A short history of Hungarian industrial towns from the 1950s until the regime change

Abstract  My study focuses on the current conditions prevailing in the Hungarian industrial towns and post-communist industrial towns. The 11 industrial towns built during the communist era exhibit widely divergent development paths both prior and following the regime change. However, all of them are characterized as being heavily politicized; this political influence on their lives applies even today. In this paper I attempt to find both common features and divergences in the present situation of these towns, the solutions they attempted to implement to rescue their economies, prevent depopulation; and finally, the form of future vision they seek to realize to ensure their continued existence and viability. The post-communist industrial towns do not have any historical roots; their prosperity was mainly due to the industrialization policies of the past regime. Most of the political attention and a sizable part of the available resources for some decades were focused on these towns, resulting in rapidly rising populations and the emergence of non-traditional urban structures. The regime change in 1989–1990 found the 11 Hungarian post-communist industrial towns in widely dissimilar conditions; by now the initial gap between the prosperous Tiszaujváros, Tatabánya, and Százhalombatta and stagnant or even declining Oroszlány, Ózd, and Komló has grown even further.

In the analysis of the 11 towns I utilized on the one hand the various pertaining documentation and policy papers of which the integrated urban development plans are the most significant, while on the other a wide array of available statistics and surveys, which aimed to provide the required background data for compiling the relevant statistics.

Keywords  industrial town, productivity, innovation, European trends, Hungarian distinctiveness
Introduction

The ‘socialist’ town has been the last utopian vision of 20th century urbanism: at its inception it aimed to create the ideal built space for a workers’ town, simultaneously also engendering the idea of remoulding society into its preconceived vision. During the Stalinist era the image of the ideal socialist town degenerated into a set of dogmatic planning directives. With the weakening of the internal cohesion of the communist system the observance of this design orthodoxy also laxed and it survived only as a loose collection of unimaginative urban design solutions. (Germuska 2004)

In the development of socialist industrial towns a primary importance was given to the post-WW2 economic, social, and political processes undergoing in Hungary. Such reality resulted in a state of dependency, while it also led to new economic, social, and political conditions, which had a tremendous impact on every facet of life in Hungary.

The first generally recognized classification of towns in Hungary was compiled by György Markos in his work the Economic geography of Hungary. (Markos 1962) He emphasized that in the definition of the characteristics of a town not only the newly acquired, but also the inherited functions must be taken into account, i.e. the size of the local population, the peculiarities of historical development, the existing functional characteristics, and the pace of former development. However, he stressed the significance of existing functions, thereby classifying Hungarian towns into four main categories: administrative centres, transportation hubs, industrial towns, and agricultural towns. (Germuska 2004)

Within this stratification the ‘new socialist industrial towns’ appear as an independent subgroup including the towns of Ajka, Dunaujváros, Komló, Kazincbarcika, Oroszlány, Várpalota, which according to Markos are the glowing examples of the superiority of the planned economic model of the people’s democracy. Györgyi Barta considers the new towns constructed during the communist period as a far cry from being socialist; although as new settlements they manifested noteworthy social, economic, architectural, and functional departures in comparison to other towns, but lacked any content to qualify them as socialist. (Barta 2010)

Weclawowitz in his work, the Spatial-social structure of towns in East-Central Europe, wrote in 1992 that there does not exist any universally recognized definition to what can be considered a ‘socialist town’. In his opinion no countries in Eastern Europe actually had a fully developed socialist model in working order. All definitions related to the so-called socialist towns can be grouped around two basic preconceptions. The first focuses on the plans and entails the principles according to which such towns must be constructed and made functionally active; while the second is based on a wide range of analytical analyses of the specific characteristics of post-WW2 urban development processes. (Weclawowitz 1992)

A common thread of both is that the term of the socialist town is inseparably intertwined with that of the industrial town. The already established, larger urban settlements could not be easily transformed and adapted to the ideological needs of the new regimes, whereas the new industrial towns served as the urban models of the coming socialist era. (Weclawowitz 1992)

