

EDIFICATIONS FROM THE LEADER PROGRAM BASED ON THE RESULTS OF A HUNGARIAN MICRO-REGION III. HYPOTHESIS RESULTS

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Abstract

15 years ago Hungary joined the European Union. The first full financial period for the nation as a member of the European Community was 2007-2013. As a full member, Hungary gained access to many financial sources granted by the European Union. It is necessary to inspect the efficiency of how the sources have been spent on development, focusing on the LEADER program. The best way to do this is by selecting one of the poorer micro-regions and examining it using different methods. Within my research I used inspected different statistics, I looked into the traditional profession of shepherding which has a long history in the region and I interviewed the citizens of the Sárrét microregion. This multidisciplinary research gave more precise results and conclusions for my research. Suggestions made on the on the conclusions can provide a much more accurate help to decision makers in the periods that are ahead of us.

Keywords: LEADER program, Hungary, Sárrét, development, shepherding

RESULTS AND DISCUSSION

Topic 1

1. Hungary was ready to receive EU funds by the time the accession negotiations were completed, because Community funds had been available even before accession.

No economic concept can be observed for the use of tender funds in the examined areas. Many projects (e.g. church renovation, development of sports grounds, etc.) have been implemented which, although beneficial, would have been better to be performed, in terms of both priority and cost-effectiveness, following the economic recovery investments that would have provided them with funding for implementation and operation. This seems to be a concept-free process. The country was not sufficiently prepared to apply for EU membership.

2. The LEADER program mobilises the rural population and municipalities as it is a bottom-up program.

The conducted interviews show that residents often do not participate in important processes affecting their settlement due to lack of information. This lack of awareness is one of the reasons why the civilian population does not apply for proposals and is not involved in the writing or

implementation of applications. People are more interested in programs and events, which they usually attend, even if as passive visitors.

3. Because of the demand for jobs, I assumed that there would be a higher rate of investment to stimulate the economy.

In terms of the nature of the applications, the ratio of social and economic investment was nearly the same. This is also due to the unfavourable conditions of social institutions, churches and public spaces in the decades preceding EU accession. My assumption was wrong, because there was no greater investment in the LEADER program to stimulate the economy.

Topic 2

1. With the advancement of agriculture, the proportion of people living from agriculture is decreasing because efficiency gains require less labour.

1. According to my model calculations, I found that, in the case of a desirable level of development necessary for competitiveness, the number of people working in the sheep industry or those earning a living in the sector may fall to one-sixth (Nagy and Polai, 2017). Sheep farms need less shepherds, which means they have to retrain themselves, i.e. they need to find occupation in a different area of agriculture or, more likely, in another sector. This is an excellent example for my assumption proving to be true.

2. If people leave farming, fewer people will have the same or higher income, which will increase the income of those in the agricultural sector and improve their quality of life.

Sheep farms operating with the current support can become profitable with optimal development.

Developments in the field of agriculture also mean increased efficiency. This includes mechanisation, increase in livestock per capita, or yield per capita in the case of the same population size. In Hungary, the number of sheep farms and the average number of sheep have changed. As a result, higher revenue is divided among the same workforce or, due to higher efficiency, fewer workers are required for the same farm size. This clearly demonstrates that both income and the quality of life have increased over the last decade among farming families. This assumption proved to be correct.

Topic 3

1. If people wanted to create new jobs, they preferred to invest in the economy or to stimulate the economy through tenders under the LEADER program in the settlements of Sárret.

The obtained results clearly show that economic investments in the five examined settlements in the Püspökladány district of the Sárret region were significantly lagging behind other developments. My hypothesis was

not confirmed, i.e., the local government, the public and businesses did not prefer economic stimulus investments, as the proportion of such projects did not reach 40% of all projects.

2. The communities of the examined settlements tried to take the lead under the LEADER program. For this reason, the seven LEADER guidelines were applied during the tenders in the settlements of Sárrét (Csurgó and Kovách, 2015).

From the seven principles, the area-based approach, the partnership principle and the integrated approach have been implemented (Póla et al., 2015).

The principles of innovation and networking were not realised.

The principles of specific management and financing methods and area-based approach have been partially implemented.

CONCLUSIONS

Hungary joined the European Union about one and a half decades ago, which happened after several years of preparation.

As the Hungarian political, economic, social and legislative characteristics, as well as the order and operation differed from that of EU countries in almost every aspect, it made the adaptation and harmonisation of the country difficult.

