

CLIP Case Study on Housing

BUDAPEST

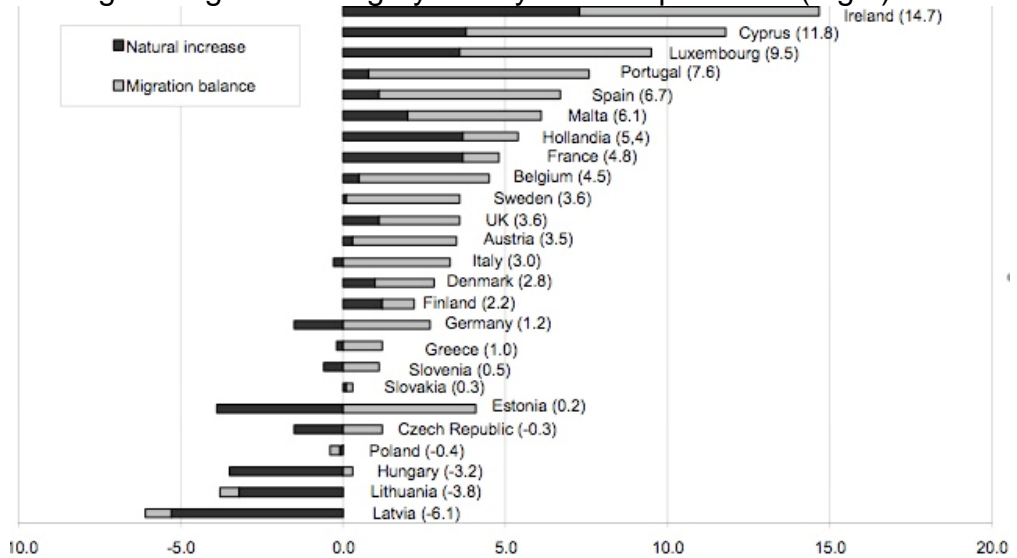
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ISR 2007

1 Background information on the country (ca. 1 1/2 pages)

Looking back in Hungary's younger past, there are at least three periods with particular compositions of migrant groups in the country and different political concepts how to deal with these parts of society: Hungary as a part of the Danube Monarchy until its independency in 1918, the socialist era between End of World War II and the Fall of the Iron Curtain in 1989 and the years after that, mainly characterized by the transformation to a market-orientated country. Some general data about migration to Hungary show that compared to other European countries the migration gain in Hungary is very small at presence (Fig.1).



[Fig. 1: Contribution of natural growth and of international migration to population growth, 2002, per thousand; Taken from: TÁRKI Social Report Reprint Series No.5, S.130, Budapest 2005]

1.1 History of migration and composition of migrant populations

The national territory of Hungary as we know it today had been defined in 1920, so it is not possible to draw comparisons in a direct way: In 1910, the total population of the whole Kingdom of Hungary was 18.264.533 (whereof 54.4% had been Magyars). Within its new borders (defined by the treaty of Trianon in 1920) about 8 million people remained in the later Republic of Hungary¹. Nevertheless it is interesting to take a look at the composition of Hungary's population differentiated by mother tongue (data of 1910 is adjusted to the territory of later Hungary):

	1910	1930	1980	1990
Total population	7 612 114	9 316 074	10 709 463	10 374 823
Gipsy, Romany	9 799	18 640	27 915	48 072
Croatian	62 018	37 855	20 484	17 577
German	553 179	475 491	31 231	37 511
Rumanian	28 491	14 142	10 141	8 730
Serbian	26 248	5 442	3 426	2 627
Slovakian	165 317	75 877	16 054	12 745
Slovenian	6 915	4 816	3 142	2 627
Hungarian	6 730 299	8 655 798	10 579 898	10 222 529

[Table 1: Population by mother tongue; P. Görgl; Source: Hungarian Statistical Office 2005]

¹ Christian DONNER: Wohnungspolitik in Mitteleuropa. Wien 2006, S. 93.

One can see that some minority groups do have a long tradition in Hungary, but their share in total population rapidly declined after the revision of the borders after World War I. Nevertheless many members of these ethnic minorities are grown up with a kind of double identity – Hungarian (in cultural and language aspects dominating) as well as their literal origin. As a consequence of this the Hungarian government listed thirteen national and ethnic minorities as “constituent components of the state”²: Since 1993, Bulgarian, Roma, Greek, Croatian, Polish, German, Armenian, Romanian, Ruthenian, Serbian, Slovak, Slovenian and Ukrainian groups do have this status. According to Census data of 2001, 314.000 people belonging to one of these groups had been counted, whereof the Roma community is by far the biggest one (190.000). Table 2 shows the data of population by nationality and sex in 2001, other relevant groups of non-Hungarian population are added to the mentioned thirteen national minority groups.

