

# **The internationalization of Budapest**

**Iván Tosics**  
**Metropolitan Research Institute**  
**Budapest**

**Putting cities on the world map**  
**International workshop**  
**Paris**  
**25 November 2016**

everyone stays in Budapest longer than planned  
romans for 400 years ottomans for 150 years soviets for 45 years  
you for one extra night free!

Budapest  
Winter  
Invasion  
06-31.03.07

Stay in Budapest for 4 nights for the price of 3!  
We give you an extra night free to stay longer  
because you will fall in love with this exciting  
and entertaining city.

For further information visit  
[www.hungary.com](http://www.hungary.com) or  
[www.budapestwinterinvasion.com](http://www.budapestwinterinvasion.com)

BUDAPEST  
Airport



# THE STRUCTURE OF THE PRESENTATION

- I. Background: historical, political and territorial factors
- II. The development of an international strategy of Budapest: successes and failures
- III. Different periods: active internationalization and retreat
- IV. Factors determining the strategies

# HISTORICAL CONTEXT: POST-SOCIALIST DEVELOPMENT TRAJECTORY

- ◎ difficult historical pathways in the 20th century, including 40 years socialist system
- ◎ unprecedented quick change from socialism to capitalism in the early 1990s
- ◎ after 14 years of free-market oriented development EU accession in 2004, becoming the poorest and most supported members of the ,family'

