

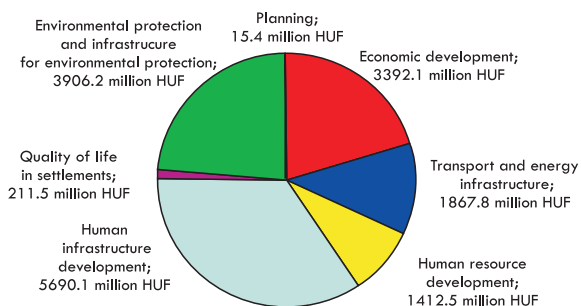
## THE STATUS OF THE REGIONS

Besides the various general development indicators, the size and proportion of regional development funds also give significant information about the current status of the regions. Supplementing the data with a few projects that are important and outstanding from the point of view of regional development, the diversity across the regions will be even more revealed, and the region-specific targets will become more obvious.

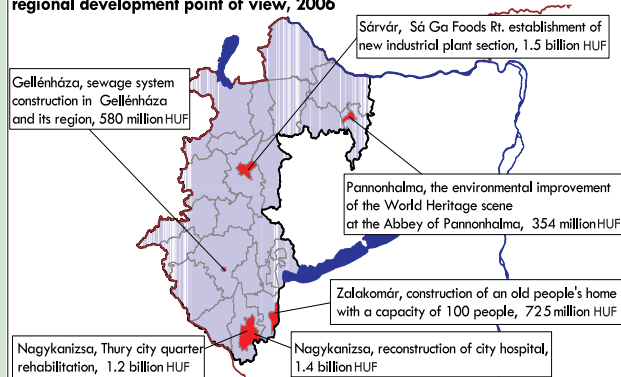
### Western Transdanubia

This region is the second most developed region of the country after Central Hungary, most of its social-economic indicators are above the average, and the condition of the environment is good, too. Territorial differences become obvious in the comparison of the less developed Zala county and the county of Győr-Moson-Sopron, the relative backwardness of the former is in many cases 30-40%.

**National support for the development of the Western Transdanubia region by field of intervention, 2006**



**Some projects in Western Transdanubia important from a regional development point of view, 2006**

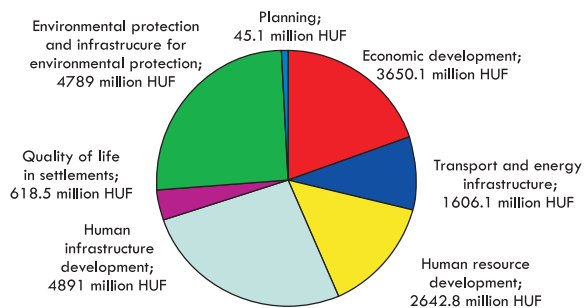


## Southern Transdanubia

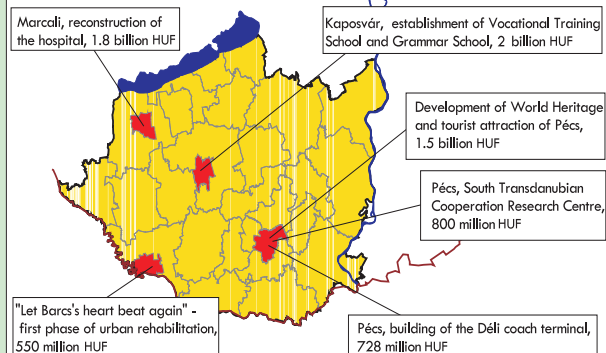
This region is among the socially-economically less developed regions of the country, its disadvantage has been continuously increasing during the past years. It is ahead of the regions in the Great Plain considering the typical indicators, yet these

are generally below the national average. Based on the favourable condition of its nature and environment, the region has significant potentials especially in the field of tourism. The spatial differences within the region are not significant; the most visible disparity is the growing disadvantage of the peripheral, southern border regions.

**National support for the development of the Southern Transdanubia region by field of intervention, 2006**



**Some projects in Southern Transdanubia important from a regional development point of view, 2006**

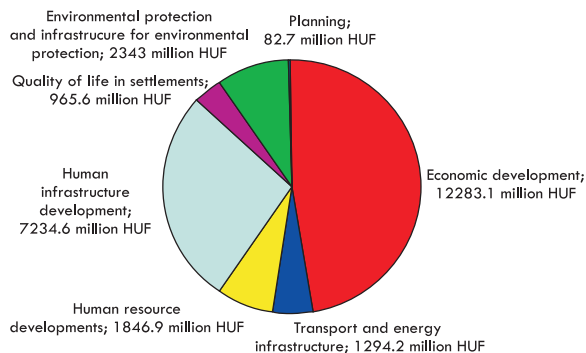


## Central Transdanubia

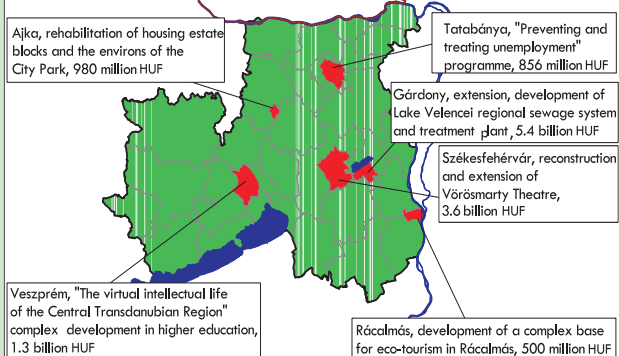
The development level of Central Transdanubia comes third in the list after those of Central Hungary and Western Transdanubia, although its rate of development is behind theirs. Because of its

industrial character, environmental problems are perhaps the most serious here among all regions; on the other hand, Central Transdanubia owns significant cultural resources. Compared to other regions, there are no considerable territorial differences, there are only smaller peripheral areas.

**National support for the development of the Central Transdanubia region by field of intervention, 2006**



**Some projects in Central Transdanubia important from a regional development point of view, 2006**

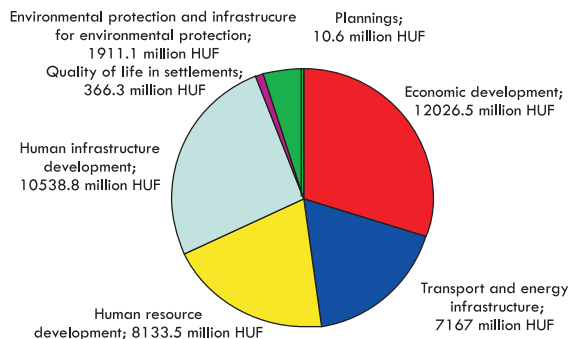


## Central Hungary

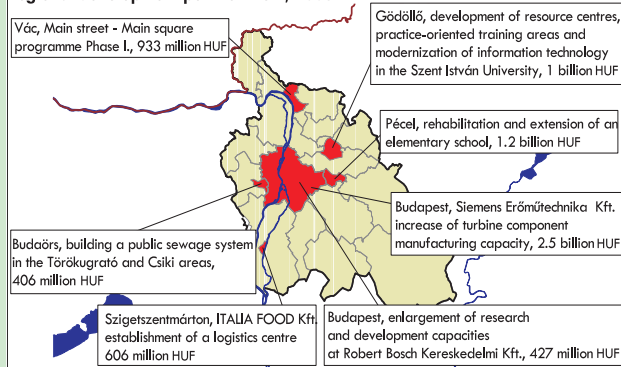
This region, including also the capital city, is the most developed region of Hungary, and due to its centrality, several functions (commerce, research, higher education) are concentrated here surpassing the achievements of all the other regions. Besides,

Central Hungary has outstanding international importance with its economy, transport and tourism sectors, as well as its cultural life. As a consequence of its higher level of economic development, the region is still the main target of internal migration. The intra-regional disparities are significant; the region along Ipoly is notably lagging behind.

