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## **New perspectives in the regional development of a small Hungarian Roma village With the conceptual participation of the Hungarian organisation of the Order of Malta**

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### **Abstract**

This study presents one of the social inclusion programs of the Roma minorities in Hungary Through the "Presence" program of the Hungarian Maltese Charity Service, the first step is to keep in mind social catching up.

Government programs for rural development and the evolution of the support schemes once again raise the issue of efficient development in certain regions. Tiszabura and its surrounding region are also affected by this issue.

The developments that have unfolded in the Eastern, and even more so, the North-Eastern part of Hungary and those currently underway had an adverse effect in the past and still exert a certain negative impact today in terms of convergence with more developed regions.

There have been many initiatives to reduce historic distances. The socialist era, characterised by a policy of regional levelling and equalisation, brought about some improvement for the region.

However, after 1989, the rearrangement of development directions and funds available for this purpose resulted in a new and different situation.

This process was accompanied by tangible efforts aimed at supporting change.

The study covering the region entitled "*New environmental, economic, urban and social processes in the Great Hungarian Plain*" was also part of the large-scale National Strategic Research Program conducted between 1997 and 1999 and organised by the Hungarian Academy of Sciences (MTA).

The so-called "border region program" was conducted as part of the Alföld II Research Program under the coordination of the Debrecen team. These complex studies, including some that were based on comprehensive questionnaires, focused on border regions and settlements in the North-Eastern Great Hungarian Plain.

The main results of this study are publicly available (Baranyi 1999; Baranyi–Balcsók– Dancs–Mező 1999).

The other task of the Alföld II research program was to start the study titled „Successful towns in the Great Hungarian Plain” which was inspired by the ideas of academician György Enyedi.

Four research units of the Great Plain Research Department of the Institute for Regional Studies of the Hungarian Academy of Sciences’ Centre for Economic and Regional Studies (MTA RKK ATI) examined the evolution of five towns located in the great Hungarian Plain considered to be successful in terms of their economic and social development level as well as two settlements in each town’s catchment area: *Gyula* (Kötegyán, Elek), *Kalocsa*

(Foktő, Szakmár), *Mátészalka* (Jármi,Ópályi), *Szeged* (Domaszék, Deszk) and *Szolnok* (Tószeg, Besenyszög), this latter town being the centre of our interest.

The examination of Mátészalka was based on diversified researches (Béla Baranyi –István Balcsók (2000), and the development of Besenyszög into a town was based on some relevant studies (István Murányi - Zsolt Szoboszlai (1999), (Besenyszög town, 2013);

These studies can be used also in connection with Tiszabura. The researchers of the Faculty of Sciences of the University of Pécs discuss the development of these settlements and their upgrading into a town on a separate website ([varossanyilvanitas.hu](http://varossanyilvanitas.hu)). For our investigation we have also taken into account the typical process of upgrading Besenyszög into a town.

The settlements involved in the Alföld II research program were selected using the multiple variable statistical method for defining their level of development. A “highly developed” and a “less developed” settlement were chosen from the town's catchment area (in case of Mátészalka, these were Ópályi and Jármi, respectively).

These examples enabled the researchers to study the effect of the towns considered “successful” on their direct surroundings, conveying the elements of success.

The remarkable *success* in the case of Mátészalka is relative and is an *isolated* phenomenon, and its impact on its direct environment is quite random. We can hardly talk about a real “boom”, or a development penetrating the local economic and social life.

The comparison with Besenyszög was intended to understand whether, based on the available data, Tiszabura and its catchment area - having some development potential - can demonstrate the signs of some prospective development, and whether they possess the fundamental factors needed for success.

In our case, answering these questions becomes even more important given the fact that Tiszabura displays the criteria of success in a relatively underdeveloped region. We need to understand whether the settlement can be considered as one with development potential only in comparison with its local environment or also when compared with the entire Great Hungarian Plain. Namely, in the latter case, Tiszabura may be able to actively contribute to the renewal of the entire

Szabolcs-Szatmár-Bereg region and support the changes.

