PLANNING AND DEVELOPMENT ASPECTS OF TOURISM IN THE REGIONAL AND RURAL DEVELOPMENT PROGRAMS IN HUNGARY

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ABSTRACT
This study aims to deal with the regional planning and development processes in Hungary especially focusing on tourism and the statistical regions.

In the beginning of the paper we intend to show the timely processes experienced in Hungary from the socialist era through the change of the regime until recent days. Tourism as a device for rural and regional development have been handled as a catalyst in the less developed areas so that is why in the connecting countries of East-Central-Europe to the European Union it plays a vital role in their rural and regional development planning procedure. We intend to show these special processes on the example of Hungary in this respect.

We have to mention that after the change of the regime no significant tourism policies have been introduced neither concerning its privatisation nor its governing system. On the other hand though Hungary’s tourism in those years went through significant changes without a considerable change in its management and governing system.

The paper further on deals with privatisation and the new era of tourism policies as it has changed from 1996, the creation of the first regional development act in Hungary. From this time on the tourism industry and its governing management system had to concentrate on the processes of EU joining so its spatial and management system has changed due to this phenomena. Further on we highlight how tourism appears in the regional development planning of the country and of the statistical regions in Hungary (National Development Plans).

KEY WORDS
regional policy, tourism policy, development programs, tourism and regional development

1. Introduction
Since the change of the regime Hungary went through several periods of regional and rural development planning both in general and in tourism. These periods meant also a development cycle where the country was getting used to the new conditions of spatial planning especially concerning Hungary’s joining of the European Union opening numerous new trends and practice in this respect. The paper intends to demonstrate these processes experienced in the country focusing especially on tourism though providing a general insight into the country’s economic development through its regional development planning periods.

2. The Economic Importance of Tourism in the World and in Hungary
The direct contribution of tourism concerning global GDP was 1,542.1 billion USD (3.8%) in 2004. The number of people employed directly in tourism was 73.7 million, which corresponds to 2.8% of total employment. [1]

![Figure 1: Economic Growth (GDP) & International Tourist Arrivals](source: World Tourism Organisation www.world-tourism.org)

Taking also into account the multiplier effect of tourism, the contribution of the sector to global GDP rose to 10.4% and the jobs generated by the sector reached 8.1% of total employment in 2004. Government expenditure on tourism amounted to 265.3 billion USD, whilst 9.4% of all capital investments (i.e. USD 802.3 billion) were targeted at tourism. [1]
In Hungary, tourism is one of the most important industries of the economy. The direct GDP contribution of tourism, the ratio of employment in tourism and of government expenditure on tourism each surpass the corresponding averages of the European Union and Central and Eastern Europe. On the other hand, capital investments into the sector are lower in Hungary than the averages observed globally, in the European Union and in Central and Eastern Europe. Calculations of the WTTC indicate that the contribution of tourism to economic performance reached 4.7% in 2004, and with the multiplier effect taken into account, the GDP share of the sector came to 10.1% in Hungary. A total of 237.7 thousand people, corresponding to 5.2% of total employment, worked in the sector, which - upon factoring in multiplier effect - brought the number of people employed in the national economy through tourism to 385.7 thousand (9.8%). That is to say one in ten jobs has been created directly or indirectly by tourism. Tourism had a 5.2% share in government expenditure. [1]

Negative characteristics of Hungarian tourism are the relatively short average length of stay, the low average expenditure in international tourism, the significant share of the black economy and seasonality. Tourism in the popular tourism destinations, like Lake Balaton or Budapest, has a mass tourism nature, while other, less well-known areas of the country have difficulties in attracting visitors. [2]

3. Spatial Development and Regional Policy
The regional policy and spatial development of Hungary is based on the Act XXI of 1996 on Regional Development and Physical Planning and the National Regional Development Concept adopted by the Parliament in 1998. Soon according to EU planning restrictions a system with four levels (national, regional, county and micro-region) was established. Seven NUTS 2 level planning-statistical regions were set up on the basis of these regulations and so Regional Development Councils (RDCs) were established after the Act came into force.

Map 1.: Statistical and planning regions and counties in Hungary

There is an unfortunate procedure in Hungary, as we have a look at the spatial-development differences of the country that the socio-economic differences increased from 1990 onwards. There has been a significant change in the spatial structure as well as we could distinguish between positive/developing regions and regions lagging behind the national average.

The favourably situated regions benefit from their geographical positions as they do tend to be found on the western borders (1), large cities (2) or at the dynamic axes (3) (the Budapest – Győr – Mosonmagyaróvár – Sopron (Bratislava – Vienna) line and the Budapest – Székesfehérvár – Balaton axis) of the country. At these regions the share of...
foreign capital and entrepreneurial activity is high, the employment rate is above national average and unemployment rate is lower. [3]

Map 3: Major Dimensions of Hungary’s Spatial Integration

If we have a look at the „negative regions” or in other words the regions lagging behind we can distinguish between external and internal peripheries in the country. The external peripheries are associated with border areas, the internal ones with agricultural activities.