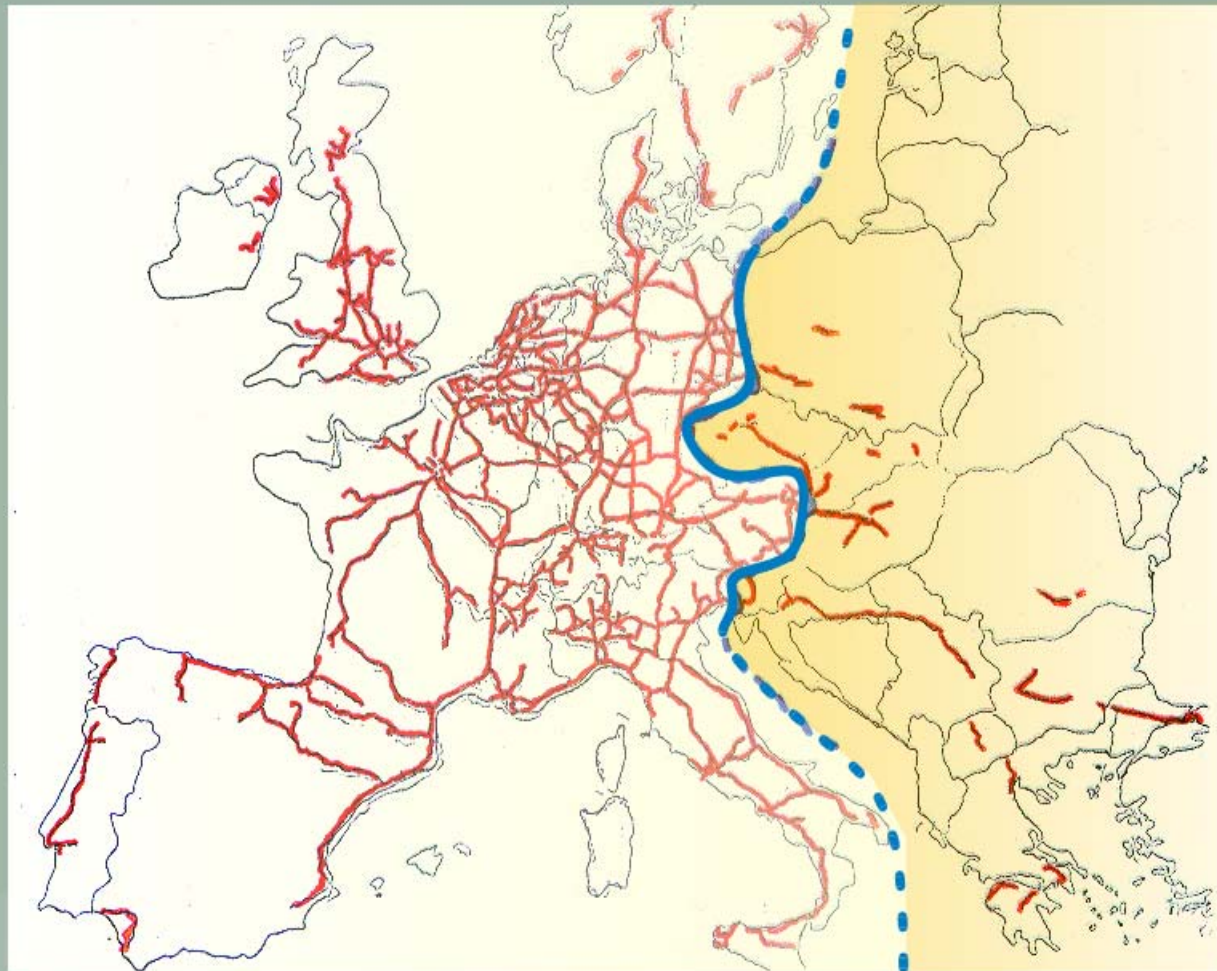


# Autópálya fejlesztési koncepció (1936)



