

# **Economic Development Zones in Hungary: A New 'Growth Pole' Programme?**

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## **Abstract**

In September 2020, the Hungarian Government issued an act in which government commissioners were appointed to implement a new economic development programme for the Hungarian regions, the 'Economic Development Zone Programme' (EDZ) was launched. The legislative act described general tasks both for the zones and for the commissioners, however the objective of the programme was ambitious and unique compared to the last 15-20 years government initiated programmes: the aim was to support lagging behind regions in their process of economic renewal, in the process of FDI attraction and to dinamize their local economies'.

Since the 1990's numerous programmes and bodies were launched and formed with similar mission in Hungary and practically all of them dissolved in the course of time, not just without sustainable results, but without any results at all. The most successful predecessor of the zone programme was the eastablishment of the 'regional development councils and agencies' in the early 2000's and the most ambitious was the launch of the 'growth pole programme' in 2005. The central aim of the paper is to compare this new programme with the previous attempts and to show, that the success of economic development (on the NUTS 2 level in Hungary) requires much more resources, more systematic-planning and a completely new attitude, which the programme lacks at present.

As a conclusion, the paper gives detailed recommendations on how to continue the programme.

## **I. The problem of the NUTS2 level in Hungary: territorial / regional level development in Hungary after the 1990's**

During the transition period of the 1990's Hungary had to face serious economic and social service crisis both on the national level and on the local levels of the economy and the society. The transition to the market economy and the introduction of the democratic institution system was implemented on the 'remains' of the former system, i.e. the structure of *the county system remained the backbone of local and regional planning*, meanwhile – with the establishment of the municipality level autonomy of the local governments – the municipalities also started to prepare local level development programmes and strategies. In this process three main parallel problems evolved, which gradually outdated this provisional operation system of the 1990's:

- The municipalities – ie. the city level autonomy – protested more and more autonomy and power in shaping the development of the actual settlements.
- The state level provided significantly less resources for the development of the local and 'middle' level as the transition crisis required all financial resources available on the national level.
- The European accession process (Hungary signed the association agreement with the EU in 1991, which is regarded as the official launch of the accession process) required a completely different system of local-regional planning and development processes and principles (out of the numerous principles at least subsidiarity and sustainability, etc. should be highlighted here).

These simultaneous processes resulted a shift in the 'middle-level' planning and development institution-system and the EU NUTS2 equivalent 'regions' were introduced in Hungary (XCII. law of 1999).

The introduction of the regional planning and development system can be regarded as the most significant change in territorial planning in Hungary since the introduction of the communist planned economy period introduced in the 1950's. However, the system could not take deep roots as in 2022 we can say that *regional*

*level planning is completely missing in Hungary and no traces of the term 'region' can be detected in present day Hungarian spatial development.*

The regional development institution- and programming-system provided the backbone of Hungarian 'middle-level' planning during the first two financial periods after the accession of Hungary to the EU, i.e. between 2004-2006 and between 2007-2013. These – from the point of view of systematic middle level development – *periods can be regarded as successful periods of Hungarian decentralisation and subsidiarization.* The evaluation of the spatial planning system and the regional development system of Hungary is not the focus of this paper, numerous papers have already analyzed the topic (e.g. *Pálné, 2019*). Hereby, I would like to highlight only those elements, which contributed to the failure of the regional development system (i.e. the dissolution of the regional development agencies and the total elimination of regional level planning). Also the territorial identification of a region (i.e. what is a region) is not the subject of the paper, however it can be stated, that in certain cases the seven NUTS2 regions of Hungary do not meet the criteria of regional impoundment).