Nationality	Total	Male	Female
Total population	10 198 315	4 850 650	5 347 665
Hungarian	9 416 045	4 457 641	4 958 404
African	187	147	40
Arab	1 396	1 059	337
Bulgarian	1 358	686	672
Gipsy, Romany, Bea	189 984	96 273	93 711
Greek	2 509	1 241	1 268
Croatian	15 597	7 231	8 366
Chinese	2 275	1 271	1 004
Polish	2 962	1 123	1 839
Modern Hebrew (Ivrit)	701	405	296
German	62 105	29 896	32 209
Armenian	620	334	286
Rumanian	7 995	3 963	4 032
Ruthenian	1 098	396	702
Serbian	3 816	1 994	1 822
Slovakian	17 693	7 739	9 954
Slovenian	3 025	1 377	1 648
Ukrainian	5 070	2 054	3 016
No answer	543 317	272 903	270 414
Unknown	27 220	13 788	13 432

[Table 2: Population nationality and sex; P. Görgl; Census data 2001; Source: Hungarian Statistical Office 2003]

Obviously the Hungarian population is the vast majority (94%), Gipsy groups officially counted nearly 190.000 members, so the Roma population is significantly the biggest minority group in Hungary (about 2% of total population). There are several reasons why statistical data do not represent the actual number of people belonging to ethnical minority groups: first of all, nobody is obliged to declare one’s affiliation to a certain minority. Secondly, the number of illegally immigrated persons is sometimes very high, a fact that may be the case mainly concerning Chinese people. Because of this some estimations assume that the share of people with minority/migration background is **twice as high** as official census data describes.

² OFFICE FOR NATIONAL AND ETHNIC MINORITIES: Selection of News. Budapest 2005, S.1

One should keep in mind that on the one hand immigrants in Hungary come from about 136 different nations³, but the majority of them arrived from neighbouring countries and many of those can profit from an already existing (family or friend) network in the destination country which makes it much more easier to establish there and furthermore for many of them the language barrier does not exist. Because of these good starting positions there are **clear differences in integration level** between various groups of immigrants and/or ethnic minorities. Chinese minority and Roma population may be the two larger groups being integrated worst in Hungarian society, in addition to that, Roma often suffer from absolute insufficient, ghetto-like housing situation: In 1971, about 60% of all Roma people lived in highly segregated and slum-like settlements, after several housing-improvement programmes did show good effects the share decreased to 14% in the mid 1990's, but that means, that still some thousand Roma live in very bad conditions (without electricity, running water etc.) today⁴

1.2 General national integration policy⁵

Until the early 1990's, maximum assimilation of foreigners had been the guideline of national policy in socialist Hungary. After the fall of the Iron Curtain integration and minority policy changed fundamentally towards integration-based approaches and the strengthening of diverse cultural and ethnical identities. The minority act (Act LXXVII of 1993 on the Rights of National and Ethnic Minorities) can be seen as legal basis of that. It ensures several individual and collective minority rights like self-government, use of language, public education and culture.

Compared to some other Eastern European countries, the institutional framework is relatively well developed: First of all, there is the Standing Committee for Human Rights, Minority and Religious Affairs, an institution of parliamentary commissioners including an ombudsman who is concerned with protection of rights and interests of minority groups.

The Office for National and Ethnic Minorities is assigned to coordinate the implementation of the governmental minority policy issues. Besides that the Office for National and Ethnic Minorities is constantly evaluating and analysing the situation of minority groups and is acting as a communication-interface between minority organisations and the government.

In consideration of the special situation of the Roma, a Roma Political State Secretariat had been founded in 2002 as well as a consultative institution called 'Council for Roma Issues' whose main task is promoting the social integration of the biggest minority group.

Local minority self-governments do represent minority interests on a local level. These self-governmental structures shall result in full responsibility concerning specific, minority-orientated local educational and cultural institutions. The number of self-governments increased from 822 in 1995 to 2045 (out of this 1118 Roma self-governments, 378 German) in the year 2006, with some 8.000 elected representatives.

Integration policy also includes aspects of minority education and strengthening cultural life. The vital use of the mother language and dealing with specific thematic

³ TÁRKI Social Report Reprint Series No.24, Budapest 2005, S.411

⁴ Office for National and Ethnic Minorities, Budapest 2005: selection of News, S.11

⁵ Following information is based on:

Office for National and Ethnic Minorities: Selection of News 5/2006, 11/2006, Budapest

issues (in school as well as in media) shall be ensured in different ways, for example in a new kind of complementary minority education.

