

University PhD dissertation

**„BREAK-OUT POSSIBILITIES” OF THREE MICRO-REGIONS WITH
DIFFERENT STAGE OF DEVELOPMENT IN THE NORTH-GREAT PLAIN
REGION BETWEEN 2007 AND 2013**

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Introduction, objective of and reason for the research

The continuous reorganisation and modernisation of the Hungarian public administration, since the changes of regime, **upgrades the role of the micro-regions**, one of the territorial units. Hungary's EU accession, in 2004, has just made it be more reasonable that the subject of my dissertation is the examination of the Hungarian micro-regional system, and that the objective of the dissertation is to survey three chosen micro-regions from the point of view whether they plan their developments in the right way, considering their capabilities and potentials. I investigate this on the basis of the prepared micro-regional development plans and in the view of the direction for development determined for the given micro-region.

My research is based on three unevenly developed micro-regions with different capabilities; one is chosen from each counties of the North Great Plain region. The three micro-regions are located far away from each other both geographically and by means of development. My objective is to investigate, in the 2007-13 EU planning and programming period, the reasonably realizable developments in the following micro-regions:

I chose the **Kisvárd** micro-region from Szabolcs-Szatmár-Bereg County, because I would like to know how far the micro-region is capable of utilising its potentials deriving from the Schengen border and its location. I would like to know if it has such unexploited power to become the "Eastern gate" not only to Hungary but to the whole European Union as well, with all its advantages and disadvantages.

In Hajdú-Bihar County, due to my patriotism and local patriotism, I chose the **Hajdúböszörmény** micro-region. As born in Hajdúnánás, I know and love the three towns of this micro-region, and I trust in that the three relatively big towns do not suppress one another, but they will advance and catalyze the development of the others and of their own.

From Jász-Nagykun-Szolnok County, I chose the **Jászberény** micro-region, because I would like to observe how it is able to renew, how it can move from its stage of development by utilising the opportunities present themselves. I would like to study how and to what extent it could remain the most competitive area in the western part of the region, from economic point of view.

Due to my job at the North Great Plain Regional Development Agency, I have built good relationship with most of the micro-regions in the region, and got acquainted with their problems, their development ideas, and, indirectly, I have tried to advance their development. By researching their real requirements, and comparing the available data, I try to give a "life-like" overview of the micro-regions. The NUTS IV (LAU I) level micro-regions are those territorial units which can provide their population with proper territorial connections and transparent affections.

The micro-regions prepared their development documents in 2003-2007. These documents include the capabilities and potentials of the micro-regions from different points of view; they often determine one or two objectives that could be the token of the micro-region's development. The target area of the EU funds is also the micro-region.

The objective of my research is to decide **whether the break-out possibilities of the micro-regions, in 2007-2013, are really those suggested by the actual micro-regional development documents and the capabilities of the micro-regions.**

In order to examine this, my objectives are the followings:

- Explaining the importance of the micro-regions in the Hungarian regional development and politics (theory and history of their development, legislation and territorial aspects);
- Standardizing the micro-regions in order to better utilise the tools of regional development;
- Demonstrating the standardizations of micro-regions applied to the whole country (overview of technical literature and evaluation);
- Introducing the types of the micro-regions in the North Great Plain region (overview of technical literature and evaluation);
- Development of standardization for the North Great Plain based on my own examination based on the survey of actual status;
- Examination of the chosen three micro-regions of the North Great Plain region – Kisvárdá, Hajdúböszörmény and Jászberény –, and their position in the developed types;
- Evaluation of the three micro-regions' development objectives on the basis of their own development documents;
- Introduction of the appropriate directions for development based on the results of my own research.

Structure of the dissertation

My dissertation consists of three main parts. In the introduction belongs to **the first main part**, I support the subject of my dissertation, name its overall objectives and draw up those particular questions to which I look for the answers, determine tasks and research question, and also list the major methodological basis here.

