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Location of Industry in Small Settlements in the light of Industrial Towns



ABSTRACT

Location of industry is already following Western European trends in the 21st century, and priority is given to social factors, e.g. educational attainment, social mobility and cheap labour, in decisions on setting up new industrial establishments and on developing investments. Firms, due to globalisation, prefer moving to sites that ensure greater profits, the focus is thus on profit. Geographical location, mineral resources, water supply, the state and quality of the environment, and the climate are the main natural factors relating to location of industry. The size and qualifications of labour force, national legal system, political stability, infrastructure and local tradition are the main social factors relating to location of industry. Thinking about the nature of our settlements in this respect, it is considered that although villages and towns can be based on common principles, they themselves develop and create their characters and values.

KEYWORDS

industrial cities, developing, economy system, industrial settlements

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INTRODUCTION

Industrial role became predominant in the development of settlements in Hungary in the first half of the 19th century. Various branches of industry affected differently the development of settlements. *“The industry relied on the already existing network of villages in the regions of mine sites: its workforce lived or moved there (in the valley of the Sajó River; areas along the Zagyva River; etc.). Larger settlements and towns (such as Putnok and Salgótarján) were subsequently developed. The development of the processing industry resulted in the restructuring of the settlement patterns of the regions concerned. As a result, larger settlement groups and agglomerating areas emerged by the merging of cities, towns and villages in their vicinity”*.¹

Budapest, Hungary’s capital city, is a great example of that as its rapid development was clearly induced by the industry. As from the mid-20th century, industrialisation had a significant impact on the country as a whole, including social, economic, political and territorial development. Industrial settlements with industrial and/or residential functions sprang up, involved in activities of an industrial character. It has provided a basis for the settlements which up till now still has an effect on their development, despite the fact that some of these settlements have not or scarcely been involved in industrial activities for years, if not for decades.

Therefore, after the 1990s, the role of the industry has been downplayed in the development of settlements, the focus of the ambitions placed in settlements has gradually shifted towards the tertiary sector from that date – at the expense of traditional industrial developments. The development paths of settlements have no longer been exclusively determined by the industry but by a complex set of activities involving inter alia service and/or agricultural activities.

When discussing industrial villages or industrial towns, it is important to make clear that most of older industrial villages were granted town status after the year of 1990, and even if industrial function is of decisive importance in these settlements today, they are rather rural in nature, in terms of demographic characteristics and institutions, in spite of their town status. Focusing solely on dominant industrial functions and factors relating to location of industry in relation to settlements with village status is problematic, on the one hand because there are very few, only a minimum number of industrial settlements with village status, so-called ‘industrial villages’, today, such limitation of the interpretative framework would thus substantially curtail the framework of the content of the present study. Therefore, in addition to industrial villages, classic industrial towns given town status back in the era of state socialism and all settlements that were granted town status after 1990 despite their rural character and whose economies are or were dominated by the industry are also covered in the study.

¹ KŐSZEGFALVI 2004.

1. INDUSTRIAL SETTLEMENT – INDUSTRIAL VILLAGE – INDUSTRIAL TOWN

After the regime change in 1989–1990, among the changes in the society and economy, economic transformation has had the strongest impact. Changes have resulted in the differentiation of settlements, increasing gaps between towns and towns, towns and villages, villages and villages, and varying development paths. Small settlements with industry-oriented economies, emerged in the first or second half of the 20th century, hit rock bottom in the 1990s, as specific activities had ceased in these settlements, whereby they lost their self-sustainable capacity, which had a direct impact on their local societies and social composition. Industrial villages thus started seeking new roles either by building on their past or by locating new activities.

The result of the regime change is the increasingly distinct notions of ‘town’ as a functional concept and as a legal concept. In the era of the Hungarian Soviet Republic (literally the ‘Republic of Councils in Hungary’), infrastructural eligibility criteria for town status were stringent under Government Decree 11/1971 (March 31) and Joint Instruction 8/1971 (Ép. Ért.) of the Minister for Building and Urban Development and the President of the Council Office of the Council of Ministers (e.g. a 300-person community centre and increase of the population of the urban area by more than 1% annually). Act LXV of 1990 on local governments entered into force in 1990 repealed the former detailed legislation on the conferment of town status and introduced a more lax regulation and procedure (Act LXV of 1990 on local governments in force between 1990 and 1999, then Act XLI of 1999 on the procedure of town and country planning in force between 1999 and 2015), which allowed relevant political decision-makers a wide margin of discretion. Consequently, the number of towns elevated to town status greatly increased over the period 1990–2015. While the number of settlements with town status had only been 166 in Hungary in the year of the regime change, their number increased to 346 (Budapest, 23 towns with county rights, and 322 towns) by 2014. Some of the towns that had recently gained town status had only a few thousand inhabitants and were characterised by rural infrastructural circumstances and poor public utility services. The new and more stringent regulations for the conferment of town status were introduced in two stages in the 2010s; Government Decree 321/2012 (November 16) on the procedure of town and country planning was first adopted, which allows a greater margin of discretion with regard to the conferment of town status, but the real turning point was the amendment of the Government Decree in 2015. The amendment to the Decree lays down demographic (e.g. at least 10,000 inhabitants at the date of application and continued population growth during the last five years), infrastructural (e.g. 90% of urban roads need to be paved) and institutional (e.g. health-care institution, training pool or multi-functional sport complex) requirements, as well as special fiscal conditions. Particularly remarkable is the fiscal condition: only settlements where at least 20% of total income derives from local business tax in the year of application can apply for town status. The condition requires the existence of a significant local private business sector, which constitutes a new and significant constraint when compared with the legislation and practice on the conferment of town status between 1990 and 2015.² As a result of the stricter legislation, none of the towns has received town status since 2015 in Hungary, but a high number of village-like settlements were granted town status in previous years due to the lax regulation.