Merlin in his study the New Towns and European Spatial Development identifies three types of newly built urban settlements, i.e. the newly established capital cities - Canberra, Brasília, and Islamabad), the new industrial towns, the majority of which were located in the former Soviet Union and Central-Eastern European communist countries – Poland, Hungary, etc., and a small number of so-called factory towns in Northern-Canada and France. The founda-
tion of the latter towns was motivated by the desire to industrialize mainly rural regions and was centred on a single large industrial enterprise or complex. Merlin also differentiates the newly designed towns as ones which were the results of conscious urban development most frequently aiming to alleviate the overcrowdedness and overpopulation of large cities. Pál Beluszky considers the industrial town as a distinct type of settlement. He identifies three subgroups as well; the ‘socialist (industrial) towns’ including in Hungary Dunaújváros, Ajka, Kazincbarcika, Komló, Tiszajúváros, Várpalota, Oroszlány, and Martfű, the so-called industrial towns – Ózd, Paks, Nyergesújfalu, Simontornya, and Téglás, as well as the industrial towns with residential functions – Bonyhád, Mór, Dorog, Százhalombatta, Bátonyterenye, Tolna, Sajószentpéter, and Lőrinci. (Beluszky 2003)

Györgyi Barta (Barta 2010) in her A dual interpretation of the term ‘socialist town’ sees such settlements as complex social-economic organisms, which, according to her, posed an irreconcilable dilemma to the various involved actors. From an economic aspect an essential feature of industrial development in the former communist countries had been the focus on large state-owned industrial enterprises, which thereby enjoyed a distinguished role in the specific towns and regions of their location. A town’s sole large corporation and its management also became leading voices in municipal affairs at the town hall. Such peculiar economic model and political environment, but most of all, the general communist social framework shaped the distinctive character of the communities of socialist towns. In these communities differentiation and segregation in the local population did not emerge, a dominant position was taken by technical and engineering professionals with various levels of educational qualifications, simultaneously intelligentsia of the traditional humanities and free arts was almost completely lacking in most of them.

Finally, the list of definitions of industrial towns is closed by the term industrial town with an economic emphasis, according to which a settlement has industrial character if the majority of its active age population holds jobs in industrial enterprises located, or relocated, there. (TÉRPORT FOGALOMTÁR 2011)

In Hungary, compared Western European countries, the process of industrialization commenced relatively late; it started in earnest only during the first half of the 19th century. From the 1930s and 40s onwards industrial development projects realized in Hungary followed essentially political goals: industrialization served as one of the tools to bring about the political and economic independence of the country. (KÖSZEGFALVI 1978)

Surveying the trajectory of industrial development prior to the conclusion of WW2 it can be stated that in general, despite the notable exception of some industrial centres, Hungary has remained an industrially underdeveloped country. The communist industrialization policies were put into place from 1950 in the form of 5-year plans, which sought to eradicate the inherited economic backwardness of the country and pursue rapid economic development through rapid industrialization.

During the first decades of the communist era the emphasis was clearly placed on the development of heavy industry, especially when based on the extraction of raw materials and minerals found in Hungary – mining and steel industries. (KOCIS–SCHWEITZER 2011)

One can find in the centre of the economic policies of the ‘socialist system’ the desire for forced rapid industrialization, especially in raw materials, the energy sector, heavy and arm industries. As a result of this uncompromising thrust for industrial growth by the end of the first 5-year plan (1951–1955) industrial production rose by 130% and there also commenced a radical shift in the employment structure of the country. The majority of community investment
projects were focused on urban settlements, therefore in this period a large number of public service providers were set up in towns and large villages. (Kocsis – Schweitzer 2011)

