

Socio-economic challenges of modern metropolises

The example of Budapest

Introduction:

The goal of this tour is to show how Budapest emerged to a metropolis and how the urbanization changed the city for being attractive not only to enterprises but to tourists as well. In the first part of the tour, we will depart from Corvinus University of Budapest, and will be taking a walk along the Danube in the northern direction. After that, it is optional whether you take the tram or walk down the river again to Boráros Square, where the tour will continue.

The outline for the tour is the following:

- Bálna- change of shopping habits
- Universities- being the center of higher education
- Real estates and issues related to them
- Medical tourism
- Tourism- sustainable tourism
- Budapest being the administrative center
- The importance of cycling and cycle paths
- Transportation system
- Foreign enterprises

1) Dear Audience!

Please walk into „Bálna” and take a look around. How many shops can you count?

- 2) **As you can see, Bálna is** full with different kind of shops while the types of them do not vary. Various clothing shops, bars, and craftsman shops can be found here. As part of the urbanization process several shopping malls like Bálna were built in Budapest. They compress all the big fast food restaurants, clothing and shoe shops. This phenomenon is not surprising although the concurrencies are near each other. However, it is worth being closer to one another than having separate shops along a pedestrian precinct. While the latter was more typical before urbanization in Budapest, now with the changing demand of the public these shops, operated by small retailers, are forced to close. People tend to prefer doing shopping in large shopping centers as they know they can find anything and everything in one place.
- 3) **Now, after you leave Bálna,** let's take a walk alongside the river in the direction of Liberty Bridge. If you take a look at the opposite bank you can see a large building. What do you think it is?
- 4) **It is a university, similar to Corvinus University of Budapest, named Budapest University of Technology and Economics,** which is one of the biggest universities in the country. Budapest is the center of the Hungarian higher education, high percentage of the universities and colleges are located in the city. Apart from a few large campuses in the countryside, most of the prestigious institutions can be found here such as Corvinus University of Budapest, Eötvös Loránd University and Budapest Business

School amongst others. Budapest is a city of foreign colleges as well, several institutions chose the city to be their European base. Education is highly important in Hungary, the majors provided are high in quality. The knowledge they obtain provides a good basis for their future employment.

- 5) Now, please walk towards the bridge, along the bank of the river.
- 6) **At the moment you are taking a walk in inner residential zone where you can find old civilian properties.** Nowadays, the prices of real estates drastically increased in Budapest, especially here, in downtown. The change is mostly a phenomenon in the capital city, but a significant increase can be experienced in the countryside as well. While in Hungary the increase is the product of the last 3-4 years, it is an ongoing trend in Europe, the bigger cities face the same issue. After the democratic transformation segregation issues started in Budapest, and with the rise of the prices it still shows relevance. People with lower income are crowded out of the city center and are resided in the outskirts.
- 7) **Another problem the area faces besides high prices is the number of accommodations, especially a vast amount of uninhabited properties.** With the increase of prices, apartments on sale also grew. This helped to reduce the number of empty homes in Budapest, but according to statistics, approximately ten percent is still deserted and is not available on the market. The situation is far worse in other notable cities in other parts of the country as well. However, the uninhabited estates are not only those that are not on the market, but those as well which had been already bought but not for the purpose of living. These accommodations are mostly brought by foreigners as investments, for example Germans found the Hungarian real estate market alluring, yet these properties are still unoccupied.
- 8) Please, continue your walkabout.
- 9) **If you take a closer look, you can realize that besides some properties used for living, there are a lot of offices and private consulting rooms in these houses.** There is a tendency that people set up their offices in downtown, where they can be easily approached and also they are in a luxurious surrounding. This is especially true for private practice. Medical tourism is thriving in Budapest, it is a preferred due to favorable value for the money. Patients who come here with the purpose of getting medical treatment receive high quality and special services. Dental treatment is extremely popular among Western and also Eastern Europeans. Even from the US, there are individuals who come here for their treatment, it is worth the long flight and all the cost. Medical tourism also includes medical thermal bathes, from which there are countless number in the country. It can almost be referred as a Hungaricum.
- 10) Now please continue the tour.
- 11) **As you are walking along the Danube Promenade** you can see that this is a very busy neighborhood with a lot of tourists. Tourism is rapidly increasing in Hungary, and especially here, in Budapest. According to Euromonitor, the country is the fourth destination with the most growing interest. Although, here you can see some of the most prestigious hotels, the increasing amount of tourists are driven by cheap hostels and