² SZABÓ 2015.

1.1 Industrial villages and village-like industrial towns

“The lives of settlements of, on average, 3000–4000 inhabitants have been determined in recent decades by the presence of industries of national importance, employment structure of an industrial nature, the relatively long history of the manufacturing industry with significant effects on society and settlement” (ENYEDI–HORVÁTH 2002). Industrial settlements are scattered throughout the country and are centred in certain industrial areas, and their lives are determined by their industrial function, even though it may no longer be their main function today. The notion of ‘industrial village’ is not sufficiently explicit in this regard and is incorrect for the simple reason that a significant number of these settlements have meanwhile received town status.

Hungarian industrial villages include, inter alia, Almásfüzitő situated on the bank of the Danube River (in the industrial region of Komárom) where inhabitants were involved in the processing of alumina and oil. The alumina plant in the settlement that still has village status was the largest plant of its kind in Hungary and Central Europe between 1950 and 1997. The village is currently trying to find its way, while its inhabitants have to face less working opportunities. Its population has been on a stable downward trend for nearly 30 years as industrial activities have been ceased in the village, which has thus lost its population retaining ability.

Similarly, Bélapátfalva is also fumbling its way; the settlement in Heves County was a village until 2004 and was elevated to town status in the same year. The industry of the industrial settlement involved in cement production has provided employment for its inhabitants since the early 1990s, not continuously, but for long years. Cement production ceased in the settlement whose economic life was based on cement production in 2000, and subsequently the plant was permanently closed down. The local government created an industrial park to replace the cement plant. It has successfully maintained its role as an industrial village by replacing the plant with an industrial park, and it functions as the centre of the sub-region where workers are no longer employed in a monolithic structure.

Sajóabony that was granted town status only in 2009 could be considered for a long time as a classic example of an industrial village. The settlement is situated in the Bükk Mountains, at the junction of the Tardona Hills and Sajó River Basin. *“The settlement is divided into two distinct parts: an old village (in the core) and an urban-style housing estate. The industrial development of the settlement has formed the settlement structure.”* The predecessor to the North Hungarian Chemical Works (Hungarian short form: ÉVM), the company ‘1040’, was set up in the settlement in the early 1950s, which was originally a defence plant. The TNT factory of ÉVM was destroyed by an industrial accident in 1979. Subsequent chemical production also gave a living to several hundreds of people. The site of the former chemical plant functions as an industrial area today, just like in Bélapátfalva. It can involve various activities in both cases, as well as in the cases of other settlements: services, industrial and, in some cases, agricultural-industrial functions. The industrial park gives prospects not only for Sajóabony but also for other nearby industrial villages and towns regarding development and social and labour market stability.

Rudabánya can no longer be considered as an industrial village in the strict sense of the word, as its previously decisive industrial function has practically ceased, and the settlement was awarded town status in 2008: *“It is located in the Northern Hungarian Region, in the north west of Borsod-Abaúj-Zemplén County, at the edges of the microregions of the Putnok Hills and*

Rudabánya Mountains. It is at a distance of 220 km from the capital city and of 40 km from Miskolc, the regional centre and county seat. Its population is below 3000 inhabitants, which means it belongs to the group of smallest towns in Hungary.”

Ércbányászati Nemzeti Vállalat (National Ore Mining Company) was established during the nationalisation period, in 1949, and the mine of Rudabánya later became its largest mining plant with a long-standing tradition and great potential. *“The iron ore mine in Rudabánya operated as a separate company between 1952 and 1964. It ceased operating as such in 1964, when Országos Érc- és Ásványbányászati Vállalat (National Ore and Mineral Mining Company) was set up. The development of iron ore mining was completed by 1968, however the switching to state-of-the-art and modern technologies did not delivered the expected results.”* It was predictable in the early 1980s that the mining company would be wound up due to its loss-making activity, but it has not been replaced by a new industrial activity. The remaining population is involved in agricultural and commercial activities, the level of industrial activity is very low.