# Autópályák Európában

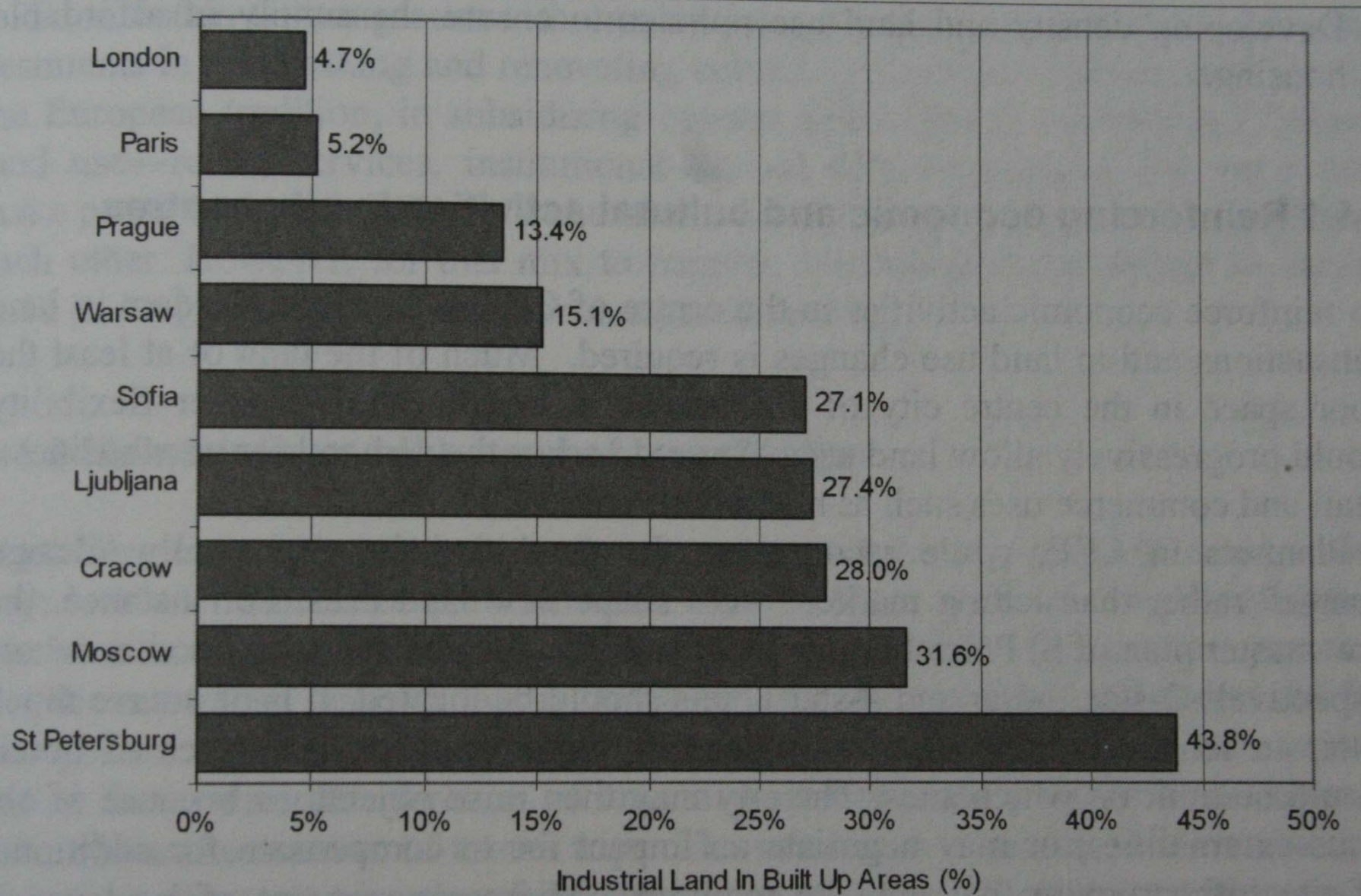
(1996)









