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Inspire Policy Making with Territorial Evidence

CASE STUDIES REPORT //

Territorial impacts of COVID-19 and policy answers in European regions and cities

Veszprém town with county rights (Hungary)

Case Study Report // September 2022

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Coordination:

Michaela Gensheimer, Andreea China, Stefania Rigillo, ESPON EGTC (Luxembourg)

Sebastien Bourdin, Mohamed Hachaichi, EM Normandie Business School (France)

Authors

Hajnalka Lócsei, Zsuzsanna Remete, HÉTFA Research Institute (Hungary)

Advisory group

Luisa Pedrazzini, ESPON Monitoring Committee member (Italy), Terézia Somhegyi, ESPON Monitoring Committee member (Hungary), Francesco Molica, Conference of Peripheral Maritime Regions – CPMR, Igor Caldeira, Committee of the Regions – COR, Nicolas Reynes, European Confederation of Local Intermediate Authorities – CEPLI, Quentin Delhay, CEPLI, Association des Provinces Wallonnes – APW (Belgium), Andreas Listing, CEPLI, Region Hannover (Germany)

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The final version of the report will be published as soon as approved.

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Abbreviations

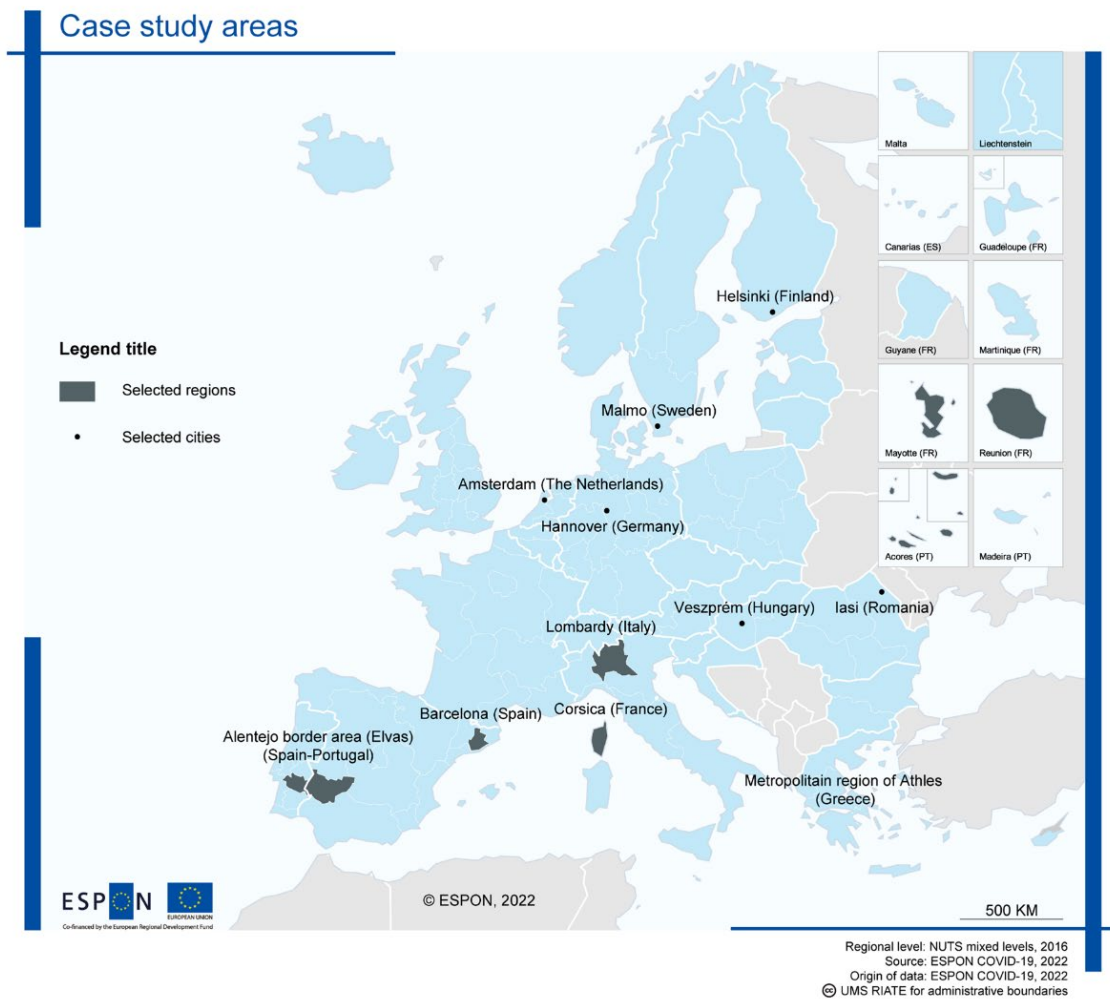
| | |
|---------|---|
| VEB2023 | Veszprém-Balaton 2023 JSc, a non-public body implementing Veszprém Balaton 2023 European Capital of Culture Programme |
| ECoC | European Capital of Culture |

Introduction

This case study report examines the policy response to Covid-19 in Veszprém city. Veszprém was chosen because, as a town with county rights, it has relatively more room for manoeuvre in the Hungarian local government system, and it is particularly interesting that it had to respond to the pandemic as the holder of the title of European Capital of Culture 2023. The report explores which 'proactive' policies have been introduced in response to the pandemic and assesses whether the crisis presented a 'window of opportunity' for regional and local authorities to promote specific spatial planning and territorial targeted policy agendas. The case report is structured around the following core sections:

- 1 **Regional Characteristics:** Outlines the key socio-economic and governance characteristics of the region.
- 2 **Impact of Covid-19:** Highlights the socio-economic impacts of the pandemic on the region.
- 3 **Covid Policy Response:** provides an overview of the regional policy response in relation to three core policy thematic areas - the just transition (social policies), green transition (climate policies) and smart transition (innovation policies).
- 4 **Covid Policy Impacts:** assesses the main socio-economic, governance and financial impacts of the policy measures introduced.
- 5 **Future Policy Directions:** examines the medium and long term direction of policy in the region and analyses whether the policies identified can be upscaled to other EU regions.
- 6 **Policy Recommendations:** provides policymakers and practitioners with policy, governance, territorial and financial recommendations.

Map 1 Case studies



Research Methods

The present case study has been conducted following a two-step approach. In a first step, extensive desk research has been conducted with the aim of 1) documenting the main characteristics of the area, 2) assessing the impact of the pandemic on local society and economy according to various national and local statistical sources, and 3) documenting the policy responses as reflected in policy documents and online media outlets. In a second step, semi-structured online interviews have been conducted with representatives of the most important local institutions, non-governmental organisations and private sector. The purpose of the interviews has been to further document the impact of the pandemic, the policy responses, the impact of the policy responses, as well as the future of local and regional policies.

Table 1 lists the stakeholders that have been interviewed as part of the current research. The list includes the two most relevant public authorities from local (LAU2) level, the most important civil society stakeholder from the area of social care, a representative of the academic sphere mentoring the sustainable and green development in Veszprém. Representing the private sector, Veszprém-Balaton 2023 JSc., a non-public body implementing the Veszprém Balaton 2023 European Capital of Culture (VEB2023 ECoC) Programme, has been interviewed because of its importance in innovative implementations during the pandemic, warranting regionality and joint coordination.

