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Elements of regional disparities in the new regional pattern[*]

In Hungary, the basic socio-economic changes launched by the political transition of 1989 have been more or less completed by the end of the 1990s: the institutions of political democracy and market economy have been established. As a result of these processes, a new regional pattern has emerged, being substantiallly different from that of the socialist period. The study below presents the most important features of this altered regional pattern.

Building a multi-party democratic constitutional state and a market economy in the 1990s has had far-reaching consequences for all levels of the society. The most fundamental change has taken place in the ownership structure. Following privatisation, land ownership compensation and new capital investments (especially the foreign capital amounting to 20 billion USD by 2000), private ownership had become dominant by the mid-1990s. From 1996, more than half of all wage earners in every county worked for private or at least partly-private enterprises. Today there are some 700000 individual entrepreneurs besides over 300000 business enterprises in Hungary. The role of the state is now dominant only in the field of education, health services, and public administration. Hungary has beeen compelled to a complete reorientation of its external economic ties, with a subsequent deepening of the regional crisis in the manufacturing and agricultural industries which had been producing for the Soviet market. Economic decline reached a low in 1993. The complete opening of borders served as a catalyst for changes in the spatial structure. The system of state-monopolised and centrally organised international relations began to give ground for cross-border co-operation. Previously acting as barriers and filters, being closed to economic ties, some border regions soon became zones of dynamic activity. It is true, however, that at different sections of the border this process varied widely, and was full of contradictions. At the Austrian border, there were large scale investments while at the southern border, there was only contorversial a business boom fuelled by the Balkan crisis, based on activities only partly legitimate. On the eastern borders a network of illegal businesses sprang

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up. Therefore the geographic periphery of the country can not be considered also as an economic and social periphery as whole. On the contrary the western border region should rather be considered to be a dynamic edge of the country.

Macroregional pattern of development

The regional disparity pattern of the country is a detailed investigated problem (see the papers in the *Literature*). Today the regional inequalities in Hungary have three main dimensions connected to one other regionally or as settlements (Figure 1.):

- the dualism between Budapest and the countryside
- macroregional - West-East - inequalities
- differences on micro level (microregions, urban-rural)

Principal growth poles (large towns) and developmental axis's are outlined on the maps as well (first of all these appear along the motorways starting from the capital and in the Austrian border west zones).

These dimensions have strong stability. At the millennium the position of the macro- and micro-regions is very close to its position at the beginning of the transformation processes. The regional process that has partly started in the second half the eighties and the first half the nineties has detrimental effect on the main trends of regional inequalities in the future.
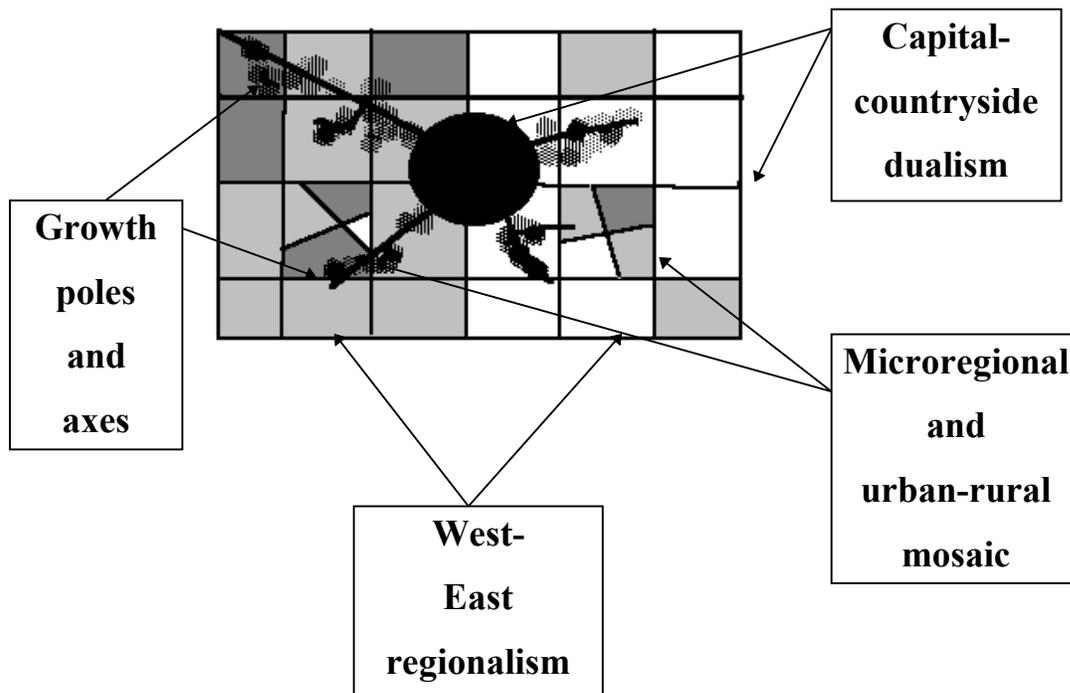
Figure 1. Multilevel spatial disparities at the end of the 20th century in Hungary(general model)

