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**Dynamism in backwardness? Szabolcs-Szatmár-Bereg county and Nyíregyháza
in the 1990s**

1. Introduction

By every social and economic indicator, Szabolcs-Szatmár-Bereg was the most backward region of all the 19 Hungarian counties throughout the decades of state socialism. After 1989, with the inherited weaknesses of its economy and its particular social problems, this county was more exposed to the trials and tribulations of the transition than were most of the country's other regions. At the same time, the de-centralisation of the central power, the reinforcement of the principle of self-governance and the growing interest in regional inequalities (NEMES NAGY 1998), coupled with the new Hungarian regional policy evolving on these foundations, offered new possibilities for development.

This paper attempts to analyse the processes that took place in Szabolcs-Szatmár-Bereg County during the decade following the change of the political and economic system.¹ In the next section historical and contemporary developments will be examined and compared with the rest of the counties. Special attention will be given to the intra-county disparities. The unrivalled county seat of an eccentric location, Nyíregyháza, created great inequalities within the county in the former decades and it appears that the city has adjusted to the changed circumstances more effectively than did the rest of the county. In section 3, we shall analyse the effectiveness of the central government's regional policy and the successes and

¹ Apart from the references made, this paper is based on a series of extensive interviews with local political and economic leaders, a large number of press articles, county documents and publications and statistical information published by the Central Statistical Office.

failures of the county actors and institutions in exploiting the available opportunities in the decade of transition, including the particular development strategy of Nyíregyháza. In section 3, we will also present some of the subjective comments made by local decision-makers and outsiders alike on the county's development. Finally, in section 4 we will present some conclusions.

2. Historical potentials and contemporary developments

2.1 Abating but unceasing backwardness: the decades of socialism (1960-1990)

Szabolcs-Szatmár-Bereg County was formed in 1950 from the remnants of the five counties Hungary had lost after the Peace Treaty of 1920. Of the five counties, Szabolcs was the only one whose larger part and seat remained in Hungary after World War I, with the majority of the territory and all the major towns of the other four counties finding themselves beyond the new Hungarian frontiers: the eastern part of the new county thus became quite peripheral, handicapped by losing all its centres.

One of the most important features of the region was the natural increase of its population way above the national average, along with a youthful demographic structure despite massive exodus. After 1920, the under-urbanisation of the county became striking, and has remained typical to this day: there are few and small centres with urban functions, except for Nyíregyháza (BELUSZKY 1974). That is the main explanation for the low volume of local industry, its small scale, the almost total lack of manufacturing industry up to the 1960s and the rural character of the whole county with an extremely high rate of agricultural employment.

Until 1944, a social peculiarity of the towns and sub-regional centres

(Nyíregyháza, Kisvárda, Mátészalka, Vásárosnamény, Nagykálló) was the saliently high rate of Jews in the population (10-30%), which was even more conspicuous among the middle class and the elite. The Holocaust caused not only a major cutback in the population but also distorted the social structure in the local centres and heavily retarded urban and bourgeois development in the county after World War II.

In the 1950s, under the Stalinist dictatorship, the possibility of the accumulation of capital in agriculture was ended, while the dominant economic process of the new era - "socialist industrialisation" - evaded the county for lack of industrial traditions and raw materials. This, in turn, enhanced its backwardness concerning the economy, culture, the infrastructure and living standards and there was oppressive poverty in several small areas of the county. All this added up to the development of a highly unfavourable image of the county in Hungarian society. This tendency was reversed from the mid-1960s right until the mid-1980s, when rapid development ensued in almost every area at a pace way above the national average, and the county's backwardness palpably decreased (see Annex table A1). According to our estimates, over these two decades, the GDP per capita rose from the 50-55% of the national average without Budapest (corresponding to the country excluding the capital) to 80-85%. A decisive contributory factor was the change in the regional priorities of the centre after 1963: as part of the campaign of "rural industrialisation" several manufacturing plants were founded in Szabolcs-Szatmár-Bereg. Although most of the newly introduced industrial plants employed unskilled labour, had low technological standards and were directed from Budapest or elsewhere, they played a fundamental role in the county's modernisation.

Since it was the standard practice during the decades of socialism that the redistribution of central resources was governed by preferences of towns, the

promotion of several county centres to the status of town between 1969 and 1980 played an important role in the development of the county. The Soviet orientation of the country also upgraded the location of the county, endowing especially the transportation "axis" (Nyíregyháza-Kisvárd-Záhony) along the western edge of the county with serious advantages. The county's great arrears have largely been made up with respect to the fundamental areas of the infrastructure (running water, electricity, roads with pavement). The county's cultural backwardness also decreased, which was essentially owing to improvements in the area of local tertiary education in Nyíregyháza. The income status of families improved at a rate above the average by the implementation of the state's welfare policies and by agricultural small-scale production.

Yet, despite closing the gap in nearly all the departments, Szabolcs-Szatmár-Bereg's position in 1990 was still at the bottom of the table.

2.2 Deep recession, stabilisation and moderate dynamism: the county's development between 1990 and 1998

Transition to a market economy run in the midst of an economic crisis, so the process of regional levelling that had earlier taken place in Hungary halted (NEMES NAGY 1997) and regional differences significantly increased. The new conditions also brought changes into the country's regional structure developed during the decades of socialist planned economy (HRUBI 1998, RECHNITZER 1998). The prosperity of local economies was influenced by the advantages and handicaps accumulated over the previous periods on the one hand and (not independently of the former) by the capacity and readiness to adapt to the requirements of the new period

on the other (HRUBI 1998). The characteristics of Szabolcs-Szatmár-Bereg were unfavourable in both regards. Its former economic basis was vulnerable and dependent on external factors, as most of its large enterprises were managed from outside the county. The remote headquarters' response to the difficulties was to close down the distant subsidiaries and to dismiss the commuters, many from Szabolcs. When the eastern markets collapsed, the effects were felt more in Szabolcs-Szatmár-Bereg, where the economy (especially the food processing sector) was bound up with the Soviet Union's economy to an unusually high degree. The geographic location of the county - a crucial factor under the new conditions (NEMES NAGY 1998, RECHNITZER 1998, BERÉNYI ed. 1998) – also proved to be a major disadvantage. Although huge investments have been made in some parts of infrastructure in the 1990s (see Annex table A3), , they concerned mainly local elements of one's, which more helped only the quality of living of the local inhabitants. Thus the county's accessibility has not improved and the disadvantages from its geographical location (being farthest away from both the western border and Budapest, so least favourably situated for both western capital investment and spread of innovation) have not been alleviated.

One of the consequences has been that the county has remained the poorest in the country (see table). The comparatively low level of incomes in Szabolcs-Szatmár-Bereg can be explained from differences in the structure of employment in the first place. In 1989, the county already had the lowest percentage of active earners and in 1990-94, when the economic crisis brought about growing unemployment all over the country, an unprecedented drop in employment took place in Szabolcs-Szatmár-Bereg, and economic activity then stabilised at this extremely low level for the rest of the 1990s. As the micro-census of 1996 reveals, hardly more than a quarter of the

population, and hardly a fifth in small regions, were active earners. The rest had to rely on social insurance and the government's welfare policy.

