

The roots of spatial development and planning in Hungary

In Hungary urban planning stretches back to the middle ages, with royal free towns the first to create a system of building regulation. In parallel with this there emerged planned forms of settlement development: thus the mining towns of Felvidék and Erdély (regions in present-day Slovakia and Romania respectively) came into being in the 13th and 14th centuries. The orthogonal road network of the city of Győr emerged after devastating fires in the 16th century, to become a permanent feature. Significant changes in urban structure were caused by the development of defensive measures during the war against the invading Turks. Under the Turkish occupation (1526-1693) the country split into three parts, and Prince István Bocskai organised the settlement of border fortress guards in the region of Debrecen, thus safeguarding trade routes and increasing the security of settlements. Approximately ten thousand such soldiers were accommodated in the Hajdúság region, where numerous settlements signify their origins with the "Hajdú" prefix in their name (Hajdúnánás, Hajdúszoboszló etc).

After the end of Turkish occupation in 1693, life started again: not only did the Austrian army start the cartographical survey of the nation

- which aided the determination of property inheritance rights and tax collection - but towns surveyed their built areas. In 1753, for example, Friar Hugó Hazael prepared a map of the city of Eger, the accuracy and detail of which was comparable to present-day maps.

The first regulatory plans also began to emerge around this time. In part this came about through the resettlement of many devastated villages and towns in the Alföld region on the basis of plans by imperial and royal military engineers (with resulting orthogonal, regular road networks). In part, towns which had survived the Turkish onslaught - often maintaining their medieval road networks and urban fabric - started implementing their own limited regulatory measures. These were most often connected with flood protection, improvement of thoroughfares, fire prevention and the development of new urban areas.

The landed gentry and church dignitaries also initiated planned settlement. In this way many towns and villages received their consistent character. There are former serf-villages created at this time in Csongrád and Békés counties, but also in Bácska in present-day Serbia and Temesköz in modern Romania.

By the beginning of the 19th century, large-scale regulatory plans were being put forward, for example for the Pest district of Lipótváros in 1805. In other towns and cities urban physical plans and early town planning regulations were being drafted.

Urban planning was significantly hindered by the "sanctity" of private property, a concept which goes back to 1222 (the date of the issue of 'The Golden Bull', effectively Hungary's first constitution). An example of this is the reconstruction of the city of Pest after the great flood of 1838, in the course of which an urban structure and road network which would meet the demands of the age did not come into being, because - despite extensive destruction - the city fathers were neither able to, nor dared to interfere with property rights.

In the first third of the 19th century urban design committees were already in place in towns and cities; their task was "the inner regulation and beautification" of the urban fabric.

In order to create a capital worthy of the nation - and to act as a counterweight to Vienna - the planned city of Budapest came into being in 1872, with the unification of the three towns of Óbuda, Buda and Pest. Preceding this a joint, unified urban development and physical plan was created in 1871. This plan had a significant influence over the physical form and development of the capital, and still does to this day.

In 1879 the city of Szeged was devastated by a flood. With the support of several European cities, a modern radial-and-orbital road network and urban structure based on completely new principles came into being there.

Instances of regional development stretching beyond the boundaries of settlements worth mentioning are the following: the draining of marshland; the regulation of the more important rivers (the Tisza and its tributaries, as well as the Danube); a widescale increase in the area of arable land; the development of the railway network.

As far as early urban planning legislation is concerned, important steps were the first general expropriation law of 1868 (before which, separate legislation had to be drafted on a case by case basis concerning state or local authority compulsory purchase rights), and another piece of legislation from 1868, focusing exclusively on the capital.

The first comprehensive legislative act related to all urban planning and construction came into being in 1937. This required every town, city and some larger villages to prepare urban development plans aimed at the development of the settlement, on the basis of these to prepare and approve a so-called comprehensive master plan laying down the long-range structure and land use of the settlement, then gradually create detailed physical plans for the areas considered for development. The act laid down special requirements for the capital, because it stipulated that a plan must be prepared and approved for Budapest together with its more than twenty surrounding settlements. The approval of plans was not entrusted to settlements, but to a special body charged with acting in the national interest (the Budapest Public Works Committee), which had been in operation since 1870. This can be seen as the forerunner of regional planning. (Without exception these towns and larger villages were joined to Budapest in 1950, and so the present-day capital came into being.)