In the first chapter I clarify the concept of micro-region and the changes in the micro-regional system from the millennium to the present days. I also overview the formation of the micro-regional system by introducing the historical background of dividing Hungary into planning-statistical regions and micro-regions, and by categorize them according to their state of development.

In 2003, the amendment of the 1996 Act XXI on Regional Development and Physical Planning wanted to support the establishment of an efficient planning unit by strengthening the micro-regional level. Despite of numerous debates and counter-opinion, the most economic invigoration philosophies, regarding Europe, upgrades the role of two, previously less significant territorial categories: the region and the micro-region.

In the first chapter I undertake to give an overview of the theoretical basis. By examining the concept of micro-region from different aspects and interpreting the different definitions of the micro-region, I give a consistent basis for the practical examinations. The newest legislation on the definition, formation and the changes of the micro-regions is the Government Decree No. 244/2003 (XII. 18.) accepted in the end of 2003.

According to this, the system of micro-regions covers the whole area of the country and does not cross the borders of the counties (and with this, clearly does not cross the borders of the regions as well). A given micro-region is such a group of geographically coherent settlements which is based on real connections in everyday life, such as working, transport, medium-level service (education, health care, trading etc.). Within the micro-regional system, due to their connections, the settlements gravitate to one or more central ones; thus in some micro-regions one or more settlements play as central settlements. I particularly emphasise the strategies of

the formation of micro-regions (principles of complexity, interactivity, multi-centralisation, stability and interdependence), and I pay attention to the changes of their borders and to their formation.

The township, the territorial division established in 1984 was changed in 1991 by the micro-regional territorial division based on non-administrative basis and covering the whole county. In 1994, there were 138 micro-regions which increased to 150 until 1997. Since 2004, there are 168 micro-regions in the country. My research is based on this micro-regional division in which there are 168 micro-regions (27 in the North Great Plain region), however their number further increased to 174 in 2008. Besides the changes of their borders, the beneficiary status of the micro-regions has often changed as well; these changes are also introduced in the first chapter.

I divide **the second main part** – which means my own creative work in the dissertation – into two parts according to their subjects. The first deals with the micro-regions in general, that is I introduce such previous works – prepared by experts of regional development – which put the micro-regions of the North Great Plain region and the country into categories by examinations based on different aspects. Following the evaluation of the demonstrated standardisations, I undertake myself to categorise the micro-regions of the North Great Plain regions according to my own points of view.

When drawing the final conclusion, it turned out that my method is not suitable for characterising the given micro-regions with some words according to all the examined criteria. I can only determine the position and development stage of the micro-region comparing to the other micro-regions of the region according to the single examination criteria or that which micro-regions are at the same stage of development according to a certain aspect.

In the second main part I introduce the three chosen micro-regions by using the same criteria: area, population, population density; natural capability, settlement structure, settlement infrastructure; demographical and human infrastructural characteristics; economic development; special capabilities. I present all the three micro-regions thoroughly analysed on the basis of time-scale data (1991-1999-2006), the available newest TeIR and CSO data from 2006-2007, and their micro-regional development documents prepared in 2003-2007. I primarily concentrate on the actuality, and try to demonstrate the specialities of the micro-regions, their most typical characteristics. My objective is to reveal the capabilities of the chosen micro-regions compared to the other ones of the region and the country as well, how they utilised or not utilised them in the past few years, what objectives they determined for themselves, and what kind of direction for development they (may) chose for themselves in the future providing the appropriate resources.

In the next step I study to what extent the SWOT (strength-weaknesses, opportunities-threats) analysis of the micro-region takes into account the potentials of the micro-region, the whether the documents put the appropriate emphasis on the opportunities to be exploited, and whether they could be found among the strength and opportunities.

