Abstract

The authors discuss the main characteristics of women as farm operators using national sample studies conducted in 1994, 1999 and 2007. After an analysis of literature and various research results some hypotheses were formulated, i.e.: the better education of rural women than rural men, women as “unnatural” or “forced” farm operators due to various household circumstances, the “weaker” economic status of farms operated by women. Basic results of the studies carried out in 1994, 1999 and 2007 confirm the hypothesis about the weaker economic position of female operated farms. Moreover, women farm operators were slightly older and far better educated than their male counterparts. On the contrary, the males were more active off the farms in the public sphere. In addition, the circumstances of becoming farm operators did not differ significantly between males and females. Finally, there were no significant differences between “male” and “female” styles of farming.

Keywords: women, farm operators, education, market position, entrepreneur, style of farming.

Introductory Remarks

Let us start with a statement formulated by one of the leading Polish female rural sociologists, a specialist in analyzing the problems of rural families. She points out: “[…] roughly 60 per cent of agricultural production [in Poland – K.G.; An earlier draft of this paper was presented at the XXIV European Congress for Rural Sociology, Chania, Greece, 22–25 August, 2011.]

Bernadett Csurgó, Imre Kovách, Boldizsár Megyesi

After a Long March: the Results of Two Decades of Rural Restructuring in Hungary*

Abstract

This paper aims to show the main processes of rural restructuring of Hungary after the change of political system and EU integration. It describes the changes of agricultural land-use, new dynamics of urban rural relations and rural development of the last 25 years. In the paper, we argue that the most dynamic changes happened in the era of post-communism, ended by EU-accession and the era of consolidation.

A characteristic phenomenon of these changes was the urban demand for providing facilities related to rural landscape and culture. Therefore, permanent and temporary migrations into rural areas have become the most important element of development for rural places in the last decades. The introduction of a new Europeanised rural development system has shaped these processes and reconfigured local power relations, economic and social networks. These turbulent changes occurred at the same time with the collapse of the socialist-type co-operative and state farm system, along with the restitution and reprivatisation of land, resulting in the concentration of land use and agricultural production.

* The paper is based on the Grant of the National Research, Development and Innovation Office – NKFIH 108836: Integrative and Desintegrative Processes in the Hungarian Society.

Bernadett Csurgó and Boldizsár Megyesi are supported by the Bolyai János Postdoctoral Scholarship of the Hungarian Academy of Sciences.
The paper aims at analysing these processes by discussing the dynamics of urban-rural relationships and the new rural development system, while the final part focuses on land-use changes and its impacts on rural society.

**Keywords:** rural restructuring, land-use concentration, urban-rural relationships, rural development

**Introduction**

The collapse of the socialist system resulted in significant spatial changes and related demographic, social and economic restructuring in Hungary (Kovách and Nagy Kalamász, 2006). The main characteristic of the Hungarian spatial system is the high number (more than 3000) of local governments (settlement level – NUTS V) and the low dominance of middle level settlements (NUTS IV and NUTS III) (Pálné Kovács, 2000) even though the role of micro regions (NUTS IV) was increased by the implementation of the European Territorial Development System during EU integration in 2004 (Kovách and Nagy Kalamász 2006; Megyesi 2014).

The independence of settlements and micro-regions has now increased as a result of the collapse of state socialism. Local governments have independent development strategies, economies and financial systems. Although a high amount of the local governmental budget is based on national state support, it has significantly decreased year by year. Thus, local governments are economic development oriented. There is a sharp competition between settlements for multi-national economic capital and development resources especially for smaller settlements, which mostly means the rural ones having less capacity and opportunity (Kovách and Nagy Kalamász 2006).

One important challenge facing rural areas after the change of the political system was the urban demand for providing facilities related to rural landscapes and culture. Therefore, permanent and temporary migrations into rural areas have become the most important element in the development of rural places in the last decades (Csurgó 2013).

Another crucial element of rural restructuring is connected to the introduction of a new Europeanised rural development system. This development parallels the decentralisation of the Socialist redistributive
After a Long March: the Results of Two Decades of Rural Restructuring…

system resulting in new local power relationships and economic and social networks in rural areas. (Kovách 2012).