### **Successful and unsuccessful settlements**

First of all, we have to define the notion of success. Which settlements can be considered successful and how should we interpret the notion of - relative - success?

We have relied on the definition of György Enyedi when trying to identify the success potential of these settlements. In his view there are losers and winners in the competition of settlements.

“Successful settlements” are the ones who could and can most successfully adapt to the new circumstances created by the political, economic and social changes, that is, they are able to successfully respond to the emerging challenges, and whose development dynamic is sustainable.

Success is always relative. However, the notion of success is still measurable based on actual data and statistical indicators, source and document analysis as well as surveys and interviews reflecting the opinion of the population can all be helpful in that respect.

We can accurately sense the development dynamics of any settlement if we analyse its progress or regression not only in comparison with itself but also in comparison with its narrower and wider surroundings. This will enable us to better understand the factors and circumstances underlying success, and identify yet another measure for its success: is the given settlement able to convey the positive results of its development to other settlements in its direct environment and is it able to help the development of its own region, or is its success only an isolated phenomenon limited to itself?

The development potential and the success of a settlement and its surroundings can be measured based on a number of aspects. In his conclusive list of factors pertaining to towns György Enyedi mentions ten success factors closely correlating with one another. The coexistence of these factors ensure the success of any settlement (Enyedi 1997, 2-5).

These success factors are as follows:

- 1.) A successful settlement is able to change its economic structure;
- 2.) The share of value creating sectors is high in the service sector of a successful settlement;
- 3.) Knowledge-based production characterises a successful settlement;
- 4.) A successful settlement has strong innovation capacity;

- 5.) The successful settlement takes decisions;
- 6.) There is a strong and growing middle-class in the successful settlement (no matter what its extent is, it is a relevant factor);
- 7.) The successful settlement provides a high-value environment and quality public services which is at the same time a factor that provides support for businesses;
- 8.) The successful settlement is able to handle conflicts well;
- 9.) The successful settlement has extensive external relations;
- 10.) Income and employment are on the rise in the successful settlement.

So those settlements can be considered successful based on these 10 settlement-success factors where

- the generated income increases and a substantial part of this income is reinvested locally, or is kept by local businesses and the inhabitants, or is spent on the development and the operation of the settlement in the form of taxes,
- large sections of the population benefit from the increase of personal income,
- the economic growth augments the settlement's environmental, urban and cultural wealth

(Enyedi 1997, 6).

From the perspective of constant competition, those settlements are successful which are among the winners in the competition among settlements. *In addition to fast adaptability, another measure of success is proper advocacy* and the best utilization possible of local capabilities.

If the given settlement is able to tackle these areas, then success manifests in tangible and obvious signs. These signs include *long-term and stable income growth, population growth and the accompanying increase in employment*, and the strengthening of the *economic and cultural role of the region*.

But success does not only have outward results, but also factors fundamentally determining development. Successful adaptation to new circumstances is strongly influenced, among others, by the measure of how successfully the settlement's sectoral structure changed and whether an economic restructuring took place; and also whether the shocks that occurred during this process were properly managed.

Another relevant question is whether the *service sector gained sufficient strength* in the course of the structural transformation, and whether the modern components of service activities that can ensure further development have emerged. Yet another relevant factor is the extent to which the *innovation and technology changes* indispensable for competitiveness are present and/or advanced in the local economy.

The presence of decision-making economic power and proper concentration able to influence the development of the settlement and its surroundings and that can properly represent the interests of the settlement even on higher levels is indispensable for the dynamic development of the region. The sufficient level of presence of these aspects can guarantee that the *local economy can successfully switch over to a modern and knowledge-based production* which is of key relevance from the perspective of success.

Knowledge-based production is not possible without the availability of human resources and qualified workforce and the best possible life circumstances needed to retain them.

Only the settlements paying sufficient attention to this aspect can keep their chances for further development.