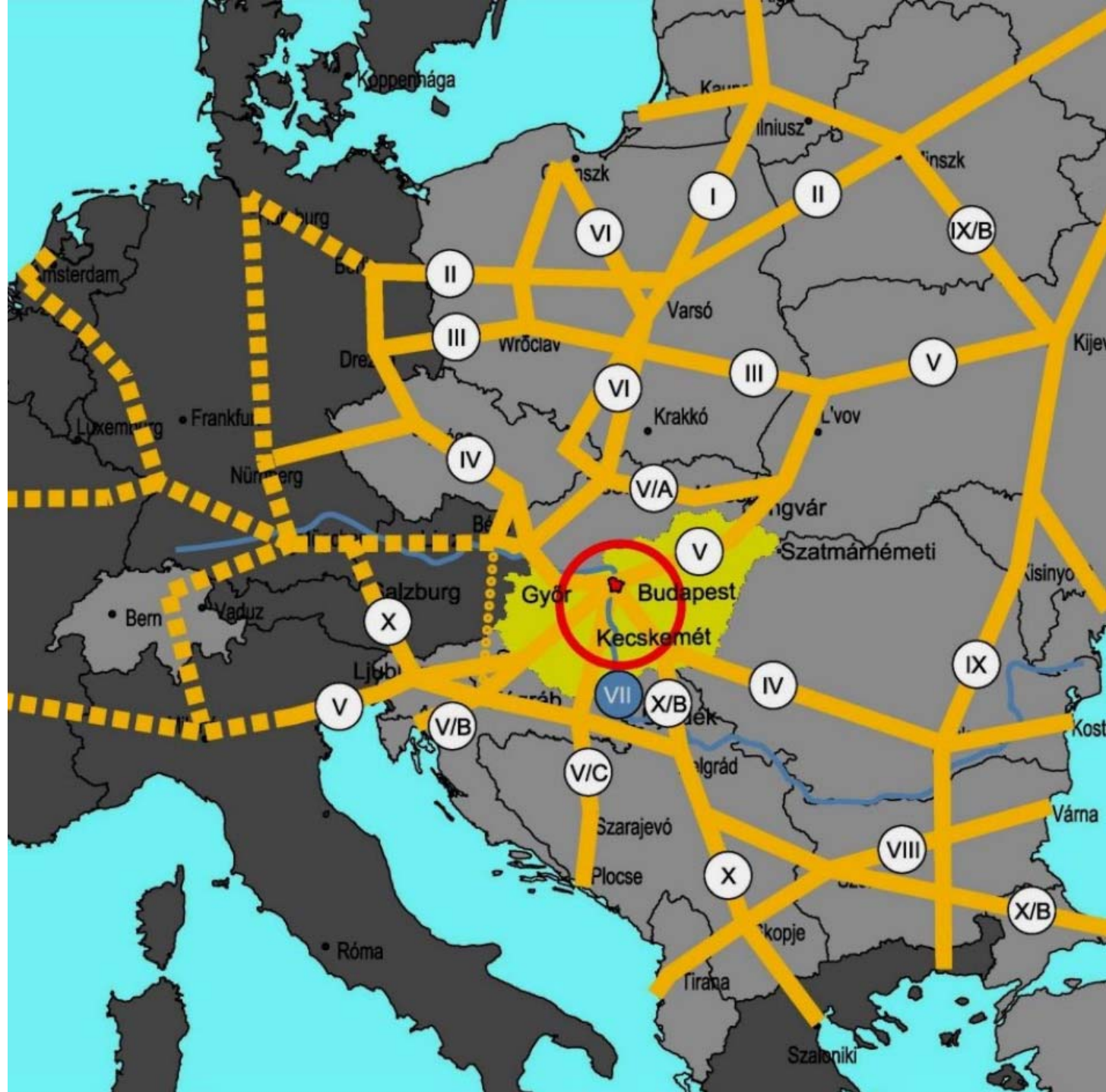


**Fig. 5.6. Industrial land**



## Capital cities of independent countries in East-Central Europe

| Before 1914             | After 1920 | After 1945 | After 1992 |  |
|-------------------------|------------|------------|------------|--|
| Vienna                  | Vienna     | Vienna     | Vienna     |  |
| Belgrade                | Belgrade   | Belgrade   | Belgrade   |  |
| Bucharest               | Bucharest  | Bucharest  | Bucharest  |  |
| Sofia                   | Sofia      | Sofia      | Sofia      |  |
| Cetinje<br>(Montenegro) | Budapest   | Budapest   | Budapest   |  |
|                         | Warsaw     | Warsaw     | Warsaw     |  |
|                         | Prague     | Prague     | Prague     |  |
|                         | Tirana     | Tirana     | Tirana     |  |
|                         | Tallinn    |            | Tallinn    |  |
|                         | Riga       |            | Riga       |  |
|                         | Vilnius    |            | Vilnius    |  |
|                         |            |            | Bratislava |  |
|                         |            |            | Ljubljana  |  |
|                         |            |            | Zagreb     |  |
|                         |            |            | Sarajevo   |  |
|                         |            |            | Podgorica  |  |
|                         |            |            | Pristina   |  |
|                         |            |            | Skopje     |  |
|                         |            |            | Minsk      |  |
|                         |            |            | Kiev       |  |
|                         |            |            | Chisinau   |  |



# POLITICAL CONTEXT: HOW INDEPENDENT CAN BUDAPEST BE FROM NATIONAL POLITICS?

- ◎ 1990-2010: Budapest is very independent (twice in opposition to national government). Budapest as strong actor on international scene in city diplomacy, even influencing EU policies in cohesion policy issues
- ◎ 2010: abrupt changes, right-wing national and local leaders, denying everything what happened before.
- ◎ Since 2010: strong centralization, taking away large part of the power and financial means of the capital city. Budapest leadership has no chance and no will for real independence. (Example: Budapest joined the political statement against migration, March 2016.)



A BEVÁNDORLÓK NEM DOLGOZNAK  
ÉS ELVESZIK ELŐLÜNK A MUNKÁT!