Table. Indices of incomes 1990-1998

| | Szabolcs-Szatmár-Bereg | County figure as % of national average without Budapest | Ranking in the list of 20 counties | Szabolcs-Szatmár-Bereg | County figure as % of national average without Budapest | Ranking in the list of 20 counties | Szabolcs-Szatmár-Bereg | County figure as % of national average without Budapest | Ranking in the list of 20 counties |
|--|------------------------|---|------------------------------------|------------------------|---|------------------------------------|------------------------|---|------------------------------------|
| | 1990 | | | 1994 | | | 1998 | | |
| Estimated GDP per capita (1000 HUF) | -- | -- | -- | 258,3 | 75 | 20. | 567 | 70 | 19. |
| Declared gross personal income per capita (1000 HUF) | 51 | 77 | 20. | 91 | 72 | 20. | 165 | 71 | 20. |
| GDP per active earners (1000 HUF) | -- | -- | -- | 981 | 95 | 15. | 2144 | 90 | 17. |
| Declared gross personal income per person taxed (1000 HUF) | 129 | 86 | 20. | 284 | 91 | 20. | 511 | 85 | 19. |
| Average gross monthly wage of people in employment | 6,8 ^a | 88 | 20. | 20,4 | 95 | 19. | 36,9 | 90 | 20. |
| Number of second hand shops per 100,000 inhabitants | -- | -- | -- | -- | -- | -- | 70 | 167 | 1. |
| % of people living in settlements of town status | 38,3 | 74 | 19. | 44,2 | 82 | 19. | 45,2 | 82 | 19. |

Note: --: no data a: data for 1989

Source: CSO

The low employment rate can be traced back to several, partly mutually independent, factors. One is Szabolcs-Szatmár-Bereg's specific demographic situation (see Annex Table A2). The county's youthful age composition owing to a higher-than-average birth rate has not changed since the transition. A specific feature of the county's demographic composition is the high share of the Roma (Gypsy) population. The rate of the "population living the Romany way of life" is estimated at 7-8% of the total population in Hungary, and at 13-14% for Szabolcs-Szatmár-Bereg. At least 60-80% of Romas are unemployed in Szabolcs and there is no chance of employment for

a large part of them with their current level of education (primary school, vocational training at most). Thus, the social integration, and the improvement of the educational and occupational situation of the Gypsy population is a far more pressing issue for Szabolcs-Szatmár-Bereg, than it is nation-wide.

In general, the county's backwardness in education has not improved in the 1990s. The level of education of the population rises at a pace below the national average, still being the lowest among all the counties. The mainest reason of this fact is, that many of the better educated migrate elsewhere.

Another major contributing factor in the county's low economic activity is the high rate of inactive population, predominantly the disabled. There is a uniquely high rate of active-age disabled people pensioned off for health reasons and receiving various benefits.² Disablement is partly attributed to the backwardness of the county, which resulted in the number of disabled being far above the national average already in the late 80s. After the political changes, the rate of the disabled rose drastically: many of them acquired their "disabled" status through dubious methods in an attempt to escape unemployment. The rapid rise in the rate of the inactive population is experienced nation-wide, but it did not assume similar proportions, so it was a specific "survival strategy" in Szabolcs county.

The recession of the early 1990s triggered off a fundamental reshuffling in the county's economy. The downswing of agriculture was the most extensive and had the greatest influence. Agricultural employment dropped to less than one-third from 1990 to 1996 and some 34,000 people were dismissed. Many tried to draw income from

² To illustrate the scale of the phenomenon, in 1990 twice as many people were on the disabled list than on the old-age pensioners list, while in the rest of the counties (with two exceptions) the old-age pensioners outnumbered them. This was the outcome of a situation in which less than one third of the application for disablement - the smallest rate nationally - was approved by the social insurance organs. Though the difference decreased after 1994, the phenomenon persisted over the entire decade. As a result, hardly one-third of the people reaching retirement age in 1997 became first-time

cultivating their own land, partly upon political instigation, but this proved to be an ill-fated survival strategy as most plots are too small to sustain a family. The drop in industrial production was also excessively large: from 1989 to 1993 it fell by 50%, i.e. to a level attained during the late 1960s, with production practically stagnating for the next few years. The recuperation of Hungary's industrial sector, the basis for the growth of the GDP, did not reach the county before 1998, with the result that Szabolcs-Szatmár-Bereg is the least industrialised region in Hungary today. In line with the national figures, job retainment was strongest in the tertiary sector in 1990-96, but the drop by 14%, or 13,000 people, was the highest among the counties.

The few up-to-date and large-capacity industrial enterprises in Szabolcs-Szatmár-Bereg were bought by foreigner investors and as the result of development of ones the role of foreign-owned companies grew towards the end of the decade. In spite of that, the total value of foreign investment was the lowest here in the country, green-field foreign investment being practically completely absent before 1997. The specific characteristics of the county as regards geographical location and industrial traditions (DICZHÁZI 1997, NEMES NAGY 1998) - the two major criteria on which foreign investors tend to choose development sites - were highly unfavourable. Considering that in the 1990s the main source of regional economic success in Hungary was the ability of attracting foreign capital (HRUBI 1998), the lack of foreign capital is a main cause for the slow stabilisation of Szabolcs's economy. Other analyses also point out (e.g. DICZHÁZI 1997, NEMES NAGY 1999a, RECHNITZER ed. 1998, KISS 1998) that 70-80% of the growth of Hungary's GDP, and the take-off of the northwestern counties' economy, can be attributed to green-field industrial investment by foreign capital. Also, the firms purchased by the

pensioners as most of them had already been on disabled pension.

multinationals – as elsewhere in the country (HRUBI 1998) - hardly integrated with the local economy and failed to create networks of local suppliers. However, after 1997 foreign money began to flow into the eastern parts of Hungary, chiefly in commerce. In particular in the county-seat of Szabolcs-Szatmár-Bereg, an unprecedented commercial boom has been going on since 1998. Nearly every retail chain present in Hungary has opened one or more shops in Nyíregyháza. Within the space of two months three large hypermarkets opened in 1999 (Metro, Tesco, Interspar), and several new stores of foreign chains are also building now.

Contrary to foreign investment, the non-official economy is more prevalent in Szabolcs-Szatmár-Bereg than the national average (HORVÁTH-KOVÁCH 1999). In our view, this is typically a survival strategy of a poor region. The emergence of the unofficial economy was also encouraged by objective factors, such as the nearness of three borders. The state largely turned a blind eye to it, as it helped preserve social peace, ensuring resources, jobs and incomes for the victims of the change of the system.

Summarising, the analysis of economic and social data has clearly shown that the county belongs to the losing regions of the transition in Hungary (NEMES NAGY 1998). Thus, after the rising trend of earlier decades and the stagnation in the second half of the '80s, its backwardness increased between 1989 and 1998. The gap increased substantially faster in 1991-94 than it had done in 1995-98. Another difference is that while until 1994 its distance from nearly all the rest of the counties increased, after 1994 its relative positions did not deteriorate any longer in comparison to other less advanced counties.

The progress of the county seat Nyíregyháza has widely deviated from the rest of the county. The reason is not simply the lesser severity of the crisis and the faster

revival typical of larger towns, owing to the concentration of services more capable of retaining labour or the higher qualifications of the population (ENYEDI 1996; NEMES NAGY 1999a). As will be further discussed in section 3, Nyíregyháza, which was considerably better off in the list of county seats than was Szabolcs-Szatmár-Bereg as compared to the county average already in 1990, has managed to keep up with its rivals in the 1990's too (BERÉNYI ed. 1998). Considering the declining trend of the county on the whole, this means an increase in the gap between the seat and the rest of the county. In other words, Nyíregyháza concentrates an even greater portion of the county's resources now, than it did before transition.

