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SOME RESULTS OF A RESEARCH ON LOCAL ECONOMIC DEVELOPMENT (LED) IN COUNTRYSIDE IN HUNGARY

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Abstract: Local Economic Development (LED) is in focus in some ex-socialist countries of Europe. Eight different settlements were examined by different methods in 2012-2013 to study the present situation of its state of economy and employment and the local resources in a research. The aim of this paper is to show the key factor of LED, to attempt for standardization taking into account the scientific literature, to define indicator of well-being in countryside and an evaluation by a new LED model.

Keywords: local economic development, Hungary, countryside economy, rural, development model

1. INTRODUCTION

In the ex-socialist countries the transition period caused growth in difference of regional development. Although many financial resources have been spend to close development gap among regions and settlements of Hungary, however it may not be said successful really. The rural areas are usually less-favoured areas with high unemployment rate. Rapid growth in development occurs mainly in the capital, Budapest and in some cities and villages. The local government would have to take more effort to develop local economy based on own local resources.

The eight examined settlements represent different kinds of locality type both location and population. The location of settlements is on Figure 1 (Simonyi, P. et al. 2013).

Examined settlements in Hungary
(with the population of 12-12-2011)

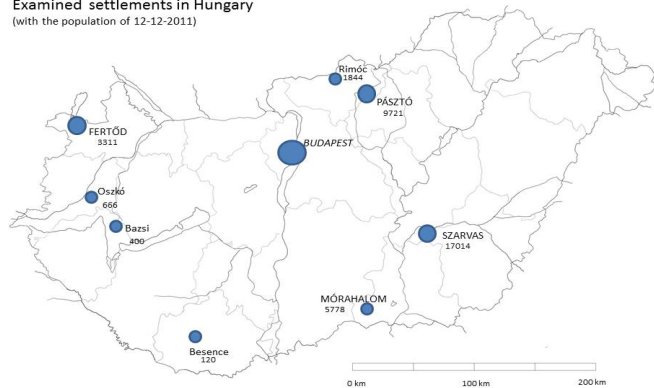


Figure 1. Location of examined settlements with population on 12-12-2011 (letters in capitals: city; in italics and capitals: capital of Hungary)

The aim is to define the key factor or factors of successful local development as this state has been recognized in some settlements in the pre-study. Furthermore we wanted examine how so-called ideal types of rural areas could be applied in Hungary? Interesting question is which indicators or indicator could be the most representative ones to show well-being of locals in countryside? Finally, a new model on local economic development how can help for evaluate the LED?

2. MATERIALS and METHODS

2.1. Materials

In this paper on LED the materials were the scientific literature and the results of the field studies, based on different methods, used in the eight different settlements as four cities (Szarvas, Pásztó, Mórahalom, Fertőd) and four villages (Rimóc, Ószkó, Bazsi, Besence).

There are different not only the number of inhabitant (Figure 1.) but their geographical position also. Rimóc and Pásztó are in Northern Hungary, in a hilly area. Szarvas and Mórahalom situated in the Great Plain (Alföld) and the other four localities can be found in Transdanubia (Dunántúl). Besence is in the south, Dráva-plain and Fertőd situates in quasi opposite in north-west at the Austrian border. Ószkó and Bazsi are more or less typical transdanubian villages in the west and in the middle sub-region.

2.2. Methods

The study method for the research in the field-work was multiple ones to come near to the holistic approach (Clark 2011). Standardized questionnaire used for open the opinion of the inhabitants up. In-depth interviews were the most important way to uncover the sight of local stakeholders. Focus group interviews were planned in every settlement with dominant persons and local stakeholders, except the major, however in Fertőd it was unsuccessfully. At the end there was only one participant but by that situation the strength of local social cohesion was represented. In the other localities it was found special useful way for our research.

It was an important condition that only those persons were asked who had some connection with the locality.

3. RESULTS and DISCUSSION

The answers to the questions of this paper can be concluded in few points on base of the results of the study.

The local hero was found the main key factor of LED. He is not the only one but local hero is a dominant person. The number of local heroes depends of the number of inhabitants. Mórahalom, Rimóc, Bazsi and Szarvas were typical settlements where the strong leather determinates local development and his successful activity provides visible development for locality. The local attachment as property of the local person transforms to local paternalism described in wide aspect in Illés (Illés, S., 2014). The best practice was found in Szarvas where the support of local government from so called business Incubator House following project database up to the tax reduction for small enterprises give chance for new entrepreneurs good start up. This effective structure gave a prosperous view of the city with high level cultural life. The key to the future of development of local economy is in attitude and activity of local inhabitants (Czene, Zs., Ricz, J., 2010).

