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PROFECY – Processes, Features and Cycles of Inner Peripheries in Europe

(Inner Peripheries: National territories facing challenges of access to basic services of general interest)

Applied Research

Final Report

Annex 12
Case Study Report
Tamási járás (Hungary)

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PROFECY – Processes, Features and Cycles of Inner Peripheries in Europe

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Abbreviations

CLLD	Community-Led Local Development
DG AGRI	Directorate-General for Agriculture and Rural Development
DG REGIO	Directorate-General for Regional and Urban Policy
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structure and Investment Funds
ESPON	European Territorial Observatory Network
EU	European Union
EUR	Euro
GDP	Gross Domestic Product
HU	Hungary
ITI	Integrated Territorial Investment
ITP	Integrated Territorial Programme
Km2	Square kilometre
LAG	Local Action Group
LAU	Local Administrative Units
LEADER	Liaison Entre Actions de Développement de l'Économique Rurale
M6	M6 motorway in Hungary
NGO	Non-Governmental Organisation
No.	Number
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operative Programme
PROFECY	Processes and Features and Cycles of Inner Peripheries in Europe
R & D & I	Research and Development and Innovation
ROP	Regional Operative Programme
SDROP	South Transdanubian Regional Development Operative Programme
SGI	Services of General Interests
SME	Small and medium-sized enterprises
SWOT	Strengths-Weaknesses-Opportunities-Threarts
TÁMOP	Társadalmi Megújulás Operatív Program (Social Renewal Operative Programme)
TOP	(Terület- és Településfejlesztési Operatív Program) Regional and Settlement Development Operative Programme
UMZ	Urban Morphological Zone

Executive Summary

The analysis of data and material gained from quantitative research highlighted the roots and features of inner peripherality of the Tamási district. As it is emphasised in the report, IP-related limitations appear at district scale mainly due to large distances from urban centres, weak connectedness and resulting spatial and social disadvantages in small villages as well as in external dwelling units (former manors) represented in high numbers in the study area. Since the three towns of the area cannot absorb high-level urban functions, they are weak in terms of service-provisioning. This is even more typical to villages: services of general interest are increasingly concentrated in towns.

Inner peripherality of the district featuring in the literature as an evidence stemming mainly from its geographical position (large distances, being situated along county borders and surrounded by four different IP districts) influenced also by state interventions mainly during the era of State Socialism. These interventions further weakened governance structures (the number of small villages halved and they lost self-governing authority) and together with other path dependencies resulted in durable lagging of the area. From among path dependencies large manorial estates of the pre-socialist era should be emphasised which continued to operate as large-scale state farms during the fifty years of State Socialism causing overlapping social and spatial vulnerabilities in former manors. Given that the largest town of the district, Tamási, was still small and “agricultural”, industrialisation brought only subsidiary companies here with headquarters in Budapest. This fact also contributed to economic dependency of the area.

These path dependencies reduced chances of development and possibilities to cease peripherality to a great extent mainly because they kept the area in a lagging economic position. Weak economic potential and degrading governance structures triggered rural exodus during State Socialism resulting in the longer run in ageing and appearance of ethnically segregating neighbourhoods scattered in towns, villages and external settlements as pockets of poverty and social vulnerability.

Since national resources are scarce and the reform of State Administration brought about a weakening co-operation culture among local authorities, the struggle for EU resources is becoming more and more fierce. In the present context, when targeted development programs have much less roles, the chance of small players, either economic or administrative, to get funded in order to lessen their disadvantages is extremely little and declining.

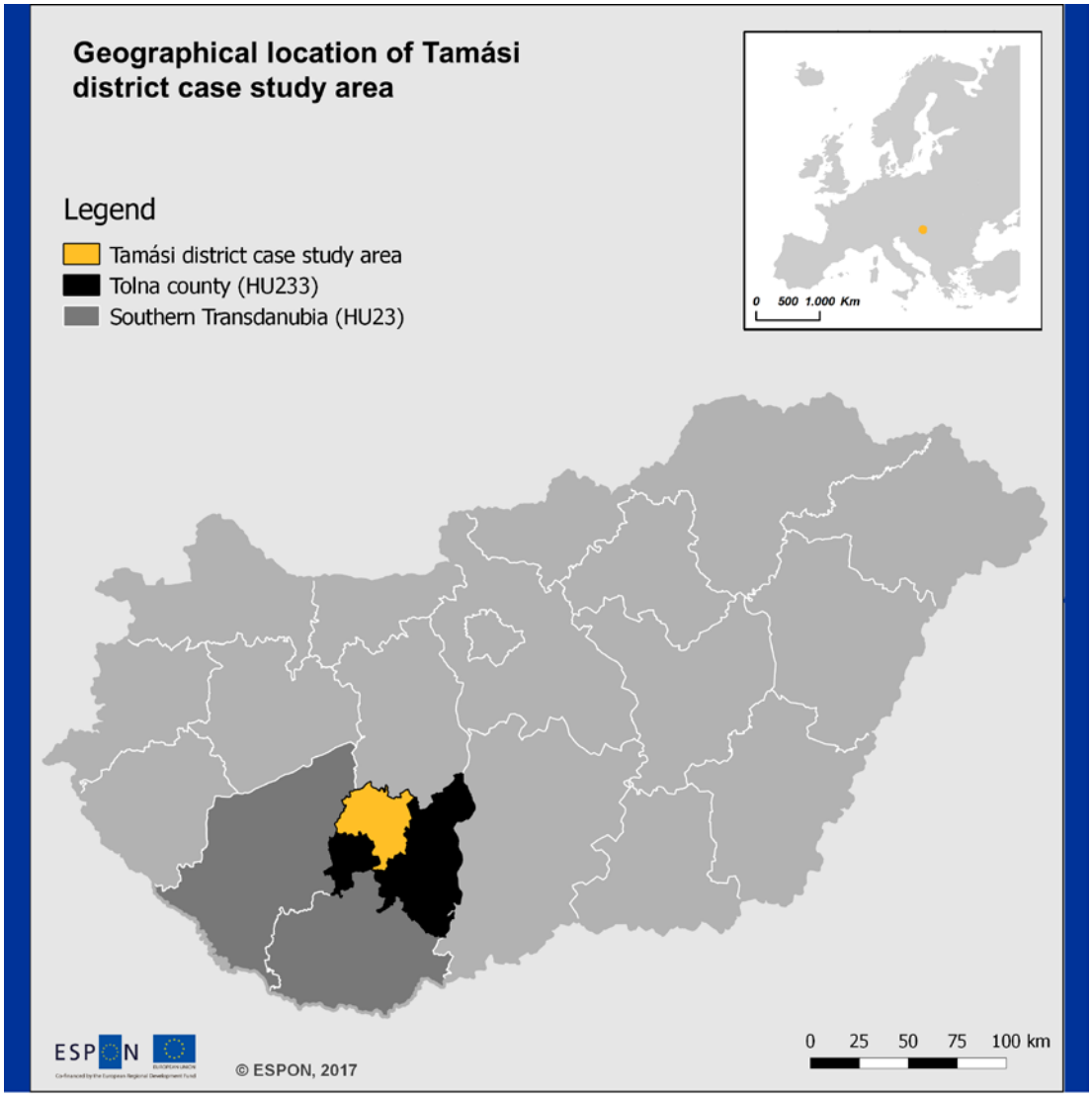
Therefore, new opportunities triggered by the ceasing crisis will likely strengthen the two larger towns of the district, Tamási and Simontornya mainly and the rest of the district remains rural, underdeveloped and (inner) peripheral in the middle run.

1 Introduction of the case study background

1.1 General information and location in European Space

The Hungarian case study area in ESPON PROFECY project is Tamási district (in Hungarian 'járás'). The district level in Hungary is equivalent with LAU 1 units according to the EU territorial classification system. The current network of districts in Hungary was established in 2013, and it was given several administrative functions as a level between municipal (LAU 2) and county (NUTS 3) levels, which are the most prominent parts of territorial governance and regional administration structure in the country.

Map 1.1: Geographical location of Tamási district case study area in regional and national scale



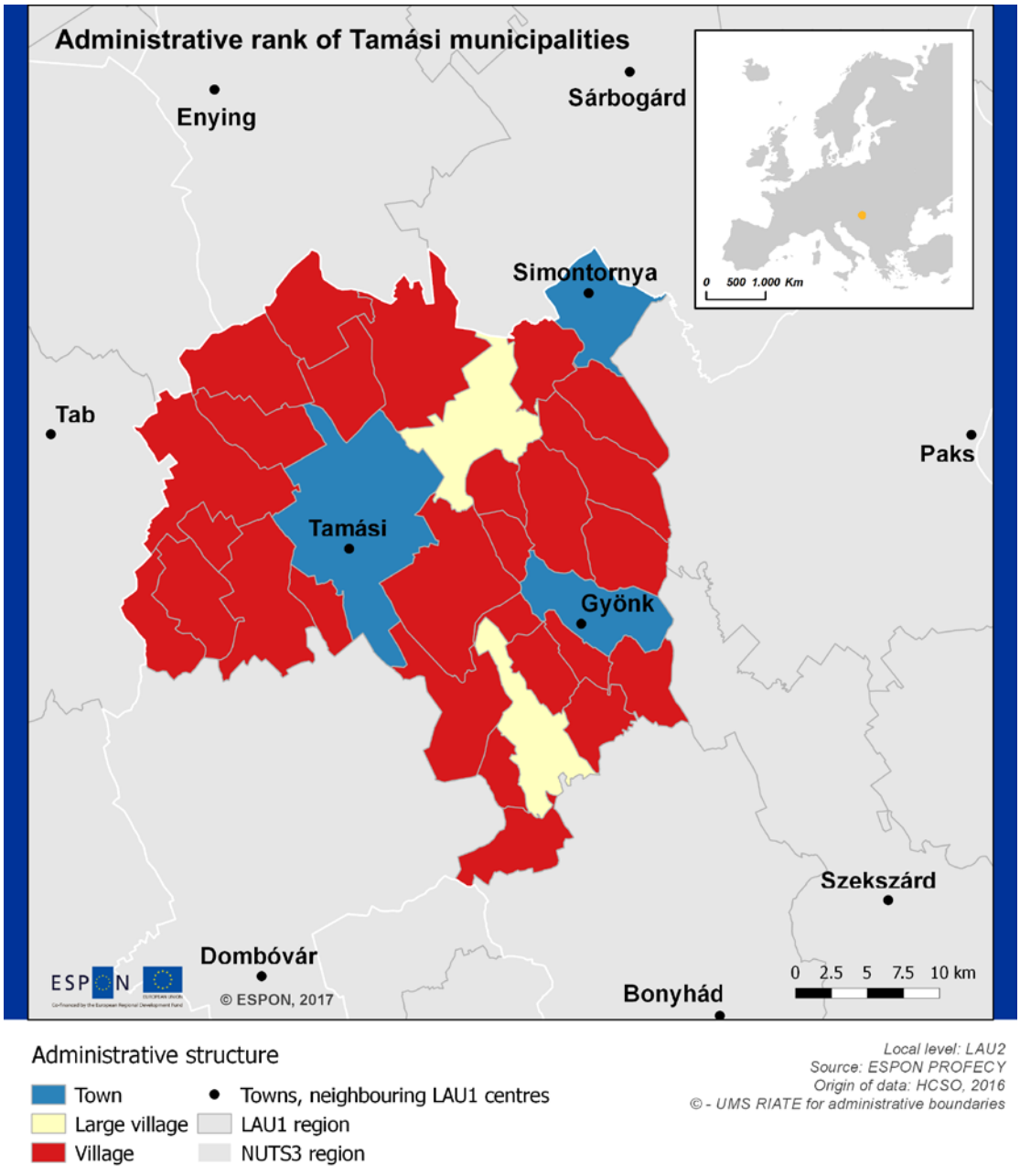
Local level: LAU1-NUTS3
Source: ESPON PROFECY
Origin of data: RRG GIS Database, 2017
© - UMS RIATE for administrative boundaries

Geographically, the Tamási district is located in South-Central Transdanubia, in the north-western part of Tolna county (NUTS 3 region, HU233), which is one of the three counties of Southern Transdanubia (NUTS 2 region, HU23) (Map 1.1). Tamási district is neighbouring

Fejér county (HU211) on the north and Somogy county (HU232) on the west. These adjacent districts are widely acknowledged as inner peripheries by academic and policy literature, too[1,2,3].

The area of Tamási district is 1020 km^2, what makes it the largest LAU 1 unit in Tolna county, and Tamási is also among the ten districts with the largest territory in Hungary. Nevertheless, other, similarly big districts usually consist of more populated regional centres, while Tamási is a small town in itself. These characteristics make the Tamási district a typical rural area, just like its broader neighbourhood – Tolna county – being also classified as predominantly rural according to urban–rural typology of DG AGRI and DG REGIO (Annex 1).

Map 1.2: Administrative structure of municipalities within Tamási district



Tamási LAU 1 unit consists of 32 municipalities. Besides Tamási, the centre of the district, there are only two small towns in the area, Gyönk (1911 inhabitants) and Simontornya (4150 inhabitants) (Map 1.2). The other 29 municipalities of the case study region are villages. Two of them, Hőgyész (2960 inhabitants) and Pincehely (2310 inhabitants) are classified as “large villages” signalling in the Hungarian state administration villages with some central roles: beyond being rural commercial centres, they usually provide administrative, educational or health care services for the nearby villages, or they dispose significant touristic potentials. The settlement structure of the study area is very fragmented: small villages are dominating the landscape: twenty of the villages do not reach the population size of 1000 inhabitants and 15 out of the twenty have less than 500 inhabitants.

1.2 IP delineation outcomes

The geographical location and the fragmented settlement structure of Tamási district explain several elements of the unfavourable position of the area. Peripherality of the Tamási district cannot be recognised if county data are considered only. It is because of the developed eastern and central parts of Tolna county mask deficiencies of the western and southern parts of the county (Tamási and Dombóvári districts).

By being situated on the north-western edge of Tolna county, the connectedness of Tamási district to the transportation system is disadvantaged. Most of the other towns within Tolna county are situated next to the main roads running in eastern and southern part of the county (route No. 6 and M6 motorway) which are connecting regional centres of Southern Transdanubia with each other (and with the central parts of Hungary), while the significant roads within the Tamási district (No. 61 and 65 crossing in the town of Tamási) lead towards neighbouring areas which are also peripheral (Dombóvár district in Tolna county, Tab district in Somogy county, Enying and Sárbogárd districts in Fejér county). Road connections between municipalities of the district are quite poor due to geographical and morphological reasons (hills, valleys, extended forests), six villages can only be accessed via a dead-end road. Furthermore, the current quality of road network is also poor. Stakeholders complained the most because of weak connectedness, insufficient and bad-quality road network in the Gyönk micro-region.

Although one of the main Transdanubian railway lines (connecting Budapest with Pécs) crosses eastern part of the Tamási district, it does not really serve good connectedness of the area, since intercity trains stop only in Pincehely (8 pair of train per day), and from the rest of railways stations (Simontornya, Tolnanémedi, Keszőhidegkút–Gyönk, Szárazd, Regöly, Szakály–Hőgyész) travel to the regional centres is slow and complicated by changes. As of now (summer 2017) this railway line is under construction, which makes the railway connections of the area even more disadvantaged. Other railway lines do not operate within the area of Tamási district. Formerly, there was some regionally less significant but locally very important railway lines which connected Tamási with other neighbouring rural towns, but they were closed down between 1990 and 2007. Nowadays the town of Tamási has not got

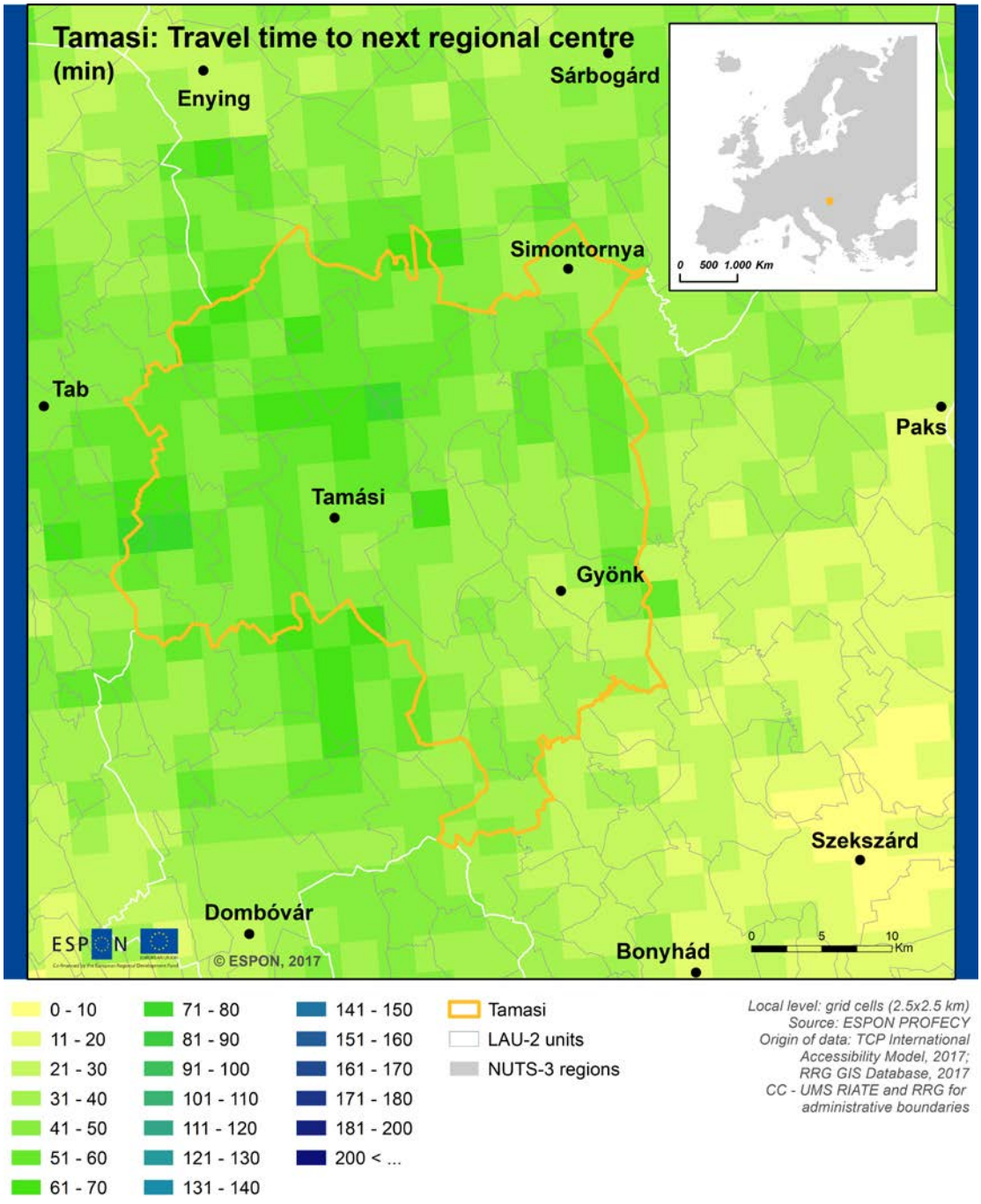
railway connection. Regarding public transportation, municipalities are connected with each other by bus service, usually via Tamási, but many smaller municipalities have only a small number of daily services, ensuring only the morning departure (to work or school) and an afternoon return of inhabitants.