Lábatlan elevated to town status in 2004 was known for its cement factory founded in 1868, where portland cement manufacture began, using minerals of the marl mine in the Berzsek Mountain. *“The manufacture of construction materials and cement was developed in close connection with this culture that exists to this day, which made the settlement one of the main centres of the industry in Hungary in the 20th century.”* The asbestos-cement paper factory was set up in 1908. The plant was modernised in 1965. The construction of the Fine Paper Factory of Lábatlan began with an investment of HUF 2 million. This factory was one of the largest and most modern factories in Central Europe until 2009. The industrial role of the village is granted by Lábatlani Vasbetonipari Zrt. (Reinforced Concrete Industrial of Lábatlan), which has been manufacturing concrete, reinforced concrete and prestressed concrete parts. Tourism and industrial functions are given priority in the ambitions of the settlement today. Izsófalva with large village status is in a specific situation compared to other industrial villages. The settlement is located in the Northern Hungarian Region, in Borsod-Abaúj-Zemplén County, at the eastern edge of Borsod (former Putnok) Hills, at a distance of 9 km from Kazincbarcika, in the valley of the Ormos Stream. A high number of members of the working class had been moving to the settlement from the 1960s, which resulted in a large increase in its population and the emergence of two mining villages (sites), Ormospuszta and Rudolftelep. Mining was an essential activity in Izsófalva – which was given large village status in 1971 – in the 1960s, which ensured its inhabitants relative prosperity. However, large-scale coal mining was discontinued in 1977. It has led to substantial emigration since the 1980s, which has been aggravated by the secession of Ormosbánya in January 1993 and of Rudolftelep in December 1994, which has made Izsófalva an ageing settlement, and the number of its population has dropped to less than a third.

Some other industrial settlements – including Múcsony and Sárísáp with village status, and Borsodnádasd granted town status in 2001 – have been in a similar situation after the 1990s. Losing their industrial role has led to a change in the situation of the settlements, and their prominent role played in the settlement network has been downplayed. Settlements that have lost their previous role and are searching for new ways include the settlements previously involved in industries in Hungary.

Local societies have been constantly transforming in industrial villages and small industrial towns since the 1990s, the population of such settlements has been steadily decreasing, which force

the settlements to find a new role for themselves and to closely cooperate with the surrounding settlements. Industrial functions, which determined the nature of these settlements, are no longer ‘building blocks’ of the villages and towns, they have thus set themselves the primary objective of defining their particular characters. The number of remaining industrial settlements with village status (industrial village) is limited to a small number of settlements due to the extensive practice of the elevation to town status in the period from 1990 to 2015, and in particular therefore the scope of examination should not be limited to the settlements with village status. Some of the examined industrial settlements were characterised by constantly shrinking population numbers between 1991 and 2018.

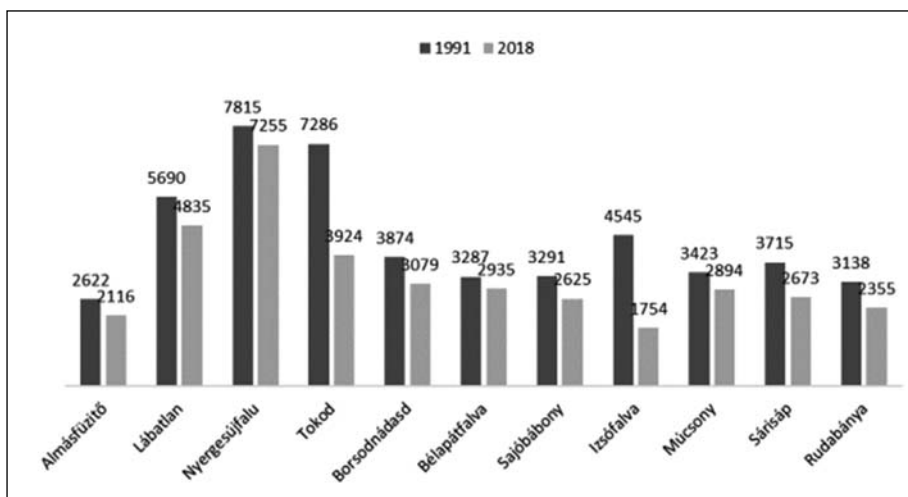


FIGURE 1 Number of inhabitants of industrial villages in 1991 and in 2018 (Source: Based on data of *Gazetteer of Hungary* [as at 1 January 2018])

Small settlements whose economies were industry-oriented before therefore has been lagging increasingly behind other settlements in Hungary since the 1980s. When considering the value of the former industrial settlements, their attractiveness has been directly related to a long-term vision, and not to employment and living areas.

1.2 Industrial towns

‘Socialist settlements’ classified in the category of classic industrial towns – which were awarded town status in the era of state socialism between 1947 and 1990 – shared some general features prior to the regime change, namely the predominance of industrial functions, a high level of employment in the industry, the insignificance of town traditions, and social composition (a high proportion of young and middle-aged people with technical knowledge). The same industrial towns are today characterised by severe loss of prestige, lack of investments, sometimes forced immigration, outmigration, high unemployment rates, and are located in regions experiencing crisis.