2 Background information on the city and its integration policy

2.1 General structural data of the city

The city structure of Budapest as we know it today is the outcome of the administrative establishment in 1873 and a large incorporation of neighbouring municipalities in 1950. The city's administrative territory tripled and this had been the basis for large satellite-towns. Budapest, the capital of Hungary, is by far the country's biggest city and is not only the political but also the economical and cultural centre of the nation. Some simple statistical data illustrate this geographical situation: About 17% of the country's total population lives in Budapest (1.695.814 inhabitants)⁶, the performance value of investments of enterprises amounts 944.1 billion HUF which is about 45% of the total performances in Hungary. More than 60% of all foreign investments are executed in Budapest.

Nevertheless there had been a significant process of suburbanization over the last 15 years and as a consequence of that the capital's population decreased by 300.000 inhabitants. In this context the city has to deal with some socio-economic and infrastructural challenges because of middle-class migration to suburbia and traffic increase because of commuting.

Some aspects that can be called 'typical' for the transformation of post-socialist cities in the last ten years also took influence on Budapest's urban development: so a significant decline of the secondary (industrial) sector and the rise of the tertiary (service) sector with great influence on the inner-city development can be observed as well as suburbanization and intensified social segregation within the city on district or block-level. In the past ten years the gap between rich and poor, or one could also say, between 'traditional prosperous and favoured' (e.g. 2nd or 12th) and 'traditional poor and unpopular' (e.g. 8th) districts became wider.

Besides the municipality for entire Budapest which is responsible for issues concerning the whole city or more than one district, there are 23 autonomous districts with own administration structures, funds and decision-making authority, which shows the highly decentralized structure of urban government. Concerning many questions of urban development, the districts play a very important role since nearly all initiatives intervening in urban development need authorization and support of the district administration.

2.2 Inter-city cooperation

Budapest is a full member of the EUROCITIES network and is taking part in working groups dealing with cohesion policy and strategic planning, representatives of the city didn't take part up to now in EUROCITIES workshops or forums concerning social affairs or integration.

⁶ Hungarian Statistical Office, Microcensus 2005

There are no informations about participation in other inter-city projects dealing with migrants' integration.

2.3 Municipal migration and integration – history and policy

Concerning history of migration (more or less) detailed statistical data for Budapest is available for the past 70 years. It may be amazing that Budapest, despite of its function as capital of the Hungarian Kingdom and the important role within the Danube Monarchy, hasn't had distinct 'multicultural' structures or traditions at any time. Nevertheless there are some clear changes in the composition of the city's minority population: While people with German as mother tongue were the biggest majority in 1930, their number diminished drastically (mainly by expulsion) after World War II. The number of Gypsy/Roma people developed vice versa and since the Fall of the Iron Curtain this group is the numerical majority (see table 3) of minority groups.

Year	Mother Tongue			Nationality		
	1930	1990	2001	1960	1990	2001
Budapest total population	1 442 869	2 016 681	1 777 921	1 804 606	2 016 681	1 777 921
Hungarian	1 355 129	1 997 518	1 617 717	1 791 543	1 993 030	1 603 511
African	..	83	78	..	..	118
Arab	..	884	789	..	..	792
Bulgarian	1 072	782	755	..	..	784
Gipsy, Romany, Bea	143	3 643	3 056	1 583	8 123	12 266
Greek	73	1 047	1 185	..	..	1 522
Croatian	1 756	811	630	513	409	769
Chinese	11	19	1 945	..	..	1 827
Polish	3 927	1 762	1 059	..	..	1 185
Modern Hebrew (Ivrit)	..	9	219	..	..	524
German	62 613	2 887	3 505	1 765	2 609	7 014
Armenian	61	23	162	..	..	364
Rumanian	882	572	1 173	383	1 263	1 205
Ruthenian	233	..	382	..	..	430
Serbian	786	343	893	308	369	996
Slovakian	10 647	934	1 513	970	802	1 528
Slovenian	151	82	393	..	71	359
Ukrainian	..	212	1 341	..	..	1 425
No answer	–	–	128 309	–	–	135 924
Unknown	..	..	11 232	..	..	11 151

[Tab. 3: Population in Budapest by mother tongue, nationality and sex, 1930, 1960–2001; P. Görgl; Source: Hungarian Statistical Office, 2003]

Particularly in regard to immigration and minority issues, statistical data cannot represent the actual number of people belonging to a specific group that lives in a country or city. As mentioned, there aren't any obligations for respondents to give these informations as well as one has to face a number of illegal immigrants whose number can only be estimated. But clear tendencies can be derived from the census data: According to this it is obvious for example that the ratio of minority groups within Budapest is almost equal to the national proportion.