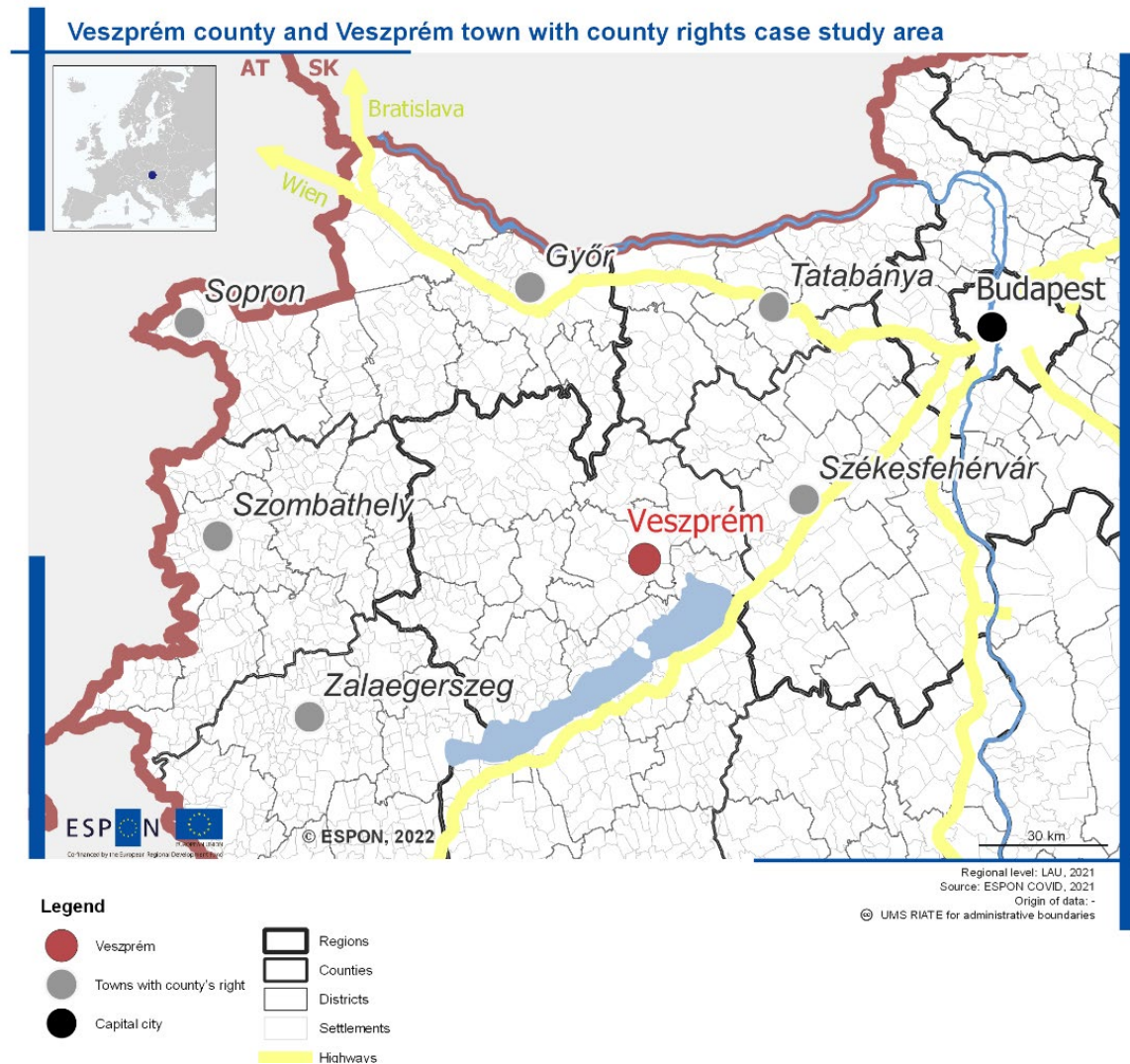
Table 1 List of interviews conducted

| | Sector | Stakeholder | Date |
|---|-----------------------|---|----------|
| 1 | Public Administration | Veszprém City Hall (Mayor) | Nov 2021 |
| 2 | Public Administration | Public Welfare Office, Veszprém (Office Manager) | Dec 2021 |
| 3 | Private Sector | Veszprém-Balaton 2023 JSc. (Director for Programme Development) | Nov 2021 |
| 4 | Civil Society | Charity Service of the Order of Malta (coordinator in Veszprém) | Jan 2022 |
| 5 | Higher Education, R&D | University of Pannonia, (Head of Bio, Environmental and Chemical Engineering Research and Development Centre) | Feb 2022 |

1 Characteristics of the case study area

This case study is outlining Veszprém, which is a town with county rights in Hungary with almost 60 thousand inhabitants. Veszprém is a mid-sized centre in the Hungarian city network, not only providing services for itself and the surrounding municipalities (district of Veszprém) but it is the centre and seat of a county (Veszprém County, NUTS3).

Map 2 Location of Veszprém town with county rights in Hungarian regional system, 2020



Veszprém is located at the economically more advanced north-western part of Hungary. Though it is not on the top of the list of municipalities attracting manufacturing FDI, in the generally positive economic climate of the last decade its economy was more dynamic than the average. Its capacities and functions as a mid-sized centre have increased, its economy and industries have reinvigorated, the cultural sector and tourism intensified based on its historical past and its potential, R&D activities of business enterprises broadened. The local university plays an active role in the latter, as well as in the socio-economic life of the city. Having the 'European Capital of Culture' title granted, and the expansion of the highway network can widen the horizon for further development. Today Veszprém is one of the most liveable cities, offering highest quality of life. Brain drain, migration of youngsters and labour shortages present the main barriers for growth. The most significant societal problems also arise from these: the local population decreases and ageing. The

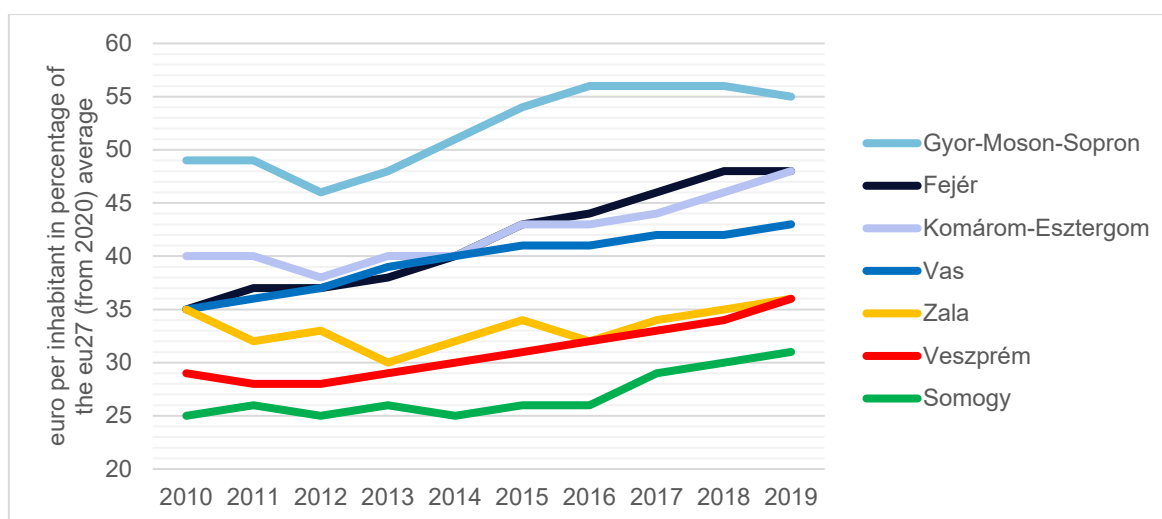
suburbanisation trends emerged even before the Covid-19 pandemic, raised housing prices significantly and lead to significant tensions. Poverty and social exclusion are not significant and their trends were improving before the pandemic.

Hungary has a centralised governance system, and there are no sophisticated multi-level territorial governance structures and incentives for municipal cooperation are relatively weak. Within the Hungarian local self-government system, cities with county rights, including Veszprém, have more room for manoeuvre than other municipalities and county self-governments. Incentives for municipal cooperation are relatively weak. The most important coordination among local settlements/municipalities/actors is connected to Veszprém-Balaton 2023, European Capital of Culture (VEB2023 ECoC) Programme.

2.1 Economic characteristics

The economic development trends of Veszprém shall be described together with its surrounding area. The value of GDP per capita in Veszprém county increased continuously in the 2010s, amounting to EUR 11400 in 2019. Despite above average growth rate this is well below the EU average (only 36% of that) and qualifies only as mid-range even in domestic terms, ranking merely as 8.-11. in the last 5 years among the 20 NUTS 3-level counties of Hungary. Though Veszprém lies in the more advanced north-western region of the country, some of its neighbouring territories were much more successful in attracting FDI and increasing capacities for manufacturing activities, which were the 'engine' of economic growth in Hungary. This is also represented in the level of GDP per capita. The main factor behind is the relative unfavourable transport accessibility of Veszprém, as due to the lack of motorways in the area, the county is not closely connected to the trans-European transport network.

Figure 1 Development path of Veszprém and neighbouring counties according to GDP, 2010-2019



*Marked with blueish: FDI-manufacturing type; red and orange: reindustrialised type; green: rural type¹

Source of data: Eurostat, [nama_10r_3gdp], last update: 14. 07. 2021

At the same time, the growth rate of GDP was relatively high in the last decade and not lagging at all compared to the FDI-manufacturing type neighbouring counties, it is even more dynamic than in case of Zala

¹ Lengyel, Imre - Varga, Attila, 2018. "A magyar gazdasági növekedés térbeli korlátai - helyzetkép és alapvető dilemmák [The spatial limits of economic growth in Hungary: An overview and some dilemmas]," *Közgazdasági Szemle (Economic Review - monthly of the Hungarian Academy of Sciences)*, *Közgazdasági Szemle Alapítvány (Economic Review Foundation)*, vol. 0(5), pages 499-524.

county (that has a similar profile of reindustrialisation and Lake Balaton-based tourism sector). Both the investment performance of economic actors and the number of employees has increased continuously in the county.

Regarding the economy of Veszprém city itself and its smaller catchment area (the district): though it does not belong among the most evolved, high VA-producing regional manufacturing centres or urban agglomerations in Hungary, it develops constantly and keeps its relative position². Considering its economic power estimated (based upon tax revenues, household income and number of enterprises³) the district of Veszprém is the 23rd largest among the 174 Hungarian districts (excluding Budapest's 23 districts), and the 31st according to its level of economic performance (estimated economic power per capita). The city is also an outstanding centre of employment, the 13th largest in Hungary (in 2011 it had 27 thousand working inhabitants for 37 thousand employment positions, almost 40% of that was covered by commuters). The economy of Veszprém is largely based on services, but the city leadership aims to strengthen a sustainable industrial-economic structure and to enhance the number of enterprises operating with innovative production technologies. The economic role and character of the city is strongly defined by its status of being a county capital, furthermore by the successful reinvigoration of the industry and higher share of the manufacturing industry within that, finally, by the increasing importance of cultural economy and tourism.

- As a county capital, Veszprém is responsible for several functions and services in governance and administration, which itself offers a favourable economic position. The public institutions (hospital, university, public utility service, public water supplier) are major employers as well.
- The industrial character of the city was already outdated at the time of the economic-political transition of the 1990s. In the last three decades, the city leadership made considerable efforts to reform that character. Currently the two companies with the largest revenues in the city and in the county are Continental Automotive Hungary Kft and Valeo Auto-Electric Kft. Both operate in the manufacturing industry. The Continental increased its revenues from 2010 to 2019 from net 66 Bn HUF to 329 Bn HUF, after significant developments. Valeo's revenues have increased from 41 Bn HUF to 171 Bn HUF in the same period. They are also key employers, currently there are more than 4000 employees at Continental's and more than 2000 working at Valeo's Veszprém factories. Further important manufacturing capacities are at Jost Hungária, employing 340 people, producing basic metals and fabricated metal products. In fact, dominance of automotive suppliers makes the local labour market vulnerable to global changes in the sector.
- The role of tourism and cultural economy is substantial for Veszprém, being located close to the Lake Balaton. The attractiveness of Veszprém is based on Balaton being nearby and the Zoo in Veszprém. The tourism is seasonal and two thirds of visitors to Veszprém come on one-day trips only. Though the number of food service providers and the number of guests presented a slow decline in the last couple of years, this happened due to the internal re-structuring of the sector itself. The number of nights spent at business accommodations and the number of foreign guests has continuously grown in the last 10 years. Increasing the importance of historical heritage and cultural economy is a cornerstone of the city's development policy. Science, culture and art have always been at the heart of Veszprém, in the last decade, several high-quality festivals and events were organised. Based on this, the city applied for the title 'European Capital of Culture' which has been granted for the year 2023.
- There are notable R&D activities and capacities in the city of Veszprém. Although after the political-economic transition the heavy industries of the county were closed and a large share of the related scientific-research infrastructure also collapsed, there was a successful consolidation. Today the largest university in the region is the Pannon University, based in Veszprém, and there are several connected research institutions of national importance operating in the city. R&D expenditure is the highest in Veszprém within the whole Central Transdanubian Region (NUTS 2), and it is constantly

²) Szilágyi Dániel - Gerse József (2015): Fokról-fokra a települési lépcsőn – Társadalmi-gazdasági különbségek a településhierarchia-szintek között Magyarországon középvárosok versenye. *Területi Statisztika*, 18. (55.) évf. 2. sz., 180-198. o., Tóth Balázs István: A magyar középvárosok demográfiai és gazdasági sajátosságai (2009–2018)

³ Estimated Economic Power of the district is calculated on the base of personal income, number of registered enterprises, and amount of local government's income from the local taxes. See: Lócsei, H. (2008) Lake Balaton: Development of a Unique Region in Transition. *Romanian Review of Regional Studies*, 4: 2 pp. 21-30.

growing relative to GDP. At the same time, it has been proven that economic growth performance of the knowledge-based counties and cities, hosting the large regional universities still lags behind that of the areas with major manufacturing industries and high FDI attraction. (Lengyel – Varga 2019).