Second question is that standardization of rural areas can be used in Hungary? Marsden et al. and Flynn and Lowe set ideal types of rural areas up (in Dünckmann, F., 2009; Flynn, A., Lowe, P. 1994). The four types of countryside have typical

features. The preserved countryside is scenic region near the urban metropolitan area, where LED focus on preservation supported by high income commuter households. The contested countryside is in an outer zone where effects of urbanism idea are on lower level. Against the local authorities, landowners, farmers the incomers advocate a cautious way of development of local economy. In the paternalistic countryside the locals are able to guide the LED partly from their estates. The fourth ideal type is the clientilistic countryside which depends on state subsidies. Rapkay, B. was the first, in his not published thesis, examined these ideal types in 2012. In our study we applied it for Hungary and we found some difference in, after Rapkay. In Hungary the preserved countryside has not generally the feature to be close to the metropolitan areas, because affluent commuters prefer the modern high quality lifestyle and living conditions. However some high educated middle class citizens have interests "to preserve the countryside, and also it is the result of their particular attitude towards the rural area" which results "conservation of the traditional image of villages" can be basis of rural tourism (Simonyi, P. et al 2013 p. 43.). Villages of this ideal type of countryside situate far from the metropolitan areas in Hungary in many cases. The contested countryside is the more frequent type in Hungary. Efforts for LED are made by locals but less than more effective ones usually. The heritage of the past (unemployment, lack of jobs, traditions) are coated by new ones as land ownership after land privatisation, political conflicts, end of subsidy finishing project program and some other reasons. This type of settlement is examined by the researchers of rural areas, sociologists and it is attended by media. The paternalistic countryside has strong background come from our history out. Land and its cultivation are in centre. Widely accepted that land owner should be the person who also cultivate it (Mellár, T. 2012). But today the basis of paternalism is really rather an attitude, a mental relationship to the locality. The high level of local patriotism and paternalism are the roots of fruitful LED. Some good example was found by the project. Unfortunately the clientilistic countryside or state-dependent countryside is other frequent

ideal type in Hungary. Mainly in the Northern Hungary and in the north-east region, furthermore in south Transdanubia it is common that small villages depends on the state support. These are the least favours localities having the most problems where locals lost vision of their future the life is only to survive the actual day.

It was an clear conclusion that features of different ideal types of countryside were characteristic for a settlement so “more typical” words may be a correct answer to classify a settlement into an ideal type of countryside.

Thirdly a question was put to answer on the indicators which best shows a prosperous countryside or settlement. According to the goal of local economic development the aim is to develop a flowering countryside where it is worth to live and there is a local and individual vision of future. The well-being depends on the daily income closely linked to the employment proved to be the most serious problem (Skerratt, S. 2013). For the local inhabitants in countryside beside the risk of downward social mobility the threat of unemployment status became the major economic problem (Csaba, L. 2011). The individual and the local income and the unemployment rate define the local economic level clearly as we can sum up. However the social community life can be much more underdeveloped level.

Finally mentioned a LED model is an output of the two years research. Previously a general model of LED and a specific model of LED have published in Geographical Review last year (Rapkay, B. et al. 2013).

This concept, put by Illés, Sándor on in 2014, discussed by study-group, is an attempt for holistic approach. In this paper two aspects are outlined in extreme short way.

One of the main questions is what should be in focus of a LED-model? We can think local paternalism or local economic development. By ones local paternalism should be in because it was found the most effective factor. By others local economic development need to be in focus because of the goal is to prosper countryside in Hungary.

The other main idea of the Illés-model is the different layers, spheres from “inner local world” to the “outer world” put around the centre.

I show here only a short analysis by some inner factors in concentrated sentences. The list of possible inner factors is in Table 1.

Table 1. Inner factors of the LED model

Type \ Dimension	economy	social-nature base	Others
Local	local product	local heroes	local institutions
Resource	capital	human resources	vindication of interests
Product level	local market, shop	tradition, innovation	self-employment self-forethought
Policy	on economy	on environment	on society

Source: own compilation

These factors have different values by settlements. Local product have typically found in agriculture (e.g. Szarvas, Rimóc, Besence). Local heroes were discussed before. Local paternalism is representative in those settlements where there is a local hero however it is not inevitable. Local institutions have an important role, the least in Fertőd. Local market, shop are generally weak point of LED in these localities. Regulations in many cases are against them. Traditions, as all over the world, are general commercialized. Rimóc is the “last village” of palóc population. Innovation for the future, of local products also, is rare. Self-forethought, self-employment appears in different way in the settlements. On the one hand it is necessity because of being the only way for living there and on the other hand it is a conscious activity of local leaders. Capital is a factor that is a lack in every settlement. Vindication of interests is an important factor of development both inside and outside sphere. The EU-projects and successful applications for subsidies can be realized by. Szarvas was the best example of it. In the examined localities human resources have been found similarities ones. The graduated youth and the well qualified workers are lost for the settlement because their life is planned in large cities, in the capital or abroad. Number of the local intelligentsia is decreasing. This process has a negative effect on local economic development. Local policy on economy can improve local potential much better then it is seen today because there are many tools that could be used by the local government. The

best practice was found in Szarvas where the strong mayor supports local enterprises in a pilot-way. The local tax reduction, house for start-up entrepreneurs, administrative service for EU funds, competitions is a specific structure extremely useful for start-ups and small enterprises. Policies on environment and society are in close connection with the other policy. This way of LED is the only solution for local sustainability.

Results of the project can be concluded in some sentences. The key point of the LED has found the local hero who could be more persons if the number of inhabitants of settlement is higher. The ideal types of rural areas in Hungary differ from the literature, the settlements less depend on the distance from metropolitan areas and one locality has more features of an ideal type. The local income, included the income of local inhabitant, and the unemployment rate seems to be the best indicators of well-being in countryside, however it not represents the local social state. A LED model could be a good help to analyze the different localities. All of these thesis demands further discussions.

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