**National support for the development of the Central Hungary region by field of intervention, 2006**



**Some projects in Central Hungary important from a regional development point of view, 2006**



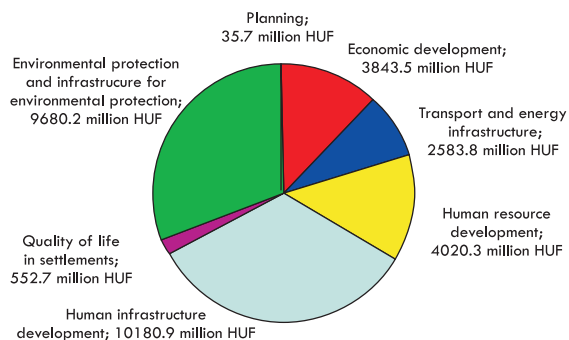


## Northern Hungary

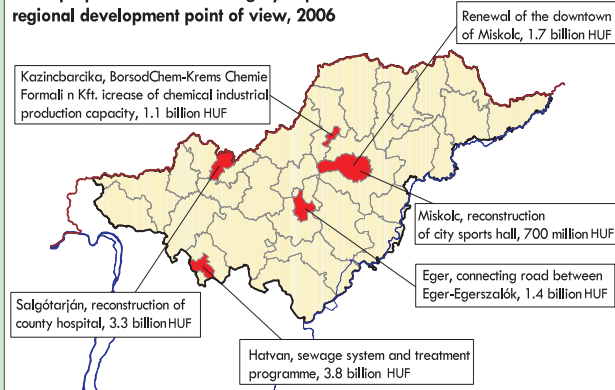
This region is still a great deal behind the others. In spite of its significant resources, its development is slow, and based on most of the socio-economical

indicators; it is ranked lowest among the regions. The significant social problems (migration, impoverishment) caused by this under-developedness are aggravated further by considerable intra-regional differences.

**National support for the development of the Northern Hungary region by field of intervention, 2006**



**Some projects in Northern Hungary important from a regional development point of view, 2006**

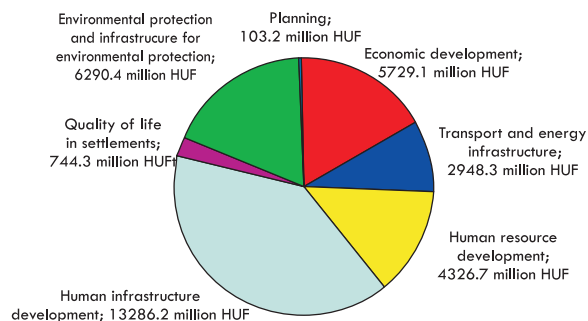


## Northern Great Plain

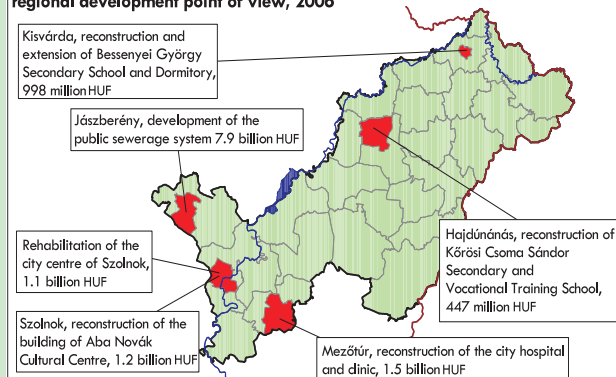
Although the Northern Great Plain is still strongly disadvantaged economically, its rate of development is high, providing a realistic chance to catch up. There are no big differences within the region, yet disparities are

increasing as municipalities in the worst situation are forming an extensive and contiguous periphery. However, some cities in better situation are emerging from their surroundings as islands, especially Debrecen and Nyíregyháza. Also the motorway construction projects improved the situation only of these two cities.

**National support for the development of the Northern Great Plain region by field of intervention, 2006**



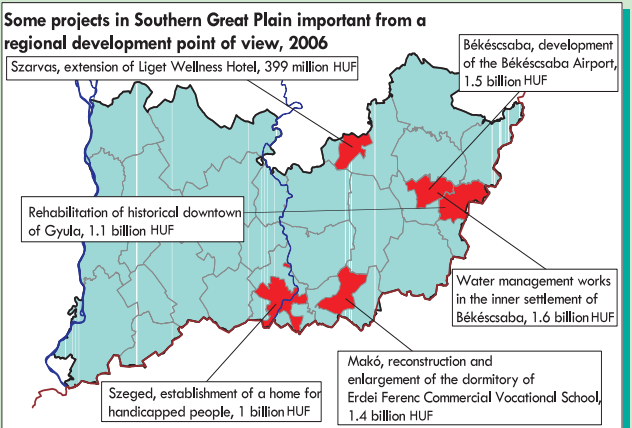
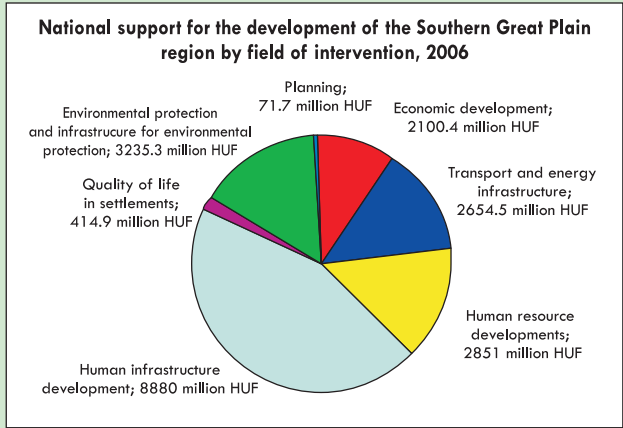
**Some projects in Northern Great Plain important from a regional development point of view, 2006**



## Southern Great Plain

This region is lagging behind the national average considering both its position and its dynamics, although it has a somewhat better position than the

Northern Great Plain region. Its main feature is the little intra-regional divergence: only Kecskemét and Szeged stand out with their economic results and infrastructural development.