3. The role of central regional development policy and local strategies in the 1990s

3.1. The role of the central government's regional policy and regional development subsidies, 1991-1998

The Hungarian political elite realised from the start of the transition that the crisis of the economy was going to be accompanied by a rapidly growing regional differentiation that required interventions on a regional basis. In the first half of the decade these were ad hoc and uncoordinated measures, while the regional development act of 1996 gave a new momentum to the elaboration of a regional policy that relied on an EU-conform normative and de-centralised institutional and financing systems. The central goals of regional development were the promotion of backward areas throughout the 1990s. In consequence, Szabolcs-Szatmár-Bereg became one of the most heavily subsidised regions.

At the same time, the state also influences regional processes through a diversity of other policies. Salient among these has been the system of social insurance and social benefits, of high importance in Szabolcs-Szatmár-Bereg where a very high share of the population (nearly half of it) live on this kind of incomes. In addition, an unusually large number of people depend on extra social benefits allocated by the local governments. This puts a heavy burden on local governments in the '90s, having to allocate a very high share of their budget to social expenditure, which in turn limited the possibilities of promoting the local economy.

In the 1990's, with the exception of the State, all the actors of regional development in Szabolcs - local economic organizations, foreign capital, households, local governments and non-profit organizations - had extraordinarily restricted

possibilities to alleviate the blows of the grave crisis hitting the county and to create economic dynamism.³ As a result, it was a logical step for the county political elite to try and acquire as much central subsidies as possible.

An analysis of the distribution among the counties of regional development subsidies received between 1991 and 1998 (NEMES NAGY 1999b) proves that in keeping with the declared political intentions, the county was indeed allotted a considerable portion of these funds: 9.3 % of the state's regional development fund and other development resources (calculated in comparative price) was received by Szabolcs-Szatmár-Bereg county with 5.6 % of the country's population. The received sums, however, only amounted to some 12-13 % of total investment in the county in these years, so it has still been too little to change the regional preferences of economic actors and to invigorate the local economy. This warns that the crucial shortcoming of Hungarian regional development policy, ahead of all other problems, is under-financing or the scarcity of de-centralised resources (NEMES NAGY 1999a, RECHNITZER 1998, KISS 1997).

There is another notable shortcoming to the central regional development policy which underlines the unfavourable position of the poorer counties like Szabolcs-Szatmár-Bereg (HORVÁTH 1998, RECHNITZER 1998, NEMES NAGY 1999a). The magnitude of regional development subventions lags far behind the allowances defined by the general financial and monetary regulation of the economy and the volume of other economic development policies, the aggregate differentiating effect of which was the polar opposite to regional development objectives. Tax and

³ The main investor throughout the decade were the households, thanks to new housing construction. Families could get social allowances for house building in proportion with the number of children and birth-rates are infinitely high, than the national average. Thus much of the new housing in the county was actually financed by the state. The county's local governments have also invested heavily. Since they had very little regular income to be used freely, as we will see below, so it is very feasible, that large part of their resources also came from the State (from decentralised regional

customs allowances related to investment went to the economically more prosperous areas – the centre of the country and the Northwest of Transdanubia, which preferred by foreign capital – the effect of which could only partially be offset by regional development (and welfare) subsidies.

3.2. Can appearances be deceptive? Local actors about the progress of the county

A data-based analysis of the region's development does not necessarily tally with the assessment of those concerned, since several qualitative elements of the changes cannot be quantified, and the individually different frames of reference, value systems and expectations, considerably influence subjective evaluation. Therefore, it is interesting to note that the dozen county politicians, economic actors and other leading personages we have interviewed had practically identical views on the progress of the county in the 1990s, largely concurring with the major findings of our research, irrespective of their party affiliations, positions and residence. The interviews and additional press materials have also added some new aspects to the findings of the statistical investigation.

All interviewees concurred in the view that the backwardness of the county further increased during the 1990s and its current position was worse compared to the rest of the counties than it had been a decade ago. In connection with the transformation in the county, they stressed two "county-specific" factors. One is the problem of the eastern markets. Prior to 1990 the decisive branches (especially the food and machine industries) of the Szabolcs-Szatmár-Bereg's economy produced

development funds and from development funds of ministries available through competition).

principally for Soviet export, thus the loss of these markets largely contributed to the rapid spread of the crisis. Since economic recession and political uncertainty is greatest in neighbouring Ukraine, and the county has no border crossing points for cargo traffic towards Romania, the interviewees saw no possibility for economical co-operation. The eastern neighbours, however, still exert a profound influence on the county's economy. The western firms that have so far invested in the county, have largely been influenced by the prospect of making a kill on the vast potential markets of the Soviet successor states once the circumstances change. Ukrainian and Romanian citizens constitute a considerable segment of the banks's and large chains's clientele already today, though business confidentiality does not allow their exact number to be estimated. Local leaders also count on this potentiality: the central element in the county's marketing policies is its potential role as "The Gateway to the East", expected to assume special emphasis with Hungary's joining the European Union.

All respondents also stressed the grave implications of the collapse of agriculture. Prior to 1990, the additional income drawn from agricultural activity represented a far larger than average part of the families' total income even in the underdeveloped rural areas of the county, hence the breakup of the large collectives, the demand crisis and the confusion about ownership rights led to a considerable drop in population earnings.

The interviewees emphasised the role of three factors contributing to the progress launched in 1997-98. One was the slowly rising interest taken in the region by investors. The second was the strengthening of local small and medium-size firms either newly established (e.g. in trade) or emerging from the ruins of formerly state-owned enterprises (e.g. machine manufacturers or construction companies). Thirdly,

they tended to mention the (admittedly limited) influence of the decentralised regional development resources.

Local leaders also noticed the increase of intra-county differences. The gravest aspect was the overwhelming dominance of Nyíregyháza over the rest of the settlements. Yet, realising the different magnitude of the town, the county leaders deemed this dominance natural and accepted it. "In return", they expected the political decision-makers of Nyíregyháza to regard it their "natural duty" to take part in solving the problems of the whole county. Thus, the town's effectiveness and unquestionably central role cement, rather than disrupt, the unity of the county's population and decision-makers, which largely reinforces the county's lobbying ability.

The inequalities are, however, graded, so outside Nyíregyháza, the differences further differentiate, as the interviewees pointed out (Fig.1). The traditionally urban function and the relatively developed industrial basis created during the socialist period, as well as the Romanian and Ukrainian shopping tourism, play a role in the relative stability of some areas and settlements, and so does location along the main transport route. The "periphery of the periphery" is the stretch along the frontier with tiny villages partly of distorted demographic and social structure, sunken into long-term unemployment, and having minimal local resources or attraction for capital investment (HAJNAL 1998). The disadvantage of the latter areas is slightly eased by the black economy, in addition to the system of welfare allowances.