Weak connectedness is decisive in terms of classifying the Tamási district as inner peripheral. As explained above, the accessibility of the broader surroundings of Tamási within Tolna NUTS 3 region are much better connected and not so much disadvantaged (motorway, main routes, railway line with national significance etc.). It results that Tolna county itself is not assigned as inner periphery in delineations based on accessibility characteristics (Delineation 1–3) – however in case of some indicators it is very close to the threshold –, while several socio-economic characteristics of designated economic centres, such as Szekszárd (county seat) and especially Paks (location of Hungary's only nuclear power plant) help the NUTS 3 unit in avoiding being listed as a depleting region.

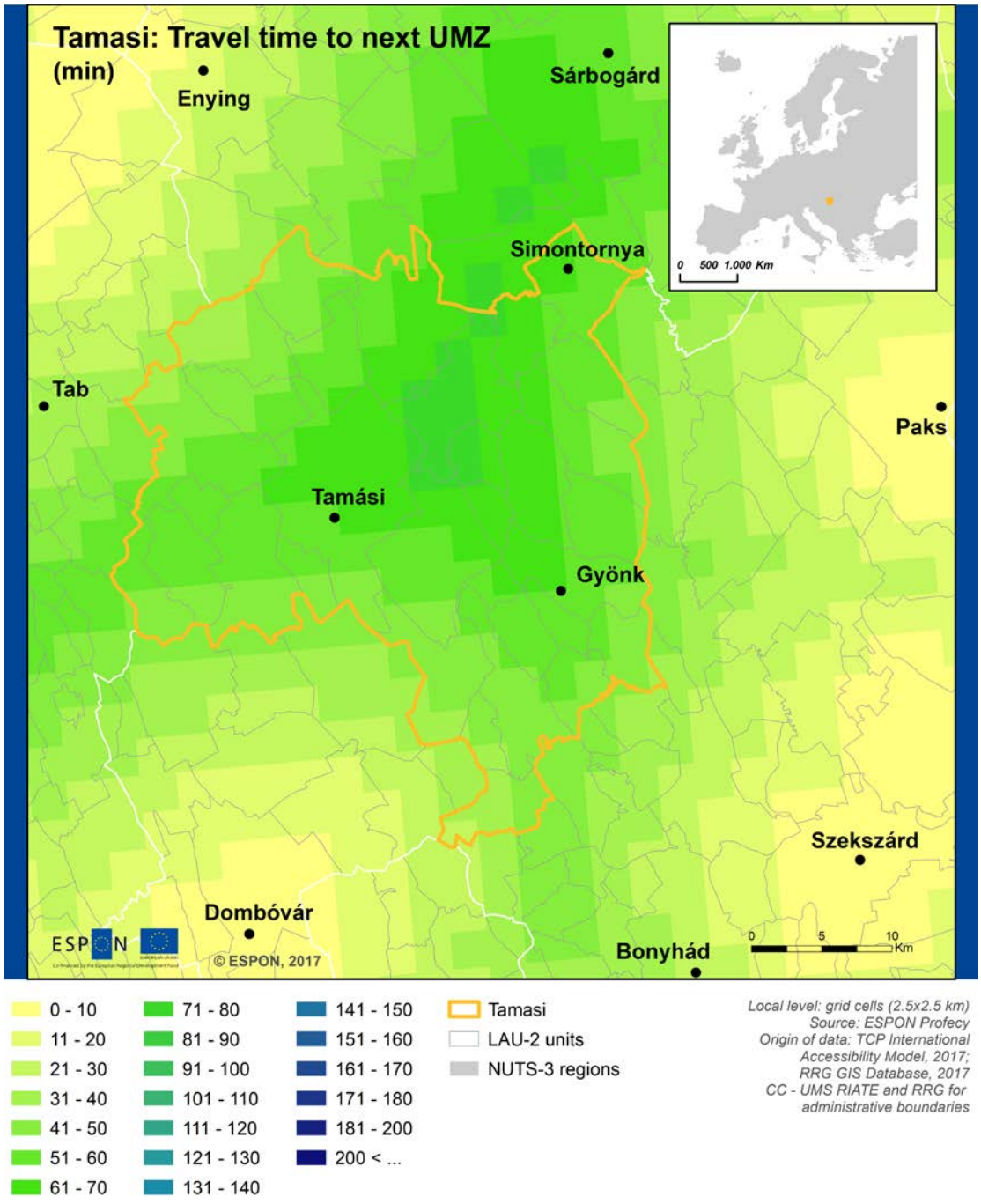
By zooming into the NUTS 3 region – at grid or at municipal level – the peripheral situation of the Tamási district becomes obvious. The peripheral location of the district, the fragmented settlement structure and the problems of accessibility within the region cause increased travel times from villages and towns of the study area to the regional centres (inner peripherality according to Delineation 1) (Map 1.3). Only localities situated in the south-eastern part of Tamási LAU 1 unit and its towns (and other micro-centres of the area) are relatively close to the motorway and provided with better railway thus better connectedness. Although county seat of Tolna NUTS 3 region (Szekszárd) is hardly accessible from most of the municipalities of Tamási district within an hour, it is still the nearest regional centre to the case study area.

From among close-by regional centres (Szekszárd in Tolna county, Székesfehérvár in Fejér, Kaposvár in Somogy and Pécs in Baranya) Szekszárd, the smallest county seat in Hungary (with 33 thousand inhabitants) cannot not fulfil the role of a real functional centre outside of its direct surroundings. Centres of the neighbouring districts, such as Sárbogárd, Enying or Tab, are all similarly small-sized towns positioned at the lowest level of Hungary's town structure in a classification system based on the number of available functions/services[4,5]. This implies that not only the Tamási district but a much wider territory misses a real and notable regional centre. A considerable disadvantage of Tamási district might be illustrated by long travel times to Urban Morphological Zones (UMZ) regarded as potential locations of workplaces by ESPON PROFECY project (inner peripherality according to Delineation 3 – UMZ) (Map 1.4).

Map 1.3: Travel time to next regional centres from Tamási area



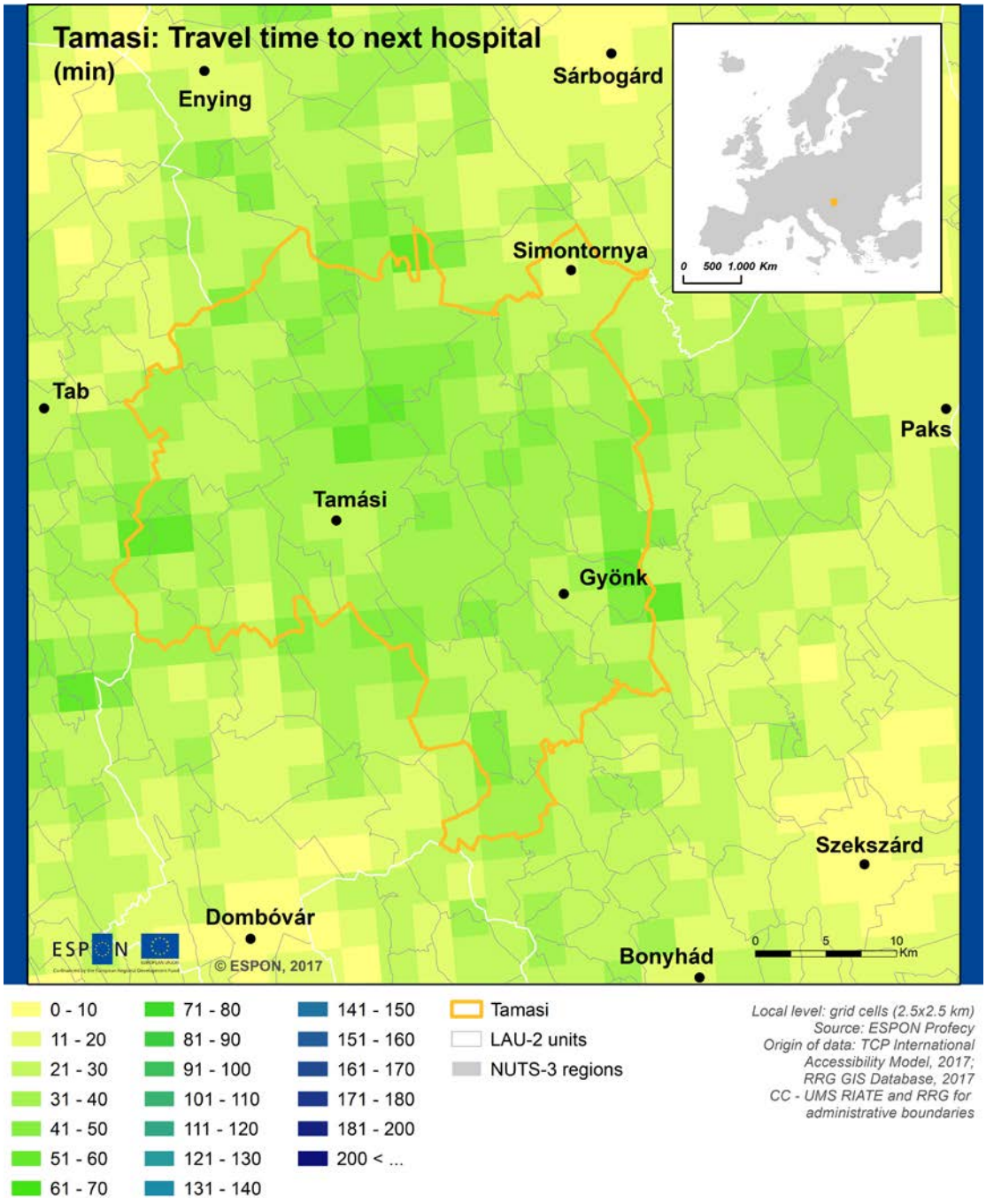
Map 1.4: Travel time to next Urban Morphological Zones from Tamási area



Besides poor access to jobs, Tamási and its surroundings have significant disadvantages according to the access to different services of general interests. The most notable of them is that of accessibility of hospitals. There is no complex hospital unit within the district; the closest available complex hospital is in Dombóvár on the South. There is one sub-unit of the Dombóvár Hospital, however, in the study area which is located in Pincehely and provides mainly geriatric and acute treatment. Travel time to Dombóvár or to the county seat is far too long from most of the municipalities of the area, which makes Tamási district to be considered

as inner periphery in this sense, too (inner peripherality according to Delineation 3 – hospitals) (Map 1.5).

Map 1.5: Travel time to next hospitals from Tamási area



1.3 Basic socio-economic characteristics

Basic demographic characteristics of Tamási district illustrate a number of consequences of disadvantages related to inner peripherality. The district is a sparsely populated area. Stemming from large distances and a high occurrence of small villages (52% of the villages have less than 500 inhabitants), population density is one third of the Hungarian average (Table 1.1; Annex 2). Besides, population density of the district does not even reach close to averages within Tolna county or the wider surroundings within the NUTS 2 region. This is not

just because of the large size of the area. It is also because of the number of the population is relatively small, below 40 thousand inhabitants. Within Tolna NUTS 3 region Tamási district is not the least populated area, but the territory of some other LAU 1 units is much smaller and consists of less municipalities.

Table 1.1: Basic demographic characteristics of Tamási district

Indicators[6]	***Tamási district***	**Tolna county (NUTS3)**	**Southern Transdanubia (NUTS2)**	**Hungary**
Population density (2013) - per km²	*39*	63	67	108
Total population (2013) – inhabitants	*39,300*	234,202	950,954	10,051,449
Population development (1999-2013) - %	*-11.1*	-8.0	-5.8	-2.2
Population development age 18-30 (2005-2013) - %	*-12.6*	-15.7	-13.2	-13.1
Old age dependency ratio (2013) - %	*26.7*	25.2	25.3	24.8
Gender imbalance (2013) - female/male %	*105.8*	107.1	108.3	108.5
Ethnic composition (2011) - % (no answer and multiple affiliation is possible in census)				
ethnic Hungarian	*83.3*	84.9	85.2	87.0
ethnic Roma	*6.1*	3.9	4.6	3.2
ethnic German	*4.4*	5.1	4.6	1.9

The number of inhabitants has been decreasing since decades not only in the Tamási district but also in its surroundings. Southern Transdanubia and Tolna county have suffered much more population loss than the country average but the rate of depopulation in the Tamási district has exceeded the regional averages. In the last decade, natural decrease and outmigration equally boosted depopulation. This negative trend of demographic development hits younger age groups mostly, who are mobile enough to leave depressed areas. The negative development of the 18–30 age group shows similar values within the country and Southern Transdanubia or the county of Tolna. In the Tamási district, however, rate is a little lower which is related to demographic characteristics of that of Roma population within the area.

Due to natural trends, population loss and negative migration tendencies, the district, as well as the larger regions have to face considerable ageing. The degree of ageing expressed in old age dependency ratio is usually higher in peripheral areas, just like in the case of Tamási (compared to county, regional and national figures). While the gender composition is quite similar in different parts of Hungary by showing an average 8% surplus of female population, it seems to be more balanced between females and males in the Tamási district (at least at LAU 1 level).

While the ethnic composition of Hungary is quite uniform with the presence of about a 90% proportion of ethnic Hungarians, picture of nationalities of Southern Transdanubia is different. This area (Tolna county, too) was characterised with the concentration of German-origin population settled in the 18th century. According to the last population census, still more than four percent of the population of the district declared German identity. Southern Transdanubia could also be characterized with a high presence of Roma population. While this ratio is lower in Tolna county itself, Tamási district (especially three municipalities: Értény, Pári and Fürged) shows a higher concentration of Roma (over 20% of the population).

Economic prosperity of the case study area cannot be easily indicated given that Gross Domestic Product is not calculated at district level. Southern Transdanubia NUTS 2 region shows slightly less prosperity as compared to the country average, while the economic growth in Tolna county (NUTS 3 region) is much higher than that. It is related to the town of Paks and its nuclear power plant with extremely high growth capacities (Table 1.2; Annex 2).

Table 1.2: Basic socio-economic characteristics of the Tamási district

Indicators[6]		***Tamási district***	**Tolna county (NUTS3)**	**Southern Transdanubia region (NUTS2)**	**Hungary**
Growth potential measured with GDP per capita in PPS (2013) - %			4.4	2.5	2.9
Unemployment rate (2011) %		*14.2*	11.5	14.4	12.6
Share of tertiary educated people (2011) - %		9.4	14.2	16.1	20.9
Main economic basis: Share of employees per sector - %					
Agriculture	2001	*12.6*	9.8	8.2	5.5
	2011	*10.8*	7.6	6.6	4.4
Industry, construction	2001	*39.5*	38.4	32.7	32.9
	2011	*30.4*	34.2	28.8	25.2
Services	2001	*47.9*	51.8	59.1	61.6
	2011	*58.9*	58.1	64.5	70.4

Labour market and qualification indicators illustrate disadvantages of Tamási case study area. While unemployment rates were quite uniformly high in the beginning of 2010s because of the prolonged impact of economic crisis, regional variations show drawbacks of Tamási district as compared either with Tolna county or the wider NUTS 2 region.

Occupational structure of working age population changed significantly in the last decades the case study area. Tamási district was traditionally an agricultural area providing good opportunities for farming and forestry. During the past centuries and State Socialism, the rate of agricultural employment was quite high and has remained high as compared to regional averages. The shift from jobs provided by industry and construction to services was higher in the Tamási district than either in the county or the region reflecting a remarkable occupational

restructuring. However, it has at least as much to do with taken job opportunities provided by the larger towns of the surrounding regions than the availability service sector jobs within the district.

2 Characteristics of the case study: Patterns and processes

2.1 The evolution of IP case study region

The case study area represents inner peripheries at LAU 1 level where peripherality and lagging overlap. These two characteristics are equally highlighted in the literature, either academic or related to planning.

In the literature, the most commonly emphasised features of the investigated LAU 1 unit are (i) its large distance from urban centres specifically from the county seat, (ii) poor road and rail networks, (iii) low population density and (iv) its dominantly agricultural character[7]. Geographers also point to the fact that the study area lays along the borderlines of three counties, where both sides of the county borders (in Somogy and Fejér counties) are far from the county seats spotted with small villages and rural towns; this is how an extended inner periphery of five LAU-1 units is created in the county cross-border area. It is also an aspect of a geographical analysis that rural towns of these inner peripheries cannot absorb high-level urban functions[4]; they are not only small but also weak[5] in terms of their service-provisioning potentials.

As it is mentioned in the previous chapter, large distances towards urban centres have not been bridged with fast *road and rail networks*: the only highway of the region connecting Budapest, the capital city with the regional centre, Pécs (seat of Baranya county) was built a decade ago (and does not touch the district at all), too late to be able to revitalise the economy, whilst the quantity and quality of railways lines have been either stagnating (main lines) or closed down (two side-lines).

Given that the largest town of the district, Tamási, was still small and “agricultural”, *industrialisation* brought only subsidiary companies here with headquarters in Budapest, in line with the general pattern of “rural industrialisation” of the time[8]. In addition to construction companies, two important subsidiaries were settled in Tamási with the profile of microelectronics, sewing workshops provided employment for women, nevertheless, large numbers of labourers, mainly males commuted daily or weekly to the industrial centres of the neighbouring region, mainly to Székesfehérvár and Dunaújváros.