## The main social, economic, infrastructural and environmental indicators of the regions, 2006

	Area (km <sup>2</sup> )	Population (person)	GDP per capita		Number of registered corporate enterprises per 1000 people		Foreign capital per capita		Unemployment rate	
			1000 HUF	% of the national average	pcs	% of the national average	1000 HUF	% of the national average	person/ population aged between 15-64	% of the national average
Central Hungary	6 918	2 872 678	3 909	165.4	9.5	173.0	2 323	272.6	2.0	37.1
Central Transdanubia	11 116	1 107 453	2 140	90.5	3.8	69.0	392	46.0	4.2	78.0
Western Transdanubia	11 328	999 361	2 371	100.3	3.7	66.8	959	112.6	3.8	70.2
Southern Transdanubia	14 169	967 677	1 598	67.6	3.1	56.9	46	5.4	7.7	143.2
Northern Hungary	13 431	1 251 441	1 518	64.2	2.7	49.8	158	18.5	9.4	174.8
Northern Great Plain	17 729	1 525 317	1 494	63.2	2.8	51.3	90	10.5	8.4	155.2
Southern Great Plain	18 338	1 342 231	1 566	66.3	2.9	53.3	100	11.8	6.3	116.1
Country	93 030	10 066 158	2 364	100.0	5.5	100.0	852	100.0	5.4	100.0
	Domestic income per inhabitant		Number of broadband internet subscriptions per 1000 people		Motorway density		Share of nature conservation areas of national importance		Share of homes connected to sewage system	
	HUF	% of the national average	person	% of the national average	km/ 1000 km <sup>2</sup>	% of the national average	%	% of the national average	%	% of the national average
Central Hungary	863 879	131.3	138.0	168.4	25.7	261.6	11.7	129.7	85.5	125.9
Central Transdanubia	701 860	106.7	75.5	92.1	17.6	179.3	8.1	89.5	72.6	106.9
Western Transdanubia	682 832	103.8	75.1	91.6	9.0	91.5	10.5	116.4	73.2	107.8
Southern Transdanubia	550 950	83.7	55.8	68.0	6.8	68.9	5.7	63.2	64.1	94.4
Northern Hungary	541 396	82.3	57.5	70.1	11.3	115.1	14.4	159.9	59.3	87.4
Northern Great Plain	503 576	76.5	47.8	58.3	3.8	38.4	8.3	92.4	52.6	77.4
Southern Great Plain	533 711	81.1	56.2	68.5	6.8	68.8	7.0	78.0	48.0	70.7
Country	657 852	100.0	82.0	100.0	9.8	100.0	9.0	100.0	67.9	100.0

At least 20% more favourable value than the national average

At least 20% less favourable value than the national average

## MEDIUM-TERM REGIONAL OBJECTIVES IN THE NATIONAL SPATIAL DEVELOPMENT CONCEPT

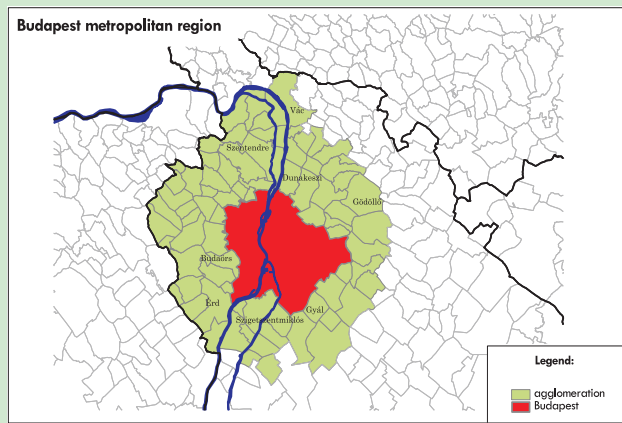
### A TERRITORIAL DESCRIPTION OF THE REGIONAL TYPES IN THE NATIONAL SPATIAL DEVELOPMENT CONCEPT

#### The Budapest Metropolitan Region

The capital and its agglomeration is the most developed and most competitive group of settlements in the country, and also from an international aspect. The city is significant not only as an economic, service and innovation centre, but also as an "international gateway". Furthermore, it is a remarkable tourist target, transport junction, therefore it is especially important to ensure a liveable environment here.

The agglomeration is a priority region determined by law, to which 80 municipalities belong. Their total area is 2533 km<sup>2</sup>, which is 2.7% of the country, and their combined population is more than 2 million inhabitants. As a result of out-migration *natural decrease and migration loss* greater than the national average was observed in the capital, while in its agglomeration, natural increase and a substantial migration gain (20‰) contributed to the growth of the population; the fastest increase was recorded in the microregion of Veresegyház.

Based on the social indicators, this region has the most favourable position in the country. The *unemployment rate* was 1.7% in the capital and 1.9% in its agglomeration. Per capita incomes surpassed the national average by 60%.



The weight of the region in *higher education* had increased further and attained 47% as to the number of full-time students. Its role in the *cultural life* had also expanded: in terms of the number of museum visitors, the share of the capital city had increased to 57%; and although with respect to theatre visitors, the share of the capital declined, it was still 55% in 2006.

Considering the per capita *gross domestic product*, with 18 800 € GDP/person Budapest can be found among the best ones in the middle-ranked capital cities in the region. In the sphere of *real estate businesses* and *economic services*, there were 85 enterprises per 1000 inhabitants, which is double of the national average; this ratio exceeded the national average in the field of *commerce*, too, by 52%.

Budapest and its agglomeration as an important *centre of tourism* host about 2.7-2.8 million tourists per year, who spend on average, 2.5 nights in the city. Budapest remains the target of especially, short-term tourism.

Regarding **transport**, the capital and its agglomeration compose a very tight unit (the number of daily commuters is 110 thousand people, only by train); in spite of this developments are going very slowly. In 2006, a new 9 km section of the M0 ring was opened between the M5-4 main roads, together with the Vecsés-Üllő bypass. The only **railway development** carried out was the starting construction of the train stop at Ferihegy Airport. The main project in the field of **shipping** was the extension of the logistic functions of Csepel Harbour, while in **aviation** the increase of air traffic following the privatization of the Ferihegy Airport can be mentioned from 2006.

In Budapest and its agglomeration, the biggest source of **air pollution** is public road traffic, which is the most significant environmental problem in this region. The air of the capital is qualified as polluted regarding its nitrogen dioxide content and the concentration of PM-10 airborne dust (i.e. of particle diameter less than 10 microns). In 2006, ground-level ozone pollution exceeded the health limit value ( $120 \mu\text{g}/\text{m}^3$ ) at every monitoring station within the agglomeration.

