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## **Between shrinking and blooming: the crossroad of small towns' urbanisation in Hungary**

### **Abstract**

The authors present an overview about small towns' urbanisation in Hungary. Following the specific aspects and factors of their urbanisation in the last centuries, the authors conclude that 20 years after the political and economic transition, small towns arrived at a crossroads in their development. Suffering the effects of demographic change and an outflow of young adults, almost every typical, traditional small town has been shrinking since at least the last decade. This crisis is more intensive than the overall decrease of the population number in Hungary. Only atypical small towns have been able to increase their population. Behind the crisis of typical small towns, the paper defines some possible factors, including the delayed effects of transition, the re-evaluation of small towns in the globalising, network-based economy and the actual reduction of the state's spatial functions and presence. Although some niche-based strategies are open for success, for the majority of small towns the question still remains open: what new functions and attributes could make them attractive and successful in the 21<sup>st</sup> century?

**Key words:** differentiation; Hungary; shrinking; small towns

### **Introduction**

Small towns have become more interesting for researchers recently – so far we could believe in our subjective impressions about the trends of some international journals and other papers. Especially in Eastern and Central Europe this question has seemed to be a bit more important recently than before. It could be an effect of some more general trends in human geography, which gives more emphasis on human issues themselves, for example on the research of locality. Nevertheless, there are at least two major directions to be observed related to the small town topic. In the Anglo-Saxon World, and in other Western European countries, the questions of life quality, small towns' society and community, and local sustainability seem to be the most significant questions (Kwiatk-Sołtys, Mainet, 2014; Knox, Mayer, 2009; Besser, 2009; Woodhouse, 2006). In Central and Eastern Europe the problems of development, the small towns' role in the settlement system and the local success perspectives stay in the foreground of investigations (Burdack, Knappe, 2007;

Ježek, 2011; Kwiatek-Sołtys, 2011; Molnár, 2006; Slavík, 2002; Vaishar, 2004; Zuzanska-Żyśko, 2005). This different scope of research could be rooted in the features of the urbanisation in our region. Due to the historical delay, and some functional deviation, urban network has always preserved some weaknesses in Eastern-Central Europe, containing relatively few and smaller elements. Therefore, small towns have played more significant roles in the urbanisation east of Rhine, moreover of the Oder: lack of cities made small towns the only urban places available in often thousands of km<sup>2</sup>.

Larger scope of spatial interaction does not inclusively mean a positive attitude. Joachim Burdack for example divides the small town related research into two groups, of positive narratives ("small town romanticism"), and negative ones ("small town scepticism"; Burdack, 2013). These two different perspectives could be relevant parallels in contemporary Eastern and Central Europe. During the post-socialist development, the elements of the settlement-system have been intensively differentiated (Andrusz et al., 2008; Kovács, 1999; Pirisi, Trócsányi, 2012), and the examples of the successful transition are concentrated more or less in some well-urbanised regions, those of national capitals. Therefore in extended areas of rural spaces, wherever traditionally the small towns served as local providers of central services and functions, urban values and innovation, success or development is rather an exception than an everyday phenomenon.

The authors give an overview on the scenario of urbanisation of Hungarian small towns, focusing on the effects of the post-socialist transition. Summarising the results of former statistical and empirical surveys, they intend to highlight the most typical development paths and finally tries to answer the question in a Hungarian context: do small towns have enough potential for modernisation and joining the globalised networks? Are the traditional small town values and functions currently enough to avoid the massive outflow of mobile and active groups of local society?

### **Some methodological questions – what kind of small towns do we speak about?**

Although there are several papers about the specific problems of small towns, only a minority of them use explicit criteria to define them at all. While investigating only a single town or a selected group of them, researchers do not require dealing with the problems of delimitation of small towns within the urban system, but those who deal with wider spectrum, have to face this challenge. The most common categorisation is based on the simple demographic figures, often used also by national statistic offices. Heinz Heineberg (2014) for example defines the lower and upper population limits for small towns as 5,000 and 20,000. Another possibility, wherever the differences between villages and towns are also defined by public law, is the possession of town rank as the minimum-criteria, and a population figure below 20,000 (Zuzanska-Żyśko, 2005) or even 15,000 (Vaishar, 2004). Different approaches try to define small towns from a functional point of view. One of the most cited German researchers in this topic, Erwin Grötzbach (1963) in his classical work puts the emphasis on the fact, that small towns despite their limited size are able to show all the important urban marks and functions, so could be regarded as real urban place, with

compact and monocentric, but divided inner structures. According to Hans Elsasser (1998), small towns are smaller population hubs inside the networking settlement system, with dominant functions of residence and services. Martin Niedermeyer (2000) lists a sort of various criteria appearing in small towns' definitions, from the formal and structural approaches to the functional ones. On the one hand, the general urban appearance and structured inner spaces, on the other hand the central functions are the basic elements (Niedermeyer, 2000). In Hungary, Pál Beluszky (1999) in his great synthesis about the Hungarian settlement system defines functional classes, where "traditional small towns" (with some industry) and "former agricultural towns" are the major categories of these settlements. He emphasised the role of the second-level, non-basic central functions, and avoided the classification of small towns neither by their size or by any administrative criteria (town rank).