Taking Pál Beluszky's approach, industrial towns of Hungary can be divided into three main categories: the first category is the so-called socialist industrial towns (e.g. Ajka, Dunaújváros, etc.); industrial towns, such as Paks and Nyerges, belong to the second category; and the third category covers towns with industrial and residential functions (e.g. Dorog and Százhalombatta). The towns have taken on widely differing characters since their emergence, the examination of their industrial function therefore shows a mixed picture of the settlements.

The main aim of the present study is to examine industrial villages and so-called socialist industrial towns and industrial settlements in the light of current trends and recent changes.

The term 'industrial town' has a double meaning in the literature of Hungary: it means, on the one hand, a town artificially created during socialist industrialisation and, on the other hand, a town with new investment(s) and whose economy heavily relies on a large factory (e.g. car manufacturer in Győr or in Kecskemét) that provides employment for the inhabitants of the town and of its surrounding settlements.

A high number of towns, so-called socialist towns, were built in the 1950s to satisfy the demand of industrial investments for workers.³ Most of the industrial investments were targeted the middle-mountain areas with mining resources, along the axis of energetics and heavy industry, comprising of Borsod-Abaúj-Zemplén County (Ózd, Kazincbarcika and Miskolc), Budapest, and Veszprém County (Várpalota and Ajka) (ENYEDI–HORVÁTH 2002).

The first wave of newly established 'socialist towns' includes Dunaújváros, Kazincbarcika, Komló, Oroszlány and Ajka. Power plants were built in the settlements (in Oroszlány, Komló, Ajka, Várpalota, Berente and Gyöngyösvisonta) and near new oil reserves (in Százhalombatta). The bases for iron and steel industry were expanded with large-scale reconstruction (in Diósgyőr and Ózd), and new roads were built in Dunaújváros. There were lignite mining and a thermal power plant generating electricity in Oroszlány; coal mining, alumina production and energy production in Ajka; coal and lignite mining, electricity generation and aluminium smelting in Várpalota; coal mining, electricity generation and chemical industry in Kazincbarcika; a thermal power plant generating electricity and chemical industry in Tiszaújváros; and a power plant based on iron and steel industry, production of building materials, and light industry in Dunaújváros.⁴ The settlements were established as means to implement the objectives set out in accordance with political principles in the era of socialism. The 'inventors' did not take into account any historical roots, focusing solely on industrial past, if there was such. The new towns were synonyms for 'modernity' from the moment of their emergence.⁵

The settlements can also be categorised according to the nature of industrial development. Accordingly, they can be grouped into the following categories: The first group of industrial towns covers Ajka, Tatabánya, Ózd and Várpalota where an already existing industrial activity were expanded, and Komló, a mining town, also belongs to this group. The second group covers settlements that had had no industrial past and were created as a result of a political decision, e.g. Dunaújváros, Paks, Tiszaújváros and Százhalombatta.

³ BELUSZKY 2003.

⁴ DRAGONICS 1975.

⁵ GERMUSKA 2004.

The building of Dunaújváros (Danube Ironworks) and Tiszaújváros (Tisza Chemical Plant) was initially a greenfield investment in nature (a project on a completely new site) in the vicinity of two smaller villages (which were later integrated into the new settlements). Moreover, industry was established as linked to Százhalombatta (Danube Refinery) and Paks (Paks Nuclear Power Plant), but not built seamlessly next to them, with some delay after the aforementioned two towns, in the late 1960s and early 1970s.⁶

Post-war socio-economic and political processes played a fundamental role in the establishment of the towns. It led to new forms of dependence and new social, economic and political grounds, which fundamentally altered certain segments in Hungary.

The first accepted categorisation of Hungarian towns is outlined in György MARKOS' book *Magyarország gazdasági földrajza* (Economic Geography of Hungary). He emphasises in his work that account should be taken not only of new functions but also of those inherited from the past in determining the character of a town.⁷ Socialist industrial towns had therefore been artificially created in a top-down political system, and their populations had been very low before their economies became industry-oriented.

2. SITUATION OF INDUSTRIAL SETTLEMENTS AND INDUSTRIAL TOWNS TODAY

Industrial settlements, including industrial towns, have lost their dominant position after the regime change, with the exception of two settlements: Százhalombatta given town status in 1970 and Paks elevated to town status in 1978. The economies of the two settlements are still based on industrial functions, and their local residential populations mainly work in industry. The present-day situation of Hungarian industrial towns is actually determined by their role played in the past. What does all this mean? While all or part of their industrial activities have ceased in most of industrial villages and small settlements, the majority of the towns ensure their prosperity by providing jobs in new industries related to industrial functions.

Towns emerged in the 1940s and 1950s include Tatabánya (1947), Ózd (1949), Várpalota (1951), Komló (1951), Dunaújváros (1951), Kazincbarcika (1954) Oroszlány (1954) and Ajka (1959). Tiszaújváros (1966), Százhalombatta (1970) and Paks (1978) were awarded town status in the 1960s and 1970s.

