

**CENTRE FOR REGIONAL STUDIES
OF THE
HUNGARIAN ACADEMY OF SCIENCES**

**7621 Pécs, Papnövelde u. 22.
Phone number: +36 (72) 523-800
Fax: +36 (72) 523-803
E-mail: rkk@rkk.hu
www.rkk.hu**

SCIENTIFIC ACTIVITY REPORT 2008

I. Main tasks of the Centre for Regional Studies (CRS) in 2008

The Centre's priority research activities in 2008 were the following: public tasks, i.e. basic research in spatial development and regionalisation, strengthening the foundations of regional science, dissemination and popularisation of results, theoretical analysis of the changing policies of the European Union, creation of spatial development-related scientific workshops in the Carpathian Basin and the analysis of national spatial processes and its patterns. Our objectives in 2008 were the publication of six monographs, 300 studies, seven discussion papers and the regular publication of the journal, *Space and Society*. Our research team's scientific progress was measured by the achieved results in fields of basic research. Our goal was to obtain 7 Ph.D. degrees and one doctoral degree. Budgetary subsidies from the Academy provided the main financial basis of our scientific activities. However, due to the lack of sufficient academic funding we required additional financial resources from project activities, funds and contracts to finance our tasks.

Programmes launched before 2008, such as INTERREG, ESPON, CADSES and FP6 Cross Border research, were continued (budget: 80 million HUF). Our plans included the submission of an ESPON project proposal about the analysis of strategies of development in rural areas of the European Union. Despite the positive evaluation our project proposal was rejected.

Plans for 2008 included groundwork for governmental decisions about the reform of existing institutions of public administration, rural and spatial development; the creation of scientific foundations for national development policy decisions; as well as the evaluation of sectoral and regional operational programmes and plans.

Focus was given to strengthening our role in the local economy and to the continued the analysis of the factors of competitiveness and entrepreneurial innovative capacities. Focus was given to the population preference survey examining the local-regional public opinion and attitude towards decisions about the extension of the Paks nuclear power plant, and about the Hungarian energy sector including alternative energy resources

Our main objective was to launch the high priority micro regional project in the framework of the State Reform Operative Programme in the form of a syndical cooperation (planned

budget: 200 million HUF). Unfortunately, due to the withdrawal of the syndicate partner, we could not submit the proposal on this high priority program.

CRS and all its divisions planned to participate in several county, micro-regional, urban and rural development programmes, such as integrated urban development, small villages, community spaces and lagging regions (budget: 60 million HUF).

In addition to these programmes CRS continued interior structural and organisational rationalisation. After the modification of its founding document CRS decided to prepare new Organisational and Operational Guidelines.

The key objective of CRS for 2008 was to become integrated into the network of laboratories of national academic research institutions and to achieve the status of coordinating institution of Central and Eastern European regional research.

II. Results and socio-economic benefits

1. Carpathian cooperation

The objective of the research is to integrate European spatial policies and their management system in problem areas of economy, culture, ecology and network building in the Carpathians by adapting the most valuable experiences of transnational cooperation. The project's long-term objectives are to foster protection of the region's natural resources in accordance with the principles of sustainable development, to accelerate the integration of the region into the European Union by strengthening cohesion, and to preserve its natural and cultural heritage for the future generations.

Based on the experience of other mountainous and border regions in the European Union, the area's fragile mountainous ecosystem and its peripheral regions divided by borders provide sufficient conditions for effective and fertile cross border relations between bordering areas, nations and people. The project's environmental and spatial development objectives were elaborated in an integrated view, permitting the adaptation of the special advantages of the region's development potentials to challenges of the future.

The result of the research was a strategy based on situational analysis and an integral information database, a new instrumental setting of sectoral policy which contributed to the implementation of pilot programmes and actions involving cooperating regional and national actors.

This project served as the framework for transnational policies in pursuit of the region's development and deeper integration. The only key to successful and sustainable development of the lowland environment is a harmonised, environmentally focused cooperation encompassing the Carpathian Basin macroregion's entire territory. The region's middle term development strategy was elaborated as a background for future inter-governmental and transnational cooperation. The project, transforming the Carpathian Convention into a real functioning transnational platform, serves as an adequate basis for adapting EU sectoral policies.

The main socio-economic benefit of the research is the strategy creating the basis for the Carpathian cooperation, which may play an essential role in governmental and inter-governmental cooperation in the field of regional development, by enforcing territorial cohesion, sustainable development protection of natural and cultural heritage and cooperation, and in the meantime, raising the living standards of the population.

