



Rural restructuring in Hungary in the period of socio-economic transition

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Abstract

Rural settlements in Hungary account for 93% of all settlements and 37% of the country's population. Since 1989 they are scenes of spectacular changes. Based on some case studies of less developed villages this paper considers the most important characteristics of the post-socialist rural transformation by examining the local economy and living conditions. The main issues are how local actors (for example, economic corporations, households and individuals) have been affected by the interaction of supralocal and local factors and how they responded to them. Such responses can be considered to be manifestations of survival strategy.

Introduction

Since the late 1970s global economic recession and a 'crisis' of capital accumulation (Cloke and Goodwin, 1992) have accelerated political, social and economic changes in the advanced capitalist countries. Consequently rural settlements have also undergone significant transformations which have entailed a revival in the study of the social and economic 'problems' of rural settlements.

In the East European countries reform processes began much later, only affected rural areas after the change in the political system. In recent years in Hungary (as in other East European countries) rural settlements have been the scene of spectacular changes which have resulted in the intense differentiation of rural settlement stock and rural population (Enyedi, 1992). That is why rural settlements and a need for a profound analysis of their social and economic processes re-emerged as a research focus (Andorka, 1996). In Hungary 93% of settlements are rural and these settlements account for 37% of the country's population.

After 1989 significant changes have taken place in rural economy and living conditions which forced local actors to develop and apply different strategies in order to survive. The main aspects to this process are how, first, local actors (for example, economic corporations, households and individuals) have operated in an environment in which supralocal factors affecting the settlement from outside and local political, social and economic factors have interacted, and second, how local actors responded to these factors to produce survival strategies (Tykkylainen, 1998). This paper introduces the main characteristics of the post-socialist rural transformation, focusing particularly on the economy and living conditions, through surveys and interviews carried out in four less developed rural settlements in Hungary: Sarud, Tiszakeszi, Tiszaszentimre, and Újszentmargita. It is

claimed that the changes that have taken place in these four settlements are likely to be similar to those occurring in other villages of Hungary and in rural settlements of other East European countries.

Theoretical context

The recent transition in the post-socialist countryside has been fundamental. For the past decade radical transformation has characterised the rural economy, rural society and rural living standards. Although certain processes of change are still proceeding rural restructuring is slowly coming to a conclusion. As restructuring processes have affected states, regions and rural settlements to a different extent (Le Heron et al., 1992), different places are in different phases of development. This is explained by several factors including the quality of local functions and resources, the composition of the local population, the provision of infrastructure and the geographical setting and the size of the settlement. Among them the role of geographical location has especially been upgraded in the last years. Great importance must be attached to the macro-regional setting and environmental conditions. Those villages have experienced the most rapid development which could adapt and respond to the challenges posed by the new political, social and economic environment quickly, and which have been located in favourable geographical areas. In general terms most of the successful villages are located along main transport axes and/or near a town with which they had good transport links. Equally the reverse is true, backward villages (like the villages selected) are usually unsuccessful because – among others – of their unfavourable location. By the end of the 1990s approximately 20% of rural settlements (that is approximately 600 villages) were categorised as being a 'less

developed village'. Therefore it is important to analyse the less successful villages to discover how restructuring has taken place in them and how the population has coped with the radical reforms.

The concept of restructuring can refer to different processes of change. Firstly, restructuring can refer to a general structural change in the organisational form of economic, social and political institutions. Secondly restructuring can refer to the development of different sectors of society (Virkkala, 1994). Thirdly, restructuring can refer to the division of history into different stable phases with unstable breaks representing the shift from one stable phase to another stable phase. Using this meaning, East European countries can be considered to be undergoing a 'break' in which the old socialist system has broken down but a new stable phase has yet to emerge in a complete form. According to Soja's definition of restructuring (Soja, 1987) the transition from a centrally planned economy to a market economy can be characterised by crises, and by competition between 'old' and 'new'. In turn Hamilton (1995) has described the concept of restructuring as a complex process comprising two contradictory trends – one is destructive, while the other is constructive. These formulations suggest that the old system will disappear and a new political, social and economic structure will emerge at different spatial scales.

In recent years the interest in local level research whereby both internal and external factors affecting restructuring are examined (Varis, 1997) has been increasing. This approach also involves placing greater emphasis on the role of the human factor (Wilson, 1995) than occurred before. In this paper restructuring is considered to be uneven not only in time but also in space, with the consequence that it is analysed at the local scale. Such an approach permits an investigation of the effects of macro scale processes on micro scale and the identification of patterns in the reactions of local actors. Rural restructuring is considered to be the result of the interaction between supralocal and local factors and the responses and adjustment made by local actors to them are considered to be survival strategies. Despite similarities, each rural settlement has been differently affected by the changes that have taken place since 1989 as shown by case studies (Figure 1).

Sources of data, research methods and study areas

In the course of the research for this paper various publications on the settlements were analysed. In addition statistical data presents detailed information on settlements up to 1990 (the next census is scheduled for 2001) which includes information on the demographic and employment situation of the settlements, on housing amenities, and on infrastructure provision. In order to complete these data with local information and to analyse changes since 1990 a survey was carried out in the four case study settlements in 1998. A questionnaire was sent to selected families representing the different social strata in each village. Originally 20% of the households were planned to be involved in the survey,

but finally the percentage of households having replied to the questionnaires was as follows: Sarud 7.6%; Tiszakeszi 4.6%; Tizzaszentimre 5.8%; and Újszentmargita 8.2%. This response rate represents 14.7% of the total population of Sarud, 6.4% of Tiszakeszi, 11.3% of Tizzaszentimre and finally 12.3% of Újszentmargita. Though the response rate is relatively low, the responses are suitable to grasp the new phenomena and trends in the Hungarian rural transformation. Interviews with leaders of local governments and with managers of economic corporations were also undertaken.