- *Regional level planning and public administration has no traditions in Hungarian history.* In the 1000 year-old history of Hungary the counties (historically comitatus originating from the Latin) were the only levels above the municipalities that had regulated power and autonomy in addition to the state level of the country. (Even the names given to larger areas in historical Hungary, like Partium, or Vajdaság cover simply the 'sums' of the counties, refer only to the geographical units themselves, not to areas, which could be called regions in modern day spatial planning.)
- The introduction of the regional planning and development system in Hungary in the 2000's were *focussing only on the eligibility criterias of Hungary for the structural and cohesion funds, not on fundamental changes in spatial planning-development (not to mention governing), i.e. the decentralization of spatial development in Hungary.*
- *The regions in some cases were invented,* i.e. Central Transdanubia comprises parts which belong to the Budapest agglomeration and parts, in other regions large areas have decisive social-economic links and contacts not to the region where they belong, but to other regions.

- The most significant drawback of the system was that it was established on the basis and fundamentals of the existing political-governance structures, implying that *the Hungarian regions in this period were just the derivatives of other political-electoral structures*. This implies, that the system could not generate power based on entitlement.

From the point of view of the EDZ's, two questions-remarks must be made considering the failure of the regional development system in Hungary:

- Were these regions legitimate from the perspective of historical traditions and political fundamentals? The answer is no. Since the county and municipality system remained the backbone of all public services and administration during the early 2000's the regions could not gain the necessary power required for the initiation of their long-term power and existence. *The liquidiation of the Hungarian regions during the 2010's did not violate-offend any real political or administrative-legislative rights and the process was done without any real resistance.*
- Could these regions and systems fulfil the above mentioned roles and were they suitable to strengthen the cohesion and the modernisation of the lagging behind areas of Hungary? The answer is partially, *only to the level that was established by political decision reflecting the actual political needs of the central level*. Since the regions had only planning and administrative roles – related to the EU funds – and were responsible for the utilization of less than 5% of all development funds available in Hungary in the period, their existence and work remained partially important even during their successful years between 2000 and 2010.

*As a conclusion it can be stated that due to the lack of political willingness and consensus the introduction of the regional development system in Hungary was a failure. Practically the era between 2000 and 2020 are two lost decades in the development of the Hungarian 'middle-level'. In 2022, **not even the traces of the regional thinking, planning and moreover the wished regional co-operation can be seen or traced in Hungary, on the middle level social-economic development. The aim of the establishment of the EDZ's should been to fill this gap** (which has not been met, yet).*

## 2. The 'growth pole' programme in Hungary

In 2005, based on the French theory and proposal of Perroux (*Perroux, 1955*) growth poles were named and nominated by the Hungarian central government in order to speed up the transformation and economic modernisation of Hungary. The in-depth analysis of the Hungarian growth pole programme is not the main focus of the paper, however the most important events and actions must be highlighted in order to be able to understand the problems and the 'lacks' of the EDZ programme. *The pole programme in Hungary is a clear example of an innovative approach totally irregular to the existing financial and legislative frameworks, which again can be regarded – in the longer run – as a failure in the spatial development process of Hungary.*

In 2005, in the National Spatial Development Concept of Hungary five functioning regional centres (Debrecen, Szeged, Miskolc, Pécs, Győr) and the two co-centre cities of Székesfehérvár-Veszprém became entitled to generate and elaborate development (growth) pole programmes. The central government provided 100 million HUF subsidy for these city municipalities, *to generate specific innovative thematic programmes based on the strengths of these cities, grounded on the existing economic image-facades of the cities in co-operation with the universities, resulting measurable economic growth.* (*Faragó and Lux, 2014*). The programme received subsidy only for the elaboration of these strategies and no funds were dedicated to the realization of the proposed projects, programmes. Later in the Economic Development Operational Programme (co-financed by the EU) certain calls became eligible only for the 'pole cities', but these calls and funds remained marginal to the overall needs of the realization of the pole programmes (and also to the financial resources available in the framework of the operational programmes).

*Practically all traces and mentions of the growth pole programme disappeared from the official Hungarian spatial and regional development programmes from the new programming period of 2014-2020 and it can be stated that the programme – on the level of official national planning – ended.* However, the programme had – at least – three significant results:

- 1) ***The emergence and strengthening of the economic clusters*** and the start of clusterisation in Hungary. Out of the very few subsidies that were

available for the realization of the pole programmes, clusterization – in the framework of the Economic Development OP – can be regarded as a success.