After the first EU cycle, it was a natural task to carry out the Hungarian analyses (2007-2013) and to evaluate the effectiveness of the preparation based on the results of our early years.

I formulated the hypotheses related to my objectives in three areas:

1. economic and village development
2. agricultural and rural development
3. direct impacts of the LEADER program

As stated in the three topics, my conclusions were also drawn in this logical framework.

Concerning the first topic on economic and rural development, I have drawn the following conclusions:

1. Analyses of national databases have shown that they are not accurate enough, the sources used for different purposes are not sufficiently distinguishable and are not completely delineated. Also, overlaps between them make precise and accurate evaluation difficult. I have presented many examples of this phenomenon in my dissertation.

2. It also proved to be false in my assumption that more EU funds will be used to stimulate the economy, with priority being given to job creation and economic entrepreneurship and there would be less investment in infrastructure and welfare. The backwardness of the region in this area

may be one of the reasons (Tóth, 1995). The other reason is that there was a lack of own capital to realise economic development ideas. The desired balance of 60% economic and 40% welfare investments have thus gone in the wrong direction. Accordingly, welfare investments accounted for more than 50%, which increases operating costs in the long run, thereby further deteriorating economic positions.

3. Unfortunately, the greater involvement of the population in decision preparation, decision-making and the implementation of plans has not been sufficiently achieved. The roots of this problem can be explained by the habits arising from the former narrow possibilities of independence. Leadership authoritarianism and centralisation, which is completely alien to the spirit of the European Union, can still be considered unjustifiably high in Hungary. Social consciousness did not develop in proportion to the expansion of population opportunities.

4. The quality of services (school, cultural facilities, infrastructure, job opportunities) improved in the examined micro-region, but its degree was significantly below the desirable level (Harsányi et al., 2007; Vincze, 2012). A particular problem was that the rate of development was extremely polarised even in the five examined villages. The reasons for this anomaly are extremely complex. The size of the village, its characteristics, the values it produced earlier and its leadership all contribute to the development of these differences. All of these factors affect migration, development, the mental state of the population, and even the preservation of values. Where there are more resources and more opportunities, more attention is paid to the needs of the population, to their high standards and to the preservation of the values of the past. People get into focus more.

5. There is a continuous migration of the population, although not all municipalities are affected, but mobility within the region has not changed significantly. The different conditions of employment increased the migration between villages, but only in a few cases did people change their place of residence. Even these cases were related to family changes. The reason for this phenomenon is primarily the lack of financial means needed for a major change.

The results of the evaluation of agriculture and rural development in the second topic have also made it possible to draw many conclusions and suggestions. These are the following:

1. With the development of agriculture, the proportion of people earning a living exclusively from agriculture has decreased significantly, but the proportion of primary producers and those who rely on agricultural income has hardly even changed, as people are dependent on the minimum income from this activity. However, this phenomenon is due to both the region's poor income-generating potential and relative poverty.

It is true that those who live and work in agriculture earn higher incomes, but their numbers have decreased considerably. Those who drop out of agricultural employment tend to re-enter the labour market without qualifications. Since there are few jobs available locally – even though the situation somewhat improved to varying degrees - they either move to work in another village or enter the public employment system. This process results in the poor quality of their lives and their vulnerability. Therefore, their training, further training and preparation for reintegration appears as a task in the activities of local governments.

2. Today, agriculture, with particular emphasis on livestock farming, and, more specifically, sheep breeding, which was significant in the region, can only provide a solution with significant development (productivity improvements, quality improvements, reaching economic size), resulting in the reduction of agricultural employment as mentioned above.

Conclusions and recommendations for the third topic on the impact of the LEADER program are as follows:

1. It is true for the analysed micro-region due to its economic backwardness that resources were not used in the professionally justified proportion of 60% economic and -40% welfare investments. However, the actual rate is slightly better than the national average, but in the present case even exceeding 60% could have been justified, since the maintenance of welfare investments and developments deprive the local government of significant resources at the expense of the subsequent realisation of its tasks.

The evaluated LEADER programs were implemented locally and served the whole population or a specific target group. No irregularities were detected. As much as the inflow of foreign capital is desirable, it can be dangerous that it does not fully serve the purposes of the village. For this reason, the community's decision must remain significant (Kálmán, 2015). That is why it is important that the seven guidelines of the LEADER programs also apply. Unfortunately, the principle of efficiency and the rule of optimal task assignment have not always been fulfilled.

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