> During the last decade of State Socialism, one state farm worked on the former manorial lands and two co-operative farms cultivated the collectivised peasant properties until 1992; one state owned company engaging in forestry and hunting is still operating. The former state farm and the co-operative farms of the town Tamási have been privatised; foreign (mainly German) and Hungarian land owners cultivate large scale farms ranging by size typically form several hundred to several thousand hectares (Figure 2.1).

Figure 2.1: An empty beef breading ranch formerly belonging to the State farm of the town, Tamási-Fornád, July 2017

The biggest “genuine” factory of the district operated in Simontornya; it was a well-known leather factory established in 1855 and bankrupted in 1992 as a combined effect of global crisis of the leather industry and “local” impact of the transition. After it’s winding up in 1997, the factory shifted under the control of State Privatisation Agency and was to be sold out. The privatisation process, however, practically failed, only one little company with nine employees continued leather treatment at a small workshop, the rest of the assets was sold out piece by piece, then the site shifted to the property of the town in 2008 (Figure 2.2). The failure was caused by the enormous environmental damage and poisoned soil within the 35 hectare-territory of the factory. The rehabilitation of the environment of 34 million Euros value was completed as late as 2012. Social consequences have been also enormous: from among the more than one thousand wage labourers, hundreds remained jobless: even in 2013, the rate of very long-term job seekers (seeking job for longer than one year) was amongst the highest in the district (33 %). Failed privatisation impacted negatively the entire LAU 1 unit indirectly, through keeping the economy of the town weak for two decades that otherwise could have operated as a small “positive pole” at the northern part of the study area.

Figure 2.2: The "ghost factory" of Simontornya, June, 2017

The collapse of State Socialism swept away industrial subsidiaries and induced an exodus of industrial labour in rural areas that was interpreted by a leading academic as an "export of crisis from centres to peripheries"[3], that is: commuters were sacked first and subsidiaries were closed first. A similar exodus of agricultural and industrial labour[a] from state and collective farms was taking place due to privatisation and that of the transition-related crisis. Moreover, a new wave of export of crisis from centres to peripheries occurred during the global financial crisis 1.5 decades later. These processes impacted particularly strongly IP areas in general (they were linked to the centres to some extent, therefore they were effected). Being a typical IP territory, all of these processes hit strongly in the Tamási district.

Public administration and changing patterns of governance also impacted chances of development especially during the era of State Socialism. Due to the local realisation of centralisation policies of the 1960s and 1970s, the originally small size of the Tamási district covering the town's near surroundings, redoubled when it was merged together with that of the Gyönk district in 1961 and then, in 1978, four additional villages were connected to the already enlarged unit. Meanwhile, municipalities were reorganised in 1971 and district subdivisions were organised with provisioning centres. 14 villages lost self-governing authority and had been governed by "common councils" of larger villages or towns. The number of villages without own municipal governance increased from 14 to 18 in the next decade, when another reorganisation of public administration took place (in 1984). Interviewed stakeholders agreed that the town of Tamási was always too weak to cover the

[a] Employing skilled and semi-skilled labour in branches of industrial profile of collective farms aiming to achieve more turnover and providing more jobs was common in the 1980s.

entire area of the district with service provisioning and the two smaller towns, Simontornya and Gyönk have also been too little to compensate for the weakness of the centre effectively.

Due to the three main rounds of reorganisation in public administration, small villages lost their public institutions and – since collective farms were also centralised, they lost most of their economic potentials as well. Thus, they had become isolated from resources of development during the era of State Socialism[9]. Damaging impacts soon appeared regarding human resources, too, feeding into the so called rural exodus: the population of small villages halved during the 1960s and 1970s, young and abled people left the stigmatised villages and moved to rural and urban centres leaving the elderly behind. Since property prices fell dramatically, many houses in these emptying villages were bought up by the Roma population directly or indirectly, through local councils (Figure 2.3).

Figure 2.3: Demise in villages; an abandoned family house covered by weed in Pincehely, July, 2017

It was part of the forced assimilation policy of the time, that Roma colonies were dismantled and then Roma families were helped with state loans to settle in emptying villages. In extended rural areas, mainly in South Transdanubia and Northern Hungary, this was the very start of what later developed to ghettoisation through a selective migration and stemming population change.

> In the Tamási district three small villages can be found where ethnic segregation coupled with low social status is present in advanced degree: Értény, Pári and Fürged where the proportion of self-declared Roma population was higher than 20% according to the last population census[b]. Otherwise, the average figure of the

[b] 20% ratio of the Roma is usually considered by expert of this topic as signal of irreversible ethnic segregation.

representation of the Roma at district level was 6.1% in 2011, significantly higher than in the broader region and the country (see Table 1.1 above and Annex 2), reflecting a geographically sporadic location of Roma neighbourhoods. One of the largest neighbourhoods dominated by Roma households is located in the town of Tamási, rather close to the town centre.

Paradoxically, rural exodus and a kind of rural renaissance took place simultaneously between the beginning of the 1970s and end of 1980s: most of the population of larger villages and rural towns profited from what they were provided through collective farms: they managed to build – through combining auxiliary farming with wage labour in collective farms or industrial work – a relatively prosperous household economy. The same opportunity was not available for small villages (below 500 inhabitants), especially if they were not only small but also dead-end villages.[c] Rural renaissance took place in rural centres that profited as target areas from rural exodus, the one and the same process that ruined small villages.

Migration and natural reproduction processes of the two decades after the shift of the political regime is indicated in the below table by micro-regions of the Tamási district (Table 2.1).

Table 2.1: Migration and population trends in the micro-regions of the Tamási district (1990-2011)

	Migration (%)[10]		**Natural reproduction (%)[10]**		**Change of population (%)[10]**	
Micro-regions	**1990-2001**	**2001-2011**	**1990-2001**	**2001-2011**	**1990-2001**	**2001-2011**
Gyönk	7.2	0.2	-12.2	-13.1	7.4	-13.0
Iregszemcse	3.1	-3.9	-3.9	-4.0	-0.8	-7.9
Simontornya	4.9	-3.6	-8.4	-8.6	1.3	-12.2
Tamási	3.5	-3.1	-5.6	-5.6	0.5	-8.7
District total	4.5	-2.8	-7.2	-7.4	1.7	-10.1

The table clearly shows the change of direction of migration between 2001 and 2011 and also ageing culminating in negative figures of natural reproduction. From demographic point of view, the Gyönk micro-region looks most vulnerable from among the four micro-regions of the district where small-scale villages are dominant (seven out of ten settlement) and where the central town is extremely small as well: its population fell below the magic two thousand recently. (Actually, Gyönk is the smallest town in Hungary with 1911 inhabitants in 2013.)

There is another specificity of the Tamási district that is relevant from the point of view of peripherality, rurality and social vulnerability. It is the presence of "external dwelling settlements ("*puszta*" in Hungarian).

Prior to the WW-II, large manorial estates and peasant farms were operating in agricultural production side by side and shared rural space in a peculiar manner. So called manors,

[c] There are six dead-end villages in the Tamási district.

geographically and socially equally distinct settlements were separated from the inner (dwelling) areas of villages and towns. They operated across the “fields” as centres of agricultural production of the large estates and provided dwelling places for managers as well as for manorial labourers. Castles were built in larger manors; they were usually used by their owners, members of the aristocracy, as first or second homes or hunting resorts as that of the Esterházy hunting castle in Tamási (Figure 2.4). Manors combined feudalist legacies in social relations whilst they operated as modern capitalist enterprises with rigid boundaries and rules that were set to make sure the smooth and profitable running of the enterprise and the complete social and spatial separation of the very top and the very bottom of the people there, the aristocrat family, on the one hand, and manorial workers, members of the most vulnerable layer of agrarian proletariat, on the other.

Figure 2.4: The Esterházy castle in Tamási. (retrieved for the Internet in 2 August, 2017)

Ironically, this kind of division of society and space survived the era of State Socialism as centres of state farms. There had been a relatively long transition during late 1940s, early 1950s, when in a number of manors, both the managers (“*intézők*”) and workers continued to work in the state farms. Former manorial workers represented the most stable part of the population of these “external dwelling settlements” for two reasons: cultural distinction between peasants and manorial workers was extremely strong that allowed mixed marriages rarely. The other reason was rather simple, they were just too poor therefore very much dependent on the services, including cheap or free housing there. A number of former manors still operate as seats of large agricultural enterprises and dwelling places. Most of those who

not only work but also live in these settlements are second or third generation descendants of manorial workers of the interwar period[11].

The significance of former manors ("external dwelling settlements") from the point of view of peripherality is, that they do represent – even more than small-scale villages – spaces where social and geographical disadvantages of extreme degree overlap; most housing facilities are dilapidated since state farms were privatised and at best water and electricity are available from among infrastructural amenities. Accessibility is a huge problem for people who live there (5,7% of the population of the Tamási district in 2011), since the quality of roads is bad, public transport is rare and only few of the families can afford purchasing and running a passenger car. (See the pictures below, Figure 2.5.)

Figure 2.5: External dwelling settlements as places of demise and progress illustrated by abandoned housing facilities (5/a) and a modern farm enterprise (of German owners, 5/b). Tamási-Fornád, July, 2017

2.5/a

2.5/b

Attitudes of descendants of former manorial workers who were in all their life as wage labourers themselves were mentioned by stakeholders as "dependent", characterised by passivity, inability to initiate, inferiority, social anomies and helplessness. Similar attitudes were attributed to wage labourers, more than one thousand in numbers, of the Simontornya Leather Factory who had become really helpless when the factory was winded up in 1997. "*In Simontornya everybody was attached to the factory, generations grew up and worked there*[d]*. Their mentality did not change overnight and they were too many*" – told the major of the town when she was explaining the reasons of massive and long-term unemployment in the town after the closure of the factory.

These attitudes, of course, do not characterise the entire district just they are attributed to certain social groups being unevenly spread across the area. Nevertheless, a higher representation of "dependency" in administrative, economic and social structures might accumulate and become deterministic to some extent.

[d] During the 1970s, 1500 wage labourers worked in the factory.

If one tries to depict the nature of peripherality of the Tamási district according to the three models suggested in the interim report, the district seems to fit the most to the third IP model maybe because of the complexity of this model.

Reasons for choosing the third as a most suitable model are as follows:

- exclusion of the area from the agglomeration benefits for economic activity is clearly present and is in a cause-consequence relationship with peripherality, compared to which,
- relatively weak accessibility of SGI can be regarded as a consequence of being spatially distanced and therefore disadvantaged,
- finally, as it was mentioned above, path-dependent mentalities as limitations are also present in certain contexts as one layer of "dependency" available in overlapping human relations as legacies of the socialist or even pre-socialist past.

However, mentalities and weak communication and connecting (lobbying) skills do not feature in all places and all contexts in the same way and degree across the district. In the centre of the district, Tamási, there is a young and dynamic pair of leaders (the mayor and his deputy) who are in an extremely good relationship with leaders in the county seat and even further up. These relationships are politically based (and biased) but local leaders add efforts to exploit their political connectedness in a way that allows for attracting resources. They do not consider the town disadvantaged and they tend to blame leaders of certain settlements with not working enough for a faster development. Of course, being leaders of the centre, they are in the most favourable position in the district strengthened by political connectedness; too, therefore their judgement does not seem to be fully correct. Nevertheless, differences in mentalities as well as in opportunities are easily identifiable from stakeholder interviews, too.

2.2 The case study against the region, country and Europe

Going deeper into the analysis of data and a broader set of information, causes and characteristics of peripherality of the study area unfolds convincingly.

To start the comparative analysis with employment capacities of main economic sectors, the sharpest decline was produced by industry and construction in the Tamási district amongst investigated territorial units (According to Table 1.2, 9.1 percentage point drop between 2001 and 2011 as compared to 4.2 percentage point at NUTS 3 level, 3.9 percentage point at NUTS 2 level, and 7.7 percentage point at national level) probably because of the overall collapse of subsidiaries ruined the local industrial sector more than it did in some other districts in the county or the region. Parallel with weakening importance of primary and secondary industries in providing employment, services gained momentum thus filled up the small gap between relative absorption capacities of the district and the above territorial levels by 2011 (58.1% at LAU 1 level, 58.1% at NUTS 3, 64.5% at NUTS 2 and 70,4% at national level.) The process was in line with figures of growth being higher in Tolna county than in Southern Transdanubia and the country at large, indicating that Tolna county was in a better shape in 2011 than Baranya or Somogy due mainly to the Paks Nuclear Plant. This is also reflected in unemployment rate of the county, which was still high in 2011 (11.5%) but smaller

than the regional or the national average (14.4% and 12.6%). Rate of job seekers was significantly higher in the Tamási district that time, than the county average (14.2%) but less than the regional average indicating that districts in much worst position prevailed in the other two counties of Southern Transdanubia.

Looking at agricultural employment, one's impression about the dominance of the sector gets much stronger on the spot given that large scale agriculture prevails and occupies extended parcels, actually the majority of lands, whilst their labour absorption capacity is extremely low (Figure 2.6). This has been the object of complaints in a number of stake-holder interviews.

Figure 2.6: Landscape with large-scale agriculture; Tamási border area, July, 2017

As far as demographic processes are concerned, interestingly enough, two decades after rural exodus, transition-related crisis pushed back a significant number of "returnees" to rural areas, but this tendency turned soon opposite and patterns of outmigration gained new strength during the years of the millennium and after (See Table 2.1 above).

Since the very start of territorial policies and delineation of territories of cumulating disadvantages, the Tamási district has always been among the targeted units (LAU 1 areas) because comparatively (and relatively) it has remained lagging ever since[12]. If we try to identify main reasons for inability of policy interventions to lift the area from its disadvantageous position, the main feature of the area should be repeatedly emphasized, namely that distances of the Tamási district from core areas was and remained too large and haven't got overcome by large-scale infrastructural investments (railways, motorways). Being territorially extended but weighting little in terms of population size (applying for villages and rural towns equally), the Tamási district (and inner peripheries in general) has never been

important enough in the eye of policy makers to address their structural problems with effective policies. The scale and kind of interventions should have been much larger than the ones having ever reached them.

A sound and continuous growth of regional centres (county seats), development of road and rail networks – main and side lines, too – could have possibly remedy the situation but neither of these have come about. Moreover, the "capital" of the NUTS 2 region, Pécs is one of the most crises-ridden cities in Hungary. The first crisis was caused by the transformation from state socialism to capitalism in early 1990s and then, the second one was generated by the global financial crisis and hit 10-15 years later. Major industries collapsed during these years (mining and food industries in the first, assembling in the second period) thus structural weaknesses of the city have been conserved up until recently. Since Pécs is the largest centre of Southern Transdanubia, sharp demographic decline in the region and in its three counties (NUTS 3) – two times of the average country figure – was inevitable.

Relative decline of Southern Transdanubia as compared to the NUTS 2 regions of Europe is reflected in its dropping back from the 19th (out of 279) to the 12nd (out of 277) weakest position according to Eurostat's ranking of NUTS 2 regions by GDP/capita figures. Years of comparison, 2007 and 2015, cover the duration of the previous EU programming period (if we consider N+2 years) highlighting the fact that EU funded interventions could at best diminish economic decline of the region triggered by path-dependent low development potentials induced by a still lasting structural crisis of the early 1990s.

Considering development potentials, one has to point to the fact that Tolna county is one of the smallest NUTS 3 units of Hungary and Szekszárd, its capital is the smallest county seat of the country with around 33 thousand inhabitants. Pécs, the NUTS 2 regional centre has been weakened by both crises, Szekszárd was never strong enough neither in terms of economic potentials nor regarding its administrative and servicing functions; just to mention one important indicator, higher education: it is represented by a "highschool faculty" (főiskola) of the University of Pécs. The weak representation of higher education is impacting negatively the quality of human resources both in the city and in its hinterland including the case study area. ("*Young people who leave the county for studying in universities either in Pécs or in Budapest, rarely come back after finishing their studies*" – complained one of the stakeholders in an interview.) The transition-related crisis, however, hit Szekszárd also very hard: food industry disappeared – some of the branches almost fully (like meat-processing), others were shrinking fundamentally (like milk-processing) or restructuring lasted for a long duration of time (like in case of wine industry), therefore the loss of jobs in the early 1990s has not been compensated. Therefore, labour absorption capacity in the county seat stagnated at a relatively low level at least until 2016–2017 when investors have reappeared in the region.

If we consider the movement of labourers of the Tamási district, according to the 2011 Census data, the number of people employed locally (in the village or town where labourers lived) was 7,765 (76% of the registered labourers). The rest, 2,429 people were commuting,

out of which 1,628 commuters (24%) travelled for work each day to four towns, the remaining commuters, 811 people in numbers, targeted other localities. The administrative and geographical positions, roles and labour absorption capacities of the four towns are indicated in the below table (Table 2.2).

Table 2.2: Target locations of daily commuting from the Tamási district, 2011

Name	**Location**	**Position**	**Number of commuters (heads)[10]**	**Rate of commuters (%) (N=2429)[10]**
of attraction centres targeted by daily commuters				
Tamási District centre	Tamási district, Tolna county, Southern Transdanubia	centre of the district	868	53%
Tab Centre of the neighbouring district	Tab district, Somogy county, Southern Transdanubia	centre of the district	273	17%
Szekszárd county seat	Tolna county, Southern Transdanubia	county seat	133	8%
Székesfehérvár Seat of the neighbouring county	Fejér county, Central Transdanubia	county seat	354	22%

The table clearly shows the extremely weak labour attraction ability of the seat of Tolna county at least from the point of view of labourers commuting from the Tamási district. The neighbouring county seat, Székesfehérvár, which has been a strong industrial and service centre since many decades, attracts almost three times more commuters, than Szekszárd. Data also inform us about the strength of the town of Tamási in terms of providing job opportunities for working age population of the district. The total number of jobs available in the town was almost the same in 2001 and 2011: 3,467 in the former, 3,452 in the latter year. However, the rate of those who lived and worked in the town was 88% in 2001 and 75% in 2011 meaning that cross commuting across the district area and beyond increased considerably, whilst job-providing capacity of the town stagnated until 2011.