The four case study settlements are located in the Mid-Tisza Region which is one of the less developed regions of the country. The roots of the region's backwardness can be traced back to the 18th century and it can be explained with reference to several geographical, economic and social factors. The unfavourable geographical location of the region is one of the most important reasons for its poor economy. The four case study villages are located far from the main transport axes and from county seats. In addition Sarud, situated by the Lake Tisza, and Tiszakeszi are not connected to the railway networks which equally hinders the development of rural tourism or commuting. Administratively each case study village belongs to a different county (Sarud is situated in Heves County, Tiszakeszi in Borsod-Abaúj-Zemplén County, Tizzaszentimre in Jász-Nagykun-Szolnok County and Újszentmargita in Hajdú-Bihar County). Also they are all located on county boundaries which severely hindered their development during the socialist period (Kiss, 1989) (Figure 2).

Even though it was in decline in the 1990s, farming continued to play a relatively important role in the rural economy and exerted considerable influence on rural living standards. Thus, one of the reasons for the choice of these villages was to select rural settlements economically dominated by agriculture. However, natural endowments (especially soils) are rather unfavourable for agriculture in this region. Also major markets are far from this area. Consequently, the people living here could not improve their living standards spectacularly as they were unable to earn extra income from agricultural activities on their home plots.

The size of settlements was the other factor involved in selecting the case study villages because the number of inhabitants –although indirectly- affects a village population's living standards. In general terms the more populous a settlement is the more functions are likely to be present and the better the quality of its infrastructural provision is likely to be. The roots of these associations lay in the 18th century (Beluszky, 1999). Tiszakeszi and Tizzaszentimre are medium sized villages with 2,709 and 2,637 inhabitants, respectively. Sarud and Újszentmargita are small villages which had 1,290 and 1,585 inhabitants in 1998. At the end of the 1990s 81 % of the Hungarian rural settlements had a population of less than 2,000 inhabitants. Approximately 46% of the rural population lived in these smaller villages whilst 38% of the population lived in medium sized villages which accounted for only 16% of all rural settlements.

Another important factor that explains the backwardness of certain rural settlements is the educational background of

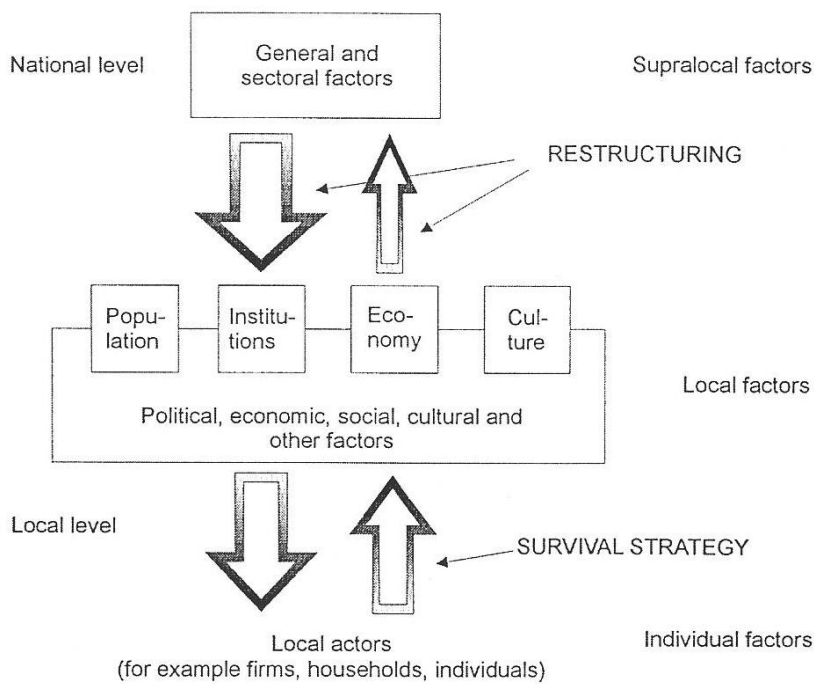


Figure 1. Model of rural restructuring.

