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European Dimensions of Local Infrastructures - A Discursive Analysis of the Budapest Ring Road

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Abstract

The article looks at the construction of the Budapest ring road as an instructive case study of how international, national, regional and local transport and land use policy interests interact and conflict. A general, fivefold typology of “discursive frameworks” for sustainable transport policy decision-making is presented and related to the case study. The article also provides a detailed account of the local and international protests against a key section of the ring road, as well as a closer investigation of present land use developments around Budapest and the role of local and European-level decision-makers therein.

How different spatial contexts result in different sustainability discourses – A Case Study of the Budapest Ring Road

1 Introduction: The Significance of the M0 Ring Road Case Study

The literature on “the politics of environmental discourse” has been rapidly evolving over the last decade, with Maarten Hajer’s (1995) monograph by that same title inspiring a rich academic debate now also featuring an increasing number of contributions specific to sustainability discourses in the transport sector (see e.g. Richardson 1997; Flyvbjerg 1998; Sager 1999; Baeten 2000; Langmyhr 2000; Richardson 2000; Richardson and Jensen 2000; Langmyhr 2001; Peters 2003; Low, Gleeson et al. forthcoming).

Likewise inspired by Hajer’s concept of a mainstream discourse – or “storyline” – of “ecological modernization,” this particular article looks at the financing of the Budapest ring road M0 as an instructive case study of how international, national, regional and local transport and land use policy interests interact, and to how they sometimes complement each other, sometimes conflict. I find that much like general environmental discourses around European transport policy, the M0 “case” really consists of multiple discourses. Different spatial contexts result in different sustainability discourses.

After a brief description of the infrastructure at hand, I present a general, fivefold typology of “discursive frameworks” for sustainable transport policy decision-making. I will then apply this typology to the concrete case study of the M0 ring road and compare how the overarching themes, key concepts and policy proposals of the five different discursive frameworks are reflected in the local controversies over a large-scale infrastructure. Later sections provide a more detailed account of the local and international protests against a key section of the ring road, as well as a closer investigation of present land use developments around Budapest and the role of local and European-level decision-makers therein. A concluding section summarizes the key insights from the article.

2 Description of the M0 Ring Road

The planned circular motorway around Budapest, the so-called M0, constitutes a key node in the Central European extensions of the so-called Trans-European Transport Networks (TEN-Ts) selected by the European Union as priority routes for infrastructure development. Four of these ten extensions pass through Hungary, and all four of them intersect in the Budapest area.¹ The M0 is to connect Corridor IV (i.e. the eastern motorways M1 from Vienna/Bratislava) and Corridor V/Vb (the M7 from Lake Balaton) with Corridor IV (the M5) and Corridor Vc (the planned M6 going South to the Former Yugoslavia and Romania) as well as the continuation Corridor V (the M3 going east to the Ukrainian border and the M2 going North). Figure 1 shows how the M0 connects to the major arteries of the city.²

Insert Figure 1 about here

In the early 1990s, the Hungarian government's first step was to build the Southern section of the ring road in order to connect the M1 arriving from Vienna in the West with the M7 running South-West and with the M5 running South-East out of Budapest. These have been completed, in part with EBRD and World Bank money.³ The construction of this section was uncontroversial at the time, since its main purpose was to successfully route the vast majority of the unwanted East-West transit traffic around Budapest. Even the typically skeptical environmental NGOs noted that "remaining transit truck traffic [now] represents less than 2% of the traffic on the streets of Budapest [and] environmental groups did not oppose the construction of the Southern section of the M0 for this reason" (Mihok 1998). Note however, that these same groups have since grown rather disenchanted with this Southern section, mostly due to the mushrooming of greenfield developments along the M0 which they claim "created a much more serious traffic problem than the ring road was supposed to solve"

(ibid, also see discussions below). NGOs are thus likely to oppose the further expansion of this section from a limited access 2x2 highway into a 2x3 highway which is planned for the upcoming years.

The second section on the priority list was the controversial Northern section around Dunakezi. This section, whose construction is the focus of the present case study, was to connect the old national road No. 2 and the new M2 highway – both running straight north – with the M3 highway starting in the North of Budapest and running West. This section was completed in 1999, albeit with certain amendments and under strong protests from citizen and environmental groups. The project received co-funding through a €72 million loan from the house bank of the European Union, the European Investment Bank (EIB) and a € 14.26 million grant from the EU Phare program. In the respective EU Phare project evaluation fiche, the objective of the EU intervention is described as follows:

The project purpose is to construct by-passes of the National Road No. 2, parts of the M0 (ring road of Budapest) motorway and interchanges to M3 (which leads to the center of Budapest) motorway and to the local network (old No. 2 national road). The projects contributes to the following overall Phare **objective: To ensure a balance [sic] development of and between national roads, feeder and trunk roads and international links** which constitute transit corridors and paths for external trade.
[Emphasis added]

This justification is interesting, since rather than just transit corridors in the classic sense (i.e. roads that carry a dominant share of non-local users), the EU here also purports to fund the more general development of a “balanced system” of different types of roads, including feeder roads to international corridors and trunk roads. Of course, the EU Phare program would only contribute to a *balanced* development by funding this *privileged* link if (additional international) funding for other classes of roads were equally available.⁴

The second source of EU-related funds from the EIB was approved in 1993. The €72 million EIB loan had two components: rehabilitation of 350 km of existing roads as well as construction of a 35 km section of the M2 highway north of Budapest, part of which is

included in the M0 ring road. The EIB also partially funded the new construction of national road Nr.2 to which the M0 was to connect.