The **ratio of green areas** within the total inner settlement area was 3.6% in the region in 2006, which can be considered good compared to the national average of 2%. Green areas covered about 22.5 km<sup>2</sup> in the capital in 2006.

Only 40% of the total amount of **sewage water** discharged via the public sewage canal system was treated biologically or by Grade III wastewater treatment method, which is well below the national average of 67%. About 70% of the capital's total yearly sewage water of 650-700 thousand m<sup>3</sup> is discharged to River Danube untreated.

In 2006, a 174 km length of new canal was built in 15 settlements. The ratio of **households connected to the sewage system** is close to 100% in Visegrád, Budapest and Százhalombatta, while there are 6 settlements where had been no canals constructed until 2006.

In the field of info-communication services, the number of **main telephone lines** declined by 1.5% from 2005 to 2006. The number of cable television connections increased by 25%. As to local **natural gas supply**, only one settlement – Pilisszentlászló – was not linked to the gas utility network in 2006.

### Development poles

The major cities are the development poles in Hungary. Their task is to be the engines of development in their respective regions in the economic and scientific fields, and to retain the most highly qualified labour force within their regions by means of offering high quality culture, services and workplaces, thus counter-balancing the socio-economic dominance of the capital. The 5 pole-cities appointed are: Győr, Miskolc, Debrecen, Szeged, and Pécs. There were also 2 development sub-centres selected: Székesfehérvár and Veszprém. The combined population of these poles and sub-centres was 990 thousand persons in 2006, 9.7% of the total population of Hungary.

Of the key economic development indicators, the share of foreigners in subscribed capital deserves more emphasis here. On the national level, 61% of the subscribed capital of enterprises was **foreign capital** in 2006, and the same indicator in development poles (an average of 37%) showed significantly lower values. With

the exception of Székesfehérvár (63%), this lag was valid to every pole; and with the exceptions of Székesfehérvár and Szeged, domestic capital was still dominant in all development poles.

As to *real estate businesses and economic services*, every development pole showed values higher than the national average regarding the number of enterprises per 1000 inhabitants (which was 44 on the country level): Győr and Székesfehérvár was above average by more than two-third; Pécs and Veszprém also exceeded it by more than 50%. In *financial intermediation services*, the concentration of businesses in the major cities is well illustrated by the fact that with the exception of Debrecen, every pole city surpassed the value of Budapest metropolis (4.25 enterprises per 1000 people) by more than 20% in 2006.

In *higher education*, Debrecen, Szeged and Pécs are considered to be significant centres with more than 25 thousand students each. With respect to *cultural life*, Pécs was remarkable with 327 thousand museum visitors, while Debrecen, Miskolc and Szeged could only make up this number together. In theatre attendance, Miskolc and Győr were prominent among the regional poles with a yearly visitorship of 205 and 180 thousand respectively (which in both cases, exceeding the population number). The total number of visitors of the theatres in the 6 pole cities is 42 % of that of Budapest.

In respect of living conditions, *unemployment rate* was higher than the national average (5.4%) only in one city, Miskolc (7%), which means that the regional centre only relatively stands out from its environment, Northern Hungary, while poles in other underdeveloped regions, Pécs and Debrecen had better values also in a nationwide com-

parison in 2006. In Miskolc, *the proportion of tax payers* is under the national average, too, while Győr, Székesfehérvár and Veszprém positively stand out among the poles - in these cities the number of tax payers reached or even exceeded 50% of the total local population (the national average is 42%). In the pole cities, the *incomes per inhabitant* are also above the average, although there is a significant difference between the highest and lowest values, i.e. income per inhabitant in Székesfehérvár and Miskolc (the latter being only 72% of the former).

From among the pole cities, only Pécs was without a *clearway connection* in 2006. By that year, the motorway had got to Miskolc (M30), Debrecen (M35) and Szeged (M5), too. Therefore, the accessibility between the development poles and the capital city had improved significantly; however, accessibility within the regions had not. In *railway development*, track reconstruction works were implemented, as a result of which the travel time by train to Győr, or Debrecen has shortened. In the course of the past few years, international *air transport* was launched in the municipalities of Győr-Pér; Debrecen and Pécs-Pogány.

Pole cities are in a typically favourable position with regards to communal infrastructure. Concerning the supply of households with *public utilities*, Debrecen stands out in a negative way with having connected only 74.3% of the homes to the sewage system (since this indicator was above 90% in the other pole cities). The main problem is the *quality of sewage water treatment*. From among the poles where sewage was treated as much as at Grade III, the result is above 90% only in Debrecen and Pécs; it is 65 % in Győr and below 30% in Miskolc, while chemical water treatment is not at all used in Szeged.

## External and internal peripheries, backward regions

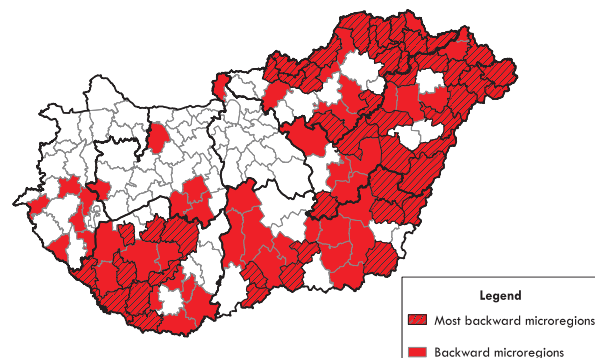
Permanently backward regions can be characterized by the interaction of several negative factors: unfavourable age, qualification and economic structure of the population, restricted availability of resources (shortage of capital, out-migration of the qualified labour force), which besides an especially poor accessibility, is further aggravated by the lack of real regional centres that could take care of the needs of their surroundings.

At the end of 2006, there were 94 officially defined underdeveloped microregions (57% of the country's territory) which had 3.152 million inhabitants, more than one third of the total population of Hungary (of this 1.495 million lived in the most backward microregions). These backward microregions can mainly be found in Southern Transdanubia, in Tiszántúl (east of Tisza) and in Northern Hungary; in these parts of the country, almost all microregions belong to this category except for the ones including the county seats and the major cities.

Concerning the *demographic processes* of the examined regions, despite a birth rate near the national average, the natural loss was much higher here (-4.4‰), than in other parts of the country (-2.7‰) due to a higher death rate. The loss resulting from migration is also significant (-5.7‰).

One of the most serious problem in these regions is the high *unemployment rate*, which was 9.7% in the 15-64 age group (compared to the 3.5% average in the rest of the country), and in the most backward regions it reached 12.2%. While in the other parts of the country every fifth, in these regions every third registered unemployed person had been seeking work longer than 180 days.

Microregions lagging behind in social and economic development



The *average income per tax payer* was above the countryside average in only two of the 94 backward microregions (Kisbér, Szob). The income per inhabitant in the backward microregions was only 60% of the average in the rest of the microregions.