The transformation of the spatial pattern of development can be shown by means of the *per capita GDP values.* With the use of GDP per capita data, which have been estimated on the county level since 1994 by the Hungarian Central Statistical Office (KSH), it is possible to make comparisons with the proportions existing in 1975 that indicate the typical spatial pattern of the socialist period (the regional data of GDP for 1975 have beeen estimated by the author based on official statistical informations and data from *Barta Gy. 1977*). The table of GDP data reflecting the development level of 1975 and the new pattern indicate extremely intensive changes in the relative positions of the counties (*Table 1*).

Comparing the development of the seven regions and the counties in earlier and newer period (*Table 2. and 3.)* well separable types take form. From among the positive shifts, the position of the Central region and the *capital, Budapest* with its outstandingly high level of development deserves particular attention. Budapest, with regard to its dynamics and to the features of its

economic development, has not only retained its advantage over the rest of the country, but it has further increased it. Outside the capital, it is only in the western, Transdanubian (Dunántúl) part of the country where counties with stadily improving positions can be found. The advancement of Vas County is the most spectacular. Also, Győr-Moson-Sopron has a development level firmly above the average, and it is still improving its position. These two western counties are, in the economic sense, the winners of the economic-political transition.

The areas on the eastern part of the country (some of them showed certain closing up in the 70's) were backward after the transformation in the competition amoung regions. The decline was very powerful in North-Hungary as well and unstable economic situation characterizes the southern counties of Transdanubia too.

The different indicators measuring the growth of regional inequalities (maximum/minimum ratio in Table 1. and the figures of Table 4.) generally show the incresing trend of the regional economic develoment disparities in the 90's.

Regions, counties	GDP per capita (country=100)			Changes of the position (percent-points)		
	1975	1994	2000	1975-1994	1994-2000	1975-2000
Budapest	139	180	195	41	15	56
Pest	61	76	78	15	2	17
Central-Hungary	*114*	*146*	*152*	*32*	*6*	*38*
Fejér	106	96	127	-10	31	21
Komárom-Eszetergom	131	80	83	-51	3	-48
Veszprém	116	80	85	-36	5	-31
Central-Transdanubia	*117*	*86*	*100*	*-31*	*14*	*-17*
Győr-Moson-Sopron	111	103	134	-8	31	23
Vas	82	103	114	21	11	32
Zala	88	94	85	6	-9	3
Western-Transdanubia	*96*	*101*	*114*	*5*	*13*	*18*
Baranya	108	84	76	-24	-8	-32
Somogy	71	76	68	5	-8	-3
Tolna	77	94	83	17	-11	6
South-Transdanubia	*88*	*84*	*75*	*-4*	*-9*	*-13*
Borsod-Abaúj-Zemplén	111	70	65	-41	-5	-46
Heves	100	73	71	-27	-2	-29
Nógrád	77	62	54	-15	-8	-23
North-Hungary	*102*	*70*	*65*	*-32*	*-5*	*-37*
Hajdú-Bihar	83	83	71	0	-12	-12
Jász-Nagykun-Szolnok	93	79	67	-14	-12	-26
Szabolcs-Szatmár-Bereg	59	62	54	3	-8	-5
North-Great Plain	*77*	*74*	*63*	*-3*	*-11*	*-14*
Bács-Kiskun	79	77	68	-2	-9	-11
Békés	89	80	66	-9	-14	-23
Csongrád	109	94	83	-15	-11	-26
South- Great Plain	*91*	*83*	*72*	*-8*	*-11*	*-19*
Maximum/Minimum	*2,36*	*2,90*	*3,61*			
Max/Min ratio without Bp	*2,22*	*1,66*	*2,38*			