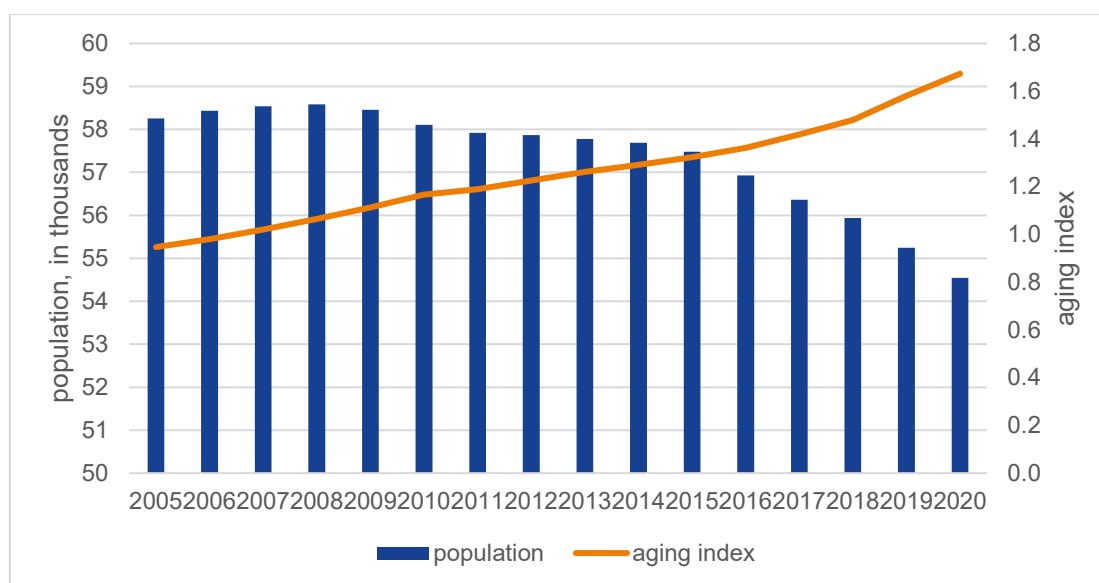
The key goals of city leadership were therefore, before the pandemic, to transform the economic structure in a sustainable way, to invite more enterprises with innovative production technologies, strengthening the cultural economy and enhancing relations with Lake Balaton. These overarching economic development goals were hindered by labour shortages and migration of youth.

2.2 Social characteristics

One of the most important societal problems of Veszprém is the decrease of population, within that especially the brain drain, the migration of youngsters and ageing society.

The city with a population of nearly 60 thousand is continuously shrinking, the population decline was -4.3 thousandths in 2020. Though suburbanisation was intensifying around Veszprém before the pandemic, this affects a relatively small number of settlements and population is not increasing in Veszprém district neither. Apart from the suburban municipalities, in the whole of Veszprém county only the settlements on the shore of Lake Balaton, with outstanding touristic profile and functions, show increasing population. The balance of migration is also negative for the city and its surrounding area (-5.6 thousandths), meaning there are somewhat more inhabitants leaving the district than moving in. In the city of Veszprém, more than a quarter of the population is above the age of 60, the value of the aging index is 152, above the national level. In addition, the trend is expected to continue since the number of children enrolled in preschool care has also systematically declined in the last 10 years. The local society is therefore an ageing society.

Figure 2 Population decrease and aging society in Veszprém city with county rights, 2005-2020



S

Source of data: Hungarian Statistical Office, Dissemination database, TA2020_W

In line with the national trends, between the last two population census (2001 and 2011) the level of skills and qualifications have improved in Veszprém. The share of people with lower levels of education has dropped, while the share of people with mid- or higher levels of education is rising. The city of Veszprém, as a county capital, also has a considerable, central role in education in the county. The number of pupils in full-time primary schools was over 5000 in 2019, 20% of the students arrive to Veszprém from another

municipality. One of the most significant university centres of the region is located in the city, the number of full-time undergraduate and graduate students was 2592 in 2020.

The level of employment is high and labour shortage is typical in Veszprém county. Unemployment rate is rather low, 2.8% in 2020, still higher than in the previous years (2019: 1.2%; 2018: 2%), but much lower than the national rate (2020: 4.1%). The number of registered jobseekers in Veszprém city was permanently around 650 before the pandemic, which is also low compared to the population. Within the 891 registered persons in 2020, 37% were registered over 180 days, and 38% of those had vocational/technical/high school level and 26% had skilled worker qualifications. The number of registered early career job seekers was fluctuating but not significant.

The general economic trends and climate resulted in improving income levels for households. Today Veszprém is one of the most liveable cities, offering highest quality of life. Housing stock continuously grows, though parallel to that housing prices are also higher and higher. Prior to the pandemic, a considerable suburbanisation trend emerged, leading to significant tensions. Typically, young couples move to neighbouring smaller settlements, creating a ring around the city, from where all the inhabitants commute to Veszprém for all types of services. They are unable to find appropriate living conditions in the city, mostly because of the rising housing prices and rigid housing mobility. The situation leads to increasing parking tensions in the city.

Poverty and social exclusion are limited, affecting only a small number of inhabitants. The number of people in the social assistance system keeps on decreasing since 2010 in Veszprém. There is a homeless shelter and a temporary home operated by the Hungarian Charity Service of the Order of Malta, since the local self-government has transferred this task to this non-profit charity with significant expertise and support from the central government. According to their information, the number of people in their care stagnates around 220-250 people since 2010.

2.3 Governance characteristics

Veszprém is a municipality, one of the 24 towns with county rights in Hungary, which means relatively high competence in self-governance, and more opportunities to raise funds (ERFA Article 9, Modern Cities Program of Hungary).

However, it is important to put emphasis on the fact that the whole governance system in Hungary is basically centralised: there are low levels of policy responsibility and tasks at sub-national level. This is illustrated by the fact that expenditure-to-GDP of local governments are below the EU average, composing 6.5% of the total 51.6% general government expenditure, which is not only low compared to Scandinavian countries (20-30%) with a decentralised governance system, but to European average (11%) and to neighbouring countries (9-14%) as well.⁴

In Hungary, local governments can basically be divided into two broad groups: county self-governments and municipal self-governments. There is no subordination between the county (NUTS 3 level) and the municipal governments (at LAU level). Municipal self-governments (like Veszprém town with county rights) are led by the directly elected mayor, whose task and responsibility is to manage and steer the given municipality, together with the municipal council. Municipalities may perform compulsory and voluntary tasks, for which it receives task-based funding. County self-governments have more limited range of tasks compared to local municipalities: they are responsible for spatial development, rural development, spatial planning and coordination. The county self-governments adopt the county-wide spatial development plan, prepare a spatial development concept and a spatial development programme.

The outward horizontal and vertical links of Veszprém city:

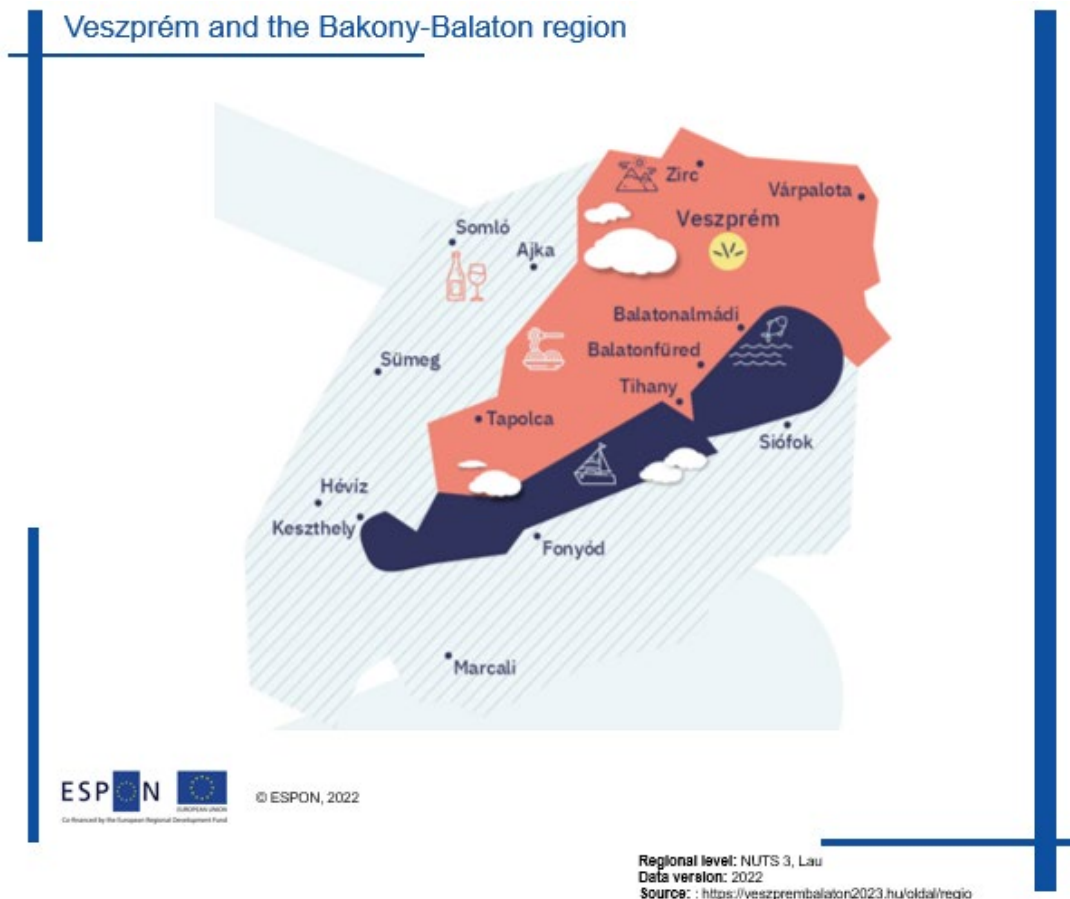
- Municipalities have several interest organisations, the largest one is TÖOSZ (National Federation of Municipal Governments). Veszprém is also a member of the Association of Towns with County

⁴ Eurostat: Government revenue, expenditure and main aggregates, 2020.

