Post-Socialist Restructuring and Population Redistribution in Hungary*

David L. Brown
Department of Development Sociology
Cornell University

László J. Kulcsár
Department of Development Sociology
Cornell University

László Kulcsár
Department of Rural Development & Extension
Szent Istvan University

Csilla Obádovics
Department of Rural Development & Extension
Szent Istvan University

Abstract This research focuses on pathways by which national level macro-social transformations are transmitted to local communities. Our case is Hungary where we examine the relationship between post-socialist economic restructuring, widespread industrial dislocations, and urban-rural migration. Using secondary data from the Hungarian Central Statistical Office (KSH) and survey data from a study of 49 villages in 4 distinct rural regions, we demonstrate that post-socialist population deconcentration involved both suburbanization and net movement to villages, especially villages that are located relatively close to cities. Contrary to our expectations, movement to villages was from nearby settlements, not from large industrial centers. Moreover, migrants to villages were substantially better off than longer term village residents in terms of their human capital and attachment to the labor force. Consequently, post-socialist population deconcentration is not contributing to rural poverty as feared by some scholars.

Introduction

Fundamental changes in a nation’s economic and political organization, such as the post-socialist transformation occurring in Hungary and elsewhere in East-Central Europe, are thought to affect the spatial location of population and economic activities. However, most research on post-socialism examines national level transformations of economic and politi-
cal institutions, while leaving the local articulations of these macro structural changes largely unstudied and covered by aspatial, “one size fits all” type assumptions (Crawford 1995; Elster, Offe, and Preuss 1998; Stark and Bruszt 1998). The present research, in contrast, examines population redistribution before, during, and after the socialist era in Hungary to determine whether the post-socialist restructuring process has affected some types of places differently than others. Hence, this study examines one of the pathways through which macro societal restructuring is transmitted from the national level to local communities and labor markets.

The logical connection between economic restructuring and population redistribution can be established through at least two post-socialist development processes. First, the transformation from a socialist to a capitalist mode of production was achieved through a radical down sizing of industrial employment. Economic restructuring resulted in high unemployment, declining standards of living, and the disappearance of whole categories of jobs (Szamuely 1996). Since state policy explicitly concentrated industry in large urban centers during socialism, economic dislocations were also most drastic in such places after the regime change. Accordingly, post-socialist labor displacement and resulting out migration was especially likely in urban centers. Many of these displaced workers undoubtedly found their way to villages where they maintained strong family and community ties, where opportunities for self provisioning and informal economic relations were abundant, where vacant housing was available, and where costs of living were generally lower (Brown and Schafft 2002). Secondly, economic development since the regime change has been highly selective of suburban locations, which has resulted in population redistribution to the suburbs from both urban and rural areas.

While population change is not the only, nor necessarily the best, indicator of local well-being, our examination of the relative rates of population growth and net migration experienced by various types of Hungarian settlements provides one perspective on how different types of places have fared during post-socialism. We are particularly interested in the fate of rural places because Hungary, like most other socialist nations, attained a high level of industrialization during the socialist era while retaining a relatively large percentage of rural population (Szélényi 1996). Moreover, even though industrial displacement was especially severe in urban areas, research indicates that rural areas have fared relatively poorly compared with their urban counter-

1 Although, as shown in previous research, rural dislocation was also severe (Brown and Schafft 2003).
parts during post-socialism (Obádovics and Kulcsár 2004; Brown and Schafft 2003; Starosta et al. 1999).

We examine two interrelated questions in this research: has the Hungarian population redistributed itself since 1990, and if so, what are the implications of this redistribution process for the spatial organization of Hungarian society and for the socioeconomic well-being of rural communities? Our analysis of the first question extends previous research indicating that the Hungarian population has deconcentrated since 1990 (Brown and Schafft 2002). Examination of the second question responds to claims that urban to rural migration associated with economic restructuring has contributed to the further underdevelopment of Hungary’s already disadvantaged rural sector (Ladányi and Szélényi 1998).

**Background**

Urbanization is a fundamental aspect of the development process, and much previous research has demonstrated that industrialization tends to be accompanied by population concentration in large and dense urbanized areas (Champion and Hugo 2004). Research on urbanization during socialism, however, indicates that state policy interfered with the relationship between economic restructuring and population concentration (Konrád and Szélényi 1977; Szélényi 1996). Szélényi (1996) observed that socialist governments underinvested in urban infrastructure at the very time they were emphasizing urban industrial development. The resulting mismatch between the concentration of jobs in large urban centers and the supply of housing and public services available there meant that socialist countries became industrialized with disproportionately high percentages of rural population. It should be noted, however, that while fewer workers moved to cities than would be expected, given the size and rate of growth of urban labor markets, workers tended to concentrate in rural villages that were proximate to urban centers. Hence, it is a mistake to conceptualize underurbanization as a process that leaves urban workers in peripheral rural settlements. Rather, many factory workers moved to villages in the vicinity of large cities where they lived intermingled with agrarian populations, and where they themselves were able to retain some vestiges of an agrarian lifestyle and household economy (Szélényi 1996; Enyedi 1996). In fact, many industrial workers who lived in peripheral villages employed self-provisioning as part of their livelihood strategy.

