

WELCOME ADDRESS

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Distinguished Guests,
Dear Colleagues,
Ladies and Gentlemen,

It is a great pleasure welcome all of you on behalf of Hungarian Regional Science Association. It is indeed a great honour for us that the Regional Studies Association has chosen Pécs as the place of its annual conference.

It is a true pleasure for me to see so many, around six hundred, distinguished conference participants from 50 countries and the European Commission here in Pécs, all of you with first hand research experience of regional and urban development and policy. I believe that the largest number of participants in the history of Regional Studies Association clearly demonstrates that regional studies are establishing themselves as an increasingly important research area.

Last but certainly not least, I would like to extend a special thanks to our hosts, the Faculties of Economics and Law of University of Pécs, the Centre for Regional Studies of the Hungarian Academy of Sciences, sponsors of this conference, the Directorate of the European Cultural Capital and the Prime Ministers' Office of the Republic of Hungary and business actors organising technical matters.

And, while our discussion over the next three days certainly will take us considerably further in our understanding of current international trends of regional and urban development and policy, I am convinced that this conference will mark the beginning rather than the end of co-operation between Eastern and Western European researchers in the increasingly important policy of the future Europe.

I think that obtaining the opportunity to hold this conference here in Pécs is in recognition of results of Hungarian regional research, education and policy implementation.

The intellectual system of regional development started to develop more than two and a half decades ago in Hungary. Establishing Centre for Regional Studies of the Hungarian Academy of

Sciences, and other institutions of regional science, including publication forums, scientific committees and associations were fundamental elements of the new scientific discipline. The first training course in regional economics and policy and doctoral school were founded 20 years ago just here, at the University of Pécs.

This competitive intellectual capacity contributed to Hungary's pioneering role in the establishment of regional policy's political instruments and institutions among the new accession countries. It was Hungary's Parliament which passed the first regional development act in Eastern Europe, and it was also here where the first comprehensive spatial development concept was elaborated.

However, with EU accession, these trends changed in Hungary. Development policy founded upon EU subsidies "gobbled up" regional reforms. The preparation of national development plans occurred on the basis of sectoral and macro-political goals. These plans, which were based on the European Union's standardised development handbooks, show considerable similarity among the new member states from Eastern Europe. The contents of development documents are so generic that it is sometimes hard to ascertain exactly whose plan we are holding in our hands.

Changes in the factors influencing regional development require the regional policy system of objectives, together with the related instruments and institutions, to be transformed. Actors, institutions and organizations are key objectives of our conference. The long-term trends of European spatial development require the widest range of institutionalised forms of decentralisation to be established in the countries of Europe in the face of their different traditions. I am convinced that the new member states can only meet EU cohesion requirements with the help of decentralised institutions.

EU accession opened up a Pandora's Box in the countries of Eastern and Central Europe. The fundamental issue of how unitarily structured states can be set on a decentralised path became the centre of debate. If regionalism progresses, it can bring about the modernisation of regional structures and the need for multi-polar regional development may change the hierarchies of power in those countries still in transition quite profoundly. The sub-national level of the power structure, the region, is a territorial entity which supports the sustainable development of the economy and the modernisation of the spatial structure – with its own financial resources and having at its disposal an autonomous development policy based upon local governmental rights. The regions are becoming the stage for innovative development, and the degree of embeddedness of the fundamental institutions of innovation output is becoming stronger at regional level.

Decentralisation has a number of positive effects on the improvement of the regions. Autonomous decision making increases the number of quality jobs and the business development

effects for establishment of companies are clearly evident. Innovative business develops the region's export capacity and helps it to integrate into the European and international research area. Companies which demand or rely on research contribute to the re-industrialisation of the region and to the spread of modern services. All of these improve the income-generating ability of the regions and contribute to the enhancement of regional cohesion. The Lisbon criteria cannot be met without decentralisation.

Ladies and Gentlemen,

It is now self evident in the majority of EU member states that the institutions of power sharing and multi-level governance enhance economic performance and welfare in individual regions. The lobbyist politician is replaced by his development-minded peer, who encourages long-term legal guarantees for autonomous local growth, cooperation on the European scale and partnerships among regional stakeholders. The successful development of numerous Western European regions shows the efficacy of this attitude, as well as its eminent role in fostering a regional identity. This new paradigm has emerged in some Eastern European regions, let me mention among others West region in Romania, Vojvodina in Serbia, Upper Silesia in Poland, South Moravia in the Czech Republic, and South Transdanubia in Hungary.

There are cities in Europe which demonstrate this new development mentality. Pécs wishes to be such a city. Pécs is the intellectual birthplace of Hungarian regionalism. There is no other Hungarian city whose name is more closely tied to idea of regional autonomy and decentralisation than Pécs's. Its position as capital of European culture is an unambiguous evidence.

Dear Colleagues,

I wish you successful work, debates and exchange of ideas. Finally I hope you all will enjoy not just this great event but also the cultural and social life in Pécs, a meeting point between East and West. I wish you all a wonderful stay and great fun in our two- thousand-year old historical city.