If one considers data of the below table, it seems obvious, that labour market trends have changed significantly in the 5-6 years passing since 2011 (Table 2.3).

Table 2.3: Unemployment rates in the Tamási district and above territorial levels 2011, 2017

Microregions	No. of villages / towns	No. of 15-64 population 2017[13]	Number of unemployed 2011[14]	Number of unemployed 2017[13]	Rate 2011[14]	Rate 2017[13]
Gyönk	10	4,588	369	221	8.0%	4.8%
Iregszemcse	7	4,996	468	350	9.4%	7.0%
Simontornya	6	6,037	539	288	8.9%	4.8%
Tamási	9	11,140	788	519	7.1%	4.7%
District total	32	26,761	2,164	1,378	8.1%	5.1%
Tolna						4.5%
Hungary						4.2%
2016 average for Tolna						4.7%
2016 average for the Region						6.2%
2016 average for the Hungary						4.4%

Though the above sets of information gained from publicly available data of the National Employment Service are not entirely precise, they do reflect main labour market tendencies that solidly suggest the end of the global financial crisis expressed – among others – in improving access to employment.[e]

In the Tamási district, unemployment rate dropped to 5.1% recently and not only here, but at below and upper territorial levels, too. What stakeholders mentioned in interviews as drivers of dropping unemployment figures was labour shortages that had become acute in the more developed and industrialised areas home and abroad, therefore interest has emerged towards stocks of labour supposedly available in the "hinterlands", predominantly in IPs, like the Tamási district. Interest was further increased by the fact that investors were eligible for EU funds and they profited from these funds significantly. For example, the most important and largest foreign company of Tamási, the Philips Lightening Kft. gained substantial support from ERDF funds and it was not the only one. When an assembling company moved from the neighbouring county to Tamási because of labour shortages, the turn of trends had become clear for local leaders. Since then, they forged and formulated their most important development goal like this: "*We should bring back our men who are carried day by day as commuters by vehicles of their employers to the industrial zone of Székesfehérvár and let them work almost for the same wage at home*." They estimate that about 1000 commuters could be brought back if the interest of investors remains as intensive as it is nowadays. This goal has shaped another major target of the town's leaders, namely, adaptation of teaching vocational teaching to the demand of local enterprises and vice versa: "*Let's encourage – they say -- local enterprises to start bursary programs if they want to employ well-trained and loyal labourers*". Other stakeholders have been lobbying recently for a new technical faculty at

[e] It has to be noted that public workers in Hungary are registered as ordinary employees, therefore data include non-regular labour employed in public employment schemes.

the high-school of Szekszárd that would secure high quality middle and upper leaders, also entrepreneurs in the region in assembling and metal industries. In short, there are people who see the momentum and they are willing to act.

2.3 Internal structure and disparities inside case study region

The sub-divisions of the study area, that of the four micro-regions are named after the central settlements, the three towns (Tamási, Gyönk, Simontornya) and a village of 2,732 inhabitants (2013), Iregszemcse along the main road no. 65 in the north-west part of the districts. Micro-regional centres serve as commercial centres and are supposed to provide basic public services (state administration, education, health care) for the surrounding villages (Figure 2.7).

Figure 2.7: Illustrating functions of micro-regional centres, June-July, 2017

2.7/a Simontornya Coo

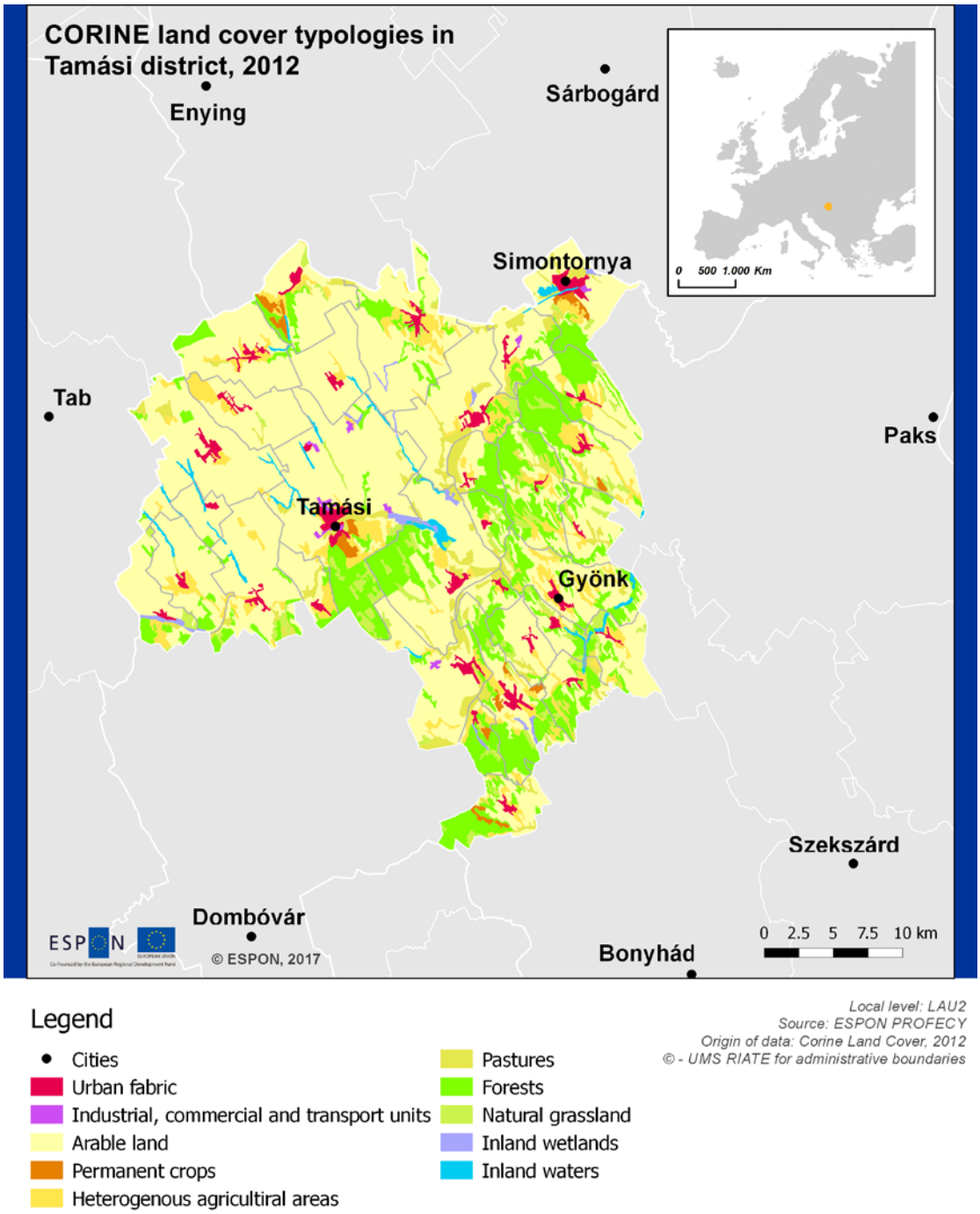
2.7/b Iregszemcse village hall

2.7/c Tamási commercial centre

2.7/d Tamási administrative centre

As the below land cover typology suggests, the Tamási district is divided along morphological patterns, too: whilst the territory laying north to the main road No. 61 is flat covered mainly with fields (large-scale arable farming), the are laying south to the main road is hilly, covered by forest more commonly (Map 2.1). It is more fragmented (by the hills), this is the reason why the dominant settlement pattern here is that of small-scale villages around a small town.

Map 2.1: Corine land cover typology of the Case Study area, 2012



Morphological features of the study area determined settlement patterns which – being impacted by state interventions mainly during the era of State Socialism – induced major changes in administrative, economic and social structures. Collectivization, then centralisation for example speeded up exodus from the small villages halving their population during the 1960s and 1970s. These processes made small villages much more vulnerable towards

further racialisation rounds up until recently. This explains the increased vulnerability of the Gyönk micro-region, where the settlement structure is extremely fragmented (seven small village out of nine), density of the population is the lowest as compared to the other three micro-regions (24,5 per km^2), ageing is in a most advantaged stage (28,8% old age dependency ratio) and the micro-region suffered from the highest degree of the loss of population between 1999-2013 (16,6%). (For more details see Table IV in Annex 5) At the same time, it is the Iregszemcse micro-region, where people are the least wealthy and another sort of social vulnerability prevails rooting in high occurrence of former manors, on the one hand and ethnic segregation, on the other hand. (Újireg for example is a village of manorial past, whilst in Értény, 26% of the population declared Roma identity in the 2011 Census.)

Unemployment rate was the highest in the Iregszemcse micro-region in 2011 (17,4% against the district average: 12,6%) and remained the highest (7%) by January, 2017. (See Table 2.3 above) This is the sub-unit of the Tamási district, where the rate of tax payers in the % of the population as well as average income per tax payers were the lowest in 1992. Later on, in 2001 and 2011 population of the Gyönk micro-region earned relatively the least as the below table indicates (Table 2.4). Low income figures in the Gyönk micro-region might be explained by high representation of elderly pensioners, on the one hand, and high rate of very long-term job seekers: five out of six villages at the bottom of the list ranked by this indicator belong to the Gyönk micro-region. (In one of the villages, Szárazd for example, half of the job seekers was not able to find a job for more than a year.)

Table 2.4: Rate of tax payers and per capita monthly income in the micro-regions of the Tamási district

Territorial units	**Rate of tax payers (in the % of population)[6]**			**Per capita monthly income before taxation / tax payer (HUF)[6]**		
	1992	**2001**	**2013**	**1992**	**2001**	**2013**
Gyönk	28%	37%	41%	14,436	52,548	103,720
Iregszemcse	27%	34%	39%	13,512	53,584	104,471
Simontornya	33%	38%	40%	14,802	55,888	122,605
Tamási	36%	41%	43%	16,408	62,574	124,679
Tamási District	**32%**	**38%**	**41%**	**15,261**	**57,881**	**116,962**
Tolna county average	38%	44%	43%	19,223	71,799	154,131
Regional average	40%	42%	43%	18,800	69,977	140,131
Country average	42%	43%	44%	20,809	81,827	160,653
Tamási District figure in the % of the county average	86%	88%	95%	79%	81%	76%
Tamási District figure in the % of the Regional average	81%	91%	97%	81%	83%	83%
Tamási District figure in the % of the country average	77%	90%	94%	73%	71%	73%

It is worth noting that the district has been seemingly catching up in terms of integrating working age population into the labour market and thus among the group of tax payers. At the same time, income level has remained constantly low in the last 25 years.

Table 2.5: Indicators of vulnerability in the micro-regions of the Tamási district

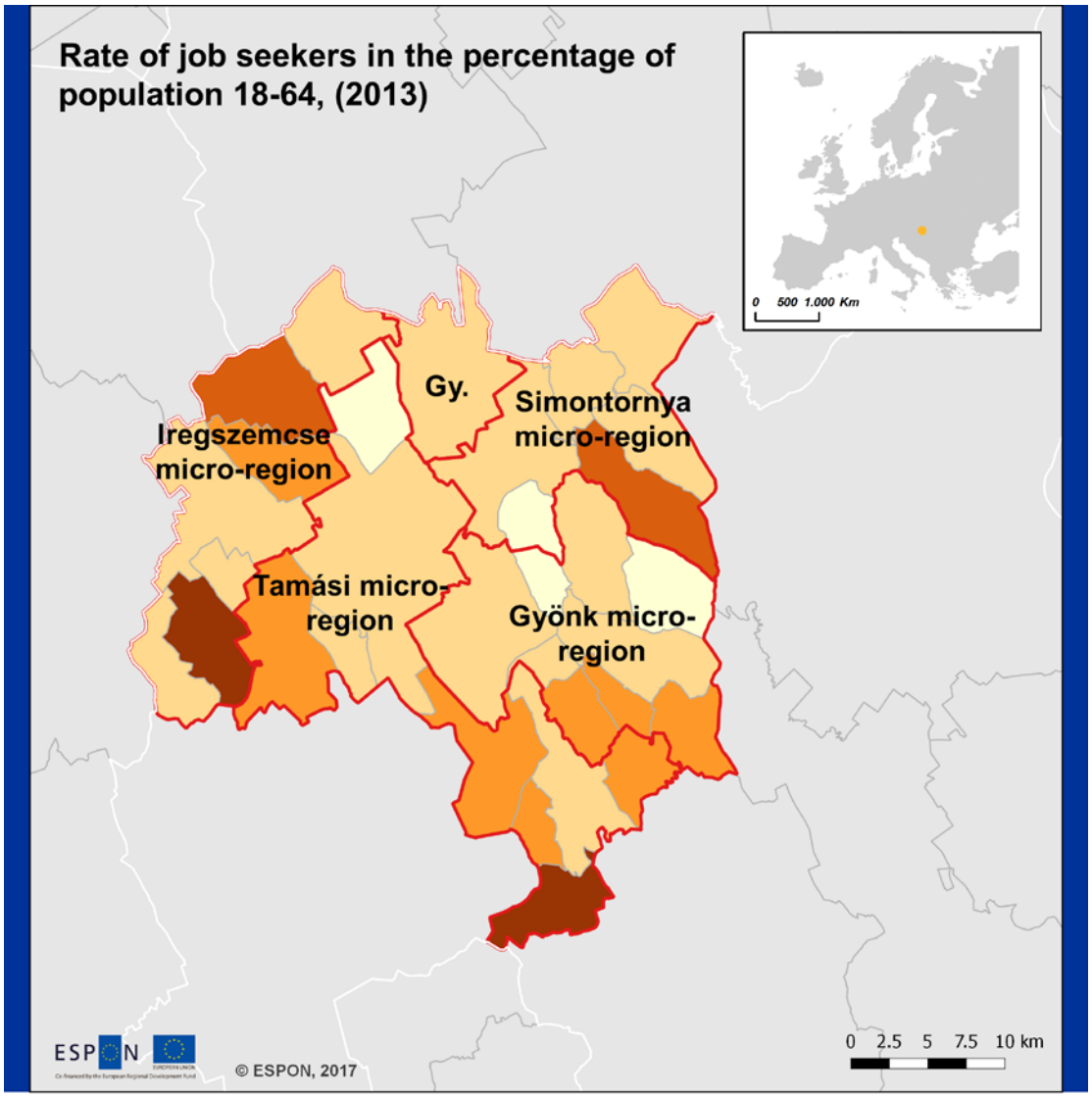
	Microregion				
Indicators[6]	**Gyönk**	**Iregszemcse**	**Simontornya**	**Tamási**	**Tamási district**
Rate of job seekers in the percentage of population 18-64 (2013)	6.7	11.9	9.6	7.1	8.5
Rate of very long term job seekers (longer than 1 year) in the % of job seekers (2013)	21.8	24.1	28.0	25.1	25.1
Dwelling units without any conveniences (2011)	17.2	19.6	14.2	9.7	13.9
Passenger cars per 100 dwelling units (2013)	57.4	54.9	56.2	71.0	62.2

The above table highlights again, the high social vulnerability of the Iregszemcse micro-region, where the rate of job seekers is the highest and the rate of those who could not find employment for more than a year is also rather high (Table 2.5). This is also the micro-region, where the quality of housing facilities is the lowest and people can afford to compensate for the poor mobility opportunities provided by public transport the least of all: the number of passenger cars falling to one dwelling unit is as few as 55.

The Simontornya micro-region stands closer to that of the Tamási micro-region because data of the town dominate over that of small villages (Map 2.2; Map 2.3). At the same time, however, unemployment rate was still rather high in 2013 and the rate of very long-term job seekers within the group of job seekers was the highest in the district reflecting that the industrial site (buildings of the former factory) was not yet utilised.

The Tamási micro-region including the district centre of around nine thousand inhabitants is by far in the best situation as compared to the other three micro-regions. So-called structural unemployment does seemingly exist in this micro-region indicated by the relatively high rate if very long-term job seekers, too, due to the numerous former manors and also, to the segregated neighbourhoods within as well as outside of the town's boundaries (Pári). Otherwise the gap is wide between the Tamási district and the other three, especially regarding indicators of wealth, like the relative number of passenger cars and the low rate of dwelling units without any conveniences.