Accordingly, the link between population redistribution and post-socialist restructuring is a focus for social science research because the spatial organization of economic activity in Eastern Europe is now principally determined by market forces rather than by a centrally managed economy as was true during socialism. Since changes in the
spatial organization of a nation’s economy have demographic ramifications and, in fact, are thought to be mutually reinforcing processes (Greenwood 1981), the post-socialist transformation might be expected to unleash pent up pressures for population concentration that were suppressed during socialism (Enyedi 1996). However, the situation is more complex, and while further urban concentration is one reasonable expectation, the deconcentration we have reported in previous research is also consistent with several aspects of the post-socialist experience (Brown and Schafft 2002). The present research seeks to unravel this part of the post-socialism puzzle.

**Research Design and Data Sources**

We use several secondary and primary data sources to examine geographic aspects of population change in post-socialist Hungary. First, two secondary data sources from the Hungarian Central Statistical Office (KSH) are used to examine long-term trends in population redistribution. We monitored the overall direction of redistribution between Budapest, towns, and villages since 1960 with annual data available in printed volumes. However, because these data only differentiate between Budapest, towns, and villages, they do not permit a detailed examination of how population movement may be changing the morphology of Hungary’s urban and rural settlement structure. Accordingly, we obtained the “T-STAR” data base which includes information on all 3,135 of Hungary’s settlements. Each place was assigned to one of seven settlement types according to population size and geographic location with respect to larger places. This seven category settlement typology permitted us to examine the nature of population redistribution since 1994, and particularly differences in population growth and net migration experienced by large urban centers, suburbs, and rural places both near to and far from urban areas. Finally, because we are particularly interested in how migration has affected villages during post-socialism, we conducted a survey of 1,600 households living in 49 rural settlements in four distinctly different micro regions in 2001. Data management procedures used to manipulate the T-STAR file and survey methodology are discussed in the paper’s various substantive sections.

---

2 During 1900–2001, 77 “new” municipalities were formed out of existing larger municipalities. In order to keep the data set consistent, we have aggregated the demographic data where necessary, maintaining a de facto analysis of places as they existed in 1990. See Fugüit et al. (1988) for the logic of maintaining a fixed beginning of period classification in ecological analysis.

3 The 49 rural settlements were comprised of 47 villages and 2 small towns.
The net migration data displayed in Figure 1 reconfirm that Hungary has experienced population deconcentration since 1990. They also show that the transition from concentration to deconcentration began as early as 1978. Moreover, prior to 1978, the data show that concentration was mainly accomplished through net migration to towns. Budapest’s net migration gain began to diminish after 1960, and was at a relatively low level that did not contribute much to population concentration. After 1978, the amount of migration loss experienced by the village category diminished with each passing year, as did the corresponding gain experienced by towns. Hence, the crossover from concentration to deconcentration that occurred in 1990 is a continuation of a long-term trend and only coincidently associated with the regime change that occurred in that year. Deconcentration has

Figure 1. Net Migration in Hungary, 1960–2001

Population Redistribution Since 1960

The Main Patterns of Redistribution

The net migration data displayed in Figure 1 reconfirm that Hungary has experienced population deconcentration since 1990. They also show that the transition from concentration to deconcentration began as early as 1978. Moreover, prior to 1978, the data show that concentration was mainly accomplished through net migration to towns. Budapest’s net migration gain began to diminish after 1960, and was at a relatively low level that did not contribute much to population concentration. After 1978, the amount of migration loss experienced by the village category diminished with each passing year, as did the corresponding gain experienced by towns. Hence, the crossover from concentration to deconcentration that occurred in 1990 is a continuation of a long-term trend and only coincidently associated with the regime change that occurred in that year. Deconcentration has

---

4 Hungary has maintained a population registrar throughout the period encompassed by Figure 1. Net migration is directly measured for each of the country’s settlements as the difference between the number of persons moving to and from each settlement. Since eligibility for social programs is determined by registration, incentives to register are strong, and the system is thought to be relatively complete and accurate. The system differentiates between permanent and temporary movers. We count only permanent migrants in our analysis.
persisted throughout the post-socialist period with towns and Budapest experiencing net migration losses, and villages having gains.

The data in Figure 1 reveal important changes in the direction of net migration in Hungary, but the volume of net internal movement has not been large. Net in or out migration for any of the three settlement categories did not exceed 50,000 persons in any year since 1960. However, as can be seen in Figure 2, these relatively modest levels of net migration mask a substantially larger amount of gross in and out movement. For example, the net loss of 47,881 persons from villages during calendar year 1978 resulted from 278,577 in and out moves, while village net gain of 18,338 migrants during 1995 was produced by 203,338 moves to and from such places. The data in Figure 2 also show that gross migration was higher during the 1960s than in subsequent decades because, as indicated previously, the central state was actively relocating workers from smaller to larger places as part of the nation’s industrial development strategy during this period.

The data in Figures 1 and 2 indicate that internal migration was higher during the second half of the 1990s than during 1990–1995, the immediate aftermath of the regime change. Gross migration declined briefly during 1991, recovered its previous level for the next five years, and then increased modestly during the remainder of the decade. With respect to net migration, Budapest lost increasingly more migrants as the decade progressed; towns stabilized at a low level of net loss that
persisted throughout the decade; and villages gained more migrants with each passing year during 1990 to 1995, after which net migration stabilized at a higher figure than was true earlier in the decade. Hence, it appears that retention of current residence was relatively high during the period of greatest post-socialist employment dislocation (in the early 1990s), and then internal migration increased modestly thereafter.

