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Changing role of state and local responses in retail and consumption in different non-metropolitan areas of Hungary

The optimistic vision of a balanced socio-spatial development trajectory of the European economic space has been constantly challenged by the rise of new dimensions of socio-spatial inequalities and, recently, by the polarising effects of the global economic crisis. Inequalities emerged not only as income differentials but also as various forms of material deprivation, such as having limited access to basic goods, services, and housing and struggling with permanent financial difficulties. In this study, we focus on spatial processes produced by various institutional—corporate and administrative-bureaucratic—strategies that changed the ‘material’ conditions of consumption practices profoundly, before and after the crisis. The *critical political economic concept* that we employ allows us to consider consumption as a socio-spatial practice in which various (class, gender, family, etc.) social relations manifest, and, as a social act, are embedded into a ‘material reality’ of consumption spaces. Thus, we consider the on-going restructuring of consumption spaces and the related practices as manifestations of uneven development and the underlying (spatial) logic of capital. We seek to reveal the following: i) how localities were polarised by the influx of retail capital and the spread of new retail forms; (ii) if a shift towards a tighter control in retail and consumption enhanced or eased the unevenness of consumption landscapes; and (iii) whether the polarisation processes were accelerated by the crisis (the spatially uneven decline of retail investments and household incomes). To achieve these objectives, we rely on a combined methodology including the analysis of spatial statistics on retail restructuring and consumption in relation to corporate strategies and changing regulations. For the latter, we employ the content analysis of the relevant policy documents and media discourses as well as empirical results of fieldworks (interviews with executives) targeting various retail organisations. *Our results* reflect the role of retail capital—multiple territorial embedding—in driving uneven development during crisis through corporate strategies for protecting their spatially fixed assets. The retailers’ spatial strategies should be understood as the manifestations of the responses to the crisis of the financialised Central and Eastern European (CEE) markets (declining demand, indebtedness, and flight of capital from peripheral markets) that differentiated consumers by income and by place of residence across Hungary. This process was also facilitated by the state through the parallel employment of an interventionist retail policy and a re-fashioned and socially selective redistributive system, which fuelled the emergence of ‘deserving’ and ‘undeserving’ consumer groups—marginalizing primarily the poor living in peripheral (mostly, rural) spaces within Hungary.