

# **DOCTORAL (PhD) THESIS**

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**ROLE OF THE REGIONS  
IN THE REGIONAL DEVELOPMENT**

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# 1. ANTECEDENTS OF THE RESEARCH, OBJECTIVE

My doctoral dissertation examines the role of the regional development-statistical regions in regional development, from the point of view of the elaboration and implementation of the regional operational programmes (ROPs) elaborated in the framework of the National Development Plan I. and II.<sup>1</sup> For the period after the EU accession (2004-2006) as part of the NDP I. of Hungary one ROP covering all regions was defined. The regions could make separate ROP-s for the implementation of their developments first for the planning period of 2007-2013. This very significant leap for the regions makes my choice of topic reasonable.

During my professional field-work from 2001 then later my work at the South Transdanubian Regional Development Agency Public Company<sup>2</sup> I could get an insight into and participate in the process of the elaboration of the regional development plans. I had the opportunity to examine the use of project generation in regional development and planning as well.

The objectives of the dissertation are:

1. To introduce the development of the regional policy of the European Union, through the analysis of the most important cohesion policy documents of the planning periods following each other.
2. To compare the role of the regions of the Visegrad countries in the planning and implementation of the regional operational programmes.
3. To examine the role of the Hungarian regions in the regional development planning, and in the implementation of national- and regional- levelled development plans.

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<sup>1</sup> From 2007 the EU member states have to elaborate a National Strategic Reference Framework (NSRF) instead of a National Development Plan to appoint their developments utilizing Community sources. In Hungary this document got the name New Hungary Development Plan. In my dissertation I organically use the name National Development Plan II. (NDP II).

<sup>2</sup> From 14<sup>th</sup> August, 2008: South Transdanubian Regional Development Agency Limited Liability

4. To introduce the results of the Hungarian decentralization, the independence of the regions and their interest validation possibilities.
5. To examine the role of project generation in the regional planning.

To access the objectives I try to implement the following tasks:

- I introduce the Community and national regulational frameworks and their changes that define the regional operational programme(s) of the NDP I. and II.
- I introduce and compare the system of planning and implementation of regional operational programmes in the Visegrad countries.
- I survey the processes of the Hungarian regional planning, and their main steps through the example of South Transdanubia.
- In the framework of an interview I survey the opinions of local regional development experts participating in regional planning about the process and efficiency of the planning of the regional development operational programmes.
- In the process of the planning of the regional development operational programmes I examine:
  - a. the extent of initiation of regional participants in the national and regional development planning counting with the sources of the Structural Funds (emergence of the partnership principle);
  - b. achievement of socialization, that is, the initiation of local people into planning in the regional development planning;
  - c. the change of the role of the regions and the institution system of regional development in the planning of the regional operational programme(s) of the NDP I. and II.;
  - d. the project generation as a tool for regional planning.
- I conceive conclusions for the tendency of the Hungarian regional planning and implementation of the Community regional policy.

My further aim is to make a proposal to keep the viewpoints and steps attentive to during the planning of the ROP for the sake of the efficient utilization of sources.

## **2. THEME AND METHOD**

During my secondary research through many years I constantly studied and processed the bibliography connected to the topic. I concentrated first of all for the topics defined in the objectives of the dissertation and I analyzed the national and foreign development policy documents and the chief Community regulations. In connection with the Visegrad countries I used the latest English versions of the NDP I. and II., and their regional operational programmes. I made their comparative examination from the point of view of the role of the regional level.

Working at the South Transdanubian Regional Development Agency Public Company (Agency) I had the opportunity to participate on many social negotiations, workshops organized by the Agency.

Beside the above, I studied the professional stuff made by the Agency and the themes of the sessions of the South Transdanubian Regional Development Council.

In the autumn of 2002 during my primary research I made expert visits at the regional representations of Poland and Slovakia in Brussels. In the spring of 2008 I made interviews with experts having intense planning experiences from the regions West-Pannonia, North-Great Plain and South Transdanubia.