2) ***The start of the systematic co-operation between universities, municipalities and SME's in the field of local economic development.***

It is an unanswerable question whether these co-operations would have started without the pole programmes' framework as a necessity of co-operation, but it is a fact that it was the pole programme, which provided the first structured framework for the co-operation of these entities with a dedicated innovative economic development purpose.

3) ***The programme*** (even after its disappearance from the official development programmes in the period of 2014-2020) ***lived on, as the local stakeholders realized and utilized these co-operations in the city development programmes*** (integrated city development programmes and territorial strategies of 2014-2020 of the cities with county rights).

It should be noted here, that a significant difference could be seen between the regional development system and the growth pole system in Hungary in the 2000's, namely the level of institutionalisation and legislation of the two programmes were totally different. (Lengyel, 2007) Due to the EU standards and the eligibility for the subsidies, the regional system had a strong and well structured working mechanism, backed by all necessary legislative acts and funding. The growth pole programme was never institutionalised, not only the structure, the co-ordination system but practically *the complete legislative framework was missing from the beginning of the programme. It was a general characteristic of the system, that the regional capital cities and the 'regional universities' were interested and involved in working and co-operating in the growth pole programme, without any real legislative and financial support. In the meantime, these cities were not really involved in the regional planning and development processes of the regional system and in addition to this the universities were completely left out from the regional development system and processes, which were financed and supported by the governmental and EU level.*

*It can be stated, that in my opinion **it was the growth pole programme that paved the way for the EDZ programme in Hungary, and in the longer run***

***this philosophy – i.e. the philosophy of university based innovative economic development of central cities of the periphery – is the manageable and fruitful method of the modernisation of the lagging- and falling behind regions of Hungary.***

### **3. The emergence of the 'economic development zones'**

After the general elections of 2010, the complete system of spatial planning and development have been changed by the central government with the modification of the corresponding legislative acts. The role, competencies, financing mechanism of the counties, the regions and the universities went through a paradigm change. To summarize this process briefly it can be stated that *the territorial level of economic development has been eliminated completely from the Hungarian legislation, local municipalities and the state – mainly through the HIPA, i.e. the Hungarian Investment Promotion Agency – performed all these tasks.* The county governments practically lost all 'middle level' development roles, their competency was reduced for the planning and implementation of the decentralized EU funds of 2014-2020 in the framework of the Territorial and Settlement Development Operational Programme, where 100-200 million EUR fund was available for each county, for seven years. Counties – up until now – do not have recognized competency for territorial level economic development, nevertheless they would like to become active partners in this process, as this task has not been dedicated to any local, or national level agency, or administrative body until the emergence of the EDZ's.

*In 2020 – during the COVID pandemic – the government realized, that neither the counties, nor the county capital city municipalities have the necessary legislative and financial background to act as the motors of territorial economic development, and the disparities among the Hungarian 'regions' has become so significant that planning and economic development fostering should be re-started on this level.* Since the re-introduction / re-activation of the regional system was politically not supported – as the former regional development councils were made up of local representatives, i.e. the mayors of the county capitals and the presidents of the county assemblies and the government did not have majority in these bodies – a

completely new system, the 'economic development zones', the EDZ's were introduced.

### **3.1. Designation of the economic development zones and the appointment of the government commissioners**

In the governmental resolutions 1566-1569/2020. (IX.09.) four economic development zones were designated and four government commissioners were appointed as responsables for the development of these zones. The resolutions listed co-ordinative, reporting and co-operation tasks related to economic development of the zones, but *lacked all fixed tasks and responsibilities both in the context of the 'substance' of preparing the economic development strategies of the zones and the time-frame of performing these tasks.*

***The resolutions do not name or enlist any factual tasks and responsibilities related to the context of economic development of these zones.*** It does not contain the actual deeds, the guidelines of the expectation of the government (i.e. the principal), which reflects the problems of the programme since its launch. It is not named and listed what kind of documents should be prepared, what actions-agreements should be reached and what will happen as a follow-up to these results, namely how these will be turned into real economic development actions (investments, projects, etc.).