Finally, one of the most important elements of rural restructuring is the changing pattern of agriculture. In the last decades, after the fall of the socialist co-operative and state farm system, the restitution and reprivatisation of land and immovable assets of socialist agricultural cooperatives – and later rapid concentration of land use and agricultural production – were basic processes which have led to the recent structure of agricultural and family farming (Gorlach and Kovách 2006; Starosta et al. 1999).

Rural-urban relationships:
consumption countryside in Hungary

Interactions and dependences between rural and urban places become drivers of spatial and social changes after the fall of state socialism in Hungary (Csurgó 2013; Kovách and Nagy Kalamász 2006). Urban-rural flows of people are one of the most important bases of rural restructuring. Urban and rural areas interact, interactions and synergies are or could be the basis of developments. New urban-rural relationships have emerged in Hungary in the last decades (Csurgó 2013). Thus, one of the most important challenges currently facing rural-urban relationships is the urban demand for providing facilities related to rural landscape and culture. The urban demand for rurality includes a better quality of life, houses and leisure opportunities which has resulted in permanent or temporary migration into rural areas in Hungary.

After transition from the socialist system, the main characteristics of spatial-social changes were the increasing population de-concentration of cities (especially Budapest) and the faster population growth of rural areas. Scholars defined it as extended suburbanisation or counter-urbanisation (Boyle and Halfacree 1998; Csurgó 2013; Dövényi Zoltán 2009; Dövényi Zoltán and Kovács Zoltán 1999; Kovách 2012; Kovács 1999; Timár 1999). Nevertheless, two different processes: decentralisation and de-concentration were presented with different causes and different effects. Moreover, counter-urbanisation and rural depopulation did not exclude each other. Population decline in rural areas still exists and counter-urbanisation could even lead to depopulation of rural areas as a result of the selectivity of the migration process (Kovách 2012; Virág 2010).
The urban and rural processes have thus become highly dependent on each other and their internal boundaries tended to blur (Overbeek 2006). We would argue that cities and their hinterlands no longer are independent entities. In Hungary there are two faces of rural migration. There are areas where the main source of rural migrants is well-off urban dwellers, but there are also rural places where relatively poor people migrate who are try to escape from urban poverty are (Csíte et al. 2004). The heterogeneity of actors and their interest in rural areas has increased in contemporary societies (Esparcia and Buciega 2005) as well as in Hungary.

The most significant changes in rural-urban relationships are permanent and temporary internal migrations. From the mid-1990s until 2007, villages were the main targets of internal migration. In 2007, the migration loss of big cities – especially Budapest – slowed down and the migration balance of the villages became negative or stagnant again (Gödri and Spéder 2008).

**Figure 1.** Balance of internal migration by type of settlement, 1990–2015

![Graph showing the balance of internal migration by type of settlement, 1990–2015](source: own creation based on data of Hungarian National Statistical Office)
From a regional point of view, Central Hungary, the Central Transdanubian and Western Transdanubian regions became the winners in internal migration, while Northern Hungary and the Northern Great Plains are the losers, their migration balance having been negative since the fall of socialism. Internal migration in Hungary is directed from east to west. In addition, remote rural areas have suffered a loss of population while metropolitan rural areas have seen a positive migration balance since the 1990s.

Figure 2. Internal migration difference per thousand inhabitants in the various regions of Hungary, 2001–2015

Source: own creation based on data of Hungarian National Statistical Office

Suburbanisation processes were the most significant in the villages of Budapest agglomeration. Thus, the period of the 1990s is characterised as a period with a substantial degree of movement away from Budapest in Hungary (Csurgó 2013; Dövényi Zoltán 2009; Dövényi Zoltán and Kovács Zoltán 1999).
Table 1. Population changes between Budapest city and its agglomeration

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Population, N</th>
<th>Changes, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>2016774</td>
<td>1777921</td>
</tr>
<tr>
<td>Fringe</td>
<td>566861</td>
<td>675394</td>
</tr>
</tbody>
</table>

Source: own creation based on data of Hungarian National Statistical Office

In the 1990s, Budapest lost 12% of its population (180,000 people) while the population of the agglomeration increased by 19.1%. The population of the Budapest agglomeration has increased by 23,8000 people since 1990 due to migration. The extent of population growth of rural-urban fringe decreased between 2001–2011, but the direction of changes has not altered.