Map 2.2: Rate of job seekers in the percentage of population 18-64, 2013



Legend

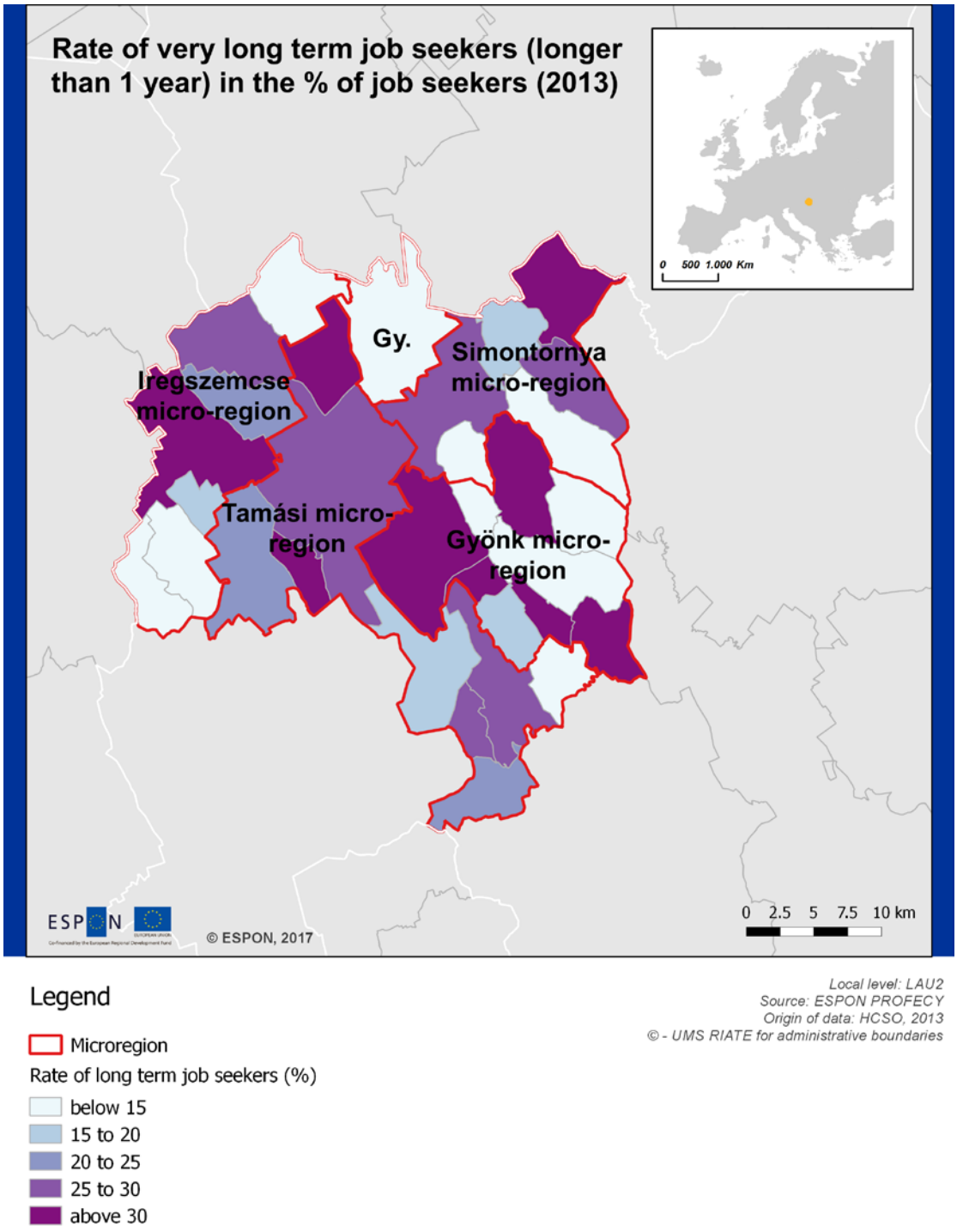
Microregion

Rate of job seekers (%)

- below 5
- 5 to 10
- 10 to 15
- 15 to 20
- above 20

Local level: LAU2
Source: ESPON PROFECY
Origin of data: HCSO, 2013
© - UMS RIATE for administrative boundaries

Map 2.3: Rate of very long-term job seekers (longer than 1 year) in the % of job seekers, 2013



2.4 The case study as a subject of local, regional and state coping strategies

2.4.1 Institutional structure and planning 2007-2013

In the former programming period, regional development concepts and programs were generated in three territorial levels, in the central government, in NUTS 2 so-called “statistical and development regions” and in LAU 1 level districts. Neither of the latter levels was led by elected self-governing bodies; at regional level, a so-called Regional Development Council was in charge of decision taking whilst at LAU 1 level, elected leaders of the member

municipalities, that is mayors were members of the decision taking body headed by one mayor elected by fellow mayors. Although the programming process was meant to proceed "from below", influence of central and even EU level was dominant mostly in terms of determining main priority axes and allocation of budgetary tools at NUTS 2 level. This explains the striking similarities in ROPs. Leading programming documents, seven OP-s were compiled at NUTS 2 level, which were approved by the national and European authorities. At below levels, planning was taken much less seriously, however, in order to gain eligibility for specific funding schemes – like for example the Complex Program – planning along centrally designed templates was mandatory.

The most important area-based development programmes of the previous planning period - that actually held dedicated resources for implementation - were the South Transdanubian Regional Development Operational Programme (SDROP) and that of the LEADER Rural Development Strategy (Annex 3; Annex 4). In the former document, peripherality is highlighted in the situation analysis as well as in SWOT analysis; moreover, in line with the PROFECY project, Tamási district and the surrounding LAU 1 units along the county borders were classified as inner peripheries. The rest of the Programming documents do not put much emphasis on peripherality and measures aimed at tackling specific problems arising from it. They address territorial disparities (cohesion) and/or rurality.

As it was introduced in the first chapter of this case study, five neighbouring LAU 1 units create an adjacent border area of three counties in the Transdanubian Region, all the three are in a similar (inner) peripheral situation. It is relevant from the point of view of 2007-2013 programming period that from among these LAU 1 units one, the study area, Tamási was grouped by a Government Decree into the most disadvantageous 33 districts (called micro-regions at that time)[15], whilst another one (Tab district) was listed under the next 14 underdeveloped category and two (Enying and Sárbogárd districts[f]) were classified as moderately disadvantageous, meaning that peripheral situation does not translate always to the same degree of lagging. However, methodology and indicators of classification determine the outcome significantly. (According to a geographical analysis from early 1990s for example, Tab district was considered as much disadvantageous as that of the Tamási district.)

Disadvantages were addressed by the SDROP as well as that of peripheral geographical location of IP areas. Mainly that of the 5th priority axis aiming better connectedness to be achieved through an improved road network and an enhanced public transportation aimed at an easier accessibility of urban centres can be considered relevant development tools tackling peripherality. Strengthening economic performance (priority no 1.) and developing accessibility of public services (priority no 3) could be interpreted as measures impacting

[f] These two districts are located closer to urban centres and belong to another NUTS 3 unit (Fejér county) and NUTS 2 Region (Central Transdanubian Region).

peripherality indirectly. So did the so-called “Complex Programme” with dedicated funding aimed at treating social and economic disadvantages within the 33 disadvantageous districts.

2.4.2 Reform of State Administration and the stemming changes

In 2013, due to the administrative reform, development regions, and LAU 1 responsibilities for spatial planning and territorial development were terminated and planning/programming shifted to NUTS 3 (county) level. Therefore, the territorial scopes of program-documents indicated in Table II and Table III are different.

Based on the XXI. Act on Territorial Development and Spatial Planning, counties were obliged to elaborate their long-term development concepts and medium-term development programmes, which were completed in the years of 2012 and 2013. (These documents set up general and specific objectives for the Tamási district targeting economic development particularly, tourism and food processing, public services, traffic conditions, safeguarding built and natural values, strengthening local communities and developing community spaces. No specific priorities have been set to handle deepening territorial differences, except a dedicated 1% aiming the two micro regions lagging behind – the study area and the neighbouring district – and let them implement complex programmes. Integrated Territorial Development Program of Tolna Country (ITP) includes a list of projects, too which is not yet available, except some priority projects included in the core text. There is a risk that more powerful local governments will push themselves forward and implement individual projects rather than use experiences of integrated projects gained through the Complex Programme in the previous programming period.

Rural development programming – in spite of willingness to change – has remained practically disconnected with regional development programming. Multi-funding options of CLLD was not adopted in LEADER at all, it has continued to rely solely on EAFRD sources. However, CLLD has become part of urban planning with restricted capacities and mixed funding from ERDF and ESF. The focus of urban CLLD in Hungary is on cultural issues through LAGS of those towns and cities that matched the eligibility condition of having more than ten thousand citizens[g][16]. ITI was not introduced in the programming system for the 2014-2020 programming period at all.

A considerable continuity can be recognised between main goals and priority axes of the relevant OP-s in the previous and present programming period. Moreover, bringing programming and implementation closer to the local level might result in a better territorial targeting, too. (See the 1% “set aside” fund for the lagging peripheries in the Tolna Regional Development Programme.) Nevertheless, available funding has been shrinking and hardly can generate sound structural changes that would have been needed mainly the rural hinterland area and particularly in the two smaller towns of the Tamási district (Simotornya

[g] Having around 9 thousand inhabitants, Tamási was not eligible for CLLD in the present programing period.

and Gyönk). LEADER (EAFRD funding) could have provided some remedy if resources in the present period had not dropped to one third of that of the 2007-2013 cycle. The huge decline threat potential synergies with projects funded from ESF and ERDF.

2.4.3 Best practices aiming spatial and social disadvantages (2007–2013)

The "Tamási District Complex Development Program"

Since the Tamási district was made eligible by the government decree to the territorially targeted "Complex Program", the "Tamási District Complex Development Program" was created as operational LAU 1 part of the Complex Programme aimed at increasing territorial and social cohesion within the LAU 1 area and across the region through dedicated EU funding allocated in the Regional OP, Infrastructural Development OP and the Social Renewal OP. (For details so Table II-III of Annex 3 and 4.) The Complex (cohesion) Programme was terminated in 2015 with the exception of "Sure Start Program" aiming to facilitate inclusion of disadvantaged children. This part of the Program was "mainstreamed" in 2015 and become part of official government policies (Annex 6).

One of the most important novelties of the "Complex Programme" implemented at LAU 1 level in the 33 most disadvantageous districts of Hungary[h] was its "multi-fund" character meaning that ERDF and ESF funding was made available at the level of the Programme in a combined manner; only EAFRD sources were left disintegrated. Programming at grassroots level was also rather unique; experts helped forging the content of the development programs and facilitated the creation of measures targeting the most vulnerable social groups, the extreme poor who frequently belonged to ethnic minorities (various Roma groups). Dedication of resources meant that applicants from the most disadvantaged districts did not have to compete with advanced areas either because they were eligible exclusively for certain parts of resources of the relevant ROPs or they enjoyed such "exclusivity" in targeted large-budget projects made accessible through centrally managed operational programs. As an example of "positive discrimination", applicants had the opportunity to amend their application after / according to the evaluation.

"One of the main advantages of the Complex Programme as compared to traditional horizontal support schemes was that at local level interlinked project packages were approved instead of financing independent and isolated projects, thus encouraging synergies and harmonization of individual initiatives already in the programme design phase. The way of elaborating LAU 1 level programmes and project packages favoured the enforcement of the complex convergence aspects. Therefore, methodology of the scheme was innovative in terms of intentions due to its "place-based" approach, complexity, program-based financing solution, relative flexibility and also due to the alignment of resources in a small territorial scale. The Program strengthened trust between actors, built relationships, encouraged co-ordination and co-operation. Expected benefits cannot be primarily measured by the specific

[h] Eligible districts were usually part of mostly inner and external rural peripheries

impacts of the resources used (1% of the resources of the operational programmes, cannot result serious impact in a few years). The Programme brought partial successes mainly because of the financial rules of EU support system; it was simply impossible to develop a real complex program, due to regulatory obstacles, nevertheless the national spatial policy as well as the use of EU funds gained positive experiences as regards moving toward a “place-conscious” or place-based direction[17].

Quoting the independent evaluation: “The capitalization of dynamics of the most disadvantaged areas is an important and assumed task of the recent development policy, but interventions have been insufficient so far: they did not reach the critical mass, therefore a substantial, well-perceived improvement has not occurred and even in many backward regions the socio-economic situation is further deteriorating”.[17]

“Community development for the social inclusion of people living in deep poverty”

A most relevant priority scheme of the ESF financed Social Renewal Operational Programme (TÁMOP 5.1.3, so called “Deep Poverty” programme) named “Community development for the social inclusion of people living in deep poverty – TÁMOP 5.1.3” made it possible to shape social development programmes more adapted to local needs. The financial frame of the scheme was 8,922,581 EUR, out of which 25 grassroots programmes were financed. The joint action area was made up by 11 villages of the Tamási and Dombóvár micro regions and received 570,968 EUR funding. This support was used during the nearly four years of project duration by the local community on programmes such as summer day care for children, handicrafts and sport competitions, motivational group work, deviance prevention programmes, baba-mama club, self-knowledge and personality development group work, talent discovery, key competence development, debt management, professional counselling, operation of debt management consultancy, enhancing self-sustaining skills with lifestyle group work and farming skills, community life-enhancing programmes such as different competitions, editing and displaying local news from "mouth-to-mouth", playful and creative home with parents and kids, organization of excursions for disadvantaged kids, build a community - community development sessions, exhibition organization and inviting famous people as role models, literary evenings for parents and children, community development training, tender incubation service, facilitate the establishment of public security committees etc. The project staff consisted of eight young local professionals, mostly social workers, sociologists and one socio-pedagogue. The main advantage and benefit of this programme was that the design and the implementation was really bottom-up and very flexible allowing adaptation to the actual local situation.

As concerning multi-level governance, both the Complex Programme and the above mentioned so called “Deep Poverty” programme can be classified as good practices. In both schemes funding was dedicated to set up an intermediary professional advisory capacity that linked up and “translated” between the central level administration and the local level practitioners. These advisory teams helped the implementation process on one hand; on the

other hand, it channelled the lacking and actually needed knowledge and skills to practitioners and thus to local programme-implementation. In the “Deep Poverty” programme the common learning was a major issue so the programme provided many occasions for locals to meet decision makers other professionals in a kind of facilitated “workshop” environment.

Since the 2010 political turn brought rather divergent views is far as concepts of place based, socially targeted interventions are concerned, neither of the above mentioned programs continued in the present programming period. Fortunately enough, the 1% “Set-Aside Fund” in the 2014–2020 Tolna County Regional Development Programme allows for reproducing the best projects of social targeting in the most disadvantages IP districts of Tolna county (Tamási and Dombóvári)[i]. However, interruptions rooting in project-based finance strengthened, in some cases, with divergent policy views, significantly diminish effectiveness of policies supported by EU Structural Funds.

Rules and practices of participation did not change much in the present programming period as compared to the previous cycle as it is pointed out in Annex 4 and 6. (At least as many local stake-holders were participating in forging regional strategies in the 2014-2020 cycle then in the previous one.) However, sub-regional territorial players have weakened in the last seven years considerably: multi-purpose municipal associations as agents of delivering basic educational, heath care and social services mostly disappeared. Since they were in charge of so called territorial development, planning and coordination of place based actions at LAU 1 level shifted to regional (NUTS 3) level. Paradoxically, this shift impacted small towns and villages the most whilst district centres and urban units in general profited from centralisation moves as the Tamási case illustrates.

2.5 Future scenarios

2.5.1 Spatial planning as mediating tools of development funds in the Tamási district 2014–2020

When reading documents of spatial planning at regional (county) and local (LAU 1 and LAU 2) levels of the present programming period, considerable synergies can be recognised. Parallel with shifting regional planning from above, too, from the level of NUTS 2 to NUTS 3 (and moving the agency in charge of planning from regional centre, Pécs, to Tolna county seat, Szekszárd), probably also related to this shift, one can identify much greater sensitivity as compared to the previous cycle towards rural and environmental issues appearing as a shared appreciation of rural values and a core concept of sustainable exploitation of rural assets. Leaders of Tamási were very much content with this shift resulting in a consent between priorities laid down in local strategies and that of higher tier spatial plans meant to guide spending of EU development funds across Tolna county in the current programming period. The town had already hosted a lot of activities fitting the new lines – from agricultural

[i] It is not by chance: the leading planner of the county level Development Programme was one and the same person who was the chief executive of the „Deep Poverty” programme.

production via the thermal bath as a major touristic attraction to geothermal energy investments. (Renewing and expanding the thermal bath was the biggest investment of the previous programming period of the town.) Moreover, based on the thermo-energy (hot water) as a major natural asset under the surface, a whole package of projects had been designed, even started already aiming to establish a cheaper and more self-sufficient energy system. Local leaders strived also for profiting as much as possible from "friendly" political connections with county leaders and people in higher ranks of administration. ("*There are five state secretaries in the government from Tolna county, when, if not now one can expect a better access to development*" - a stakeholder remarked.)

The commonly emerging priorities appearing in the hierarchy of development concepts, strategies and lower level documents for the current programming period are as follows: 1.) strengthening economy, thus increasing the local availability of employment in a way that makes sure an increased concern on environment; 2.) using local assets more effectively and in a sustainable manner; 3.) enhancing the quality of life of the population via providing better access to public services, most importantly to health care and education.

The concerned programming documents and their major priority axes are indicated in the table at Annex 9.

If we consider local-level strategies (that of the town and the district), concrete measures can be interpreted as parts of broader fields of intervention addressing peripherality, like:

- sustainable economic development including the use of green energies,
- developing industrial sites,
- enhancing connectedness (transport, communication) and
- developing quality of life of the population. This aim has been targeted not only directly but also indirectly, through a number of measures like social and cultural renewal, community building or improving the quality of public services, particularly health care, and access to these services.

The tendering procedure concerning the South Transdanubia Regional OP started in the beginning of 2017, results of competition were coming out during field research but there was not clear to each local leader whether or not the requested funding of their projects were approved, therefore so far only outcomes of spatial planning can be analysed.

Annex 9 has been compiled for indicating the coherence of strategic and operational documents. For a better clarity, in addition to marking common priorities, concrete measures of the town's strategy are highlighted, too in the bottom row of the table.

There is only one important and highly relevant programming document not appearing in the above table, it is that of action plan of the LEADER local action group. It is partly because LEADER is not part of the same hierarchy of spatial plans. Whilst spatial plans are to be financed from the Structural Funds, LEADER is not, it is financed in Hungary exclusively from

European Agricultural Fund for Rural Development (EAFRD), since Hungary did not opt for a combined use of European Structural and Investment Funds (ESIF). Moreover, at national level, only the compulsory minimum (5% of the total budget of Hungary's Rural Development Program) was allocated for the implementation of LEADER action plans. However, LAGs were encouraged to consider all operational programs, not only territorially targeted but also sectoral programs in order to be able to dedicate their limited resources to development niches.

In the "Tamási and Surroundings" LAG the overall shrinkage of LEADER resources resulted in a 75% drop of funding from 5,621,043 EUR in the previous programming period to 1,274,194 EUR in the present cycle. "*Rural development and LEADER lost importance*" stressed the LAG's manager. There is an approved strategy of the LAG (for details see Table II-III), nevertheless, it is likely, that LEADER resources will be distributed almost on a normative basis. "From this little money what can we do? *We are going to give 3 thousand forints (9,677 Euros) to each municipality, 5 million (16,129 Euros) to maximum 20 entrepreneurs and one million (3,226 Euros) to maximum 50 civic organisations*"- she said. According to the LAG manager, beyond that 20 entrepreneurs who will likely be supported from LEADER, micro-enterprises will be left without any funding since no national resources are available and they are not eligible for the "sectoral" OP aiming economic development whilst the Regional OP will necessarily be hijacked by local governments.

Her rather pessimistic views as far as the availability of development resources for the small settlements or micro enterprises seem realistic and shared by some of the stakeholders. At the same time, it is denied by other stakeholders, like a high-ranking executive being in charge of regional development in the Office of Tolna county, Szekszárd. He emphasised that regarding certain measures, small villages will be given additional scores in order to make sure the success of their applications like in case of kindergartens (aiming to free female labour in the context of labour shortage). Otherwise views of stakeholders with regard spatial policy measures and chances of competing successfully, are strongly shaped by their own position and the size and location of the village or town they represent.