However, the largest problem with the introduced economic development zones are not the above mentioned, but the following three:

- 1) ***The resolution does not contain any relevant information about the integration of the economic development zones into the existing legislative and administrative system.*** This implies that the zones were not 'linked' to any of the existing governmental level spatial development entities, they were not linked – in a systematic legislative way – to the territorial development processes and to the planning of the 2021-2027 EU programmes. They were not linked to the planning of the Partnership Agreement (and its sub-documents, the operational programmes) and the documents of the Recovery and Resilience Facility introduced after the COVID pandemic.
- 2) ***A strong resistance and heavy conflict emerged between the thematic attitude of the central governments' ministries, the***



***preparation of the thematic operational programmes and the territorial aspect reflected by the EDZ commissioner's.*** This contraindication further decreased the possibility of the success of the programme, which was – as it could be seen – questionable from the launch of the programme.

- 3) ***The resolutions did not provide any functioning institutional and personal background for the performance of the tasks.*** It was not regulated how many and what kind of experts can support the work of the commissioners', what institutional background will support the back office required for successful governmental, legislative and developmental work.

Since neither the financial, nor the institutional background were established in 2020, the success of the programme was placed into the personal political competencies, dedications and ambitions of the commissioners'.

Another problem of the new 'middle-level' economic development system was the nomination of the commissioners, as their personal competencies for representing the needs, problems and actions of their respective zones were completely different. One of the commissioners was the actual minister responsible for technological development and the utilization of EU funds, another commissioner was an entrepreneur, an owner of a construction company. These differences forecasted the potential differences in the results, in the effectiveness of the operation of the commissioners.

### **3.2. The problem of the territorial impoundment of the zones**

Since the launch of the programme the failure of the economic zone programme was encoded into the system as a result of their territorial distribution. It is not the focus of the paper to discuss the term of a functional region, but it is an inevitable and unavoidable principle, that *if we want to develop an area based on a single frame, structure, programme, the area must form a functioning entity from at least the social-economic point of view.* It should be a functioning economic area, a FEA, (Robinson, 2007), which can be characterised by mutual social-economic contacts and co-operations among the members (municipalities, counties, universities, companies) and it can be regarded as a fundamental basis for the success of the actual FEA. As the territorial analysis of the Hungarian economic zones is not the main focus of the paper, here, only the basic facts and

circumstances are listed, which can be regarded as problematic – from the territorial location and distribution – of these zones. These are the following:

- 1) *The EDZ's did not follow any previous territorial division of Hungary in a systematic way.* Two zones, namely the South Transdanubian Economic Development Zone and the South Great Plain Economic Development Zone followed the former regional impoundment and it can be stated that these zone were the only real FEA's among the four newly created zones. Both zones are made up of three counties, which traditionally form social-economic units. These zones can be regarded as legitimate on a territorial base.
- 2) *Two zones – namely the Northwest Hungary Economic Development Zone and the Northeast Hungary Economic Development Zone – are geographical areas which cannot be regarded as single social-economic spaces.* Both zones cover two former regions, both zones are made up of six counties, they include cities (county seats) and areas, which are far from each other without any real measurable social-economic relations. The Austrian-Hungarian border (for example Vas County and the county seat of Szombathely) does not have any measurable relation with the areas along River Danube in Fejér County, like the City of Dunaújváros 50 kms South of Budapest, however, they are in the same EDZ. Similar problematic situations can be detected in the Northeast Hungary EDZ, namely the Western part of the zone 'gravitate' to the national capital, i.e. large areas in these counties belong to the greater agglomeration of Budapest. The territorial location, the identification of these zones cannot be regarded as a valid impoundment, based on social-economic indicators and processes.
- 3) *The zones are not NUTS2 compatible units, which implies, that even if the favourable situation of EU co-financing could have been established for the realization of the zone strategies, they cannot be co-financed from EU subsidies directly, as these documents do not meet the NUTS criteria of the European Union.*

### **3.3. Analysis of the economic development zones programme on the basis of project management methodology**

Analyzing the EDZ programme on the basis of project management methodology can be a relevant method, to highlight how systematic, well-structured and

planned in the the programme to reach the set up goals. It is relevant to check to what level, extent can the the 4 P model (Mesly, 2016) can be detected in the fomation and realization of the programme.