The period between 1945 and 1990 - the emergence of local physical planning

After the Second World War construction legislation appropriate to the new social order finally came into being in 1964. This legislation spoke specifically of regional planning, and also extended the scope of mandatory local physical planning to larger villages. It did not cover development plans, instead introducing the concept of a "programme of regulatory (physical) plans". In accordance with the centralising mechanism of State Socialism, development plans were prepared centrally by national institutes. Their approval was ratified by the Office of National Planning and various ministries, with regional issues being dealt with by the Ministry of Construction and Urban Development. The councils of towns and larger villages remained, as "wings" of the central power base, ensuring formal ratification of centrally developed plans, and implementation of them within local communities.

The first regional plan was drafted for the Balaton region in 1957, for the co-ordinated long-term development of this resort region. Following this, the plan was inspected and updated approximately every ten years. The first new type of area regulatory plan - backed up by legislation - was prepared for this region, which totals 164 settlements. Other plans were also extended to designated resort districts and areas of special ecological interest. Such are the Danube Bend, the Lake Velence region, the area of Mátra/Bükk and the area of the Kisköre reservoir. A regionally focused plan was not prepared for the whole country, but a National Settlement Network Development Concept paving the way for one was developed and approved in 1971. This sealed the fate of many small settlements. The "concept" labelled these "settlements without a role", and 50 national and county development initiatives bypassed approximately 2,000 villages.

Alongside, the blighting of numerous villages, this period was notable for the creation of so-called "Socialist towns" and industrial centres, (for example Dunaújváros, Kazincbarcika, Komló, Tiszaújváros, Százhalombatta, Tatabánya, etc).

Town and village planning/regulatory duties were carried out by the Ministry for Construction and Urban Development, and by county councils. The plans were usually prepared in state or local authority planning departments in Budapest and county centres. The role of town and village councils gradually strengthened from the 1970s onward, and in 1983 - in the name of "democratisation" - consultation with communities and the public dissemination of proposed plans was made mandatory.

Up to 1989 nearly 80% of the country's settlements - approximately 2,600 in all - had prepared a regulatory plan. In towns and cities general and detailed plans were prepared, and in villages - primarily the smaller ones - the two planning operations were combined in single regulatory plans. It was not uncommon for these plans to be extremely formal and relevant to only the so-called inner areas of settlements.

The introduction of the National Building Regulations (OÉSZ) in 1960 was a step forward in the specialist area of legal regulation, because before this only individual town and city regulations had existed. (Those towns which had not yet shaped their own regulations had used Budapest's regulations under the 1937 legislation, with modifications.) The national system of legal requirements was reinforced from another point of view: a unified ministerial directive standardised the approval process for building permission, plot division and other permissions, and the requirements governing the form and content of the various types of plan. Up until 1998 the repeatedly modified OÉSZ, numerous ministerial directives, centrally produced guidelines and design aids formed the legal basis

and professional direction of spatial development, as well as settlement and regional planning.

Spatial development, settlement and regional planning after 1990

With the new social, economic and legal situation accompanying the transition to democracy in Hungary came the renewed regulation of legal areas. Firstly, one should mention the amendment to the Constitution and the creation of local government legislation, and the associated system of local government. The 1990 legislation covering local authorities' responsibilities and their scope of authority made it incumbent on local authorities to intervene in local societal issues using formal procedures - among these being settlement development and physical/area regulatory planning. The local government legislation specified that the approval of local physical plans and the creation of local building regulations fell within the scope of authority of each settlement's elected council, and that this authority was non-transferable.

The Constitution stipulates one criterion in relation to local authorities' legislative activity, when it states that such activity must not be in conflict with higher level legislation. At the same time it stipulates that local authority decisions can only be reviewed retrospectively, and then purely from the point of view of their legality.

Local government legislation does not make a distinction between small and large settlements and does not create a hierarchy between regional (county) and settlements' local authorities.

In this legal environment Parliament created two pieces of planning legislation: Act XXI of 1996 covering regional development and area regulatory planning, and Act LXXVIII of 1997 on the protection and formation of the built environment (including local physical planning).