In our former researches (Pirisi, 2009a; Pirisi, Trócsányi, 2009b) we concluded to the point, that the last decades' urbanisation in Hungary changed the character and role of small towns. With the overall spread of urban functions, values and life-style among the whole settlement system we regard the clear functional approach rather obsoleted. Therefore a new definition from theoretical point of view was created, where *the small town is a settlement that excels from its environment through the density of social, and/or economic and infrastructural elements, offers an urban way of living and defines itself as a town, but it is the locality, which dominates its spatial relations*. We found that this definition matches more or less the following classification in Hungary: settlements having town rank but less than 30,000 inhabitants. By the time of the last census, in 2011, 291 of such small towns could be listed: these are the subjects of our present investigations.

## Historical background of small town urbanisation

As we analyse even very shortly the history of Hungarian urbanisation, we need to keep two important factors in mind. First of all, urbanisation – as it is usual in this region – is significantly delayed related to the Western European one. The medieval Hungarian Kingdom was first organised at 1000 AD, while the Western-type towns appeared only sporadically before the 14<sup>th</sup> century. Secondly, the urbanisation process was almost totally intermitted by the 150 year Ottoman occupation. During the 16<sup>th</sup> and 17<sup>th</sup> centuries, wars and their additional destruction, like starvation and epidemics, not only ate up the potential demographic surplus, but destroyed the basics of the settlement system. At the beginning of the 18<sup>th</sup> century large areas were simply deserted, former blooming market towns disappeared and many of the present small towns only existed as tiny villages of 50–60 people.

The slow rehabilitation (sometimes even re-settlement or re-colonisation) of the former Ottoman occupied lands resulted in the emerging of some small towns, too. Agriculture was a main function of these small central places; many of them were only centres of large latifundia, agro-towns with only partially free citizens. Commercial and industrial functions of such towns served only the local rural settlements, and many of them were urbanised through acting as lower level representatives of administrative functions. Courthouse or the office of the local administrator were mainly the only larger buildings, the architectural character of these towns was

still dominated by rurality – the type of baroque heritage towns, so typical for the Czech Republic, hardly appeared in Hungary.

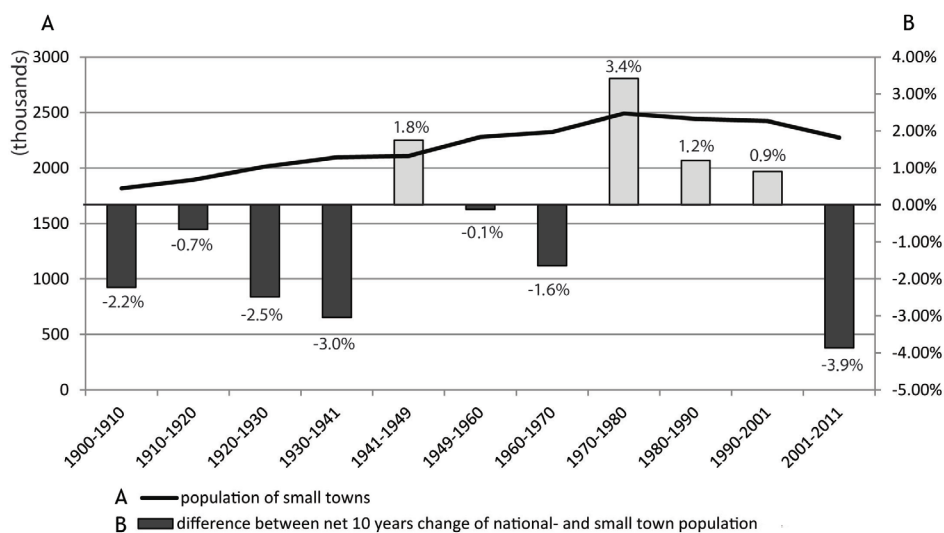
The phase of the modernisation, including industrialisation and the take-off phase of demographic and urban development could be divided in two segments in Hungary. The first, capitalist stage has started after the constitutional reform of the Austrian-Hungarian Monarchy (in the 1860s), but soon was interrupted by the Great War and the turbulent decades of the first half of the 20<sup>th</sup> century. After 1945 a second phase of modernisation started by adapting the central planning system and other innovations of the Soviet politics, economy and society.