Both the EDZ programme and projects:

- *Should have clear aims and expectations, characterized by measurable indicators.* In case of the EDZ programme these indicators could be direct indicators, like the preparation of the development strategies-programmes, feasibility studies of flagship projects, positive investment decisions (FDI's). Possible indirect indicators might be, for example, the increasing number of investors' inquiries, rising positive investor attitude towards the area, or even the positive 'feelings' of the participants, considering the co-oepartion between the local and national stakeholders.
- *Should have a plan, namely a document, which lists and describes all actions, that is planned to be taken to reach the aims described above.* Definitely a roadmap should be available, which clearly describes these actions, milestones which lead to the achievement of the aims, i.e. the indicators of the programme.
- *It is inevitable to describe the process, which leads to the achievement of the indicators.* This includes the *actions*, i.e. who, what entittes, bodies and personalities should be involved in the process, to reach the goals, to be able to fulfil the actions needed to meet the set-up indicators.
- Both project management and the EDZ requires an *entitled personnel*, people who are competent to fulfil and implement the actions and processes described above, accountable and responsible for the implementation of the programme.
- The above mentioned personnel needs the *necessary power to implement the actions and processes to reach the indicators*. This power should originate from the legislation in case of the EDZ programme (namely from governmental acts), and from the project owners in case of project management.

In my opinion it is also a fundamental problem of the EDZ programme, that – remaining at project management methdology – *it was not decided whether a process based, or a product-based programme should be implemented by the government comissioners*. After 2 years of the implementation of the programme

it should be visible, whether the government wanted to re-organize a 'region-like' system, namely the EDZ's main goal is to set-up processes, systems, co-operations in which local and national level stakeholders start communicating and co-operating in order to foster economic development in the zones, or the commissioners should generate some products, namely strategies-programmes, projects, which will be implemented. As of August 2022, it is not known (based on governmental decisions and resolutions), whether any products, or processes – e.g. co-operation agreements – are approved and accepted by the 'founder', the national government of the EDZ programme.

If we analyze the zones from an organizational point-of-view, we will find, that the legislation of the zones do not contain any information about the working structure, the operational mechanism, or the expected personnel of the newly set-up zones.

### **3.4. Governance-, leadership- and organizational problems of the EDZ's**

As described under the previous points, the legislative acts, which founded the EDZ's left almost all points unsettled based on the 4P model. Without repeating the problems related to the personnel and the competencies-resources, another aspect will be highlighted here, namely the 'left-alone' status of the EDZ's from the perspective of the national governments, and the national level decision-making.

As the EDZ's were formed by the government, their successful operation would have needed a clear leadership and organizational model from the founder's side. This implies, that if we want to develop the economies' of the 'regions' the responsible commissioners should be linked to the level of relevant competence and should be provided with the tools, i.e. the proper rights and competencies in order to meet the expectations. *The integration of the EDZ's and the commissioners into the governmental structure can be regarded as the most important.* The founding act of 2020 positions the EDZ's into institution of the Office of the Prime Minister, namely directly linked to the minister head of the office and the prime minister himself. Unfortunately this is the only positive circumstance from an organizational point of view. During the first phase of the operation of the EDZ's – i.e. between 2020-2022, the following could be seen:

- The co-operation mechanism with the Ministry of Finance was not described (until the general elections of 2022 (GE of 2022), the ministry was the responsible body for economic development).
- The co-operation mechanism with the Innovation and Technology Ministry was not described, which until 2022 was the responsible body for the planning and management of the EU funds available for Hungary. (Hereby, it should also be mentioned, that the minister himself was also a commissioner responsible for the Northeast Hungary EDZ (resulting the problem of personal and institutional inequality comparing an incumbent minister's and the other three commissioners' competencies).