In these micro regions unemployment rate is above the national average, income position is below the average, the share of foreign capital and entrepreneurial activity is low.

Those micro regions facing the problems of bordering areas can be found at almost every bordering areas except for the western region, while the ones facing the sectoral problems of agriculture dominated areas (internal peripheries) can be highlighted in South-Transdanubia (Baranya, Somogy and Tolna counties), or North East Hungary (Hajdúság).
Most of these regions though are rich in natural and cultural resources (national parks, protected natural areas of course due to their bordering function they have not been disturbed by economic activities) which may offer opportunities for tourism. The appearing problems of development include the poor infrastructure of the towns and villages, the higher than average ratio of poverty ridden residential areas and the low standard of community services and public utilities. [3]

4. Regional Processes of Tourism in the Socialist Era

Tourism developed to a more and more important sector of economy through the decades of socialism in the country. Out of its orders influencing regional processes the 1971. spatial and regional development act should be highlighted which features two priorities dealing with tourism in the 1006/1971.II.3. point:

- The development of Lake Balaton, Budapest and the health spas, as they mean a main attraction for the international tourists;
- The weekend tourism as a recreational role in the urbanised areas.

In connection with the spatial development of tourism the VÁTI and the BKI made several studies, the spatial units bounded by them moved between 23 and 27. They professionally prepared the 2006/1979 order of the Ministerial Council that decided on the accentuated tourism zones (Lake Balaton, Lake Velencei, the Danube bend, Mátra and Bükk, later on Soron-Kőszeghegyalja and Lake Tisza), and the functions of their leading committees. With the cooperation of the VÁTI-BKI-KSH and the National Tourism Board (NTB) a statistical system was created in the 1980s measuring and registering the spatial processes of tourism as well, serving as a base for the Government act of 2012/1986. (“Sectoral and regional development concept of tourism”). In this concept concerning spatial developments three categories have been confined:

- Accentuated tourism zones;
- Tourism zones of regional importance;
- Tourism zones of local and micro regional importance.
In the socialism the dependence from the central sources, the differentiated development priorities and on the other hand the continuous pinch of sources were manifested in the regional processes of tourism as well. An exaggerated picture of tourism infrastructure have been formed with the depressing ascendancy of Budapest and Lake Balaton, only the thermal and health spas meant local spots in the countryside.

The institutional system spreading and realising the central procedures in tourism were meant to be done by the County Tourism Boards. The tourism boards belonging to the competence of the county councils as the operators of the state estate in some counties could be able to establish a tourism infrastructure still effecting tourism today and their inbound activity was an important part of their complete functions. But they were not able to compensate the central will though and their loss of estate started by the change of the regime re-evaluated their role as well. [4]

5. Regional Processes of Tourism After the Change of the Regime
With the change of the regime the branch and spatial processes of economy in their character resulted in a different type of spatial structure in Hungary in the 1990s. The classic economic zones split up based on the resources of the earlier industrial revolutions and their technological basis. The settlement structure of the country followed this concentrated economic development strategy with the contradictions of the strongly urbanised areas and the countryside areas lagging behind.

Concerning tourism following the change of the regime mainly in terms of the attractions a radical change was that Central Europe become an open space so in this respect Hungary lost its uniqueness. On the other hand though the cross-border and transit transport data (nearly 40 million guests) in the majority of the decade covered the problems that become apparent and structural for today. Beside the earlier destinations the development of quality tourism and its spatial extension became a necessity in Hungary. This process luckily can be connected to the aims of the regional development and the pre-accession programs of the EU so there is a chance that by conscious planning and a structural renewal tourism remains one of the leading sectors of the Hungarian economy.

The basis of the regional tourism developments are the tourist attractions which are just rarely following the county administrative borders so in the tourism developments the tourism micro regions and product groups compose the development programs. Further on beside the regional and micro regional spaces the tourism product types can constitute a self-organising tourism development programs and spaces. So the basis of the development spatial units is the dominance of a tourism product group determining the development directions and the façade of the spatial unit.