Rights. Among the cooperating partners is the Balaton Development Council, which brings together persons and organisations interested in the operation and development of the region. The Professional College for Regional Development, established by the Veszprém County Municipality, is a forum in which the county's sectoral actors can participate. *However, interest organisations do not have a role in coordinating the work of the local government, but rather they lobby the central government.*

- In Hungary, formalised (institutionalised) horizontal cooperation is often superficial. *Informal vertical governance systems work well:* local actors negotiate with the constituency's member of parliament, who acts as a link between central government decision-makers and local government. Constituencies are not aligned with administrative boundaries. Municipalities do not usually coordinate here either, but the constituency chairpersons may ensure coordination between municipalities.
- The coordination of local municipalities, autonomous authorities and /stakeholders in a nationally exemplary way is linked to the Veszprém-Balaton 2023 European Capital of Culture (VEB2023 ECoC) programme. The City of Veszprém is linked to other municipalities in the Bakony-Balaton region, in the framework of it. A key element of the project is the strengthening of regional cooperation, which in this case means intention on municipal (and not only local government) coordination and grassroots cooperation.

Map 3 Veszprém and the Bakony-Balaton region



Source of map: <https://veszprembalaton2023.hu/oldal/regio>

All things considered, there are no sophisticated multi-level territorial governance structures and incentives for municipal cooperation are relatively weak.

2 Impacts of Covid-19 on the region

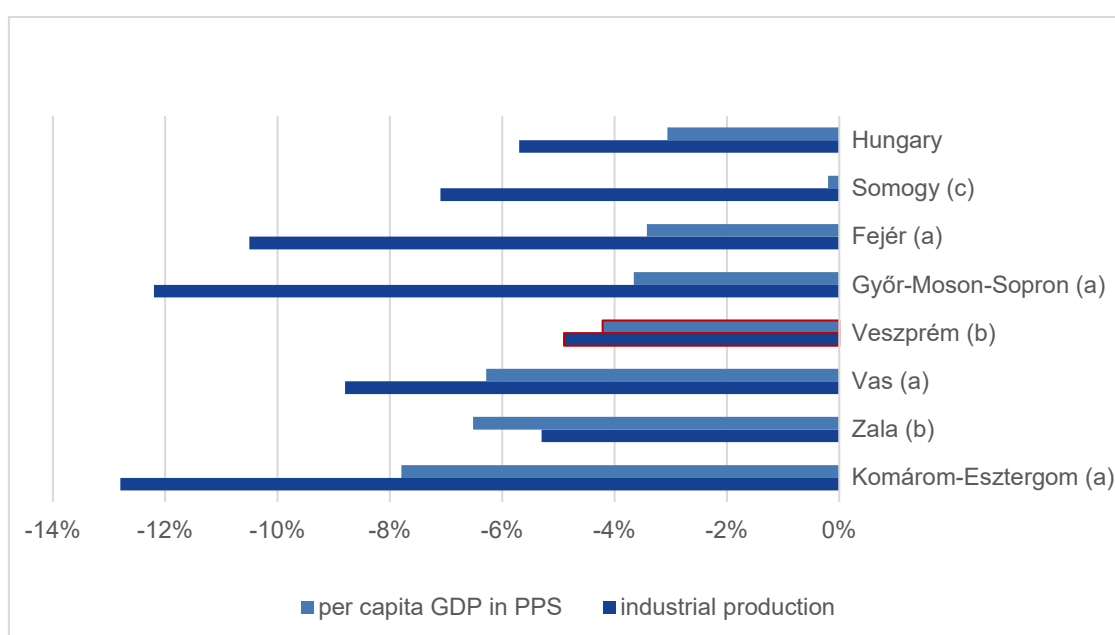
The Covid-19 pandemic caused a slowdown in economy of the city and county of Veszprém, but recession was not deep, and recovery was relatively fast, nevertheless the tourism and cultural economy sectors need to be renewed. One of the main challenges for the economy in Veszprém was labour shortage before the pandemic, which was even reduced, but as the economic situation has stabilised, the problem has resurfaced.

Social consequences of Covid-19 took many forms, but with varying degrees of intensity. Surge in morbidity and mortality and increased pressure on the health care system was not outstanding either domestically or internationally; in terms of labour market, the situation improved immediately with the lifting of the pandemic restrictions, so poverty levels did not increase significantly. But mental health deteriorated, which could be a longer-term effect. Also, a lasting and adverse effect is the outmigration in response to existing suburbanisation tensions. In the case of municipal institutions, teleworking was not permanent, but many private companies and firms retained the option of working from home.

2.1 Economic impacts

The Covid-19 pandemic caused an economic recession in the city and county of Veszprém. The GDP per capita in 2020 fell more than the Hungarian average, but not significantly compared to the more developed counties in the region.

Figure 3 Growth rate of per capita GDP in pps and industrial production in Veszprém and neighbouring counties, 2020 (percentage change on previous year)



*Economic types of counties: FDI-manufacturing (a), reindustrial (b), rural (c)

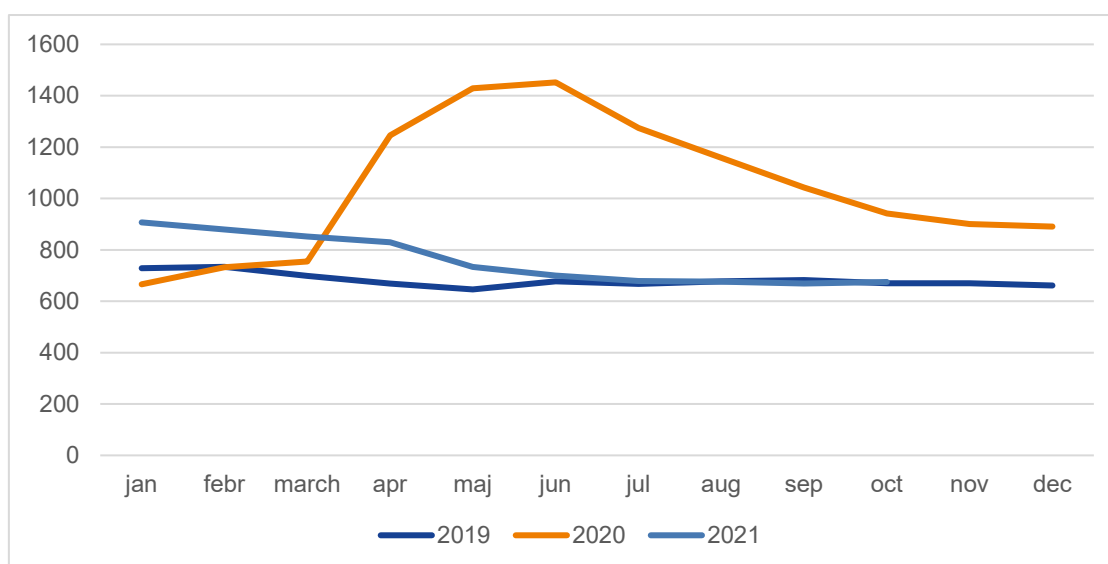
Source of data: Hungarian Statistical Office, Dissemination database, GPK002. Last update: 11. 01. 2022

The well-capitalised companies with a multinational background suffered little, with the value of industrial production contracting less than in other branches. Construction, Business services⁵ and Other services⁶ were hit the hardest by the recession. In Veszprém, the Accommodation and food service activities is more important, so the impact of the downturn in this sector was also felt. It should be noted, however, that experience shows that the tourism sector in Veszprém also "bounced back" in the summer after the lifting of the pandemic restrictions that came into force in spring 2020.

The recession is also reflected in the slowdown of the pre-pandemic dynamic growth concerning the number of enterprises in the second half of 2020. The fall in employment and rise in unemployment in the county proved to be temporary, affecting only the second quarter of 2020.

Few indicators can capture the differences within the county and the evolution of the economic performance of Veszprém during the pandemic, as most of the data at the municipal level are published with a 2-year delay. One of the exceptions is the number of jobseekers. The municipal data show that the recession was short-lived, affecting only the 2-3 quarters of 2020, and the number and proportion of registered jobseekers, similarly to the whole county, returned to their original levels, which were exceptionally low compared to the Hungarian average, by the end of 2020. One of the main challenges for the economy in Veszprém was labour shortage before the pandemic, which was even somewhat reduced. However, as the economic situation has stabilised, the problem has resurfaced.

Figure 4 Number of jobseekers in Veszprém town with county rights, 2019 Jan - 2021 Oct



Source of data: (TeIR) PM-MNELK table

The economic impact of Covid-19 can also be captured at the local area level (LAU) through the evolution of municipal tax revenues (local business tax, tourist tax, vehicle tax). The overall decrease in tax revenues of Veszprém was not significant. The most important business tax revenue, which is levied based on the previous year's revenue of enterprises, even increased. Although the tourist tax fell by 65-75% in 2020 compared to the previous year, this does not necessarily mean a decline in the performance of the tourism sector, as the central government has decreed the tax rate between 20 April 2020 and 30 June 2021.