In the first stage, many of the key elements of modern urbanisation appeared only limitedly in small towns. Industrialisation achieved only marginal results: even in 1935 only 20% of the small towns had an industrial plant with more than 100 employees (Pirisi, 2009a). The accumulation of local capital was painfully slow, and larger direct investments appeared only in mining. While the economic power of local citizens and entrepreneurs remained so weak, the state generated supplementary impulses for these settlements. First of all, the establishment of modern public services provided institutions in small towns, like state-owned and controlled secondary schools, local and district administrations from tax offices to prisons, military garrisons and later hospitals. All of these achievements had a significant role in creating well-paid employment possibilities and therefore establishing or strengthening the middle classes of local societies (Beluszy, 2012). Even the greatest innovation of the late 19<sup>th</sup> century in the Hungarian spatial development: the thick railway network, was built by indirect financial support of the state government. Although the built environment significantly improved, and at least the downtowns had achieved an urban character, this development did not expand to the residential areas, which preserved their rural character. More interestingly, the local society had a “golden age” with the establishment of numerous associations, clubs and conventions, but it still remained very closed, wherever the significant social capital was accumulated, but it was used rather to distribute the local positions and wealth than to create innovative solutions and reach wider dimensions with small-town based businesses. On the whole, small towns' societies remained rigid, with very limited possibilities for upheaval for the “outsiders” (Mohos, 2003).

The second wave of modernisation arrived with the building of state-socialism. The vision of the communists was far away from the local realities of small towns, and those values did not count too much for this new, “revolutionary” plan and modernisation. With the wish of strengthening the working classes, larger cities and newly created “socialist” towns and cities became the winners of the capital flow. Due to the disappearance of the bottom-up organised civil societies, small towns gradually lost important parts of their identities, however, limited and rare elements of these “old school” networks survived the vulgar intervention of politics. The large social and geographical mobility of the 1950s mainly avoided small towns with lack of new industrialisation, and affected much more the outflow of young and active groups of rural population from villages to larger cities and industrial regions. The erosion of the natural demographic reserves of small towns had started here, but it resulted in the serious problems only later. However, some strong traditional agricultural small towns of the Great Hungarian Plain started to decline soon after the Second World War, with losing their “out-dated” roots and functions.



However, the recovery of small towns occurred just two decades later, from the early 1970s. With the new (regional) development policy, which underlined the significance of the industrialisation of former rural, dominantly agriculture based areas, small towns gained importance as natural centres and targets of this policy. In the National Conception of the Settlement-System Development (1971), strong inputs were given to the urbanisation of small towns. This centralised act of spatial planning, based on the concept of Christaller's Central Place Theory, and therefore scrupulously defined the sort and level of public services and even the volume of industrial employment in different types and levels of central places. Having a classification named "full or partial intermediate centres", or even "advanced lower level centres", small towns gained the political background and therefore the financial sources to establish and expand institutions and the state-owned companies started to invest into small-town production sites as well (Beluszky, 1996). The period of 1970–1990 can be undoubtedly identified as the "golden age" of small towns in Hungary. As it can be seen in Fig. 1, ignoring the years of the Second World War, these were the first and only decades in the 20<sup>th</sup> century, when the population increase in small towns was quicker than the national growth. The relative weight of small towns had increased in the settlement system, including both this quantitative, and the earlier cited qualitative measures.



**Fig. 1.** Small towns' population and its change in Hungary within the national ones change during the 20<sup>th</sup> century

Source: authors' own design and calculation, based on public data of the Hungarian Central Statistical Office (HCSO)

### Small towns since the political transition of 1989/90

As showed in Fig. 1, this political transition was not a great crush/change for the small towns. Despite all economic difficulties, many of them have remained on