The town of Martfű is interesting to note, which is described in the Integrated Urban Development Strategy of the Town of Martfű as follows: *“According to the classification of settlements by complex town type, Martfű includes among socialist industrial towns, it is therefore necessary to be aware of the distinctive characteristics of this type of towns in order to outline development tendencies of the town. No difficulty arises as to the definition of the notion ‘industrial town’: it simply is a settlement whose main functions relate to industry and the majority of its population work in industry.”*

Martfű had been constantly changed in the era of socialism, as, in addition to the shoe factory started before the war, a vegetable oil factory and a brewery were established in the village. *“The structure of its economy is considered to be relatively multi-faceted. Although its population*

⁶ CSIZMADY 2013.

⁷ MARKOS 1952.

increased fivefold (from 1500 to 7400 inhabitants) between 1949 and 1990, the settlement has lacked development due to the weaker bargaining power of light industry and to the proximity of Szolnok and Tiszaföldvár. Town status was eventually awarded to Martfű in 1989, it had thus been excluded from most of the benefits from redistributive policies.” Although Martfű, as discussed by historian Pál Germuska, only partially meets the criteria of the category ‘socialist industrial town’, it can be affirmed in respect of the present study that it has the same role and functions as the other 11 socialist industrial villages and towns.



FIGURE 2 Year of conferment of town status on socialist industrial towns (Source: Based on data of *Gazetteer of Hungary* [as at 1 January 2018])

The economies of the settlements that were the first of industrial towns to receive town status (Tatabánya and Ózd) relied heavily on heavy industry. Tatabánya was seeking a new role after the regime change, building in particular on its location, existing pool of skilled labour, and the working knowledge of its inhabitants. Consequently, innovative industries requiring creativity and economic cooperation have moved to the town. In the case of Tatabánya, its municipal area and the functioning of the principle of reciprocal effects are particularly important. After some initial difficulties, by the early 2000s, the town has embarked on the so-called Western type development path, which has been further supported by the location of the town and its economic interest closely related to Budapest and the western border. Its industrial park, higher educational institution and firms operating in various sectors provide increasingly favourable conditions for the attracting and retaining of new highly skilled inhabitants.

The various activities, e.g. agricultural or service functions, located in the villages and towns in the agglomeration of Tatabánya have deeply been interconnected, and the dependency of the neighbouring settlements on Tatabánya is not solely economic and related to industrial functions. Not even in the case of the town of Oroszlány, which, as a mining settlement, had a large population due to a high degree of autonomy and high prestige but is also looking for a new role and is posing

new challenges to its inhabitants. Ózd's future built on the foundation of the past is less positive. *"Ózd is the centre of a region with serious social and economic problems in Hungary, where accumulation of disadvantages has been the result of multiple factors."* The economic role of the town and its surroundings has progressively decreased since the 1990s due to the closing of heavy industry, which has further exacerbated the situation of the disadvantaged local residential population with a low level of educational achievement. The region has been characterised by high unemployment and resultant low incomes in the last 30 years. There are no firms that would provide good economic bases in the town, which makes the development of the settlement impossible. Ózd has a specific urban periphery. One of the reasons for its diminishing role may be that the town of Eger has proved to be a stronger player both in terms of labour market and of activation of its society.

Várpalota and Komló given town status in 1951 fall under a particular type of industrial towns. *"The historical evolution of Várpalota had been sound until the Second World War, from Roman settlement and rich medieval village to mining town from the end of the 19th century. The programme »Várpalota, Inota and Pét: One Town« marked the beginning of a new era in 1951. Rapid industrialisation and the expansion of the villages of Inota and the already seceded Pétfürdő have fundamentally changed the way of life and the structure of the town. The industrial recession has placed Várpalota as an industrial centre in a particularly difficult situation after the regime change."* However, industrial change has brought about the restructuring of the industrialised local society. Disadvantaged groups of society with lower levels of education live in the settlement, which has a major influence on the innovativeness and long-term development of the town.

The town of Komló was a mining settlement, had developed rapidly and provided occupation for its inhabitants before the regime change in Hungary. *"The past of the former mining town inevitably has an impact on its economy. After closing its mines, newly established local firms are still unable to provide employment for the unemployed people. The skill levels in the workforce are low. Komló and its region still could not fully recover from the major social crisis following the closure of the mine despite the increasing number of local businesses."*

Residents of the town, just as in Ózd and Várpalota, have low levels of education. The number of movers from Komló has been higher than the number of people moving to the town due to its urban transport and access. High unemployment rates and the disadvantaged situation of the town further hamper its development, as Komló faces enormous investment needs to revive the town as a whole and its economy. A particularly important point in this context is the fact that Komló was not created at the time of socialist industrialisation, as it already was a traditional mining settlement at that time, which just continued to develop. However, its long past did not confer any advantage on the town after the closure of its mine in terms of privileges or new prospects.