1. table Regional disparities in the economic development level

(Sources: 1975: estimation of J. Nemes-Nagy J, 1994-2000: CSO)

		Development trends in the new pattern (1994-2000)		
		Decline	*Stagnation*	*Dynamism*
Development trends in in the old pattern	*Dynamism*			***Central-Hungary*** ***Western-Transdanubia***
	Stagnation	***South-Transdanubia*** ***North-Great Plain***		
(1975-94)	*Decline*	***South- Great Plain***	***North-Hungary***	***Central-Transdanubia***

2. table Changing development position of the regions

		Development trends in the new pattern (1994-2000		
		Decline	*Stagnation*	*Dynamism*
Development trends in	*Dynamism*	Tolna Zala	Pest	Budapest Vas
in the old pattern	*Stagnation*	Somogy Hajdú-Bihar Bács-Kiskun Szabolcs-Szatmár-Bereg		
(1975-94)	*Decline*	Baranya Békés Csongrád Jász-Nagykun-Szolnok Nógrád	Borsod-Abaúj-Zemplén, Heves Komárom-Esztergom Veszprém	Fejér Gyor-Moson-Sopron

3. table Changing development position of the counties

Év	Bp-countryside (n=2)	Regions (n=7)	Counties (n=20)
1994	15.26	13.08	15.48
1995	15.19	13.86	15.72
1996	15.89	13.76	16.72
1997	16.09	14.40	17.58
1998	15.78	14.56	18.09
1999	16.46	15.95	18.81
2000	17.07	16.21	20.02

Table 4. Regional differenciation of the economic development levels
(Hoover-indices[1], calculated by comparison of the regional distribution of population and GDP)

The present dynamics of the western regions is primarily due to their favourable geographic

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[1] ***Hoover-index:*** $H= 1/2\ \Sigma\left| x_i - y_i \right|$

Where: x_i and y_i are the shares (%) of the i. spatial units (regions, counties, micro-regions, settlement) in the total volume of the compared indicators (population and GDP, income, unemployment etc). $H_{min} = 0$, $H_{max} = 100$. (Using personal income data, the same index named *Robin Hood* index)

location. The present spatial pattern is strongly influenced by *the proximity of the economically powerful regions in Austria, South Germany and North Italy.* The prime beneficiaries of this external impact are the three counties mentioned above. Another unique advantage for this area is that the western border zone (for political-military reasons) was neglected during the heavy industrial stage of socialist industrialization, therefore it arrived at the threshold of transition with a less obsolete and more flexible structure of economy and professional culture. This area is connected with a system of massive daily links with the adjacent Austrian regions. These factors are strenghtening the advantages due to a common mentality built upon the socio-psychological haritage of remote historical times.

The inflow of foreign capital (*Table 5.*) plays a prominent role in the fast development of this regions *(Cséfalvay Z.1995, Enyedi Gy. 1996b, Hastenberg, H. van 1996, Swain, A. 1998).* Numerous multinational company has settled series of export-oriented industrial firms since the 90's into the counties of Vas, Győr-Moson-Sopron and Fejér (automobile industry, electronics). Whereas business services, trade and settlement of firm-headquaters appear behind the big attractive force for capital of Budapest.