The role of *foreign capital* is negligible in the backward regions compared to the national average. In 2006, the national average of foreign capital investment per 1000 people was HUF 844.2 million, while the average of the backward regions reached only 8% of that.

In the backward regions, the value of *registered corporate enterprises* per 1000 people was only 40% of the national average, but there were significant differences within the region: it is several times the backwards regions' average in the Kapuvár-Beled, Hajdúszoboszló, Bácsalmás and Füzesabony microregions, but it is less than two-thirds of this region-specific average in the microregions of Kazincbarcika, Kiskunfélegyháza, Kiskunmajsa and Berettyóújfalú.



As to **public utilities**, the extent of sewerage is only 42% (in the non-backward regions, 78%), although in 2006, the sewage system was under construction in 39 municipalities in the 94 microregions.

Poor **accessibility** is a fundamental factor in the critical condition of the especially backward north-eastern and south-western parts of Hungary.

### Tisza region

In the development of the Tisza region, the elements of a novel, sustainable type of landscape utilisation emerged within the framework of flood protection and the complex water-resource management; therefore, in addition to infrastructural development, eco-tourism and the protection of natural and cultural resources are also important objectives. These can contribute to the expansion of employment and to a better utilization of the potentials offered by an improved accessibility via the river.

The Tisza region comprises 30 microregions along the river; their total area is 17 583 km<sup>2</sup> and their combined population is close to 1.5 million. A major part of this area is a backward, internal periphery, found especially along the Upper and Middle Tisza.

Moving north along the river, the economic and social indicators are deteriorating. Economic activity in the low-land type of regions is focused mainly on agriculture, industrial regions can hardly be found.

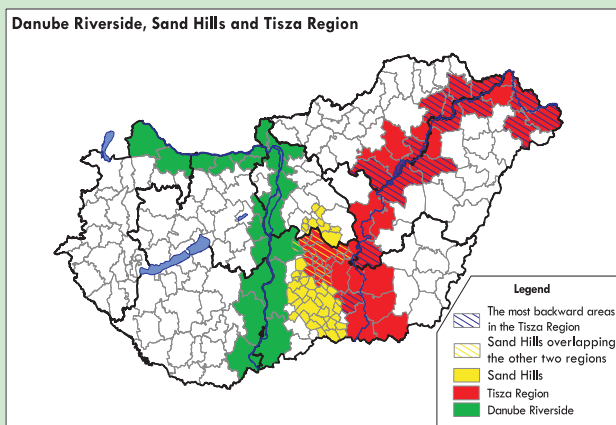
The **natural decrease** of the population is of the average level, out-migration, however, is higher. The **unemployment rate** was much higher (7.9%) in 2006 than in other regions of the country (5.0%). To the north of

Szolnok, one can only find microregions with higher than average unemployment rates.

An important driving force of economic development in the Tisza region – and especially in certain priority regions, e.g. the Lake Tisza Priority Recreation Zone – is **tourism**. Exactly 10% of the total number of **accommodations** in Hungary can be found in the Tisza region.

Within the Tisza region, it is the microregion of Szeged where both sewage water emission per capita and the amount of **sewage water** discharged into the canal system are the highest. In 2006, on average 11% of the wastewater was channelled through the public sewage system in the microregions along Tisza, which is almost the double of the national average. The **quality of water** in the river is of class II due to its high phosphorous content and chlorophyll-A concentration. With respect to these two indicators, the important environmental policy objective to prevent the deterioration of water quality between the input and output sections of the river could not be

Danube Riverside, Sand Hills and Tisza Region



reached in 2006. In spring 2006, flood alert was declared on the Northern Hungarian section of River Tisza simultaneously with the **flood protection** measures on the Danube. Urgent flood alert was declared on River Tisza and its tributaries along a total length of 793 km in 2006.

11% of the total area of the Tisza region is covered by **forest** (one-fifth of this is under protection). The microregion of Sáropatak had the highest ratio of forest coverage within the Tisza region. Until 2006, 179 out of the 440 settlements in the Tisza region had no buildings declared historical **monument**; the Roman Catholic Church of Rakamaz was declared protected during this year.

From the point of view of **transport**, River Tisza separates rather than connects the settlements on its two banks, and it functions as a natural border. Both the external accessibility of the region and the quantity and quality of its internal road network are poor; the number of bridges is especially low.

### The Danube Riverside and Sand Hills regions (Duna mente and Homokhátság)

The main development aspects of the two neighbouring regions have been flood protection, water transport, protection of water habitats, sustainable landscape management and water management.

Duna mente is made up by the microregions located on the two banks of the river; the total area of which is 11 927 km<sup>2</sup>. The combined population of the microregions along Danube was about 3.057 million at the end of 2006. According to the delineation of Homokhátság as

an entity from a regional development point of view, the number of the most typical settlements is 64, with about a total of 368 thousand inhabitants.

Natural decrease is lower than the national average in Duna mente, while it has a positive net migration. The **unemployment rate** (2.7%) is less than half of the value of the rest of the country (6.6%), and only the microregions of Kalocsa, Baja and Mohács have higher than average rates. The same microregions together with the one containing Kunszentmiklós have lower-than-average **income per capita and number of tax payers**.

The dominance of the more developed microregions within Duna mente can be seen also in the levels of **public utilities provision**. The share of households connected to the potable water supply system (98%) is higher than in other parts of the country (93%), and the extent of the sewage network (87%) is also greater. Along the Hungarian course of the river, total and specific **sewage water emission** is the highest in Budapest. Along River Danube, the ratio of sewage treated biologically is almost three times as high as that of grade III treated sewage. The ratio of biologically treated sewage water is the best in the microregion of Győr. On the basis of chlorophyll-A and phosphorus content, the **water quality** in River Danube along its course within Hungary belonged to class I and II, alternately. Based on bio-chemical oxygen demand, water quality was class I along the entire section, while in terms of the chlorophyll number, it was the worst, typically class III and IV. The main reason behind this latter problem is the insufficient level of sewage treatment of the wastewater produced by Budapest. At the beginning of 2006, there was a record

**spring flood wave** on River Danube, which slowed down on its Hungarian section, thus producing not only an extremely high, but also long-lasting flood.

In the framework of the **National Environmental Remediation Programme** (NERP), the biggest project implemented in 2006 was the second-phase technical operations to improve the condition of the Budafok cave homes. The clean-up of environmental pollution caused by Metallochemia in Budatétény also continued.