Fig.1 Structure of intra-regional inequalities in Szabolcs-Szatmár-Bereg in the late 1990s (Map)

Source: Authors plotting on the basis of statistical data and interviews with county actors

The county's leading personages pinpoint the shortage of capital as the main limitation to economic dynamism. When asked to define the main barriers to capital influx, all respondents named inadequate surface transport in general, and the lack of a motorway in particular, in first place. For the county's actors, the question of the motorway has significance beyond its objective function. There is such an all-inclusive and elementary consensus about the importance of the motorway, its impact on the county's development and the imperative need of its construction that it can push nearly any conflicting opinions into the background. The motorway has become the absolute measure of the county's ability to assert its interests, and the lobbying carried on so far for the construction of M3 with the successive governments has worked most cohesively in the 1990s.

In singling out one reason for the low foreign capital input in the county, many stressed the county's weak basis in production industry, along with the lack of industrial traditions. In their view, this is the explanation for the fact that the few multinationals that set up subsidiaries here (Michelin, ICN, Unilever, Zeiss, General Electric) have no intention to expand their basis in production. Therefore, they place their hopes for boosting the industry and decreasing unemployment first of all in new green-field industrial investors.

Yet the majority of the interviewees named the educational resources as the key to development. There is a pressing shortage of young and highly qualified economists and engineers with a good command of the English language. Another concern is the exodus of highly qualified young people, and this, in turn, might substantially deter capital input in the short term, and on the long run it may conserve the county economy's function as a "subcontractor and wage labourer". The second key question, in the leading actors' opinion, is the employment of young people with

secondary education only. Those without jobs will find it increasingly hard to compete on the labour market and when a possible boom eventually comes, there will be no adequate manpower.

3.3. Institutions and local strategies of regional development - or Szabolcs-Szatmár-Bereg, the "developed" county

During socialist times, it was the overwhelming collective experience of the county's population that Szabolcs-Szatmár-Bereg was backward. Apart from the objective facts, this awareness was also fed by the image entertained by the Hungarian public in general, regarding Szabolcs as the symbol of backwardness. This common feeling of backwardness generated a comparatively strong solidarity among the otherwise rather heterogeneous region. The peripheral location also contributed to this (nearly half the county's boundary is at the same time part of the state border!), along with Nyíregyháza's unquestionably accepted central role. Thus inner differences were rapidly relativised, and a county identity stronger than that of any other county evolved.

After 1990, the particular severity of the crisis further intensified the sense of underdevelopment. The politically unbiased, general consensus in this question created a common platform for local politicians to act on. With the declaration of the principle of de-centralisation and the establishment of local governance, the possibilities of local action have expanded fundamentally, the most adequate outlet of which - in the absence of capital and also in keeping with decades-old experience from the time of state redistribution - is obviously lobbying for central funds.

County interest could at times overcome party political considerations

developed in view of nation-wide processes. With the abatement of political mistrust that had been running high earlier in the decade between the new ruling parties and the traditional public leaders, local politicians started to concentrate on the important concerns of the county and took joint action towards the government. Initially this meant the formation of lobby groups in the interest of projects supported by the entire population, such as the M3 motorway, the gas network or the development of the telephone network. During the parliamentary cycle of 1994-98, all nineteen local MPs joined to form the county's parliamentary interest group. As a result of the interest assertion of Szabolcs county's MPs, lobbying for the county was more successful throughout the 1990s here, than anywhere else was.

The county leaders try to achieve their goals with a two-directional communicational strategy. In dealing with the central government, their arguments center around the emphasis on backwardness, appealing to the social responsibility of the state. They claim that without central support there is no chance to bring the crisis to a halt and it makes sense for the state to support Szabolcs-Szatmár-Bereg now, since later on they might have to face the bankruptcy of an entire county. In dealing with the actors of the market – both within and outside the county – the county leaders tried to present another image: although we are backward, we have serious potentials and we do our utmost to utilise them.

The county politicians realised the increasing importance of regional development policy and the possibilities it offered to the county. Upon their pressure, government's decree no.1073/1991 approved of 500 m HUF from the budget of 1992 for infrastructural investment in the county, together with promises of prospective measures to alleviate the county's crisis. In concrete terms, this had little effect – the sum assigned is meagre and few of the promises were realised – however, it

established the principle of using differentiated methods in handling the region's specific situation. This provided the county actors with a referential basis for lobbying with various ministries and provoked - 2 or 3 years earlier than in other counties - the institutional consideration of development possibilities and the elaboration of regional programs.

In the forthcoming years (1992-1994) the county actors put this advantage to good use. One of the most spectacular successes was the predominantly state-financed gas-installation program in 1993/94, but most of further resources were used at that time to improve the local infrastructure. This was partly attributable to the priorities of the central budget appropriation, since most subsidies were centrally targeted (NEMES NAGY 1999a, SZALÓ 1999, MRS PÁL KOVÁCS 1999a). At that time, however, most county actors also shared in the view that the improvement of the infrastructure was the most imperative to attract investors and develop the economy on the whole. This was a mistake, as the leaders themselves admitted later (RÓKA 1996), as infrastructure alone is not sufficient to trigger off an upswing.

Perhaps it had the most important implications that, alongside Borsod-Abaúj-Zemplén County, Szabolcs-Szatmár-Bereg became the beneficiary of the EU's Phare program of Regional Development in 1994-96. The point was, once again, not the meagre monetary support (2m ECU) but rather the procedural experience. The money was distributed by a mechanism so-far unknown in Hungary which " created a division of labour between central and regional organisations for managing the so-far centralised funds in an effective de-centralised manner, working out their distribution, preparing decisions and regulating them at local regional level."⁴ Also, a Public Fund

⁴ In: Az Európai Union Phare Kísérleti Program Alap sikeres projektjei Szabolcs-Szatmár-Bereg megyében (1994-1996) [The successful projects of the Phare Experimental Program Fund of EU]. Szabolcs-Szatmár-Bereg Megyei Fejlesztési Ügynökség, Nyíregyháza 1996, p.7.

for County Development was enacted in 1994, which defined priorities with the help of EU specialists, announced a competition and then decided about the allocation of the subsidies. For preparing the decisions on subsidies, inviting competitors and monitoring the contest, the County Development Agency was set up, and a group of local experts gathered to evaluate the applications. In the course of the programme, the regional actors came to learn about the EU rules of tendering procedure, the practice of accounting for the financial support and the practice of monitoring. Also, the programme helped the emergence of thinking in regional terms. As a result, when the Regional Development Act providing for the institutional system of Hungarian regional policy was passed in spring 1996, Szabolcs-Szatmár-Bereg had enormous positional advantage. The county had two years' practical experience, a voluminous work organisation in the field and a regional development conception, while the local governments and enterprises had learned how and for what ends they could apply to the regional development funds.

The county lobby scored another major success in late 1996, when the high-priority support to Szabolcs-Szatmár-Bereg was converted into normative subsidisation. They managed to get a separate article in the fiscal act of 1997, 1998 and 1999, which announced that counties with GDPs below 70 % of the national average – meaning Szabolcs and Nógrád in practice – would receive additional subsidies from the decentralised state reserves.

When asked about the mainest top of the county's development, the interviewed leaders all agreed that it was the president of the County Government and the Regional Development Council. Despite much criticism levelled at the methods of the leadership, the merits of the late József Zilahi (died in autumn 1999) has been acknowledged by all. His personality largely contributed to the peculiar "Szabolcsian"

regional development strategy, to raising the interest of the county above the interests of individual parties, and to a unified representation of the common goals.