Cooperation between mayors declined a lot as compared to the time prior to the reform of State Administration 2013. Nowadays, co-operation is voluntary and it is mainly based on a certain degree of fairness between the partners: walking on a rather well-paved path towards development resources, larger players usually do not exhaust all resources and let one or two low-budget projects of small villages get funded. However, in the previous programming period, when co-operation through associations of municipalities was mandatory, absorption capacities of ordinary villages were already extremely low in the Tamási district: if we consider absorbed funding of the previous programming period excluding EAFRD support, the unfolding picture is as follows: four villages did not get anything from EU Structural Funds, eight villages received less than 1%, further eight villages managed to gain 1-3%, and as few as five local authorities could attract larger amounts and proportions of EU money. They are –

all but one – micro-regional centres of the district: Gyönk (5,6%), Iregszemcse (7,8%), Simontornya (23%) and Tamási, the centre won 40%. Ozora was the only “ordinary” village which could absorb a considerable amount and proportion of resources (8%) for refurbishing its touristic attraction, a Castle[6].

The already weak “co-operation culture” was further deteriorated by the amended Local Government Act of 2012 which cancelled all tasks of LAU 1 level associations excepting that of provisioning social services. Associations reacted fast and most of them dissolved. Mayors of the Multi-Purpose Association of Local Governments of the Tamási District did not follow this example: the association has been kept alive allowing for the provision of social services in partnership. Otherwise, according to the manager of the LAG, there is a fierce struggle between leaders of local authorities for each and every forint; each mayor tries to find politically influential supporter for a better chance of receiving subsidies; some of them are succeeding in attracting financial support (usually the larger players) others are not.

2.5.2 Future scenarios according to the ‘scenario building’ assessment

Prospective analysis presented in this part of the report were aimed at answering three main research questions:

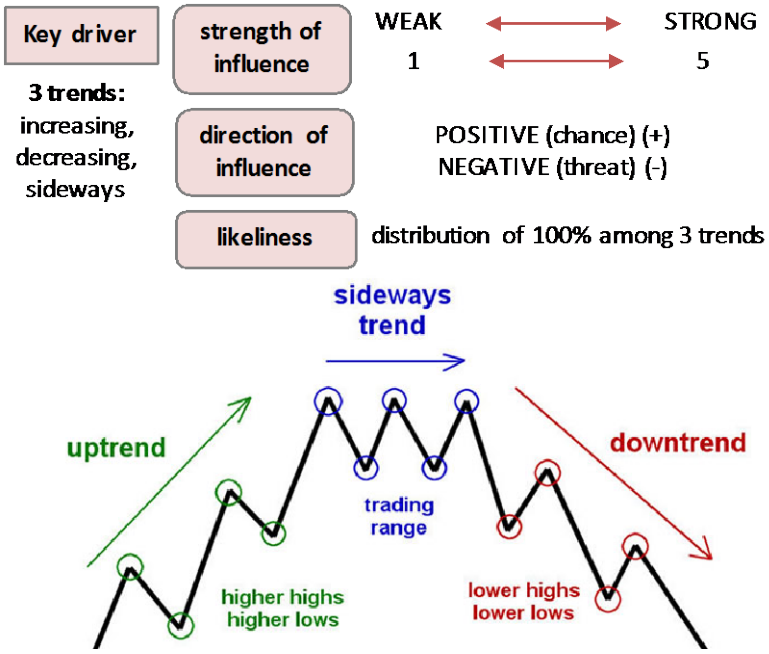
- What are the externally and internally driven influences on the problem of inner peripheralisation of a specific locality?
- What are the key drivers for the future development – chances or threats in the context of further peripheralisation processes in the area under investigation?
- What future scenario can be drawn for each case study according to the estimated positive or negative impact and likeliness of possible uptrend, downtrend or sideways of key drivers in chosen localities suffering from inner peripheralisation?

In the PROFECY Project, future scenario is defined as a description of a possible future path of development of chosen case study area. It is not intended to represent a full description of the future, but rather to highlight central elements of a possible future and to draw attention to the key factors that will drive future developments. According to this definition, in the PROFECY Project, future scenario should be considered as “explorative” and/or “descriptive” type as opposed to “normative” scenarios in literature. The main question asked when building explorative scenarios is “What would happen if” and the present is taken as their starting point.

Scenario building was based on the scenario questionnaire and the interview carried with experts and stakeholders listed in the Annex 8 to this report. Scenario questionnaire consisted of four elements: (1) dimensions of inner peripherialisation process, (2) key factors in each dimension, (3) likeliness of particular trend for each key factor within the time range given (next 5 years) and (4) their strength of influence for the future development of the area. Experts were asked to fill a questionnaire specifying on the scale -5 (strong negative impact) to 5 (strong positive impact) and 0 for no impact for a set of factors and drivers of

peripherialisation process and the likeliness (distribution of 100% among particular trends) of their impact in the chosen IP region with the indicated power on a possible uptrend, sideways and downtrend (Figure 2.8).

Figure 2.8: The structure of the scenario questionnaire specifying elements to be evaluated by experts



Opinions of all experts have been collected and presented in tables 2.6 and 2.7. reflecting the average assessments of the likeliness of a certain key factor to occur and its strength of influence on peripheralisation of the area in the future. The arrows used in tables represent the most probable trend (or two trends – if the difference between their assessments below 5%) of particular factors as evaluated by the experts.

Seven stakeholders from among the fifteen interviewees were ready to participate in the scenario building interviewing with the results indicated in the below tables. (For the list of experts, see Annex 8.)

Table 2.6: Results of scenario tool: Probability (next 5 years in %) – Average of all experts' assessments

	Uptrend	Sideways	Downtrend
Number of residents	20,0	27,1	52,9
Ageing	8,6	25,0	66,4
Number of NGOs	43,3	42,5	14,2
Share of well-educated people	25,7	49,3	25,0
Number of jobs	47,1	34,3	18,6
Individual income	42,9	45,7	11,4
Access to SGIs	32,9	45,7	21,4
Development of the transport system	23,6	53,6	22,9
Cooperation of local authorities within the region	36,4	37,9	25,7
National level subsidies	45,7	35,0	19,3
Access to information on policy supply at national/regional level	34,3	52,9	12,9
Access to policy networks/relations	30,0	48,3	21,7

The firs table provides average scores of all stakeholders' visions in relation to the likeliness of the listed factors of development in the next 5 years (uptrend, downtrend, sideway together making up 100%) (Table 2.6). According to the assessment, stakeholders had clear visions with regard demographic processes only: they expected further population deficits not linked with ageing, probably because of the growing number of the Roma population of young age structure. From among the rest of the development factors, sideways dominate with slight uptrend in certain cases: increase of jobs and personal incomes are envisioned by experts as well as particular (social) linkages are expected to strengthen through NGO-s or via an enhanced co-operation of local authorities. National level subsidies are expected to grow, too. Given that neither of these uptrends are strong enough, the unfolding global picture reflects uncertainty.

The second table illustrates the impact of investigated components on peripherisation (Table 2.7). Uncertainty as regards future scenarios can be recognised here, too, mainly weakening political networks and policy support can increase peripheralisation. Access to SGI-s is also foreseen as turning downtrend strengthening the process of peripherisation. Stakeholders, on the other hand, seemed confident enough in expecting an increase of economic growth (jobs and incomes) as well as an enhanced level cohesion of social relations in the district (NGOs, co-operation of local authorities) that might impact positively processes of spatial integration.

Table 2.7: Influence on peripheralisation [+5 bis -5] – Average of all experts' assessments

	Uptrend	Sideways	Downtrend
Number of residents	-2,7	0,3	4,0
Ageing	3,0	0,1	-4,3
Number of NGOs	-2,7	-0,9	1,7
Share of well-educated people	-3,9	-0,6	3,7
Number of jobs	-4,0	-1,0	4,0
Individual income	-3,9	0,1	4,0
Access to SGIs	-3,9	0,3	4,0
Development of the transport system	-3,7	0,0	2,6
Cooperation of local authorities within the region	-3,9	-0,6	2,7
National level subsidies	-4,4	0,0	3,7
Access to information on policy supply at national/regional level	-3,3	-1,4	1,7
Access to policy networks/relations	-4,1	-1,4	2,9

The two aspects of the scenario assessment underline a shared expectation of stakeholders towards returned growth and the stemming opportunities like increasing number of jobs available in local town centres, especially in Tamási due to expansion of local micro-enterprises and SMEs as well as a consequence of new SME-s to be attracted in the near future.

3 Discussion

As it has been discussed in the above chapter, regional (NUTS 3 level) development concept and strategies (NUTS 3) of Tolna county are in consent with each other and with local level strategies (LAU 1 and LAU 2). Therefore, no divergent views could be identified. Real conflicts of interest are also missing from the district level strategy which is meant to translate priorities set at the level of the county to local levels.

Stemming from the heterogeneity of the LAU 1 territory, views with regard suitable policy tools as responses to development needs are strongly divergent and reflect different needs and potentials of development. The major dividing line lays between the centre, the town of Tamási including its near surroundings (Tamási microregion) and the rest of the district. Territorial disadvantages of micro regions, however, are different and derive from varying settlement structures determined by the size, social and economic potentials of the central town (or village) of the area, and the number of small villages and/or external dwelling settlements (former manors) as spaces of multiple disadvantages.

As the chapter 2.3. illustrates, the Iregszemcse microregion is the most disadvantageous where the centre is a large village, not even a small town, and the rate of low-skilled and socially vulnerable population living in former manorial settlements is relatively high. The steep recent decline of the Gyönk micro-region is mainly related to the settlement structure of the area: six out of the ten villages have been rapidly shrinking, ageing small villages with less than 500 inhabitants dominate and the centre, Hungary's smallest town, Gyönk has been losing population, too which threatens its ability to maintain its ability to provide SGI. Simontornya and its neighbouring villages are in a better position: the town is two times larger than either Gyönk or Iregszemcse and since the environmental rehabilitation of the leather factory, the town offers cheap settling opportunities for brown-field investments. Villages in its surroundings are relatively larger, they were able to maintain more institutions and services, and the rate of socially vulnerable group of population is somewhat smaller. Therefore, the availability of employable labour is less problematic at the level of the micro-region. The town's Castle has already been considered as a valuable asset whose restauration was supported from the ROP in the previous programming period and it is to be further developed in the present cycle (Figure 3.1).

Figure 3.1: The castle in Simontornya, June 2017

In the context of returned growth and increasing labour shortages, it is the employable labour and available industrial sites that make the study area, especially its larger towns Tamási and Simontornya attractive in the eye of investors (Figure 3.2). Differences of potentials mainly in terms of human resources do influence abilities of micro-regions to capitalise on demand for such formerly neglected territories as the Tamási district. The same phenomena triggered by the termination of the global financial crisis provide development opportunities for inner peripheries where either the unemployed or public workers – together still high in numbers – or commuters to the neighbouring industrial centres, can provide for the growing demand for employable labour: it is roughly one thousand commuters to be *convinced by local leaders to shift for less lucrative but closer job opportunities in the district..*

Figure 3.2: New developments in the industrial site of Tamási. July 2017

Still, these opportunities occur unevenly across the study area; the smallest town, Gyönk and villages of demographic and social erosion will probably profit much less from increasing growth than the larger settlements. Their opportunities will most likely be further constrained by uneven chances for absorbing EU development funds, little normative state funds and non-

existent national development resources. In this context, urban centres get advantages at the expense of rural territories.

The scarcity of available resources can be explained by various factors. The first step was taken by the government in 2009 as part of austerity measures when an almost normative state subsidy supporting LAU 1 level territorial development was cancelled. Up until 2012, a little support provided for so-called Multi-Purpose Association of Local Governments in charge of territorial development remained available and LAGs could also continue with the budget they had acquired right before the crisis broke out. As it has been mentioned above, in 2012, the task of territorial development was cancelled from the portfolio of associations of local governments so did the allocated budget. Since then, LEADER has remained the only scheme addressing rural development through partnerships at lower level of government. In the present programming cycle, as a consequence of the dramatic cut of LEADER funding at national level, LAG resources might provide refuge to a limited number of applicants and can support low-budget projects only spotted around the LAG area.

Another important factor that generates limitations concerning local and territorial development in the study area and similar rural territories is the limitations of accessing bank loans for the majority of municipalities since the State cancelled their debts in 2014. This is the reason why self-contribution is not demanded from municipalities if they apply for project funding from the regional development OP. 100% funding always means that fewer projects can be supported and if they are supported, available funding generally becomes less. Less stock of funding can support less players, this is what increases the struggle for resources, weakens co-operation and strengthen the position of larger players further. And this is why the chance for the Tamási district to get out of peripheriarity at LAU 1 level seems unlikely in the short run, despite the remarkable development potentials of its centre, the town of Tamási. In the longer run, if development from urban centres trickles down towards rural hinterlands and resources will be available for smaller settlements, too, Tamási district as a whole will have better chances for a higher degree of spatial integration.

As it has been already mentioned in chapter 2.1, the study area stands closest to the 3rd model of peripherization for the overall weaknesses of “proximity”: large distances form urban centres, poor road networks, constrained public transport. This is the first and primary cause of peripherality characterising mainly the rural hinterland of the district aggravated by path dependencies and social vulnerabilities. Path dependencies appear strongly in the outskirts of villages and towns (external dwelling settlements) where spatial and social disadvantages overlap. These settlements provide housing for low-skilled labour, descendants of former manorial workers with a kind of habitus marked with “dependency” and social vulnerability. Similarly, lack of abilities to initiate, innovate, develop and follow high ambitions were considered as characteristic features of the former working class of Simontornya, that has become pauperised and helpless during the long years of unemployment.

Access to SGI is problematic in larger part of the study area; higher grades of primary schools are available in large villages and towns; in small villages, kindergarten is available at best. Three gymnasiums and two vocational schools provide secondary education; no university-level tertiary education is available in the district. Cultural and sport facilities are available in the towns and larger villages, though quality of their services is ranging widely and many of them are to be refurbished. Health care provision is, however, the weakest: there is no hospital in the district except an elderly-care department of the Dombóvár hospital. The health centres of Tamási and Simontornya cover more or less the study area with services, but accessing them from the villages is difficult for those who must rely on public transport. These weaknesses do represent problems and generate development needs but compared to the weight of proximity issues, their importance in shaping peripherization is secondary.

In the centre of the district, Tamási, leaders have strong visions and available, well-exploited political connections that will probably let their development goals realised. The position of the town, availability of certain industries (microelectronics) and stemming quality of local labourers make the town extremely attractive in the context of returning growth. However, Tamási represents an exception from the rule, the poorer and much smaller micro-regional centres have much less chances to realise their needs for development than in Tamási. In a country, where clientelism overwhelm across political relations, if a leader of a local authority openly belongs to the political opposition or if s/he is heading a small and declining village or town, it is likely that his or her “connectedness” will be weaker due to his or her scarce political capital that sets limitations as far as their “relational proximity” is concerned.

In some cases, leaders of disadvantaged villages or towns are blamed for being less keen on attracting investors who could steer resources not only for themselves but for the settlements, too, notwithstanding their positive impact of decreasing unemployment. Although personal qualifications and abilities are unequal, too, structural causalities have stronger impacts on access to resources than personal abilities. This does not mean that talent or the lack of it does not matter.

4 Conclusions

The case study area represents inner peripheries at LAU-1 level where peripherality and social-economic disadvantages overlap.

Triggers and drivers

- Inner peripherality of the Tamási district is triggered mainly by its geographical location: (i) its large distance from urban centres specifically from the county seat, its 'cross (county) border location within a larger IP territory, (ii) poor road and rail networks, (iii) morphological features generating fragmented settlement structures (small villages) explaining (iv) low population density. Rural towns cannot absorb high-level urban functions, therefore service-provisioning potentials are low in the district.
- Collectivisation and rounds of reform of State Administration resulted in a centralised structure of local administration, central and side-villages as well as weak, dependent local economies resulting in exodus from the rural hinterland area.
- During the shift of the political system, a transformation-related crisis hit in the 1990s followed by an external crisis (global financial crisis) 1,5 decades later ruining local economy which was weak and dependent dominated by industrial subsidiaries and large scale farms.
- Path dependencies in spatial and social structures impact mentalities and brings the area closer to the 3rd model of IPs. Such structures relate mainly to the former manors, later state farms and descendants of manorial workers. (Presence of "dependency culture".)
- Parallel with the end of the crisis, growth has re-emerged; in the context of shortage of labour and demand for industrial sites, new opportunities have occurred mainly in the relatively larger towns of Tamási and Simontornya.

Defining features

- Uneven distribution of development chances within the district;
- Strong outmigration, continued demographic decline;
- Social vulnerability is prevalent in ethnic neighbourhoods, on the one hand, and in ageing small villages, on the other hand, also characterised by a high level of dependency.
- Due to weak access to jobs, till the end of the recent crisis, some 800-1000 wage labourers commuted from the district to the larger industrial centres of the neighbouring county (mainly to Székesfehérvár);
- Shortage of qualified labour,

Intermediating processes

- EU funds are available but do not compensate enough for the almost complete lack of national development funding. These funds were cancelled in 2009 as part of austerity measures
- The drop of LEADER funding has impacted the district particularly hard, since small-scale actors' access to development has declined the most (micro-enterprises, small municipalities, etc.)
- The competition for structural funds has become more fierce, big players with strong political connections get huge advantages at the expense of small, weaker players, especially in the context of weakening co-operation amongst municipalities
- Although there is a remarkable continuity in the content of main priority axes of the former and the present programming period, discontinuities also emerge: the institution structure changed, targeted programs are not continued
- There is a considerable cohesion between the programming documents of the present cycle.