Why Did Concentration Begin to Shift to Deconcentration During the Late 1970s: The State’s Role in Population Redistribution?

While single factors seldom explain social and economic changes, the shift away from concentration is almost certainly associated with changes in Hungary’s territorial development policy. Prior to 1990, Hungary’s centralized state had a targeted industrial policy that channeled development to Budapest and other large cities (Andrusz et al. 1996). Rural areas were seen as inefficient and unsustainable locations for economic development, and the transfer of labor from rural to urban areas was the nation’s de facto rural development policy. By the 1960s, Budapest’s housing and infrastructure were overwhelmed, and central government policymakers began to shift industrial development assistance away from the capital to other large cities. Once again, the policy entailed draining population and resources from rural areas to supply the needs of new industries in more highly urbanized locations. These development policies were centrally planned and administered. Rural localities had little voice in the matter and little or no agency to resist.

The state’s regional development activities began to change by the late 1970s, not because of a change in ideology, but because the poor performance of the Hungarian economy meant that the state was running out of money to fund spatially targeted development. Subsidies to large- and medium-sized cities were reduced; many production sites experienced lay offs; and there was very little new hiring of rural labor (Kulcsár 2003). The effects of this economic downturn are reflected in Figure 1 as village out migration moderated, and migration gains in towns diminished. Moreover, as observed previously, this indicates that the shift from population concentration to deconcentration that occurred in 1990 was a continuation of a gradual process set in motion by the administration of territorial policy in the late 1970s, not a clean break associated with the fall of socialism.

5 During this period, development in certain villages was not simply discouraged, it was prohibited. These villages were the source of much of the urban in migration that occurred prior to the 1980s.
Different Geography: Different Fortunes

The deconcentration trend shown in Figure 1 is based on annual data from printed volumes in which population figures are aggregated into three categories—Budapest, towns and villages. The town and village categories are extremely diverse, and a substantial amount of within category variation is masked in this highly aggregated analysis. Accordingly, the analysis in Figure 1 simply shows that deconcentration is occurring, but it does not allow for an examination of the relative demographic performance of larger or smaller settlements, or of places differently situated in the nation’s geographic system. Since many aspects of the post-socialist transformation suggest that different types of areas have had different experiences since 1990, a further disaggregation of the three categories is needed to compare the demographic performance of large urban centers, suburban locations, rural areas located within urban commuting range, and rural areas located farther away. This disaggregation would permit us to examine at least three possible scenarios of post-socialist demographic change: (a) renewed urban concentration, (b) suburban expansion around Budapest and other large cities, and (c) the flight of displaced urban workers to rural villages. Before we report the results of our empirical analysis of post-1990 population redistribution, we review each of these scenarios in turn to identify the social and economic forces that would account for their occurrence.

Have Large Urban Centers Resumed a Positive Growth Path Since the Early 1990s?

Because socialist countries attained high levels of industrialization while retaining disproportionately large rural populations, the shift to market economies might be expected to release pressures toward population concentration that were pent up during socialism. György Enyedi (2001) has indicated that since 1995 large- and medium-sized cities have recovered from the immediate dislocations of the regime change, and have now resumed the growth trajectory one would expect of cities in advanced capitalist economies. While this may describe urban economic productivity and/or the rate of growth of urban economic activity, it is inconsistent with the demographic data shown in Figure 1. Clearly, neither Budapest’s nor Hungary’s other larger cities and towns have been able to attract migrants nor retain many of their own workers since the mid 1980s. These urban net migration losses are consistent with reports made by numerous observers who have cast doubt on the stories of widespread

---

6 The mean population size of places in the town category in 2000 was 13,710 with a range of 1,648 to 55,855. The mean size of villages was 1,307 with a range of 14 to 18,578.
urban prosperity in Central and Eastern Europe. Research by Béla Greskovits (2003b), for example, indicates that post-socialist economic growth has been limited to a small number of industries and locations.

But our demographic analysis is not necessarily inconsistent with Enyedi’s observations about urban development. In fact, one might argue that if urban economies are performing better now, it is precisely because they have shed a large amount of unproductive unskilled and semi-skilled labor with resulting out migration. Moreover, if one conceptualizes “cities” as urban regions that encompass both the core city and its surrounding commuter settlements, then the growth of suburban settlements would account for the urban region’s overall population growth regardless of the center’s decline. This latter scenario is consistent with Enyedi’s (1998) prediction that widespread suburbanization will be a fundamental aspect of post-socialist urbanization.

Why Might Suburban Expansion be Expected in Post-Socialist Hungary?