In Hungary it was a primary task in the construction of the new communist social order to extinguish the geographical inequalities of productive capacities through the use of a planned economic model. New industrial plants were established side by side with a number of high-capacity coal and oil-fired power plants, and the extraction and utilization of the country’s natural gas deposits also began. By 1968 industrial production increased more than fivefold while the GNP more than tripled compared to pre-WW2 levels. The employment structure of the active population altered significantly; with a marked increase in the number of industrial workers, the formerly outdated structure of the country’s productive capacities was modernized. In the first phase of the communist industrialization program, between 1947 and 1954, the rapid industrial development of the previously neglected regions of the country began. The forced industrialization greatly accelerated the demand for energy, which meant the sometimes irrational expansion and opening of new poor quality coal and lignite mines (towns based on such mining activities were Oroszlány, Komló, Ajka, and Várpalota), while the town of Százhalombatta experienced rapid growth reliant on the newly discovered oil deposits through the construction of its power plant and refinery. Accentuated interest was paid to the towns of Kazincbarcika and Dunaújváros as well, the latter of which became the home of extensive steel manufacturing with its required power plant, building material and light industries.

Features of the socialist industrial cities

The socialist industrial towns in some respect showed a marked divergence from traditional and other types of industrial settlements. Pál Germuska found five such particular traits in relation to the socialist industrial towns.

The first and perhaps most important of these, inspired by the ideas of Iván Szélényi, the socialist towns received special attention and preference by the political leadership and in the economic policies of the past regime, thus they were the beneficiaries of the economic redistribution system of the country. This role is tangible in their status as towns, the mid-term economic plans, as well as the level of funding available to them from urban and regional development programs.

The second characteristic is that the foremost motive for the establishment of socialist towns used to be the industrial development of till then mainly rural areas. (Germuska 2004) In most cases this entailed the relocation of a specific industry to these locations giving steady employment and livelihood to the local populations.

The third trait is that in the socialist towns industry has always been the most significant sector of employment, including approximately 60% of the active working age populations. (Germuska 2003) Among the various towns marked changes only occurred in those where industrialization was carried out without any local antecedents. In the town analysed in the study the local employment structure unquestionably tilted towards industry, thus by 1972 about 73.5% of the local labour force was employed in that sector. However, industrial activity by itself is insufficient to make a settlement a town. Besides this activity the role of the tertiary sector is indispensable. According to Lajos Timár for the realization of a structured urban community it is necessary to possess a diverse employment mix, since the meaningful presence of the service sector contributes to the urbanization of the community. (Germuska 2004) In his view the socialist towns do not fit this qualification as, by and large, this segment is lacking in their communities, or is too weak to meaningfully shape them.
The fourth main feature is that in the socialist towns urban traditions are either completely non-existent or are irrelevant. (Beluszky 2003) These towns are wholly devoid of any local traditions; on the one hand a long-established urban citizenry and social stratification are not present, on the other hand pertinent infrastructure and institutional background are also missing. The development of urban-cosmopolitan values since they were newly established communities could not materialize. The local populations were drawn from a wide range of backgrounds, mostly rural-agricultural, therefore contributing to a set of values and beliefs that were peculiar to these types of towns. The newly constructed housing estates, simultaneously, were often unable to preserve the former social networks or generate new ones, thereby positively impacting the genuine integration of these communities into functioning organisms. Furthermore, there is the insufficiency of the town centres to fulfil their role as such and the disconnected, not integrated nature of the individual town sections.

The fifth characteristic, a trademark of the socialist industrial towns for decades, used to be the rapid population growth. The number of residents in them increased sixfold on average between 1949 and 1990, whereas in the case of other towns in Hungary for the same period the figure stood at only 1.4. ((Germuska 2004)

However, in summary by surveying the general features of the socialist industrial towns, they failed to give an answer to the pressing question as to what made these settlements both socialist and industrial. As it can be found in the chapter dealing with Hungarian regional development during the communist era, the growth of a settlement and the attainment of the rank of a town could be accomplished only through the recommendation of the Presidential Council. The achievement of such status could be translated to receiving special preferences especially in funding decisions. Such policy unmistakably contributed beneficially to urbanization and urban development as well as to the diversification of the geographical component units within one settlement.

By the 1980s, due to regional development concepts in place and the alteration in the economic environment, the established patterns somewhat altered and there appeared income and social status based spatial separation.