6. Experience of Earlier Programmes: The Széchenyi Plan
The Széchenyi Plan was the first general regional policy plan trying to decrease the differences in Hungary’s regions and micro regions. Realising the increasing differences and that the already existing developmental differences generated and determined the external capital flow regionally as well, the Széchenyi Plan was a large-scale economic development programme of the Hungarian government. The six main programme fields were the following:

- Enterprise Promotion Programme,
- Housing Programme,
- Tourism Development Programme,
- Research, Development and Innovation Programme,
- Information Society and Information Economy Development Programme,
- Motorway Construction Programme and Related Infrastructure Programmes,
Regional Economy Development Programme. [5]

7. The Strategy and the Priorities of the NDP, 2004-2006
The first National Development Plan is the first strategy being adjusted to the requirements of the European Union, setting the major development policy objectives and priorities to be supported under the Structural Funds in Hungary for the three years’ period of 2004-2006. The purpose of the current NDP is concentrating to the differences between the EU and Hungary as it is trying to reduce the existing development gaps between Hungary and the countries of the EU.
**Figure 3.** Objectives, Priorities and Operational Programmes of the NDP

![Diagram]

Source: Hungarian NDP 2004-2006

**8. The NDP, 2007-2013**

As an outlook we should definitely mention the 2007-2013 planning period as it opens much wider sources in scale in terms of EU support concerning Hungary. If we have a look at Figure 4 there is a clear picture about the three periods of Hungary’s relation to the European Union concerning funds and allocations. [6]

The first period is before 2004 (the joining of the EU) when allocations came thorough the so called pre-accession funds (PHARE, ISPA, SAPARD). A greater scale of funds was awarded to the country in the next period between 2004 and 2006 (1st planning period, 1st NDP of Hungary). The last period highlighted in the figure is demonstrating how the EU funds and allocations will grow as the country reaches the 2nd planning period (2nd NDP of Hungary) of the EU between 2007 and 2013.

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**Objectives**

1. More competitive economy
2. Improved use of human resources
3. Better environment and more balanced regional development

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**Priorities**

1. Improving the competitiveness of the productive sector
2. Increasing employment and the development of human resources
3. Providing better infrastructure and cleaner environment
4. Strengthening regional and local potential
5. Technical assistance

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**Operational Programmes**

1. Economic Competitiveness OP
2. Agricultural and Rural Development OP
3. Development of Human Resources OP
4. Environment Protection and Infrastructure OP
5. Regional Development OP

**Reducing the income gap relative to the EU**

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As Table 1 demonstrates all of the operative programs of the National Development Plan are adjusted to the priorities of the EU’s Community Support Framework.

Table 1.: NDP Operational Programs Adjusted to the Priorities of the EU CSF (Community Support Framework)

<table>
<thead>
<tr>
<th>Priority</th>
<th>Economic Competitiveness OP</th>
<th>Agrarian and Rural Development OP</th>
<th>Human Resources Development OP</th>
<th>Environmental Protection and Infrastructure OP</th>
<th>Regional OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st priority: Improving the competitiveness of the productive sector</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd priority: Increasing employment and the development of human resources</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3rd priority: Development of transport infrastructure and environmental protection</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4th priority: Strengthening the regional and local potentials</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>5th priority: Technical assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Source: Hungarian NDP, 2004-2006
During the preparation of this planning period a volume difference has been unravelled concerning the scale of the development sources. After the long debate and dilemmas between the central and regional planning a new type of spatial approach seems to be tracing out according to which approximately half of the European Union’s co-finance can be connected to the regional programs, though a generation of so called great scale projects proves to be necessary as well. The 2005 National Regional Development Concept has been created by the token of this concept of which regional development model can be traced back to the accession pole theory. Essentially it constitutes the strengthening of the regional centres in the spatial structure of Hungary as it is shown in Figure 5.

Map 5: Regional Poles and Axes

Source: www.nfh.hu

In the Hungarian regional policy at the same time several regional policy concepts are present for the 2007-13 planning period from the classical regional development concept (spatial equalization as a main function), through the activation of the endogene sources to the mobilisation of the innovative poles and axes.

9. Conclusions
In our study we aimed to justify that the spatial processes and the regional processes of tourism can only be interpreted in a long term. In a moderately developed economy tourism proved to be a regional development factor in other words an active player of regional policy and so it can be placed perfectly in the objective system of regional policy as well. It has a role in the closing up of split off regions but at the same time taking into consideration the today’s trends of tourism the great scale projects satisfy the priorities of a given settlement or pole as well (health tourism, conference tourism, fair and incentive tourism). Recognising this, the Hungarian regional policy from the internally prompted Széchenyi Plan to the 1st and 2nd NDP raised tourism to the all-time priorities and it appears among the 7 sectoral priorities of the next planning period as well.

On the field of the application of the Hungarian regional policy theories the “unthought” theoretical models in time and the attendant ones are there at the same time. Their raison d’ être will be likely decided by the future’s practice. In a country having such an extreme settlement structure (town-village-haunt) as Hungary, modernisation claims further “sacrifices” in the countryside. For its compensation, with a significant EU co-finance, only an internal regional policy activity could mean some contra poles or could decrease its casualties.
References:


Sources of the figures:

World Tourism Organisation www.world-tourism.org

National Spatial Development Concept (2005) www.nfh.hu: Homepage of the National Development Bureau