“Suburbs” began to develop around Budapest during the late 1960s. Szelényi (1983) and others have indicated that suburban development during socialism was a result of Hungary’s failure to provide sufficient housing and infrastructure in urban core areas to accommodate industrial workers. While these settlements were located relatively close to large urban employment centers, they bore little resemblance to suburbs in the Western European or American sense. By and large, they were commuter sheds inhabited by segments of the industrial working class. Moreover, these workers lived interspersed with agrarian populations, and many industrial workers raised their own agricultural commodities for self-provisioning. In contrast to the situation during socialism, Budapest’s contemporary suburbs are becoming more similar to the U.S and Western European model; e.g., they are the residence of professional workers who either commute to central city jobs or work in newly established suburban firms. In fact, a large proportion of job growth that has occurred in Hungary since 1990 has been located in suburban locations. This new employment has been closely linked with direct foreign investment which favors locations with cheap land, low taxes, “cooperative” local governments, and access to a pool of both professional and low cost blue collar labor. All of these conditions are characteristic of Budapest’s outer fringe. Accordingly, suburban job growth attracts residents to the suburbs from other locations, including the central city, and retains persons already living there. Budapest’s suburbs are not universally well off, but 70 of 118 suburban municipalities were in the nation’s lowest unemployment quintile in 1994, and none were in the highest quintile (Brown and
Schafft 2002). Accordingly, as a category, Budapest’s suburbs are the most advantaged part of Hungary’s contemporary settlement system.

**Why Would Displaced Urban Workers Migrate to Rural Villages?**

The data displayed in Figure 1 indicate that villages have consistently experienced net in migration since 1990, and that their improved demographic performance continues a process that began during the late 1970s. What factors might account for positive net migration in villages?

*Urban economic pushes.* Hungary underwent a fundamental restructuring of its economy following the regime change in 1990, and these changes were not experienced evenly across the nation’s spatial economy. Privatization displaced a significant amount of labor as many firms went bankrupt or simply shut down. In other instances, firms downsized significantly in order to find efficiencies necessary to become competitive in the market economy. Because socialist era industrial policy targeted investments to Budapest and other large cities, post-socialist retrenchments negatively affected cities more than the countryside. Hungarian industries which had hitherto been shielded from international competition by the Council for Mutual Economic Assistance (CMEA) became increasingly uncompetitive when the eastern trading block collapsed. Hungarian goods could not compete in western markets; EU protectionism further reduced their market; and when Russia demanded world prices for its oil, Hungarian goods became even less competitive. As a result, industrial output fell by almost 40 percent between 1990 and 1993, total employment declined by 26 percent between 1990 and 1994, and official (registered) unemployment peaked at 14 percent (Ernst et al. 1996; Economic Intelligence Unit 1995). Accordingly, these economic changes can be understood as a “push” factor contributing to out migration from Budapest and other large industrially-based cities, and some displaced workers undoubtedly moved to rural villages. On the other hand, many unemployed industrial workers probably stayed put during the period of maximum economic dislocation. Migration is an expensive and “risky” behavior, and many persons are hesitant to move during periods of fundamental structural change.

*Economic pulls to rural villages?* While economic restructuring has dislocated many urban workers, the rural economy is relatively devoid of opportunities that would be expected to attract urban “refugees” to rural locations (Szelényi 1998). In other words, this is a situation of urban push without rural pull. Employment in agriculture declined from 20 percent of the nation’s total employment in 1985 to 8.3 percent in 1996 (Kovách 1994; Harcsa et al. 1998), and these jobs have not been replaced by new
opportunities in services or manufacturing. Moreover, rural workers have been adversely affected by diminished commuting possibilities in nearby urban economies which have been restructured to require far less labor. Greskovits (2003a) has indicated that with the exception of three successful cities and Budapest’s suburbs, labor demand has fallen everywhere in Hungary since 1990. As indicated earlier, large numbers of rural residents commuted to urban jobs during socialism, and many of these jobs have been lost during the privatization process. In 1996, 38 percent of Hungarian workers lived in villages, but because of a lack of jobs in nearby urban areas and in the villages themselves, they accounted for 50 percent of the unemployed (Centre for Co-Operation with Economies in Transition 1996). These restructuring processes can be expected to reduce rural area’s attractiveness to urban migrants, as well as their ability to retain longer term rural residents.

Rural “pulls” outside of the labor market. In contrast to the reduced labor demand in rural labor markets discussed above, rural areas may be attractive to displaced urban workers even though opportunities for work in the formal labor market are lacking. Rural areas have cheaper housing and lower overall costs of living. Housing may be more available in some rural areas, especially those that are not proximate to large urban centers, because out migration during socialism left vacant units behind. The older age structure of rural villages also contributes to vacant housing because many units are left empty when older persons die and are not replaced by younger persons.

In addition, certain aspects of social structure may channel displaced urban workers to rural areas. Research in other countries has demonstrated that economic dislocations often lead to return migration (Grieco 1985). Since many urban workers in Hungary maintained strong kin and friendship connections with rural areas during socialism, these ties can be expected to channel at least some of them back to rural communities during post-socialism. Moreover, since migration is guided by social networks (Massey 1990), displaced urban workers who lived in urban areas during socialism are likely to move to nearby villages where some of their co-workers who commuted to urban jobs during socialism continue to reside.