In the period between the appearance of the local government legislation and the two acts covering specialist areas, it became clear that planning had not taken its place at the heart of politics and society, a fact which was also witnessed to by frequent changes in the leadership of the relevant ministry. Hungary still does not comprehensively regulate settlement development, and only general laws apply in this area.

The spatial development and planning system in Hungary up to 2004

In the past, regional development meant aid for crisis-hit areas, and those disadvantaged areas in need of economic development. Regional development is now no longer confined to crisis management. Its main duties are the prevention of regional decline, enabling disadvantaged regions to catch up with more developed regions, and with this the spreading of development potential from more developed to less developed regions. Regional development policy is fundamentally aimed at aiding regional economic development which is based on social partnership, and the initiation of development processes. The special aim of domestic regional development is the creation of conditions for European integration.

The National Plan is the basis and main guide for Regional and Local Planning. According to the various regional divisions - national, county, regional and local development and regulatory plans - there is a series of interdependent steps, a system of concepts building upon each other, and of technical-legal content. The National Plan is given further detail and supplemented by special region and county area regulatory plans. The local physical plans, in conformity with these planning parameters, give area regulatory plans "room for movement", within which they set the appropriate land-use and settlement structure for the various level public and legitimate private interests, and define building rights and obligations for every plot. The classic construction process (architectural and technical design, the permission procedure, construction) serves the realisation of plans, whilst simultaneously satisfying other criteria (functional appropriacy, safety, stability, fire protection, environmental protection etc).

After the transition to democracy, the creation and parliamentary approval of the National Regional Development Concept (OTK) was an important milestone in regional planning. This parliamentary provision is, according to Hungarian law, not legislation applicable to everybody, but it compels/directs public administration bodies and provides a reliable base for the determination of various priorities and

criteria in the distribution of state support, and in the co-ordination of development.

The majority of the basic documents for spatial development, area and local regulatory planning and were prepared thus:

- area and settlement development concepts at the various levels (national, county, special region etc.) were prepared sequentially
- in 2000, Act CXII was created, relating to acceptance of the Balaton Special Resort District Area Regulatory Plan and the establishment of the Balaton Area Regulations
- in 2003 Parliament passed the National Area Regulatory Plan (OTrT)
- within the consultation process, area regulatory plans for Hungary's nineteen counties are nearing approval by the county local authorities.
- to strengthen the cultural role of architecture
- to develop plans for legal regulations covering housing and construction
- to ensure the harmonisation of statutory instruments made necessary by accession to the EU
- to prepare the approval and distribution of EU resources made available for the above aims
- to develop recommendations for the distribution of support for Hungarian house-building.

The following tasks are carried out by the Office under the Government's direction:

- to develop a comprehensive strategy for housing and construction, defining short, medium and long range aims
- to analyse the legal changes and regulations necessary for the guaranteed achievement of economic and technical aims
- to make recommendations on the basis of the above for the legal and organisational changes necessary for efficient operation
- to facilitate development of a culture respecting environmental issues (within which architectural culture plays a prominent role), and the realisation of the interdependent tasks related to building, maintenance and affordable access to housing.

The sphere of activity of the Office in construction issues - including local physical planning - is the following:

- preparation of regulatory concepts and professional drafts for legal regulations
- enforcement of its sphere of authority in professional direction and inspection of specialist areas of construction, ie.: architectural/technical planning; local physical planning; building approvals and inspection in the construction industry
- to ensure supervision of professional bodies
- to operate local physical planning and architectural technical planning committees
- to make recommendations for training in the fields of construction contracting and inspection
- to direct and inspect the training and qualifications of specialists working in the building control profession, thus ensuring the quality of implementation procedures
- to co-operate with higher education institutions providing training in specialist areas, and to support development and realisation of basic and specialist training programmes
- to offer comments on local authorities' local building regulations and local physical plans, and support local authorities' local physical planning activities
- to perform public information and educational activities.