Regions, counties	Number of organizations		Subscribed capital (billion HUF)	
	1993	2000	1993	2000
Central Hungary	*12265*	*15356*	*785*	*1991*
Budapest	10953	13453	725	1626
Pest	1312	1903	60	395
C. Transdanubia	*1470*	*1635*	*90*	*220*
Fejér	439	422	41	99
Komárom-E.	446	463	36	95
Veszprém	585	750	14	26
W-Transdanubia	*2006*	*2713*	*74*	*224*
Győr-M-S	930	1169	37	122
Vas	525	709	22	83
Zala	551	635	15	19
S-Transdanubia	*1355*	*1523*	*35*	*51*
Baranya	715	749	21	25
Somogy	417	509	9	18
Tolna	223	265	6	8
N-Hungary	*681*	*800*	*45*	*162*
Borsod-A-Z	358	369	23	104
Heves	171	277	13	46
Nógrád	152	154	9	13
N. Great Plain	*832*	*1160*	*41*	*105*
Hajdú-B	351	276	21	53
Jász-N-Sz	214	231	12	32
Szabolcs-Sz-B	267	653	9	20
S. Great Plain	*2390*	*1945*	*43*	*124*
Bács-K	1003	788	18	35
Békés	282	242	15	29
Csongrád	1105	915	11	60
Hungary	*20999*	*25132*	*111*	*2877*

Table 5. Enterprises with foreign direct investment in Hungary

(Source: CSO)

While there has been a significant development in the Western counties, we are witnessing a

radical decline in the North Hungarian region. There is Borsod-Abaúj-Zemplén county which has gone through a long period of depression, and also Nógrád, which has fallen to the bottom of the hierarchy in economic development by now. It is only Heves where the results of our calculations show some positive turn in the first part of this decade. North Hungary is the typical example for a once developed region of depression struggling with the crisis of its out-of-date heavy industrial bases. The level of development in North Hungary, for the very reason of its economic demise, does not differ too much from the Great Plain (Alföld) any more.

Neither the development indicators of the traditionally less developed macroregion, the agrarian Great Plain give any reason for optimism. It is only Csongrád that exceeds the average level of development in the Great Plain. Among the main reasons for Csongrád's relatively better position is the attraction by the city of Szeged, and the outstandingly high density of small scale entrepreneurship, which has evolved due to immigration and an inflow of capital escaping from Yugoslavia, and which was heavily interwoven by "black and grey" elements as well.

The depression and crisis (sharp decrease of production, high unemployment rates) in the first half of nineties *in the eastern counties had many reasons, too.* First of all one has to look for them not only in local features, but in the peculiar mechanism enabling the economy of the more developed regions (the capital in particular) to react to the difficulties by passing most of the burden of depression to the peripheries: the commuters were the first in the labour force to be dismissed, and the small plants in the countryside were the first to be closed down. (The high unemployment rate in the county of Szabolcs-Szatmár-Bereg was actually the result of the capital's ability to react fast.) Secondly, another cause of depression in the East was that the north-eastern counties were those hit most severely by the crisis of heawy industry and agricultural mass production oriented towars the collapsing Soviet market. Thirdly, in consequence of the insufficient macroregional infrastructure, the incoming foreign capital got stuck in the western part of the country and in Budapest, while in the east, it picked out and acquired by privatization, only few those companies with the most promising markets.

The central part of the country is strongly divided also on the countylevel owing to its rather unstable transitional character. On the one hand, the county of Komárom-Esztergom, having

suffered during the last twenty years the greatest loss of position, and Veszprém, a county facing similar problems can be found here. On the other hand, the county of Fejér directly adjoining the latter, has by contrast experienced a spectacular development since 1990. The reason for the present high GDP in Tolna (the county that has been second best in achieving a lasting development after Vas) is chiefly the great production potential of the Paks Nuclear Power Plant completed in the early '80s. Thus Tolna's relative favourable position has nothing to do with the post-transition processes. This is also evident from the fact that Tolna is not among the highest ranked counties according to the index economic health. Considering the GDP indicator, in the county of Pest, closely tied with the administartively serarated capital city, the improvement is also remarkable, although the GDP per capita allocated according to the actual place of production, certainly underestimates the Pest's position. According to the economic health indicator Pest ranks among the counties' average, and that is quite realistic. Finally, the county of Bács-Kiskun is also part of this heterogenous and unstable middle zone. Although it is located east of the Danube, Bács-Kiskun does not share the sluggish character of most other of the Great Plain, but boasts with a rigorous small enterprise activity.