The next major stretch to be built is the Eastern section. Hungary's National EU pre-accession strategy (ISPA) asked for EU funding for the new construction of the 46 km long stretch of the M0 ring road connecting the M3 and the M5 highways. The total budget of the project is a whopping €469.5 million (1999 price level estimate, excluded VAT). However, although EU grant money for this was originally expected as early as 2002, to date, no funding has been approved for this section.⁵

Finally, although neither foreseen under TINA nor under the previous Hungarian government national highway plans, the Budapest municipality, with the support of the new socialist national government, has now pushed the idea of constructing a new bridge over the Danube and continuing the M0 on the Western side. Environmental groups were highly alarmed and critical of these plans, especially since a statement in June 2002 by István Csillag, the Hungarian Minister of Economy and Transport, and Gábor Demszky, the Mayor of Budapest, included information that the Government and the Municipality would apply for funding from the European Investment Bank (EIB) to fund these projects.⁶ The accelerated full completion of the Budapest ring road is indeed the key difference between the long-term transport plans of the new social-democratic government and the old Orbán government. Completion is now planned as early as 2006. So far, however, no EU funds have been committed to develop these sections.

3 Arguments For and Against the M0 Ring Road: A Typology

Table 1 gives an overview of the key arguments for and against the M0 ring road, organizing them into five discursive frameworks for sustainable transport decision-making. The table also lists the key promoters and opponents of the infrastructure. Key arguments *for*

the ring road are listed under what I term the “ecological modernization” framework.⁷ Arguments *against* the road – or rather: objections raised against some of the substantive and the procedural sub-aspects of its planning process – are then listed within the four alternative discursive frameworks which I term the “reflexive modernization,” “communicative rationality,” “political economy” and “renunciation” frameworks. The details of these arguments are discussed in later sections.

Insert Table 1 about here

In general, arguments unequivocally speaking *for* the ring road are rather consistent at the local, national and international levels: the bypass road is to speed up traffic, avoid congestion in the center, improve accessibility and road safety. In terms of cost-benefit calculations, travel time savings (for both passenger and freight travel) and improved road safety were the weightiest arguments for the ring road (as demonstrated in the ISPA grant request and the EIB funding justifications).⁸

Arguments *against* the construction of the ring road are more varied, and can be divided into four categories, paralleling the four alternative frameworks:

1) First of all, there are the impacts the road is likely to have on the surrounding natural habitat, i.e. local ecosystem balance. Although also recognized within other discursive frameworks, such “habitat preservation” arguments only take priority under the discursive framework of “renunciation.” Giving absolute priority to ecology of course means taking a fully anti-development perspective and opposing the construction of any roads.

2) Secondly, there are “political economy” arguments focusing on the road’s effects on Budapest residents with regard to health and noise impacts, as well as alternative modal options. Here, the challenge lies in finding a solution that most fairly distributes both the

positive and the negative impacts amongst citizens. Of course, such a locally focused appraisal is bound to be at odds with an appraisal that “adds the European dimension,” i.e. an appraisal that includes the time-saving benefits to *all* passenger and freight transport using the infrastructure, and not just local residents. The problem is that long-distance travelers only reap the benefits of the ring road, but have to bear none of its local environmental burdens. (This is also mostly true for Budapest’s inner-city residents.)

3) Thirdly, “communicative rationality” arguments relate to the assessment and decision-making process leading up to the construction of the road. In other words: such arguments do not immediately question the *substance* of the arguments in favor of the ring road, but instead focus on the *procedural* aspects of the planning process, and object, for example, to deficiencies in the public information, democratic participation and environmental assessments procedures prior to the ring road construction.

4) This line of argument is, of course, also consistent with the fourth and last alternative discursive framework of “reflexive modernization,” since the concept of “risk rationality” also strongly relies on the ability of decision-making bodies to fully and adequately capture *all* social and environmental costs and benefits of planned transport infrastructures during the assessment stage, and to then approve or reject (i.e. *prevent*) a project accordingly.

Finally, there is an important line of argument relating to longer-term *regional* impacts of the ring road, notably the impact on the future of the urban economic structure (“sprawl”) and on modal splits (i.e. a move towards a more car-oriented system). This line of argument is not easily associated with one single discursive framework. However, I have grouped it in the reflexive modernization framework, since a truly consistent risk rational approach which is concerned about unintended consequences and thus cautious to take preventive action would seem the most likely arena for these issues to gain currency. In a way, one might also

say that the reflexive modernization framework offers a much more progressive variant of the ecological modernization decision-making framework with a heightened precautionary, future-oriented, more comprehensive consciousness.⁹

As below accounts will show, the threat of detrimental medium- to long term modal and land-use impacts related to the construction of the ring road is real, yet relatively unaccounted for in current decision-making structures. Anti-sprawl and modal bias arguments are frequently championed by advocacy-oriented NGOs (see Barnes 2001, especially the quote below), but to date, neither the local Hungarian governments nor the EU institutions have firmly addressed the issue. We will come back to this important point in the conclusion.