Rural areas also provide an opportunity to engage in informal economic practices as a buffer against the adverse effects of unemployment, a declining social budget, and scarce opportunities in the formal sector. Survey research in three rural regions in Hungary in 1996 and 1998 showed that most households derived a significant share of their food consumption from self-provisioning, and over half of respondent

---

7 These three cities are Győr, Székesfehérvár, and Szombathely. All three are in western Hungary, and all three have received substantial amounts of foreign direct investment.
households produced and received at least one type of good or service outside of the market through inter-household exchange (Brown and Kulcsár 2001). Ethnographic research by Sik (1988) and others shows that these reciprocal practices are deeply embedded in Hungarian culture. They developed prior to socialism, persisted during socialism, and are important aspects of the livelihood puzzle in post-socialism.

To summarize, while rural areas are not an obvious destination for displaced urban workers seeking jobs, they offer a measure of protection from economic dislocation, including lower living costs, mutual assistance obtained from kin networks, and opportunities to participate in informal economic activities that reduce the need for cash. In addition, to the extent that jobs develop in urban centers, rural settlements within easy geographic access of such places offer a lower cost residential alternative that might make commuting a feasible livelihood strategy.

Disaggregating the Overall Pattern of Population Deconcentration

As indicated before, the T-STAR data base includes demographic information for every settlement in the nation, so it is possible to develop a categorization system that permits a comparison of migration and population change in various types of places. In a previous study Brown and Schafft (2002) developed a seven category classification scheme that differentiates Budapest from its suburbs; separates large urban centers from the town category, and compares towns and rural villages that are located within 30 km of a large urban center with those that are more remote. The original use of this categorization was limited by only having data for 1994–1997, while the present analysis covers 1994–2000. Moreover, while the initial analysis used the residual method to estimate net migration, we are using a direct measure of migration here that is more accurate. Accordingly, this part of the present paper can be considered to be an extension and refinement of previous work. Extending the analysis past 1997 is important with respect to internal migration because Hungary’s economic performance during the late

---

8 Budapest’s suburbs consist of towns and villages located within the capital’s official conurbation. Large urban centers have 50,000 or more population. Towns are typically, but not necessarily, larger than villages. When the town/village distinction was initially developed, a settlement had to have 8,000 or more residents to qualify as a town, but this statistical practice has been deregulated. For example, once a place attains town status it seldom, if ever, relinquishes it regardless of its current population size. Thirty km was chosen to distinguish between near and far settlements because this distance requires approximately one-half hour, a typical commuting time, to travel. ARC View was used to delineate the 30 km radius around large urban centers.

9 Our present findings for 1994–97 are very similar to those reported in our earlier paper except that villages located more than 30 km from an urban center had positive net migration in the first paper, but slight negative migration here.
Table 1. Components of Population Change in Hungary, 1994–2000

<table>
<thead>
<tr>
<th>Classification</th>
<th>N</th>
<th>Population Change (%)</th>
<th>Natural Increase $^2$ (%)</th>
<th>Net Migration (N)</th>
<th>Net Migration (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budapest</td>
<td>1</td>
<td>-1.21</td>
<td>-1.44</td>
<td>-1.32</td>
<td>-0.85</td>
</tr>
<tr>
<td>Budapest Suburbs</td>
<td>118</td>
<td>1.41</td>
<td>1.71</td>
<td>1.56</td>
<td>-0.14</td>
</tr>
<tr>
<td>Urban Centers</td>
<td>20</td>
<td>-0.52</td>
<td>-0.81</td>
<td>-0.67</td>
<td>-0.23</td>
</tr>
<tr>
<td>Near Towns$^3$</td>
<td>86</td>
<td>-0.23</td>
<td>-0.52</td>
<td>-0.38</td>
<td>-0.29</td>
</tr>
<tr>
<td>Near Villages</td>
<td>1515</td>
<td>-0.03</td>
<td>0.01</td>
<td>-0.01</td>
<td>-0.47</td>
</tr>
<tr>
<td>Far Towns$^3$</td>
<td>91</td>
<td>-0.61</td>
<td>-0.60</td>
<td>-0.61</td>
<td>-0.40</td>
</tr>
<tr>
<td>Far Villages</td>
<td>1201</td>
<td>-0.39</td>
<td>-0.38</td>
<td>-0.39</td>
<td>-0.62</td>
</tr>
<tr>
<td>Hungary</td>
<td>3032</td>
<td><strong>-0.39</strong></td>
<td><strong>-0.48</strong></td>
<td><strong>-0.44</strong></td>
<td><strong>-0.47</strong></td>
</tr>
</tbody>
</table>

$^1$ All rates are annualized.
$^2$ Natural increase and net migration are directly measured from Hungary’s population register.
$^3$ Near: ≤30 km to urban center; Far: >30 km to urban center.

1990s improved dramatically compared with the economic devastation it suffered in the immediate aftermath of the regime change.

The seven category classification scheme is deployed in Table 1 to examine the nature of population redistribution in Hungary during the 1990s. These data indicate that Budapest’s suburbs are the only settlement category that experienced population growth during 1994–2000. It is also notable that all size-location categories had natural decrease during this period. Natural decrease was especially strong in Budapest and, because of their older age structures, in villages.