The collapse and restoration of industry

The transformation in the spatial pattern of development was accompanied by sharp changes in the economic structure of counties in the 1990s. Although, the most significant trend in the transformation of the economic structure in the '90s was the increase in the proportion of the *services sector*, this caused a noticeable shift only in the relation between the capital and the countryside (Table 6.) .The outstanding economic development of Budapest was in the first place due to the growth in the proportion of commerce, business and financial services, which has resulted in high incomes. In 1990, 46.6% of the active wage earners were employed in the *services* (not agricultural or industrial) branches of economy. Its share had increased to 60%. At present, the majority of workers are employed in the services sector in all counties. In the capital city, this sector has an especially important role, which is indicated by its substantial increase between 1990 and 2000 from, 62.5% to over 75%. There is no traceable macroregional pattern-altering effect of the agricultural sector, which is repressed now: the counties that were characteristicly agrarian in the early '90s have remained the same. 15.5% of the total working

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population in Hungary were employed in the agriculture in 1990, while now they represented only about 6%. From among the counties, it is only Bács-Kiskun and Békés where the proportion of agrarian wage earners exceeds 15%. It is rather an unfortunate fact, full of social and political tension, that economic crisis and backwardness today is strongly connected to the agrarian character. The shares of the three sectors in the GDPs of the counties are very similar to those of in the employment structure.

Regions, counties	Agriculture	Manufacturing, construction	Services
Budapest	0.5	21.5	77.9
Pest	3.3	32.8	64.0
Central-Hungary	*1.5*	*25.5*	*73.0*
Fejér	6.8	42.3	50.9
Komárom-Eszetergom	4.3	45.2	50.5
Veszprém	5.1	42.3	52.5
Central-Transdanubia	*5.5*	*43.1*	*51.4*
Győr-Moson-Sopron	5.5	39.3	55.2
Vas	5.6	46.0	48.4
Zala	5.6	39.2	55.2
Western-Transdanubia	*5.6*	*41.1*	*53.3*
Baranya	6.4	33,2	60,5
Somogy	8.8	29,8	61,4
Tolna	10.7	38,0	51,3
South-Transdanubia	*8.3*	*33,3*	*58,4*
Borsod-Abaúj-Zemplén	3,5	34,5	62,0
Heves	5,7	39,2	55,0
Nógrád	2,8	43,2	54,0
North-Hungary	*4,0*	*37,4*	*58,6*
Hajdú-Bihar	9,7	31,5	58,8
Jász-Nagykun-Szolnok	7,9	36,9	55,2
Szabolcs-Szatmár-Bereg	6,1	31,2	62,7
North-Great Plain	*8,0*	*33,0*	*59,1*
Bács-Kiskun	13,5	32,2	54,2
Békés	11,7	34,4	53,9
Csongrád	12,2	29,2	58,6
South- Great Plain	*12,6*	*31,8*	*55,6*
Hungary	**5,6**	**33,1**	**61,3**

Table 6. Regional employment structure(%) in 2001

(Source: CSO)

By contrast to agriculture, and in comparison with the services activity, in the *industrial sector* (which, in all, has lost some of its weight), there has been an increase of such a great extent that

it has become the most important reorganizing factor of the regional economic pattern described above.

The rearrangement within industry has been completed in two distinct phases in the '90s. The first phase can be characterized by a comprehensive, uniform, and radical decrease *(Table 7.)*.

In comparison with 1987, industrial production has considerably dropped in all counties (by more than 50% in Nógrád, Borsod, and Veszprém, by 30-40% in the majority of the counties and in Budapest, and it was only Zala, where the decrease was less than 20%). The industrial crisis, which had some effect on the counties of heavy industrial character already before the year of 1989, reached its deepest phase around 1992-93 in most of regions. However, at this time only the range of industrial development narrowed down, for those who were on the top fell back. The real change was coming later.