Before we are going to focus on different migrant groups in Budapest, another table shows us trends of dispersion of ethnic groups across the city by districts (Tab.4). Looking at the city as a whole, trends of extreme ethnic segregation can not be found, but some districts (e.g. 7th, 8th, 9th, 10th) show concentrations of ethnic groups which are considered to be badly integrated like Gypsies or Chinese people, whereas in some other districts (e.g. 2nd, 12th), which are regarded by the public as 'good' and 'decent' residential areas, only few members of such ethnic groups live.

Area	Total pop.	Persons belonging to the national/ethnic group on the basis of nationality and/or affinity with cultural values, traditions and/or mother tongue, and/or the language spoken with family members or friends																		
		People of minority in Hungary	Hungarian	Africans	Arabic	Bulgarian	Gypsy	Greek	Croatian	Chinese	Polish	Hebrew, Jewish	German	Armenian	Rumanian	Ruthene	Serbian	Slovakian	Slovenian	Ukrainian
1st district	25 914	834	24 117	3	9	35	53	37	41	8	45	25	415	16	31	3	41	79	14	24
2nd district	92 520	3 429	84 194	12	35	65	151	160	98	42	141	149	1 934	60	141	35	174	311	36	123
3rd district	131 605	3 214	120 589	11	54	112	343	224	73	97	175	55	1 366	32	160	44	116	360	43	166
4th district	103 492	2 787	95 763	9	54	56	782	196	82	86	119	43	698	21	138	48	61	432	22	132
5th district	28 948	1 598	26 728	1	61	33	361	86	51	30	68	102	555	29	155	38	83	72	11	56
6th district	44 137	1 661	39 422	13	44	24	380	124	48	50	58	73	492	26	100	34	135	156	19	65
7th district	64 137	2 661	58 718	11	61	54	1 157	126	95	85	80	117	540	28	113	28	210	102	32	96
8th district	81 787	4 627	73 388	30	112	51	2 771	167	56	443	99	63	659	31	223	48	104	249	41	128
9th district	62 995	2 530	58 618	14	64	59	1 070	225	60	66	44	51	530	29	93	33	65	208	28	86
10th district	80 852	2 271	73 016	14	80	41	812	194	65	504	114	24	484	47	131	33	39	166	36	109
11th district	144 441	3 935	132 041	19	266	115	233	259	145	144	171	62	1 794	80	183	60	175	476	51	193
12th district	61 763	1 926	56 380	6	21	44	81	105	85	45	81	74	1 086	47	55	31	80	154	24	53
13th district	114 353	3 532	103 997	13	93	48	864	267	114	215	132	157	1 074	55	226	86	181	294	61	130
14th district	123 510	4 036	113 581	8	91	119	964	369	181	155	128	75	1 202	43	193	41	138	464	50	144
15th district	85 232	2 046	79 955	1	51	28	755	164	42	68	99	21	492	14	112	25	44	184	21	66
16th district	71 028	1 211	66 553	2	36	42	193	63	44	66	64	24	502	11	69	19	22	92	27	63
17th district	79 989	1 417	73 894	4	20	29	255	89	41	17	86	19	573	3	57	13	27	171	19	54
18th district	96 353	2 124	88 325	–	46	54	491	176	37	50	107	23	627	21	79	33	28	363	24	84
19th district	63 810	1 482	58 173	8	30	30	408	115	51	49	73	6	455	25	85	23	34	89	20	74
20th district	65 295	1 885	59 912	1	38	36	877	59	24	34	48	13	514	10	91	25	26	100	23	52
21st district	80 982	1 860	74 844	5	23	88	578	109	38	24	51	8	590	13	103	20	35	149	19	67
22nd district	52 548	1 533	49 240	7	17	33	185	69	48	10	45	13	774	14	67	12	28	170	15	73
23rd district	20 697	1 047	18 150	–	4	9	155	19	5	1	16	2	706	–	29	3	3	81	6	15
District not defined	1 533	161	1 445	–	2	2	100	8	1	–	–	–	35	–	3	–	2	7	1	2
Capital total	1 777 921	53 807	1 631 043	192	1 312	1 207	14 019	3 410	1 525	2 289	2 044	1 199	18 097	655	2 637	735	1 851	4 929	643	2 055

Tab. 4: Population Budapest by national/ethnic groups and districts; P. Görgl; Source: Hungarian Statistical Office, 2003]

The integration level differs strongly from group to group. While migrants with Hungarian background or members of the German minority are relatively well integrated in the city's civil-society, African, Chinese and Roma people are often 'at the bottom' of it.

In spite of being not many by number, black **African** migrants/asylum seekers seem to be not integrated at all in Budapest, most of them are constantly confronted with a great number of prejudices. Most of Africans living in Budapest are single male persons, there are neither official programs nor some ethnic networks that would make it easier for them to find jobs or housing: to that effect among all minorities in Budapest their socioeconomic situation is maybe the worst.