On the basis of the analysis of the secondary data, as well as the opinions of the three experts from the three very differently developed and featured regions about the regional levelled planning, the bibliographical sources, and my own experiences I conceive conclusions and proposals for the more efficient elaboration of the planning documents making the base for the utilization of Community sources in the regions and for the implementation of the plans.

### **3. RESULTS**

#### **3.1. Community regulation of cohesion policy**

On account of the reform of regional policy concerning the planning period of 2007-2013 significant changes appeared in the utilization of the Structural Funds and the Cohesion Fund. The 1083/2006/EC Council decree fixed the new objective areas, the documents to be elaborated for the gaining of supports, and the circle of principles to be validated. Matching the conditions defined by this decree – saying that one financial fund can only finance one operational programme – the member states elaborated more operational programmes in their NDP II. During the planning the member states put great emphasis on the impoundment of the development areas and competences between the sectoral and regional operational programmes. The operational programmes are detailed in two-year action plans. These, compared to the programme-complement documents for the previous seven-year period, provide bigger flexibility in the conformation to the real development needs.

#### **3.2. Regions and regional development programmes of the Visegrad countries**

In the European Union the addressees of the Structural Funds are the NUTS 2 regions. These are the territorial units that have, depending on their number and the extent of decentralization, the opportunity and mode to elaborate ROPs representing the specialities of the given region.

From the Visegrad countries only in Poland are such self-governmental regions (voivodships) that suit the conditions of the NUTS 2 level. In the other three member states the regions were formed with contraction of the NUTS 3 public administrative units in order to gain EU sources. In spite of this Poland

– alike Hungary and the Czech Republic – elaborated only one ROP inside the NDP I. In Slovakia there was no ROP at all. Between 2004 and 2006 the central bodies played the dominant role both in the planning and the implementation.

For the 2007-2013 planning period separate ROP-s were prepared alike in three Visegrad countries, but there were differences in planning and the implementation of the plans. In Hungary the central level, while in Poland and the Czech Republic the regions are responsible for the implementation of ROPs, and the central level only coordinates among the operational programmes. In Slovakia one ROP was elaborated for all preferred regions. (*Table 1*).

**Table 1**

**Regional operational programmes of the Visegrad countries**

Member state	NUTS 2 region	Number of ROPs	
		2004-2006	2007-2013
<b>Poland</b>	1 voivodships	1	16
<b>Czech Republic*</b>	1-3 kraj (county)	1	7
<b>Slovakia*</b>	2-3 kraj (county)	0	1
<b>Hungary</b>	3 counties**	1	7

\*For the regions of Prague and Bratislava (NUTS 3) separate operational programmes were made both for the 2004-2006 period, and the 2007-2013 period. These are not named in the table.

\*\*except the Central-Hungarian region.

*Source: edited by the author on the basis of the 22.03.2008 data of the Factsheets of Inforegio,*

*[http://ec.europa.eu/regional\\_policy/atlas2007/fiche\\_index\\_en.htm](http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm)*

As results of the sectoral and regional agreements the separate ROPs include same priorities (development areas), but their implementations suit partway to the local specialities.

It can be stated that the regional contribution and role-taking in the planning and implementation of the regional development programmes are forthrightly commensurable to each other. The more the central bodies influence the

planning of the regional programmes, the more they participate in their implementation, directly or through their deconcentrated bodies.

### **3.3. The legal background of the regional development policy and the elaboration of regional operational programmes in Hungary**

On the basis of the review of the legal background of the Hungarian regional development policy it can be said that the regions got an ever bigger role against the counties. The Law no. XXI. on Regional development and country planning of 1996 and the National Territorial Development Concept (NTDC) of 1998 yet appointed the counties as the addressees of regional development policy. The modification of the Law in 1999 put the planning-statistical regions forward, at the same time established a central dominance in the regional development councils on head of them.

At the elaboration of the NDP I. the regulations concerning the territorial planning did not give a suitable direction on the method and institution system of planning.