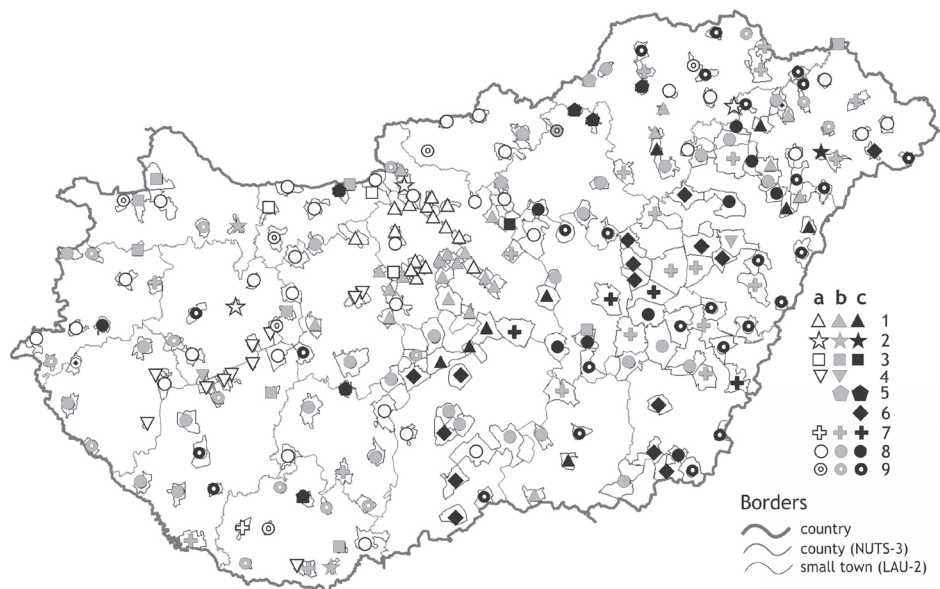
a growing path. Unlike the settlement network at large, these towns were characterised between 1990 and 2001 by a weak immigration surplus. *This indicates that for a significant portion of small towns urbanisation continued to be also quantitatively in the 1990s.* The quantitative urbanisation has also been underlined by the increasing number of small urban places possessing officially the town rank. The urban reclassification (Kulcsár, Brown, 2011) or according to our understanding “formal”, or “administrative” urbanisation emerged 180 settlements in the period between 1990 and 2013. We evaluated previously (Pirisi, Trócsányi, 2009b) this process being more (positive) than a simple administrative transformation or a struggle for new development sources. We regard the formal urbanisation on the one hand as the indicator, on the other hand as the catalyst of the functional urbanisation, with strengthening of the non-basic functions, building up the frameworks of urban way of life and renewing the built environment.

Both in their number and population, the greatest winners of the transition period were the small towns in the Budapest agglomeration. The suburbanisation was one of the most spectacular processes of the post-socialist urban development (Kok and Kovács, 1999; Timár and Váradi, 2001), and the emigration from Budapest to the suburbs was especially intensive at the turn of the 20<sup>th</sup> and 21<sup>st</sup> century, focusing on more than 50 surrounding settlements. Many of them were simple villages in the early 1980s, and their functional development was lagged behind the rapid growth of population. Some others were real, traditional small towns, being incorporated in the capital's agglomeration.

The main tendency in the first decade of the market economy was the sharp differentiation of small towns. Their uniform character, forced by the state socialism, rapidly disappeared, and the decreasing level of spatial redistribution resulted large differences among the possibilities of settlements. Geographical location became the most important factor of success (Nemes-Nagy, 1995). However, our detailed surveys (conducted among small towns, based on various statistical data of demographic, social and economic activities) showed that between 1990 and 2001 many of these towns were able to avoid the decline even in regions of permanent structural crises after the collapse of centrally planned economy. These “local islands of stability” were partly successful because of their transforming industry, and they could keep their functions and employment possibilities in public services still relatively attractive for living in a quickly declining rural microregional environment (Pirisi, 2009a).

We found the pattern of researched small towns based dominantly on the data of the 2001 census in a three-faulted structure (Fig. 2). Borders between the areas of dominantly best-, middle- and least-dynamic small towns are located from Southwest to Northeast, similarly to the large structures of the Hungarian macroregional development (Nemes-Nagy, 2000).

Despite of dynamism, the functional disparities became explicit among small towns in the 1990s. With the tide of formal urbanisation (see above), the general concept of small town needed to be supervised. From a very homogenous description of “central places with lower level administrative functions” we concluded to a more diverse approach. “Old” and “new” small towns have moved along so different vectors, that it has been hardly possible to create a common idea suitable for the entire scenario. The market economy's selection led to wide specialisation of small



**Fig. 2.** Complex dynamic functional types of small towns (2009)

a-b-c indicates the dynamism of small towns based on different (1–9) functional types. 1: residential towns, 2: image towns, 3: “single-company towns”, 4: spa resorts, 5: rust towns, 6: giant villages, 7: public service towns, 8: typical small towns, 9: micro-regional centres

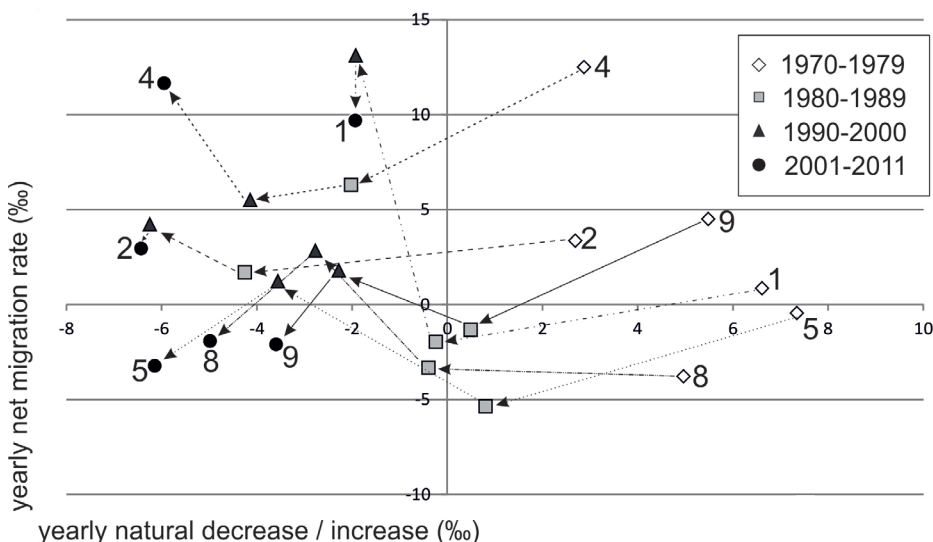
Source: (Pirisi, 2009b)