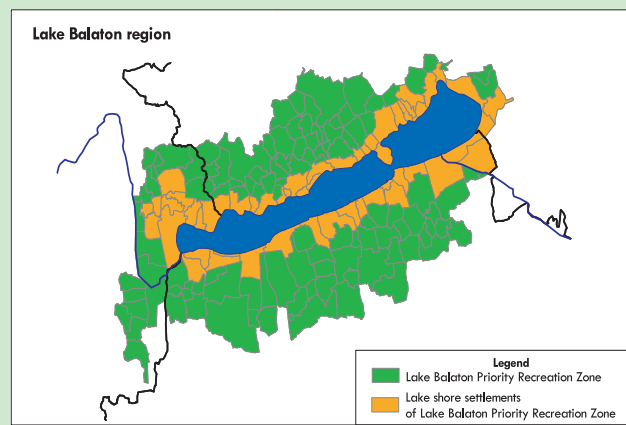
Only 18% of the Duna mente region is covered by **forest**, but more than one-third of this is protected, which is above the national average. Of special value are the flood-plain forests of Gemenc and Szigetköz, the latter are especially endangered because of the drop in the water level following the earlier diversion of the river course.

Further investigations are being carried out into the possible ways of water management in the area of Homokhátság, but there has not been any considerable investment and development in this regard. In the field of sustainable agricultural production, pilot areas for plant cultivation were established within projects coordinated by the chamber of agriculture, where research was conducted in plant breeding and where training and marketing activities were supported which could promote the products in the market. From the point of view of **transport**, there are important roads running along the river, and also, the river itself is part of the Trans-European Corridor VII, conducting significant transit traffic. Despite this, there was not any significant development in 2006 concerning either the rehabilitation of the Hungarian course of the Danube or the establishment of a European-standard navigation route. More significant developments

were implemented on the other hand, in public road transport. In Győr, a national logistics centre and international harbour are under construction, which together with the airport at Győr-Pér will make a unique trimodal centre. In 2006, **clearway development** had been performed along the Érd-Dunaújváros section of M6 motorway and on the section connecting the motorways M6-M8 (including the Danube bridge). In spite of all this, the number of crossing possibilities between the two parts of the country (excluding the ones in Budapest) is still rather low.

### Lake Balaton region

The Lake Balaton region covers the area of the Lake Balaton Priority Recreation Zone (BPRZ), consisting of 164 municipalities, of which 52 are located on the shore. The territory of the region is 3624.5 km<sup>2</sup>, the total population was 252 thousand in 2006. Lake Balaton and its environs represent a unique and



internationally outstanding natural and cultural landscape. Its protection and sustainable development, however, is in serious conflict with the one-sided tourism-oriented utilization of the region.

The population is growing continuously, yet only at a slow rate; this growth is despite the negative migration balance in 2006. The **unemployment rate** is above the national average (6%). In this respect, the municipalities on the lakeside were clearly in much better situation. The per capita income is below the national average, HUF 579 000.

**Water quality**, based on chlorophyll content, was the best in the Siófok Basin (Class I) and the worst - as usual - in the Keszthely Basin (Class III in 2006). There is not any industrial plant in the region which can be a major polluting source, therefore, based on the **air pollution index** calculated from regularly recorded data, the air quality in the Lake Balaton region alternates between 'acceptable' and 'excellent', and in general, can be regarded good.

The proportion of **nature conservation** areas of national importance is 17% in this recreational zone, which is double of the national average. The ratio of protected areas is the highest on the Balaton Uplands and in the western part of the region. The number of historical monuments in the Balaton region was 998 after 21 buildings were included for protection in 2006.

Lake Balaton is the most significant recreational zone of the country. 42% of all tourist accommodations can be found here, and in terms of the number of guest nights, only Budapest precedes this region. There is a rather high regional concentration here of **the number of guests and**

**guest nights, accommodation capacities and tourism tax income per capita**. The settlements located in the narrow lakeside area, and the two municipalities with thermal baths, Hévíz and Zalakaros have the greatest values. The total accommodation capacity of the lakeside settlements is 14 times higher than that of those which are located further away from the lake. The tourism tax per capita is double of the national average in the region. **Private room and apartment** rental is still typical in the region, 63% of this type of capacities of the country can be found here. As to the **average length of stay**, it is 3.88 days here, which still exceeds the national average (2.88 days) by one day.

In order to improve the accessibility of the Lake Balaton region, the most significant developments were the **motorway constructions**. In 2006, a 25.6 km long new section was opened of the M7 motorway between Ordacsehi and Balatonszentgyörgy. No significant improvements were made in the **railway network**, and the scheduled boat traffic on the Lake is continuously decreasing. The traffic of Sármellék Airport had, on the other hand, reached 45 thousand passengers by 2006.

The total amount of collected **sewage water** in the region of Lake Balaton is discharged after grade III biological treatment. The proportion of wastewater treated also biologically was 63% in 2006, exceeding the national average. In 2006, the number of municipalities not connected to the sewage system was reduced to 59. The volume of **solid waste** compared to the residential population is very high due to tourism, it is 44% above the national average. It is consistently very high in the settlements on the lakeside with greater tourist traffic, the average of this settlement group is more than three times the national average.

## Border regions

Settlements which have direct border connections and those which are within a few kilometres from a border can be regarded border microregions. The total area of the 57 border microregions is 30 277 km<sup>2</sup>, and their combined population is 2 million 425 thousand people. At the end of 2006, the population of these border regions was 0.38% less than in the previous year.

In a significant part of the border regions, natural loss was paired with negative net migration with the exception of the microregions of Szeged, Hajdúhadháza and Encs, as well as the Northern Transdanubian border regions which latter targets of migration. Of the 10 microregions in Hungary where the greatest population loss was recorded, 5 were border regions (Bodrogköz, Őriszentpéter, Letenye, Mezőkovácsháza and Abaúj-Hegyköz). The **unemployment rate** is above the national average, in 2006 it was 7.8% in the 15-64 age group. In this case, too, the situation was more favourable in the north-western border area, while in the other border regions, only a few microregions (Letenye, Nagykanizsa, Szeged, Kiskunhalas, and Gyula) had a lower-than-average unemployment rate.

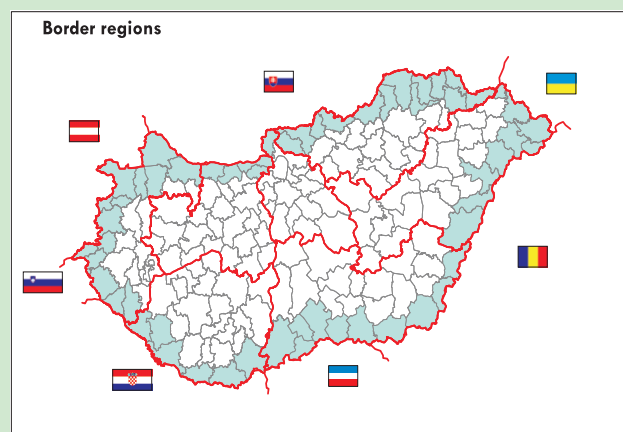
The average of **foreign capital investment** per 1000 people is less than 60% here of the national average, nevertheless there are microregions with outstanding values among the border regions, too (Komárom, Esztergom, Szentgotthárd). Due to the closeness of the border, the number of **foreign guest nights per 1000 people** in these regions was nearly 10 times of the national average. The microregions with significant spa

towns are outstanding, among them Csepreg, Siklós, Sopron-Fertőd, or Lenti. These four microregions had accounted for 57% of the guest nights spent in all border regions.