The condition system of the elaboration of the NDP II. and its operational programmes should have been defined by the National Territorial Development Concept of 2005 (NTDC) and the National Development Policy Concept (NDPC) accepted at the same time, but their planning already began in 2004, and was almost together formed with the versions of the NTDC and the NDPC. The time „lapse” had the advantage that the strategic development objective systems of the regions could be built into the national documents. Besides, a difficulty was that for the elaboration of the programmes using the EU sources at the beginning of planning neither national nor Community exact directions and financial framework were available. However, from the point of view of the regional interests it was a great leap forward that the NTPC stated the *raison d'être* of the separate ROPs from 2007, and that the 50% of ERDF sources was

appropriated for the implementation of regional and local programmes. Positive is the direction of NTPC that during the planning regions and sectors should be handled with equality, as well as a plan law defining a uniform planning mechanism should be created. (This, however, has not been born yet.)

### **3.4. The NDP I. and the Regional Development Operational Programme (2004-2006)**

At the time of the beginning of the elaboration of the NDP I. and its ROP there was no obligatory regulatory framework and Overall Development Plan available for the planners, which would have defined the strategic aims of the country for a long time, and could have been the a starting point of the EU-financed developments. Only Government decisions were concerned for the planning tasks, and there was no uniform methodology defined, either.

The regions, even before the start of the planning of the NDP I., in 2001 started to elaborate their regional operational programmes using the principle of the maximum objective system<sup>3</sup>, thus by 2002 they had overall development strategies. Certain elements of these could be built into the NDP I. The regional planners during their work relied on their planning documents worked out earlier. Their interest validation role against the central bodies and the sectoral ministries and their share from the sources became smaller as time went by.

The regional planning work was difficult by the fact that the management of regional development belonged to seven different ministries from 1990 to 2008. The direction of regional development and the elaboration of documents needed to gain EU sources belong only from 2007 to the sphere of influence of the same ministry.

In the reduction of regional interest validation it also contributed that the elaboration of the NDP I. continuously slipped in time, and its final version was

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<sup>3</sup> Every development aim important for the given region was included into a uniform system.

made in three-quarter year in fact. The regionally constructed ROP formed at the beginning of planning was accepted as a thematically organized document – supporting developments grouped along three main topics – in which the regional specialities did not have the possibility to appear. Neither the ROP Programme-complement Document nor the centrally ordained regional action plans did not include on the merits territorial specialities.

In the implementation of the ROP beside the central Management Authority the VÁTI Hungarian Public Nonprofit Company for Regional Development and Town Planning and its regional branch offices, as deconcentrated bodies carried out the intermediary body tasks of programme implementation. The regional development agencies could participate in the project evaluation part, which meant an advantage for them in the planning of the separate ROPs from 2007. The opinions of the regional experts were divided from the point of view how big a role the regions could undertake even from 2004 in the planning and implementation of ROPs. But their viewpoints are uniform in that – beside the development level of Hungarian regional policy at that time – it is even a result that they could participate in its elaboration and implementation at all.

### **3.5. The NDP II. and the separate Regional Operational Programmes (2007-2013)**

At the beginning of the elaboration of the NDP II. and the separate ROPs there were no exact Community direction and financial framework available for the experts, with which they could have counted. The national strategic documents were only accepted after 2005. The planning of the ROPs started already in September, 2004 in terms of the implementation of the maximum objective system, the result of which was that certain parts of the regional strategies could be built into the national planning documents. At the national level the Government resolution no. 1076/2004. (VII. 22.) about the content and

organizational frames of the elaboration of the Europe Plan (2007-2013) signed out those responsible for planning, their tasks, methodological frameworks, and the implementation of tasks in the working groups.

For the survey of the needs coming from below strategic development programmes concerning different topic areas were elaborated in many regions. In the South Transdanubian region six such topic areas were defined. Beside these the microregional action plans were worked out in South Transdanubia, which meant a base for the elaboration of the ROPs and the two-year action plans connected to them. The legitimization of the regional planning documents was provided in South Transdanubia by the regional planning network.