Now, in order to put this still somewhat abstract typology on a fully reality-based footing, the following section will show how all these different viewpoints and arguments played out in one concrete case. As evident from above overview, each section of the ring road has been, or is still to be, built under a particular, shifting set of circumstances, so that convincing rationalities for building or not building one stretch of the highway will not necessarily apply to all other parts of the M0. I will therefore limit my close-up view in the next section to the stretch of the M0 whose construction has been the most controversial so far, namely the section between the old National road No. 2 and the M2 highway in the North.

4 Local and International Protests Against the Northern Section of the M0¹⁰

The Northern extension of the M0 ring road was a heavily contested construction project which set two environmental precedents. For one, it was the first case in post-socialist Hungary, and in fact in post-socialist Central Europe at large, where local civic and environmental groups managed to get a local court to issue an injunction to halt the completion of a large-scale transport infrastructure on the basis of faulty environmental

assessments. Secondly and equally extraordinary, a large part of the fight against the road was not only carried out in Budapest, but also in Brussels and Luxemburg, the seats of the European Union Commission and the European Investment Bank, respectively. For the first time, international environmental groups managed to bring a case before the EU Ombudsman that prompted an investigation into the lending assessment practices of the European Investment Bank. The circumstances of the case are therefore instructive for European Union decision-making in the transport sector, and for transport decision-making with regard to the enlargement countries in particular.

While the Hungarian government and the European Investment Bank take a predictable pro-investment ecological modernization position in this dispute, environmental and civic organizations, together with local communities, brought forth a variety of communicative rationality, political economy and renunciation arguments to fight this development.

Contrary to the Southern section, there was opposition against the planned Northern section of the M0 from the very start. The environmental impacts of the project were expected to be much worse than those for the Southern section. It was also deemed a less-necessary undertaking, so that the environmentalists also argued that this money should be better spent on upgrading existing infrastructures, especially since Hungary was and is still facing a very severe backlog in road maintenance even on key international motorways. Along with environmental groups, two district municipalities in Budapest and four nearby towns opposed the construction of the M0 on their territory. Nevertheless, against strong local protests and as the environmentalists point out, “in violation of several Hungarian laws,” the first part of the northern section between the M3 motorway and the old road Nr. 2 was eventually completed, using part of the €72 million loan from the EIB as well as part of the €14.26 million from Phare.

The arguments of environmental and civic groups opposed to the construction of the Northern section of the M0 were multiple. Yet not all of them carried equal weight in the actual court cases. Interestingly, there was next to no way of effectively including “sprawl” related arguments into the environmental and civic fight against it, since the required standardized EU environmental assessment methodologies and cost benefit analyses (which, given its candidate status, should now also be binding for Hungary) do not require consideration of longer-term spatial effects. Consequently, the actual legal case against the Northern section of the M0 reads much more like a classical NIMBY and ecological activist case than it might have otherwise been. Notwithstanding this non-applicability of additional sprawl arguments, the case brought forward by the environmentalists shows how controversial the investment was.

The permission plan and the EIA of the project show that the route was going to pass through an area protected under the Hungarian Act 53/1996 on Nature Protection inhabited by a protected bush. The route was also situated about 300 meters away from a housing estate called Káposztásmegyer II that houses about 5000 people (see picture 1). A junction was planned only 150 meters away from the local nursery, with the public access roads leading up to it less than 15 meters away from residences and key social institutions including a kindergarten and primary school. According to assessments presented by the Clean Air Action Group, the network of civic and environmental organizations that led the protest against the case, permissible air pollution levels in the area were to be exceeded by up to 30% and noise levels would reach up to 76 dB during the day and up to 68 dB at night, thus also greatly exceeding permissible levels (of 65 and 55 dB, respectively) according to WHO and EU standards.

Insert Picture 1 about here

The environmental groups further pointed to faulty public participation procedures to explain the fact that nobody from the community participated in the public hearing at which the plans were discussed for the first time. Contrary to official requirements, the hearing was not announced in any major newspaper, and only sixteen official representatives attended the meeting. Hence, almost all residents first learned of the projects when the actual construction began in the spring of 1998. When the concerned citizens of Káposztásmegyer II immediately formed a protest organization, the Káposztásmegyer Environmental Protection Society, and began their investigations, they found out that their own housing estate had not been on the map used by the motorway company when it applied for the construction permit. Only Káposztásmegyer I, which was more than a mile further away from the future site of the M0, was drawn on the map.

After two unsuccessful trials which were appealed, the Capital Court of Budapest sided with the environmentalists and issued an injunction to halt construction in the northern section of the M0. Nevertheless, the citizens and the NGOs eventually lost the case and the road was opened to traffic anyway at the end of October 1999, with only one modification: the last 50 meters leading up from junction 2 remained unbuilt, so that the M0 cannot be reached directly from the residential area.

Despite this defeat, both the NGO fight inside Hungary and the European fight against the EIB's involvement in the case dragged on much beyond this date. They turned to the EU Ombudsman who is entitled to investigate possible incidents of maladministration in the EU. Projects funded with inadequate environmental assessments would fall under this category. Interestingly, it was not possible for the Hungarian environmental groups to directly bring their complaint to the Ombudsman, since only citizens or legal persons of the EU are authorized to voice such complaints, regardless of the fact that in this case EU funding outside

its current borders was at issue. The complaint therefore had to be officially handed in by the head of the European Environmental Bureau (EEB), a large, Brussels-based environmental umbrella organization.