The density of **border crossing points** has improved significantly as a result of recent developments. Longer border sections without crossing points could only be found at some parts of the Croatian and Romanian borders in 2006.

By 2006, the M1-M15, M5, M7-M70 **clearways** had reached the national border, all of which have motorway continuations across the border except on the Slovenian side; Slovakia, Austria, Serbia and Croatia had built their clearways to the border.

The stagnation of the **logistic services** is well illustrated by the fact that in 2006 only the logistics centre of Sopron was functioning well among the logistics centres in the border regions.

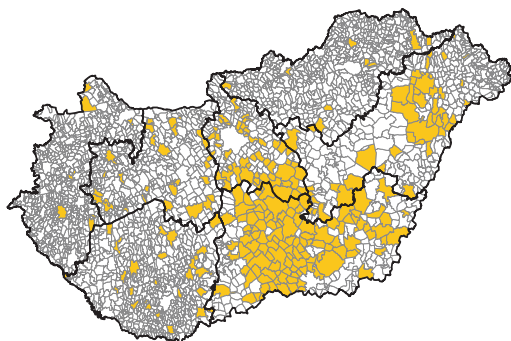


## Farmstead regions

The farmstead settlement system deserves attention as a special residential area, as a possible background of sustainable farming, and because of its special conditions of accessibility and public utility infrastructure. A municipality which has at least 200 inhabitants, and at least 2% of its total population living on its outlying area can be regarded a farmstead region. There are 280 such municipalities in Hungary. Their total area is more than 22 thousand km<sup>2</sup>, which is about 24% of the total national territory.

The total population of these regions is 2.5 million inhabitants, one quarter of the population of Hungary. Of this, the number of inhabitants on the outskirts was 299 thousand people in 2001. Farmstead areas are not characterized by population decrease, since the 1.4 ‰ natural loss was counter-balanced by a similar extent of migration gain (especially in the agglomeration zones of big cities).

Farmstead regions



The *unemployment* level in farmstead regions can also be regarded average, while the proportion of tax payers (43%) is somewhat above than nationally (42.7%). The *per capita income* however is 10% lower than the national average. Farmsteads around the major cities [Kecskemét, Szeged, Szolnok, Debrecen, Nyíregyháza] are in better position. *Housing construction* is also concentrated in the vicinity of the bigger cities. The infrastructural indicators of the homes in farmstead regions have values below the average, especially the proportion of households connected to potable water (90%) and sewage systems (60%) is lower than in other parts of the country (97 and 70%).

*Entrepreneurial activity* in the settlements of farmstead regions is lower (109 enterprises per 1000 inhabitants) than the national average (117 enterprises). Farmstead regions are on the other hand characterized by a higher *agricultural activity* than in other parts of the country: there was an average of 6.1 agricultural businesses per 1000 inhabitants, while the national average was 5.2 in 2006.

With respect to transport, the surroundings of major cities are in better position while the accessibility of the rural regions is generally poor; their public transport services are underdeveloped mainly due to the deficient secondary road network.

## Regions of particularly small-sized ("tiny") villages

Due to their sizes, these tiny villages are very vulnerable both from the social and from the economic points of view. The lack of jobs and the problems with the pro-



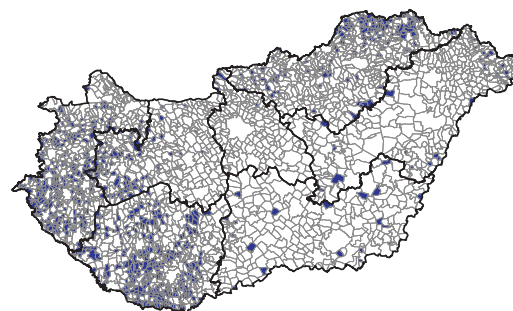
vision of public services lead to out-migration, or to the settling in of the deprived segments of the population, resulting in their segregation.

The regions of tiny villages consist of settlements with less than 500 residents. In 2006, the population number of 1047 settlements did not reach 500, their total administrative area is 12 thousand km<sup>2</sup>, and their combined population was 277 thousand in 2006 representing about 2.8% of the population of Hungary. Their *demographic processes* are determined by a high death rate (16.9‰), which is significantly above the average of other types of regions (12.9‰). The loss of population is further increased by an annual migration loss of 7.6‰. The age structure is not homogenous: while the tiny villages of Western Hungary are mostly inhabited by the older, those of the Cserhát and Ormánság by the younger age groups of Romani population.

The *unemployment rate* (11.1%) is much higher here than the national average (5.3%). 28% of those seeking a job are permanently unemployed, 56% completed primary education at the most. The number of tax payers (35%) is also below the national average (42.7%), while the income per capita is only 57% of the average income in the rest of the country. Of the 1047 tiny villages, there were only 33 where the *income per capita* was above the national average (23 of these were in Western Transdanubia).

The *provision of public utility services* is also at a very low level: the coverage of the sewage system is 20.7% and the extent of the gas supply network, 39%. In 2006, there was no sewage duct at all in 744 settle-

Regions of particularly small ("tiny") villages



ments. In 88% of the tiny villages, there are not any *primary schools*, and the majority of the basic services were not provided because of the low population numbers. The provision of *social benefits*, however, is a great burden: in 2006, there were 65 people living on regular social benefit per 1000 inhabitants, which is 2.5 times higher than the average calculated for all the other settlements in the country.

*Entrepreneurial activity* in the tiny villages was only half of the national average in 2006. Much higher values were recorded around Lake Balaton, and in settlements involved more into tourism (e.g. Balatonszepezd, Szántód, Ábrahámhegy, Kapolcs, and Hollókő). Conversely, the number of enterprises per 1000 inhabitants in the other 200 tiny villages dispersed around the country did not reach half of the average in tiny village regions.

*Public transport* exists only at a minimum level in the majority of tiny villages, the daily 1-2 connections hardly make commuting to work or school possible.

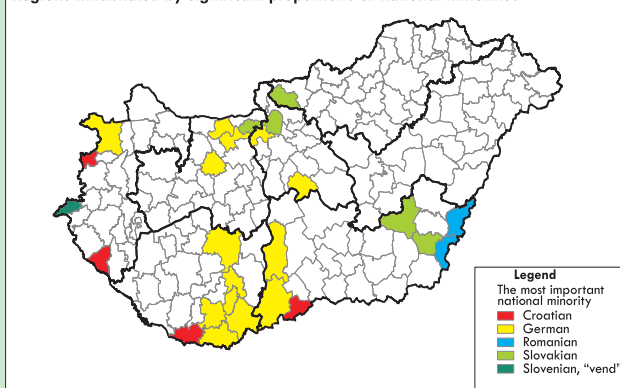
## Rural regions inhabited by national minorities

As a consequence of the many turns of history, people of various nationalities populated significantly different regions in Hungary. Their education and their foreign economic and cultural relations are all important features in their characterisation. Microregions which have a considerable percentage of minority-nationalities in their population (at least the double of their population share nationally) are of concern here: a total territory of 13.5 thousand km<sup>2</sup>, and a combined population of 1.27 million people in 2006 (during the census held in 2001, 103 thousand people declared themselves to belong to a national minority in Hungary).