Although, in the mid-'90s, industrial production started to grow again in all the counties (however, usually, accompanied by further decrease in employment), in the traditionally industrial counties in North Hungary, and in the less industrialized ones on the plains, there is just a slow recovering process taking place, thus production could not even reach its 1987 level in 2001.

By contrast, in the counties of Vas, Győr-Moson-Sopron, and Fejér, due to the huge processing works of multinational firms settled there, industry has almost doubled its production since 1989, and Komárom-Esztergom as well, is on the way of permanent recovery from economic depression. As a result of these developments, the most important industrial zone of Hungary is the western border area, the capital's role as an 'industrial base' has disappeared by now, the northern industrial axis has completely rusted away.

Counties	Changes of the industrial production (previous year=100)		Industrial output in 2001
	1993/1987	2001/1993	1987=100
Fejér (C. Tr.)	65,7	645,4	424,1
Vas (W. Tr.)	105,6	301,5	318,3

Gyõr-Moson-Sopron (W. Tr.)	50,9	538,4	273,9
Komárom-Esztergom (C. Tr.)	63,9	356,3	227,5
Zala (W. Tr.)	83,9	200,2	167,9
Somogy (S. Tr.)	46,8	328,2	153,7
Hajdú-Bihar (N. G. P.)	78,5	148,4	116,6
Heves (N. H.)	57,3	191,5	109,8
Pest (C. H.)	59,4	182,2	108,2
Tolna (S. Tr.)	85,0	110,0	93,5
Jász-Nagykun-Szolnok (N. G. P.)	56,1	152,8	85,7
Bács-Kiskun (S. G. P.)	58,2	134,2	78,1
Budapest (C. H.)	54,9	137,6	75,5
Csongrád (S. G. P.)	60,0	122,0	73,3
Szabolcs-Szatmár-Bereg (N. G. P.)	47,8	149,1	71,3
Baranya (S. Tr.)	49,3	140,5	69,2
Veszprém (C. Tr.)	42,1	154,8	65,2
Békés (S. G. P.)	57,6	98,0	56,4
Nógrád (N. H.)	43,2	128,3	55,4
Borsod-Abaúj-Zemplén (N. H.)	42,7	128,0	54,6

Table 7. County-level characteristics of industrial growht

(Own calculation on the CSO regional data)

Different trends in the spatial disparities

Examining different indictors behind the tendency of regional deifferentiation characterizing fundamentally the last decade of the 20th century specific regional processes are detectable as well. We chose three of these attributes:

- Incomes (volume of taxable incomes) - complex measure of development
- Unemployment (registered unemployed persons) – main crisis indicator
- Supply of phone lines (main phone lines) – the most rapidly growing infra-sphere

The selection of three indicators mentioned above (income, phone lines, unemployment) is motivated by the fact that they radically differ from each other in their spatial inequality patterns at the end of the 20th century. All of them we can analyse from the level of settlements on all aggregated spatial level. *The Figure 2.* summarize and compares of the different and uniq trends of disparities on the level of micregions.

The source of data in case of phone lines and the population is the database of KSH TSTAR, in case of registered unemployment and in taxable incomes on settlement level we use the database of OMMK and PM-APEH, which is not a public database on settlement level.

Incomes

At the beginning of the nineties a marked trend in differentiation can be realised, which stabilising itself on a high level resulted a divided income space in the second half of the decade.

Year	Bp-countryside (n=2)	Regions (n=7)	Counties (n=20)	Micro-regions (n=150)	Settlements (n=3157)
1988	7,1	7,6	7,7	9,1	10,8
1989	7,5	8,1	8,2	9,8	11,7
1990	8,3	8,6	8,7	10,7	12,9
1991	7,5	8,0	8,2	10,6	13,3
1992	9,6	9,3	9,8	12,0	14,8
1993	9,9	9,6	10,2	12,6	15,1
1994	9,9	10,0	10,4	12,9	15,5
1995	9,5	9,7	10,1	12,6	15,2
1996	9,0	10,1	10,3	12,7	15,2
1997	9,3	10,5	10,7	13,2	15,4
1998	9,4	11,0	11,2	13,2	15,5
1999	9,7	11,1	11,2	13,6	15,8
2000	9,3	11,3	11,5	13,5	15,6

Table 8. Changes of spatial income disparities

(Robin Hood indices (%) of inequalities, calculated by comparison of the regional distribution of population and taxable income)

According to data (Table 8.) there are no definite turn of levelling in income even in 2000. An essential attribute of regional disparities of income during the whole period under survey is that the importance of income split between capital (Budapest) and countryside is determinant in the differences. More than two-thirds of total inequalities are ascribable to this.