Thirty years ago most of the villages of the agglomeration were agricultural settlements and most of the residents worked in agriculture co-operatives. The development of sectoral shares in employment then clearly showed the decline in agriculture and the rise of the third sector, similarly to the national level. The agricultural land and hobby gardens in Budapest Agglomeration became building plots, with the exception of protected nature areas. The share of children is currently above the national average confirming that many young families can be found among the newcomers (Csíte et al. 2004; Izsák 1996; Timár 1999; Timár and Váradi 2000; Váradi 1999)

Urban-rural migration flows are strongly connected to the new cultural interests in rural culture and tradition in Hungary at a broader social level, which has a significant influence on the social and economic restructuring of rural society (Csurgó 2014). Rurality has become an object of consumption in Hungary after the change of regime, as with everywhere in the Western world (Boyle and Halfacree 1998; Csurgó 2013; Halfacree 1998; Burnett 1998; Frouws 1998; Halfacree 2006; Mormont 1987, 1990; Munkejord 2006; Richardson 2000; Tovey 1998).

In response to these processes, more and more rural places are promoting themselves as locations providing traditional rural culture and local heritage. Almost all of the settlements in rural Hungary organise rural festivals and events based on their local culture and traditions several times a year. From the sausage to the ham and from the cowboy to the pottery
maker, there are wide varieties in the cultural heritage used to symbolise and label these rural events. They have varying degrees of success, but some of them have gained regional or national attention. Thus, most important elements of rural representation in Hungary became tradition, community, nature, quietness, local particularities, rustic fashion etc. Rural and urban representations and related behaviour and motivations constitute significant push and pull factors of migration and result in social changes.

The rural and rurality are increasingly being interpreted according to the context and relation of consumers and consumption in Hungary over the last decades (Csurgó 2014; Pusztai 2003). Several studies of Hungary have discussed the different perceptions of rural and urban areas in terms of the use and meaning of places (Csurgó and Megyesi 2015; Fejős and Szijártó 2000; Kürti 2000). A central theme in this social-cultural approach is the valuation of the quality of urban and rural life, which comes back to the theory of Tönnies (2004) who conceptualised the ‘Gesellschaft’ and ‘Gemeinschaft’. These concepts refers to the negative value of city-like lack of social safety and to the positive values of rural places like care and community. The result of these subjectivist studies is the assumption that the experience of the rural is dependent on personal perceptions and interpretations of everyday reality.

We would also argue that the perceptions of rural and the past or present involvement in agriculture and rurality have an integrative force, strongly impacting upon the behaviour and motivation towards rurality of people. Some decades ago, 45% of the Hungarian active population worked in agriculture, while in 1988, 20–25 percent of the Hungarian labour force was employed in state farms and agricultural co-operatives and two-thirds of the adult population participated in part-time farming. Data provided by the Integration and Disintegration of Hungarian Society Survey 2015 consists of information on the respondents’ relationship with agriculture.

Table 2. Involvement in agriculture in % of total population, 2015 (N=3553)

<table>
<thead>
<tr>
<th>Agriculture related activity</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>commodity vegetable, fruit</td>
<td>77</td>
<td>2,2</td>
</tr>
<tr>
<td>subsistence vegetable, fruit</td>
<td>1189</td>
<td>33,5</td>
</tr>
<tr>
<td>commodity meat production</td>
<td>57</td>
<td>1,6</td>
</tr>
</tbody>
</table>

...
The data shows that 33.6% of Hungarian adults have an agriculture-based family background, while 33.5% do subsistence vegetable and fruit production. Agriculture has a strong effect on the past and present experience of Hungarian society.

Based on the afore-mentioned activities, we created five agriculture related groups: (1) strongly related (11.8%) means commodity food production and having more than 1 hectare of arable land and an agricultural education, (2) weakly related (28%) means subsistence production and less than 1 hectare of arable land, (3) latently related (17.9%) means no agro-activity but a reported hobby of leisure time gardening, (4) not related (34.6%) means no connections to agriculture while (5) not related but ascending relatives
(parents, grandparents) related (7.7%) shows a family background related to agriculture.