Airbnb. Another reason why the city is the most popular destination in the country is the permanently low prices for the air tickets of low-fare airlines. This also adds to Budapest's primacy as the country only has smaller airports and only one that serves tourism as well. However, recently Budapest met the same problem as other big cities of the world, namely that tourists leave rubbish behind themselves, do not behave properly, make unbearable noise and sometimes commit vandalism. Tourism is requested to turn into a more sustainable one, to make the capital city viable for the future as well. In 2017, the local government of Budapest, with the help of UNWTO, started to hand out informative leaflets with the words: Travel, Enjoy, Respect, Welcome to Budapest. This way it tries to call attention to appreciate the heritage of the city and help to build sustainable tourism.

12) Now please continue you walk towards north.

13) **You have arrived at Kossuth Lajos Square**, where you can see the Hungarian Parliament. In Hungary, Budapest is the administrative center of the country. It is not only the Parliament which is located here but all the Ministries. If you take a little stroll around the square and walk through some nearby streets you will most definitely find the vast majority of departments in five minutes. If you look at the other side of the river you can also see one more Ministry. Besides the departments, every key institution can be found in Budapest, more specifically in downtown, around the Parliament. Having all of them in one particular city is a great example of a problem the country faced since urbanization started. Budapest has always been the "water of brain" in Hungary, life centered on the capital city, and when somebody had wanted to move forward in life they tended to relocate themselves here. When more and more villages became towns or cities there was a chance that this would counteract Budapest's role in the country. However, Budapest still remained the water of brain, although this could have been different like in Germany or Austria, where the institutions are in different cities.

14) **It is important to highlight that the city recently started to pay attention to the problem of huge traffic and pollution and how it can be solved.** As it can be seen several cycle paths were formed in the city. Besides the benefits of cycling such as being healthier, eco-friendly and so on, it has economic profit as well. In a city like Budapest, cycling is faster than driving a car, especially in the rush hours, when traffic jams are all over the city. Besides time-saving cycling also takes up lesser space than cars, and this helps in solving the problem of congestion. Secondly, cycling is an eco-friendly way to commute, which costs the least to relieve cars and buses run by gas. Its effect on the environment is inaccessible, and it is vital while the world faces a threatening climate change. It is also not a negligible factor that a half an hour cycling prevents people getting ill and helps to reduce obesity. Last but not least, the quality and standard of living is also highly affected by it, as the improvement of the previously mentioned factors attracts people and events to the area. This way it has a positive impact on the economy as well.

15) Now, as you may please, you can either take the tram or walk back to Boráros Square, where the tour will continue.

- 16) **Boráros Square is a significant interchange in the city.** It connects the southern outskirts through buses, Csepel Island through HÉV, southern Buda, and towns from the agglomeration with the inner city circle. As part of an ongoing counter urbanization, huge amount of people left Budapest and moved to near towns, from where they can commute to the city easily. This is not unique to Budapest only but every city, as people try to run from pollution, congestion, noise, and crowds. However, most of them have their jobs, their children's schools in the city, and they spend their leisure time here as well. HÉV operates as a train and provides the fastest way for suburbanites. Tram 4-6 transact the biggest flow of passengers on the surface; connects Pest and Buda main interchanges, and simplifies transformation between the two sides. It can be said that the transportation system of Budapest is multiple and has a great variety of buses, metro lines, trams and trolley buses. For example the system is here is better than in the US. Transportation also adds to Budapest being the water of brain. Most of the long-distance buses and trains run through the city and sometimes there is no other route to reach another city than transferring in Budapest.
- 17) **If you walk south you will encounter several foreign enterprises such as Vodafone, Nestlé, Oracle or Morgan Stanley.** These subsidiary companies came to Budapest for four main reasons amongst others. Firstly, the price of real estate is still relatively low, perfect for investment. Secondly, our time zone overlaps both the American and the Oriental's ones, provides opportunity to react when both side's stock exchanges open. Thirdly, they afford internships to students of the previously mentioned high prestigious universities. Last but not least, low wages and prosperous taxational circumstances attract these world companies. Nowadays, more and more enterprises choose to bring their subsidiary companies not only to Budapest but to other cities in the country.