The town of Oroszlány, which is a dead-end settlement, was given town status in 1954. The town prospered from coal mining and had an outstanding role in the 19th and 20th centuries. The power plant and its related Márkushegy Mine had been the largest employer in the town and the region for decades. The economy of Oroszlány has been restructured profoundly after the regime change, which later has led to the relocation of modern industrial plants and service suppliers in the former mining town. *"The coal mining industry was restructured in the 1990s, whereby mines deemed uneconomical were closed. All remaining mines in the basins around Oroszlány and Tatabánya, along with the power plants served by them, were again reunited in one company by integrating the mines and power plants in 1994."* An industrial park was set up after the 1990s to ensure the continuation of industrial activity, to some extent, in the town.

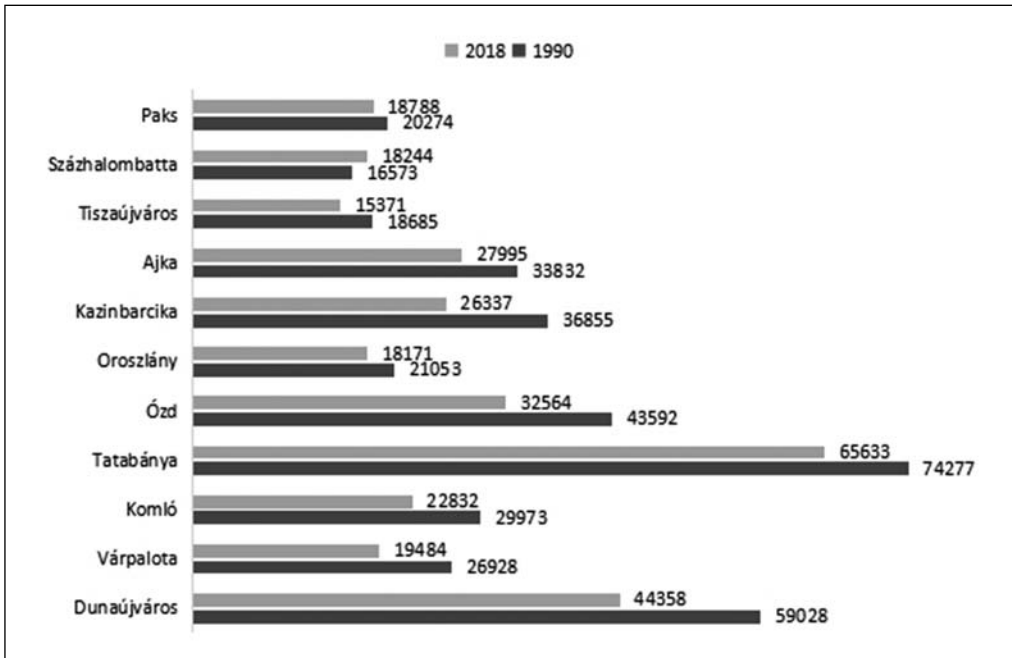


FIGURE 3 Changes in the number of inhabitants of Hungarian industrial towns between 1990 and 2018 (Source: Based on data of *Gazetteer of Hungary* [as at 1 January 2018])

“The closure of the mine exposed the town to a major challenge, which was successfully overcome. Its economy is today independent from the mining industry and is on sound ground.”

The composition of the local residential population is also specific in the town, since, as a result of its previous industrial activity in mining, the proportion of inhabitants with lower or intermediate levels of education is higher than the national average, but the number of the population having completed tertiary education is significantly lower. However, account should also be taken of the fact that the attainment levels of the population do not meet local labour market demands due to the previous industrial role of the town, which means that institutions and firms operating in the town are not able to find qualified personnel.

Dunaújváros has been an important industrial town. Significant outward migration from the industrial town was the prevailing trend between 1990 and 2018 – 14,338 people moved from the town over the 27-year period – due to the setback suffered by the former Danube Ironworks that was the largest employer before the regime change, unemployment, monolithic expertise, and the inapplicability of the expertise of the local labour force. The town was emerged as a new industrial town in the 1950s, after the construction of the steel plant and its related housing estate. The socialist political leaders wanted to make the town a model socialist industrial town. Its former name was Sztálinváros (Stalin Town) between 1951 and 1961, and, after its renaming, 1961, Dunaújváros provided employment and a livelihood for thousands of workers and engineers. The development of the town ground to a halt in the 1990s due to the changing role and restructuring

of heavy industry, just like of the other industrial towns. Both the town and its inhabitants went through a difficult time in subsequent years, and this 20-year period was characterised by insecurity and a struggle of the town to find a new role. The settlement has gained a new position by building on its old industrial activities and locating new activities (ISD Dunaferr Zrt., Hankook Tire Magyarország Kft., etc.) following the millennium. Dunaújváros has been in a special situation as a settlement near to Budapest and due to its beneficial role played in the cultural life and education of the region.

