

Regional Status Report of Hungary



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MINISTRY OF NATIONAL DEVELOPMENT, MINISTRY FOR NATIONAL ECONOMY

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PREFACE

Positive professional and public feedback following the previous publications of the *“Regional Status Report of Hungary”* proved that there exists considerable demand in Hungary for accurate information based on a regional approach. By compiling this third volume since 2008 we want to serve this demand.

The *“Regional Status Report of Hungary, 2010”* provides the reader with a detailed picture of the territorial structure of Hungary, and contributes to a better understanding of the social, economic and environmental conditions of the country to as broad an audience as possible. Therefore, besides the professional circles of sectoral and regional experts, it is worth the attention of a wider public both in Hungary and beyond its borders. Similarly to the previous volumes, this English translation of the Report was prepared to serve international interest.

The fact, that Hungary shall take the presidency of the EU in the first half of 2011 and that the Regional Agenda and Regional Development Perspective of the EU shall be revised under the coordination of Hungarian experts also support the endeavour of the Report to explore and introduce the differing development potentials of the various regions. It is so much the more so, as the territorial processes facilitating development cannot be separated from the European trend and they also influence the shaping of the future regional policy of the Community.

By presenting the differences between the various regions the Regional Status Report may contribute to a circumspect development of the pillars of the New Széchenyi Plan, and to the identification of the interventions addressing the problems of the various regions relying on the specific circumstances and gifts of such regions. Simultaneously, by the regular and detailed analyses of the territorial (regional) processes, the information basis and the monitoring system of the publication shall also contribute to the monitoring of the results and impacts of the New Széchenyi Plan.

Editors

INTRODUCTION

Based on the country's regional features, the third issue of the "*Regional Status Report of Hungary*" aims to provide accurate, statistics-based, factual information about

- the position of Hungary within the European Union,
- the territorial picture of the whole country,
- the relative position of the Hungarian regions compared to each other, and the differences in between them,
- the major characteristics of domestic and EU subsidies provided to the regions,
- the status of the development area types defined in the National Spatial Development Concept.

This publication provides comprehensive territorial information related to year 2008, based on concise, to-the-point spatial analyses. It can be logically aligned to and be classified as one of those important documents aiming the support of decisions on regional development that were prepared in 2010, such as for example, the Parliamentary Report on the changes of spatial processes and the enforcement of the spatial development policy and the Revision of the National Spatial Development Concept.

The findings of this publication rely on the data from the Regional Development and Spatial Planning Information System (TeIR), and their methodological foundations are from the Regional Development Monitoring and Assessment System (T-MER) revised in 2008 and 2009. This year, the first chapter of the Report deals, as with an issue of utmost priority, with Government Decree No. 37/2010 (II. 26.) on Spatial Monitoring relying on the TeIR and T-MER systems which incorporates the regulations covering Hungarian territorial monitoring and evaluating activities in a uniform structure. In the first chapter, in addition to the introduction of the decree the actual territorial monitoring and evaluation tasks related to the new law are presented.

We endeavoured to provide a well informative picture of the status of the Hungarian regions, but in the meantime we also tried to make the material as easy to read as possible, and to use a broad circle of visual aids, too, in order to make the Report colourful and enjoyable. In order to present the actual situation, the significant changes that took place compared to last year had to be presented in certain cases by short reflections to the data and trends of the previous years and by map illustrations of the direction of the changes that are to be expected on a short run.

The detailed material serving as foundation for the new "*Regional Status Report of Hungary*" and the full text of Hungarian and English publication are available at the www.ngm.gov.hu and the www.nfm.gov.hu hompages, as well as at the www.terport.hu homepage operated by VÁTI Nonprofit Ltd.