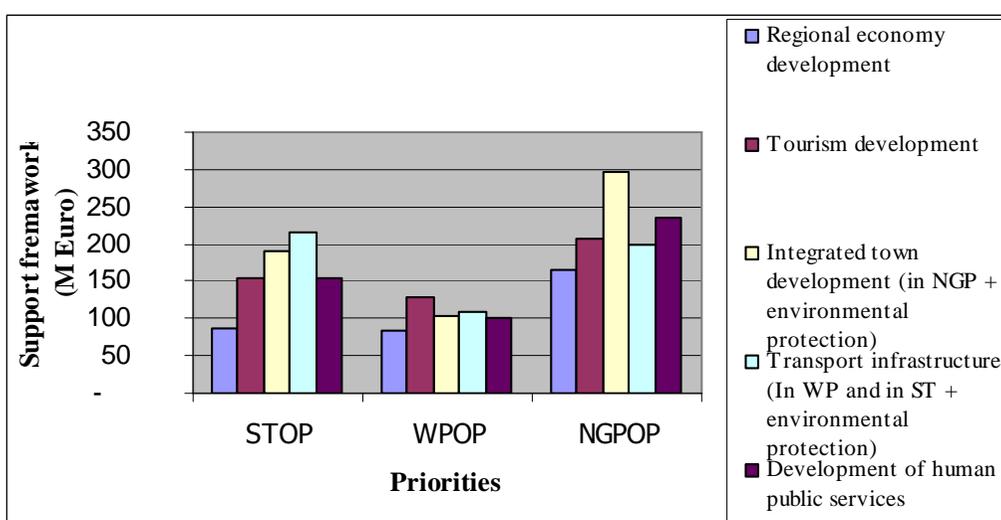
Compared to the elaboration of the NDP I. and its ROP it was a great leap from the point of view of the regions in the planning and implementation of the 2007-2013 period that they could actively participate in the planning processes together with the sectors. The integration of the Management Authorities into the National Development Agency largely promoted the planning discussion positions of regional experts with the sectoral ministries, though the different ministries accept regions as partners still to a different extent.

The socialization of the separate ROPs (initiation of local participants into planning) was larger and more efficient compared to the ROP of the NDP I. Opposite to the socialization of the ROP of the NDP I. running in formal frameworks led by central organizations the regions could initiate more regional actors into planning during the elaboration of the separate ROPs than in case of the sectoral operational programmes. This lack of sectoral planning made it difficult to elaborate the ROPs.

In the implementation of the separate ROPs the regional development agencies as Intermediary Bodies received an important role and more authority than earlier.

### 3.6. Examination of the separate regional operational programmes

Assignment of the topic areas of the ROPs for the period 2007-2013 was largely defined by the requirements of the concerning EU regulations, as well as the results of the negotiations between the regions and the sectors. The same topic areas were included into every ROP<sup>4</sup> which were grouped into five priorities. The division between the support framework amounts of the ROPs and their development areas are, however, different (*Diagram 1*).



**Diagram 1: Source division among the priorities of the West Pannon, North Great Plain and the South Transdanubian Operational Programmes**

*Source: edited by the author based on the West Pannon Operational Programme, the North Great Plain Operational Programme and the South Transdanubian Operational Programme*

It can be said that in the three examined regions – though in different extent – it was successful to define certain territorial specifics and build them into the

<sup>4</sup> Regional economy development, Tourism development, Integrated town development, Infrastructural developments (transport development, public services/human infrastructure); Environmental development.

ROPs. Aligning to the features the tourism development, human infrastructure and the town-and area development got an advantaged role.

I would think it important that the territorial specifics would appear more strongly in the action plans of the ROPs, and the regional Intermediary Bodies can get more freedom in the definition of the application conditions.

### **3.7. Project generation in the service of planning**

By the definition of project generation the survey of the development needs, ideas in a given area, their qualification, selection by feasibility and the detailed elaboration of the viable proposals are meant.