In results of calculation it is worth taking note of that since 1995 the graph of unevenness in relation of capital-countryside (basically showing stagnation) and the line of values calculated for regions and counties (showing explicit differentiation) have definitely separated. It shows that an express differentiation began within the countryside in the second part of the 90's: the western areas of the country are ever sharply separating from the eastern regions. On the other hand it deserves attention that county-level inequality is only a little higher than values measured among the regions. It verifies that counties belong to the same region become more homogenous (they assimilate with each other) from the point of view of income. Calculations show too that income differences between microregions and settlements are stable.

Phone lines

In contrast with incomes in phone supply – which is the most dynamically developing sector of the infrastructure – regional levelling is marked. Telephone was an emblematic example of socialist incomplete economy.

Between 1992 and 2000 the number of phone lines grow by more than 2 millions, today every household and every third person has a line. Nowadays the above development has resulted a total supply on national level. But the density of lines is rather different both among the cities and villages and among the different regions of the country.

Year	Bp-countryside (n=2)	Regions (n=7)	Counties (n=20)	Micro-regions (n=150)	Settlements (n=3157)	Main phone lines
1992	23,24	17,89	23,59	29,02	34,32	1291922
1993	19,85	15,74	20,38	26,92	32,17	1497577
1994	18,48	15,01	19,38	24,80	30,08	1785441
1995	16,27	14,63	17,14	22,30	26,44	2157202
1996	13,26	13,09	13,64	17,31	20,43	2651215
1997	10,43	10,44	10,53	13,01	15,53	3094423
1998	9,33	9,21	9,39	11,53	13,72	3383597
1999*	8,50	8,40	8,60	10,50	12,40	3430000
2000	7,67	7,50	7,79	9,39	11,10	3476888

Table 9. Changes of spatial disparities in phone supply

(Hoover indices (%) of inequalities, calculated by comparison of the regional distribution of population and number of main phone lines)
* estimated values

Calculations according to the regional differences verify too that regional inequalities on telephone supply were extremely high in the early 90's (value of Hoover-index exceeded the values measured in case of income or unemployment: its value was 34,3 percent at settlement level in 1992, while it was 21,7 in case of unemployment and 14,8 percent from income point of view). On the contrary in 2000 just the disparities of telephone supply are already the smallest!

Equalizing trends are the same in each of the different regional levels. At the same time it is worth taking notice of that in 2000 Hoover index got in case of capital-countryside relations, regional or the county-level is already practically equivalent. It means that telephone supply has been essentially balanced at microregional level. However microregional and settlement distribution has still remained, what derives basically from the difference of level of supply between towns and villages. Variance of earnings plays already a role this time, which is ascribable to inequalities of the earnings and the different requirements concerning telephone services of residents living in towns or villages.

Unemployment

In the case of unemployment we can see a special waving character of the regional inequalities.

The *open, registered unemployment* appeared in the late 80's and it increased in remarkably quick time (*Schwertner J. 1994*). The reduction in the working force started first in the construction industry among the main economic branches, than the focal point was shifted over to heavy industry and agriculture, but no branch or activity group could stay away from this process. Employment touched bottom in 1993, when number of the unemployed exceeded 700 000 persons, thereafter it reduced continuously, and became under 400 thousand by 1999. The official unemployment rate was 5,6 percent in 2001, which is to be found below the European average.

