective competitive position vis-à-vis the global cities of North America and Asia has not changed.

At an intermediate scale, the level of polycentricity in the national urban systems of the countries of Central and Eastern Europe and of the southern peripheries has been reduced, compared with that of the early 2000s. This is a result of territorial differentiation in the long-range economic trajectories of regions. In the countries of Central and Eastern Europe, rural-urban migrations have been significant up to 2030, precisely because of the process of territorial differentiation. Nevertheless, a substantial part of the rural population has been urbanised in situ, i.e. without long-distance migration. Migration flows have also developed from small to larger urban centres” (ESPON 3.2, 2007).

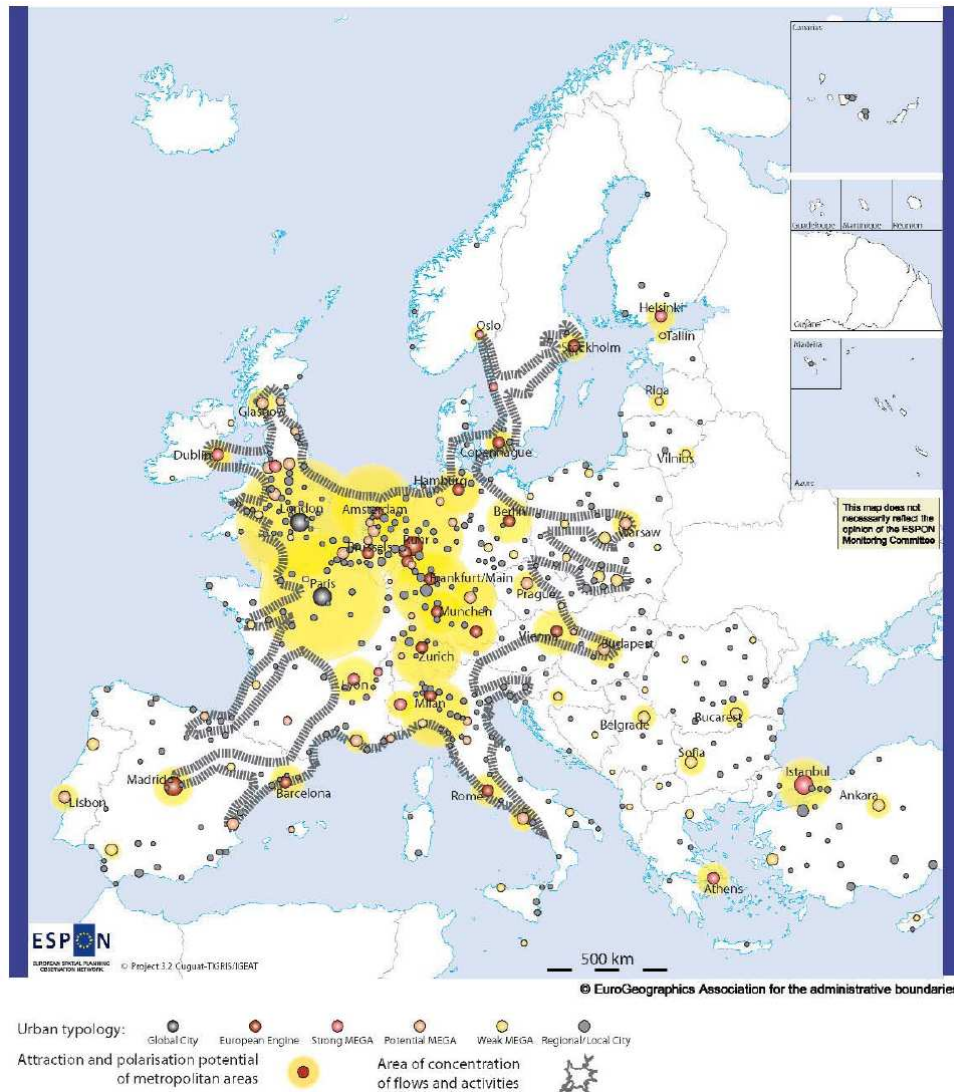


Fig. 2: Spatial structure and urban hierarchy in 2030 according to the Trend Scenario

The carriers of knowledge are the institutions of higher education. Encouraging innovation and innovation have priority, because they contribute to development. Dóry’s formulation for reducing the differences between regions – “the cohesive gap” – is only to achieve with intensifying the R+D and the innovation activities (Dóry 2005, 27). „It is an elementary interest for Hungary to belong to the European Region for Higher Education. It was the same in the age of Latin culture. Europe has to compete today as well, as university rectors and government ministers realized it in London in 2007.

The global challenge created a contention, where the European higher education can only keep its leading position if it reacts appropriately to at least four worldwide challenges. These challenges are mobility, permeability, employment and quality.” (Szekeres. 2008.) Europe, Hungary and the regions, cities and towns

compete. The aim is to match the new challenges on national and city, university level and to achieve a better position.

Centres in Hungary – comparing to the capital- are significantly smaller settlements representing less population and more modest significance. The population of Budapest is about 2 million. The so called 8 big town's population is about 100- 200 thousand. The Hungarian "big" cities are not compare with the European big cities. At the 14th conference in Sitges in 2009 on city planning and regional development the definitions of integrated town, "live - ability," knowledge and sustainability came to the front. The conference for city planners held for 13 years in Vienna was deliberately moved to a small Spanish town this year –to give the possibility for smaller towns to find their way to development and to get ready to adjust to challenges. (Cities 3.0 www.corp.at 2009). This shows, that not only the big cities are liveable.

The knowledge required by the Lisbon Strategy contributes to the development of human resources and the economy; it is worth examining it deeper, on town and region level as well. Knowledge of society is closely connected to this. Robert K. Merton wrote about it in 1957 and in 1968:"The European version of the sociology of knowledge tries to find the social roots of knowledge. It searches how the surrounding social infrastructure influences knowledge and thinking" (Merton 2002). It is very important to measure knowledge, how the number of innovations, licences depends on environmental settings and structure.

We wish to develop an even more complex indicator to measure the competitiveness of the cities in the future, which could also be used to more easily compare Hungarian cities internationally.

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