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INSTALLATION, RESULTS AND ACTUAL TASKS OF THE CENTRAL TERRITORIAL MONITORING AND ASSESSMENT SYSTEM

Already at the outset of establishing the basis for modern domestic regional development in the Act XXI/1996 on Regional Development and Physical Planning (Hungarian abbreviation Tftv) the legislators defined the regular monitoring and assessment of the social, economic and environmental processes of the different territories and regions as essential aims of the regional policy. The central regional development organs always tried to have the basic analytic and assessing surveys of the territories prepared so that they could be used for supporting planning. The fundamental document of Hungarian regional development policy, that is, the National Spatial Development Concept (Hungarian abbreviation: OTK), adopted in 1998 was prepared for this reason. To secure its proper foundation and, then, enforcement, territorial surveys and analyses analyzing and assessing the territorial processes in the whole country have been prepared on a regular basis. These studies greatly contributed to the assessment of the implementation of spatial political goals, and also to the transformation of the instrument and institutional system with a view to render it more efficient. The most important of the reports was the one that the ministry for regional development had prepared for the Parliament on the changes of spatial processes and the enforcement of the spatial development policy in every four years, the first of which was tabled in 2001, then in 2005 and the last in 2010. The fundamental task of this report was the detailed assessment of spatial process, the preparation of the revision of the National Spatial

Development Concept and the comprehensive review of the instrument and institutional system of spatial development. To complete this task it was necessary to arrange the appropriate vocational background systems, the statutory provisions regulating the field and the harmonized vocational political streaming in a way as to fit into the planning system.

The Regional Development and Spatial Planning Information System (TelR) was established in 1997, only one year following the adoption of the Act on Regional Development and Spatial Planning. Its contents and operation are regulated by *Government Decree No. 31/2007 (II. 28.) on the Information System on Regional Development and Spatial Planning and the Rules of Mandatory Data Supply amended in 2010 by Government Decree No. 65/2010 (III. 18.)*.

Relying on the Regional Development and Spatial Planning Information System and its data base, the elaboration of a nationwide spatial assessment methodology as the methodological tool kit of centrally coordinated spatial assessment tasks was started in 2001. The Regional Development Monitoring and Assessment System (T-MER), that was to be used as methodological foundation for the report to be prepared for the Parliament in every four years was ready by 2003. Together with Regional Development and Spatial Planning Information System T-MER is operated by VÁTI, the background institution of the ministry, according to the instructions of the ministry. The Regional Development Monitoring and Assessment System is a methodological tool kit and process model that serve for measurement, assessment and evaluation of spatial processes and the success of regional development policy. An important goal of

the system is to support the reports that are to be prepared for the Parliament and, simultaneously, to serve as the most important methodological guide, indicator collection and evaluation model of thematical spatial assessments and of the spatial assessment of development funds. In 2003, and then in 2008 T-MER was renewed and following this, a new independent T-MER module containing specific calculated indicators has started within TeIR.

By supporting these systems aiming to facilitate the passing of policy decisions, analyses and evaluations on national level together with concepts and methodologies have been elaborated for years by the national management of regional policy. Just to mention a few of the most important:

- reports presenting the spatial trends and assessing the effects of the policy on regional development have been prepared annually and in every four years;
- a comprehensive spatial assessment of the system of state subsidies aimed to contribute directly or indirectly to regional development has been prepared for the National Regional Development Board every year since 2004;
- insofar as the domestic funds of regional development are concerned, the ministry for regional development has reported on the absorption of the decentralized regional development funds annually to the National Regional Development Board since the adoption of the first National Spatial Development Concept;
- in connection with the implementation of the National Spatial Development Concept and the assessment of the spatial and regional programs, the methodology of spatial cohesion reports assessing the actual vocational output of the development programs in spatial context and in the context of spatial policy was ready by 2008, and the first relevant report was drafted in 2009;
- the impact study on the level of the microregions in 8 fields regarding the domestic and EU development resources in the period between 2004 and 2006 was prepared in 2009. Its first results could be seen in the background materials of the draft Parliamentary Report on the assessment of spatial processes that have taken place in the period between 2003 and 2007;
- regular studies have been prepared on the spatial contents of the sectoral policies and on the matching (or not) of the various spatial goals with the sectoral programs;
- methodologies were prepared for a more in-depth analysis of the various types of regions (e.g. most disadvantaged regions), and also to provide a foundation for the spatial study and evaluation of various sectors or intersectoral themes. On the basis of these methodologies new assessments were prepared (e.g., in the fields of employment, climate protection and renewable energies);
- with a view to regulate the process of spatial planning and the preliminary assessment of the planning documentation, Government Decree No. 2/2005 (I. 11.) extended the scope of the planning process by having made from 2005 on mandatory for each development plan the carrying out of a Strategic Environmental Study (Hungarian abbreviation: SKV). As part of this, preliminary environmental studies have been included in several spatial planning documents, and to support this, regional SKV methodologies have been prepared.