In the third main part leaning on the previous analysis, I draw up, in my opinion, the most important break-out possibilities of all the three micro-regions. In connection with this, I collect the major problems in the development of the micro-region and look for possible solutions. In the case of the Kisvárd and Jászberény micro-regions, I shortly introduce those

complex development projects which have already been conceived by the micro-regional actors and independently of the threats and difficulties of their realisation, may be the break-out possibility for the micro-region. Finally, I size up whether the direction chosen by the micro-region is appropriate or not on the basis of their development documents and development concept. The aligned utilisation of the possibilities lack in the Hajdúböszörmény micro-region, as here the appropriately harmonised response to the already recognised direction is missing. The micro-region has particularly good territorial capabilities (the closeness of the three county towns, the motorway, the airport in Debrecen, the well constructed internal road system), possibilities deriving from its human resource, industrial areas, and entrepreneurial behaviour, despite this, there is no conceptional direction harmonising the capabilities, but the settlements of the micro-region realise their own developments.

Methods applied during the preparation of the dissertation

Because of the complexity of the subject and the widespread analysis of the micro-regions (analysis of European Union, national and regional micro-regions), the applied methods are varied and diversified. During the preparation of my dissertation, I used several analyses, tools and methods in order that the elaboration of the subject would be the more thorough.

Acting upon the mentioned variability, during the preparation of contextual and tabular analyses, I applied the following **methods**:

- Grouping and analysing the relevant technical literature,
- Analysis and comparison of data,
- Standardisation of micro-regions based on my own points of view,
- Preparation of tables, maps and diagrams,
- Interviewing.

To determine the definition of micro-region, and to introduce formation of the micro-regions during the history and the **legislations**, I conducted an analysis of technical literature. I processed the national legislation background and the available Hungarian and foreign – mainly available in English – technical literature. Data from publications about regional development helped processing the characteristics of the micro-regions.

In order to standardise the micro-regions according to different aspects, I used documents and data about the geographical expansion of micro-regions and CSO statistical micro-regions.

According to the applied method, my dissertation is basically a comparative examination, namely it compares the conclusions deriving from the three micro-regions' actual **development documents** with their real situation based on the data of the CSO and TeIR and my own analysis, and on the grounds of these, and introduces the best utilisation of the potentials.

During my work, I primarily used the data of the Central Statistical Office (CSO) and that of the micro-regional development documents. I made analyses on the basis of the available database of the CSO and Territorial Information System (TeIR).

The temporal development of the micro-regions could be best investigated by comparing the results achieved in the single years. For that very reason I organised the data of each micro-region, selected from 1991-1999-2006, into similar time-scale table.

The investigated data could be divided into two groups. One group consists of data coming from the territorial statistical data system of the CSO, the other one consists of census data of the CSO. The data of the census are from 1990 and 2000, and data of the micro-census from 2005 is also available.

Besides the above mentioned data, I utilised the results of **my own, empirical examinations**.

In order to get acquainted with the micro-regions, I demonstrated more previous standardisation methods and results prepared by famous regional development experts, and I prepared an independent standardisation for the micro-regions based on **my own points of view**.

In order to form the new category, I used the following data: settlement structure; population; natural migration; employed, personal income tax; apartment situation; public utilities; social insurance, social service; education; trading, hospitality; tourism, overnights, residence time. I categorised the micro-regions of the region according to the score of the examined aspects and their sub-aspects (3-5 within each) in decreasing order and divided them into groups according to the counties, then I prepared a common list, again in decreasing order, with the data of all the regional micro-regions from the three county-level lists. With these county and regional level lists I aimed to create three categories in the case of all data types by using all the 27 micro-regions. Dividing the regional order into three equal parts, I created the categories. This kind of 'trisectioning' method throws new light upon the 27 micro-regions of the North Great Plain region, and I rank them to the first, second or third tierce according to each examined aspect.

With the 'trisectioning' method I proved that – although there are differences between them – the examined micro-regions belong to the economically more developed, more modern micro-regions of the region where the population is better supported with services as well. The major differences are detected in the age and migration of their population and in the employment structure. None of the examined micro-regions belong to the most underdeveloped; lagging-behind micro-regions in the region, therefore their future primarily depends on the utilisation of their potentials. If they do not utilise these potentials, the chance for the internal renewal of these micro-regions is weak.