The success of economic activity fundamentally influences the quality of life of those living in the settlement as it is inextricably related to *income and employment levels*, which is a function of the local economy's performance.

All these factors determine both the structure and the composition of the local society and influence, among other things, the level of polarisation and income differences.

Moreover, these factors also determine whether a strong middle-class with local empowerment willing and able to support changes might be created.

Another relevant aspect is whether the changes in environment and wealth, and through them, the changes in life circumstances support the overall development of the settlement, or to the contrary, hinder its development?

Local municipalities play a role in the efficient management of negative externalities (such as environmental pollution, transportation and public transportation issues, etc.) manifesting in the course of environmental changes as this is an increasingly determining factor in the retention and wealth accumulation of the population.

In addition to the trends observed within the settlement, local municipalities *must also focus on maintaining and developing the external relations of the settlement and its surroundings*. This applies equally to a well-balanced cooperation with the narrowest and the widest environment (joint investments, education, tourism etc.). Due to the rapid development of information technology, settlements cannot be successful without being efficiently connected to the larger innovation hubs.

But this could only happen if they are able to ensure the free and fast flow of information.

This requires the development to the highest possible level of electronic accessibility to ensure uninterrupted contact with central authorities and to enable the settlement to react to changes as fast as possible.

### **Past and present: main characteristics of the current situation**

Migration from the region must be stopped. Retaining the local intellectual elite is not merely an economic interest, but it is a key issue in terms of the composition and activity of the local society.

Namely, this social group is characterised by the highest level of empowerment and responsibility (provided they live among proper living conditions), but — according to the opinion of those asked so far — nowadays most people are having trouble making ends meet which makes them disinterested in the life of the community.

Civil organisations are making efforts to counteract this phenomenon, but their results have been quite limited so far. This is well demonstrated by the low level of participation in the parliamentary and municipal elections.

This translates into a decreasing need of the population to want to influence local politics and the future of their settlements.

The growth dynamics of the region is unimaginable without a dynamic society and civil initiatives and movements and this will not change in the upcoming period. Therefore organisations that want to act in support of social activity must be supported as much as possible.

But the real solution would be the creation of a local agricultural middle-class with a secure financial background that would act as a leading force within the local community.

For the time being there is no tangible tension among social groups, but we can see some worrying trends for the future. Social polarization and surfacing tensions entailed by increasing wage differences are all part of this threatening trend. Unfortunately the distance between the various social strata will not increase because of some groups getting rich quickly.

Namely, there is no strictly speaking economic elite for the time being living a lavish lifestyle that irritates their surroundings.

On the contrary, the per capita local tax in Tiszabura is rather low due to a gradual impoverishment of the population and it is not possible to further increase their income tax.

This is not simply due to unemployment but also to the increasing share of the Roma population and the situation is expected to remain unchanged in the long run.

Accordingly, some settlements will have to face some ethnic problems although cooperation with the minority organisations can be considered as well-balanced for the time being.

Only the villages with a higher share of Roma population face problems already today and this generally deters other social groups from moving to these areas.

The external perception of Tiszabura is important not only from the educational point of view of the environmental culture, but also from the perspective of tourism, a sector in which even Tiszabura has some opportunities.

One of the to-do's to be done locally is to make Tiszabura and its surroundings appealing not only for the locals but also for its visitors.

Consequently, in addition to developing catering establishments and accommodations satisfying the needs of tourism, great emphasis must be placed on the image of the settlement. For example, the renovation of farmhouses and the creation of rural holiday homes (in the southern region near Tiszarof and in the holiday and rest area in Pusztataskony) and the building of a new residential area in the extension of Honvéd and Dankó streets could be very successful. The buildings of the settlement could land a typical and recognizable image to Tiszabura.

Organising traditional festivities rooted in the region's history and covering its present life would definitely boost Tiszabura's cultural life and touristic appeal. There are also other means to revive tourism in the region (history of fishing, resort area) which would enable the settlement to become a centre of tourism in a rural area not very well known until now. But local initiatives and better self-management are not enough on their own: solvent domestic and international demand is also needed. But one should not expect loads of visitors in the near future since accessing this region is difficult even for Hungarian tourists (PR, marketing, transportation connections).