All settlements must take account of the approved county plans in the course of preparing their own area plans, not on the basis of local government hierarchy (since this does not exist), but in the characteristically different spheres of action at the two levels. In every region there are such tasks requiring co-ordination which can only be decided on with a broader overview

- district regulatory plans and urban planning regulations have been prepared - or are in preparation - for the capital's twenty-three districts
- the Budapest Structural Plan and Regulatory Outline Plan is under review and being amended, together with the related building regulations

Plans at various levels are prepared sometimes in parallel, sometimes in sequence. Earlier produced local physical plans must be corrected to conform with area regulatory plans. There is a kind of iterative relationship between area regulatory and local physical plans, which reinforce each other at different levels. But there is likewise an iterative relationship between the Budapest comprehensive plans and district level plans in the design process.

It is possible to distinguish between reformulation of plans according to urgency or according to the necessity of the type of amendment. In those cases where fulfilment of a national interest cannot be

delayed (or because a development has been allocated a time slot, or because the absence of a suitable long-range plan for an area would lead towards fundamentally damaging consequences there), central funds will be made available to cover the costs of review and amendment.

The fundamental rules applying to local physical planning are contained in the 1997 Building Act and the 1997 National Settlement Planning and Building Regulations (OTÉK). There are also some requirements within it on settlement development, and in one of the constituent documents, on the concept of settlement development: definition of the basic concept; the approval process; content aspects of the latter; the interdependence of local physical plans.

The types of area and local physical plans, and the possible planning stages are:

- area and settlement structure plans
- regulatory plan for the whole of given area or settlement, or parts of it.

The settlement structure plan is prepared comprehensively over the whole public administrative area of a settlement, looking forward over long range (fifteen-year), sometimes very long range (thirty-year) time spans, and defining the planned and maintained land use of individual areas, the fundamental transport system, as well as the network of public utilities, and of green areas.

The preparation of structure plans must always be preceded by the expression of a development concept Based on this - and defined by it

- is the plan showing future land-use in the settlement or the region, and the written statement related to it.

Due to the long-range nature of structure plans, approval for them is given by elected local councils, and so - according to Hungarian law - they do not prescribe rights and obligations related to citizens, but are aimed solely at local authorities and their departments. They primarily concern future planning activity.

The regulatory plan provides the basis for the duties of regulatory authorities supervising construction activity, prescribes rights and obligations, and applies restrictions and prohibitions which are compulsory for everybody. Thus its approval is achieved through local government legislation (act of parliament). It may be prepared for the whole of a settlement, but is usually only applicable to certain areas, so-called settlement structural units. The smallest regulatory unit is the block of plots (bounded by public roads), but this is simply a guideline, not a requirement, because the internal structure of settlements usually breaks down to somewhat larger areas in reality. Legislation requires the preparation of development briefs within a strictly defined range of areas: new development, sites marked out for significant reconstruction, sites where protection of the built environment is an issue, and individual special areas ("where the phasing of construction requires it").

Construction legislation deals separately with local building regulations. The reason for this is that sometimes the preparation and approval of written regulations is sufficient. The regulatory plan is always accompanied by a statutory instrument (so-called local building regulations), which defines the area of the plan, brings it into force and revokes any possible earlier conditions. An organic part of the local building regulations (if prepared) - as a supplement - is the regulatory plan. However many stages there are to the preparation of the regulations for a settlement, every later one must be an amendment of the first ruling.

The law requires - among other things - that in the course of planning (in both planning stages) every restricting and endangering feature and circumstance related to an area's use and development be taken account of and highlighted. Especially vulnerable are areas with disused underground mine workings, basements or sub-surface voids, areas subject to flooding and groundwater flooding, areas subject to landslips and surface earth movement, areas with large mineral deposits, mine-pits and their surroundings and various kinds of protected and protecting, "buffer" areas.

In the planning process, the required consultation with public administration bodies (which must occur in every case) serves to utilise their expertise to minimise the risk of danger, or to provide a means of preparing rationally for dealing with its effects.

The most important requirement of the Construction Act is the fixing of stages in the planning process, from preliminary public notification of proposals, through consultation all the way to approval, and beyond that to the obligatory issue of relevant documents to all interested parties. This notification of the public and the representative bodies of affected interest groups is in conformity with practice in other EU member states.