**A brief history of the past and present of former industrial towns**

"From the 1960s as the result of the increasingly more conscious and better planned urban development initiatives and by incorporating a range of ideas almost inevitably surfacing during the construction process, some of them certainly unforeseen and unexpected, the definition of what constituted a socialist town gradually altered. Slowly new expectations and requirements were assembled that successfully expanded the notion of the socialist town, both theoretically and in practice far exceeding the formerly accepted concept." (Faluvégi 1973)

To use the terminology of the 1950s, of the new industrial towns primarily Dunaújváros, Kazincbarcika, Komló, Oroslány, and Várpalota were referred to as socialist towns, later on also including Tiszaújváros (previously Leninváros) and Százhalombatta. The towns and settlement structure inherited from the former capitalist period after the conclusion of WW2, especially during the 50s, still manifested mainly the social and economic characteristics of the bygone age. The structure and functions of Hungarian towns not yet or only very slowly moulded to fit the needs of the new social system. Therefore, the newly planned and constructed towns pro-
jected the type of urban settlement that suited the requirements of the communist social order. (Faluvégi 1973) The so-called transitional period (1945–1948) was a period that transformed the social structure and the economic system of the country down to its core; mainly entailing the legislative process, changes in ownership conditions, metamorphosis of the social system and of the political and bureaucratic elites of the country. (Beluszky 2003)

The communists in Hungary also constructed a soviet style economic system. On January 1, 1950 commenced the first 5-year plan, which aimed to make Hungary a country of iron and steel, irrespective of the prevailing economic-geography of the land. This plan had been in reality a blueprint for the development of heavy industry with most of the funds and resources allocated to the military, steel, mining, industries. (Kaposi 2002) In parallel, a policy of industrial decentralization was pursued, aiming to create a number of industrial hubs focusing on areas lacking in industrial enterprises, larger towns, county seats, and agricultural towns. (Faluvégi 1973) In the 1950s the most visible aspect of urban development had been the construction of the so-called socialist towns, their main purpose being the fulfilment of the labour needs of the large newly built industrial enterprises. (Beluszky 2003) The bulk of these development schemes materialized in the mineral rich mining regions of the country’s mountainous areas along the energy hungry heavy-industrial rust belt spanning from Borsod-Abaúj-Zemplén county (Ózd, Kazincbarcika, Miskolc) through Budapest to Veszprém county (Várpalota, Ajka). (Enyedi – Horváth 2002) In the communist drive for industrialization, especially in its first phase, the emphasis was placed on the development of the energy sector; this being accomplished by the rapid development of coal mining, which necessarily resulted in a significant growth in the number of those employed there.

Figure 1  ▶  Population changes in socialist industrial towns between 1949–2014

Source: HELYSÉGNÉVTÁR, 2014, self-compiled data
In the first wave of ‘socialist towns’ the construction of Dunaújváros, Kazincbarcika, Komló, Oroszlány, and Ajka began. New power plants were built at Oroszlány, Komló, Ajka, Várpalota, Berente, and Gyöngyösvisonta, and the town of Százhalombatta was greatly expanded based on the booming oil industry of that period. The already existing iron smelters and steel mills at Diósgyőr and Özd were heavily invested in. At Oroszlány brown coal mining and the attendant power plant, at Ajka coal and bauxite mining, as well as energy industry, at Várpalota coal and lignite mining, energy and aluminium industries, at Kazincbarcika coal mining, energy and chemical industries, at Tiszaujváros energy and chemical industries, at Dunaújváros energy industry serving the local steel mills, building material and light industries were established. (Városépítés Magyarországon... 1975) All these towns were created to serve the political ends of the then reigning regime. The ‘designers’ besides the prior industrial heritage, if there had been any, did not pay any consideration to any historical antecedents. The new towns served as symbols of modernity from their inception. ((Germuska 2004) These settlements can be also grouped according to their development targets; therefore, three distinct types can be deciphered: the first is that of industrial towns including Ajka, Tatabánya, Özd, Várpalota, here an already existing industrial base was greatly expanded – to this group can be added the mining town of Komló as well. The second group contains those towns which did not possess any industrial roots previously and were established simply by a political diktat; such settlements were Dunaújváros, Paks, Tiszaujváros, and Százhalombatta. As entirely green field projects the construction of Dunaújváros (Danube Steelworks), in the vicinity of two small villages later incorporated in it, and of Tiszaujváros (Tisza Chemical Works) were carried out. In conjunction with the development of the town, but not as an integrated whole did the industrialization of Százhalombatta (Danube Refinery) take place, the main difference being in comparison to the two previous towns that here it occurred during the late 1960s and early 70s. (Csizmady 2013) In conjunction with the expansion of the industrial capacities the construction of residential housing, various leisure facilities, public welfare and retail units also commenced. In the then contemporary political thinking the housing estate was seen as the perfect tool to mitigate inequalities among various social groups. A significant symbolic act in the development of these new industrial settlements was their elevation to town status. (Csizmady 2013) In the first decade following 1949 the majority of urban population growth materialized, besides the capital and county seats, in the industrial towns. In this period the new industrial towns nearly doubled the number of their residents consisting one-fifth of the entire urban population of the country (in 1949 only 61 settlements enjoyed town status in Hungary).
In the last 25 years