In respect of their *demographic* conditions, the population of these microregions had practically not changed (0.08% growth) compared to the previous year. Concerning unemployment rates and income levels, the differences within this group of microregions of considerable nationality populations are in accordance with their individual levels of economic development. They can neither be typified based on what kind of minority-nationality is dominant in their population.

A special element of social services is *education for nationalities*. In this type of regions, the total number of primary school students declined (3.7%), but the number of those participating in education for minority-nationalities decreased only by 0.7%: 29 thousand of 140 thousand children were participating in this type of education. In secondary schools, the number of nationalities had grown by 5% (while in the other regions of the country there was a 12% reduction). It should be however noted

Regions inhabited by significant proportions of national minorities



that only 2.6 thousand of the 390 thousand students take part in education for minority-nationalities in these special regions, which means that secondary education plays a smaller role in preserving national identity.

Data do not confirm that the *foreign capital attraction* of regions inhabited by national minorities was stronger, since the national average of operating foreign capital investment per 1000 people was HUF 844 million in 2006, compared to which the average of rural regions populated by national minorities is lagging behind by 40% (HUF 501 million). The number of *foreign guest nights* per 1000 people is also lower in these regions: it was on average 497 in 2006, which is only 45% of the national average.

## Regions with high ratios of the Romani population

The Romani population lives in various types of regions; it is rather difficult to find here a clear-cut geo-



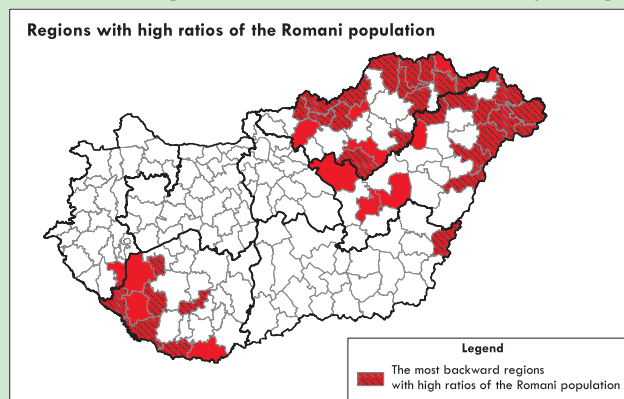
graphical pattern. The situation is further complicated by the extensive migration that occurred after the change of the political system. Nevertheless, living circumstances and social conditions produce a group of factors based on which these regions have some significant character.

Regions with a high proportion of the Romani population are those where the ratio of people who declared themselves as Romani in the 2001 census is more than the double of the Romani's proportion on the national level. In 2006 1.405 million people lived in these regions covering a quarter of the national territory. In 2001, the number of those who declared themselves as Romani was 94 thousand in these regions. The overall *population* of these regions with a higher concentration of the Romani people decreased to a greater extent than the country's (-0.85%) in 2006. The rate of live births is above the average but this is also the case with the death rate; therefore, natural loss also exceeded the national average. This was worsened further by a nega-

tive migration balance (-6.8‰) in these regions, while the balance in the rest of the regions in Hungary was positive (1.1‰). Since the proportion of children is higher than average, the number of old people per 100 children (111) is better than in other regions of the country (145).

The *unemployment rate* of the regions populated by the Romani people is extremely high. In the 15-64 age group, the proportion of the permanently unemployed is 34%. In these regions, 58% of those seeking a job have not completed more than the 8 years of primary education, while in other parts of the country this figure is 37%.

Concerning the *income per capita*, it is almost 1.5 times higher on average in all other regions than in these regions with a high proportion of the Romani population. In the regions largely inhabited by the Romani people, in the 18-59 age group, 79 out of 1000 people live on *regular social benefit*. The national average is 17. In comparison with the other regions, there is a serious disadvantage in the *quality of homes*, too; the supply of drinking water is relatively good, the sewage system and wastewater treatment, however, are at a low level. The situation of the regions with large Romani populations is made even more difficult by their typical location in the peripheral or semi-peripheral parts of the country, where *transport infrastructure* is fast deteriorating, including public transport. Therefore, access to both the relevant county seat and the capital city is problematic from the settlements of these regions; in many cases the access to their own microregional centre is difficult (e.g. Hajdúhadház, Edelény, Barcs).



## METHODOLOGY

The report relies on data from 2006 and provides the territorial-regional analysis of the factor groups and indicators related to social, economic, environmental and technological infrastructures which influence the spatial structure and which are also defined by the T-MER (Regional Development Monitoring and Assessment System), using the database of the TelR (National Regional Development and Spatial Planning Information System). The professional foundations of these analyses were supplied by the annual report on regional processes titled "Regional Status Report of Hungary, 2006". Due to the explorative nature and snapshot approach of this status report, its purpose is the comprehensive description of regional processes and phenomena, as well as the presentation of territorial disparities.

The choice of year 2006 could ensure that the data to be processed were controlled, available and comparable, and thus a fully valid set of data could be used in the analyses in each studied thematic field. In data selection, the pursuit of completeness was matched by the requisite of regularity; therefore only those variables and data were chosen and processed which form a system that guarantees a long-term traceability and availability, and which allows for continuous retrospection. The majority of the data acquired through TelR are from the collection by the Central Statistical Office (KSH), which was complemented with international data from Eurostat as well as with information gathered from sectoral institutions responsible for specific fields, especially in the

case of infrastructure and environmental protection. The selected data were processed on comparable territorial scales, primarily on the microregional level. Only the unavailability of data could prevent this, and it also had to be taken into consideration that certain factors are more meaningful on the level of larger territorial entities - therefore a higher spatial scale is justified in their study.

The structure of the report is in line with the objectives defined in the second, reformed OTK (National Regional Development Concept, RDC) endorsed by the Parliamentary Decree No. 97/2005.(XII.25.) and it investigates territorial-regional phenomena with respect to these objectives. In the descriptions of the regions, the emphasis is on their specific features and on the national funds they received for regional development in 2006, as well as on their most significant projects implemented. The regional disparities revealed by means of the major indicators are also presented in a summarising table.

In addition to the analyses carried out along the long-term objectives of OTK, the conditions of those special region types are described which were defined along the medium-term goals of the OTK. Comprehending the situation of these special regions means a focus on specific major problem areas of regional development.

As the most versatile instruments for studying spatiality, maps received particular significance in this status report. Instead of listing data, thematic maps are given much emphasis in portraying regional differences, which are more informative and can present the special "terrains" of the studied indicators.

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