I tried to get more acquainted with the **opinion** of the actors living in the examined micro-regions and playing an important role in regional development, I built a close relationship with my colleagues from the Micro-regional Coordination Network, and many times I got formal and informal help from them. In the frame of personal interviews, I talked with actors who have an important role in regional development and who can influence the life of the micro-region, so I learnt and used their opinions.

The application of interviews, as a primary research was casual, but it proved to be a really useful form of analysis. During my research, I was in such a successful situation due to my daily job, that I could establish living connections with the prominent actors of the examined micro-regions and my colleagues living there. The structure of the interviews was absolutely different: with the leaders of the micro-regions I talked about the determined objectives, while with the colleagues dealing with the operative tasks, I talked about the development documents and other aspects of the planned developments. Every single case, I tried to lead the conversation in a way to get information about how local people see and evaluate the situation of their micro-region.

In order to demonstrate the information, data and the results of the research, I made **diagrams, tables and maps**, using MS Word, MS Excel, and Arcview 3.2 programmes.

Results of the dissertation

Thoroughly investigating the subject of regionality in my dissertation, I was led to the conclusion that, in the chosen three micro-regions, the capabilities, the intention of the population and their activity together determine the development of the micro-region. So, the motivation of the local population is very important in the field of territorial developments.

In details:

1. On the basis of analysing the historical past, I threw light on that however the territories of the micro-regions had frequently changed, I examined three whose borders did not change from their formation until 2007, which suppose a relative stability and harmony between the actors of the micro-region. The settlements of the micro-regions form one stable unit, although they have similarities and differences as well.
2. I revealed the position of the counties and the micro-regions in the North Great Plain region, compared to each other and the other parts of the country as well.
3. I introduced that each micro-region examined in the dissertation drew up those responses – on the level of their planning documents –, which target the break-out from their disadvantageous situation or the starting for further development, the catching up to the EU average and the creation of the conditions for a liveable living. I found out that although the micro-regions have recognised their disadvantages and also their opportunities, the correct development ideas have not been found and accepted by the local actors and the affected people. I also put light on the fact that the practical realisation of their incidental ideas is in at least a decade arrears.

The tasks undertaken in order to achieve the above mentioned results were realised as follows:

1. I analysed the concept of micro-region, I clarified the version used in my dissertation, accordingly:

The micro-region in Hungary is coeval with the changes of regime, and as a concept it – usually – means a territorial unit showing unique characteristics and common parameters, and it can be geographically determined according to them.

I found out that the micro-region is not a stable, static category but a dynamic social phenomenon, which is always changing, reforming, that is it could be defined as a process.

I clarified that the nowadays used meaning of micro-region as a concept has only a few decade long history even in the developed Western-European states.

2. I revealed the characteristics of the micro-regions according to which I found out the followings:

Despite the similar stage of development, the different development funds available for the certain micro-regions and their utilisation of potentials deriving from their location and capabilities cause differences between them. (Although it was not my intention to investigate the occurrence and amount of development funds arrive in the micro-regions.)

A deliberate development concept at the right time, an undertaken direction of development may cause radical changes in the life of a micro-region.

3. I analysed how effective and successful future could be provided for a micro-region by a project idea reflecting to micro-regional requirement and needs or a synergetic development idea.

My analysis showed that it is not enough if a micro-region is specialized for only one thing, the investments have an outstanding result if they have synergetic effects with other projects. As a result of an investment, the activity spectrum of a micro-region is widening, which brings along new requirements, the development of other fields as well. That is why the direction for development in the case of Kisvárdá and Jászberény micro-regions seems to be especially good, where the main sector (logistics and industry) remains dominant by drawing into external resources or activating the internal resources.

4. I chose one speciality of each micro-region, and analysed what kind of advantages the micro-region could achieve by the speciality and the chosen direction for development compared to the other micro-regions.

I showed that all the three micro-regions have to prepare for the realisation of further developments by providing the basic infrastructural and appropriate business background, and all the three micro-regions have to take one more capability into account to achieve this:

- For the Kisvárdá micro-region, its location close to the border means a comparative advantage and utilisable possibility,
- The Hajdúböszörmény micro-region has to be prepared – both by means of infrastructural and human capacities as well – for the “arrival” of the M3 motorway,
- For the Jászberény micro-region it is necessary to further develop its already existing economic potential – its advantage deriving from the companies already operating in the micro-region.