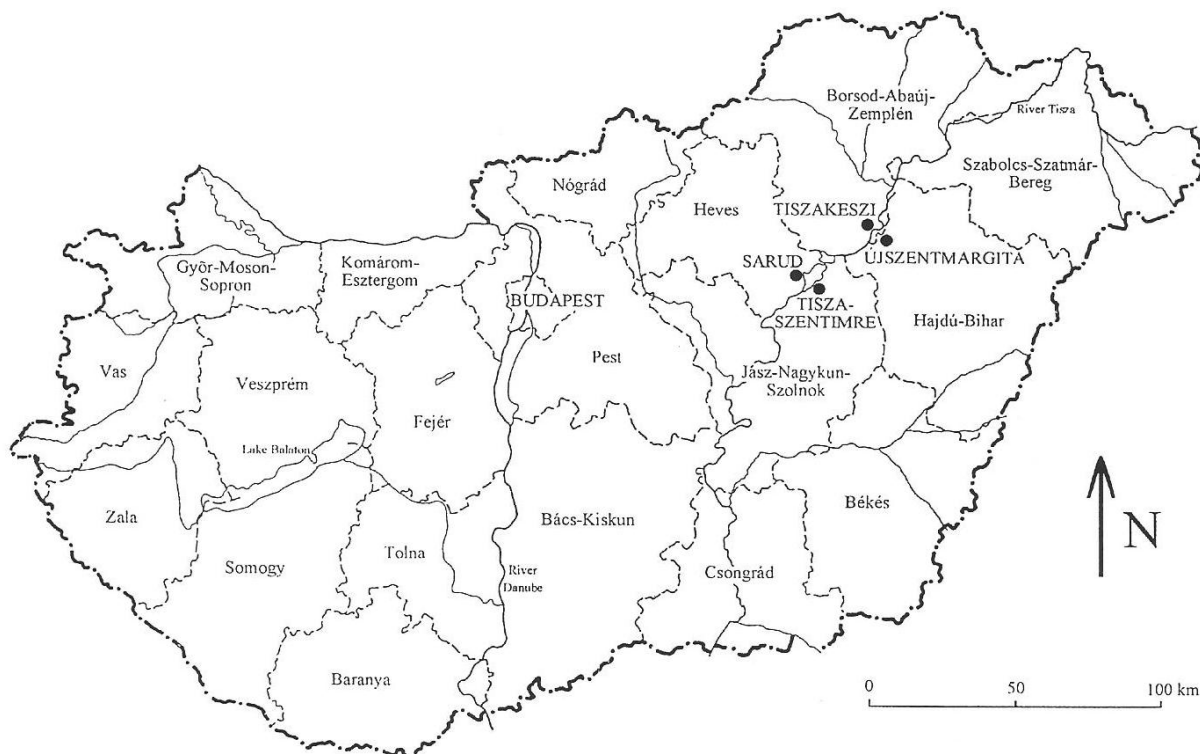


Figure 2. Location of the rural settlements studied and the administrative division of Hungary.

the population (Kiss, 1992). Data from the last census held in 1990 showed that less developed villages tended to have a more poorly educated population than the national average or the average for rural areas. This is illustrated by the case study villages. To cite only two examples: the percentage of inhabitants classified as uneducated was between 2.8–3.6% in the four villages compared to a national average of rural areas of 2.6% (national average: 2.0). Also the ratio of inhabitants having finished their studies at the institutions of higher education was between 2.4–3.0% in the studied villages compared to a national rural average of 3.1% (national average: 7.6%). These differences can be explained with reference to a number of factors including the presence of high number of Roma people living in the villages (Kiss, 1992). Whereas it is estimated that Roma people comprises 4.5% of the national population (numbering approximately 450,000) they number 40% in Sarud, 30% in Tiszakeszi and 10% in Újszentmargita.

New tendencies in the rural economy

In the last decade the agricultural sector remained the most important sector in rural areas even as it underwent significant changes. However, the pace of the transformation of the agricultural sector is much slower than is the case for industry. As on local levels agricultural activity had previously concentrated in co-operatives, the recent renewal of agriculture is closely associated with the changes taking place within them. Among them, land privatization was of the greatest importance. In the four villages studied the overwhelming part of land farmed by the co-operatives was privatised. However the co-operatives were not wound-up and continue to exist by cultivating land which is leased from the private owners who choose not to farm the land themselves because they are too old, lack the necessary machinery and live away from their land, which is generally very small. The last fact is clearly indicated by the following data: in Tiszakeszi 1350 owners had 2,400 ha and in Újszentmargita 550 ha were owned by 350 persons. Even in the future the number of owners may further increase through inheritance. The change in the ownership, however, virtually has not led to a radical decrease of the land area cultivated by co-operatives, because the majority of new owners have preferred leasing to cultivating as leasing ensures more warranted income. And this can also be the reason for the very low number of independent farmers in the region (Table 1).

The other most important change in the agricultural sector can be observed in the number of employees. In the course of 1990s the number of people working in agriculture decreased from 112 to 108 in Sarud, from 750 to 153 in Tiszakeszi, from 450 to 60 in Tiszaszentimre and from 120 to 25 in Újszentmargita, whereas in the country it dropped from 695 000 (15%) to 279 000 (7.6%). Part of the redundant people have become pensioners and the rest have primarily added to the number of the unemployed, because job opportunities are very scarce in these settlements. In spite of the dramatic drop in the number of employees, agriculture still plays an outstanding role in the employment of the rural

population. Even today a considerable part of active earners (in Sarud 34%, in Tiszakeszi 11%, in Tiszaszentimre 27% and in Újszentmargita 23%) of the households asked work in agriculture and this is well above the national average (7.6%). The concepts of 'rural settlement' and 'agriculture' will also remain closely interrelated in the region in the future.

Concerning the main profile of co-operatives in the region, significant change has only taken place in Újszentmargita where animal breeding of sheep was ended. In Tiszaszentimre arable farming (cereals, sunflowers and rape) was the dominant agricultural activity. However in Tiszakeszi and Sarud arable farming and animal breeding were of equal importance where cattle and sheep graze on low quality pastures and grassland. Owing to the poor soil conditions, the climatic and hydrographic conditions yields in the region were relatively low. Partly, this is the reason why these co-operatives are not among the well-operated and profitable ones. But the old, out-of-date machines they are equipped with and the application of very low amounts of artificial fertilizer have also contributed to the situation. Viewed in the opposite way, these factors can also be considered as consequences of low profitability.