At the same time, the total tax revenue available to the municipality has been significantly reduced, as the central government has withdrawn half of the business tax and the whole vehicle tax in 2021, because of

⁵ Professional, scientific and technical activities; administrative and support service activities;

⁶ Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies

the situation. This, together with inflation and exchange rate changes and the emergence of Covid-related expenditures have necessitated a restructuring of the municipal budget.

Table 2 Local taxes in Veszprém town with county rights, Thousand HUF, 2019, 2020, 2021 Jan-Oct

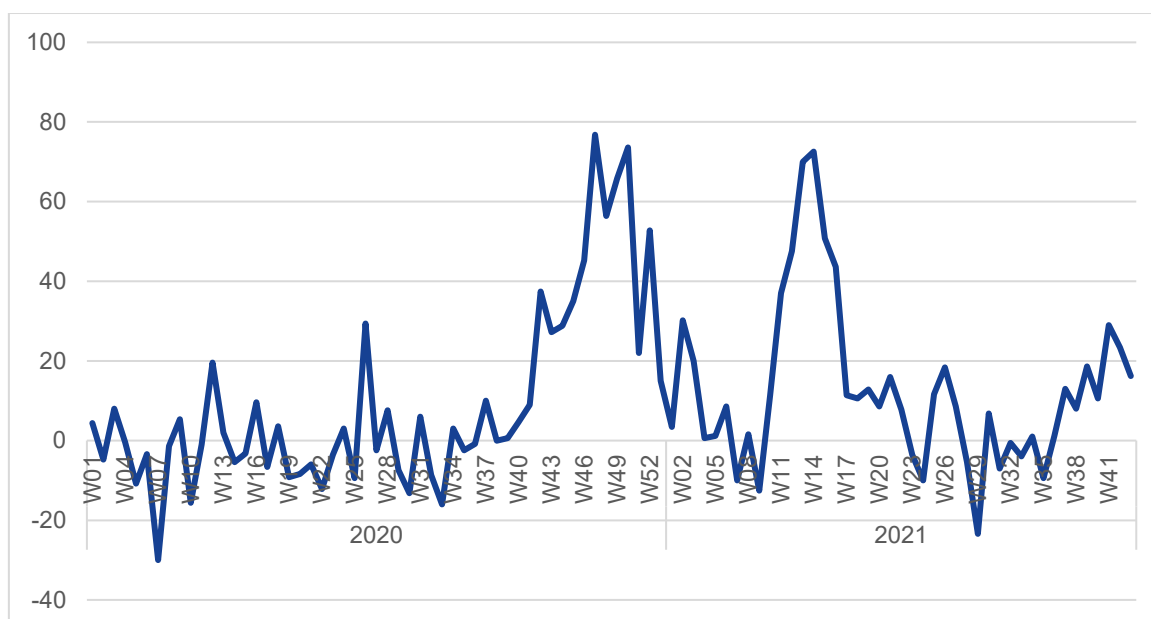
| | 2019 | 2020 | 2021* | 2020/2019 | 2021*/2019 |
|---------------------------|-------|-------|-------|-----------|------------|
| local business tax | 6 348 | 7 176 | 6 522 | 113% | 103% |
| property tax | 1 632 | 1 559 | 1 558 | 96% | 95% |
| tourist tax | 45 | 12 | 14 | 27% | 32% |

* Received until 30. 09. 2021

2.2 Social impacts

During the Covid-19, between 04.03.2020 and 14.02.2021, 2717 people were infected and 81 people died of complications of the Covid-19 virus in the city of Veszprém. According to the available county-level excess mortality data, the autumn of 2020 and the spring of 2021 saw the direct social impact of the pandemic: a surge in morbidity and mortality and increased pressure on the health care system. The county was not a high burden area, with an excess mortality rate per 1,000 inhabitants (2.86) similar to the national average (2.81).

Figure 5 Excess mortality* in Veszprém county, 2020 Jan - 2021 Oct (weekly data)



* Calculated by measuring the number of deaths from all causes in a given period with the average number of deaths in the same period in the last 5 years (2015-2019).

Source: HÉTFA calculation based on Number of deaths by week, sex, 5-year age group and NUTS 3 region [demo_r_mweek3].

Among the indirect social impacts, the decline in employment and the rise in unemployment and the number of people receiving job-seeker's allowance also increased significantly over this period (see **Error! Reference source not found.**). Unusually, the number of jobseekers in Veszprém did not peak in the spring months, but in June 2020 (1 452 persons). The situation improved immediately with the lifting of the

pandemic restrictions and the start of the tourist season, and in October 2021, the figures were already lower than before the pandemic.

In response to the restrictions and protection measures introduced in the wake of the pandemic, many companies and institutions have introduced home working and multi-local working. In the case of municipal institutions, teleworking was not permanent, but many private companies and firms retained the option of working from home. Entrepreneurial experience showed that some firms have taken off their agendas site expansion because of the persistence of teleworking.

Partly due to the relatively rapid improvement in the labour market situation, poverty levels did not deteriorate significantly in the aftermath of the pandemic. The essentially low number of people on social assistance barely increased during the pandemic. However, the experience of the local care system in Veszprém also showed that mental health deteriorated, with an increase in domestic violence, child abuse and neglect during the lockdowns.

The pandemic restrictions have further increased the demand for a quiet, peaceful and green living environment. The price per square metre of residential property, which is also high compared to other Hungarian cities, has been on a steady upward trend since the beginning of 2021 and has increased more than one and a half times compared to 2019. This has led to a further increase in population outmigration in response to existing suburbanisation tensions.

3 Policy Response to Covid-19

3.1 Policy Context

The pandemic did not alter much existing major policies and strategies in Veszprém; key goal (liveable city) and objectives⁷ seem to be stable according to policy documents under construction and interviews conducted with key local actors and stakeholders. This applies not only to the general development concepts, but also to sectoral planning.

The emergency presented a window of opportunity to achieve (faster) some objectives, or for searching for new innovative solutions:

- Before the pandemic, the city of Veszprém set the strategic goal of strengthening the cultural economy. The emergence reduced the presence of cultural programmes in the lives of citizens, Veszprém reduced the budget of its cultural programmes by 30% and many programmes could not be implemented. But there is a window of opportunity to find innovative ways to provide cultural supply.
- Before pandemic “*quality tourism*” was preferred as opposed to mass tourism and overtourism), which is in line with changing demands after Covid-19. Searching for new ways and solutions to achieve this goal got an emphasis as well.
- The local administration in Veszprém has long been “environmentally conscious” putting emphasis on *green policy*. Significant capacities had been built up to facilitate green policies before pandemic: faculty of environmental engineering at the local university, local NGOs, Public Utility Service of Veszprém (VKSZ JSc) had been working in cooperation with each other, and the deputy mayor, (having degree in landscape architecture) is engaged very much in green policies. The third climate strategy was prepared and adopted during the pandemic (2021). Long-term objectives were not affected by the pandemic, but related challenges have been considered (e.g., heightened demand for green spaces). The financial scope for green development has increased, but this is mainly due to the VEB2023 ECoC programme.

New elements have also emerged in policies, but these are temporary, or their implementation is not yet tangible:

- Before the pandemic, one of the main challenges for the city's economy was the lack of sufficient labour force, but as a consequence of the pandemic, combatting and preventing unemployment gained significance. New measures had to be formulated to ensure that jobs are kept for the local population, but as the pandemic passes, the status quo of missing workforce seems to re-establish itself.
- Openness and initiatives in promoting *smart city solutions* are emerging, e.g., Veszprém city plans to be a prominent centre of digitalisation in Hungary (“Veszprém is a showcase city of digitalisation opportunities”). It should be noted that smart policies were not relevant at local level in Hungary, local authorities found it difficult to do much, except in a few larger towns, perhaps because of relatively limited financial resources. Before and during pandemic, central government digitalisation policies were more significant in Hungary, but they are not a clear success story either, partly due to digital literacy constraints.

⁷ young and highly qualified professionals on the ground; knowledge-based, innovative economic development; harmonious, high-quality, liveable and youthful urban environment; environmental sustainability, environmental awareness and sustainable mobility; enhancing innovative production technologies, strengthening the cultural economy, enhancing relations with Lake Balaton

According to interviewees, not only the pandemic but the Veszprém–Balaton 2023 European Capital of Culture (VEB2023 ECoC) programme present a window of opportunity for policymakers and practitioners to implement and advance existing and new policy goals and strategies. Applying for and winning the title of European Capital of Culture in 2018 indicates the continuous and significant development policy thinking in the city. Nevertheless, additional financial and intellectual resources had been mobilised due to ECoC programme in development policy since then. The ECoC programme planning and organisation were launched at the same time as the pandemic started, so it was able to adapt continuously to the pandemic measures in place. Because of this simultaneity, it is difficult to separate the measures responding to the effects of the pandemic and the measures related to the VEB2023 ECoC programme in policy design and implementation.

Although the local governance of Veszprém did not design a specific recovery or resilience plan, there was a need for a continuous and quick adaptation to changing conditions.

3.2 Proactive Policy Overview

Just transition policies

The main motivation for the measures was to meet the needs of *the whole population* and to support *all social groups* during the challenges. Most of measures aimed at *preventing* job loss and income loss through business support, but these novel measures were only temporary since unemployment has been reduced. Further measures such as providing reliable information source on Covid-19 issues and organising for volunteers to support the elderly were phased out as well, because there was no demand from the public.

Local authorities did not initiate specific measures to address poverty and social exclusion, as the level of poverty had not increased significantly as far as data is available. It was considered that the local social care system was able to cope with the acute social challenges arising from the pandemic. Important to highlight, that health care and educational institutions are subjects to the central government, with not much scope for local intervention. The engagement of citizens in mitigating social needs during the emergency was remarkable strengthening social cohesion. The specific measure targeting families with young children was also successful.