Following the regime change the economic and social transformations have been as rapid and radical as those after the conclusion of WW2. The adjustment from a communist planned economy to a capitalist free market system came with the most drastic economic downturn recorded in Hungary, especially affecting the industrial sector. Due to this, at the end of 1995 gross industrial production still reached only three-fourths of the level ten years prior. The massive recession was most detrimental to the previous communist heavy industrial enterprises and mining centres; in essence entire industries went defunct and vanished without a trace. (Germuska 2002b) The changes of 1989–1990 found the eleven socialist industrial towns in widely different conditions and by now the gap between the prosperous Tiszaújváros, Tatabánya or Százhalombatta and the at best stagnant Oroszlány, Ózd or Komló is even greater. (Germuska 2002a)

In the settlement network of Hungary upon the regime change two distinct, yet simultaneous influences are discernible. The first category includes all the efforts and activities left unrealized in the past fifty years for political reasons, while the second involves the implementation of new urban development models concocted in the developed countries in the 1990s. (Enyedi–Horváth 2002)
of the country. For a few decades most of the attention and available resources were lavished on these towns, resulting in atypical urban arrangements and rising population figures. Upon the regime change these were the very settlements that found themselves in the most disadvantageous position and suffered the greatest shock. (Csizmady 2013) The forced industrialization policies of the communist era grossly inflated the populations of these towns, which from the 1990s onwards steadily decreased in all of the eleven towns under consideration. There can discerned distinct phases in this decline: until 1995 it was rather slow, after that until 2011 the pace accelerated rapidly, while currently stagnation is the most representative feature. These developments can be explained by two factors; the first is primarily labour related (shrinking of employment opportunities locally with the attendant changes in livelihoods), while the second is connected to negative population growth (falling birth rates and emigration in search of better opportunities). By surveying the population data between 1980–2011 it can be surmised that of the eleven former industrial towns only Százhalombatta’s population rose, whereas all the others registered a loss between 10 and 20%.