Consistent with previous research, the net migration data displayed in the last column of Table 1 reveal that two processes of population deconcentration have occurred since 1994. Positive net migration is highest among the 118 municipalities located in Budapest’s suburban ring. Villages and towns close to urban centers also had positive net migration, although the net migration gain in towns was minimal. While the volume of net in migration is not large, these data show that more people moved to rural parts of Hungary that are within commuting range of larger employment centers than left such places during 1994–2000. In contrast, Budapest, urban centers, and towns located more than 30 km from a larger city lost more persons than they gained during this period. Hence, the data in Table 1 demonstrate that the post-socialist population deconcentration in Hungary shown in Figure 1 is comprised of both suburbanization and net migration to rural places that have easy access to urban centers. In addition, more remote villages began to experience positive net migration during the last three years of the 1990s. Whether this is a statistical fluke, or portends a new trend of rural deconcentration must await further analysis when more current data become available.

Net In Migration to Rural Areas

How should one consider the fact of rural in migration? Is this a positive indicator of new opportunities, or does it indicate that dislocated urban workers have retreated there? As indicated earlier, there is a widespread belief that the privatization of urban industrial workplaces produced a large number of unemployed “refugees” who, guided by their network connections and attracted by low living costs, migrated to rural areas during the 1990s. Rather than seeing net in migration as evidence of new vitality, there is widespread concern that these migrants are contributing to the very underdevelopment of rural places because available jobs are insufficient to absorb them into local rural economies. These concerns are expressed in the media as well as in scholarly writing. Consider the following examples:
• From the media: “...it is possible to observe an extraordinary migration from cities to the countryside, a reversal of what happened in the 1950s, as recently unemployed [Poles] search desperately for ways of making a living.” (Glanny, 1993:17).

• From social science: “...The most important trend was the growth of population in villages outside the metropolitan areas. This also involved the growth of rural slums ...” (Ladányi and Szélenyi 1998:84).

Rural Household Survey

In order to investigate claims that urban to rural migration is contributing to rural underdevelopment and economic insecurity, we included a module of migration questions in a general household survey we conducted in rural Hungary in 2001.10 This set of questions permitted us to examine migrants’ socio-demographic characteristics and economic status in comparison with longer-term residents, and we were able to determine the types of places rural in migrants moved from. We conducted face-to-face interviews with 1,600 households residing in 49 rural settlements of varying size that are located in four diverse micro regions.11 While our sample settlements were not stratified by distance to the nearest urban center, 19 were located within 30 km of such a place, 24 were located farther away, and the remainder were in Budapest’s outer suburban fringe. Hence, a sufficient number of cases were selected from both the “near” and “far”

10 The survey was administered by Szent István University in Gödöllő, Hungary during the summer of 2001. Sampling, field operations and management, interviewing, and coding were conducted by a professional survey research organization (Enigma 2001 Survey Research Ltd.).

11 A micro region is a subcounty unit of statistical geography consisting of a number of villages and towns. All EU pre-accession countries were required to adopt the micro region statistical system as part of the PHARE process (Kulcsár 2003). We conducted 400 face to face interviews in each of the four micro regions. The micro regions contained 103 settlements (excluding the central settlements) ranging in size from 89 to 7,400. We selected 49 study sites which were stratified by population size (less than 1,000, 1,000–3,000, more than 3,000). Hence, even though we interviewed 400 households in each micro region, the size distribution of respondents varied across the regions to reflect variability in settlement structure. The number of interviews conducted in each settlement was determined by calculating that settlement’s share of the micro region’s total number of households. We used a random walk procedure to select the sample households. When an interview could not be completed after three visits, the interviewer was instructed to move to the next point in the random walk. We visited 2500 addresses to obtain the 1600 interviews. However, because the random walk procedure does not use a sampling frame, we cannot calculate a response rate by dividing the completed interviews into the number of contacts. We simply know that we obtained interviews from approximately two-thirds of the dwellings we visited.
categories to focus our analysis on households living where net in migration is most likely, and those who live where positive net migration to rural areas is a more remote occurrence.

The four micro regions in which our survey was conducted capture Hungary’s major dimensions of socioeconomic and geographic diversity. Vác is an industrialized area within Budapest’s outer commuting orbit; Ózd is a former industrial area in the northeast experiencing economic decline and poverty above the Hungarian average; Kiskunfélegyháza is an agrarian area in the Great Plain without significant industry; and Pápa is a relatively poor area in the Transdanubian part of the country which has many small settlements. Hence, while our data are not representative of rural Hungary in a statistical sense, they characterize households living in places of varying size which are located in dramatically different rural regions. Respondent households were selected using a random walk procedure. When a household contained an intact couple, both members of the couple were interviewed together. Interviewing was done at night and on weekends to insure that employed persons would be at home for interviews. In addition to the migration module, the survey included a wide range of demographic and socioeconomic questions. We define migration as a household level variable where either the householder or/and the spouse lived in a different settlement in 1989 than in 2001.13 Households that changed residence within the same settlement are considered local movers.