When the Ombudsman's office was not content with the materials provided by the EIB president in response to the investigation requested by the environmentalists, the Ombudsman requested additional information, which the EIB initially refused to provide, citing Article 237(c) of the Community Treaty according to which decision's of the EIB's Board of Directors are not subject to judicial review. The Ombudsman pointed out that the activities of the Ombudsman are instead governed by Article 195 of the Treaty and that "the Ombudsman conducts inquiries ... concerning instances of maladministration in the activities of the Community institutions or bodies... Specifically, it does not provide for any exception relating to the EIB."¹¹ The EIB eventually complied and supplied additional information.

In the end, the environmentalists' fight against the M0 and the EIB illustrates two fundamentally different interpretations of what EU-led sustainable transport development in CEE means. Three excerpts from the respective correspondence serve well to illustrate this opposition. The environmentalists argued that:

The M0 orbital motorway is called an 'environmental project' because it is said to have positive impacts on Budapest's transit traffic. The northern sector of this road, however, is actually an unnecessary part of the project, having more disadvantages than advantages for the quality of life, not only for the local citizens affected, but also for a much wider area.¹²

In its initial reply, the EIB only provided a short two-paragraph response to the Ombudsman request to supply additional information, noting that:

The EIB only supports projects in the Central European countries which fulfill the European Union's broader aim to assist the adoption of the EU body of laws and standards in order to prepare these countries for membership in the European Union. With regard to the transport sector, the EU council of Ministers has confirmed **the importance of strategic highways linking EU Member States with accession countries as part of the preparation of EU membership**. ... It is not for the bank to comment on national legal procedures for granting project permits and other permissions.

So we find a justification very much based on Pan-European efficiency and the requirement for national modernization of infrastructure. Then, after repeated and more forceful requests by the Ombudsman demanding EIB cooperation, the EIB, with a long letter dated December 14, 1999 that contained several annexes, supplied specific information on the M0 case. Here, a paragraph entitled “Objective of the by-pass construction” is particularly revealing:

The objective of the by-pass construction is to reduce existing severe environmental degradation (noise, vibration, air pollution and road traffic hazards) caused by traffic crossing central Budapest as well as the agglomeration of Dunakeszi, Göd, Szödliget and Vac, north of the capital, where the residential population runs into the tens of thousands. The fact that by-pass projects which are – like the present one – designed to reduce serious environmental degradation in major urban areas run close to or even impinge on certain other existing buildings is not uncommon, and is often unavoidable if the overall improvement which is the aim and purpose of such schemes is to be achieved. The analysis of these aspects, positive and negative, are among the subjects of Environmental Impact Studies.¹³

This statement is interesting in that rationales and rhetoric are completely different from the first response letter. The EIB now claims the need for the M0 as an environmental matter. Moreover, the EIB immediately relegates the level of debate to the realm of possible specific procedural shortcomings, only admitting that “the complaint reflects a disagreement on the judgments that have been made in the assessment of certain environmental aspects, and on the way in which these have been weighed against other aspects of the project,” as the body of the letter itself explains it. *At question, then, are no longer the rationales for the investment itself, which have now been reincarnated as objective environmental needs, but only the technical expertise with which it was administered.* Even the blame for eventual procedural flaws is put on the Hungarian government as the project promoter. Environmental and citizen advocacy groups thus rightfully point to a continued discrepancy between an EU-advocated rhetoric of highly integrated, transparent, all-inclusive, “reflexive” decision-making on one hand, and a continued reality of a firmly un-self-critical EIB on the other hand, i.e. an

EU house bank which provides infrastructure financing under comparatively non-transparent, inconsistent decision-making rationales.

5 Risk-rational Concerns: Is Brussels Co-financing Urban Sprawl in Budapest?

Beyond the more locally substantive and procedurally focused legal action against the EIB, international environmental groups have since increasingly begun to question EU funding for ring roads in general, and those in connection with TEN network completion in particular. The current NGO viewpoint in this regard was best summarized by Jim Barnes of Friends of the Earth Europe (2001:6) in a speech at the Trans-European Transport Networks Conference organized by the EIB in Strasbourg. The argument is multi-dimensional and worth quoting at length:

Many of the links that are being built in the CEE with EU funds are in fact ring roads or bypass roads. While for small cities these roads play a positive role of diverting truck traffic out of city centers, in primary cities these ring roads are serving over 90% local traffic, and over 90% of the destination of the traffic is the major city. The construction of these ring roads with EU money, most notably in Budapest and Sofia but others as well, is by far the strongest inducement to suburban sprawl. These ring roads have set off a spree of real estate speculation, big box retail mall development, and increasingly of suburban housing that is fundamentally transforming urban traffic patterns from a downtown public transit focus to an ex-urban automobile dependence. These urban changes are dramatically increasing Vehicle Kilometers Traveled in CEE cities, driving most into violation of the EU's directive on NOx. While these ring roads dramatically reduce the cost of car trips in suburban areas, as they are heavily subsidized with EU grants and concessional loans, they are creating unfair competition with existing public transit systems that are not, for all practical purposes, eligible for any EU funds. Because these ring roads serve primarily local traffic, and compete directly with public transit systems, they should either be disallowed as eligible for EU funding as not being key to 'integration', or they should be supported only in a context where EU funding supporting urban surface public transit systems is also found.