Unlike Africans, **Chinese** people had been able to gain ground (in socioeconomic matters) in Budapest over the last 13 or 14 years. As a result of a bilateral agreement between Hungary and China in 1992, Chinese could profit from eased immigration rules for some years and for many of them Hungary seemed to be a promising country. In the aftermath the number of Chinese immigrating to Hungary had been unexpectedly high and so the immigration had been restricted again some years later. Today the estimated number of Chinese living in Budapest is between 25.000 and 60.000. That clearly shows that census data is not reliable in that case and the high number of Chinese that came unofficially into the country. Just like Africans, Chinese are not integrated in the Hungarian society in Budapest – but over the years they have established an all-embracing network, in economic manners as well as in every-day life. Import and retail of (cheap or faked) textiles or other cheap goods from the Far East is fully dominated by Chinese immigrants for example and has become an important economic factor in the meantime: in 1994/95, Chinese founded nearly 7.000 companies in the city⁷! Economic activities of Chinese are concentrated around the so-called 'Four-Tiger-Market' in the 10th district, where estimated 5.000 Chinese retailers have their (sometimes more or less legal) business. Besides that, eight Chinese newspapers are published in the Hungarian capital, there is a kind of parallel Chinese health care system as well as own travel agencies, supermarkets, bookstores and so on. As a consequence of this only few Chinese speak Hungarian fluently, for the majority of them it is simply not necessary to learn the language.

Public authorities are facing some severe problems that can't be solved easily, like organized crime within the Chinese community, smuggling or simply the high number of illegal immigrants. In spite of that Chinese are much more popular than Africans or Roma people because many people in Budapest with low income are provided with affordable goods by the Chinese retailers.

The largest ethnic group in Budapest may be the most unpopular at the same time: **Roma**. Estimated 20.000 Roma live in Budapest, a great number is concentrated in the 8th and 9th district as a consequence of forced integration while socialist era. About 90% of them do speak Hungarian; their educational level and employment situation is often critical. But in contrast to the situation of Roma in other parts of Hungary, conditions in and around the capital seem to be a little bit better: the proportion of Gypsy households with employed members is much higher and the employment-based income of them is about six times higher than in the countryside⁸. Nevertheless most of them are to be found in the lowest income classes and their socioeconomic situation is critical. Even though 80% of Roma children complete

⁷ Die ZEIT, Nr.37, 2000 – Internetarchive

⁸ Tarki Social Report Reprint Series No. 22, Budapest 2004, pages 388, 390, 391

primary school, only 30% of them are continuing education. So the qualification level of Roma is generally lower than the one of non-Roma people. As a matter of fact they have a low status on the job market, a higher unemployment rate and as a consequence there are often social problems, a higher crime rate etc. among them. In highly segregated areas like in some neighbourhoods in the 9th district, this problem-mixture becomes apparent very significantly and is a challenge for the district's administration that couldn't be solved yet.

Attitudes towards immigrants or ethnic minorities in broader public are often negative and disliking, which makes integration difficult. So there may be no mentionable differences between discourse about integration in Budapest and on the national discourse. Since the city cannot or is sometimes not willing to take effective influence, for example on the housing market for immigrants or on other relevant fields, migrant integration urban policies are focusing on rather soft measures like promoting cultural diversity (Gypsy theatre festivals etc.).

3 Housing situation of the city

3.1 Housing stock and housing market in general

Probably Budapest is a very extreme example for economic restructuring after the Fall of the Iron Curtain. The housing market was strongly affected by the transition towards capitalism. Along with that the radical decentralization of urban planning to local (district) governments influenced urban development in many ways.

Today, the vast majority of the city's housing stock is privately owned (85%), only 10 percent are in public hand, social housing plays a marginal role (1-2%). To understand this development a short glance at housing history of Budapest is necessary.

With the beginning of the socialist era, privately owned dwelling houses were expropriated by the municipality and by 'nationalizing' large parts of the housing stock the share of public owned flats grew up to 75%. New building was realized only in form of large housing estates in outer districts of the city. Rents for public housing were very low and regulated by the government.

In the course of political decentralization the whole housing stock had been transferred to the municipalities. After that the apartments were offered to the tenants at a very low price (10-15% of the market value). In many cases tenants bought their apartments in order to resell them at a much higher price and to move in other residential areas, often to suburbia (this can be seen as one kind of '**typical housing career**'). Between 1990 and 1994, more than 50 percent of the former public housing stock had been privatized in that way in four years only. Nowadays, the share of other types of rental housing like housing associations, private renting by institutional landlords etc. is insignificant.