Table 2  
Changes in population figures between 1980–2011

<table>
<thead>
<tr>
<th>town/year</th>
<th>1980 residents</th>
<th>1990 residents</th>
<th>2001 residents</th>
<th>2011 residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ajka</td>
<td>32 652</td>
<td>33 832</td>
<td>31 805</td>
<td>28 106</td>
</tr>
<tr>
<td>Dunaújváros</td>
<td>60 736</td>
<td>59 028</td>
<td>55 309</td>
<td>48 484</td>
</tr>
<tr>
<td>Kazinczyarcsika</td>
<td>35 552</td>
<td>35 692</td>
<td>32 356</td>
<td>29 010</td>
</tr>
<tr>
<td>Komló</td>
<td>29 354</td>
<td>29 326</td>
<td>27 081</td>
<td>24 394</td>
</tr>
<tr>
<td>Oroszlány</td>
<td>20 613</td>
<td>20 982</td>
<td>20 280</td>
<td>18 446</td>
</tr>
<tr>
<td>Ózd</td>
<td>46 372</td>
<td>41 561</td>
<td>38 405</td>
<td>34 481</td>
</tr>
<tr>
<td>Salgótarján</td>
<td>49 603</td>
<td>47 822</td>
<td>44 964</td>
<td>37 262</td>
</tr>
<tr>
<td>Százhalombatta</td>
<td>14 292</td>
<td>16 573</td>
<td>16 602</td>
<td>17 952</td>
</tr>
<tr>
<td>Tatabánya</td>
<td>75 971</td>
<td>74 277</td>
<td>72 470</td>
<td>67 756</td>
</tr>
<tr>
<td>Tiszaujváros</td>
<td>18 677</td>
<td>18 685</td>
<td>17 207</td>
<td>16 500</td>
</tr>
<tr>
<td>Várpalota</td>
<td>22 325</td>
<td>21 646</td>
<td>21 779</td>
<td>20 756</td>
</tr>
</tbody>
</table>


Besides the substantial drop in the size of the populations there has been an equally drastic contraction in the number of employees present in the local labour markets. Among the towns no divergences were visible in this respect either. Despite the introduction of new employers into all the towns they were, nevertheless, able to maintain their former positions based on industry only to some extent (Dunaújváros – ISD Dunaferr, Tatabánya – Industrial park, Ajka – Bakony Power Plant Corp.). Unemployment also emerged as a permanent phenomenon and had an especially severe impact on the former industrial towns compared to other settlements in Hungary. (In the communist period even unskilled workers had found employment in industry who were the first to lose their jobs following the economic dislocations of the regime change.) A dominant segment of the residents of these new towns were blue-collar workers whose skills, if any, were such that upon losing their jobs they could not at all or only after retraining find employment anew. The current condition of socialist industrial towns can be ascertained by using comparative analyses and clustering them according to the results gained. Thus, there can be observed three distinctive types of towns. The first are the developed new towns, including Százhalombatta and Tiszaujváros (if the town of Paks is also under consideration it is also...
included in this group). The two towns managed to weather the post regime change period successfully. They adapted to the new economic-social conditions, incorporated new elements into their economic mix, their education and employment indicators are rising, while the local population is either rising or at worst is stagnant.

The second group includes the stagnating towns. They were able to cope with the economic downturn with structural readjustments, as in the case of Tatabánya, or with state support and intervention, e.g. Dunaújváros. They preserved their populations, although experienced some fluctuations (this does not apply to Dunaújváros), while the education level of the local residents is actually higher than those in the first group. Currently the main challenge lies in finding investment and economic opportunities to guarantee their long-term viability as communities. Given the statistical data, this group includes Ajka, Dunaújváros, Oroszlány, Tatabánya, and Várpalota (Szirmai, 2013).

The third group consists of Kazincbarcika, Komló, Ozd, and Salgótarján (added by the author). These towns received prime consideration among settlements during the communist era. The former large industrial enterprises either completely disappeared or downscaled and converted to a number of small companies. Foreign direct investment has not materialized for the past 25 years in any significant measure, the educated active working population moves away making any local or even regional economic turnaround virtually impossible. (Szirmai 2013) Besides the population loss an additional problem is the increasing poverty and the appearance of minority groups with high unemployment rates. All four towns experienced a substantial degradation in their former functions in education, culture, and employment.

Summary

In my paper I intend to introduce socialist industrial towns, their foundation, the brief history and role in urban development schemes. From the study it can be discerned that the current condition of the former industrial towns is highly varied. Their peculiar characteristics are rooted in that some are prosperous even today, some are mainly stagnant, while the rest clearly demonstrate devolution – nearing a further loss of their economic and social positions. A potential solution for the revitalization of the two latter groups could be securing, new investment projects based on the previously exciting industrial basis of these towns. A vision for the future is in place it depends on these towns whether they are able to take advantage of it.

BIBLIOGRAPHY


Térport Fogalomtár. Forrás: http://www.terport.hu/fogalomtar