The summarizing experience of the project collecting of the initial years (2003-2004) is that although they reached important results, they meant campaign-like actions. Their aim was to bring the development ideas realizing the objectives of the NDP I. into surface, and the project ideas approach the elaborated application level as much as they can. These actions, however, can be said successful first of all in view of the giving of the methodological information, since the actual calls for proposals significantly differed from those prognosticated in the period of preparation.

In the framework of the project generating actions concerning the 2007-2013 planning period beside the methodological giving of information and the project collecting the efficient project developing activity came to the front. The aim of the programmes was that such applications appear that are authorized for support with further developing suitably qualified projects.

The analysis of the regionally initiated and levelled project development activities (strategic development programmes and microregional action plans) shows that factual relationship can be established between the planning and the real needs. The survey carried on during the project generation can mean a negotiation base for the regions at the forming of the separate ROPs, and at the

defining of the exact conditions (timing, framework amount) of the regional action plans. Besides, the large scale of project ideas and development ideas coming to the surface are suitable for show out trends, territorial specifics from them that can be built into the coming regional development documents in the future, and can be objective starting bases of them.

It can be stated that if the region could confirm its interests with grounded background documents, it can carry on efficient negotiations in the interest validation in the area of elaboration of the ROPs. A good example for it is in South Transdanubia the realization of the component „Development of integrated small-and microregional education networks and their centres” of the South Transdanubian Operational Programme oddly established in the country.

## 4. CONCLUSIONS

1. The socialization (initiation local persons into planning) played a great role in the planning of the separate regional operational programmes concerning the 2007-2013 period.
2. The institution systems dealing with the regional planning and implementation were differently built out in the Visegrad countries.
3. In the Hungarian regions the regional institution system was properly established for the reception of the EU sources.
4. At the planning of the separate regional operational programmes there was a leap forward in the interest validation of the regions opposite the sectors.
5. In the planning and realization of the separate regional operational programmes the regions received a role and competence bigger than earlier, and they had a bigger possibility to have the regional specialities appear in the regional plans.
6. The project generation was used as a new tool during the planning, and promoted the bedding of the regional operational programmes with real territorial needs.

## **5. NEW RESEARCH RESULTS**

1. I unfolded the specialities and contradictions of the process of regional planning. I pointed out that the decentralization of the planning and implementation of the regional operational programmes to regional level is possible also without establishing self-governmental regions, beside keeping the coordination role of the central level.
2. I summarized the main steps of the history of regional planning and the planning work process concerning the Visegrad countries, from the point of view of the institution system and the division of labour among the levels.
3. I presented the main project generation activities carried on in the South Transdanubian region. Based on this I proved that project generation can be an efficient tool for the territorial planning based on real needs and the establishment of the regional operational programme. The project generation promoted the South Transdanubian region to strengthen its planning capacity and to establish the regional planning experiences.

## 6. PROPOSALS

For the sake of the efficient planning and implementation of the Community financed regional operational programmes and of the strengthening of the role of the regions in it the following viewpoints are suggested to take into account:

- The phasing of the socialization of the sectoral and regional operational programmes is necessary.
- It is necessary to provide the equal participation of the sectors and the regions in the planning of the regional operational programmes.
- The planning rules and conditions are needed to be established in time for the 2014-2020 planning period.
- From 2014 beside the coordination of the central level a bigger independence of the regional Intermediary Bodies is needed in the elaboration of the regions' strategies and during the implementation in the definition of the application conditions concerning the given region.
- It is necessary to strengthen the appearance of the regional specialities in the regional operational programmes.
- The strengthening of the role of project generation is needed in the tool system of regional planning.

## 7. PUBLICATIONS APPEARED IN THE TOPIC OF THE DISSERTATION

### Academic communiqués

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**Tütő E.-Sarudi Cs.-Nyáriné Budvig A.-Marton I.-Molnár T.-Barna K. 2003.** Regionális szintek, valamint érdekérvényesítésük az EU-ban. Agrárgazdaság, vidékfejlesztés és agrárinformatika az évezred küszöbén (AVA) nemzetközi konferencia. Debrecen, 2003.04.01-02. p. 346.

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