How prevalent is migration to the survey villages? The data in the top panel of Table 2 indicate that the householder or the spouse in about 12 percent of respondent households lived in another settlement in 1989. In addition, the householder or the spouse in about 10 percent of households changed residences within the same settlement during this time. These figures are almost identical across the four micro regions. Hence, over three quarters of survey households lived in the same dwelling unit in 2001 that they occupied in 1989, and only about 12 percent moved between settlements. Clearly, these rural settlements have not experienced a massive influx of urban migrants during post-socialism. While these survey data, and the net migration data from the KSH, indicate that net migration was quite modest in most types of Hungarian municipalities during the 1990s, the high volume of gross migration shown in Figure 2 indicates that we should not conclude

---

12 A map of sample settlements is available from the authors.
13 We examined the data using both 10 year and 5 year migration intervals. While the 10 year interval increased the prevalence of migration, it did not change the relative characteristics of migrants and nonmigrants, or migration origins.
that Hungarians are an immobile population. What these data do indicate is that, except in Budapest’s suburbs, net migration has not resulted in significant population redistribution in post-socialist Hungary.

*How do migrants compare with longer term residents?* The data in Table 3 show a comparative profile of migrants, local movers and nonmovers in the 49 survey settlements. Compared with nonmovers, migrant households are larger, have younger household heads, and are more likely to be headed by a male. In contrast, migrants and local movers are quite similar in demographic composition. Age of housing is also shown to vary in important ways. Local movers have the newest housing units, which is consistent with their response to a “reason for moving” question (not shown here) where 6 of 10 local movers indicated they had moved in order to occupy a newer house. Inter-settlement migrants, on the other hand, occupy the oldest houses. It seems likely that they obtained inexpensive vacant houses when they arrived, and this may be one of the characteristics that attracted them to the village. We are not sure whether these differences in housing age are particularly meaningful, however, because housing size and household equipment are almost identical among the three populations (data not shown here) indicating that housing quality is comparable across the three groups.

While migrants, local movers and longer-term residents are not dramatically different in demographic and housing characteristics, the income and educational attainment data shown in the top panel of Table 3, and the employment data in the lower panel indicate that inter-settlement migrants are positively selected. Hence, these data do not
support a concern that migrants to rural villages are adding to rural underdevelopment. Heads of migrant households have completed substantially more schooling; migrant households have slightly higher income; the level of labor force attachment of the two geographically mobile categories far exceeds that of the longer-term residents; and migrant household heads who are economically active are much more likely to hold professional or skilled occupations. Interestingly, the occupations held by long-term residents and migrants are quite similar, and both groups far exceed the occupational status of local movers. These data also show that less than one-third of longer-term residents are in the labor force, and, hence, their relatively prestigious occupations only reflect the socioeconomic status of a minority of the population. These data, plus the age data reported earlier, indicate that longer-term residents, who comprise over three-quarters of the population in the 49 survey settlements, are essentially a population of retirees.

Concerns about displaced urban workers further impoverishing rural villages were probably much more salient immediately after the regime change when far reaching restructuring released hundreds of thousands of workers from the Hungarian economy. This is not to
deny that particular rural places may not still experience a large volume of in migration from urban areas (large in relation to their initial size) or that particular population groups such as Roma may be becoming increasingly ghettoized in rural areas (Troc 2000; Durst 2000), but the data do not indicate an “extraordinary migration from cities,” or that migrants are a relatively impoverished population. Quite the contrary, our survey data indicate that rural Hungary’s human capital stock has been enhanced by migration.

Our survey indicates that rural Hungarians continue to depend on commuting to link themselves to jobs in the formal economy. The data in Table 3 show that employed in migrants to rural villages spend almost an hour traveling to work, and employed longer-term residents spend over 48 minutes. Local movers have the shortest commute, but even they report traveling over 45 minutes from home to work. Accordingly, long commuting trips are a legacy of socialism that is permitting rural people to obtain good jobs that are not available locally. Commuting has a positive effect on rural community viability since professional and high skill persons would not be able to reside in the countryside unless urban jobs were available to persons who are willing to commute 45 minutes to an hour.

Are in migrants to villages urban refugees? The concern that motivated this part of the research proposed that urban industrial restructuring had released a large number of workers who were channeled by their network connections back to rural villages. We have already seen in both the secondary data from the Central Statistical Office and in primary data from the survey of 49 settlements that net in migration to rural areas is relatively low. Now we turn to the question of origins. Where did migrants live prior to moving to the survey villages? Data in the middle panel of Table 2 show that only about 16 percent of inter-settlement migrants came from Budapest or other large urban centers. This figure varies across the four micro regions. Migration to Vác, which is within Budapest’s outer suburban orbit, is much more likely to be from Budapest (36 percent), while only about 7 percent of inter-settlement migrants to Ózd come from the capital or from other large cities. These data also permit one to see whether inter-settlement movers came from an adjacent settlement, or from a place that is farther away. Slightly less than half of migrants to the 49 rural settlements come from a neighboring village or town, while the other half come from at least one settlement farther away. Once again, the micro regions vary in the distance traversed by migrants. Households that moved to Vác and Pápa are much less likely to come from nearby places than is true of the other two micro regions.

Vác attracts migrants from Budapest, and Pápa is located in a densely
settled part of the country where villages and towns are geographically smaller. Accordingly, making a nonadjacent move to these regions involves less geographic distance. In contrast, Ózd and Kiskunfélegyháza are located in less densely populated regions where settlements are more spatially extensive, and distance is a more effective barrier to geographic mobility. Hence, towns and villages in these two regions are more self-contained.

To summarize, while the four micro regions vary, migration to the 49 survey settlements does not typically originate in Budapest or in other large cities. Moreover, a substantial amount of migration to these villages is from neighboring settlements. These data do not support the “urban refugee” picture identified by some previous observers.