During the socialist period in addition to the agricultural activities the co-operatives were engaged in industrial activities as a sideline in order to ensure work and income for their employees in the winter months. Even after the end of the socialist period in 1989 co-operatives tried to continue the operation of these plants. Consequently following the political changes the co-operative in Sarud operated a machinery plant, the co-operative in Tiszakeszi ran a fodder producing plant whilst the co-operative in Újszentmargita operated a sand extraction business. However owing to rationalization some of the industrial activities had to be closed down. For example the co-operative in Tiszakeszi closed down its machinery, shoe making and construction activities. Elsewhere, for example the company that produced packaging products in Tiszaszentimre, industrial plants which were formerly incorporated in agricultural co-operatives were sold and became independent from the collective farm. According to interviews with local leaders the industrial plants of co-operatives have much better prospects than the original activity, and even today they are crucial in profit-making and job creation.

As the process of rural industrialization during the socialist period did not affect the villages studied, with the exception of Tiszakeszi, industry did not play a significant role in the economy of the four case studies. Consequently most of the people employed in industry commuted daily to nearby or weekly to the more distant towns. However after 1989, due to the restructuring of urban firms many rural commuters lost their jobs, "this group was the first to be dismissed and brought back as unemployed in the countryside." (Rey and Bachvarov, 1998, p. 346). Nevertheless commuting remained important for many people. In Sarud 16%, in Tiszakeszi 25%, in Tiszaszentimre 34% and in Újszentmargita 47% of the active earners asked commuted in 1998. At the same time the proportion of active workers engaged

Table 1. Major factors and their impacts on rural actors in Hungary in the period of transition.

General factors	Sectoral factors	Local factors, changes in the villages studied	Local actors (e.g. households, individuals)
<i>Political</i>			
collapse of socialism Hungarian Republic			growing uncertainty, defencelessness
new government		local government, 1990 new mayors	
multi-party system		units of different parties	slow change in mentality
market economy			different and slow adaptability to changes
	<i>Agriculture</i>		increasing self- sufficiency by crop cultivation and
<i>Economic</i>			
	dissolution of co-operatives	agricultural co-operatives still operate	stock breeding around the house
privatisation	land privatisation	former members of the co- operative have claimed back their lands	becoming a landowner
enterprises emerged	new forms: small and large scale farming	very few large farmers, small lands are leased, of former agricultural auxiliaries some were closed down and only one became an independent company	becoming a farmer
<i>Industry</i>			
organisational reforms	new organisational forms	the only former industrial plant still operates	
foreign investment	Privatisation: Hungarian and foreign owners, significant foreign investments	very few new private enterprises owned by Hungarians, no foreign investment	becoming an entrepreneur
structural renewal	new branches appeared others declined	some branches have disappeared	
spatial changes	changes in the location and spatial connections	no change in location and spatial connections	
modernization	technical development	low technological level	
<i>Services</i>			
tertiarisation	new private and public institutions	renovation of old establishments	
	Improvement of infrastructure	better provision with infrastructure and institutions	improved housing and living conditions lifestyle changes
<i>Social</i>			
urbanisation accelerated			
unemployment	decline in employment in agriculture and industry, rise in services	high unemployment rate, commuting still significant	becoming unemployed
impoverishment, marginalization		more homogeneous local society, increasing social differences	everyday struggle for livelihood, health problems

in the industrial sector for the four villages was as follows (the national average at the time was approximately 28%): 18% in Sarud, 23% in Tiszakeszi, 27% in Tizzaszentimre and 32% in Újszentmargita.

Of the four settlements only Tiszakeszi has a subsidiary plant producing shoes. Based on the cheap labour force, it was established in the 1970s. At that time it had ca. 120 employees which has been reduced to ca. 80 by now in the wake of change in ownership and organisational reform. According to the mayors of the four settlements the absence of a well qualified workforce and the peripheral location of the villages mean that the establishment of industrial firms in the future is unlikely. This also means the position of industry will not change in the local economy in the long run either.

Since the change in the political system there has been an opportunity to establish private enterprises which is one of the most important consequences. In this region, however, there are very few entrepreneurs, because these people did not have any capital to invest, their education or qualification was not sufficient and they were not innovative enough. In addition local markets are too limited to base one's livelihood on them. In Sarud 31 private entrepreneurs were registered in 1998 while there were 56 of them in Tiszakeszi, 47 in Tizzaszentimre and 31 in Újszentmargita. Most of them work in the tertiary sector (retail trade, transport, other services), but it is also very frequent that an entrepreneur runs different activities (for example he/she has a shop and also a transport business) in order to make a living (Kiss, 1996). This is the so called 'standing on several legs' or in other words 'to hold more irons in the fire' – which is also a kind of survival strategy. According to estimations about one third of them are the 'forced entrepreneurs' for whom it was a survival strategy to avoid unemployment. Nevertheless the new enterprises considerably contributed to the development and strengthening of tertiary sector in the rural economy and to the improvement of living standards of the rural population.

Rural living conditions after 1989

During the socialist period the provision of infrastructure in rural settlements was poor with the result that the standard of living for rural dwellers was much worse than that of urban dwellers. After 1989, however, the most spectacular change has taken place in this field since their supply with public utilities has improved substantially. This can also be concluded from the following national data: between 1990 and 1998 the number of households per 1000 rural inhabitants consuming piped gas has jumped from 37 to 185. Meanwhile the percentage of dwellings with water conduit has increased from 71% to 84%, and of dwellings connected to the public sewer network from 4% to 12%. The telephone supply of villages had also developed at a very rapid pace, and by 1998 there were 256 telephone main lines per 1000 rural inhabitants (national average: 335). Villages have made considerable efforts to develop their road networks as well.