towns; some of them lost old and important functions, and others gained the new ones. Former industrial sites (we called them literally “*rust-towns*”) for example are in the first group, rapidly industrialised in socialism and later left behind by the new market stakeholders. The same, but less dramatic fate concerned for *towns of public services*: slowly declining economic functions, the remaining very strong public sector still keeps them alive and serving presently as central places for their local hinterlands. Another route of specialisation is the one of “*single-company towns*”: these are locations of new green or brown field investments (especially in electronic industry), or successfully transformed elements of more traditional industry. Their economic impact or importance is in some cases much wider than a small town normally has. *Spa resort sites* are also the fortunate winners of transformation: some of them were able to enter the international tourism market by their exclusive hotels, attracting well-paying guests and even residents (Aubert et al., 2012). a new group of *image towns* (Pirisi, Trócsányi, 2009a) has also appeared, where the town’s identity and functions are built upon one leading “product or brand” (for example the vine of Villány, or historical and cultural heritage elements of Visegrád and Pannonhalma). Finally, a significant group of *residential towns* can be classified, having different characters all over the country. The suburban type can be found in a wide band around the capital and in a limited scale around the regional centres, all of them have experienced recently a rapid growth. However, many of the former agricultural towns in the Great Hungarian Plain presently serve their own residents only because of their weak central functions in a relatively loose network of settlements. Only

functional types 8–9 (typical small towns and microregional centres) of figure 2. have the complexity of functions desired from “real” small towns. Success and failure appears in almost every functional type, but some of them are definitely more dynamic than others.

### Crisis of small towns after 2000

Analysing the demographic development we found that a positive balance of migration – among gradually decreasing national figures (from  $-0.39$  to  $-0.21\%$  annually between 1990 and 2011) can be recorded as a success. However, at the eve of the new Millennium clear signs of the crisis have appeared among small towns: they were no more able to increase their demographical weight within the shrinking country (see Fig. 1 as well), but started to reduce their population, more intensively than the national average. Compared with the decade of 1990–2000, the differentiated development was still present, but with an important difference: differentiation (or rather polarisation) took place not among, but within the categories defined above (see Fig. 3).



**Fig. 3.** The change of basic demographic factors in some specific functional types of small towns between 1970 and 2011

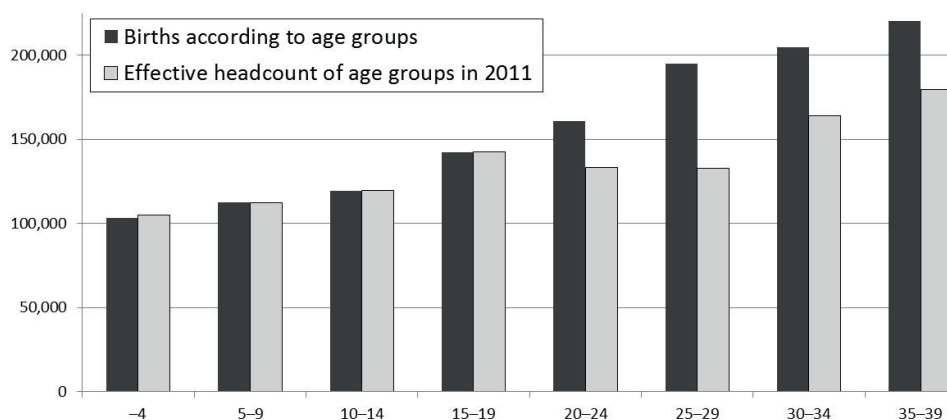
Functional types – see Fig. 2

Source: authors' own design and calculation, based on public data of HCSO

Of the 291 small towns investigated, 224 (77%!) had a population number smaller in 2011 than in 2001. The two major groups of “typical” small towns can be defined; the larger ones having about 8,000 to 30,000 inhabitants and well-equipped institutional sphere with central functions showed a similar character to

the second one. In the case of the smaller towns with limited catchment area and population from around 2,000 to 8,000 people, the decline is almost universal. We calculated that 93% and 82% of the towns of those two groups have been shrunk in this period. They are barely different from the disappointing group of former industrial towns. The residential and recreational type of towns still have very significant surplus from migration, although their dynamism also seems to decline.