Table 3 Just transition policies

| Focus area(s) | Policy description | Target group(s)/ Beneficiaries | Responsible level of governance / Financing | Stakeholders involved in policy implementation | Timing of policy | Duration |
|-------------------------|--|--------------------------------|---|--|------------------|------------|
| Business support | Public space reservation fees for food service establishments are waived until the end of 2021. This measure was designed to help safeguard jobs and reducing the fall in incomes in the food service sector. | Businesses | Municipal level | Local government | Pandemic | Short term |
| Business support | No rent was charged for premises rented from the municipality or from Public Utility Service of Veszprém (VKSZ JSc) at the time of the lockdown. This measure was designed to ensure the survival of small businesses and to help safeguard jobs and reducing the fall in incomes. | Businesses | Municipal level | Local government | Pandemic | Short term |
| Business support | The city's foundation provided a grant, to help businesses retain workers and maintain local small business capacities. In particular it was available for catering businesses and those who have had to suspend services due to restrictive measures. Businesses could apply for an on-off grant up to HUF 300,000 (apx. EUR 830), the total budget of the initiative | Businesses | Municipal level | Local government | Pandemic | Short term |

| | | | | | | |
|--|---|--|-----------------|---|----------|-------------------|
| | <p>was HUF 30 million (apx. EUR 83, 300):</p> <ul style="list-style-type: none"> - to maintain existing staff - to contribute to operating costs - investment in or renovation of equipment - to contribute to start-up costs. | | | | | |
| Business support | The municipality's foundation has made HUF 30 million available to entrepreneurs as a soft loan. | Businesses | Municipal level | Local government | Pandemic | Short term |
| Social support Business support | <p>Local government coordinated and encouraged public cultural and sport institutions to organise as many programs and activities as possible, to provide daily care and entertainment for children throughout the whole summer. A tender has also been launched for NGOs to organise camps for children.</p> <p>(Since many employees had to take compulsory holiday during lockdowns in the spring, many working parents would not have been able to manage and afford daily childcare for the entire summer closure of kindergartens and schools, which usually last 2-2,5 months in Hungary.)</p> | <p>Children and youth</p> <p>Employees and self-employed people (with small children)</p> <p>Public stakeholders</p> | Municipal level | Local government, Public institutions, NGOs | Pandemic | Medium/ Long term |
| Income support | During the pandemic, a temporary emergency allowance was introduced, for a maximum of 3 months, as a supplement to unemployment benefits, capped at HUF 30,000 (apx. EUR 833) per month. | Unemployed people | Municipal level | Local government | Pandemic | Short term |
| Social support | Encouraging voluntary networks to help people in need and reallocation of the network of volunteers under construction in connection with the VEB2023 ECoC* programme to support relief efforts related to the pandemic. | Public stakeholders | Municipal level | Local government, VEB2023 JSc** (business), Lélektér Foundation (NGO) | Pandemic | Short term |
| Social support | The local government, with the help of volunteers, supported the elderly or quarantined residents during the pandemic. | <p>Elderly people</p> <p>General population</p> | Municipal level | Local government, VEB2023 JSc** (Business), Lélektér Foundation (NGO) | Pandemic | Short term |
| Protective equipment, | A donation account was set up to which anyone could transfer money. The funds raised were used for purchasing equipment for protection and prevention, masks, protective equipment and cell phones for the combined social services. | Key workers | Municipal level | Local government | Pandemic | Medium/ Long term |

| citizen engagement | | | | | | |
|--|---|--------------------|-----------------|---|----------|------------|
| Communication and knowledge sharing | The city operated a direct non-stop telephone line to ensure a reliable source of information. This ensured that everyone had access to credible information and that residents were properly informed and assisted in managing the outbreak. | General population | Municipal level | Local government | Pandemic | Short term |
| Cultural offers | The theatre and puppet theatre artists entertained the locals with outdoor performances in neighbourhoods, parks, and public spaces, since theatres were closed. | General population | Municipal level | Petőfi Theatre of Veszprém (public institution) | Pandemic | Short term |

*Veszprém-Balaton 2023 JSc is a non-public body implementing Veszprém Balaton 2023 European Capital of Culture Programme. Its main shareholder is Veszprém Town with County Rights, and it is also owned by other municipalities, non-profit organisations and other institutions.

Green transition policies

Even before the outbreak of the pandemic, the local government placed great emphasis on the development and implementation of green policies. Societal group actions and initiatives were important: three NGOs are working closely with the municipality (represented mainly by Public Utility Service of Veszprém) on this issue, but not just during the Covid-19 crisis. Csalán Environment and Nature Protection Association give inputs/promotes initiatives about urban vegetation, the Babako association focuses on environmental awareness-raising, and the National Environmental Organisation of Technicians focuses on parking, selective waste collection, environmental firing techniques. In addition, due to the VEB2023 ECoC programme, new opportunities (tendering opportunities and additional government funding) have opened up, and VEB2023 JSc give specific knowledge support to help entrepreneurs apply truly green solutions and set up local companies that contribute to the green transition (e.g., encouraging food composting businesses).

Table 4 Green transition policies

| Focus area(s) | Policy description | Target group(s)/ Beneficiaries | Responsible level of governance / Financing | Stakeholders involved in policy implementation | Timing of policy | Duration |
|-------------------------|---|--------------------------------|---|--|------------------|-------------------|
| Business support | In the VEB2023 ECoC Programme, specific financial and knowledge support is used to help entrepreneurs apply truly green solutions (e.g., further training) and set up local companies that contribute to the green transition (e.g., encouraging food composting business). | Businesses | Regional level* | VEB2023 JSc. | Pre-pandemic | Medium/ Long term |

| | | | | | | |
|---|---|--------------------|-----------------|---|--------------|----------------------|
| Travel and mobility | An electric scooter service has been set up in the city as an alternative form of transport, primarily targeting young people. | General population | Municipal level | Lime (business), Local government | Pandemic | Medium/ Long term |
| Travel and mobility Investment in infrastructure | The municipality is trying to make public transport more attractive again with a new, modern bus fleet and the purchase of electric buses, as car use has increased during the pandemic. | General population | Municipal level | Local government | Pandemic | Medium/ Long term |
| Green spaces | Recognizing the demand from residents, the municipality is increasing the green spaces in the city centre, creating parks and green lanes. The green spaces of the University Campus were opened and made walkable for public, providing even more green space for residents. | General population | Municipal level | Local government | Pre-pandemic | Medium/ Long term |
| Green spaces | Recognizing the growing need for a diverse natural environment in the city centre, an initiative promotes to plant fruit-bearing trees in wooded parks to attract birds to wooded areas. | General population | Municipal level | Csalán Environment and Nature Protection Association (NGO), Local Government | Pandemic | Medium/ Long term |
| Green spaces Climate mitigation and adaptation | Large scale housing estates (built in socialist era) can apply for raised beds for community gardening. | General population | Municipal level | Csalán Environment and Nature Protection Association (NGO), Local Government | Pandemic | Medium/ Long term |
| Green spaces | Creating parks and green spaces in walking distance, or increasing access to parks without using public transport, concentrating on areas of the city that are under-resourced and where residents are living further than a walk away from a park. | General population | Municipal level | Local government | Pre-pandemic | Medium/ Long term |
| Green spaces Climate mitigation and adaptation | Replace the surface of running tracks with a special innovative type of turf surface that drains rainwater, so it remains eco-friendly and durable. | General population | Municipal level | Local government | Pre-pandemic | Medium/ Long term |

| | | | | | | |
|---------------------|---|--------------------|-----------------|------------------|--------------|------------------|
| Green spaces | Converting the car park between the university and the theatre into a park. | General population | Municipal level | Local government | Pre-pandemic | Medium/Long term |
|---------------------|---|--------------------|-----------------|------------------|--------------|------------------|

* In this case regional level refers to Veszprém-Balaton-Bakony development region, which is not fit to NUTS-borders. As regards financing, Veszprém-Balaton 2023 JSc. is financed by national and local governmental spheres as well.

Smart transition policies

Veszprém is currently not a prominent centre of digitalisation in Hungary. The expansion of digital services follows the trend across the country, implemented by central government. Local public institutions have made some further initial implementations, but in terms of e-governance the effectiveness of the measure is ambiguous, partly due to digital literacy constraints, and the implementation was only temporary. Initiatives linked to VEB2023 ECoC programme are necessary and forward-looking, mainly in terms of communication and knowledge sharing among regional actors. In the context of the VEB2023 ECF programme, our interviewees clearly stated that it is important for society to physically participate in cultural events, and therefore it is not recommended to move them online. The organisation of hybrid events is encouraged and there are no standard solutions for the digitisation of cultural events due to their diversity.

Table 5 Smart transition policies

| Focus area(s) | Policy description | Target group(s)/ Beneficiaries | Responsible level of governance / Financing | Stakeholders involved in policy implementation | Timing of policy | Duration |
|-------------------------------|--|---|---|--|------------------|------------------|
| Cultural offers | Local cultural institutions have started to digitalize their own content. | Public stakeholders General population | Municipal level | Local government, cultural institutions | Pandemic | Medium/Long term |
| Multi-locality working | The use of e-government in the local government system has been promoted. The technical conditions for home access must be created in order to let staff working for the local authority/local administration work from home | Municipal staff | Municipal level | Local government | Pandemic | Short term |
| Multi-locality working | Contacts, exchange of experience and conferences with ECoC 2023 title holders from other countries were held online. | Other groups | Regional level | VEB2023 JSc. | Pandemic | Medium/Long term |
| Cultural offers | Create a pandemic-proof version of the VEB2023 ECoC Programme. Create online and hybrid events. Covering | General population | Regional level* | VEB2023 JSc. | Pandemic | Medium/Long term |

| | | | | | | |
|--|---|--------------------------------------|-----------------|--------------|----------|-------------------|
| | the whole period of the pandemic, the extended online offer will be maintained for certain events to ensure that it is available for those who are absent. | | | | | |
| Communication and knowledge sharing | ECoC JSc. encourages organisations involved in VEB2023 ECoC Programme (NGOs, municipalities, business organizations) to share knowledge and exchange experiences. | businesses, local governments, NGO-s | Regional level* | VEB2023 JSc. | Pandemic | Medium/ Long term |

* In this case regional level refers to Veszprém-Balaton-Bakony development region, which is not fit to NUTS-borders. As regards financing, Veszprém-Balaton 2023 JSc. is financed by national and local governmental spheres as well.

4 Policy impacts

The policy interventions undertaken by the municipality typically addressed specific problems or situations in the case of the Covid-19 pandemic. The city does not have a response plan or a complex recovery programme, but these were (are) hidden in several strategies and action plans. Important to emphasise that due to the limited scope of local interventions and policies compared to the capacities and tools of the central government, not many of the socio-economic impacts of the pandemic can be addressed successfully at local levels.