To utilise the substantially higher amounts than most counties receive from the decentralised resources, the County Development Council worked out a subsidy mechanism following the basic principles of EU regional policy. This method, which can be seen as a model in Hungary, renders any subjective and ad-hoc ways of redistributing the resources impossible. The subsidies drawn from ten different decentralised funds are open to application (*principle of resource co-ordination*). The competition programs are laid down and evaluated according to the set of priorities in the County Development Conception (*principle of programming*). Preference is given to development projects that would be realised by several actors jointly (*partnership*) and that could make use of other decentralised state resources. Contestants had to use their own resources, too (*additionality*). Up to 1999, the opinion of the County's Chamber of Commerce and Industry had a decisive role in judging the tenders of economic enterprises while the associations of the various sub-regions also had a say in the process of evaluation for the competitive projects concerning their areas must be weighted in view of their adjustment to the sub-region's development concept. The County's Chamber of Engineering evaluate the technical feasibility of the applications, the de-centralised organs of state administration examine how reliable the contestants are and what financial feasibility the projects have, while the County Labour Centre assess the projects from the viewpoint of job creation and retention of employment (*principle of subsidiarity*). The county organisations also do their utmost to ensure the *publicity* of the possibilities offered by regional development. Consequently, the conditions of competing are now well known among the county's local governments and entrepreneurs and their enthusiasm – unlike their own capital –

is overabundant. In the final round of evaluation, absolute priority is given to the job-creating capacity of the prospective development, in view of the severity of local unemployment. The second aspect to consider is the existing jobs' ability to retain manpower, and the third is the modernising, technology-improving aspect.

Naturally, there are several problems about the practice of this subsidy mechanism. First, although the sums claimed exceeded the money available, the Council supported the majority of the projects (five-sixths in 1999), indicating the waning importance of the concentration and the diminution of grants. The distribution of subsidies among the various branches of the economy was also far from optimal, since a disproportionately high share of the subsidies went into food production. This demonstrates the fundamental barrier in the way of development from internal resources: the local population has neither the capital nor the ideas necessary to develop the industry and the services. In several cases, The County Development Council had to support the basic institutions of the local governments (schools, welfare, health) from money set aside for development purposes, because the central government provided insufficient funding to the local governments.

The gravest problem of the practice of the redistribution of decentralised county resources was caused by a factor originating from outside the county. The Regional Development Act "did not define the principles and mechanism of financial decentralisation, or did it only in the broadest outlines, whereas it authorised the government to regulate and operate it" (MRS PÁL-KOVÁCS 1999a. p.184). And this regulation is very strict: by turning decentralisation merely into de-concentration, in practice it placed severe constraints on the possibility of adapting to local potentialities and to the documented projects of regional development themselves, when it came to the distribution of resources in Szabolcs-Szatmár-Bereg (RÓKA

1998). There were also examples when some ministries transferred the allocated funds only reluctantly, and after a substantial delay, if at all, to the County Development Council.

The problems notwithstanding, the redistributing practice of the County Development Council proved successful on the whole. The applicants have undertaken development projects that cost several times the amount of the subsidies (nearly five times as much in 1999). With the help of relatively small amounts of decentralised support they could mobilise considerable other sources. The involvement of the state in the development of the county must be assessed in this light. A rough estimate reveals that although the budgetary support of regional development amounted to a mere 12% of the county's total investment, some one-third or even half of the developments would not have come about without them and without the social benefits, first of all the housing subsidies. In spite of the fact that the state contribution failed to invigorate the economy spectacularly, these figures show that it made a substantial contribution.

As seen also from the above, the most influential actor in the county's development in the latter half of the 1990s was the County Development Council through the work of the County Development Agency. Apart from the Agency, considerable efforts have been made in the area of regional development by the chambers – principally through the competitions and by disseminating information to the entrepreneurs – as well as by the County Labour Centre. The interviewees were of the opinion that the activities of some institutions set up to aid economic development in the period of transition, which were working in isolation from the organs of regional development were less efficient and less effective than the above organisations

So far, little success has crowned the efforts of two widely publicised means of economic development: entrepreneurial zones and industrial parks. As a result of extensive lobbying, this county was the first to have an entrepreneurial zone in and around Záhony, the railroad gateway to the successor states of the Soviet Union. Incoming ventures are stimulated by various kinds of allowances - non-refundable subsidies, zero-rate loans, favourable credit constructions, accelerated amortisation, and tax allowances. This zone was primarily advertised to potential investors on the strength of bringing the eastern markets within reach. However, here again it has been shown that infrastructure and various allowances alone are not enough to attract investors: mainly the protracting crisis of the eastern markets has resulted in "silence" around the business zone. A contributory factor was the partial vagueness of the legal background and the fact that the Zone was demarcated on a far too large area for the development of concentrated infrastructure and business services (LAKY 1999).

The local governments of Szabolcs-Szatmár-Bereg, having learned how to be effective in submitting tenders, were also very active to win the title of industrial park and Szabolcs had the highest number of settlements (7) named as industrial parks of all counties. However, in addition to the Mátészalka region, functioning as a quasi-industrial park already since the 1980s, only the one in Nyíregyháza has temporarily managed to attract serious investors.

All in all, Szabolcs-Szatmár-Bereg has cleverly exploited the situation that right until the end of the 1990s the county was at the centre of Hungarian regional policy, endowed with the best institutional and financial environment for regional development (MRS PÁL-KOVÁCS 1999a). The county actors have proven far less effective in organising sub-regional and larger regional level institutions. That forebodes ill for the future, as the role of the main territorial units of regional policy

will gradually shift to the larger regions in Hungary, just as they have done in the European Union (HORVÁTH 1998, SZALÓ 1999), and the role of the sub-regions is also expected to increase, accompanied by a small decline in the counties' role in regional development.

What puts the continuation of the current county development strategy at an even greater jeopardy is a set of legislative changes introduced in 1999. The amendment of the Regional Development Act substantially changed the composition of the County Development Council in 1999. Representatives of the chambers and the labour organisations were removed, regardless of the fact that they had played an important role in the Council's work and also in the decentralised system of tendering, a role that other specialists could hardly take over. The principles of decentralisation, subsidisation and solidarity have been heavily compromised, when the representatives of the county's ten statistical sub-regions, who had been involved in all decision-making previously, and who had the opportunity to work out a consensus on conflicts caused by different sub-regional interests prior to the decisions, were limited to a mere three representatives at a time, rotating annually.

Finally, one of the greatest achievements in the area of regional development in 1996-98 – freeing the regional development institutions of political affinities - seems to be in danger. Previously, decisions were chiefly made after the discussion of professional arguments and confronting interests. After the modification of the act, however, the minister of agriculture and regional development, who is also the leader of the Independent Smallholders' Party, will be represented in the County Development Council of Szabolcs-Szatmár-Bereg by the county president of the same party. The professional representation of ministries has been replaced by representatives of the County Agricultural Office and the Regional Tourist Trade

Committee, themselves pro-government leaders in the county. The sub-regions "thought it wiser" to send mayors close to the ruling parties to this important decision-making body. These developments may entail significant changes in the priorities of the Council as well.⁵

3.4. A successful strategy of adaptation: the singular course of development taken by Nyíregyháza

Nyíregyháza has followed a course of development in the decade of transition that was substantially different from that of the rest of the county. In addition to being able to ward off the effects of the recession better, and in the second half of the period it has demonstrated dynamic traits in several regards. Some related questions arise at this point: What role did the inherited advantage and other objective features play in this? How big a manoeuvring space did local strategies have, and how successful were the local actors in utilising the possibilities? To what extent was the position of the county decisive in the town's development and vice versa? Or: is dynamism possible in backwardness? These questions are doubly justified, because an outsider cannot help marvelling at the seemingly highly dynamic development suggested by the external revival of the townscape of Nyíregyháza. Still, the figures we have analysed do not allude to such a vigorous economic boom that would "obviously" result in such conspicuous architectural and urban renewal. What may underlie this phenomenon?