MÉRLEG & VEZETÉS ÉRTÉKELÉS





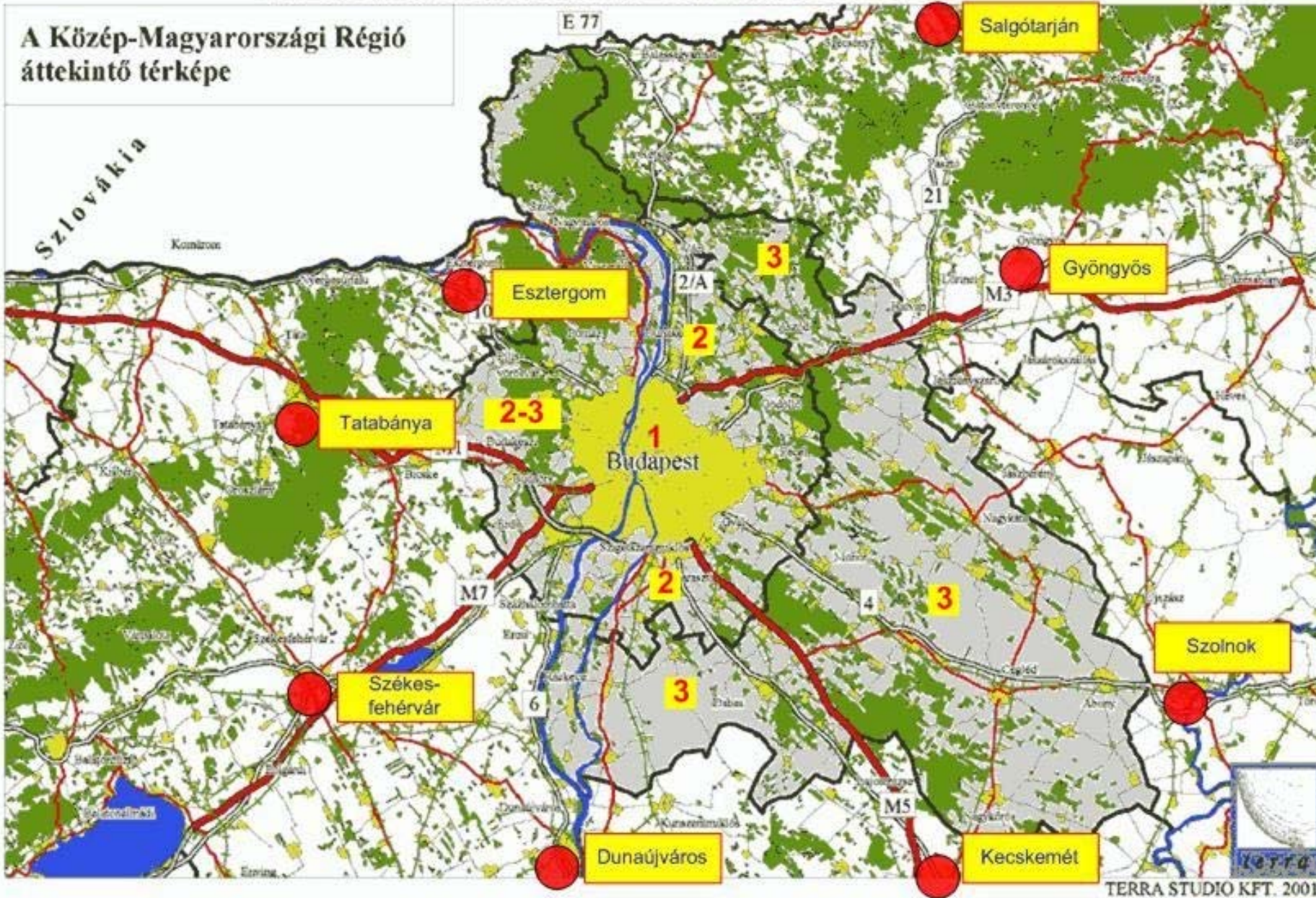


# TERRITORIAL CONTEXT: HOW LARGE IS BUDAPEST?

- ◎ 1990s: metropolization efforts, research to create cooperation beyond the borders of Budapest (1,8 million people) and even beyond the agglomeration (2,5 million), reaching out till the outer city ring (over 3,5 million)
- ◎ 2000s: establishment of the Budapest Agglomerational Council and the Budapest Transport Association. Discussions about and planning towards a large Budapest Metropolitan Area, with no success (due to non-cooperating municipalities, and subsidy shopping of the market actors);
- ◎ after 2010: dissolving of all metropolitan cooperation links and institutions, even the NUTS II planning region (2,9 million) with Pest county, closing in Budapest beyond the administrative borders (1,7 million)

# KÖZÉP-MAGYARORSZÁGI RÉGIÓ STRATÉGIAI TERV

## A Közép-Magyarországi Régió áttekintő térképe



# Territorial levels around Budapest

|                                      | Popula-<br>tion<br>(million) | Administrative<br>status   | Functional<br>importance                         |
|--------------------------------------|------------------------------|----------------------------|--|
| <b>Budapest<br/>municipality</b>     | 1.7                          | local government           |  |
| <b>Agglomeration<br/>of Budapest</b> | 2.5                          | none (statistical<br>unit) | job market,<br>housing market,<br>infrastructure |
| <b>Region of<br/>Budapest</b>        | 2.9                          | NUTS II planning<br>level  | none   |
| <b>Economic area<br/>of Budapest</b> | 4.0                          | none                       | economic area<br>(investors)                     |

# THE DEVELOPMENT OF AN INTERNATIONAL STRATEGY OF BUDAPEST

A separate and published international strategy never existed for Budapest, the aims can only be deduced indirectly from the strategic development concepts

◎before 2010: Budapest+Pest county as metropolitan region should actively influence the regional policy of the EU, focusing on the strengthening of the specific role of large metropolitan areas in the EU