This is quite a complex and sophisticated argument. Moreover, it is an argument that does not necessarily preclude the construction of the ring road as such, but rather criticizes politicians and funders for not sufficiently taking all possible medium- to long-term effects of this road into account in their decision-making process. In other words, it is - at its minimum

- a reflexive modernization-type argument which calls for precautionary mitigating measures that might counteract the unwanted and unintended consequences of this large-scale infrastructure. Alternatively, the environmentalists of course also mean to imply that should the apparently currently ignored modal and land use effects of the M0 turn out to be as massively detrimental as they fear, this would be grounds not to construct any additional sections of the ring road. This is where the argument touches upon issues of intra-regional and intergenerational equity, and therefore turns into a more full-blown political economy argument.

5.1 Assessing the role of the M0 in spurring ex-urban development in Budapest

The key role the M0 is playing in spurring ex-urban development around Budapest is certainly not an invention of environmentalists. New greenfield developments are springing up around the M0 and its adjacent areas at a rapid pace and on a massive scale. Most local and national decision-makers hail these developments as positive signs of economic growth in the Budapest region, and both the municipal and the national governments are strongly supportive of the various industrial parks and warehousing facilities spring up alongside the new road infrastructures.

Yet greenfield investments are problematic both from the point of view of the city of Budapest and from a larger sustainability perspective. Most development occurs just outside the city limits, where accessibility is high but land prices are still cheap, so the city incurs significant revenue losses from residential and commercial uses. Instead of re-using the extensive brownfield sites in Budapest's de-industrialized transition zones located in relative proximity to the historical core, large multinationals are instead attracted to greenfield sites offered to them by suburban communities and/or developers at low market prices (also see

Colliers International 2001:44). Almost all of these greenfield developments are of the big box retail kind that is considered a classic example of auto-oriented urban sprawl.

Developments near the southern end of the M0 near the intersection with the M1/M7 are particularly striking, with an increasing number of big box retail functions locating there. Moreover, residential sprawl in the environmentally sensitive hills around Budaörs and elsewhere near the M0 is becoming a major problem. Besides retail and industrial parks, the southern section of the M0 has also attracted scores of new logistical and warehousing facilities. Far exceeding the space requirements even of big box retail, these new uses take advantage of the strategic location of Budapest in Central Europe.¹⁴ In the North, investments are also taking off now that the M0 link near the M3 and M2 highways is completed.¹⁵

5.2 The lack of integrated transport and land use decision-making

While a complete review of urban and regional development trends and their pertaining planning strategies is beyond the scope of this article, a few issues with relevance to the developments alongside the M0 deserve a brief mention. First of all, it would of course be naïve to believe that the new developments alongside the M0 took planners and policy-makers in Budapest by surprise. Quite to the contrary, most of them were locally brokered deals. In the absence of any binding restrictions on greenfield sites, local communities in close proximity to the ring road continue to compete amongst each other for new development. Also, the trend of *residential* suburbanization from the city center into the surrounding communities did not begin with the M0 but developed quickly after the transition (and even before). About 30,000 people move out of the city each year, and although natural population growth is negative in the entire region, the belt around the city still shows a strong upward trend in population (Ongjerth 1999:7).

This trend is particularly worrisome in light of the fact that Budapest not only still has a functioning high-density core, but also a large number of relatively low-density districts immediately adjacent to the core. This so-called “transition zone” largely consists of former industrial brownfield sites that became derelict during post-communist economic restructuring. A truly environmentally “sustainable” transport and land use strategy for Budapest oriented along EU compact city ideals would have to concentrate on making this area attractive to investors for mixed-use urban redevelopment, combining residential, commercial and light industry uses. In particular, disputed ownership and fuzzy tenure issues would have to be resolved and transit access improved. At the same time, there would have to be a regional consensus on limiting greenfield investments in the periphery. Instead, however, the current Budapest Urban Development Strategy is trying to do a little bit for everyone, somewhat too comfortably promoting redevelopment in the inner city areas and the transition zone *parallel* to an active expansion of the southern M0-M1-M7 highway zone as a key logistical zone as well as a new focus on the so-called Northern twin cities around the northern end of the M0.

Of course, it is always difficult to counteract individual household preferences for low-density single family suburban homes over multi-family inner-city dwellings, especially since these preferences were artificially constrained during communist times. It is equally difficult to keep multinational investors from locating on new greenfield sites where land is cheaper, accessibility guaranteed and no disputed ownership issues loom. What additionally exacerbates the problem in the Budapest agglomeration, however, is the great lack of regional cooperation between inner-city and suburban municipalities. The city remains in a constant clinch with surrounding communities and competes with them for foreign and national investment. In fact, the 23 Budapest districts even compete fiercely amongst each other. Ideas for new administrative bodies in the agglomeration have been proposed, but no actual

decision-making powers have been transferred to the regional level so far (also see Ongjerth 1999). Too many stakeholders seem to economically benefit from new greenfield developments along the new highways, and established local actors are not prepared to give up their decision-making powers.