Besides the mobilization of its own resources, most of the local governments have also required contributions from

their inhabitants for modernising the infrastructure. In addition, settlements also tried to get support through tenders. Compared to the years of socialism this was a relevant turn because at that time local councils had automatically got all support from the central state budget. The local leaders used to have to make a decision only about the purpose of the money granted. In the new social system, first they have to acquire the money – most difficult to do. In this process the human factor and the quality of the local leadership of a village play a very important part. It can be of decisive importance how quickly and in what way local leaders respond to new challenges. Several studies have already shown that villages where local leaders are well skilled, ambitious and with good contacts develop faster than other villages (Mészáros, 1988; Kiss, 1992). As a consequence they are able to obtain different kind of support 'easier' and sooner. From this perspective the selected villages featured in this paper were not in a very favourable situation.

In 1990 only the ratio of dwellings connected to the water conduit was relatively high (between 45–70%) in the case study villages. By the late 1990s their proportion has reached 71–98%. During the last decade the supply of the dwellings with telephone and piped gas had developed the most intensively and now their share is between 30–60%. However, there are only very few dwellings connected to public sewers – except for Tiszakeszi where almost 20% of them are part of the system. At the end of the 20th century this seems to be one of the sharpest differentiative factors in the Hungarian rural living conditions. Otherwise, out of the four villages Tiszakeszi has the most developed infrastructure as well. This can be explained by the following: this is the most populous village and several subsidiary plants operated here during the socialist period. By now it has also become obvious that there is no close connection between the infrastructural provision of a settlement and its size as the differences in the level of infrastructure have been moderated in the last decade. In case of Sarud the relatively high rate (15%) of dwellings connected to the public sewer system is probably the consequence of the intense tourist traffic as it is a popular rural resort place where for the security of tourism a special spatial observer system of industrial cameras has been set up at the entrance to the village along the main road.

At the same time there has not been any significant change in the supply of villages with different public institutions and other establishments in the 1990s because they were well serviced prior to 1989. However, the frequency of their occurrence largely depends on the size of a settlement. Usually, small settlements are in a worse situation because in these villages certain establishments cannot be operated rationally. That explains why for these villages the most important task is to develop transport links in order to improve the accessibility of the nearby towns where a higher standard of services is available, within a relatively short time.

The supply with basic institutions is relatively good in the selected settlements. Each village has a kindergarten, a primary school, a library, a post office, a family doctor's consulting room and some other facilities (for example, a sports

ground). Owing to the financial difficulties the maintenance of the existing facilities and some smaller reconstructions were the primary task of local governments in the 1990s. There are some exceptions: in Újszentmargita a pharmacy was built, but it is open only twice a week. In Sarud a camp with 400 sites was established in order to encourage rural tourism.

The largest change since 1989 has been the increase in the number of privately owned retail shops. Retailing was particularly attractive to entrepreneurs because establishing such enterprises did not require large sums of investment capital (to save costs most units were located in the entrepreneur's dwelling) and locals considered it was the easiest way to rapidly accumulate wealth. Between 1990 and 1998 the number of shops and catering establishments has been multiplied, and nowadays their number exceeds 30 in each village except for Újszentmargita where only 22 retail trade units operate. As a result of these new shops the supply of the villages with consumer goods has also improved.

Although the living standards of rural dwellers have improved in recent years the surveys suggested that most people were not satisfied with most of the commercial, cultural and educational services. The followings comments were made: the choice of goods in shops is limited and the prices are high; there are not enough specialized shops; the number of computers is too small at the schools and there are insufficient language teachers; there is a lack of cultural establishments and programs. By these complaints it seems that not only the occurrence of an institution is important but also its state, equipment and the quality of the services offered. Recently the quality of goods and services is getting increasingly important which is -to a certain degree- a new attitude.

In a primary sense the living conditions of population are dependent on the state of dwellings and their equipment. The current quality of the rural dwelling stock can be assessed with reference to the 1990 census and specific surveys. These show that in the last decade the equipment of flats has improved – even if slowly. Nevertheless the national data for rural areas even today are probably below the national data. It is presumed, that the existing differences will survive in the future too, even if the gap is expected to be reduced (Table 2).

According to the surveys in the four villages there is no significant relationship between the size of a settlement and household equipment and the supply of utilities to dwellings. A considerable part of dwellings were one-storey family houses with two rooms. Most had been built by their owners more than 20 years ago. Very few new houses had been built in the region during the 1990s. This pattern is reflected nationally where the number of newly built houses in rural villages decreased from 17,146 to 7,884 between 1990 and 1998. This fall is explained by an increase in the prices of building materials, by high interest rates and by the increase of living costs. In addition the growth of unemployment and the risk of unemployment resulted in greater insecurity and unwillingness to build new houses.

The number of houses supplied by public utilities and especially those connected to the public sewer system was rather low. However despite this only a few respondents to the questionnaire indicated that they were dissatisfied with their housing conditions. Those respondents that did indicate that their housing was substandard referred to the size of the house, the presence of damp and/or mould, and the state of disrepair of the property. Owing to large increases in the costs of living in general and of the maintenance of houses in particular since 1989 many occupants reported that they did not have the money to renovate their properties. For this reason households primarily concentrated their efforts on survival and tended to postpone extending or renovating their homes. One reason for the relatively high satisfaction with the state of the housing might be the social structure of the local population (their low level of education, a high rate of gipsy population etc.). Their relatively low requirements can also be part of the reasons for satisfaction (Table 3).