2. The socio-economic analysis of border areas

The objective of the Hungarian-Slovakian Cross-border Research Project was the socio-economic analysis of the border region's territory, an empirical analysis of the level, frequency and quality of cross-border cooperations after the regime change in the economy, between local governments, in healthcare, education and between members of society.

The research pointed out that the outsourcing of activities to the territory of a foreign country is becoming more and more natural for citizens and entrepreneurs alike. Cross-border movements are important in education, too, though conditions are still not satisfactory. Significant efforts have been made towards cooperation in the public health sector and the shared use of institutions and ambulance, but connections are hard to establish without a modification of the applicable rules and regulations. It was also pointed out that a harmonisation of the procedural orders was needed in order to remove the obstacles before daily relations.

The direct benefits for the economy are that the results contributed to the competitiveness of cross-border enterprises and by promoting the cross-border use of different types of public services, enhancing the local population's quality of life. The results were made public at the Hungarian-Slovak Intergovernmental Joint Committee's meetings.

3. Backwards peripheries and microregions

Research carried out in backwards and peripheral lagging regions called attention to the fact that in certain settlements with an existing middle class in need of occasional or regular workforce, fragile client-patron relationships are still functioning. The peripheral settlements characterised by a relatively balanced demographic and social structure will be facing deepening and widening poverty with the disappearance of supportive client-patron relationships.

Our results indicated that employment and wage opportunities for the inhabitants of settlements with a similar ethnic structure are largely determined by the regional position and environment of these settlements. The different social and ethnic groups face a tough competitive situation in the non-existent or rather narrow primary labour market. Families forced into the black or grey economy or temporary migration become permanently vulnerable in the long run. In regions where the socio-economic environment is sufficiently diverse and polarised and where there is at least temporary demand for unskilled workforce, even the lowest groups of the labour market have chances to devise and maintain strategies based on the conscious combination of means of subsistence.

The examination of backward microregions indicated that small settlements were faced with a serious lack of financial resources. Underfinancing maintenance of institutions and high level of social expenditures are largely held responsible for this fact. Local governments are compelled to obtain loans in a larger number of cases than the government solution for overcoming lack of financing and they are more and more exposed to selling their property.

Research examining the territorial characteristics and changes of the labour market and the notion of social spatial segregation proved unanimously that adhesion would become a reality only through implementation of long term and complex programmes which would produce manifold synergic effects. In order to achieve this goal, new and genuine decentralisation will be required with the application of the principle of bottom-up planning.

The study of experiences from social land programmes proves that even though the activities and the income provided by these programs play an essential role in diminishing bread-and-butter worries and in maintaining the working culture and working abilities, they are unable to create favorable conditions for the accumulation of goods required for entering and remaining permanently present in the labour market.

The national economic and social policy benefits from the results is that they call attention to the lack of competitiveness, the problems arising from the spatial and social disequilibria and lack of equal opportunities, urging decisionmakers to take the necessary measures for diminishing these disparities.

4. Reindustrialisation; the role of the economy in regional development

The main objective of the research is the clear definition of the notion of reindustrialisation and the outlining of its main processes and territorial types. It was made clear that reindustrialisation meant neither halting of the industrialisation nor rebirth of the former trends; rather, it is a complex process referring to new, innovative industries and to the sectoral and spatial restructuring of the industry. Reindustrialisation means the appearance of new branches, activities and products in areas where these were formerly non-existent on one hand, and on the other hand it refers to structural change through which the role of traditional branches is eliminated or suppressed, to be taken over by newly emerging other activities.

In the world, there are no territories where we can find clear processes: deindustrialisation, delocalisation and the new, innovative industry emerge simultaneously, complementing or crossing each other. The territorial types of industry are determined by the dominant processes: in the developed world we can witness a rise in the significance of innovative industrial branches in parallel with the overall retreat of industry. The Central and Eastern-European countries situated on the border between the developed and the developing world have become attractive sites for FDI from the developed world, and at present, they are winners of delocalisation processes. The new industry is also present in the newly industrialised countries (NIC) experiencing continuous growth in traditional sectors.

An important statement on the basis of our results is that delocalising R+D activities to foreign countries is an essential part of corporate strategies, gaining mass dominance in the last decades of the previous century. And although the majority of R&D activities is

outsourced within the boundaries of the developed world, around the turn of the century the phenomenon of their localisation into developing countries also emerged.

The results highlighted the enormous differences between R&D activity of foreign and domestic corporate companies: in Hungary, the expenditures of foreign companies amount to 75% of corporate R&D expenditure, and foreign research units are generally six times larger than their domestic counterparts, and in case of per-unit costs the difference is fifteen-fold.