### Table 4. Urban-rural distribution of agriculture related groups (%)

<table>
<thead>
<tr>
<th>Settlement type</th>
<th>Strongly related</th>
<th>Weakly related</th>
<th>Latently related</th>
<th>Not related</th>
<th>Only ascending relatives</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
<td>N %</td>
</tr>
<tr>
<td>Budapest county centre</td>
<td>8 1.3</td>
<td>12 1.9</td>
<td>83 12.9</td>
<td>475 73.8</td>
<td>66 10.2</td>
<td>644 100</td>
</tr>
<tr>
<td>town</td>
<td>135 11.9</td>
<td>317 27.9</td>
<td>282 24.8</td>
<td>316 27.8</td>
<td>86 7.6</td>
<td>1136 100</td>
</tr>
<tr>
<td>village</td>
<td>229 21.5</td>
<td>533 50.1</td>
<td>144 13.5</td>
<td>128 12.8</td>
<td>30 2.8</td>
<td>1064 100</td>
</tr>
</tbody>
</table>

*Source: Integration and disintegration in Hungarian Society 2015 Survey*

Data shows that both rural and urban populations have several types of relationships with agriculture. Latent and weak relationships of urban dwellers could be an important basis of positive perceptions toward rurality which can be regarded as a motivation factor of permanent and temporary migration into rural areas. Most of the respondents living in Budapest are not related to agriculture (73.8%); nevertheless 12.9% of them are latently related and 10.2% have agriculture related relatives. In addition, country centre’s inhabitants are more related to agriculture, 18.8% of them have weekly agricultural activities. While the town people are significantly related to agriculture, their relationships with agriculture show a very similar patterns than villagers’ ones.

To understand the various types of experiences and relationships between and behind the rural and urban, a reflexive approach is needed. This theoretical framework involves social constructions of rurality and urbanity and draws on more postmodern and post-structural ways of thinking (Cloke 2006; Halfacree 2006; Mormont 1990, 1987). Regarding rurality as ‘socially constructed’ suggests that the importance of the rural lies in the fascinating world of social, cultural and moral values which have become associated with rurality, rural spaces and rural life. As a starting point there has been significant interest in interconnections between socio-cultural
constructs of rurality and urbanity alongside the actual lived experiences and practices of people living in different spaces (Cloke 2006; Halfacree 2006; Munkejord 2006).

Within the processes that influence rural-urban relationships, several actors play a role. One of the characteristic actors of rural-urban relationships is urban incomers and in-migrant families from the city. An analysis on migration into the Western-Budapest agglomeration, which is a green area and has good infrastructure, has shown why this part of the agglomeration is very prestigious and why it has become the main target of in-migration of upper-middle classes.

The study shows that the reason why urban citizens have moved to rural areas range from issues related to family to the desire for adventure, living close to nature and in traditional community and combinations of these facts. Most of the families studied here moved to rural settlements after having children. The reason was that they wanted better circumstances for their children, and rural areas provide it.

Another significant group of informants migrated to rural areas from the city after their marriage and the beginning their family life. A detached house with a garden was the symbol of family life for them. Owing to their property status, they were able to achieve their goal in rural areas. They were also open to moving to settlements within the agglomeration which were further away.

There is a third type of in-migrant: older intellectuals with adult children. Urban newcomers desired a rural idyll with elements of nature, beauty and traditional culture and community. Owing to their property status they could choose to live in villages closer to Budapest. The common feature of the studied families was that their image of place is very positive, including elements of a rural idyll, nature, beauty, fresh air, silence and sense of security. This study argues that perception of place determines the immigrants’ lifestyles and the relationship with local society.

During the analysis, the focus was on social representations of the rural and its impact on rural development. Two significant but different types of representation groups with different lifestyle characteristics were found during the analysis. The first group was the suburban rural representation group featuring positive perceptions of rural areas, but lacking involvement in local community. The second group was the rural idyll representation group with positive perceptions of rurality and strong connections to local
community. According to different immigrants’ representation and lifestyle groups, two different types of development in the studied villages can be identified relating to the different demands of newcomers. The role of governance in the rural-urban relationship is crucial in the development success of rural areas (Csurgó 2013).

Other studies also prove that, in the era of intensive search for development funds, rural local governments mostly think that urban emigration can open new sources of investment for development at a local level. However, the lack of standardised programs or regulations to support the new rural-urban situations, and the different economic and consumer interests of newcomers, has frequently created chaos in many places. Significant changes have emerged from long-term medium-term planning and short-term planning in Budapest and the surrounding regions, resulting in decision-making that takes place in no single power centre and frequent multiplicity in decision making.