⁵ As against the usually tallying opinions of interviewed county leaders, the president of the county organization of the small-holders' party voiced different views on two issues. First, in keeping with his party's programme, he was going to concentrate the subsidies on food production. Second, he ascribes a decisive role to the territorial priorities within the county: instead of a redistributive practice based on the regional irradiation of urban developments, he would concentrate on supporting the most backward areas, especially the villages.

All the interviewed county leaders and town-dwellers agreed that in the 1990s, and most notably in the latter half of the 1990s, the county seat pursued a comparatively successful path of development, rivalling other Hungarian towns of similar size. Many stressed the point, however, that achievement was relative: the advancement was considerable only in comparison with its former stage of development and was mostly confined to the creation of modern infrastructure, services and urban environment, all of which had left much to be desired prior to 1990.

The majority of the commentators attribute these results first of all to certain objective characteristics, including the favourable location and good accessibility of the town as compared to its surroundings, far enough from other large centres (Miskolc, Debrecen) to have its own hinterland but close enough to the border to benefit from the traffic across the Ukrainian, Romanian and Slovakian borders. They also stressed the role of some modern and readily marketable manufacturing production (paper, rubber, tobacco, etc.) "inherited" from the previous system, the presence of tertiary education and the concentration of the county's educational resources, and greater economic activity mainly in the tertiary sector.

A thoroughly elaborated local development strategy adjusted to the circumstances and realised with great energy also played a significant role in Nyíregyháza's development in the 1990s, as it did in the case of the county as a whole. The town's current mayor has largely contributed to the elaboration of the urban development program and its realisation; a former president of the Town Council between 1985 and 1990, he has been mayor since 1994. The entire period of the 1990s was characterised by relatively good relations between the parties in the town's political life, which also contributed to the town administration's efficiency

and ability to respond swiftly.

The local government's strategy rested on two pillars, according to the interviewees. One key element was the support given to local small and medium-size enterprises, mainly through certain subsidies and low taxes, along with the promotion of a favourable economic climate; and the other was the spectacular scale of modernisation, the reconstruction of the town - with as much publicity as possible, and involving as many people as possible.

After a realistic assessment of the town's situation, the local leadership defined Nyíregyháza as a commercial city, adjusting its own efforts accordingly. For lack of another town of similar dimensions, half of the county's population has come to buy the more expensive consumer goods here for decades (BELUSZKY 1974). After 1990, the floods of Ukrainian and Romanian "shopping tourists" gave a boost to the trading business in Nyíregyháza. By accepting the presence of the huge unofficial "Comecon market", the town government further expanded the market. This brought additional customers to the shops of Nyíregyháza; they spent most of their money at the local retailers, just as the foreigners after selling their goods on the "Comecon market". Thanks to all these factors, trading firms fared very well there until 1998.

The city did its utmost to make the population adopt an image of an advancing town, instead of the earlier image of a "backward" and "support-hungry" town. They tried to make them understand that, in addition to the external investors, every member of the local population is looked upon as a partner. This has continuously been communicated in the local and national press. Local civil organisations receive additional support and the town spends much on keeping the city and parks tidy, in this way contributing to the public's general good feeling and better living conditions. In the second half of the 1990s a zoo park was established that soon rose to second

place in the country, and while community centres were closed down one after the other elsewhere, in Nyíregyháza their number increased. A recreational park has been developed in place of an earlier neglected marshy area. A non-profit organisation was set up to utilise Nyíregyháza's traditional recreation area, complete with a growing number of tourist facilities (hotels, hostels, catering units, thermal baths, lake beach, zoo, landscaped forest, the country's second largest open-air museum, etc.). Outsider assessment of the town was promoted as the central element of a deliberate, long-term city marketing, by a vigorous cultural life that also enjoys high priority in budgetary allocation. A large number of sport and cultural or scientific events of national or international importance have been staged in Nyíregyháza. Nyíregyháza has become the venue of regular local cultural events and business exhibitions and fairs, and the local government provides financial support to all the local sports and cultural associations that may "boost the reputation" of the city. The mayor's office was the second among Hungarian local governments to obtain the ISO 9001 quality assurance.

This is doubly useful for the town's image. On the one hand, it replaces the former "dull seat of dark Szabolcs" assessment with a dynamic and at the same time pretentious "cultural town" as cultural events also arouse the interest of the media nation-wide, providing indirect advertisement that is more effective than direct promotion. This, in turn, brings people to Nyíregyháza where they "can't help" noticing the town's dynamic profile. The efforts to improve the population's feeling of comfort and the town's image seem to be crowned with success: local public opinion polls reveal a high degree of public satisfaction with the town management. And, in the broad vicinity of the county there is a general feeling that Nyíregyháza has developed faster than any other town of similar circumstances in eastern Hungary.

The majority of the interviewed county leaders, including the mayor, were aware that the image of the town is improving at a greater pace than the town itself, which is also borne out by the objective economic-fiscal indicators: its dynamism looks more spectacular than it actually is. However, they deem the positive image highly important, as it may contribute to arousing the interest of Hungarian and foreign investors and can help boosting the economy.

In financing and realising the urban policy of the town, the local government's main instrument has been a consistent real estate policy, retraceable to the mid-1980s. The ban on new construction in the centre was lifted gradually after 1987. On the periphery of the town centre, a residential area suited for suburban development was designated. The local government purchased a large number of real estates at a low price in the centre and in areas allocated for development roughly around the time of the democratic changes. In the first half of the 1990s, by a few developments the town management established some highly suitable venues for economic activity.

This all gained significance when in the 1990s capital investors first took an interest in the town. The "first swallows" represented the financial sector, opening subsidiary branches in the town sporadically first, and in growing numbers after the middle of the decade. Their arrival not only rapidly increased the number of bank branches but it also triggered the architectural revival of the city centre. The filling stations of large multinationals and the rising number of automobile salons helped modernise the roads leading into town. The prosperous local entrepreneurs started to open up a growing number of quality shops, restaurants, small industrial workshops. A dozen guest houses and hostels of various sizes were built in the city. In 1995-96 a few fast food chains and food stores opened branches in the town. It all gave a facelift to the town and the "city" has almost completed revived by the late 1990s largely on

entrepreneurial money. In the meantime, the real estates owned by the local government have not been squandered; the town never sold property to make easy money but always relinquished parts of it for actual developments.