The surveys also show that since 1990 the proportion of households owning household appliances and other consumer goods has increased. Approximately 20 to 40% of household goods have been purchased since the change in the political system. This is particularly the case for the more sophisticated durable goods such as computers, telephones, and dishwashers. Whilst only a few households possess these sophisticated goods the majority possess a television and a fridge-freezer. This is probably explained by the peripheral location of these villages, where the new elements of innovation emerge much later and slower than in the rest of the country. The growth in the ownership of household goods in the early 1990s was largely due to the expenditure of savings accumulated during the socialist regime. In contrast in recent years households had not been able to save due to low incomes with the result that they will not be able to repair or replace broken household goods in the future (Table 4).

In terms of car ownership the real change that took place after 1989 was not so much the increase in the number of passenger cars but the change in the composition of cars. In particular there has been a shift towards owning older vehicles and the number of western type cars has also increased. Compared to the national average (220) in the studied area there were only 91 cars per 1 000 inhabitants. This means that on the average one third of the households had a car. Most of them were bought before 1989. This is well reflected in their type and age structure. In Sarud 71%, in Tiszakeszi 62%, in Tiszaszentimre 84% and in Újszentmargita 84% of the cars are more than ten years old and most of them were made in East Europe. Only very few households, where active earners were entrepreneurs, had two cars. Even today the possession of a passenger car, still considered by many people as a sign of wealth, indicates the differences in the financial situation and partly in living conditions.

With the above cited unfavourable facts, a considerable part of the persons interviewed (64% in Sarud, 66% in Tiszakeszi, 27% in Tiszaszentimre, 63% in Újszentmargita) have considered his/her village as being in a disadvantageous position. Thus all components of rural deprivation described

Table 2. Main characteristics of dwellings in the rural settlements studied in Hungary, 1990–1998.

Denomination	Number of flats	Of which (%)	supplied with bathroom		owner occupied	Dwellings by the number of rooms (%)			Dwellings by the categories of the year of building (%)	
			in family house	in family house		1	2	3 and more	more than 20	less than 20
Sarud										
1990	576	46.7	96.4	86.7	11.5	54.0	34.5	91.1	8.9	
1998	44	31.8	100.0	89.9	3.0	51.5	45.5	52.8	4.2	
Tiszakeszi										
1990	997	64.5	95.9	29.3	13.9	42.5	43.6	51.5	48.5	
1998	44	59.1	100.0	90.9	4.5	25.0	70.5	45.4	54.6	
Tiszaszentimre										
1990	1005	50.0	92.9	88.0	16.2	55.4	28.4	70.0	30.0	
1998	58	34.1	100.0	89.7	5.2	44.8	50.0	69.0	31.0	
Ujszentmargita										
1990	609	61.1	90.1	87.8	22.0	46.5	31.5	63.8	36.2	
1998	49	30.6	100.0	98.2	12.2	40.8	47.0	38.7	61.3	
National rural average in 1990	1386258	70.0	93.8	91.2	14.2	41.4	44.4	-	-	
National average in 1990	368996	82.6	59.8	73.9	15.9	43.6	40.5	-	-	

- No data.

Source: County volumes of census, 1990.
Regional Statistical Yearbook, 1990.
Survey in 1998.

Table 3. Utilities of dwellings in the rural settlements studied in Hungary, 1990–1998.

Denomination	Ratio of dwellings (%) supplied with							Dwellings (%)				
	PB gas or piped gas	piped water	sewerage conduit	flush toilet	central heating	single heating	with		without			
							full comfort	comfort	comfort	single storey		
Sarud												
1990	81.6	47.7	0	41.9	10.7	89.3	10.4	29.7	53.3	100.0		
1998	47.7*	77.7	14.5	–	22.2	77.8	–	–	–	82.3		
Tiszakécszi												
1990	79.9	66.1	0.9	60.6	28.2	71.8	26.2	31.1	42.7	100.0		
1998	50.0*	97.9	18.2	–	75.0	25.0	–	–	–	84.1		
Tiszaszentimre												
1990	78.7	53.2	0	40.6	11.7	88.3	10.1	27.5	62.4	100.0		
1998	32.7*	71.4	8.6	–	46.5	53.5	–	–	–	89.7		
Újszentmargita												
1990	89.0	61.2	0	49.1	18.1	81.9	16.3	28.2	55.5	100.0		
1998	34.7*	81.6	10.2	–	48.9	51.1	–	–	–	83.7		
National rural average												
1990	79.7	70.6	3.8	58.0	–	–	–	56.9	31.5	99.5		
1998	–	84.4	11.5	–	–	–	–	–	–	–		
National average												
1990	86.6	84.5	42.2	75.3	42.1	57.9	–	73.5	18.7	95.8		
1998	–	91.1	47.6	–	–	–	–	–	–	–		

– No data.

* Only data of dwellings with piped gas.

Source: County volumes of census, 1990; Regional Statistical Yearbook, 1990, 1998; Statistical Yearbooks of Counties, 1998; Survey in 1998.

Table 4. The equipment of households with durable consumer goods in the rural settlements studied in Hungary, 1998.

Denomination	Ratio of households with durable consumer goods (%)										
	Colour television	Video	Camera	Automatic washing machine	Microwave oven	Fridge freezer	Dishwasher	Personal computer	Telephone	Passenger car	
Sarud	82	39	36	45	25	59	2	16	48	32	
Tiszakeszi	91	66	57	48	32	80	5	14	73	54	
Tizzaszentimre	81	34	37	36	12	60	0	3	68	33	
Újszentmargita	84	57	37	29	14	53	2	8	45	35	

Source: Survey in 1998.

by Shaw can be observed (Shaw, 1979). In spite of this, only very few people were thinking about moving away. But in fact, only a low percentage can eventually leave, because, due to the rather low demand, it is very difficult to sell houses. Thus in the long run the population of these villages are confined to their dwellings, their mobility is limited. This fact calls for a further improvement of local living conditions which involves numerous tasks, the most urgent being the creation of jobs because it can exert a profound impact on living conditions. Furthermore, the improvement of public security and the development of the road network, environmental protection and the establishment of some institutions (for example a home for elderly people in Tiszakeszi, a dental surgery in Újszentmargita) are also needed in the future.