The experienced general demographic decline is firstly mainly caused by natural decrease with a ratio of 65–45%. However, the outflow is the more dangerous factor, because it is selective, and affects primarily the young adults' age groups. In figure 4, we tried to depict emigration as a potential main risk factor of decline. The difference between the local births connected to the specific age group and the real number of people in the definite cohorts in 2011 is the net migration balance of these groups. The gap appears at the age of 20, and between 25–29 years, it reaches the maximum shortage of 32%. The leaving and the forecast of the lack of young well-educated generations in small towns project a serious qualitative and quantitative erosion of their population.



**Fig. 4.** Casualties by migration in some age groups in typical small towns population

Source: authors' own design and calculation, based on public data of HCSO

There are other indicators reflecting the crisis of small towns beyond demography. Although small towns could increase their employment ratio between 2001 and 2011 (according to national tendencies), the structure of their economy, and the economic role of those towns changed into an unfavourable direction. Although they were generally able to increase the number of workplaces with 7% (average) between 2001 and 2011, and it was considerably over the national average (5.8%) it was not a general success. Almost half of this surplus was created in the residential towns, showing that suburbanisation is getting into a non-residential phase, where economic activity also spreads to the edge of the agglomerations, causing a 29% growth of workplaces in this type of settlements. Recreational towns are still among the winners, with a massive growth of 11%, but the typical small towns (especially the smaller ones) were less successful, and hardly managed to keep the number of workplaces they had had before 2000. No wonder that the supply of job

opportunities significantly decreased in towns of rust belts (–3.0%), but those based on one huge industrial plant (single company towns) are also among the losers, with their –1.0% setback.

At that point, we reached another element of continuing economic transformation. The structure that had been built up after the system change in the 1990s was not stable. Small towns suffered a significant decrease of their large and medium sized enterprises. Between 2001 and 2011 they lost 10% of their companies with more than 50 employees, and 5% of those having more than 250. Tendencies had started before the economic crises hit Hungary; moreover, the period of 2001–2006 was characterised by the fastest economic growth in the last 40 years. Again, also in this respect, the differences among the small towns are significant. In the two main categories, the typical small towns lost 15% of their medium sized employers, while residential towns gained 10%. Although the number of smallest companies has increased significantly, this reorganisation could be problematic, because losing the largest and strongest companies could decrease the small towns' capability for innovations and give space to the dominance of activities with less added value. A variety of micro- and small enterprises could have a huge importance in flexible employment, but generally, they offer lower incomes and lower taxes for local governments.

The weaknesses of local enterprises draw our attention to a specific feature of small towns' labour market: the significant role of the public sector. Between 1990 and 2001, the weight of public services (governmental organisations, education, health care etc.) has been increased from 20 to 25% in the total number of all employees. Typical small towns were able to keep on offering public services and central functions, while these working places were less exposed to crisis. The role of public sector in these towns could reach 35–40%, but the tendencies of reorganisation continued after 2001. That means in other words, that a typical small town has a strong dependency of state redistribution functions, due to the financing of these public services. The main groups of atypical small towns, however, are based on private services in their employment structure, and therefore they are much less state influenced, but market-based.

Why exactly now? That was one of our most troublesome questions while revealing the details of the small towns' crisis. Settlements which did not collapse after the cataclysm of political and economic transformation seem to have very serious difficulty with keeping their functions and positions in the years of relative welfare and recovery. Christine Hannemann (2003) highlighted – based on analysis selected small towns of former GDR – that the parallel processes of de-industrialisation, de-militarisation and de-administration might be a very dangerous “cocktail” for small towns. Do we have similar factors behind the decline in Hungary?

The *de-industrialisation* surely played a decisive role. Unlike the “socialist cities” with strong heavy industrial character, the deindustrialisation of small towns (with dominantly light and food industry plants) was slower. Most of the production sites had survived the great shock of transformation and were gradually privatised, just to close the gates a few years later. In leading local branches, such as textile and food processing industry, the change of economic environment by the integration to the European Union and due to the global restructuring were too much for small town company sites. 11 Hungarian sugar factories have been closed and liquidated out of the 12 active in 1990, 10 from the closed ones had operated in small towns.



The traditional industry was mainly alive in the mid-1990s, but largely disappeared by the end of the 2000s; the global economic crisis was only the last drop in the glass. Re-industrialisation, the inflow of new foreign investors was highly selective and occurred only in Central and Northwestern Hungary, and in some areas along the new motorways. During the last years, the number and volume of foreign direct investment have decreased significantly in Hungary, and naturally, Budapest and the larger cities have better positions in this struggle for capital in a shrinking market.