Corresponding to that the city doesn't play an important role on the housing market. Since 1996, the administration has tried to gain back some influence by establishing urban renewal funds, not so much by increasing the share of public housing.

Under aspects of pure demand and supply Budapest's housing market seems to be relatively balanced, but the very small share of public and social housing can be considered as problematic, especially concerning social segregation and the concentration of poor people in public/social housing estates. The share of poor people in the city is much higher than the amount of available public housing there. In that way many poor people are forced to stay in their private flats with often much too high running costs, which can be seen as a kind of 'forced ownership'⁹ caused by lack of alternative housing forms. This can lead in turn to a problematic increase of arrears (caused by high running costs). The lack of a general state housing allowance system contributes much to intensify that vicious circle.

Generally, there are two different types of neighbourhoods considered as being problematic in Budapest. On the one hand, large parts of residential areas that have been erected in inner districts (7th – 11th) between 1920 and 1939, are still in a critical physical condition because they never have been renovated or improved since they exist. Urban renewal of inner city districts as an official programme did start for the first time in the mid 1980's and there are still many neighbourhoods that are in urgent need of physical improvement. On the other hand the physical quality of the large housing estates in outer districts is deficient in many cases. This affects the appearance of those estates as whole as well as single flats where inhabitants suffer from insufficient isolation, bad housing electricity, defect water-pipes and so on. Therefore the running costs of those flats are often much too high, devastation and an atmosphere of insecurity is rising since a high number of middle-class households had left those neighbourhoods in many cases.

3.2 Housing situation of residents with migration background

As seen in table 4, larger spatial concentrations of ethnic minorities can be found in the 8th and 9th district, where Roma (and an probably still increasing number of) Chinese people live. The spatial concentration of Roma can be seen as an act of forced integration that took place in the 1970's when Roma were relocated in those traditional workers districts after the former residents had moved into modern large housing estates. Even then some of the 1930 buildings had been in a desolate condition as well as substandard flats fulfilled basic needs neither then nor nowadays. There are some blocks where extreme ethnic concentration can be found, for example in the 9th district, where about 300-400 Roma predominantly inhabit one area. A more complex problem evolved when some districts started urban renewal programmes: many of the municipal apartments buildings that have been in a critical physical condition were demolished (e.g. 35 in the 8th district and about 60 buildings in the 13th district). Residents received compensation payments or new apartments in other districts. But a great number of Roma living in such buildings for many years didn't have a legal title and were evicted without any compensation measures offered to them and so some NGO's see a clear discrimination of Roma people in the area of housing¹⁰ where legal guidelines have simply been overridden by the authorities.

Although Chinese mainly concentrate on two or three districts (8th – 10th) they are widely spread within these areas. Because of their, compared to other migrant

⁹ Metropolitan Research Institute, Budapest 2004

¹⁰ European Roma Rights Center 2007, <http://www.errc.org/cikk.php?cikk=472>

groups, often better economic situation and good social networks they are not that dependent on the cheap and low level housing market having access to broader parts of the housing market.

3.3 Accessibility of the housing market system for migrants and minorities

The provision with affordable social housing in Budapest is generally estimated as much too low, that means that not only migrants or members of minority groups are affected by this situation but a large number of native Hungarians as well.

Social housing should principally be open to everybody who is in need of it, but in reality people with migration background are mostly ignored when social housing apartments are appropriated.

Another more general problem are relatively high costs in the housing sector, rent fees in Budapest are far above the national average. So migrants do face two problems at one: on the one hand affordable flats generally short in supply and on the other hand they have to cope with a lot of prejudices that make it even more difficult to find work or dwelling place.

Concerning the housing market, probably together with Roma people, migrants from outer Europe do have most difficulties to find their ways in the city.

4 Institutional setting and relevant actors

In the course of transformation governmental competences and responsibilities have been decentralized to a high degree. The local government system of the capital is unique in Hungary: a two-tier arrangement – unparalleled in Hungary – operates in Budapest comprising the municipality of the City and those of the autonomous Districts. Thus in the case of housing the local government of Budapest consists of two administrative levels with different competences but more or less equal rights in terms of decision-making. That means that in most cases the superior administrative level of the city government cannot decide alone on concrete measures concerning urban development and housing.

Influence capabilities on the housing market are not very capacious. Municipal housing companies administrate the small public/social housing sector, private investors in form of institutionalized landlords do also play a little role at presence.

There are some departments of the municipality that have competences in the area of housing: The housing department that is, amongst others, responsible for the city-owned housing stock and city-owned properties. The department for City Planning is fulfilling 'classical' fields of duties like creating general visions on urban development, master plans on different scales and so on.