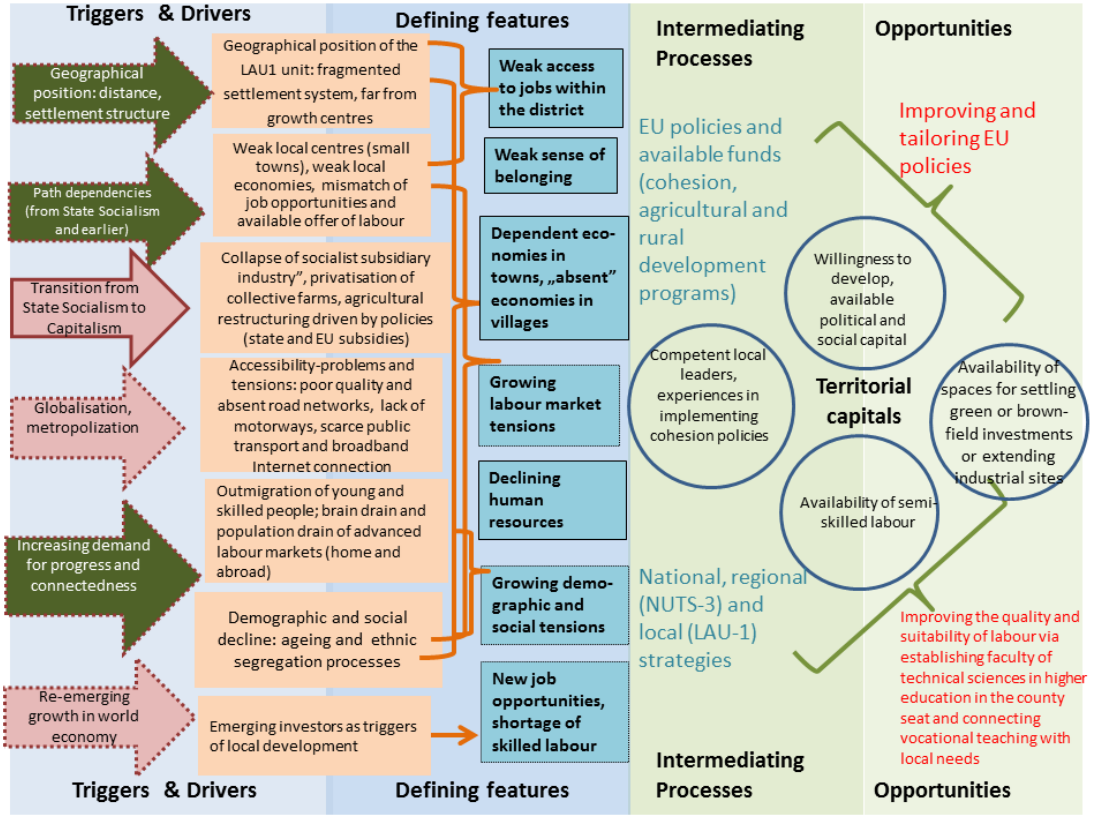
Opportunities

- Opportunities are provided mainly by the end of the global financial crisis and returned growth
- Thus, disadvantages might be turned to advantages through
    - an available stock of labour with skills suiting the needs of assembling factories
    - available industrial sites (Tamási and Simontornya)
    - natural assets (hot water under the surface in Tamási)

Emerging new development ideas: investing into education

- centrally (at county level) by bringing about a technical science faculty of the high-school
- locally through increased social relations between larger local enterprises and vocational schools in order to tailor vocational teaching to the needs of enterprises (Figure 4.1).

Figure 4.1: Visualisation of triggers / drivers / defining features of Tamási district case study area



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Annex 1: Table Ia. Introductory data

1	**Identification of case study area**	
1.1	Administrative regions involved (eg. for Germany: Länder & Regierungsbezirke)	Tamási district (LAU1)
1.2	Name and ID of the NUTS-3 areas that are (partly) covered by IP area	Tolna county, HU233
1.3	Size of IP in km² (and national average IP size)	1,019.9 km² (HU avg. 531.5 km²)
1.4	Classification of concerned NUTS-3 area according to urban-rural typology as developed by DG AGRI and DG REGIO	Predominantly rural
1.5	Names of the regional centres within the IP	-
2	**Delineation outcomes**	
2.1	IP according to Delineation 1 (Travel time to Regional Centres) y/n	Y (at LAU1 level), N (at NUTS 3 level)
2.2	IP according to Delineation 2 (Economic potential interstitial areas) y/n	N
2.3	IP according to Delineation 3 (Areas of poor access to SGI) y/n	Y (at LAU1 level), N (at NUTS 3 level)
2.4	IP according to Delineation 4 (Depleting area index) y/n and % of area coverage; brief qualitative description of the situation	N
2.5	Type of IP according to PROFECY delineation-typology	

Annex 2: Table Ib. Exploratory data

No.	Issues	Tamási district	Tolna county (NUTS3)	Dél-Dunántól region (NUTS2)	Hungary
3					
3.1	Population density per km² (2013)	39	63	67	108
3.2	Total population (2013)	39,300	234,202	950,954	10,051,449
3.3	Population development (1999-2013) - %	-11.1	-8	-5.8	-2.2
3.4	Population development age 18-30, (2005-2013) - %	-12.6	-15.7	-13.2	-13.1
3.5	Old age dependency ration (2013) - %	26.7	25.2	25.3	24.8
3.6	Gender Imbalance (2013) - % F/M	105.8	107.1	108.3	108.5
3.7	Ethnic composition (2011) (multiple affiliation is possible) - %				
	Hungarian	83.3	84.9	85.2	87.0
	Roma	6.1	3.9	4.6	3.2
	German	4.4	5.1	4.6	1.9
	Slovak	-	0.03	0.03	0.4
4					
4.1	Growth measured as GDP per capita in PPS (2013) - %	-	4.4	2.5	2.9
4.2	Unemployment rate (2011) - %	14.2	11.5	14.4	12.6
4.3	Youth unemployment rate (2013) - %	-	-	-	-
4.4	Main economic basis: Share of employees per sector (2011) (agriculture, industry, services) - %				
	Agriculture 2001	12.6	9.8	8.2	5.5
	Agriculture 2011	10.8	7.6	6.6	4.4
	Industry, construction 2001	39.5	38.4	32.7	32.9

	Industry, construction 2011	30.4	34.2	28.8	25.2
	Services 2001	47.9	51.8	59.1	61.6
	Services 2011	58.9	58.1	64.5	70.4
4.5	Development of the economic situation in the past (dominant industries, major breaks etc.; please describe in a few sentences)	The territory of the district was an agricultural area during the years of socialism, where state farms, farmers' agricultural and producers' co-operatives and branch establishments of state-owned industrial companies were operated. The change of regim in 1990 and the economic transition of this period significantly and negatively affected the economic situation in the area. Agricultural lands and businesses and other production units were privatized and they continued their operation with more or less success. The current economic profile of the area is still characterized by farming, forestry and the survivors of the former local branch establishments of industrial companies.	Tolna county (NUTS3 unit) was and is still a region of agriculture and light industries. Farming, forestry and food industry based on that significantly shape the economic profile of the area besides the presence of other branches of light industries like textile and leather industries. Manufacturing is also present in the form of several smaller branch establishments of international companies. The most important economic actor in the region is the nuclear power-plant in Parks. The power-plant is just before a major extension, which raises high expectations related to the economic perspectives of the area.		
4.6	Share of tertiary educated people (according to ISCED, 2011) - %	9.4	14.2	16.1	20.9
4.7	Forms / Amounts of received financial transfers (Payments from operative programmes)	14,495,668 € 368.8 € per capita	71,610,420 € 305.8 € per capita	321,281,885 € 337.9 € per capita	4,532,317,398 € 450.9 € per capita

4.8	Virtual Accessibility (Next-generation network (NGN) coverage in %, 2013)	>30 Mbps network is available in almost all municipalities of the district	>30 Mbps network is available in most of the area of the county	>30 Mbps network is available in a large area of the region, except for North-western Somogy and a part of Baranya, where the settlement structure is very segmented, with many small villages	>30 Mbps network is not available in a significant proportion of the country: regions with segmented settlement system, northern and eastern peripheries, inner peripheral regions in the Hungarian Great Plain and Transdanubia
4.9	Virtual SGI provision (local government initiatives / support of virtual services) (please describe in a few sentences)	State-level development strategies for public administration and SGI along with strategies on information society at different administrative levels support the development of e-government opportunities and virtual customer services. Within operative programmes of the current (and past) programming period several announcements are known related to the topic, but in the case study area, besides some projects with a focus of organization development (with some goals related to virtual customer services), no local initiatives were found.			

Annex 3: Table II. Policies and programmes

Types of policy / programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
Regional / Cohesion policy				
South Transdanubian Regional Operational Programme	2007-2013	Strategic objective of the Programme is to stop further deterioration of the South Transdanubian Region Specific objectives are: 1: Conservation of the natural and built environment in the region 2: Competitive economy based on local potentials 3: Stop further increase of social disparities in the region Priorities: 1: Creating competitive economy based on development of urban areas 2: Strengthening tourism potential in the region 3: Developing human public services 4: Supporting integrated urban development actions 5: Improving accessibility and environmental development	Within priority 1 most of support was spent on development of business sites. Within priority 2 health tourism developments of regional importance, creation of complex tourism packages as well as accommodation was supported. In priority 3 many public institutions were made accessible for disabled people, as well as educational and health infrastructure was developed. Priority 4 only supported two integrated urban development projects. Priority 5 covered bike road developments, some low ordered road construction as well as water management of in- and outside built up area.	Total Programme budget for the entire region was 829 572 928 EUR. Based on the Széchenyi2020 project database the total absorption of the study area was 30 245 313 EUR. Spending in the study area by priorities (share in brackets): 1: 2,105,058 EUR (7%) 2: 8,291,259 EUR (27%) 3: 9,532,161 EUR (32%) 4: 1,207,332 EUR (4%) 5: 9,109,503 EUR (30%)
"Tamási District Complex Development Program"	2007-2013	The "Complex development programme targeting the most disadvantages 33 districts / micro regions" (hereinafter Complex Programme) was a so called	There is no data or information on the implemented projects. However, the programme itself contains a list of initiated projects	Total budget: at country level: 279,826,667 EUR[j]

[j] Exchange rate of the currencies: 1 Euro = 300 HUF

Types of policy / programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
		"flagship" programmes aiming at slowing down unfavourable economic and social processes in the targeted area (low employment, non-competitive education, indebtedness of the population), which cumulatively affect the Roma population.. The objective of the flagship programme at national level: 1.) mitigating territorial disparities within the micro-regions; 2.) direct or indirect stimulation of the economy, which contributes to the creation of marketable jobs; 3.) complex development of micro-regions through improving access to education and health-care of disadvantaged social groups, in particular, the Roma (diminishing school and territorial (housing) segregation). Local level development goals specified in the Tamási micro-regional programme: 1: Economic development 2: Environmental development 3: Settlement development 4: Educational development, marketable vocational trainings and employment programs 5: Health and healthcare development 6: Roma integration	that fit in the 6 development directions mentioned in the previous column. According to the accepted project initiatives, 73% of the costs was covered by the SDROP (covered from ERDF), 26% by the Social Renewal OP (covered from ESF) and 1% by the Infrastructural Development OP (covered from ERDF). 22% of the SDROP funding went on economic development, 38% on road and environmental development, 14% for town/village development projects and 26% for a school refurbishing project (in Gyönk).	without reserve South Transdanubian Region: 21% of the budget of the Complex Programme Tamási district: 10 415 000 EUR (18% of the dedicated resources available in SDROP)
Social Renewal Operational Programme (ESF funding): Community development for the social inclusion of people living in	2010-2014	"Community development for the social inclusion of people living in deep poverty" was one of the priority schemes financed by the Social Renewal Operational	The national level TÁMOP 5.1.3 scheme consisted of two components. The first component financed an advisory team of	Total budget : component 1: 967,742 EUR

Types of policy / programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
deep poverty – Code: TÁMOP 5.1.3.		Programme (2007-2013). The fundamental objective of this scheme was to reduce the consequences of interlinked territorial and social disadvantages, the deepening, reproduction and spreading of poverty, furthermore to promote the integration of people living in extreme poverty through the means that social and community work and the active involvement of the population in planning and decision-making can provide. The local level programme was developed by a small consortium of 11 municipalities (10 localities from Tamási and one village from the Dombóvári LAU-1 unit) financed by the TÁMOP 5.1.3 priority scheme named “Community for the future”. The overall objective of the local programme was the revitalization of local communities as well as assessing unused local resources. Concrete objectives were to reduce the deepening poverty, territorial and cultural disadvantages as well as addressing problems that lead to exclusion and stigmatisation through social and community work and active participation	experts of social work, community development and regional and rural development. This expert team assisted the implementation of component two that contained 25 local programmes; one of those was the Tamási programme. These programmes integrated a number of small-scale local initiatives into a three year process/progress. The main goals of the local programme were strengthening local community networks, improving public services - such as social and health services, other human services that determine the chances of children. Local level programme in the Tamási mirco region implemented an overall human resource and community development initiatives targeting disadvantaged families of the participating rural communities. These projects were mostly “soft” interventions (financed from ESF).[k]	component 2: 8,922,581 EUR Local level programme in Tamási micro region: 570,968 EUR

[k] Project list: summer day care for children; handicrafts and sport competitions; motivational group work; deviance prevention programmes; baba-mama club; self-knowledge and personality development group work; discovery and management of talents; key competence development; debt management; professional coaching; enhancing self-sustaining skills with lifestyle groupwork and farming skills; community life-enhancing programmes such as different competitions, editing and displaying local news from "mouth-to-mouth"; playful and creative home with parents and kids; organization of excursions for disadvantaged kids; build community development sessions; exhibition

Types of policy / programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
		of the population.		
Tolna county Regional development concept (situation analysis and concept)	2012 - 2030	Overall objectives: 1: Increase the economic potential of the county and strengthen entrepreneurial activity 2: Social renewal 3: Strengthening the economic role of rural areas and creating an attractive rural living space[l] The Tamási district is highlighted as target area of the following development goals specifically: increasing local food processing capacities improving education: digitalization in remote areas as well as providing high level and demand driven vocational training	No concrete project implementation linked to the concept.	No dedicated budget.

organization and inviting famous people as role models; literary evenings for parents and children; community development training; tender incubation service; facilitate the establishment of public security committees etc.

[l] Strategic objectives: 1.1: Creation of new R & D & I and logistics centres via establishing entrepreneurial co-operations, 1.2: Development of marketable, traditionally present industrial sectors as well as labour-intensive, mainly light industry activities (machine manufacturing, metal works, food industry, textile and leather industry), 1.3: Enhancing wider awareness, improvement, sustainable utilization and thematic linkage of natural resources, landscape, natural values and built environment of the county, 1.4: Strengthening business competitiveness, 2.1: Education development, improving opportunities for disadvantaged groups in the labour market, 2.2: Mitigating (negative) effects of unfavourable demographic trends, 2.3: Development of infrastructure and improving public services, 3.1: High added value agricultural production, food processing and marketing based on producers' cooperation, 3.2: Improving quality of life and the population retention capacity of the rural area.

Types of policy / programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
		community development providing access to housing and small scale (backyard) farm production for young people improving accessibility of remote villages		
Tolna County Regional Development Programme	2014-2020	Overall objective: 1: Increasing population retention capacity in all segments of the county's' society Strategic objectives: 1: Economy - increasing income and employment 2: Liveable environment 3: Improve the quality of community infrastructures and public services 4: Creating a useful and effective institutional system of development Area-based objectives for the Tamási micro-region:	The Programme identified a few preliminary development initiatives: Development of St. Orsolya Hospital in Pincehely Building a buying up network and points in Tamási district Cheaper, renewable energy (solar, geothermal, biogas) Thermal, natural and health tourism Kindergarten development (Iregszemcse, Fürged, Diósberény) Renaissance-themed tourism developments in Ozora and Simontornya[m]	No dedicated budget.
Integrated Territorial Development Program of Tolna Country (2014-2020 - TOP) (TOP)	2014-2020	Sustainable economy and tourism - assisting job creation, Transport development (accessibility and mobility) Promoting environmental sustainability (biomass, solar etc)	The list of identified projects is not available In the study region three projects' implementation have been started so far. One of them is the so called "Employment Pactum", the	88,864,353 EUR is allocated for the whole county. The budget contracted for these three projects is:

[m] According to recent monitoring data none of these projects have been implemented yet.

Types of policy / programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
		Development of public institutions Liveable villages and towns (improving safety, water management, community places, complex rehabilitation of dilapidated / segregated neighbourhoods,) Promoting residential co-operation and civic initiatives	other is that of "Integrated neighbourhood rehabilitation in Tamási" (Buda part of town), the third is "Road construction in Pincehely".	2,857,097 EUR

Other initiatives				
Tamási town integrated settlement development strategy	2014-2020	Overall objectives[n] 1: Local resource-based self-sufficient town 2: Health tourism centre	No project has been implemented so far. Key projects planned in the strategy[o]:	The strategy has no dedicated budget. Projects are supposed to be financed from different OP's, primarily from the

[n] Thematic objectives:

1: Strengthen local resource-based, sustainable, innovative and competitive, diverse local economy with high employing capacities; 1.1: Creation of K+F base of renewable geothermal energy; 1.2: Implementation of a complex agricultural R & D program; 1.3: Job creation based on local resources; 2: Develop health-tourism via utilizing the local tourist and recreational potential; 2.1: Expand the health tourism functions of the thermal bath, strengthen the health conscious lifestyle
2.2: increase the competitiveness of local tourism services; 2.3: Infrastructural development related to tourism, settlement marketing; 3. Develop a smart and attractive town able to retain its population and improve cohesion of the local society; 3.1: Improving the quality of life through developing the technical infrastructural network; 3.2: Development of human resources, enhancement of population retention; 3.3: Strengthening social cohesion, via providing support for the disadvantaged social groups
o List of main program elements:
1: complex agricultural programme (1.1 Territorial agricultural cooperation, joint processing, marketing and sales 1.2 Increase agricultural energy efficiency based on renewable energies 1.3 Establishment of a regional agricultural R & D roundtable) 2 Complex tourism development (2.1 Establishment of health tourism, 2.2 Development of active tourism, 2.3 Cultural and gastronomic tourism) 3.1 Geothermal energy-based modernisation, 3.2 Quality development of human infrastructure, 3.3 Promoting the City's sporting life, 3.4 Improving public spaces, 3.5 Development of a technical infrastructure network, 3.6 Improving the state public buildings, energy efficiency and accessibility, 3.7 Establishing industrial sites and industrial park, 4.1 City centre rehabilitation, 4.2 Northern industrial area development, 4.3 Revitalization of brownfield sites, 4.4 Rehabilitation of degraded urban areas, 4.5 Building a Green City, 5.1 Client conform local government, 5.2 Strengthening social cohesion and urban identity, promoting employment growth, 5.3 Improving the quality education and training

Types of policy / programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
		3: Smart and attractive city		Territorial and settlement development OP The initiated financial need is 31,4 – 34,6 billion HUF (about 100 million EUR).