5.3 The EU as a partial accomplice in a problematic transformation

In sum, to date, no proper integration of transport and land-use policy-making in Hungary exists, and no effective regional body is available to strategically direct land-use developments in the Budapest agglomeration. This problem is not at all particular to Budapest, of course, but rather a situation that most cities in the world are facing. However, the key difference in Budapest is that a key EU-funded Pan-European transport node is at the same time the most decisive factor in spurring ex-urban development. Considering the high standards which the EU sets for itself in terms of sustainable transport and land-use development in its policy documents, one might have expected these regional dimensions to play a larger role in the decision-making process. Given its status as a key Trans-European Network-extension node, it is highly unlikely that the EU would have ever come out in disfavor of completing at least the southern, eastern and northern sections of the M0. However, both the EU and the IFIs might have used their financial leverage in order to ensure that the construction of the ring road was better complemented with a regional development strategy that minimized greenfield development and additional motor vehicle travel. Yet so far, the fragmented, inefficient regional governance structure has not been a factor in the decision-making process for any of the EU-related transport funds to Hungary, nor have specific efforts been made to address suburban-urban conflicts of interest and occurrences of urban sprawl. In light of the EU's sizeable and specific financial contributions for road transport infrastructure upgrades in and around the Hungarian capital, there is thus some

justification for making the provocative argument that the EU is at least partly an accomplice in the problematic transformation that the urban structure of Budapest is currently undergoing.

6 Conclusions

The M0 case study demonstrates worrying discrepancies between the general rhetoric of sustainable development and sustainable transport in key EU policy interventions and the actual reality of EU co-funded transport-sector infrastructure investments as it affects local environments. Additionally, there are important deficiencies in terms of environmental and social assessment, policy integration, transparency and public participation and information. Yet, persistent disagreements regarding the details of the planning process leading up to the construction of the M0 notwithstanding, local citizens' and ecological concerns could, at least in theory, be relatively comprehensively addressed within currently existing decision-making procedures. A more stringent, pro-active application of existing public participation rules and of environmental assessment procedures would certainly have prevented much angry reactions from local residents. Meanwhile, concerns over longer-term land use and travel impacts currently have no legalized decision-making framework in which they could be voiced, neither does the EU seem particularly keen on imposing such a framework on national or local governments.

Admittedly, given the multiple and conflicting interests connected to the M0, it is difficult to give a straightforward assessment of whether the costs of the ring road will outweigh the benefits. Besides the disputes over whether the costs and benefits were calculated correctly, there is also the question of whether their distribution among local and international actors was *fairly* assessed and this assessment adequately taken into account by the international financiers of the project. The M0 is therefore an instructive case study on many levels, pointing to, among other things, the difficulties facing European Union

institutions as supporters and financiers of large-scale infrastructure fulfilling strategic interests. However, even beyond the challenges of multi-level policy-making, the dilemma of the construction of the M0 illustrated a number of daunting planning and policy issues.

The previous section demonstrated that the growth- and mobility-oriented decision-making rationales which currently dominate EU and Hungarian national and local-level politics tend to disregard the detrimental long-term regional impacts of large-scale transport infrastructures such as ring roads. Moreover, the M0 case has also shown that a variety of alternative aspects such as public accountability, participatory democracy, mediation of locational conflict, and environmental preservation tend to disappear from view once the *Realrationalität* of ecological modernization sets in. Finally and perhaps most importantly, the M0 case rather clearly demonstrates a key difference between the EU's (and the local Hungarian government's) main eco-modernist discourse and its closest alternative, namely the more moderate *reflexive* modernization discourse prominent among many other international stakeholders (including most mainstream environmental NGOs and even parts of the EU itself): at minimum, the latter want to keep the precautionary promise alive. They would therefore advocate a more comprehensive, future-oriented risk assessment of *all* aspects of large-scale infrastructures, including the problematic, and difficult to assess, regional land use and mobility impacts which the eco-modernists perspective tends to underplay.

In the end, it is not really possible for the international promoters of the M0 to interpret land use changes around the ring road as *unforeseeable* side-effects, e.g. an outgrowth of a dynamic local economy independent of international trends. Implicit in such an interpretation would be the admission that it was impossible to accurately assess *all* key costs and benefits of the planned infrastructure investments during the project identification stage. This, however, would in turn constitute an ex-post invalidation of whatever cost-benefit