In addition to the Construction Act and the National Settlement Planning and Building Regulations (OTÉK) and area regulatory plans, other legislation imposes conditions on local planning. Among the most important is legislation covering mining, ecological protection, forestry and forestry protection,

agricultural land, environmental protection, water management and the protection of cultural heritage.

In summary, a system of area/settlement development and regulation has emerged in Hungary, its framework has been defined, and there are the relevant legal institutions - though there are still many issues awaiting resolution.

The system of regional divisions within Hungary

In the course of executing the task highlighted in the 1998 Parliamentary Decree, the most important questions of land division were reviewed together with current socio-economic processes, with particular regard to the nature and role of the framework of regional development.

From the point of view of public administration, the country is divided into nineteen counties and the capital city. Besides this, nearly 3,200 settlement local authorities represent towns, cities and villages.

Due to Hungary's accession to the European Union, and the required creation of area information services, the formation of large regions NUTS II units - was essential. These units must be consolidated planning and statistical regional units, so that as stable units they can ensure the long-term unimpaired operation of the information system designed for each of them. This requirement is answered by the designation "planning/statistical region" The planning/statistical region concept was defined by Parliament in 1996 legislation on regional development and area regulatory planning, aimed at paving the way for adaptation to European Union regional policy.

So a planning/statistical region covers several counties (or the capital) as far as the outermost combined public administrative borderline of that group of counties, to form a planning and statistical regional unit.

A "development region" is a regional unit which from a social, economic or environmental point of view can be treated as one. It is one or more counties (or the capital), or an area where a locally-based initiative for development crossing existing planning boundaries has emerged. From the foregoing it follows that such a region is extremely fluid, may reconfigure at any time, and that there is no guarantee that the groupings created will cover the whole area of the country. Therefore a development region is not the same as a planning /statistical region.

A "special region " is one or more counties (or the capital) or their combined area, forming a regional unit which from a social, economic or environmental point of view can be treated as one, needing unified planning and development in the national interest, or to which specific aims in other legislation are related (special resort districts, national parks crossing county borders, landscape protection zones, border zones or other areas of an exceptional nature).

The concept of region is known and applied in several ways and the determination of regions' areas and borders are governed by many factors, so the resulting structures are diverse. A common approach is to consider the socio-economic and geographical homogeneity of a region, or to use the sphere of influence of a unifying local centre as a determinant of the borders.

The nation's nineteen counties and Budapest were divided into seven "area statistical region" by the Parliamentary Decree on the National Regional Development Concept. These area statistical regions are on the second level of the European Union's five-level area classification (Nomenclature des Unités Territoriales Statistiques - NUTS II).

In the creation of planning/statistical regions, two fundamental issues were influential:

1. the borders of regions follow the lines of county borders.
2. the population of regions should be similar (due to the size of Budapest this was not achievable in the Central Hungary region.)

The formation of system of "statistical microregions" (which was concluded on 1st January 1998) confirms with EU regional policy. A microregion is a spatial development/statistical unit definable on the basis of the entire network of existing functional links between settlements - residential, transport and intermediate-level service provision. In the system of microregions, settlements are grouped around a central settlement according to their linkages, and the name of each microregion refers to that central settlement. There are 150 microregions in Hungary, grouped into five categories, according to the level of development of each: dynamically developing, developing, improving, stagnating and disadvantaged. In this decentralised spatial development system, the microregion is

the basic unit. The operation of the system of institutions at microregional level can fundamentally influence the effectiveness and efficiency of spatial development. For this reason, effective operation at the microregional level is not only important at a local government level, but at regional and central levels also.

Legal institutions of regional/local development and regulation

The major institutions primarily concerned with regional and local development and regional and local development planning as of 2004 are:

1. The office for National Development
2. The Hungarian Office for Area and Regional Development
3. The National Office for Housing and Construction.

The **Office for National Development** (NFH) has been operating since 2004 as an independent body with a national scope of authority, like the National Development Plan and EU Funds Office.

The Office is responsible for implementation of long and medium-range development planning tasks, the preparation of plans necessary for the utilisation of financial support from the European Union, the carrying out of activities necessary for the expenditure of such financial support and the co-ordination of other governmental bodies participating in such activities.