Rural Development Programmes (EAFRD)				
Axes 3 and 4 (Rural Development and Leader initiative)				
LEADER Rural Development Strategy: country level	2007-2013	1: Revitalizing rural economy, increasing competitiveness of local businesses 2: Boosting tourism by supporting rural accommodation and tourism services 3: Safeguarding and renovating rural built heritage, village renewal, nature and landscape preservation 4: Human resource development, providing education for undereducated people in professions hit by labour shortage 5: Strengthening rural communities by developing community spaces/infrastructure 6: Local marketing, introducing local trademark, settlement marketing	Axis 3: 1: Village renewal (external renovation of buildings determines the settlement scape, small scale infrastructure, local marketplace, playground, sport facilities) 2: Development of rural heritage 3: Micro enterprise development 4: Service development in rural tourism (accommodation and services) Axis 4: 5: Development of local products and services 6: Supporting NGOs equipment purchase, supporting equestrian events, developing community places for sport programmes	Data below show the amount of public money paid for the measures listed in the previous column. Total: 5,621,043 EUR 1: 816,984 EUR (15%) 2: 621,801 EUR (11%) 3: 981,930 EUR (17%) 4: 1,419,672 EUR (25%) 5: 1,131,458 EUR (20%) 6: 649,197 EUR (12%)
LEADER Local Development Strategy	2014-2020	The LAG strategy has two general objectives: 1) Economic development; 2) Safeguarding rural values	Implementation of the strategy has not started so far. The planned measures are: 1: Development of micro-	Planned budget allocation: Total: 1,509,677 EUR 1: 483,871 EUR (32%) 2: 258,065 EUR (17%)

Types of policy / programme	Duration of participation (period of implementation)	Objectives related to the study area	Type of project implemented in the study area	Financial expenditures in the study area
		and seven specific objectives: 1: Increasing competitiveness of local businesses (same as before) 2: Improving employment 3: Increasing the population's retention capacity of the countryside 4: Safeguarding local values and traditions 5: Developing local services 6: Community development 7: Human resource development	enterprises 2: Supporting production of local products, services and values 3: Tourism development via supporting the implementation of tourism product packages 4: Investments related to safeguarding local values 5: Supporting NGO's equipment purchases 6: Supporting local events 7: Supporting community development actions	3: 322,581 EUR (21%) 4: 129,032 EUR (9%) 5: 154,839 EUR (10%) 6: 87,097 EUR (6%) 7: 74,194 EUR (5%)

Annex 4: Table III. Governance structures

Governance structures	Role of local actors in the process of			
Types of policy / programme	**Strategy design**	**Composition of the partnership involved in the project**	**Project implementation**	**Project financing and control**
Regional / Cohesion policy				
South Transdanubian Regional Operational Programme (2007-2013)	In order to increase and manage participation in the Operational Programme design at NUTS-2 level, the South Transdanubian Regional Planning Network was set up in 2006. It contained a vertical sub-network bringing together representatives of different sub-regions, as well as a horizontal sub-network involving representatives of different sectors. Approximately 2500 people were involved in 90 different meetings, workshops and a number of working groups. The role of local actors was sharing opinion and discussing the Programme drafts.	Decision taking body: South Transdanubian Regional Development Council including stakeholders from the region (like chairs of development councils of the three counties) and representatives of ministries (central government). The latter were in a 51% majority. The Programme was designed and managed by the South Transdanubian Regional Development Agency LTD (as an Intermediate Body). No grassroots partnership was set for Programme implementation but existing partnerships, like associations of municipalities and NGO-s were invited to take part in designing the OP.	Representatives LAU-1 level associations of municipalities[16] and NGO-s were invited to participate in the planning process. That of the former bodies were asked to create project plans, too. These plans were discussed by the Development Agency. The job of LAU-1 level municipal associations and their agencies was eased by managers financed by the government, coordinated by the regional level Development Agency.	Local actors had to cover self-contributions of their project proposals. Projects implemented in the most disadvantaged areas like the Tamási district were charged with reduced self-contribution.

[16] The so-called Multy-Purpose Local Government Associations were in charge of organising human public services accross municipalities (LAU-2 units) of the LAU-1 area. It was the lowest level where so called regional development as mandatory task was delegated by the state.

Governance structures	Role of local actors in the process of			
Types of policy / programme	**Strategy design**	**Composition of the partnership involved in the project**	**Project implementation**	**Project financing and control**
"Tamási District Complex Development Program" (ERDF + ESF)	Involvement of local actors were mandatory however the short time provided for strategy design did not allow for real participative strategic planning, instead, project proposals created within the planning process of the ROP were use here as well. Therefore, local governments and public institutions became primary beneficiaries of the local implementation of the Complex Program.	Decision taking body: Multi-Purpose Association of Local Governments of the Tamási District. Managing agency: working unit (agency) of the Association. No grassroots local partnership was set for Programme implementation.	Members of the decision-taking body were mayors of the three towns (Tamási, Gyönk, Simontornya) and 29 villages of the district.	Local actors had to cover less self-contributions of their projects than otherwise. ESF-funded projects were free of self-contribution.
Social Renewal Operational Programme (ESF): Community development for the social inclusion of people living in deep poverty. Code: TÁMOP 5.1.3.-	It was mandatory to involve local governments, minority self-governments, relevant professional partners operating in the action area especially social, child welfare and healthcare providers and development organisations in the design of the local programme.	Setting up a consortium for applying for funding was mandatory. The consortium involved local governments, minority self-governments, relevant professional partners operating in the action area especially social, child welfare and healthcare providers and development organisations. Lead partner of the consortium: Tamási Multi-Purpose Local Government Association.	At local level, the winning consortium was in charge of implementation; professional assistance was provided from the central level of project implementation.	The programme provided 100% support so there was no financial obligation on local actors.
Tolna County Regional Development concept (situation analysis and concept)	Partnership plan was elaborated. Local governments were	Decision taking body: Tolna County Council (self-governing body). No other	No concrete project plan was linked to the Concept.	No budget was allocated to the Concept.

Governance structures	Role of local actors in the process of			
Types of policy / programme	**Strategy design**	**Composition of the partnership involved in the project**	**Project implementation**	**Project financing and control**
	surveyed by questionnaire about the potentials of the area. Local problems and development initiatives were explored via interviews conducted with mayors, leaders of institutions, leaders of micro regional (district) organisations. Discussions were implemented with regard to results of the previous periods' development initiatives as well as the necessary changes.	local partnership was set for implementation. Planning agency: Tolna County Government Office.		
Tolna County Regional Development Programme (2014-2020)	During the programme design great emphasis was put on the involvement of local stakeholders. Many tools were applied such as professional forums, interviews, online consultations, surveys (entrepreneurs and other social partners). Local actors had good chance to share their views on problems and development ideas.	Decision taking body: Tolna County Council (self-governing body). No other local partnership was set for implementation. Planning agency: Hétfa Consulting Co. Managing agency: Tolna County Government Office	No concrete project implementation linked to the Programme has occurred so far.	No budget was allocated to the Programme.
Integrated Territorial Development Program of Tolna Country (2014-2020 - TOP)	More than 200 local stakeholders were consulted.	Decision taking body: Tolna County Council (self-governing body). No other local partnership was set for implementation. Planning	Local actors had no role in the Programme implementation apart from being eligible and thus able to apply for funded measures of the Territorial	No budget was allocated to the Programme. Local actors have to cover self-contributions of their project

Governance structures	Role of local actors in the process of			
Types of policy / programme	**Strategy design**	**Composition of the partnership involved in the project**	**Project implementation**	**Project financing and control**
		and managing agency: Tolna County Government Office.	and Settlement Development OP.	proposals.
Other initiatives				
Tamási integrated settlement development strategy	Partnership plan was set up in order to increase and manage participation in the strategy design. A number of forums was held in order to channel local stakeholders' opinion.	No partnership was set up and maintained.	Programme implementation is planned to be managed with the involvement of the town council. A workshop is planned to be organised regularly in order to inform entrepreneurs about development opportunities.	Besides covering self-contribution, local actors had no specific role in financing and controlling the Programme itself.

Annex 5: Table IV. Socio-economic characteristic of administrative units of case study area (internal structure)

	Tamási district	**Gyönk microregion**	**Iregszemcse microregion**	**Tamási microregion**	**Simontornya microregion**
Population density per km² (2013)	*38.5*	24.5	33.9	48.9	47.0
Total population (2013)	*39,300*	6,921	7,454	16,899	8,703
Population development (1999-2013) - %	*-11.1*	-16.6	-9.0	-5.2	-12.0
Population development age 18-30, (2005-2013) - %	*-12.6*	-14.9	-7.2	-11.5	-17.3
Old age dependency ration (2013) - %	*26.7*	28.8	22.1	23.9	25.1
Gender Imbalance (2013) - % F/M	*105.8*	106.0	100.2	106.9	109.2
Ethnic composition (2011) (multiple affiliation is possible) - %					
Hungarian	*83.3*	84.9	84.3	83.3	81.3
Roma	*6.1*	6.0	9.2	6.7	2.4
German	*4.4*	10.4	1.3	5.2	1.0
Growth measured as GDP per capita in PPS (2013) - %	-	-	-	-	-
Unemployment rate (2013) - %	*14.2*	15.1	17.4	11.8	15.9
Youth unemployment rate (2013) - %	-	-	-	-	-
Main economic basis: Share of employees per sector (2011) (agriculture, industry, services) if possible in more detail and with time series) - %					
Agriculture 2001	*12.6*	15.0	17.2	11.1	10.2
Agriculture 2011	*10.8*	15.4	13.8	9.0	8.6
Industry, construction 2001	*39.5*	35.9	39.2	39.1	43.2
Industry, construction 2011	*30.4*	26.8	32.1	30.6	31.2
Services 2001	*47.9*	49.2	43.6	49.7	46.6
Services 2011	*58.9*	57.8	54.1	60.4	60.2
Share of tertiary educated people (according to ISCED, 2011) - %	*9.4*	8.0	7.0	13.1	7.5

Annex 6: Table V. Content analysis of coping strategies documents

Title	**LEADER Local Rural Development Strategy (2007-2013)**
Information and status of the document	Period of implementation was 2007-2013 so the implementation have been terminated.
Type of the document (plan/strategy/…)	Strategy
Governance level/levels (local/regional/…)	The implementation was done at local level with a very strong central (national) level coordination and control.
Synthesis/general foundings of the document – in context of peripherality of case study region or its part	The situation analysis of the local rural development strategy accurately identifies the main problems of the study area, such as population change – outward migration of qualified people, inward migration of low educated, low social status population; accessibility problems (lack and low quality roads); scarcity of large, driving enterprises and available external investments; lack of jobs; large-scale monoculture in agriculture with low labour absorption; etc. LEADER - as it was (and still is) implemented in Hungary - has not been appropriate to address structural weaknesses and generating major changes concerning the deep social and economic problems of the IP area. On the one hand, the budget dedicated to finance the LAG strategy was not enough for such changes, on the other hand, significant share of the budget (68%) was allocated from axis 3 of which measures were formulated centrally (national level) and very little room was left for local influence in shaping decisions. The rest of financial resources, that of the 32% of LEADER budget, was spent on small scale projects supporting development of local micro enterprises, financing procurement of equipments of local NGOs, as well as supporting some community spaces, events and some very limited number of education-projects. The, LAG's strategy, however, was not particularly targeting disadvantaged social groups or solving the root problems that cause the disadvantaged position of the area. Instead, it was aiming to address lagging rural features of the district. LEADER in general was and still is almost the only source available to the smallest and the least powerful rural businesses and NGOs, therefore it is vital to the survival of these rural actors. One of the advantages of this policy tool is that LEADER funds can complement larger projects thus creating synergies. This occurred in the Tamási LAG area as well: funding of the biggest investment (thermal bath in Tamási) came from the regional OP and was co-financed by the town, whilst small-scale investments in hostels were covered from LEADER.

Title	**The Tamási District Complex Development Program**
Information and status of the document	Completed
Type of the document (plan/strategy/…)	National level: flagship project Local (micro-regional) level: programme containing project list
Governance level/levels (local/regional/…)	The legal, procedural and financial framework was prepared at national level as well as the support decisions. The programmes and the project packages were designed at local level. Approval was provided at central level at a face-to-face “defense” of the proposed list of projects.
Synthesis/general foundings of the document – in context of peripherality of case study region or its part	The local level programme highlights weaknesses of the local economy and employment, infrastructure (transport, telecommunication, environmental protection) and social situation. However, it does not include conclusions, cause and effect relations Development directions set in the document have a quite wide thematic scope, however they have territorial , namely, the two largest towns: Tamási and Simontornya in order to strengthen their role as job and service providers in their rural hinterland. Target areas of projects aimed at environmental investments are villages having water management problems. Development of micro regional education centres as well as development of healthcare is located to the smaller microregional centres like Hőgyész, Gyönk, Iregszemcse and Tamási. The programme contains Roma integration as a direction of enhancing social inclusion as well. The programme contains 36 project initiatives. The largest share of the budget was allocated to improve education. Another major portion of the budget was planned on economic development and employment programmes. Educational integration at micro-regional level was of utmost importance, therefore it was the second priority after the economic development programmes.

Title	**Social Renewal Operational Programme: Community development for the social inclusion of people living in deep poverty – TÁMOP 5.1.3.**
Information and status of the document	Completed
Type of the document (plan/strategy/…)	National level: priority scheme Local level: programme
Governance level/levels (local/regional/…)	The legal, procedural and financial framework was set at national level. The programme design, implementation and support decision on local projects were governed at local level.
Synthesis/general foundings of the document – in context of peripherality of case study region or its part	According to the programme descriptions, main focus was put on social and community work. The main target group was the most disadvantaged families, however, it also treated the entire rural community. Five social workers were employed by the winning consortium each of them responsible for 1, 2 or 3 villages depending on their population size. The project staff was in charge of measuring local needs and shaping the sub-programs accordingly. They worked closely together, which provided opportunity for common learning. Their work was supported by a local community developer as a sixth member of the team. Part of the actions aimed at setting the basis of community collaboration (team building, motivational group sessions, joint cooking, joint holidays for kids, regular project newsletters, etc.), other part was aiming individuals and families (self-knowledge, life-time group work, key competency development, deviancy prevention, talent management, debt management). The third group of activities provided services increasing quality of life of the target group (summer camp, baby-mom club, legal interest representation).

Annex 7: Table VI. Content analysis of newspaper archives – image / stigmatization

		Number of articles
Size of the article	Short (less than 1 page)	31
	Medium(1-2 pages)	17
	Long (more than 2 pages)	1
Author of the article	Journalist	22
	Publicist/expert	
	Local authority	29
Author's attitude	Positive	21
	Neutral	30
	Negative	
Context	Positive	31
	Neutral	17
	Negative	3

National newspapers:

Népszabadság (daily) - http://nol.hu/

Note: The national daily newspaper was only examined between 1st January, 2012 and 8th October 2016, because then it was eliminated.

Magyar Nemzet (daily) - https://mno.hu/

Népszava (daily) - http://nepszava.hu/

Heti Világgazdaság (HVG) (weekly) - http://hvg.hu/

Figyelő (weekly) - http://archive.figyelo.hu/szolgaltatasok/archivum

Regional newspaper:

Tolnai Népújság (daily in Tolna county) - http://www.tolnainepujsag.hu/

Note: The former daily newspaper in Tolna county was Tolna Megyei Népújság - https://library.hungaricana.hu/hu/collection/helyi_lapok_TolnaMegyeiNepujsag_TolnaMegyeiNepujsag/

It was terminated to May 2016. The screening of regional newspaper archive means examining Tolna Megyei Népújság from 1st January 2012 to 15th May 2016.

This newspaper also contains Vasárnapi Tolnai Népújság published only on Sundays.

From 16th May 2016 to nowadays the examined regional newspaper is called Tolnai Népújság.

Local newspaper:

Tamási Táj (published monthly in Tamási) - http://www.tamasi.hu/hu/kiadvanyaink/tamasi-taj

Annex 8: List of experts

Number	Position	Interview	Scenario building
Expert 1	Planner	X	
Expert 2	Chair of regional administrative board	X	X
Expert 3	Expert in place-based programmes	X	
Expert 4	Mayor of local town	X	
Expert 5	Planner and practitioner in place-based and socially targeted programs		X
Expert 6	Journalist	X	
Expert 7	Local economic stakeholder	X	
Expert 8	Vice dean at a high-school faculty	X	X
Expert 9	Local economic stakeholder	X	
Expert 10	Journalist	X	
Expert 11	Mayor of local town	X	X
Expert 12	LAG manager	X	X
Expert 13	Chair of an NGO	X	X
Expert 14	Deputy Mayor of local town	X	X
Expert 15	Mayor of local town	X	

Annex 9: Outcomes of spatial planning of the 2014-2020 programing period

Items of spatial plans	Economy	Environ-ment	Energy (renewable energy, increased energy efficiency)	Social renewal	Cultural renewal	Quality of life building on local /rural values	Community building (co-operation, NGOs)	Enhancing connected-ness (transport, communication)	Developing community infra-structure	Improving public services
Tolna County Regional Development Concept	X			X		X				
Tolna County Regional Development Programme	X	X							X	X
Integrated Territorial Development Program of Tolna Country (2014-2020 - TOP)	X	X				X	X	X		X
Tamási District Development Strategy		X	X		X			X	X	X (health-care, social care, education)
Integrated Development Strategy for the town Tamási	X	X	X	X	X	X	X		X	X
	1. Complex development of agriculture 2. Complex development of tourism, 3. promoting growth of local employment	Building a Green City	Modernisation based on geothermal energy	Strengthening social cohesion and urban identity	Rehabilitation of degraded urban areas				1.City centre rehabilitation 2.Building and revitalising industrial sites	1. Human infrastructure, 2. Establishing client centred local governance, 3. Improving the quality of education

ESPON 2020 – More information

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