Responses of households to changes

Income and saving are other indicators of the population's living standards. As the cost of living increased greatly in the 1990s 82% of those surveyed in Sarud, 77% in Tiszakeszi, 96% in Tizzaszentimre and 88% in Újszentmargita are unable to save any money by the end of a month. Those who cannot make both ends meet, most often borrow money. Their percentage totals between 34–49% in the four settlements. Nowadays, it rarely happens that the missing money could be supplied from savings accumulated largely before 1989, because by now this resource has been exhausted almost completely. As a result of financial difficulties, in the 1990s only a few per cent of households could save money which they intend to spend on something particular. The most frequent purposes have been closely related to the lifestyle of the population and with the improvement of living standards. People save in order to be able to lead a secure life, to pay for heating or to buy fuel, to purchase footwear for children, or to restore or to extend their houses. But there were also families saving for their children's further education, for a new car or for a computer. Some of the older generation, being aware of their children's lack of finances, save for their own funerals.

It has also become obvious that the financial circumstances of individuals before 1989 largely influenced their well-being after 1989. The survey showed that people who lived well in the past can cope with the new challenges easier. It is also easier for them to gain access to different credits and loans. Because of high interest rates and low salaries only about 20–30% of households could raise some kind of loans in order to secure financial liquidity after 1989. In most of the cases they have raised a loan (the so-called personal loan) that could be used for various purposes. In Sarud 30%, in Tiszakeszi 16%, in Tizzaszentimre 33% and in Újszentmargita 6% of the households had been granted such a loan. This can also be considered as an element in a survival strategy. Nevertheless, in 1998 many households surveyed had a loan for construction. They were granted this loan mainly before 1989 in order to be able to build a house. At the same time there is a group of the population which did not receive any loan since 1989, and they will eventually

drop out of the circle of those who can potentially raise one. This group probably forms or will form the poorest layer of local societies.

In the last decade small scale farming activities on household plots have regained importance. Increasing self-sufficiency is also an important element of survival strategy. In 1989 in all four villages about 70–80% of the families cultivated household plots to meet part of their needs. Mainly fruits and vegetables are grown. In general, less households have undertaken stock breeding, but their rate have exceeded 60% in all settlements. Most of them keep poultry and pigs. Even today, however, selling the surplus is not typical either, like it was (or still is) in many other settlements. During the socialist period this money was especially important for covering the costs of the improving housing conditions and living standards (Tamasi, 1993).

The surveys in all four case study villages also showed that shopping habits have also been transformed in the 1990s. The general deterioration of living standards, the slow growth of wages and the loss of their real value have encouraged households to economise in shopping. This is evidenced in all settlements. Most of the households studied carefully try to minimise expenditures in a variety of ways. During the socialist period daily shopping was very common, but recently more and more families go to a shop less frequently which is one of the most popular strategies. Those who have cars tend to buy food in bulk in low-price shopping centres in other settlements. An increasing number of people are willing to visit other settlements for clothes and/or footwear, because there are very few such shops in the case study villages. They prefer to buy clothing in second-hand shops and on markets. This underlines that price is a crucial factor and quality is only a secondary concern even if the durability of cheaper products is shorter. Other strategies include: to buy less meat, cheese, sweets, books and household appliances, and to choose a cheaper item of the same group of products.

The change in shopping habits has affected household diets. But altered income situation and the composition of goods purchased had contributed as well. The most common strategy is to modify the composition of the food consumed. In general, most families consume less meat, cheese, milk and sweets and more fat, bread, vegetables and pasta. As a consequence their nutrition has become more unhealthy and unbalanced, but they cannot help it since their financial sources are very limited. There are some families who are fully self-sufficient from crops grown in their gardens and the animals they keep. There are also such families who reduce their consumption or eat only once or twice a day. These are – to a certain degree- the so-called ‘enforced changes’ in food consuming habits, the measure of which differs by households.

Even though more services are available in the villages, the number of potential clients has decreased. Apart from some exceptions all households reported that they only use the most necessary services, such as hairdressers and shoemakers, and less frequently as the prices of services have also risen considerably. Simple repairs and maintenance are

often provided by the individuals themselves or by friends, relatives and acquaintances. Individuals return this help in kind rather than with money. People also try to reduce cultural costs: for example not to buy any newspaper or to buy only one. In Sarud 36%, in Tiszakeszi 51%, in Tiszaszentimre 50% and in Újszentmargita 47% of the households had a subscription to one newspaper and they spent on it less than about USD 4 per month. (The average net salary is about USD 200 in Hungary.) This is also a kind of effort to save money which is the fundamental strategy for almost all households to survive difficult times.

Changes at the level of individuals

Since 1989, one of the most essential changes at the individual level is that working hours have extended and, parallel to this, less time was left for rest and leisure. In Sarud 31%, in Tiszakeszi 30%, in Tiszaszentimre 24% and in Újszentmargita 33% of the persons asked reported that their working hours have increased. In addition, today employers demand that their employees spend their working hours with active labour, which means harder work for everyone. In many cases the extended working hours mean that people have occasional work in order to earn some extra money to be able to cover their livelihood or they cultivate their gardens around the house. To diversify economic activities and the sources of income is a very important survival strategy of rural households even nowadays, and it can be observed in other Eastern European countries too (Sofer and Bordanc, 1998).