*De-militarisation* did not have such a significant role in Hungary than in the former GDR, simply because the state was not as heavily militarised during the era of Cold War as Eastern Germany. However, after the withdrawal of the Soviet Southern Army Group and the gradual reduction of the Hungarian Armed Forces, from almost 150,000 to about 30,000 troops, several small towns lost their military functions. According to our own surveys (Orosz and Pirisi, 2010), there were about 120 military bases closed in small towns. It did not mean cut of jobs only in the defence sector, but it had also a significant impact on other supporting activities, and actually there are about 15–20 former garrison towns suffering significant losses because of demilitarisation.

*De-administration*, however, played a very complex role. The formal administrative functions of small towns disappeared in the early 1980s by the abolition of the LAU-2 level spatial administrative units (“járás”). However, there was an effort to re-establish this level in a somewhat modernised form in 2004, but the final step was made in 2012. Effects of the earlier de-administration processes resulted in the weakening influence of small towns on spatial politics and spatial redistribution processes, but the important institutions, functions and working places remained there, and it was more decisive and (as we showed above) helped to survive the transformations. With the thorough reform of administration system introduced by 2013, the small towns that had had enough political influence to be appointed to the centres of the newly organised districts (LAU-2 unit), have been able to (further) strengthen their spatial roles and concentrate more resources.

We experienced that beyond these, there are some other, important, but “soft” indicators of the small town crisis, related to the capability to keep the population, especially young people in small towns. Economic situation could not be the single issue of the crisis, because even the traditional small towns in Western Hungary with good overall economic indicators loose people, especially young and educated people by permanent outflow.

Education and its changing role could be one of the key issues. Small towns could profit from the expansion of secondary education in the late 1990s and early 2000s (Császár and Tóth, 2006), when new schools were established and some of the larger small towns were even able to attract tertiary education institutions. But this expansion, accompanied by the boom of higher education, also meant the increasing enrolment of cohorts to universities and colleges. The more young adults in small towns decided to study at higher education institutions, the more of them are finally lost for small towns. There is almost no way back from cities to small towns for graduated people – the data depicted on figure 4 also show this problem. This phenomena need to have some cultural reason as well: traditional small towns are simply not attractive enough for young people – not only for those who leave them, but also for people who avoid them, and move directly to larger urban areas

from rural spaces. The world and perspectives have rapidly become wider even in tiny villages, and the mobility horizon significantly expanded: people believe much more to find their future in Budapest or even in London, than in any of small towns. However the expansion of the international emigration has started intensively since 2010, and its effect still not showed in census data of 2011, we found during our field surveys in small towns projecting that this phenomena will also have a significant impact in the coming years.

As even the relatively successful, typical towns seem to be highly affected by the negative tendencies of migration, we might as well conclude to the statement that traditionalism, the historical cultural closeness can also act as factors of the above problems. The traditional values and stability helped the small towns to preserve their community, structure and functions throughout centuries, while it seems to be one of the greatest obstacles for the present renewal needed.

## Conclusion and prognosis

Typical small towns are in a crisis and successful small towns are atypical – this could be the main conclusion of the researches we conducted in the last years and tried to synthesise in this paper. There are some known similar results from other countries, Kadri Leetma and her co-authors (Leetma et al., 2013) underline that outside the agglomerations, to avoid shrinking for small towns is only possible, if they find a possible niche for the local economy, like tourism, or conscious development of the town for recreation functions, including second homes. Other authors highlight the possible role of sustainable development of towns for their break out from the vicious circle of shrinking (Visvaldis et al., 2013), while the higher possible quality of life is the most important message of small towns in the well-known book of Paul Knox and Heike Mayer (Knox, Mayer, 2009). Other empirical surveys once again emphasise the need for specialisation and building the unique image of the towns (Kaczmarek and Konecka-Szydłowska, 2013), or strengthening a kind of “social resilience” by improving social capital, restructuring and re-organising local communities (Woodhouse, 2006; Besser, 2009; McManus et al., 2012).

What about these potential niches in Hungary? First of all, we agree that tourism could be a way for success. The most visited touristic attractions in Hungary beside Budapest are mainly small towns, all of them are resorts with famous thermal spas or located at the lakeside of Balaton. Places like Hévíz, Zalakaros, Harkány or Bük are rather (tiny) towns around the spas than towns with a spa, their urbanisation has always been dependent to the development of tourism sector, and their economy is in this meaning monosectoral. Other places like Sárovar, Balatonfüred, Siófok are much more “real” small towns with higher population number and well-developed central functions. The 20 most important touristic resorts give 75% of all guest nights registered in the investigated 291 small towns, which shows a high rate of concentration in this matter. Small towns without internationally reputed spas hardly have a chance to earn success via tourism. The lack of picturesque historical downtowns, unique attractions or products does not allow them to base their development on tourism.