The available results of our research point towards the weak embeddedness of foreign corporate R&D units. As a result of foreign investments a dual structure has emerged even in the field of R&D. The basic interest of the Hungarian economic policy is to support the local embeddedness of foreign R&D units and to promote their cooperative linkages with domestic companies, research institutes and universities.

The objective of a another programme with strong economic orientation was to promote the regional role of the Paks nuclear power plant and the strategy of popularising its development activities in the eyes of the public opinion. Research was conducted among local governments and members of civil society in the region of Paks, international analysis was made of the energy sector's role in economic development. These studies provided scientific foundations for the nuclear reactor's regional, micro-regional relationships and connections with members of civil society.

Studies on the Paks nuclear power plant contribute to the social acceptance of the parliamentary decision about building new blocks in the near future.

5. Studies on climate change

In an experimental study containing a case study of a large Hungarian town our objective was to provide concrete solutions to some important social aspects of the trends and instruments of climate-focused urban policy related to energy industry, waste management, traffic organisation and land use, capable of providing a panacea for socially differentiated and spatial vulnerability and strengthening strategies of adaptation.

The results demonstrated that the problem of climate change is considered serious primarily by low status groups (blue-collar workers with a low income), while highly educated people are more aware of the gravity of climate change than the average groups, and high-income groups are the least sensitive to climate change. The results assume that the chances of

adaptation and self-defense are better for high status (more educated white-collar workers with a higher income) than for low status groups.

Citizens, grasping problems at a national level, hope that scientists, researchers and national political organs will be competent in diminishing the effects of climate change. This may mean less engagement on their part and an increased importance of the scientific foundations of sectoral policy intervention. From the concrete forms of intervention higher status groups consistently excluded the reduction of emission and energy saving methods, while lower status groups were more inclined to change their habits and to apply climate sensitive solutions which show a spatial differentiation: inhabitants living in the city centres prefer environmentally friendly solutions, suburban dwellers are more willing to be involved in energy saving and the reduction of emission; while those living in housing estates apply a combination of the two strategies.

The fact that we studied the effects of climate change, one of the most serious problems contemporary society is facing, and its social consequences in a Hungarian town with a universally applicable methodology, is in itself a significant result which permits the study of behavioural patterns of different social layers on the basis of their quality of life.

6. Urban research

Studies in the framework of the National Spatial Development Concept (OTK) provided the foundations for a development strategy based on functional urban areas. The research, compatible with ESPON and other documents of European networks of cities and settlements, proposed that future development policy should concentrate more on functional urban networks; the concentration of development resources should take into consideration the development needs and supply-zones of cities fulfilling an international, national or regional role, and the structure and competences of the regional institutions should fit into this network.

Our results demonstrate that Hungarian cities are experiencing a fast transformation even in the post-transitional period. After the era of socialist urbanisation the phenomena of gentrification and suburbanisation generated by market relations penetrate urban spaces. The integral view of urban planning simultaneously takes into consideration the impacts on architecture, economy, society and the environment.

Research on integrated urban planning strategies of several Hungarian large cities indicates that the territorial view of planning on regional, urban and district level along with complex action planning is an entirely new challenge. According to this research, urban development and planning cannot have any other purpose than to improve the population's living standards and even more so to relieve tensions within civil society which call for restitution of the balance between technical, infrastructural development and the alleviation of social problems. To detect the cities' core problem areas, we constructed databases and maps using modern spatial informatics methods.

The polycentric urban development model is a core document of the National Spatial Development Concept (OTK). Government organs use it in the process of finalising the Concept. Further results of the research were applied in practical town planning: (1) through municipal use of the Integral Complex Strategies (ICS) of large towns, (2) through the improvement of competitiveness and quality of life and adaptation of these methods in other Hungarian large towns. An outstanding example is the Kecskemét IVS which directly influenced the city's economic development and improved its investment climate.

7. European models of governance

The objectives of the synthetic research in the analysis of European models of governance meant preparing Hungarian case studies on one hand and summarizing scientific results on the other. Research focused on the different types of governance (hierarchical, network and market) examining the governing systems and their sustainability in nine different countries.

The comparative phase of the research indicated that not only were principles of environmental and sustainable development scarcely applied in Hungarian strategic and national development planning focusing on the absorption of EU funds, but the governance system also failed to encourage the integration of actors and valuable knowledge in the planning process. The strong centralisation and the lack of political culture and cooperative mechanisms stood in the way of real cooperative planning.