Conclusions

Our analysis confirms that Hungary has experienced population deconcentration during the post-socialist transformation. However, our study indicates that the timing of the crossover from concentration to deconcentration is only coincidentally associated with the regime change that occurred in 1990. Economic difficulties starting in the late 1970s reduced the state’s ability to accomplish its policy goal of urbanizing the nation’s population by encouraging rural workers to move to urban-industrial work places. While the urbanization goal remained unchanged during the late 1970s and 1980s, the state simply could not afford to make targeted investments in the nation’s larger cities as a way of redistributing population.

Consistent with earlier research, we find that post-socialist deconcentration involves both suburban expansion, and urban to rural net migration (Brown and Schafft 2002). In contrast to earlier studies, we showed that rural in migration was only experienced by villages located within 30 km of an urban center. Moreover, our research indicates that while population redistribution clearly occurred during the 1990s, it was modest. Except for Budapest’s burgeoning suburbs, inter-area differences in net migration were simply not large enough to result in a substantial alteration in Hungary’s settlement system.

Our particular focus in this research has been on the urban to rural migration stream because informed observers have voiced serious concerns that privatization and the subsequent downsizing of Hungary’s industrial economy would displace a large number of workers, many of whom would flee to rural areas thus exacerbating already grim conditions in the nation’s periphery. Our survey, however, does not support these concerns. We found that urban to rural net migration that has occurred since 1989 has been modest, that net in migration has
been restricted to villages that are located near larger centers, and that few in migrants to rural settlements originated in Budapest or in other large industrial centers. In fact, about half of in migrants come from nearby villages and towns.

The expected out movement to rural villages was less than anticipated because such places have few economic opportunities with which to attract migrants. Since many workers commuted from rural villages to urban work places during socialism, their economic displacement during the privatization process was accompanied by rural retention and only secondarily by a modest amount of migration to nearby rural villages. Both gross and net migration data indicate that Hungarians were not highly mobile during the early 1990s, and that migration increased after 1996 as the economy recovered. Our survey data showed that rural to urban commuting is still an important livelihood strategy during post-socialism. Accordingly, location next to a major employment center is a distinct advantage for rural areas that lack their own employment base. Given the high dependence on commuting reported by our survey respondents, we wonder if rural settlements located within 30 km of an urban center are better considered to be suburbs than free standing rural communities. Hence, suburban expansion around Budapest may simply be a precursor of a much more generalized restructuring of Hungary’s spatial economy. Expansion of this process will depend on the availability of foreign direct investment in regional cities, and on a broadening of Hungary’s export base beyond the several industries [electrical and power machinery] where it competes successfully in the global market place (Greskovits 2003b).

Interestingly, research in the U.S. also indicates that rural commuting to urban jobs is making an increasingly important contribution to U.S. rural economic activity (Tigges and Fuguitt 2003). We are not sure whether commuting in Hungary diminishes urban-rural differences, or contributes to segregating marginal workers in peripheral locations. The over representation of unskilled workers among local movers in our survey supports the pessimistic view, but the relatively higher representation of skilled and professional workers among in migrants presents a more optimistic picture. Future research on the role of commuting in rural economic development is needed to unravel the complex sustenance picture in contemporary rural Hungary and in other post-socialist countries.

Our analysis also indicates that while the rural in migration stream has been modest, it has been positively selected in comparison with longer-term rural residents (including local movers). Hence, rather than contributing to rural underdevelopment, in migration appears to
enhance human capital endowments, and possibly even stimulate economic activity. While this is good news for rural Hungary, it does not change the fact that rural-urban inequality has increased since 1990. The most we can say is that in-migration to rural areas has not contributed to the widening urban-rural gap, and it may have marginally reduced the rate at which spatial inequality has increased.

This highlights the need for additional research on the determinants of social (and spatial) inequality during post-socialism. As Szelényi and Kostello (1998:318) have observed, post-socialist stratification systems in Eastern Europe result from a “new type of market penetration” that was aimed at privatizing the public sector. This institutional reconfiguration undermined labor, 90 percent of which worked in state enterprises during socialism. Hence, labor’s fate during post-socialism, including the prospects for residential choices and occupational opportunities, results from a complex interaction between institutional restructuring and changed possibilities for individual purposive action. In particular, individual and household-level migration decisions that are reflected in our data, while affected by personal preferences and pre-existing network relationships, are conditioned by the new institutional arrangements that allocate jobs and infrastructure to various locations rather than others.

In conclusion, while Hungary’s post-socialist transformation has resulted in some population redistribution, the amount of inter-settlement residential mobility has been relatively modest and limited to suburbs and villages located near urban centers.14 We conclude that concerns about urban refugees flooding already poor rural areas are exaggerated, or may have been limited to the early 1990s or to particular villages. Rural areas have been disproportionately disadvantaged since 1990, but not because of urban in-migration. In fact, to the extent that in migration has occurred, it appears to be enriching rural human resources and possibly improving future prospects for rural development.

References

14 Net in migration to more remote villages may have begun recently, but this will have to be watched for several more years to determine if it is a real trend or a statistical fluke. If it is real, it may signal an important alteration in Hungary’s settlement system.