All other cited factors are based somehow on the common belief that small towns could provide better life, a higher quality of living, mainly in its non-commercial, slower meaning. This could be realised via better environment conditions, more intensive social networks or even very simple, with the lower average costs of living. This is partly the character of the suburbanised small (new) towns. Their story is a real success until 2009, when the economic crisis caused a general decrease of incomes, fall of property prices, increase of interest rates and fuel prices in parallel resulted in a basic threat for the suburban way of life. Migration to these settlements has become much slower, however, the financial conditions of these municipalities has remained favourable compared to other small towns.

Beyond the edges of the agglomerations either along the national capital or the regional centres, the chances of these life-quality based strategies are really limited. We analysed the strategic planning practice of small town municipalities, and concluded that one cannot find consciously built strategies based on this possible niche (Pirisi, Máté, 2014). Beyond the overall conservative approach of local stakeholders, an objective obstacle of such strategies is the lack of potential immigrants to small towns. Many of the strategies highlight the importance of avoiding the emigration of young adults, but almost none of them focus on direct actions to be taken to attract potential immigrants.

Because of the lack of well-paid employment possibilities, the inactive, elder cohorts have better chance to choose a small town for living. Unfortunately, the overall poverty of these age groups (based on the lack of the possibilities of savings during in the era of planned economy and after), and the low level of their mobility considerably limits their involvement into these strategies. The result is that if any kind of senior migration takes place in Hungary, the destinations are generally well to do resort places, small towns. There are other obstacles as well: local healthcare institutions (especially hospitals) nowadays are not able to provide safe alternatives for large medical centres of cities, however, some (private) retirement homes are determined to offer high standard services in this matter. Regrettably, in this case elderly people are isolated from the small town communities and generally the small towns' civic or cultural milieu is hardly attractive for someone who spent decades in larger cities. The importance of sustainability seems to be a priority for some special and very narrow social group, and they prefer the smaller (rural) settlements, if available. It is quite symbolic, that the only certified member of the famous Citta Slow movement from Hungary is Hódmezővásárhely, which is rather a mid-size city than a town with its almost 50,000 inhabitants. Sustainability only appears in the EU and government supported projects to foster the use of renewable (mainly geothermal) energy to decrease the utilities and maintenance costs of local institutions.

According to our point of view, Hungarian small towns, except the ones with very strong advantages of geographical location or resources, generally do not aspire for specialisation and niche strategies. Nevertheless, we are uncertain to what extent it is a planned strategy, but it seems that municipalities at least have decided to extend and strengthen their functions generally. They seem to focus on the re-organisation of classical central functions; a huge part of the EU-funds was used for the renewal of public institutions to provide better quality services for the local public. In addition, small towns still find large scale direct investments as the most important goal of their development. They are still dreaming the dream of the early

1970s, when urbanisation meant a factory with a variety of secure jobs, establishing or developing purchasing power and need for non-basic public services.

Perhaps, this malicious comment above is a bit unfair with small towns. The development possibilities are highly resource-driven in Hungary, the financial independence of small towns is very limited, large-scale projects are undoubtedly unreal without the political and financial support of the central government. This leads to the (above) uniformed policy and practice, with weak chances of individual innovations. In a paradoxical way, this centrality-based overall strategy fits very well for atypical towns, which are highly motivated to improve their public services beside the demographic and economic power they have.

This centrality-based strategy could give "spectacular" results, at least in its mediatised meaning. New or refurbished institutions are popular targets of local and regional politicians in the seasons of election campaigns. Of course, we do not want to relativize the efforts of these investments for local citizens, whose life quality is doubtlessly improved by them. But these investments seem to be inadequate tools to solve the basic issue of small towns' vicious circle: the negative feedbacks of decreasing jobs and melting human capital linked to one another. With even more weight given to public services inside the structure of small towns' economy, the system increases the dependency from the central government and state's redistribution policy.

This dependency is more threatening, if we focus on the mid-term demographic prognoses. The further shrinking, caused by the double effect of natural decrease and emigration is unavoidable. According to our own calculations, typical small towns will lose almost 10% of their population in the coming decade, and the majority of these casualties will be missed from the age groups between 16 and 30. In 2021, 25% of the cohort of 25–29, and 27% of the cohort of 30–34 will disappear based on the 2011 population. An almost 20% decrease of children in secondary school age is also forecast. Shrinking population projects less normative support for institutions and may lead to the closure of secondary schools – institutions, which are very important in the self-image of small towns.

One can find increasing population and blooming economy on the one hand, while shrinking, emigration and economic stagnation on the other. While atypical small towns are successful, because they have been able to integrate themselves into larger systems of economy and society, the closed local networks of typical small towns have not been and seem to be not even presently able to function well enough to avoid long-term crisis. The final question for small towns remains open: based on the still very important social capital and human resources, are they strong and innovative enough to find their proper functions in the 21<sup>st</sup> century, or small towns, as we have known them for centuries are obsolete settlement categories?

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