Year	Bp-countryside (n=2)	Regions (n=7)	Counties (n=20)	Micro-regions (n=150)	Settlements (n=3157)	Registered unemployed persons
1991	17,52	26,35	26,71	30,53	33,16	136903
1992	10,60	15,39	15,82	18,79	21,71	469269
1993	8,91	13,01	13,57	15,66	18,21	697148
1994	8,71	13,38	13,74	15,66	18,47	608461
1995	8,17	13,34	13,69	15,62	18,74	537685
1996	7,71	12,70	13,57	15,39	18,28	524663
1997	9,07	15,04	15,86	17,43	20,07	492247
1998	10,17	17,16	17,76	19,47	21,80	471605
1999	10,28	18,06	18,54	20,40	22,66	442408
2000	11,27	19,91	20,20	22,25	24,26	437330
2001	12,01	22,50	22,58	24,30	26,46	408316

Table 10. Changes of spatial disparities in phone supply

(Hoover indices (%) of inequalities, calculated by comparison of the regional distribution of taxpayers and number of registered unemployed persosns)

The mass unemployment, the very process of the decade, which caused the greatest shock for the society was characterized by special course both in time and space, and produced mechanism of "ebb and tide". In the first phase of the transition process the phenomenon of unemployment – besides becoming a mass symptom – had a definite regional concentration (for the disadvantage of North East). Afterwards the unemployment crises diffused in the country and by now it has again drawn back to its original spatial structure. The highest unemployment rates today are again in the Northeast part of the country. Here, mainly in the rural areas, the labour market has became rigid without any hope for change, and the younger generation took the place of the permanently unemployed persons after elderly persons got excluded from the labour market.

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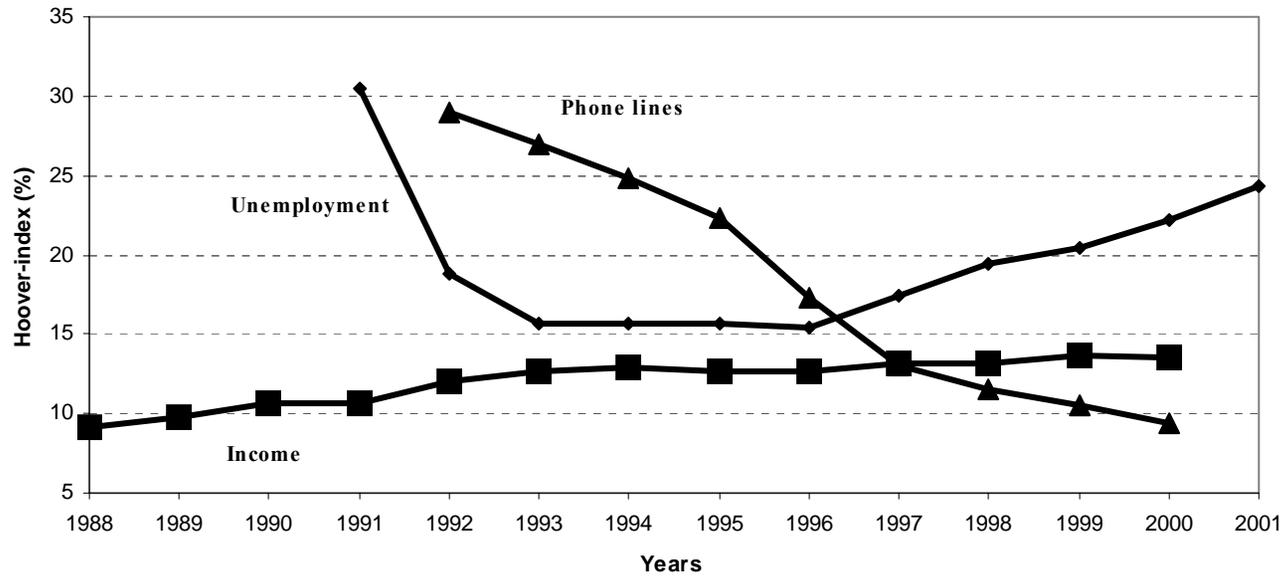
Figure 2. Trends of regional disparities of incomes, phone supply and unemployment on microregional level (n=150)