“Kazincbarcika was created with the unification of three settlements, Barcika, Sajókazinc and Berente, in 1954. The town is located in the Sajó Valley, to the north of Miskolc. The town was created to provide housing for workers of the newly built Borsod Chemical Plant and the nearby mine, and the town as a planned town was mainly characterised by a large housing estate and incomplete institutional structure.”

The institutional system serving the residents was of appropriate quality and provided full range of services due to the vigorous growth of the town between the 1960s and the 1980s, after the development of the Borsod Chemical Plant. The town also had to face a severe crisis at the end of the 1980s, which actually lasted until the end of the 1990s. The former Borsod Chemical Plant has been replaced by BorsodChem Rt., which, although being the largest employer in the region, is not able to absorb all groups of former employees of the plant. Changes in the industry and the population of the town have had an enormous impact on the life of the settlement. The population of the town declined by more than 10,000 people between 1990 and 2018. The population decline was constant over the period concerned, partly because people with a higher educational attainment formerly employed by the industry moved to other parts of the country, while low-skilled labour force with lower educational levels did not move out of the region.

Ajka was awarded town status in the late 1950s. The town created by the unification of several villages already was an industrial town in the late 1960s and the early 1970s. The economy of the town had been dominated by agriculture, the mining sector and the aluminium sector for decades, but the processing industry has gained increasing importance after the regime change. Ajka could also not avoid the crisis that affected industrial towns after the 1990s. The town and its region have sought to locate new activities, to find a new role, and to develop new functions. Many people formerly employed in the industry have become unemployed, and many people have moved to other parts of Hungary. The number of inhabitants of the town decreased by more than 5000 people between 1990 and 2018. Most of its inhabitants are medium-qualified people and people with specialised skills, and the number of tertiary-educated inhabitants is low.

Three new socialist industrial towns were created in the last wave of industrialisation in the 1960s and 1970s. Tiszaújváros (1966) used the name Tiszaszederkény until 1970, when the name of the socialist industrial town was changed to Leninváros (Lenin Town). The construction of the Tisza Chemical Plant began in the mid-1950s, then an oil refinery was built in the early 1970s, and the Tisza Thermal Power Plant was constructed at the end of the 1970s. The town, like the other industrial towns, was adversely affected by the industrial and social transformations caused by the regime change. The settlement reached absolute rock bottom in the 1990s, and local workers were just as severely affected by the industrial reconversion as in other Hungarian towns. The situation was further exacerbated by the outmigration of people with higher educational levels and medium- or highly skilled people to build a new life elsewhere. The emigration of thousands of people from the town has been continuous in the last 30 years. Százhalombatta and Paks have been among the last industrial towns to receive town status. The economy of the former town was dominated

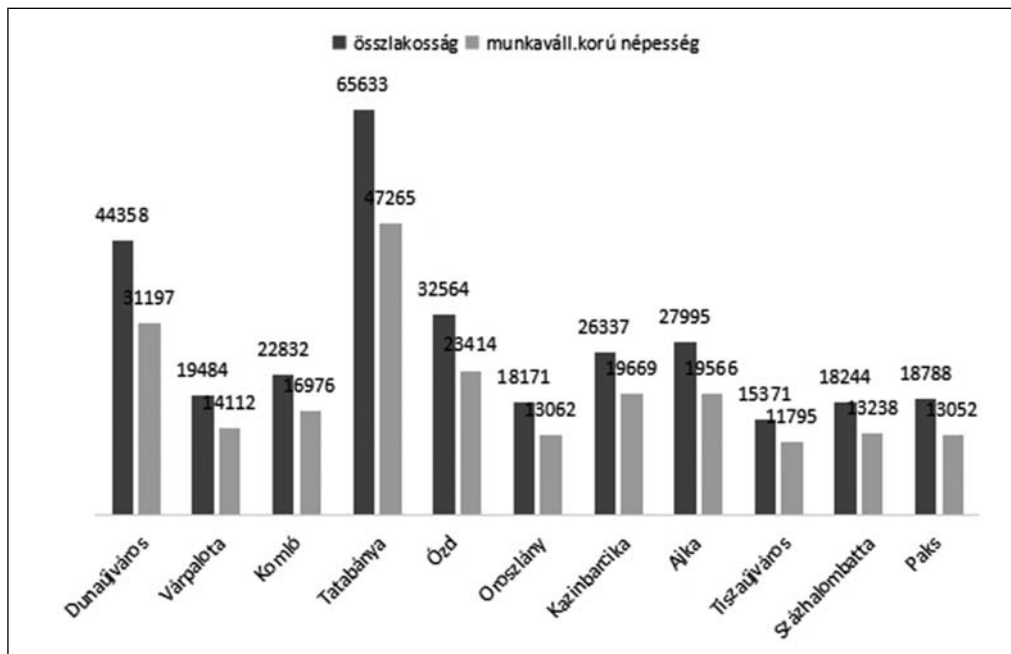


FIGURE 4 Population of working age (in April 2019) in total population, compared with total population (Source: <www.nfsz.munka.hu> and data based on data of Gazetteer of Hungary [as at 1 January 2018])