The most spectacular change, however, began in late 1997 when international shopping chains came to the town with the intention to open up subsidiaries. The local government was well prepared for them; plots of good potential business were made available to them (owing to the town's earlier real estate purchases) and, having analysed the experiences of store construction in Budapest, the town management had a definite bargaining strategy, demanding that the new businesses should be useful for the town. They compelled the new businesses to observe the urban development plans and even tried to influence the outward looks of the new stores. Building sites were sold to them at market prices and no special allowances were given, on the argument that the new businesses would make the position of local retailers more difficult. They were required to carry out additional developments (road, junction, nursery school, cycle-path, sewage and drainage system, park, etc.), tasks that would have burdened the city otherwise. Thus, in two and a half years, investment at a value of 1.5 billion HUF was realised in the town. The representatives of retail chains were required to bargain with local and nearby producers, resulting in a wide network of regional suppliers. The local government made sure that nearly every new installation be built by a firm from Nyíregyháza. All in all, the policy of the local government could turn the commercial capital, itself of little impact upon dynamism, into a real driving force boosting the economy. At the same time, contrary to earlier fears, the growing local merchants were able to adjust to the new situation flexibly.

Utterly different is the local government's strategy concerning green-field investments in manufacturing industry. Taking the successful examples of

Transdanubia as models, the town management tried to promote employment and launch a real economic upswing via green-field investment of foreign capital. In the second half of the '90s, it participated in nearly every major Hungarian and European fair and business conference, with different sets of promotional material, exchanging experiences with the most dynamically growing county seats of Hungary and seeking out several multinationals with subsidiaries in Hungary. However, these efforts remained without palpable result until 1997, when the town won the title of industrial park. Despite the opposition's protests, the city managers completed the park by making use of subsidies won in competitions and of their own sizeable resources.

Eventually, the latter fact proved decisive: looking for new sites to expand its electronic parts production, the multinational Flextronics chose Nyíregyháza from among a dozen Hungarian towns for its 18 million US\$ investment, providing 3,000 new jobs within three years. They decided on Nyíregyháza on learning that the circumstances here allowed construction to begin immediately. It is indicative of the town's effective decision-preparing and making mechanism that five weeks after the start of negotiations the contract was signed. The arrival of the investors was a breakthrough for the county on the whole, and it could be attributed to the decisive economy-promoting role of the local government's strategy. However, the city management also undertook significant risks because, unlike with the retail chains, it gave many allowances to the investor, selling about half the park worth some 500 m HUF for a symbolic 10 m to Flextronics, and providing a 4-year local tax holiday.

In general, the county seats in Hungary chose a path of development in the 1990s that was independent of their respective regions. Nyíregyháza, however, is an exception. The city envisioned the town as a seed of growth, playing a central role in the county's developments and at times mediating between various sub-regions and

settlements. "It must never be our aim to progress counter to the county, quite to the contrary. This may put us at a disadvantage for some time, but in the long run it will bear fruit," the mayor declared.⁶ Thus, regardless of the fact that in the three election cycles since 1990 different political forces rose to power in the town and in the county, Nyíregyháza has been actively involved in regional development activity.

Still, all things considered, the stability and the spectacular modernisation of Nyíregyháza is an insular phenomenon in the lagging "sea" of Szabolcs-Szatmár-Bereg county. Also, the economic foundations of the town's progress are weak and vulnerable and the central prerequisite of dynamism – the continuing rise of local incomes (ENYEDI 1996) – is not ensured. The processes of the last two or three years of the transition suggest, however, that the city has the chances of setting the local economy on a successful course of development. Should this scenario come true, then the dynamism of Nyíregyháza will, indeed, play a crucial role in the gradual elimination of the county's backwardness.

4. Conclusions

In the course of the transition, an exceptionally grave crisis developed in Szabolcs-Szatmár-Bereg, a county that had already been among the most backward regions during the earlier decades. The main reason was the extremely low economic activity of the population, itself deriving from the aggregate effects of mutually reinforcing demographic, social and economic structural factors. From the mid-1990s the downswing gradually came to a halt and from 1997 some slow advance could be observed. That, however, only sufficed to prevent the gap that existed between the

⁶ In: Futár (Szabolcs-Szatmár-Bereg weekly), December 23, 1999, p.13.

county and the surrounding regions from increasing, while the county fell more and more heavily behind the increasingly dynamic central and western counties of Hungary. Its most pressing social problems – the weakness of the human resources and the partly related employment crisis – could not be resolved: in the Hungarian spatial structure Szabolcs-Szatmár-Bereg continued to be the county of extremes. What hinders the formation of lasting and intensive economic dynamism, and hence the improvement of the county's position, is the lack of local capital, along with the county's poor capacity to attract capital.

To mitigate the serious tensions caused by the transition, the county turned first of all to the possibilities offered by the state, an attitude rooted deeply in their former poverty and the limitations regarding other possibilities, while at the same time this response was in line with the county's earlier traditions. Several local variants of adaptation have emerged, such as obtaining disabled status or drawing unemployment benefit, housing and other social benefits. Certain social groups were able to improve their conditions by dealing on the black market.

Central resources played a far greater role in the county's development than they did elsewhere. This could mainly be attributed to Szabolcs-Szatmár-Bereg's speed and efficiency in procuring state subsidies, thanks to the local leaders' solidarity and agility, quick reactions and good strategies. Even so, budgetary subvention was insufficient to invigorate the local economy, while their centrally over-regulated manner of application – mostly in the infrastructure and the food industry – proved ineffective. Nevertheless, the local strategy of economic development, which realised at an early date the significance of regional policy and the potentialities it implied, could slightly decelerate the pace and extent of decline and tone down social tensions, with the exemplary development and running of a

network of regional development institutions.

Already before the democratic changes, Szabolcs-Szatmár-Bereg was one of Hungary's most differentiated counties, and this property was further enhanced. The main constituent of inner differences comes from the dichotomy of centre versus periphery: the county seat, Nyíregyháza has followed a specific course of development in the 1990s, and proved far more successful than other parts of the county in general. The spectacular growth, generated to a considerable extent by the local government, inspires a subjective feeling of successful development both in the local population and the outsiders. This is not always borne out by objective statistical figures – least of all by income figures -- yet the town's position today offers the prospects of a comprehensive development tomorrow.

Our research has shown that the respective developments of Szabolcs-Szatmár-Bereg and Nyíregyháza, along with the local strategies of adaptation to the changed political and economic environment, represent a specific, and in many respects quite unique, model in Hungary's transition period. Its particular features include, among other things, the prominent role of the black economy; retirement on a disability pension; extensive small-scale agricultural production; the exploitation of housing allowances, the co-operation and active participation in regional development of county politicians overriding party interests; the up-to-date and comparatively successful county development policy and urban development conception of Nyíregyháza; and the harmonic collaboration between the county and the county seat. The Szabolcs-Szatmár-Bereg model is, however, above all characterised by the outstanding role of both central resources (the government's regional development and social policies) and the local political elite in implementing a programme of "planned development", particular of the county's developmental course during the

transition.