Since its establishment, the NFD has been carrying out co-ordination duties on the currently running PHARE and ISPA programmes, and has supervised the harmonisation of the three pre-accession funds - PHARE, ISPA and SAPARD.

The Office is essentially based on four pillars. The first - and perhaps the most important - being planning. For the first time, the opportunity has been presented to consider the country's future long-range strategies in the light of accurate knowledge of the resources available.

The second pillar relates to the utilisation of EU funds on as large a scale as possible. It is important to prepare appropriately and in good time to ensure the capacity to absorb the funds.

The third pillar is the appropriate notification of the public, encouragement for the preparation of development proposals, and the formulation of proposals as concrete programmes. In every area an important role is played by close co-operation with regions, which influences the shape of public opinion.

The fourth pillar is the framing of legislation, and the enhancement of the system of conditions for development policy, including the essential reform of public administration.

The **Hungarian Office for Area and Regional Development** (MTRFH, hereafter: the Office) was created by the Government on 7th January 2004 to carry out state duties in the field of regional development, area regulatory, spatial policy and regional development.

In co-operation with the relevant governmental bodies, the Office's sphere of activity is the following:

- to ensure implementation - within legislation and designated government rulings - of regional development and area regulatory duties, local and regional development, preparation and consultation related to area regulatory planning, and compliance with data provision regulations
- to implement legislation covering approval of the Balaton Special Resort District Area Regulatory Plan and establishment of the Balaton Spatial

Planning Regulation, and legislation covering execution of duties within the National Area Regulatory Plan - to collaborate in the development of national regional area divisions; - to collaborate in development of policy in economic, agricultural and rural development, employment, health, education, environmental protection, investment, infrastructure development and housing policy areas

- to collaborate in development of the comprehensive development plan and to ensure the co-ordination of the local effects of the plan

- to collaborate in the development of the strategic and development concept of public administration, development connected to the operation of local authorities, planning and management in compliance with governmental duties, the development of recommendations related to these, the preparation of policy decisions related to the division of the country into areas, and the exercise of authority in regional organisation

- to exercise professional direction in the area regulatory activities of local chief architects

- to technically direct the supervisory activities of the regional development committees of public administration offices

- to direct the regional development programmes aimed at strengthening social and economic cohesion: PHARE, PHARE cross-border and INTERREG
- to prepare the regional development operational programme of the community support framework, and ensure its implementation
- to represent the Government within the relevant institutions of the European Union in the field of area and regional development policy
- to prepare those programmes of the INTERREG community initiative in which Hungary carries out directorial duties, and to ensure implementation of them; to collaborate in the planning and implementation of other INTERREG programmes affecting Hungary - to carry out duties related to European regional policy and the shaping of European level regional planning - to monitor the process for the harmonisation of statutory instruments for area and regional development areas and to make recommendations for necessary action
- to operate the Brussels Office of the Hungarian Regions.

The duties and scope of authority of the Office:

- to prepare reports needed for parliamentary, governmental and cabinet decision-making
- to prepare committee reports related to the work of Parliament, and to prepare answers to interpellations and questions;
- to possibly initiate legislation for the minister without portfolio, and to prepare plans for ministerial rulings and instructions, together with other initiatives
- to comment, according to Government procedure, on draft governmental reports and ministerial rulings
- to conduct procedures for applications for regional development support
- to ensure the issue of normative regulations for the co-ordination of resources for regional development, and ensure co-ordination of application procedures
- to prepare documents related to the exercise of existing property rights for Regional Development Holding Rt. and V Á TI Hungarian Regional Development and Urban Planning non-profit association
- to maintain relations with scientific, research and training institutions, and to ensure support and development of scientific work and training
- to take part in the work of international organisations, maintain international links and organise joint programmes with foreign governmental bodies performing similar duties.

The National Office for Housing and Construction (OLÉH, hereafter: the Office) came into being on 1st September 2003, for the implementation of government housing and construction tasks, and the more efficient direction and operation of the system of construction regulation institutions. The Office is a public administration department with a national scope of authority under the authority and direction of the Minister of the Interior.

In carrying out its basic functions - regulation, inspection, co-ordination, financing – the Office's most important duties are:

- to create the conditions for the unified professional direction and inspection of construction tasks
- to promote the revitalising role of construction in the economy