There is no department that deals directly with integration respectively immigration or ethnical/national minorities. As it is often the case in Eastern European Cities, this issue isn't enough institutionalized yet on city level. That means that the work of

NGO's is very important and there seems to be a good cooperation between some of them (see www.menedek.hu, for example) and relevant departments.

All in all one can get the impression that the municipality is not that capable of acting in terms of initializing or executing concrete measures that would help improving the housing situation of migrants or minorities in the city as there is neither a sufficient institutional framework nor liquid funds for concrete measures.

However a more promising way seems to be the installation of public-private-partnerships and local development companies as it happened in the 9th and 8th district of the city (more about these projects see point 6).

5 Discourse, concepts and policy concerning housing

5.1 Vision, concepts and policy of administration and Local Council on the issue of housing, segregation and integration of migrants

In contrast to national policy which forces the integration of the 13 constitutive minority groups and which has therefore institutional and legal frameworks, the integration issue seems to be not deeply anchored in the municipal administration. There is no department dealing explicitly with immigration issues, therefore the complex 'immigration and housing' is not taken especially into account by any department.

Urban renewal programmes affect migrants or minority groups by force when settlements are reconstructed where they live. Their sometimes specific situation is not considered in most of the cases. General housing policies dominate clearly specific policies for migrants (if they exist at all).

5.2 Public discourse on housing, segregation and integration of migrants

The public discourse on segregation and disadvantaged neighbourhoods or housing in general is often focusing on minority groups (esp. Roma) and can be seen as the expression of a sometimes general xenophobic or anti-Roma attitude of certain parts of the city's population. Several studies show that in the whole country there is a significant open rejection of refugees or migrants and a general negative estimation of immigration (rise of crime, negative social and economical effects etc.)¹¹. Interestingly there seem to be no significant differences in attitudes towards minorities and migrants between rural parts of Hungary and the metropolis Budapest.

According to this some experts of NGO's dealing with migration issues state that the situation of migrants and members of minority groups in Budapest can be seen as sometimes very critical and even possible changes of political orientation in the city government after elections wouldn't have effects on that situation.

¹¹ Tarki Social Report Reprint Series No. 21, Budapest 2005; BUDAPESTER Zeitung (Hungarian German Newspaper), Nr. 9/11 2004

6 Interventions on housing and integration: measures and projects

6.1 Physical improvement of housing

In spite of being an urgent task in many neighbourhoods (inner-city buildings as well as large housing estates in outer districts), physical improvement of housing is often very difficult to realize because of the mentioned scattered decision-making system on municipality level as well as because of legal and economic barriers concerning the residents of the affected neighbourhoods.

But there are some examples of more or less successful projects and measures that have been realized in the last few years. It is worth to take a look at the large housing estate 'Havanna'¹² which was built between 1976 and 1981. About 20.000 people are living there and the estate is estimated to be one of the most problematic residential areas in the city because of a critical social composition of its inhabitants.



Buildings in Havanna Housing Estate

After mass privatisation of the apartments, population changed rapidly and a great number of people from inner districts or other parts of Hungary moved to the prefabricated buildings of Havanna, many young families among them. The average social level of the was rather low and soon the flats lost their market value, circumstances that favoured the decline of the settlement: Juvenile delinquency rose, slumming-tendencies set in. Today the situation is quite better, but the physical quality of the neglected buildings is critical, a large number of flats and shops are unoccupied and there's still an atmosphere of inhospitality in some areas.

But within the last years some measures had been implemented directly targeting the improvement of the housing situation there. Energy-renovations had been subsidized by the corresponding state programme (one third of the costs by the state programme – the rest by the local district and the owner), but due to the limited fund only few renovations could be realized up to now.

¹² Source of information concerning 'Havanna': Restate Report WP8, Utrecht 2005 and http://www.restate.geog.uu.nl/studies/estate_budapest_havanna.html

Furthermore some smaller measures, orientated on the real demand, did show more or less success, for example the installation of a closed circuit camera system (CCTV) or the renovation of playgrounds.

Security aspects always had been problematic there and by realizing a camera system (according to the district administration the CCTV coverage is nearly 95% of the neighbourhood) the subjective feeling of security increased. If the CCTV shows enduring countable effects on crime reduction (and not the relocation of crime) can't be estimated yet.

The renovation of playgrounds can be seen as a full success – and as a proof that even small measures can increase life-quality considerably. The playgrounds became “forums for the young parents for community building and the exchange of experiences” (Restate Report WP8, S.7).

On the other hand, the fail of a planned complex building renewal programme in Havana showed the limited influence of the local municipality concerning the management of condominiums like this estate.

One example for a quite successful urban renewal programme can be found in **Ferencváros**, the 9th district of Budapest. It is a public private partnership, which started about 15 years ago, led by the public sector¹³.