The above mentioned two problems are (perhaps) the most visible of the situation before the parliamentary elections of 2022, which is earmarked by the fact, that ***between 2020 and 2022*** (ie. the launch of the EDZ programme and the parliamentary elections) ***no official governmental decisions, resolutions, or any legal act has been approved related to the functioning of the EDZ's.*** *The first phase of the EDZ programme passed-away, without any measurable results, references, decisions.* (This does not mean, that the EDZ's did not function, the commissioners' did not work, it shows only visibility-measurability of their performances on the official level. The author of this paper was a consultant to the South Transdanubian EDZ between 2020-2022, where numerous strategies, programmes, pre-feasibility studies of projects have been prepared, but was not approved officially. After the GE of 2022 these documents were handed over to the new commissioner, and hopefully 'something will happen' to them.)

### **The EDZ's after the parliamentary elections of April 2022**

After April 2022 – although the governing party won the elections – significant changes were introduced in the EDZ programme, namely the following:

- New government commissioners were appointed, *none of the previous commissioners remained in charge* (one of them was nominated to be the minister responsible for spatial development).
- A new EDZ was formed the Middle Hungary EDZ, which is practically the capital Budapest and the surrounding county, Pest County.

- *The EDZ programme was removed from the Office of the Prime Minister and functionally integrated into the responsibilities of the minister responsible for spatial development.*

Since only four months have passed from the elections, it is difficult – and not necessarily relevant – to draw results and consequences from the functioning of the EDZ's, the following remarks and problems to be solved still remain on the agenda of the programme:

- 1) *It is still unknown, what the role of the EDZ programme is in Hungarian spatial and economic development. It is not known whether EDZ's should prepare economic development strategies/programmes, which will be approved by the government and financed from national and/or EU funds. In other words, the indicators of the programme are not known, and related to the indicators, the roadmap, the milestones and the timeline of the programme. (Based on project management methodology.)*
- 2) *The Hungarian EDZ's are integrated into a governmental structure, where the task of economic development is split between numerous ministries and governmental bodies, where the tasks' and competences' separation is not really visible. Namely four ministries have competencies related to economic development (Ministry of Economic Development, Ministry of Spatial Development, Ministry of Industry and Technology, Ministry of Foreign Affairs and Trade (as the Hungarian Investment Promotion Agency's operation is controlled by the ministry).*
- 3) *EDZ's are not integrated into the planning of the 2021-2027 EU programmes. Based on the available documents the EDZ', their systematic development – or any kind of reference – is not traceable in the documents of the Partnership Agreement, the new operational programmes and the Recovery and Resilience Plan for Hungary. This circumstance is extremely problematic, as for the upcoming years the national financial resources available for economic development is expected to decrease significantly due to the results of the Russo-Ukrainian war and the sanctions causing economic depression related to the war. If neither EU funds, nor national funds will be available for the EDZ programme's implementation, the programme cannot be successful even if the management problems listed under points 1-2 are solved.*

#### **4. The future of the Hungarian EDZ programme. Does Hungary need EDZ's? If yes, can they, or should they become growth pole programmes?**

The paper:

- 1) Tried to place the Hungarian EDZ programme of 2020 into the Hungarian middle-level development programmes and institutions since the 1990's. It can be seen that *the EDZ programme is neither the continuation (rebirth?) of the regional development programme, nor the revival of the 'growth pole' programme* (which did not really exist in Hungary on an operational level). *The EDZ's are relevant, needed, but not integrated units into the Hungarian spatial development policy and programmes.*
- 2) Tried to highlight the deficiencies of the programme, mainly related to the governmental management and legislative level. These problems could be solved easily, as the governmental level has all necessary competencies, resources and legislative power, to empower the EDZ's with the professionally desired tasks and responsibilities, as well as resources and management capabilities. Theoretically – from a management point of view – *the project management methodologies could provide all relevant answers and actions to 'turn' the EDZ programme into a fruitful and effective tool and body of 'middle-level' economic development in Hungary.* Integrating (any) project management methodology into the programme would result a measurable increase in the efficiency of the programme. This would be extremely favoured and needed, since the *Eight Cohesion Report* of 2022 clearly shows *that there are falling-behind regions, regions in the 'middle income-trap' and in the 'regional development trap' in Hungary.* The theory of the problems of regional development trap is discussed in numerous papers (e.g. *Diemer et.al. 2022*) and Hungary has more regions affected by this problems.
- 3) As a result of the Russo-Ukrainian War of 2022, neither the short-, the medium- and the long term economic situation is predictable in Europe – especially in Hungary, neighbouring Ukraine and totally depending on Russian energy raw material supplies. However, one consequence is clearly

