CASE STUDY ON PARALLEL DEVELOPMENT PATHS IN THE HUNGARIAN DANUBE AREA

Attila Korompayi
Szeged
26.04.2013
Basic approaches to regional problems in the Danube area

• The cohesion policy in accordance with the EU regional policy is the leading principle
• The traditional objectives and means of this regional policy are less applicable in the future
• The basic principles are
  – Less quantitative, rather qualitative orientation
  – Cohesion
  – Convergence
  – Equal chances
  – Policentric development
Core components of a balanced regional policy

• Sustainable relationship to local physical, created and social environment
• Supplying internal conditions for the operation of small, local communities
• Stability through diversity
• Accessibilty to establish external connections, and opportunities for social and territorial mobility
• Strengthening local and regional identities in line with the above requirements
• Balanced economic development in harmony with local conditions
EU objectives for the Danube strategy

• - improving navigability of the river, in particular for cargo,
• - protect the environment and fight against pollution
• - to promote economic development as well as culture and tourism activities
• - to improve the management in danger of disaster (e.g. flooding)
Special factors influencing cohesion in the Danube area

• The Danube is mostly an international and interregional border within the EU, and for a short reach an external border of the EU - - it is rather a „limes” instead of an axis

• The density of bridges and crossing points is decreasing to the South and East, but they are concentrated to several points at the same time.

• The integrating forces of crossing points are weak except for the capitals along the Danube
Special factors influencing cohesion in the Danube area

• A long-term, mutually accepted strategy for preserving the separated regional identities and cultures along the Danube, while stimulating their co-operation and co-existence is missing.

• The capitals (like Budapest) in their aspiration to European dimensions are not co-operating with their home territory but rather they take the advantage of it – they are poles for concentration but not for dissemination.

• The competition dominates the aspiration of territorial units for regional/local development instead of a co-operative approach.
Cornerstones of regional cohesion in the Danube area

• To apply an open-minded cultural attitude while strengthening local identities

• Strategic co-operation for revitalising traditional functions of the Danube in harmony with the requirements of the future. The key points are:
  – The Danube and its surrounding area is a living unified ecosystem
  – The Danube offers many natural resources for societies living along its shores directly and indirectly
  – The Danube is a communication line even in the age of information
## Impulses from past, present and future influencing present decisions

<table>
<thead>
<tr>
<th>Environments</th>
<th>Past</th>
<th>Present</th>
<th>Future</th>
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</thead>
<tbody>
<tr>
<td><strong>Physical environment</strong></td>
<td>Physical conditions and created environment</td>
<td>Natural and created resources at disposal</td>
<td>Opportunities and threats originated from physical and created environment</td>
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<tr>
<td><strong>Economic environment</strong></td>
<td>Assets</td>
<td>Value added</td>
<td>Expected profits and losses, interest rates, credit-worthiness</td>
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<tr>
<td><strong>Social environment</strong></td>
<td>Social structure, way of life</td>
<td>Social relations, standard of living</td>
<td>Objectives and intention of social groups and their stakeholders</td>
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<td><strong>Mental environment</strong></td>
<td>Experiences, knowledge</td>
<td>Value system</td>
<td>Expectations (hopes and fears) and desire</td>
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Parallel development paths along the Danube

- Indicators are current indices (previous year=100) between 1990-2008 for:
  - GDP value at constant prices
  - GDP per capita at constant prices
  - Number of employments
  - Unemployment rate
  - Industrial production
  - Industrial employment
  - Number of enterprises
  - Number of foreign enterprises
  - Foreign direct investments
Parallel development paths along the Danube

• Methodology:
  – Calculating the linear correlation coefficient for each indicator between counties along the Danube
  – Ranking the counties based on each correlation coefficient
  – Ranking the counties based on their cumulated rank values
Parallel development paths along the Danube

GDP/capita values

1 000 Ft


1 000

2 000

3 000

4 000

5 000

6 000

1 000 Ft

Baranya
BKK
Bp
Fejer
GyMS
Komarom
Pest
Pest
Tolna
Parallel development paths along the Danube

Correlation between the changes of GDP/capita
Parallel development paths along the Danube

Correlation between the changes of GDP/capita
Parallel development paths along the Danube

Correlation between changes of unemployment rate

Diagram showing the correlation between changes of unemployment rate for various regions along the Danube.
Parallel development paths along the Danube

Correlation between changes of unemployment rate
Parallel development paths along the Danube

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CONCLUSIONS
on parallel development paths along the Danube

• The development paths of Pest and Baranya counties are similar to most Hungarian counties along the Danube

• The development paths of Komárom-Esztergom and Tolna counties are the most individual in the area

• The development paths are different for the developed counties along the Northern reach of the Danube, and for the less developed counties along the Southern reach of the Danube in Hungary
Proposal for a step-by-step internal cohesion policy

• In the first phase to concentrate on special characteristics for co-operation and mutual responsibility within 3 core areas:
  – Northern
  – Central
  – South

• In the second phase strengthening the co-operation and mutual responsibility between core areas