◎after 2010: Budapest as capital city should strive for bilateral and multilateral links with other cities regarding concrete cooperation mainly in cultural, transport and environmental issues and should promote the Danube strategy

# SECTORAL AIMS OF AN INTERNATIONAL STRATEGY

Unsuccessful visions, illusions:

◎financial institutions: Budapest should become the financial center of east-central Europe – swept away by the privatization of the banking and financial sector

◎economic development: Budapest Development Pole based on agglomeration economy and cluster development – neither of the Triple Helix actors agreed and cooperated

◎cultural development: Budapest bid for Cultural Capital of Europe 2010 – finally given to Pécs

## Success sectors:

- ◎tourism: Budapest as beloved destination, also among young travellers
- ◎culture: multi-cultural offers, alternative culture (mixed with special offer of ruin-bars)
- ◎real-estate development: privatization to sitting tenants led to renovation (gentrification) of inner city areas, large scale foreign investments into office and commercial sectors
- ◎public transport (up till 2014): step-by-step modernization of public transport, extension of pedestrian areas, extension of bike network
- ◎municipal works: privatized and later re-nationalized public work companies





Source: <http://magyarhirlap.hu/cikk/45297/Menetrend>











# THE 2000'S: ACTIVE INTERNATIONALIZATION OF BUDAPEST

## Participation in city networks

- ◎ Post-socialist cities started with a sub-ordinated and very selfish position on international scene, recognizing only later the merits of building up coalitions with other cities from new member states
- ◎ Budapest was exception, becoming member of Eurocities in 1997 (i.e. 7 years before the country became EU member!)
- ◎ The role of Eurocities: from putting first the cities of the NMS into a „caranten” towards helping them as equal partners in lobbying on the European level

# BUDAPEST AS ACTIVE MEMBER OF EUROCITIES UNTIL 2010

- ◎ very active role in Eurocities (and partly in UCUE), leading role in East-West Committee, later in the Economic Development Committee and in the Executive Committee
- ◎ active lobbying with other cities for changes in EU policies in relation to eligibility of housing and public transport for Cohesion Policy funding (playing pioneer role to increase the knowledge of EC bureaucrats about the real situation in the new Member States)
- ◎ using 'Europe' as an external lever for bypassing/changing national barriers, arguing with examples of cities in other countries (e.g. regarding state support for public transport).
- ◎ BUT: problems with the internalization of the results of international exchange towards the city hall officers



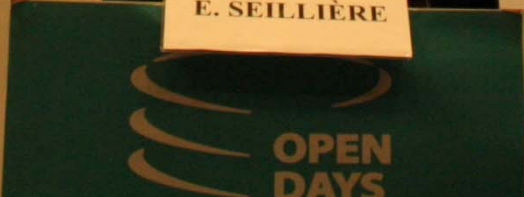
A. BOUNDS

L. VAN DEN BRANDE

H. PROGLIO

E. SEILLIÈRE

G. DEMSZKY









# EURÓPAI UNIÓS VÁROSFYGYELŐ

2008. OKTÓBER

ÁTTEKINTÉS A BUDAPEST  
SZEMPONTJÁBÓL FONTOS  
ELKÉPZELÉSEKRŐL

TOSICS IVÁN



**VÁROSKUTATÁS KFT**  
Metropolitan Research Institute  
16-1093 Budapest, Lányay utca 34.  
Tel: (+36-1) 217-9041 Fax: (+36-1) 216-3001  
Web: www.mri.hu, E-mail: mri@mri.hu