However, governance of urban–rural relations needs to take into consideration temporality, fluctuations, flexibility, changing actors and interests (Csurgó et al. 2012). The methods of governance and involvement of actors significantly determines the success of interactions and synergies between rural and urban areas. Rural-urban relationships and urban consumption in rural areas have been regarded as a significant resource in local development policy in the last decades in Hungary. Urban newcomers (inhabitants) and visitors (tourists) have significant beneficial effect on local and regional development.

Micro regions and settlements, which are not affected by urban consumptions, have less resources and chances for development, but they are mostly excluded from the culture based, endogenous forms of developments. The consumption of countryside has become one of the main source of rural development and it may prevent the depopulation and poverty of rural areas.

Contested results and fluid networks of rural development

Changes to the regime and process of EU accession have also changed the economic transfer between the rural and the urban areas, as we showed in the previous section. In the following section we give a deep insight into
a special policy arena – into the changes of rural development in the last decade. In this paper, we use a broad understanding of rural development: it comprises all activities which aim at improving rural livelihood. Thus our analysis is not restricted to the effects of the subsidies and measures of the European Agricultural Fund for Rural Development (EAFRD) but takes into consideration also the effects of several different development funds, private sources (investments) and national resources.

Based on our previous research and on the findings of practitioners, we argue that even between 2004–11 at the macro-level (1), private investment had the main effect on the economic performance of a certain region and (2) that development policy could hardly counter-balance the social effects of demographic and economic changes. Finally, micro-level (3) strategic planning, together with a dense network and trust among the different stakeholders, could lead to sustainable developments.

The institutionalisation of development policy started in the middle of the nineties, in the pre-EU accession period (Csite 2005; Nemes 2000), but a continuous change characterised it even after 2004 with EU-accession. Several authors have given detailed descriptions and analysis about these changes (Csurgó and Kovách 2013; Kengyel 2008; Kovách and Kristóf 2009). These processes have also been in line with the processes of the wider environment of Hungary, the European Union (Buller 2000; Marsden 2006; Murdoch 2006; Sjöblom 2006).

The so-called Europeanisation of development policy has meant that national governments have gradually lost control over development policy. Besides the national governments, supra-national decision-makers (namely the institutions of the EU) also gained an important role in funding and controlling. National governments have had to build reliable institutions which ensure the proper spending of EU-taxpayers’ money, while sub-national levels (regions, counties and local communities) have become active stakeholders in planning and project management. As scholars argue, EU integration strengthens the regionalisation of government in Europe (Dreier 1994; Keating 1998; Larsson et al. 1999), but integration and regionalisation are also encouraged by other factors, such as the reduction of community resources and growing quality expectations of locals, with new tasks appearing locally. The dense structure of different coalitions and networks are also a result of the changes described above (Buller2000;
After a Long March: the Results of Two Decades of Rural Restructuring…

Marsden 2006; Pálné Kovács 2008). The focus of this article is thus on the period between 2004–2013.

For the decision-makers of development policy, it is a continuously open question whether policies should support an increase of competitiveness or should support cohesion. The following studies argue that cohesion policy has mainly supported competitiveness.

Loránd (2009) analyses the cohesion policy of the European Union and argues that the differences among the EU regions (NUT2 level) did not decrease after accession. In his article, he compares Ireland (1973), Greece (1981), Spain and Portugal (1986) and finds that only the first one could compare to the most developed EU countries, although there were major and deep changes also in the three Mediterranean countries. Analysing the factors influencing the success and failure of the countries, he finds that while financial transfers have an eminent role in their success, disciplined economic policies, proper resource allocation and a balanced investment in both physical and human infrastructure and an efficient institutional back-ground are also necessary.

Balogh (2009) argues that the so-called priority projects do not decrease regional disparities. He analysed 1031 priority projects and found that it is less likely that a priority project in a disadvantaged region would gain subsidies. Although the analysis is theoretically well grounded, the argumentation is debatable, as the main aim of priority projects is not to decrease regional disparities.

Lukovics and Loránd (2010) have conducted a broader analysis and their research question was whether the resources of the National Development Plan between 2004–2006 had led to spatial convergence or, on the contrary, produced spatial divergence (Lukovics and Loránd, 2010, p. 82). Their analysis shows that although the National Development Plan aims at strengthening cohesion, its competitive impact is stronger and thus the decrease of spatial inequalities is moderate (Csíte and Németh 2007; Lukovics and Loránd 2010: 99).