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ANNEX

Table A1. Figures related to the county's development 1962-1990

| | Szabolcs Szatmár- Bereg | County figure as % of national average without Buda- pest | Rankin g in the list of 20 counties | Szabolcs Szatmár- Bereg | County figure as % of national average without Buda- pest | Rankin g in the list of 20 counties |
|---|-------------------------------|--|---|-------------------------------|--|---|
| | 1962 | | | 1990 | | |
| % of inhabitants living in towns | 10,6 | 38 | 19. | 38,3 | 74 | 19. |
| % of inhabitants aged 0-14 | 32,7 ^a | 123 | 1. | 23,5 | 114 | 1. |
| % of inhabitants aged above 60 | 11,4 ^a | 85 | 19. | 16,7 | 90 | 18. |
| Ageing index (under 14 per of over 60), % | 286,7 ^a | 145 | 1. | 141 | 126 | 1. |
| Live births / 1000 inhabitants | 19,2 | 137 | 1. | 14,8 | 117 | 1. |
| Deaths / 1000 inhabitants | 10,6 | 97 | 12. | 12,6 | 90 | 16. |
| Birth rate, ‰ | 9,6 | 310 | 1. | 2,1 | -191 | 1. |
| Migration balance, ‰ | -17,7 | 492 | 20. | -8,0 | 571 | 20. |
| Active earners / total population, % | 42,7 ^a | 93 | 18. | 37,6 | 87 | 20. |
| Agricultural employment, % | 67,2 ^a | 140 | 1. | 22,1 | 120 | 5. |
| Industry and construction employment, % | 15,2 ^a | 55 | 20. | 33,9 | 88 | 17. |
| Services employment, % | 17,7 ^a | 72 | 20. | 43,9 | 102 | 9. |
| Gross value of industrial tools per capita in 1998 prices, 1000 HUF | 86 ^b | 29 | 19. | 567 | 79 | 16. |
| Homes on public water supply, % | 2,3 ^a | 22 | 20. | 76,4 | 94 | 17. |
| Annual household electric energy consumption / inhabitant, kWh | 1,7 | 52 | 20. | 68,2 | 95 | 12. |
| Built homes / 10,000 inhabitants | 45,8 | 87 | 14. | 56 | 125 | 2. |
| Number of inhabitants / 100 homes | 406 ^a | 111 | 1. | 303 | 110 | 1. |
| Active doctors / 10,000 inhabitants | 7,8 | 65 | 20. | 19,2 | 74 | 19. |
| Number of hospital beds / 10,000 inhabitants | 22,9 | 65 | 19. | 84,1 | 94 | 15. |
| Yearly turnover of small trade and catering businesses / inhabitants, HUF | 4514 | 76 | 20. | 81423 | 84 | 18. |
| Number of cars / 1000 inhabitants | 3,3 ^c | 52 | 20. | 130 | 74 | 20. |
| Working phone lines / 1000 inhabitants | 9,4 ^c | 65 | 19. | 32,6 | 51 | 20. |
| GCE holders as % of inhabitants aged 25 and above | 4,3 ^a | 68 | 20. | 21,4 | 85 | 20. |
| Tertiary graduates as % of inhabitants aged 25 and above | 1,2 ^a | 69 | 20. | 6,7 | 85 | 19. |

a: data for 1960 b: data for 1963 c: data for 1964

Source: CSO

Table A2. Demographic relations and economic activity of the population in

1990-98

| | Szabolcs-Szatmár-Bereg | County figure as % of national average without Budapest | Ranking in the list of 20 counties | Szabolcs-Szatmár-Bereg | County figure as % of national average without Budapest | Ranking in the list of 20 counties | Szabolcs-Szatmár-Bereg | County figure as % of national average without Budapest | Ranking in the list of 20 counties |
|--|------------------------|---|------------------------------------|------------------------|---|------------------------------------|------------------------|---|------------------------------------|
| | 1990 | | | 1994 | | | 1998 | | |
| Percentage of active earners | 37,6 | 87 | 20. | 26,5 ^a | 77 | 20. | -- | -- | -- |
| Percentage of tax-payers | 39,1 | 89 | 19. | 32,0 | 80 | 20. | 32 | 81 | 20. |
| Percentage of the under 15s | 23,5 | 114 | 1. | 21,5 | 113 | 1. | 20,9 | 116 | 1. |
| Percentage of the over 60s | 16,7 | 90 | 18. | 17,1 | 91 | 20. | 17,2 | 90 | 20. |
| Ageing index (under 15s per over 60s) | 140,7 | 126 | 1. | 125,7 | 125 | 1. | 121,6 | 130 | 1. |
| People supported (under 15s and over 64s per people between 15 and 64) | 54,7 | 107 | 1. | 50,7 | 106 | | 50,3 | 107 | 1. |
| Live birth per 1000 people | 14,8 | 117 | 1. | 13,9 | 118 | 1. | 12,8 | 128 | 1. |
| Death per 1000 people | 12,6 | 90 | 16. | 13,8 | 98 | 14. | 12,7 | 92 | 17. |
| Natural increase of population, ‰ | 2,1 | -191 | 1. | 0,1 | -3 | 1. | 0,1 | -3 | 1. |
| Migration differential, ‰ | -8,0 | 571 | 20. | -5,4 | -528 | 20. | -0,9 | -60 | 14. |
| Percentage of people declaring to be Gypsies | 4,4 | 272 | 1. | -- | -- | -- | -- | -- | -- |
| Registered unemployment rate at the end of the year, % | 4,5 | 214 | 1. | 18,5 | 159 | 1. | 18,1 | 165 | 2. |
| Percentage of pensioners | 22,6 | 95 | 18. | 30,7 | 108 | 4. | 33,6 | 106 | 5. |
| Number of people drawing disability allowance per 1000 people | 67 | 129 | 3. | 100 ^b | 141 | 1. | 108 | 138 | 1. |
| Old age pensioners per 1000 people | 93 | 70 | 20. | 103 ^b | 70 | 20. | 107 | 68 | 20. |
| Other pensioners and beneficiaries per 1000 people | -- | -- | -- | -- | -- | -- | 113 | 149 | 1. |
| Rate of people employed in central administration | -- | -- | -- | -- | -- | -- | 34 | 146 | 3. |

Notes: --: no data; a: April 1, 1996; b: April 30, 1995

Source: CSO

Table A3. Development of infrastructure 1990-1998

| | Szabolcs Szatmár- Bereg | County figure as % of national average without Buda- pest | Ranking in the list of 20 counties | Szabolcs Szatmár- Bereg | County figure as % of national average without Buda- pest | Ranking in the list of 20 counties | Szabolcs Szatmár- Bereg | County figure as % of national average without Buda- pest | Ranking in the list of 20 counties |
|---|-------------------------------|--|--|-------------------------------|--|--|-------------------------------|--|--|
| | 1990 | | | 1994 | | | 1998 | | |
| Homes on public water supply, % | 76,4 | 94 | 17. | 81,0 | 94 | 17. | 84,3 | 94 | 17. |
| Homes connected to the public drains, % | 18 | 68 | 19. | 21 | 65 | 18. | 26 | 70 | 18. |
| Piped gas consumers as % of housing stock | 16 | 49 | 18. | 46 | 96 | 11. | 58 | 95 | 12. |
| Private telephone lines per 1000 homes | 59 | 49 | 20. | 183 | 64 | 18. | 555 | 83 | 19. |
| Freeways per 1000 km ² , km | 0 | 0 | 10-20. | 0 | 0 | 10-20. | 0 | 0 | 10-20. |
| Freeways and highways per 1000 km ² , km | 63 | 87 | 15. | 63,0 | 86 | 15. | 63 | 84 | 16. |
| Number of filling stations per 100,000 inhabitants | 3,3 | 70 | 20. | 18,16 | 85 | 17. | 13,5 | 67 | 18. |

Source: CSO