Municipalities definitely play a key role in the further development of the region.

On the one hand, because eliminating obstacles that hinder development in these areas and the best utilisation possible of the region's assets greatly depend on the activity of municipalities.

Huge opportunities may open up for the region thanks to being part of the European Union and a lot depends on how many of these opportunities can be exploited by municipalities. Subsidies provided for these underdeveloped regions could possibly fund the necessary developments and help in catching up with more developed areas. These funds will be absolutely necessary as even now the region is unable to finance the required developments on its own and they will certainly need external funding going forward as the current trends are likely to continue.

But local governments need to preserve and even increase their activities and develop stable development guidelines for the region to achieve real success. But this is only possible if cooperation among the settlements significantly improves compared to the current level.

But this cooperation can only be successful if thinking together and respecting one another's interests drive their efforts and all parties are willing to let go of their past grievances.

### **Conclusions and recommendations**

Based on secondary and primary research – supported by some scientific background work –

I came to the following conclusions and give the following recommendations. Thanks to the engagement of the Maltese these suggestions gain new interpretation.

In my study I have analysed the region's situation. I took into account the agricultural and rural development concept

(2014-2020) of 23 settlements in the three micro-regions of Nagykovács.

This concept is part of the fundamental strategic objectives of the Jász-Nagykunszabolcs County Municipality.

These objectives include the following:

- a) implement land management,
- b) develop water resource management,
- c) mitigate environmental threats arising from exposure to flood, inland water, drought and climate change
- d) develop local economy;
- e) re-industrialization,
- f) improve accessibility,
- g) develop tourism in line with the characteristics of the region's countryside, and
- h) lay the foundation for sustainable employment.

Based on my analysis of the region, laying the foundation and developing water management and irrigated farming are the potential points of growth and priorities and target intervention areas<sup>1</sup>. Irrigated

farming is not new to the area, but it is necessary in order to make agricultural production and the region's overall development more efficient.

With the implementation of these objectives the region could be “re-industrialised” in terms of its water management with the involvement of Tiszabura’s local government and producers (large-scale and private agricultural farmers) following an intense preparation period.

The main activities to be performed can be grouped in the following areas:

The region traditionally involved in agricultural production has adequate production capacities but its agriculture-specific knowledge capital is uneven. When examining trends in entrepreneurship within the European Union and Hungary, we can say that the smallest enterprises – in our case family owned farms – employ the most workers. But the subsidy schemes provided by the European Union primarily focus on other segments, which is explained by the low investment capacities family owned farms.

Micro and small agricultural businesses are not familiar with modern business infrastructure systems, and so their chance of survival in the agricultural sector – anyway requiring special know-how – is rather low. According to the 2011 data published by the CSO, survival chances within a 5-year period of start-up businesses is 50%.

As no sector specific survey has been conducted we can only start from general data. Some EU, OECD, CSO data support the fact that these businesses have an extremely low level of knowledge in the following special business areas:

- Modern agricultural technical knowledge (e.g., droplet and water saving irrigation technologies),
- Financial, accounting, controlling and fiscal knowledge (e.g. investment financing, cash-flow...),
- marketing knowledge (e.g. product sales, market and product positioning ...),
- Legal knowledge (e.g. labor, employment and civil law, contractual discipline ...),
- Strategic knowledge (e.g. business planning ...),
- Business administration knowledge (regulating and monitoring processes, document management...),
- Management knowledge (human resource management, recruitment, selection, performance evaluation...).

A development and training centre located in Tiszabura is to be established for a more extensive acquisition and development of the above knowledge areas. Comprehensive and integrated services made available as part of this business centre would provide support for the agricultural businesses in the region throughout their entire lifecycle, a form of support that could be considered unique even in the European Union.