The ministry responsible for regional development laid an all increasing emphasis on the publication of

the results of assessments. In consequence, the number of vocational publications for information purposes has grown lately. The new *Regional Status Report of Hungary*, introducing the annual analysis of spatial processes and the new results of regional development, a handbook on spatial cohesion, and a comprehensive assessment of the decentralized subsidy system of regional development in Hungary in the period between 1996 and 2008 have been published. The four years' vocational program of regional development based on the vulnerability studies examining the effects of regional climate changes has also started.

Pursuant to the amendment of the Act on Regional Development, more accurately, Section 27(1)(h) thereof, in 1999 the Government was authorized to define by a decree the duties, the competence and the operating and organizational rules of spatial monitoring system. The Decision of the Parliament No. 97/2005 (XII. 25.) OGY on the new National Spatial Development Concept did the same by declaring that a spatial monitoring and assessment system is necessary to be set up. Based on the authority received, the ministry for regional development drafted their recommendations regarding the new system and tasks of regional assessments, the concept of the so-called Regional Assessment System (Hungarian abbreviation: TÉR) in 2007–2008 in order to strengthen the institutionalization and development of the spatial monitoring and assessment system and to set up its legislative background. This concept laid down the frames and the basic principles of the establishment of the spatial monitoring and assessment system, the potential development tasks and the instrument and institutional criterias of the operation. Following the

elaboration of the concept of the Regional Assessment System, the preparation of the statutory provision regulating spatial monitoring has started and then continued in 2009. Simultaneously with it, the Regional Development Monitoring and Assessment System was being revised and renewed. In 2008, preparation of the decree has started and in 2010, the government approved *Government Decree No. 37/2010 (II. 26.) on the Spatial Monitoring System*. The Act defined the duties of the monitoring committees, and the sphere of assessment documents falling within their scopes of authority.

The purpose of the decree was to remedy a decade-long lack but, simultaneously, it has introduced a series of positive new policy elements, such as:

- based on the Act on Regional Development, spatial reports on the national and regional level covering yearly periods, or periods of several years and prepared according to different assessment criteria must be made, and reports presenting the use of domestic and EU-funds or other international funds as co-financing, used directly or indirectly for regional development, and reports describing projects of regional development and physical planning in international and cross-border relations are to be drafted;
- besides the regional development activities, the Act also sets down the uniform monitoring and assessment tasks in the field of physical planning;
- makes the ex ante, midterm and ex post evaluations of the major regional and sectoral policy documents (plans and programs) and, among them, the National Spatial Physical Plan mandatory;
- defines that the spatial monitoring and assessment procedures must rely on the data base and applications of the Regional Development and

Spatial Planning Information System (TeIR), and the methodology defined in Regional Development Monitoring and Assessment System (T-MER), so that spatial monitoring activities had a uniform frame;

- the statutory provision creates the terms of the national, regions of national importance level, regional and county-level spatial monitoring committees which, except for the regional monitoring committees, operate attached to or within the existing territorial institution network;
- makes the documentation of regional assessment reports mandatory.

The Hungarian regional monitoring and assessment system has several positive results in the field of

methodology, tool kits, and concrete assessments, and by its institutionalization by *Government Decree No. 37/2010 (II. 26.)*, the regional monitoring and assessment entered into a new era.

The most important challenges of the near future are the elaboration and operation of the regional monitoring systems, the implementation of centrally coordinated assessments according to schedule, the preparation of the instrumental and institution system supporting the assessment system for its new tasks, making the results of the assessments available to all broader circles of the public and the preparation of the necessary legislative acts.