## TARTALOMJEGYZÉK

|       |  |    |
|-------|--|----|
| I.    | FŐBB ESEMÉNYEK ÉS JELENTŐSEBB DÖNTÉSEK EU SZINTEN                        | 4  |
| II.   | AKTUALITÁS TEMAKÖRÖK AZ EURÓPAI UNIÓBAN                                  | 4  |
| II.1  | Az Európai Unió kohéziós politikája                                      | 5  |
| II.2  | Klimaváltozás, energiapolitika   | 5  |
| II.3  | Speciális kérdések   | 6  |
| II.4  | Az EU szervezeti kérdései, a magyar elnökség előkészítése                | 7  |
| III.  | TEMATIKUS DOSSZIÉ: AZ EURÓPAI UNIÓ KOHÉZIÓS POLITIKÁJA                   | 8  |
| III.1 | A 2013. utáni időszak alapvető kihívásai és a prioritásos nehézségei     | 8  |
| 1.    | Demográfiai kihívások: elöregedő társadalom és foglalkoztatási problémák | 8  |
| 2.    | Globalizáció, szerkezetátalakítás, modernizáció                          | 9  |
| 3.    | Klimaváltozás  | 10 |
| 4.    | Energiaterobbanás  | 10 |
| 5)    | Az Európa belső egyenlőtlenségei   | 11 |
| III.2 | A mai kohéziós politika kritikája  | 12 |
| III.3 | A 2013 utáni kohéziós politikára vonatkozó első szakmai elképzelések     | 13 |
| III.4 | Egy új kohéziós politika felé: a városi szempont növekvő szerepe         | 14 |
| III.5 | Zöld Könyv a Területi Kohézióról   | 16 |
| III.6 | Speciális nagyvárosi kérdések, érdekek                                   | 17 |

## **I MAIN EVENTS AND MAJOR DECISIONS ON EU LEVEL 4**

### **II. ACTUAL ISSUES IN THE EUROPEAN UNION 4**

II.1 The European Union's cohesion policy 5

II.2 Climate Change, Energy Policy 5

II.3 Social issues 6

II.4 The EU institutional issues, the Hungarian Presidency is preparing 7

### **III. THEMATIC DOSSIER: THE EU COHESION POLICY 8**

III.1 Prioritization of key challenges and difficulties of the post-2013 period, 8

1. Demographic challenges: aging population and employment issues 8

2. Globalization, restructuring, modernization 9

3. Climate change 10

4. Energy price explosion 10

5. The inequalities in Europe 11

III.2 Today's criticism of cohesion policy 12

III.3 First professional ideas for cohesion policy after 2013 13

III.4 Towards a new cohesion policy: the growing role of regional considerations 14

III.5 Green Paper on Territorial Cohesion 16

III.6 Special metropolitan issues, interests 17

# SINCE 2010: RETREAT FROM ACTIVE INTERNATIONALIZATION

Fundamental political changes to the right, new Budapest mayor downscaling participation in international city networks

◎turning international cooperation into bilateral city-to-city links in concrete, mainly infrastructure and cultural issues,

◎strengthening links towards the East (in accordance with the strategy of the national government)

◎'spectacularization': increasingly believe in and aspire for large events (FINA World Championship 2017, Eucharistical World Congress 2020, Olympics 2024) to boost the reputation of Budapest

# SUMMARY 1

## DIFFERENT PERIODS IN THE INTERNATIONALIZATION OF BUDAPEST

before 2010: active internationalization efforts, taking over up-to-date knowledge from EU cities

- ◎ strong role given to EU and international department, involvement of outside consultants

since 2010: restricted interest in EU issues, decreasing role in Eurocities, turning towards bilateral links in 'concrete issues'

- ◎ downscaling the international department to protocol issues, turning the EU department into lobbying tool for projects

## SUMMARY 2

# FACTORS INFLUENCING THE CHOICE BETWEEN DIFFERENT STRATEGIES

- ◎ the national framework: strong top-down national policies might become serious barriers to internationalization efforts of cities
- ◎ the level of interest (and even language skills) of the leading politicians in international city diplomacy
- ◎ vulnerability of the city hall employees: no continuity after mayor changes (most heads of departments are dismissed); lower level officers not enough 'injected' by the internationalization ideas (top-down systems are very vulnerable if the top is changing)

# SUMMARY 3

## INTERNATIONALIZATION: UP-LOADING AND DOWNLOADING

before 2010, in the period of active internationalization efforts, substantial successes in up-loading, limited results in down-loading

- ◎ the enormous 'cruiser' of Budapest office can only change very slowly orientation

since 2010, in the period of bilateral city connections, no efforts in up-loading, very limited results in down-loading

- ◎ the direction of the 'cruiser' of Budapest office has been turned around

Budapest is still a nice and culturally inspiring city, beloved by large numbers of visitors but there is a fear of isolation and decreasing international political importance in the EU compared to Warsaw and Prague

# THANK YOU FOR YOUR ATTENTION!

Iván Tosics

[tosics@mri.hu](mailto:tosics@mri.hu)