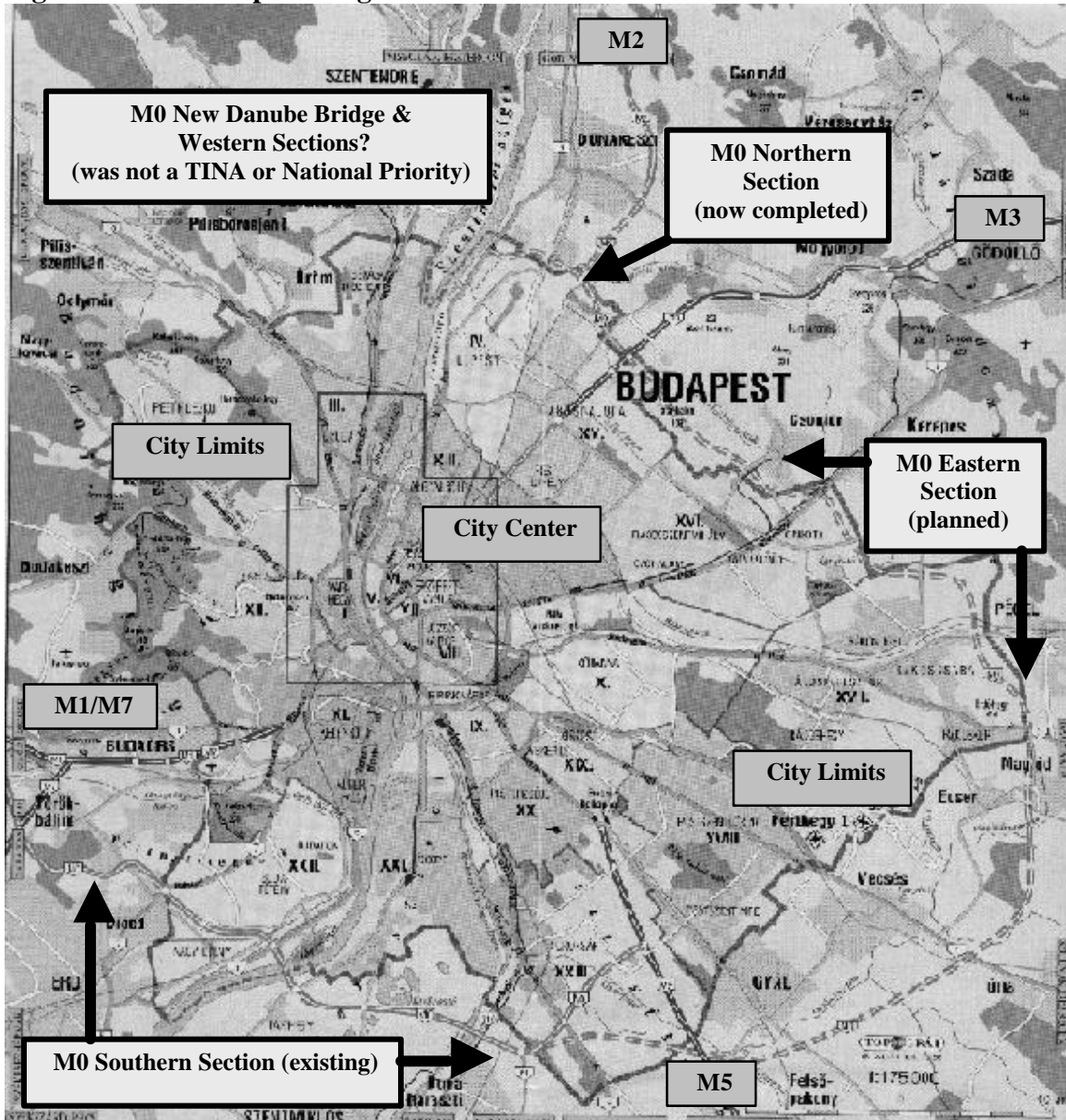
assessment was originally used to financially and economically justify the project in the first place.

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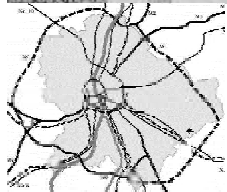
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Figure 1: The Budapest Ring Road M0



Source A: Scanned Topograph AGAT map (1998) with own additions



Source B: HVB Expertise(2001)

Table 1 Main Arguments for & Objections against the M0 Ring Road Plans

	Mainstream Policy Goals	Arguments in favor of the M0 Plans	Key Proponents
Ecological Modernization “Sustainable Growth”	Network Expansion High-Speed transport Managed Growth	“Missing Link”: Key international & national transit node “Bottleneck”: Effective bypass, helps Budapest growth	EU, IFIs, Hungarian national government, Budapest municipality
	Alternative Concerns	Objections raised against the M0 Plans	Key Opponents¹⁶
Reflexive Modernization “Risk rationality”	Precautionary Principle? Unintended Consequences?	Longer term land use impacts (sprawl) Increased motorization	International sustainable transport advocacy groups: <i>ITDP, T&E</i>
Communicative Rationality “Rationality”	Participation? Access to Information? Democracy?	Faulty participation procedures, no adequate public information Faulty EIA (wrong maps, no dispersion model used for pollution impacts, etc)	EU Environmental NGOs: <i>FOEE, European Environment Bureau</i> CEE-wide NGOs: <i>CEE Bankwatch</i>
Political Economy “Equity & Social Justice”	Who benefits? Impacts on citizens?	Privileges car owners Lack of parallel investments into transit Health & noise impacts on local residents	Local municipalities in Dunakeszi Local citizens: <i>Káposztásmegyer Environmental Protection Society</i>
Renunciation “Ecological Balance”	Land use consumption? Effect on overall mobility? Impact on habitats?	New greenfield land take Severance effects Inadequate measures for protected bush Sensitive ecosystems in the Buda Hills	Local environmental NGOs: <i>Clean Air Action Group</i>

Picture 1: Construction of the Northern Section of the M0 ring road with the Káposztásmegyer II Housing Estate in the background.



Photo Credit: Feiler and Stoczkiewicz (1999:22)

Notes

¹ One of the corridors, the river Danube, passes right through the very center of the city. The exact bypass locations of the other corridors were not precisely defined at the time that the extension corridors were decided upon in Helsinki in June 1997.

² Note that the 1998 base map does not show any alignment for the last section in the West. This section of the M0 was neither part of TINA nor of the Hungarian government's long-term motorway plan. Nevertheless, there are now reinvigorated calls to build this section sooner than originally planned. More specifically, the new socialist government is now calling the Northern M0 bridge and the completion of the ring a new national-level infrastructure priority.

³ World Bank funds to the first section of the M0 were provided under their First Transport Project to Hungary (Loan Nr. 2557-HU), providing USD 30 million out of a total project cost of USD 75 million. Besides funding the M0, this loan also provided assistance to the Hungarian State Railways (MÁV) and the trucking company Hungarocamion. The loan was already approved in 1985, but the projects were only completed in 1992. In 1992, the EBRD provided a €21 million loan to Hungary specifically for the M0.