The harmonised utilisation of the opportunities lack from the Hajdúböszörmény micro-region, as though they have already recognised the necessary direction, they do not have a suitably harmonised response. The micro-region has particularly good territorial capabilities (the closeness of the three county towns, the motorway, the airport in Debrecen, the well constructed internal road system), possibilities deriving from its human resource, industrial areas, and entrepreneurial behaviour, despite this, there is no conceptional direction harmonising the capabilities, but the settlements of the micro-region realise their own developments.

This could derive from its special – nationally unique – situation of consisting only three settlements; from the adverse development ideas of the three towns and – maybe it can be admitted – from their rivalry. We can hardly talk about micro-region; it is rather a group of settlements territorially concussed for cooperation. The real key, what the micro-regions should recognise, is that the internal resources arrive due to the local stimulation of internal resources, which strengthens the utilisation of the internal resources. So, the real key, the starting point to the success is the internal resource, the capability, as e.g. the improvement of accessibility is only an opportunity, it is not a token for the development itself, it could only be an effective tool for the catching up, if it fits into further complex development programmes.

Specific results of the three micro-regions' qualitative research

Research hypothesis of the Kisvárdai micro-region:

The most important break-out possibility of the examined Kisvárdai micro-region derives from its geographical location, the closeness of the border, and the related potentials in logistics, its re-loading responsibility between narrow- and wide-gauge railways, and also the opportunities deriving from the unexploited industrial sites to be developed.

Developments necessary to realise the hypothesis:

1. It is necessary to provide the local small- and medium-sized enterprises with appropriate conditions to settle down; in order to fulfil this dedicated industrial and logistic areas have to be established.
2. **Development** of the (railway and public road) **infrastructure** supporting the economy and logistics in order to serve out the entrepreneurial/industrial zones. It is necessary to reconstruct the logistic infrastructure managed and operated by the State and its institutions (Hungarian State Railways Private Company by Shares). In order to increase the profitability, increased market share and good product, outstanding quality is required which is difficult to provide with out-dated tools and systems.
3. In this area it is necessary to modernize – mainly the infrastructural – conditions of medium- and high-level **training and education** in the fields of industry and logistics, to provide workshops, labs, places for field-work and to train such experts whose expertise is in line with the requirements of the present and future enterprises operating in the field of logistics.
4. The objective of the **capital investment** programme is to attract national and foreign investors to the micro-region, to increase the entrepreneurial activity especially by increasing the number of capital-rich public limited companies and corporations, as if there is no capital to be invested, there are no modern equipment, more effective operation and higher profitability.
5. Formation of a **cluster** by the small- and medium-sized enterprises operating in the field of logistics in Záhony and its area; establishment of a cluster management organisation in order that the SMEs operating within the cluster could carry out more activities together which meant quite much burden for them previously.

With the realisation of the above mentioned things, the complex economic development programme elaborated for the special economic zone of Záhony is absolutely suitable for managing the problems of the area.

Research hypothesis of the Hajdúböszörmény micro-region:

The most significant break-out possibility of the examined Hajdúböszörmény micro-region is its geographical location which caused that fortunate situation for it that the constructed and inaugurated M3 and M35 motorways between the three county towns significantly developing in the past decade – located within 80 kilometres – pass by the micro-region.

Developments necessary to realise the hypothesis:

1. Hungary has to build **roads joined to** the main transport corridors of the EU and to **the international main road network**, thus part of the benefits coming from the economic growth would be spent on building public roads, particularly highways.