As reflected in the opinions, one of the most important effects of the new political system on individuals was learning to cope with uncertainty. The changes meant that people could no longer plan as they did not know what would happen in the future. And this hopeless situation and the steady adjustment to the reforms taking place on various levels also put an enormous burden on their shoulders. In addition, in the last decade the responsibility of workers and the expectations of employers have increased as well. The increased fatigue and stress stemming from changed working conditions, the growing feeling of insecurity, the fear of losing their jobs, difficulties associated with every-day life and less time for rest and recreation have resulted in the deterioration of health conditions in many cases. As almost all members of families face similar problems, the cohesion within the families has been reduced considerably. In Sarud 35%, in Tiszakeszi 34%, in Tiszaszentimre 38% and in Újszentmargita 41% of the people asked reported a health status worse than before. Its most common symptoms are: more nervous and stressful status and atmosphere, depression and other psychological disorders, increased number of smokers and consumers of alcohol and medicines. In Sarud 34%, in Tiszakeszi 14%, in Tiszaszentimre 22% and in Újszentmargita 16% of the interviewed persons consumed more medicine and more often than before 1989. But perhaps their ageing during the period of transition has also contributed to the deteriorating health status. The unfavourable health

status of the Hungarian population is not a rural characteristic, but the health status of the rural population is generally worse than the national average. Other researches also underline that the physical and spiritual status of the rural population is worse than of the urban population (Andorka, 1996).

Those who became either unemployed or entrepreneurs experienced the most dramatic changes after the change in the political system since neither types of people existed before. For those who became unemployed it was a traumatic experience because it has been unknown during the socialist era. Equally the loss of income, the feeling of redundancy and the increase in 'free time' also had profound impacts on those who lost their jobs. In the late 1990s the unemployment rate in the four case study villages (20% in Sarud, 30% in Tiszakeszi, 38% in Tizzaszentimre and 18% in Újszentmargita) remained much higher than the national average of 9%. However the unemployment rate amongst the roma population was even higher owing to their lack of skills and prejudice. Many of them (and of the unemployed) live from various benefits and aids provided by local governments and the state. As a result, their living circumstances are worse now than before. Their livelihood has become very difficult. Partly, they are the 'big losers' of the change in the political system, because many of them cannot cope with the challenges and cannot adjust to the new conditions. This can be one reason why criminality is more common among them. In addition, traditional lifestyles often cause tension and problems on local levels as well. Becoming an entrepreneur also meant new working conditions and lifestyle, which were also very difficult to get accustomed to, especially in the beginning.

In the more populous villages (Tiszakeszi, Tizzaszentimre) 30 to 40% of those surveyed reported that their standard of living had deteriorated. This figure rose to 50 to 60% in the less populous villages (Sarud, Újszentmargita). A close connection seems to exist between the size of a settlement and its inhabitants' living standards, in favour of the larger villages. All in all, only a few per cent of those surveyed (7% in Sarud, 5% in Tiszakeszi, 3% in Tizzaszentimre and 4% in Újszentmargita) reported that they were better off than ten years before. In contrast 73% of those surveyed in Sarud, 75% in Tiszakeszi, 60% in Tizzaszentimre and 80% in Újszentmargita indicated that they were worse off than before 1989. These data indicate a general trend in which a very small proportion of the local population was becoming richer whilst a much large proportion was becoming poorer. Local leaders, entrepreneurs, the highly-qualified and those who owned land or shops tended to be the wealthiest in the villages. The poorest people included pensioners, the unemployed, poorly educated people and those who did not own property. These groups are the winners and the losers, respectively, of the transition period in the deprived villages. In the future only a very slow further differentiation of the local societies can be expected, because they are already rather homogeneous, though social differences are significant.

Conclusions

The change in the political system led to the beginning of a new era for rural settlements. Such dramatic changes have not been witnessed in Hungary for a long time. Local actors have lived through the effects of supralocal and local factors and have been affected by them differently depending on their conditions and resources. Despite these differences, there are similarities in their responses, i.e., in their temporally and spatially changing survival strategies.

Although there have been radical changes to the rural economy the prospects of most economic corporations are uncertain as they struggle with daily survival problems rather than concentrating on modernisation and technical investment. They adjust to the new challenges very slowly. For these reasons economic units hardly have any chance to close the gap and to be integrated into the globalising national economy.

During the last decade the living conditions of the rural population have improved to a large extent at settlement level. Thus differences in living standards have been reduced between urban and rural settlements, and the latter have become more attractive for urban population. Probably, this can be one of the reasons why in the 1990s immigration into villages exceeded out-migration from here. Lately, it is less important where (in urban or rural settlements) people live, but to which group (winners or losers) the settlement in question belongs. The latter is largely influenced by location.

In contrast, at the level of households and individuals the changes are much more differentiated and explained by increasing social differences. The case studies suggest that the new tendencies in the living conditions have affected local actors to a various degree. People whose positions, living standards have turned unfavourable belong to the 'losers', whereas others with improved living conditions form the group of 'winners' in rural settlements. Since the former group expands rapidly, the most important long-term task is the mitigation of the enhanced social, economic and spatial contrasts both on national and local levels and in this process 'the winners' have to take part very actively. Otherwise, the rural settlements and rural societies – or in a broader sense the whole country- can be divided in two extremes and this might involve unpredictable social consequences.

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