by the oil industry, and the latter town is home of a nuclear power plant. The modern-day industrial activity in Százhalombatta has been based on the companies of the Danube Riverside Power Plant and the Danube Refinery (now MOL Zrt.) from the outset. Industrial investments initiated in the 1960s provided a sound basis for the employment of the old and new inhabitants of the town by the end of the 1970s. Százhalombatta has been growing constantly since the 1960s, and its population has been also increasing since 1960. The regime change did not cause either economic or social crisis in the town. Of the Hungarian industrial towns, only Százhalombatta could and can retain and increase its population. Its close proximity to Budapest (its role as agglomeration), labour force with highly specialised (monolithic) knowledge and skills (employed by MOL Zrt.), MOL Zrt. and smaller businesses attracted by MOL Zrt. to the town have provided an advantage to the town. The majority of the population of the town have lower or intermediate levels of education, and the proportion of graduates is lower than the national average, just like in other industrial towns. The example of the town of Paks offers quite a contrast. The economy of the town based on the nuclear power plant has followed a different path than that of the previously established industrial towns. The town, whose economy is based on highly specialised knowledge and industry, was developed from an already existing village, taking advantage of its location next to the Danube River. The town was developed into an industrial town according to a government decree implemented in 1967, which determined the construction of the first nuclear power plant

of Hungary in the area between the Danube River and the Csámpa Plain. The construction work of the industrial plant (earth moving, construction of panel housing estates, and groundbreaking ceremony) commenced in 1969. *“The housing estate for the workers of the nuclear power plant was built according to the urban planning principles of the 1970s. It is now integral part of the town. Its »Tulip Houses« triggered a progressive architectural debate. The buildings and public areas of the town are still liveable but in need of renewal.”* In the meantime, the population of Paks has been steadily increasing, which was boosted by the conferment of town status on the settlement in 1979 and the commencement of electricity generation of the first block in 1982. The power plant completed in 1987 has been ensuring the economic prosperity of the town and a good quality of life for its inhabitants.

SUMMARY

The diverse industrial settlements integrated within the fabric of settlements is trying to find their ways and roles in Hungary. Village status causes constraints for settlements, as villages have to face restricted opportunities, decreasing populations, and the challenges posed by the profound transformation of the economy and industry.

The new roles of small settlements are extended to new functions such as locating new industrial activities, which radically alter and transform the type of villages and the lives of the communities (see Gyöngyöshalász). However, such settlements cannot be compared to the settlements built on already existing industries (see Almásfüzitő).

The settlements with new town status rely less and less solely on industrial activities, since they have relocated their previous activities to their newly built industrial parks or ceased their previous activities and commenced new ones. However, these changes have not been positive for the settlements, as their populations have to commute daily for work or are forced to move for living difficulties. The settlements seem to have serious difficulties meeting their strategies and visions for defining their new roles. The term ‘industrial village’ has no precise and unequivocal definition, it would thus be more accurate to say that there are settlements involved in, inter alia, industrial activities in certain areas of Hungary, but these towns are not covered by the previously applicable definitions.

Industrial towns and industrial settlements have fallen into similar roles, as they have been forced to continuously adapt to changes since 1990. The oldest towns still bear the hallmark of their industrial past, which largely determines their modern-day roles and economies. However, only a few of the 11 towns could retain a part or whole of their local residential populations, thanks to their specific industrial activities and newly defined character (Paks, Százhalombatta, Tiszaújváros, Tatabánya and, in recent years, Dunaujváros). In the context of these towns, the question may arise whether the time of their emergence, their locations, their roles and their special industrial functions or policy decisions relating thereto have determined their statuses that can be considered relatively stable. The question also arises as to what extent they will be exposed to changes generated by policy areas, or whether they will be able to find their own place among other Hungarian towns. Why socialist industrial towns created in the 1940s and 1950s and involved in heavy industries are not included in the list? Can Komló, Ózd and Kazincbarcika ever locate new activities to stabilise the situation of their local residential populations, secure them a proper living and provide prospects for a better life?

The populations of the towns are chiefly made up of members of the working class and people with secondary education with low proportions of people with higher education (only in a few towns, mainly due to their higher education institutions), but the majority of inhabitants in older industrial towns generally have lower levels of education than those of the towns emerged in the 1970s.

Of the 11 industrial towns in Hungary, only one could increase its population in recent years and decades. Százhalombatta has managed to safeguard urban liveability, while continuing to be one of the traditional industrial towns, of which the best proof is the fact that MOL Zrt. that is not in municipal hands still employs more than 50% of people living in the town.

The same only partially holds true for the other towns, the impossibility of the almost full employment of the local residential population in industries thus shed further doubts on the statement that there are so-called traditional industrial settlements in Hungary, which are involved in industries that enable people living in the settlements and their neighbouring areas to earn a living.

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