This platform base service (PaaS) set up to support agricultural businesses in Tiszabura is built on virtual and physical infrastructure as well as business applications and business services. The PaaS supports economy development objectives to be implemented in the agricultural sector by providing the infrastructure and establishing connection between resources, equipment and the processes . The service model aimed at the overall improvement of the countryside is created by the involvement of local partners, thereby supporting and enhancing the region's population retention capabilities and increasing its employment level.

The following cooperating partners are part of the service framework:

- Local participants,
- Financial and accounting service providers,
- Business advisors,
- Training partners,
- Higher education institutions also taking part in the exercise.

Investment into the region’s agricultural and intellectual capital supports

The development of local capacities. The information technology solutions provided by the platform as a service enable

the businesses operating in the region to tackle the challenges entailed by geographic diversification.

This business model provides the following services:

- establish a system of water utilisation based on water geography,
- implement irrigation technologies,
- company foundation: registered seat, lawyer, accountant (bank account) in a uniform package,

- launching the business: business plans, e-mail, web portal, image, reception, customer service,
- operation: technology and energy supply,
- bookkeeping, virtual office, meeting room usage, physical office,
- training/education: practical, dual training, online training materials, Internet-based training, classroom training with emphasis on adult education,
- consultancy: business, marketing, market distribution, legal, HR services.

Establishing such a centre in Tiszabura could be implemented based on rural development policy measures introduced by the Ministry of Rural Development as part of a special project. As part of this special project, a non-profit limited liability company creates the platform as a service forming the basis of the business model. The centre to be created sells the specialised knowledge of the platform as a service through various channels and partners, such as online marketing tools (SEO, AdWords, Social Marketing), cooperating partners (NAKVI, MVH, local governments), business partners (law firms, accounting offices, financial services providers, banks, insurers).

Benefits of the targeted development centre in Tiszabura:

- 1.) A unique agricultural business support system,
- 2.) Smart and useful support of the smallest agricultural businesses generating income,
- 3.) Micro and small agricultural businesses are given a solution (i.e. large corporate level tools and equipment) and specific and measurable services that they would otherwise be unable to purchase,
- 4.) the creation and retention of new jobs in the agricultural sector of the region,
- 5.) help self-employment and strengthen the individuals' specialised knowledge and professional identity,
- 6.) improve the chance of survival and sustainability of the these businesses,
- 7.) rural and land development,
- 8.) implement the agricultural employment strategy, support transition from public employment to self-employment,
- 9.) reduce unemployment,
- 10.) project generation (development, tourism, investment, foreign investment)
- 11.) reference for other regions.

The government was forced to take strategic measures to eliminate the long-standing negative conditions. Government resolution no. 1391/2016. (VII. 21.) on resolving the situation of Tiszabő and Tiszabura settlements mandated the Hungarian organisation of the Order of Malta to organise the required activities, and also requested the Minister of Human Resources to prepare a comprehensive action plan for the social inclusion of Tiszabő and Tiszabura and for the long-term solution of the current issues affecting the region with the involvement of the Interior Minister, the Minister of the National Economy, the Minister of Agriculture and the minister overseeing the Prime Minister's Office. This action plan covers education and inclusion, but also places emphasis on the activities to be performed in order to eliminate socio-economical disadvantages affecting the region. As a result, the region might have a better future, its self-reliance potential and contribution to the performance of the national economy might favourably evolve.

The modernisation of small settlements and small villages program of the government to be announced for the upcoming years can change the region's past concepts and shift the activities done so far in new directions. A sign of this is that the Hungarian organisation of the Order of Malta has already extensively analysed the settlements to be developed. We estimate 300 strongly underdeveloped regions nationwide, among which Tiszabura is in the 8th place based on the values of the composite indicator. The purpose of the development is to rebuild those comprehensive support systems, based on the knowledge and experiences obtained so far, that can bring actual and lasting results for the region in the future, with the utilisation of state resources and the coordination of the Hungarian organisation of the Order of Malta.

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