visible from the war: *a complete paradigm change in energy-policy has started in Europe*, which is not reflected in the existing development programmes and strategies of the cities, counties, 'zones' and the member states of the EU. This unfavorable situation provides us the opportunity of not only reforming the social-economic programmes and processes, but to convert our societies and economies into a resilient and sustainable new model. This paradigm change should be frameworked by new programmes, in which the EDZ's could gain tasks and competencies. (Of course after significant changes, based on the points above).

*In my opinion **the only possible future of the EDZ programme in Hungary is if the EDZ's are converted/re-shaped into growth-pole, innovation pole programmes.** The EDZ's should become growth-focussed; knowledge- and innovation-based 'middle-level' economic development programmes, which reflect (at least) to the following circumstances:*

- *The only possible way of sustainable economic-growth is the **support and development of energy-efficient, energy-independent, climate-neutral social-economic programmes.** These principles should become the backbone of the EDZ programmes.*
- *The **'carrier' of the programme should be the knowledge and innovation base of the universities, research centres and the already operating clusters of companies-enterprises.** This implies that the EDZ programmes can only be successful if they are reshaped to become innovation-based programmes related to a leading industry, or service. This is a typical characteristic of the innovation poles. (The present day large-scale industrialization of Northeast Hungary (situated around the City of Debrecen) is not necessarily the model to be followed by other zones, as the manpower reserve, the energy-base and the available knowledge is not present in these zones. The leading industry of each pole, or zone in Hungary cannot be the automotive electrification and the leading industry is not necessarily a very-large scale employer (over 1000 workplaces).)*
- *The **EDZ programmes should be re-thought on the basis of project planning and management models.** At least the indicators, the time-*



*frame, the activities, the inner milestones and the management bodies must be reformed in order to meet the challenges of the present day economic (and political) world crisis.*

- ***The EDZ's must be integrated officially into the national and EU level planning programmes of Hungary.*** *This integration process not only provides the visibility, credibility and financing of the programme (and the development of the Hungarian 'middle-level'), but it is the only structure that provides the necessary legitimation of the programme. A spatial development programme, which is not detectable in the resolutions-decisions of the central government and non-existing in the EU co-financed development mechanism cannot be successful ab ovo. This also implies, that the EDZ programme should be introduced to the relevant EU bodies and the necessary management quality control measures must be taken.*

### **Afterword**

The development of the lagging-behind regions in Hungary is the responsibility of the central government and the local stakeholders, for which the EDZ programme might become a successful tool. Two inevitable and irreplaceable corrections-modifications should be made to the programme, decisive of their future success:

- Professional management methodology implications must be introduced into the programme, in order to meet not only the expectations, but to reach any measurable result at all.
- The philosophy of the EDZ programme should be re-thought and brought closer to the philosophy and models of the growth poles. are made. Almost all notions of the original growth pole model of Perroux should be re-considered starting from defining the economic space itself (the territory of the zones), defining the core-leading industries of the zones and identifying the linkages, namely the clusters, the co-operation mechanism of the area and the local economy.

*If both of these actions are made, successful economic development zone programmes might be implemented in Hungary, which are known in international economy science as growth pole programmes. In the longer run, from the perspective of the theoretical background and implementation of the programme,*

*it could be fine-tuned, whether the US approach of growth-centres, or the French attitude of growth-poles work better for these hungarian EDZ's, or what elements of the the growth centre theory should be included in the Hungarian programme.*

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