A high share of low-income households and a large number of Romanie amongst them as well as the deplorable physical situation of many buildings (mostly substandard apartments, often overcrowded) characterized the area of this urban regeneration project. An important fact is that the municipality owned the apartments what made all following steps much more easier.

Already in 1986 the project started in small scale and it had been continued after the Fall of the Iron Curtain. From 1986 to 2001 about 56.000.000 € were spent by the public hand but major sources had been private investments from real estate companies (135.500.000 €).

Within the urban renewal project the housing stock had been improved drastically: 2 municipal apartment houses (52 flats), 29 municipal buildings (489 flats) had been renovated completely, more than fifty buildings (more than 1.100 flats) had been partly renovated, and at the same time 49 new condominiums had been erected (1700 flats). 138 buildings were demolished between 1986 and 2001.

The PPP is a good example for a successful **PPP** realizing large urban renewal programmes in the housing sector. Besides the district government and some private investors an important actor is the SEM IX. joint stock company, a non-profit organization that is organizing the demolishing of devastated block, infrastructure upgrading and selling of the new apartment buildings. The shareholders of SEM IX. are the 9th district government, the Hungarian National Savings Bank and a French finance institute. The establishment of that non-profit organization and the outsourcing of several important tasks is a very successful way to manage municipal housing stock.

One main target of the programme had been creating a more heterogeneous social mixture in the 9th district. By building apartments of a much higher quality than the old substandard buildings **gentrification** process set in inevitably. That means that many

¹³Information about the project on: <http://urbact.eu/projects/regenera/partner-cities/budapest.html>; the project has been documented in the Regenera-Workshop, a part of EU urbact-initiative.

of the origin residents (estimated 50%) had to move to other (cheaper) areas – there is no data available how many Romani households had been affected by this, but it might be a large number.

Another example for integrated interventions had been realized in the 8th district, called **Józsefváros**, where also a large number of degraded condominiums can be found. It is again the establishment of a non-profit organization, called Rev8, that contributes much to success. Rev8 is responsible for most tasks associated with urban regeneration. The organization is responsible for reparatory tasks, physical renovation and development of urban spaces.

The projects in the 8th district follow different intentions: While the ‘Corvin promenade project’ is characterized by large demolition in order to realize urban spaces of a new quality with pedestrian zones and mid-quality housing in a former very deteriorated area, some other projects like the one in the ‘Magdolna quarter’ are trying to intervene more sustainable and to keep the origin residents there. With regard to the high share of **migrants and members of national minorities** this is a very important approach to socially sustainable urban renewal.

Many of the 12.000 people living in **Magdolna Quarter** are Roma, their socio-economic situation is very diverse. This part of the 8th district had always been one of the poorest parts of Budapest and so a project that aimed a sustainable **social renewal** had been necessary.

Under the management of Rev8 some special programmes for tenants had been developed, furthermore a programme for creating communities, a public space and safety programme and last but not least an educational programme (only gypsy children go to the primary school in the neighbourhood!).



Patio in Magdolna Quarter

[picture source:
<http://www.origo.hu/itthon/20050908alakokkal.htm>]

7 Highlights and failures: Learning for CLIP

One can see that a city's transformation towards market economy has very deep impact on urban development. More than 15 years after the Fall of the Iron Curtain many problems concerning housing of lower income classes are not solved yet. Together with the often critical physical conditions of many apartment buildings the extreme privatization of the housing stock led to a very polarized housing market where urban revitalization is sometimes difficult to realize.

Because of this there are ghetto symptoms in some areas of inner districts and in the outer parts of the town, even though Budapest is an economically booming city. The underdeveloped public housing sector becomes more and more the housing form of poor people – a situation that especially affects migrants and minorities. The lack of a general housing allowance system is intensifying this process and growing spatial segregation is the outcome. People with migration background are in many cases (Roma, Africans, Chinese) not integrated at all and their housing and general living as well situation is often problematic. In spite of urgent need, there is no department on municipal level that directly deals with migration or minority issues.

Some interesting urban renewal programmes had been initialized or realized in the past 15 years. One can see that the ownership structure in the housing sector makes it difficult to implement concrete measures at a large scale like physical improvement or revitalization of whole district areas.

Good ways to realize projects on a mid-scale seem to be local development agencies like Rev8 or SEM IX. Including economic, urban and social aspects at the same time, projects can be realized socially acceptable, which is particularly under migration and minority aspects a very important aim and so these development companies can be seen as a **highlight** of that case study. Especially Rev8 is consciously dealing with minority related issues and tries to find suitable integration measures.

The transferability of policies/measures like these is theoretically simple (the development agencies base on French examples). But they have to be adopted to the local conditions, both under socio-geographical aspects as well as under respective political situations.