⁴ From a discourse analytical point of view, the cited Phare regional development objective represents an interesting "rationalization" for infrastructure funding, since it is conveniently phrased such that it in fact leaves the door wide open for funding almost any kind of road not strictly intended for local use. Keep in mind, however, that at least the main "victims" of the M0 ring road are likely to be found at the local level.

⁵ In terms of local resistance, less controversy is expected to ensue over this particular section since the environmental areas to be crossed are considered less environmentally sensitive, and local communities to be less affected. This impression, of course, may change as new NIMBY (Not-In-My-Backyard) groups rise to the fore, new details from the feasibility studies emerge and new land use development plans in the wake of (or rather, anticipating) the ring road become public.

⁶ See the online note under <http://www.bankwatch.org/press/2002/press98.html>, last accessed September 6, 2002.

⁷ Note that many of these positive effects are also recognized within the other frameworks, even if these frameworks ultimately do not consider them the most decisive arguments in the decision-making process.

⁸ Note that despite this pre-construction rhetoric, I dropped the road safety argument from the above table. The reason for this is that empirical evidence was to the contrary. The completed southern section of the M0 did not feature any separation between the lanes and turned out to be an especially unsafe highway, leading to the unfavorable nickname "Death Road" both in the media and the public at large. Empirical data presented by the ministry show that accidents with light and serious casualty rose sharply on the M0 after 1993, peaking in 1995. Levels are now going down, however, since the government retrofit the M0 with additional safety features (dividers, reflectors, additional information panels) and increased police presence to avoid speeding.

⁹ Note that for the sake of completion, it is worth pointing out one additional position, namely the "alternative investments" argument. Such a position would discourage *any* new infrastructure investments in the comparatively wealthy Budapest regions and instead favor investments in less privileged and poorer settlements in Hungary. This position, which might best be grouped in the political-economy category, is consistent with certain EU and national arguments for spatial cohesion and greater polycentricity. However, although politicians from rural Eastern Hungary indeed do object to many additional large-scale infrastructure funds going into the capital, this did not really carry any weight in the actual debate around the M0. Also remember that with regard to *local-level* political economy arguments, depending on the local actor's personal viewpoint and economic situation, the same impact (e.g. mushrooming of hypermarkets) can be of course perceived as positive (e.g. cheaper, one-stop shopping, potential for local employment) or negative (destroyed nature recreation area, threatens small local shopkeepers).

¹⁰ Much of the key correspondence of the case is contained in a special "M0 Dossier" prepared by the CEE Bankwatch Network in January 2000. I included additional information and updates from my own interviews, site visits and email correspondence with the relevant stakeholders. Additional information on the (NGOs' interpretation of the) M0 case can also be found in Feiler and Stoczkiewicz (1999). For the very first time, the EIB has recently begun to more pro-actively respond to the repeated NGO attacks regarding this case by presenting some of their own views on their web page.

¹¹ Letter by the European Union Ombudsman to Sir Brian Unwin, President of the EIB. See Feiler, J. and M. Stoczkiewicz (1999). *The European Investment Bank: Accountable Only to the Market?* Brussels, CEE Bankwatch Network and Heinrich Böll Foundation.

¹² See CEE Bankwatch Network (2000). *M0 Dossier*. Budapest, CEE Bankwatch..

¹³ Annex of a letter written to Mr. Jacob Södermann, the European Ombudsman, by Sir Brian Unwin, the President of the EIB, on December 13, 1999. Copy supplied in the CEE Bankwatch Network M0 Dossier.

¹⁴ Although problematic from a conservationist perspective, these greenfield developments are more difficult to assess in terms of overall transport sustainability, since several of them consist of traffic-intensive, distributive functions that are rightfully being relocated from Budapest's more central districts to the ring road. On the other hand, many of the new businesses relocated from Vienna (the current logistics hub in Central Europe) and elsewhere, thus bringing new traffic into the region rather than relocating existing traffic from the Budapest center. A key question in terms of longer-term sustainable transport development is whether the logistic centers will be predominantly truck based, or whether they will also rely on rail and combined transport. As figure 9.4 shows, so far the biggest centers developed where the M0 intersects with both other highways and rail lines.

¹⁵ The most problematic is a giant shopping center. In October 2001, shortly after environmental challenges against the development plans had been defeated in court, the French multinational Auchan opened their largest hypermarket in the world (19,600 m²) immediately next to the disputed, EIB and Phare-co-funded M0 junction by Dunakeszi. The environmentalists had fought the development on the grounds that the development was planned on a wetland that should be preserved. Since the M0 is located at the edges of the municipal boundaries of the City of Budapest, the city has little influence on these developments, and the local communities surrounding Budapest are eagerly competing for investment, frequently offering land to developers that was not originally intended for development.

¹⁶ ITDP is the Institute for Transportation and Development Policy, based in New York City. This international transport advocacy NGO has worked closely with the Hungarian Clean Air Action Group on many CEE transport issues over the last decade and provided key support on the M0 case. T&E is the acronym for the European Federation for Transport and Environment, the umbrella organization of European Traffic Clubs. FOEE is Friends of the Earth Europe, an umbrella organization of environmental NGOs based in Brussels. CEE Bankwatch monitors IFI activity in the CEE region, with a particular focus on the EIB. The Clean Air Action Group is a Hungarian national federation of over 80 individual NGOs.