- Further task is to construct lateral roads in order to change the annular structure of the road system, centred to the capital city, and to enhance the internal and international regional connections and relationships.
2. In order to that the motorway expose its economic invigoration impact, appropriate starting conditions and the presence of other dynamising factors are necessary. In certain **industrial parks and industrial areas** close to the motorways, in order to enhance the settling down of enterprises, it is necessary to provide the basic infrastructure and the required amount and quality of labour force.
 3. Close to the motorway, proper **business conditions** (industrial areas ready for enterprises to settle down, taxes, real estate prices etc.) and **human resource conditions** (educated labour harmonised with the demand) should be created and available, which result in economic growth and boom in the tourism.

The micro-region develops industrial parks and areas (Hajdúböszörmény and Hajdúnánás-Tedej), but these developments lack a coherent concept which looks into the future regardless of developing the industrial sites, and the complementing human resource development. With the lack of it, there is no “break-out possibility” for the micro-region.

Research hypothesis of the Jászberény micro-region:

The most significant break-out possibility of Jászberény micro-region is the further enhancement the anyway strong industrial production, completed with the potentials of the tertiary sector and human resource development, its geographical location and good accessibility.

Developments necessary to realise the hypothesis:

1. Due to its advantageous location and industrial traditions, the foreign investments, and the dynamic development of Budapest and its area, a significant industrial development took place in the micro-region in the ‘90s. The creation of advantageous conditions (e.g. basic infrastructure, tax allowance, good human resource) – provided for the foreign capital that time – again, would attract **further foreign and national investors** to the micro-region either as a supplier to the already present companies.
2. In order to strengthen the multinational companies and their suppliers settled down in the Jászság, the stable requirement for R + F should be created, and in response **enhancement of the potential of R + F and knowledge** has to be provided. The R + D activity has to be developed to such an extent which helps the local SMEs to become suppliers.
3. There is no more significant **educational and research potential** in the western part of the region which could be improved and strengthened by cultivating the already existing relationships with universities and researchers, and establishing new educational structures adaptive to the market requirements (University of Miskolc; Szent István University, Gödöllő; Moholy-Nagy University of Art and Design; University of Debrecen; Budapest University of Technology and Economics; University of Veszprém Egyetem etc.).
4. The centre of the micro-region does not have such a place which is suitable for staging the different events of mainly business tourism but other branches of tourism (e.g. cultural tourism) as well (e.g. conferences, exhibitions, fairs, festivals, meetings, concerts). Further shortcoming of **tourism infrastructure** is that there are no higher ranked hotels and restaurants, and the number of quarters is

low. Due to this, businessmen visiting the town usually do not spend the night here, so the incomes deriving from their spending are not realized in the town but in Budapest.

Realising the Jászberény Supplier Knowledge-centre project, the town may further strengthen as a place for investments with its versatile manufacturing activity and economic-business functions built upon supplier networks. As a result of the project, an abandoned and neglected area would be reconstructed; the project improves the employment possibility of university and high-school graduates, job starters, it provides further- and re-training for undergraduates, it provides possibility to become supplier and thus results in increasing market safety, and consequently it is suitable for solving the problems of the micro-region.

Final conclusion

As a final conclusion, it could be laid down that the capabilities, the development funds and the development concepts prepared by the micro-regions are influential and becoming increasingly important development policy factors in all the three examined territorial units.

The fact according to that the micro-region could develop as a result of proper planning and forecast has been proved. However, it could be successful only if they could prove that there is a strong and serious relationship between the openheartedness and development of the local population and the direction and successfulness of the development objectives, and the intention of the development actors.

Utilising the results of the research in practice

The micro-region grouped by my own standardisation method, facilitate the distribution of the development funds arriving from external (state or EU) resources. The group number given by the position in the certain economic sectors or in certain sectors providing services for the population, but the groups made according to the different indicators referring to the population could be used to create a relatively objective rank in order to make quick and effective decision on the allocation of the development funds.

Confronting the development strategy developed as a result of the three micro-regions' investigation with the micro-regions' own development plans is a guidance to prominent people, decision-makers and plan-makers that:

1. in the elaboration of successful development plans, scientific establishment and
2. wide social adoption is required,

not only in the chosen micro-regions of the North Great Plain region, but everywhere in the whole country.