On the one hand, the room for manoeuvre of local governments became narrow, since the pandemic resulted in narrowing financial opportunities of local governments as their revenues and transferred resources from central government decreased. The EU's recovery funds (RRF, EU NextGeneration) were not yet available from Hungary even in the absence of a treaty. On the other hand, central government has made additional and significant development funds available to finance the VEB2023 ECoC programme, which will greatly assist development policy.

A special legislation introduced by the Hungarian government allowed the mayors to exercise the powers and responsibilities of the municipal council during the emergency alone by themselves. While this was not a move towards cooperation and collaboration, this form of decision-making has worked well according to the leadership in the city of Veszprém. Horizontal cooperation of local governments has been changed slightly:

- The Association of Municipalities with County Rights (MJVSZ) was the organisation that was able to represent the needs of municipalities relatively effectively (through rather informal channels) and became a more effective platform than before.
- The cooperation of the municipality with local NGOs and other institutions has been strengthened.
- The exemplary coordination of local municipalities and stakeholders in Hungary is related to the VEB2023 ECoC programme, going beyond the usual constituency system, but the strengthening of relations is mainly related to the organisation of the ECoC Programme.

6.1 Policy impact

Social (just) policy

A) Increasing the overall sense of security of the population.

The pandemic has created intense fear among the population, and the lack of information has made people feel uncertain. Therefore, a significant number of measures were aimed at informing the population (e.g., municipal information line, active social media presence) and directly increasing the sense of security (e.g., distribution of masks, disinfection of public buildings and spaces).

The demand for information and its evolution is well illustrated by the fact that in the first wave, the Mayor's Office was contacted on telephone 417 times between 18 March and 16 June 2020. However, in the subsequent wave of the pandemic, from October 2020 to the end of June 2021, only 34 calls were received.

The direct impacts of the measures are difficult to assess. In May 2021, a representative survey of 350 people in the city of Veszprém showed that 58% of the population were more or less satisfied with the municipality's work in managing the pandemic. At the same time, only 41% of respondents felt this way about the central government.

Although the need for these measures was clearly only apparent during the first wave, it seems imperative to inform the public through as many channels as possible to increase the sense of security.

B) Support for the elderly and vulnerable groups

Protecting older groups was a common phenomenon in Hungary during the first wave of the Covid-19 pandemic. Lélektér Foundation, with the mediation of the municipality, involved more than 150 volunteers in the protection and support tasks related to the elderly (e.g., buying medicines, shopping, care for quarantined

people, etc.). However, it appears that this target group has been less and less in need of support during the recent waves.

Research has shown that the number of people with anxiety, depression and mental health problems has increased and has posed a real challenge during lockdowns. The increase in social depression can be observed in interview responses in Veszprém: the experience of the Municipality's Public Welfare Office is that family support services have encountered more cases of domestic violence than before. At the same time, homeless care faced a significant challenge due to the fact that people housed in the shelter could not leave the building. Ideas to address mental health difficulties emerged primarily from the civil society (e.g., street theatre and puppet shows).

C) Maintaining employment levels, reducing the risk of social exclusion

To reduce the risk of poverty, the municipality has provided a significant amount of assistance to residents who have lost their jobs, compared to other local authorities in Hungary. Until the summer of 2021 85 unemployed has been supported. At the same time the municipality increased the amount of the funeral allowance. In addition, an extension of the municipal summer camps was introduced to mitigate and prevent the impact of the loss of income of the public. The municipality has set a maximum price for the camps, that were subsidized, to make them accessible to a wide range of people. It has also provided grants to institutions and NGOs to finance the costs incurred. The measure has helped parents, especially women, to keep their jobs and improve their chances of reemployment.

In the long-term deprivation and poverty has not increased significantly in the city of Veszprém. Unemployment figures have fallen back to pre-pandemic levels.

D) Support of businesses

Supporting businesses and the economy has been a priority for both the central and local governments during the pandemic. The local government of Veszprém has put in place two main instruments.

1) Through a public foundation for entrepreneurs, support was provided to businesses that had to close down for reasons beyond their control. 109 businesses were able to benefit from this support, with a one-off non-refundable grant of 300,000 HUF (apx. 833 EUR). This was particularly essential because these businesses are micro-enterprises, mostly located in downtown premises, which are also the hub of local community life, and their preservation was crucial to the municipality.

2) Rents on council-owned properties were waived or reduced, and terrace rents were dropped completely. The exact amount is not known, but a business owner was required to pay the public space use fee on a per square metre basis, which meant a minimum of 1,000 HUF (apx. EUR 8,3) per day.

Environmental (green) policy

During the pandemic, the municipality recognised that open community spaces and green spaces were becoming more valuable. For example, the Veszprém Zoo, run by the municipality, was able to attract the usual number of visitors despite the lockdowns in 2020. The municipality was already dedicated to increase the green spaces in the city, and the pandemic has reinforced this tendency.

A parallel negative environmental impact was the fact that the population turned away from public transport in the first wave of the Covid. This was partly due to free parking and partly to the closure of schools. However, the city is committed to strengthening more sustainable and urban-friendly public transport, which will result in the replacement of the entire city bus fleet with new electric buses by the end of 2022. This also serves the purpose of making public transport more popular again.

Innovation (smart) policy

The municipality already offered access to some online administrative services. The demand for these services from customers increased significantly during the pandemic.

6.2 Governance impacts

All things considered, the mitigation of the health and socio-economic effects of the pandemic was mainly a central government competence, so the room for manoeuvre of local governments (both the municipality and county governments) is narrow. This centralised form of governance has been less responsive to local

interests and more rigid in its response to local challenges. However, there were some advantages of this centralized way, e.g.: it was easier to organise the operation of previously centralised health care institutions; there is a greater acceptance of measures introduced by the central government in Hungary; adherence to the followability of standard rules and laws were easier for the population.

Overall, the management of the pandemic was characterised by centralised control, with decisions being taken above the municipal and county level. Control rules were typically uniform and applied throughout the country. The municipalities were primarily responsible for organising the running of their own institutions providing information to the population and organising minor social measures (e.g., distribution of masks, small amounts of ad hoc aid). The county governments had essentially no role in the management of the pandemic. In addition to the municipalities, the government offices were given a role at regional level: they were involved in the organisation of health-related tasks (e.g., organisation of vaccinations, testing of teachers) and official tasks (e.g., ordering home quarantine).

A special legislation was introduced by the Hungarian government allowed the mayor to exercise the powers and responsibilities of the municipal council by himself/herself alone during the emergency (between 11.03.2020-15.06.2021). Experience in the city of Veszprém has shown that this form of centralised control has worked efficiently. Proactive measures implemented to mitigate the impacts of the pandemic were decided and implemented by the municipality without a major consultation process with local/regional stakeholders or with the citizens. There were only limited collaboration initiatives and negotiations with a few local entrepreneurs and stakeholders responsible for public services (education, health and security) in the design process of policies to alleviate the potential effects of the pandemic in the municipality.

In the Hungarian local government system, advocacy organisations help represent local governments to the central government. The *horizontal cooperation of local governments has not changed a lot*. The largest interest organisation of municipalities (TÖOSZ, National Federation of Municipal Governments) helped to identify good practices in municipalities in the context of the Covid-19 pandemic. However, reality showed that the Association of Municipalities with County Rights (MJVSZ) was the organisation that was able to represent the needs of local governments relatively effectively. The network of MJVSZ can still be regarded as rather informal, but it has become a more effective platform than before, helping municipalities to access information.

In Hungary, *cooperation between the levels of local government* is rare and there is no subordination between county and municipal governments. However, the VEB2023 ECoC project is also a factor that strengthens cooperation among municipalities, and its success is based on the fact that the programmes of the participating municipalities are mutually reinforcing. The ECoC operates with a specific form of funding that encourages municipalities and all actors⁸ in the region to cooperate and take responsibility for their own events. These collaborations are also enhanced by face-to-face meetings, where there is potential for links with other areas of expertise in addition to the ECoC programme. Furthermore, the ECoC's area of operation extends beyond the district of Veszprém to most of the county, and partly to Zala and Somogy counties, thus going beyond the usual constituency system. Relations with the VEB2023 ECoC organisation have been strengthened in the field of reorganising and rethinking cultural events. This specific form of funding encourages local communities to cooperate and take responsibility for their own activities and warrants also regionality and joint coordination.

In the case of Veszprém, the *cooperation of the municipality with local NGOs and other institutions has been enhanced*. The Public Welfare Office, the Family Support Office, the Maltese Relief Service and the Red Cross played a key role in the management of the pandemic. The municipality was also involved in organising volunteers through the *Lélektér* Foundation.

⁸ Anyone can take part in the program by signing a cooperation agreement on behalf of a settlement - the signatories are first of all municipalities of course, but in case a municipality does not want to, other local actors (minority-self-governments, local NGO's, local business, citizens) can join, if they pay a substantial membership fee, which ensures financial interest. In addition, signing the cooperation agreement entitles all/any other local actor to participate in ECoC programme.

6.3 Financial impacts

The pandemic resulted in narrowing financial opportunities of local governments as their revenues and transferred resources decreased. The municipalities contributed to the costs of controlling the pandemic:

- The central government has set up a “Pandemic Defence Fund”, financed partly by the municipal car tax, reallocated from the municipalities.
- Other municipal revenues were deducted or reduced to support the business sector, like the tourism tax suspension and maximalisation of local business tax to 1%.
- The amount of the solidarity contribution to reduce the differences in the tax capacity of municipalities has increased significantly.

On the other hand, there was no institutionalised support from the government to the municipalities. Thus, the conditions were not ideal for significant changes on smaller scales.

Reacting to the cutting of resources, the municipality of Veszprém responded partly by reducing expenditures (e.g., by reducing support to NGOs less active due to the pandemic, reallocating resources due to cancellation of cultural events) and partly by setting up a donation account to which donations from the public were expected to be transferred to finance the prevention of the coronavirus outbreak and the costs of the control. This account received HUF 6.1 million (apx. almost 17,000 EUR) in 2020 and a further HUF 500,000 (apx. almost 1,400 EUR) in 2021. This fundraising technique is considered a good practice in Veszprém.