8. Other results

A significant achievement from a scientific and professional aspect is the increasing number of international projects and consortial cooperations our Institute participates in. We consider the role our Institute played in setting up the Carpathian Basin's regional workshops and in

strengthening the coordination between them and the publication of new volumes of our “Regions” monograph series to be outstanding results. “Space and Society”, our journal of regional science is essential reading among the professionals of regional development, disseminating the up-to-date results of basic and applied research. The general assembly of the Hungarian Regional Science Association (HRSA) authorized the presidium to intercede in order to place the functioning of HRSA under the aegis of the Academy.

The Ministry for National Development and Economy (MNDE) commissioned the Institute to develop the first version of the glossary of spatial planning to be further developed into an encyclopedia and a valuable handbook of regional science and experts of regional development. The Ministry commissioned a study exploring the Hungarian presidency in 2011 and the adaptation to the European Union’s regional policy. We are witnessing profound transformations in the European cohesion policy and an important milestone on this road is the Green Paper on Territorial Cohesion. The guidelines defined in this document have a great impact on Hungary’s future positions; determining the amount and objectives of EU funding for the next programming period and the available funds for cohesion and competitiveness objectives in beneficiary regions. The Institute prepared an expert opinion elaborating the Hungarian standpoint.

The Ministry charged the Institute with the task of preparing the scientific foundations of Hungary’s lobbying activities in the European Union. Conditions determined by the EU for the location choice of the European Institute of Innovation and Technology were explored in the framework of this task, along with the definition of the assets of Budapest, possible designated sites and the circle of possible competitors. This study contributed to the EU’s decision to locate the European Institute of Innovation and Technology in Budapest.

The research on environmental policy in the Carpathian Basin and its institutions of environmental protection was successfully concluded. A research report in relevance to the national adoption of the Leipzig Charter and the climate strategy was prepared about the factors and importance of environmental consciousness in civil society, the modelling of land use conflicts, and the regional and spatial structural conditions of alternative energy projects.

Research in the framework of the cooperation between the Academy and the Office of the Prime Minister outlined the new development patterns of rural areas and the emergence of microregional associations. The results contribute to programming in eligible areas of

LEADER+. To research areas of rural development were added territorial analyses of the role of agriculture with the purpose of measuring the capacity of this traditional factor of regional economy to support the local population and small-scale farming units.

A Hungarian and Russian regional development publication and the organisation of a conference with the same concept were undoubtedly two significant achievements of 2008. These endeavours contributed to the establishment of the Hungarian-Russian Intergovernmental Joint Committee for Regional Development.

III. Presentation of domestic and international relations

Domestic relations in 2008 were strengthened by the entering of several new partners. The network synergies of CRS were valorised and the number of consortial cooperations has risen. Although higher education institutions have maintained their predominance in our domestic relations, certain ministerial organs, institutions on different levels of regional development and actors of the economy have also become our partners. On the basis of the content of the cooperations it can be stated that a significant majority is constituted by common proposals, consortial agreements, research commissions and proposals for complex or individual tasks (not to mention the linkages with the university).

We have established strong links with the Academy's public body, its territorial committees, departments and other committees. We maintain strong relations with the inspectoral body which assists our activities in numerous ways, and with the Main Department of Interior Control whose staff performed a revising inspection rich in useful pieces of advice for CRS leadership.

All our researchers participate in activities of scientific professional bodies and societies, the majority of our leading researchers are office-holders. Among the scientific societies the most significant are Society of Economy, Society of Political Science, Society of Sociology, Society of Geography, and the Hungarian Regional Science Association initiated by the Institution, which, assembling the foreign and domestic practitioners and scientists of regional sciences, plays a major role in disseminating the Academy's scientific achievements in the country and in popularising the results of regional science. Our researchers are also present in

several national and territorial public policy advisory bodies. CRS places great emphasis on relations with the media (information about conferences, book presentations, interviews, publications in national and local newspapers) and on presenting up-to-date data on our web page.

Cooperation with other institutions and researchers intensified in the framework of certain projects with the following academic institutions (Institute of World Economy, Political Science, Sociology, Minority Studies and Ecology), the Institute of the Slovaks in Hungary and the Institute of Urban Planning. Our relationships include new partners from the circle of national municipal alliances (National Association of County Governments, National Local Government Association, national associations of counties and cities with county status and foundations (Lakitelek Foundation, Knowledge Society Foundation).

The solid relationships with national institutions of higher education have widened in scope. Our research and consortial cooperations have become stable. We established new long-term agreements with higher education institutions in the fields of education and research (Kaposvár, Debrecen, Szarvas, Kecskemét, Gödöllő). The doctoral school of Széchenyi University operates in close cooperation with the Centre for Regional Studies in Győr. The University of Kaposvár and the College of Kecskemét set up their departments in the Centre for Regional Studies. The Centre's leading researchers teach in regional doctoral schools in Pécs, Debrecen, Győr and Szeged, they participate in organising graduate and postgraduate programs, master courses and PhD programmes at a large number of higher education institutions (Eötvös Lóránd University, Kodolányi János College, Universities of Miskolc, Kaposvár and Debrecen, Corvinus University, Tessedik Sámuel College in Szarvas, College of Baja, etc.). Our educational links with Babeş–Bolyai University in Kolozsvár, Sapientia – Hungarian University of Transylvania, University of Oradea, University of Novi Sad, and the College of Beregszász illustrate our strong commitment to crossborder regions.

The State Secretariat for Regional Development within the Ministry for National Development and Economy provided us themes and financial resources for creating the scientific foundations of regional policy decisions, composing the largest share of the results of practical utility and the Institute's basic research. The glossary of regional development, a result of the joint effort of all our research units provides a sufficient basis for the preparation of a Regional encyclopedia. We received a commission from the Ministry for Social and Family Affairs to analyse the problems of lagging regions, disfavoured social groups and

social segregation. The Office of the Prime Minister and the Ministry for Agriculture and Rural Development gave us a commission to perform research in the field of rural development and to become a member of its executive body charged with the management of the network of rural development. We have to mention the Institute's membership in the National Regional Development Council and in the Monitoring Committees of several Operational Programmes of the New Hungary Development Plan.

Our relations were stable with most regional development councils and agencies which meant participation in committees' activities, meetings and the obtainment of research commissions in certain cases. Our relations with local governments and regional development councils of counties have weakened or disappeared (e.g. the local government of Fejér county). Our links with certain large cities were upgraded as a result of the construction of development pole programmes and integrated urban development strategies. Smaller local governments have requested professional assistance from the Institute in the elaboration of their urban development concepts and strategies. Our relations with microregions have diminished in volume compared to former years. The alleged cause is that the different microregional development documents have already been prepared and revised in certain cases. Our relations with the most backwards microregions have become stronger, and the Institute's researchers participated in the establishment and operation of several LEADER groups.

We established occasional consortial cooperation with certain counselling companies. A new three-year cooperation agreement has recently been formed with the Paks nuclear power plant. Negotiations were launched about research cooperations to be formed in connection with the establishment of Mercedes-Benz's Hungarian branch plant and future participation in a spin-off company.

Relations within the Centre's research network and among individual researchers materialised in project and professional cooperations. The dissolution of the Centre's departments in Szolnok and Miskolc meant an important organisational change.

Our international relations are broad and multi-faceted. Our researchers participate in international conferences on a regular basis, we received several guest researcher mainly in the framework of academic exchange programs (Geographic Institute of the Russian Academy of Science, Hungarian-Czech research exchange program). Among our guest researchers we must mention a professor from the University of New York who spent a year

in our Institute on Marie Curie scholarship and whose work was highly esteemed by competent organs of the EU, and three senior researchers from the Geographic Institute of the Russian Academy of Sciences on academic exchange fellowship.

The most significant achievement in the field of international relations is that the Centre for Regional Studies was granted the opportunity to organise the World Conference of RSA in Pécs within the framework of the Pécs City of Culture 2010.

Besides traditional relations with the EU, our cooperative ties have become stronger with academic and other institutions and organisations in the Carpathian Basin, which materialised in the development of border microregional relations, educational programmes, joint events, workshops and guest presentations. Illustrative examples are the cross-border research project in Hajdú-Bihar-Borsod Euroregion, the cross border research programme established with the Forum Research Institute of Somorja, cooperation with the Economic Strategic Research Centre of Novi Sad, the Geographic Institute of the Serbian Academy of Arts and Sciences or the Executive Council of Vojvodina AP. The theme of the renewed two-year research exchange program of HAS–CNRS was the comparative analysis of Hungarian and French LEADER+ programs.

Some of the most significant national events are the 4th Great Plains Congress in Békéscsaba (130 participants); the Central-Eastern Regional Seminar in Gyula (4 countries and 20 members); the Danube as a development axis, an event organised in partnership with the Centre for Social Sciences of HAS in Győr with 80 members; the conference titled “Reindustrialisation of regions” with 100 participants, and the Hungarian–Russian Regional Development Conference with 80 participants.