The EU's recovery funds (RRF, EU NextGeneration) were not yet available from Hungary even in the absence of a treaty. However, the central government has made additional and significant development funds available to finance the VEB2023 ECoC programme, which will greatly assist development policy.

5 Future policy directions

The Coronavirus has a definite impact on the city's future plans. Concerning strategic aims, pre-existing demands for improving greening, liveability and digitalisation were reinforced, and in addition, planning must respond to evolving challenges and opportunities, particularly in relation to the goal of strengthening the cultural economy.

No significant change regarding social justice policies

The poverty and deprivation reduction aspects of social justice have been given less emphasis in planning, in line with the severity of the problem, and the situation does not seem to have changed in the wake of the pandemic, with the emphasis still on prevention through the development of services to ensure a high quality of life. Among the measures introduced in the area of social justice, the municipality is committed to continue to support summer camps in the future. The measures, introduced to reduce the deterioration of mental health, were mostly ad hoc and civic-initiated in the city. It would be worth promoting their support.

Continued strong focus on green transition policies

The existing medium-term strong commitment of local stakeholders to promote green policies has strengthened during the pandemic period and new opportunities has opened to implement earlier ideas and develop new ones. According to Social Environmental and Climate Action Plan (2018), lot of specific improvements are implemented (energetic renovation of a public institutions, bioheating plant, the establishment of a community solar park). Veszprém has set a target for 2030 to implement the Green Veszprém Program, and also a green development document (Green Space Strategy 2020-2024) was adopted during the pandemic. These documents have constantly incorporated the experience and failures of the pandemic, such as the need for green space development, the marginalisation of public transport and parking problems, and aim to promote public transport, create conditions for safe urban cycling, develop parking facilities outside the city centre, set up a regional e-bike rental system to provide a realistic alternative to car transport for commuters from neighbouring municipalities. In the calls for proposals launched by the ECoc, the sustainability criteria also serve to raise awareness among service providers through information materials, greening programmes and advice. To increase sustainability, Veszprém is dedicated not only to shape the mindset of the consumers, but also of service providers, to increase sustainability.

Putting much more emphasis on digital transition policies

The digital switchover and the uptake of smart technologies is a growing trend, both domestically and internationally, even without the pandemic. As it was highlighted, smart policies were not relevant neither in Veszprém nor elsewhere at local level in Hungary and experiences about digitalisation during the pandemic, measured by both central and local government, are ambiguous (only partly welcomed by authorities and public). But Veszprém 2030 Urban Development Strategy seeks to address this shortcoming. According to the aims, Veszprém will be a showcase city of digitalisation opportunities by using smart city solutions, and an important task is also to develop digital skills of citizens, supported by the planned Digital Well-being Centre.

According to our interviewees, the municipality determined to:

- Develop complex digital services to meet the increased need for electronic administration, providing both information and administrative facilities for companies and citizens.
- Maintain / further develop established communication channels (e.g., website, city app).
- Creating a creative industries centre, with a focus on start-up incubation and community offices. (The pandemic has highlighted that rural towns and villages are becoming increasingly attractive to a variety of small and large tech companies and other sectors that are suitable for teleworking, so Veszprém wants to reinforce these activities in the city.

New form of cooperation, collaboration, coordination among territorial actors should be improve in development policies

Several good examples were outstanding during the pandemic, although not specifically due to the restrictions imposed by the Covid lockdowns.

- In the city of Veszprém, number of developments and collaborations related to the VEB2023 ECoC programme are currently under development. These include, for example, the shift away from purely publicly funded cultural and mass events to a greater emphasis on shared responsibility and risk-taking, which can be interpreted not only between market and private actors, but also between central and local government, and not only in the context of cultural and public events. The ECoC programme also provides a new platform for international knowledge sharing and cooperation in the city. The ECoC network is an opportunity for cities that already mastered the ECoC status and prospective ECoCs, which can also help to promote the flow of good practices.
- It is striking that residents in suburban areas use urban services in large proportions, while parking problems in the city are increasing. Resolving tensions is a common interest and task, so it is also important to promote forms of urban-rural cooperation.

6 Regional recommendations

6.1 Policy Recommendations

Policy recommendations for local stakeholders, mainly for municipalities

- **Help tackling increasing mental stress of citizens in crises.** During the pandemic mental stress of citizens increased. Loneliness, depression can be mitigated by supporting physical outdoor activities, ensuring safe platforms for communication or community events. Although these measures have been mostly ad hoc and citizen-driven in the city of Veszprém, it would be worth supporting these causes.
- **Involve NGOs and volunteering in tackling social problems.** In Veszprem city, third sector organisations worked closely with municipal authorities during the crisis and played important crisis management roles. Also, a network of volunteers helped people in need, support and relief efforts. They can be efficient and flexibly used to assist social policies, and in addition, involved people and organisations also help with strengthening the local patriotism and overall demographic resilience of the settlements.
- **Help citizens with thorough, accurate local information in environmental, social-economic crises.** To mitigate the consequences of crises and help fulfil the measures of the local government, thorough and accurate information should be promoted about the regional and local aspects of the crisis, via clear messages tied to the areas of competence of experts called upon to express their views publicly. It is still necessary to use different information platforms for different target groups (elderly, youth).
- **Maintain a permanent capacity to develop green development policies.** Municipality of Veszprém has already built up very strong capacities to develop and implement green policies before the pandemic and has been working closely with a local university and other NGOs before the Covid-19 crisis. Building on the growing demands and resources available, these capacities can be easily mobilised, and green policy is considered successful also during pandemic. So, implement stable capacities in other regions seems to be useful because of to long-term effects.

Stakeholders across different levels

- **Support green processes of businesses.** Specific financial and knowledge support is used to help entrepreneurs apply truly green solutions and set up local companies in the Veszprem-Balaton region that contribute to the green transition (e.g., encouraging food composting businesses, organising awareness-raising trainings for service providers). The involvement of service providers in promoting green policies seems to be useful due to long-term and spill-over effects.

6.2 Governance Recommendation

Governance recommendations at local scale (municipalities)

- **Maintain and facilitate the cooperation among different internal departments of the municipality.** The cooperation increased among municipality's own institutions during the Coronavirus pandemic (e.g., in the area of elderly care, children's camps). It is recommended to continue the ongoing communication between the heads of the different organisations, and to improve stakeholder interactions and cross-sectoral collaboration which could lead to fruitful collaborations in other areas of activity.
- **Support active cooperation of the municipality with the deconcentrated institutions of central government.** The Covid-19 pandemic has confirmed that the local government can help efficiently and quickly by providing local support to organisations and institutions operating in a centralised governance structure, apart from the local government system, e.g., in the field of education and health. It is therefore recommended that this cooperation should be maintained and further strengthened also in other fields (e.g., employment), especially in the strongly centralised governance system.

- **Facilitate regional cooperation.** The Veszprem-Balaton 2023 European Capital of Culture project has strengthened cooperation between local-level actors (not just representatives of local authorities, but NGOs, local businesses, citizens etc.) in the Veszprem-Balaton region, which is particularly valuable in a fundamentally centralized governmental system, where horizontal cooperation among settlements and regionality needs to be enhanced. The VEB2023 ECoC project fosters links between municipal programmes and encourages cooperation and coordination between participants in the organization of local cultural events. The success is based on the fact that the programmes of the participating municipalities are mutually reinforcing. The project has also provided a platform for knowledge sharing and interaction between municipal authority representatives and local communities, so relations have been strengthened in the field of reorganising and rethinking cultural events. The modus operandi can be implemented in other policy themes and in other spatial contexts.
- **Support increasing digital literacy of citizens.** Further development of digital and smart solutions to organise administrative operations online is highly advisable, but success of digitalisation policies depend partly on digital literacy constraints

6.3 Territorial Recommendations

Municipalities and regions with strong touristic character:

- **Maintain a sustainable rate of tourism development.** The Covid-19 pandemic is expected to change significantly and long-term the consumer demands in tourism, since the desire for safety, isolation and sustainability among tourists may be stronger, at least for a certain segment of them. Initiatives such as reducing non-recyclable waste, designing and implementing attractions requiring less physical contact can help to regenerate tourism. Changing attitudes is a long process that can be helped by consistently communicating the benefits of new approaches, by assessing needs or by involving sustainability experts in tourism planning processes
- **Strengthen awareness regarding sustainability among touristic service-providers.** Awareness raising regarding sustainability is needed not only among tourists but also among accommodation providers, event organisers, caterers. Initiatives such as those that seek to reduce non-recyclable waste can help in the revitalisation of tourism. It takes time to convince tourism stakeholders to offer more sustainable services and to follow more sustainable working methods, but involving dedicated professionals and communicators can sincerely improve stakeholders' attitudes and increase sustainability.

In urbanised areas

- **Local authorities need to improve the level of communication and cooperation between urban and neighbouring rural settlements,** where demand for services from older and newer settlers, local inhabitants and commuters do not overburden either type of settlement.

6.4 Financial Recommendations

- **Local and regional stakeholders can set up a joint-stock company as a special funding initiative.** The municipality of Veszprem initiated to set up the Veszprém-Balaton 2023 JSC together with other municipalities as majority shareholders, but businesses, NGOs and citizens bought shares as well. This specific form of funding has encouraged local authorities to cooperate and involve different types of local level actors. Community-level funding of this nature may be considered a best practice for helping local authorities overcome predicted revenue cuts, increase in costs and other financial challenges.
- **Local governments can involve community resources more actively in addressing local social problems.** Experience has shown that financial and other resources can be mobilised to achieve common goals and respond to social problems. (Facing budget cuts, a public donation account was set up by the municipal authority in Veszprém, and also a voluntary network was activated to help people in need). This allows new ideas to emerge alongside resources, and joint efforts to address conflicts can strengthen urban cohesion. The municipality could consider involving the population more actively in other areas (e.g., homelessness, care for the elderly).

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ESPON 2020

ESPON EGTC

11, Avenue John F. Kennedy

L-1855 Luxembourg - Kirchberg

Grand Duchy of Luxembourg

P: 00352 20 600 280

F: 00352 20 600 280 01

E: info@espon.eu

www.espon.eu

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