Voszka (2006) argues that although state redistribution increased after EU accession (2006), it is still far less then foreign investment (Voszka 2006: 17). The author presents the different redistribution channels, the changes in volumes and the methods of redistribution. She differentiates between the direct payments to the enterprises and companies, and the
cohesion subsidies, while also analysing the sum of subsidies gained by companies from different developmental programmes. The paper aims at considering the role of national subsidies and supports. These are usually credited with favourable conditions, special, single subsidies, state or governmental guarantees. The author acknowledges the difficulty of assessing their value and although central redistribution increased, it became more transparent in the first years after EU accession (Voszka 2006).

Similar to Voszka, Loránd (2009), Németh (2009) and a report of the Budapest Institute (“Budapest Szakpolitikai Elemző Intézet A leszakadó térségekbe irányuló fejlesztési források összevetése a magánszektor beruházásaival Kutatási jelentés, Kézirat. p. 107”, 2013) also show that more developed regions attract more private investors who are also more active in starting development projects and similarly. Hence, regions with better infrastructural conditions have a better development performance (Lukovics and Loránd, 2010) than micro-regions in less-favoured regions.

The report of the Budapest Institute gives an insight into the role of different resources in developments. It differentiates three resources: (1) private investments, community financed investments; (2) national and (3) EU resources. The following table shows the per capita subsidies in all of the micro-regions of Hungary in the first column, the average per capita subsidies from different sources in the 33 most disadvantaged micro-regions and in the non-disadvantaged micro-regions.

Table 5. per capita amount of subsidies and investment (in thousand Hufs)

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>33 Most disadvantaged micro-regions</th>
<th>non-disadvantaged micro-regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>NDP*</td>
<td>10.93</td>
<td>11.7</td>
<td>24.67</td>
</tr>
<tr>
<td>National sources</td>
<td>8.11</td>
<td>9.53</td>
<td>12.54</td>
</tr>
<tr>
<td>Private investments 2004–6</td>
<td>90.22</td>
<td>27.04</td>
<td>152</td>
</tr>
<tr>
<td>Number / proportion of inhabitants (2004)</td>
<td>10116742</td>
<td>9.80%</td>
<td>69.10%</td>
</tr>
<tr>
<td>NHDP / NHRDP sources**</td>
<td>123.03</td>
<td>183.63</td>
<td>404.93</td>
</tr>
<tr>
<td>National sources after 2007</td>
<td>1.76</td>
<td>2.17</td>
<td>6</td>
</tr>
</tbody>
</table>
The report is the part of a broader evaluation: according to the results of the evaluation the per capita subsidies in the 33 most disadvantaged micro-region between 2004–11 were higher than in the disadvantaged micro-regions. It was a result of the special attention and direct assistance given to the most disadvantaged micro-regions (Lőcsei 2013), but despite all efforts, the per capita EU and national subsidies are the highest in the non-disadvantaged micro-regions. Furthermore two thirds of the private investments arrive into this latter group (Kálmán et al. 2013: 40), and EU subsidies are around three times more than private investments (Voszka 2006). The role of national subsidies is small, and decreased rapidly after the crisis in 2008. Since then there is a consensus among economists that the steady growth of the GDP is based on the resources from the EU funds, but these funds arrive into county centres and regions with a higher economic performance.

Another part of the report analysed the accession of Hungary to the EU, and argues that the closing up of the country is slower than the Central-Eastern-European average and is still ongoing (Balás 2013: 33). In fact, the differences within the country are actually growing (Balás 2013: 27). While the central region around the capital showed a dynamic picture, the rest of the regions lagged behind.

---

* National Development Plan (NDP)
** New Hungary Development Plan (NHDP) & New Hungary Rural Development Plan (NHRDP)


---

| Table 5. per capita amount of subsidies and investment (in thousand Hufs) |
|-----------------------------|-----------------------------|-----------------------------|
|                             | Average                    | 33 Most disadvantaged micro-regions | non-disadvantaged micro-regions |
| Private investments after 2007 | 211.63                     | 56.02                        | 356                           |
| Number / proportion of inhabitants (2007) | 10066158                   | 9.50\%                      | 68.30\%                      |

---

\(^2\) http://www.ksh.hu/docs/hun/xstadat/xstadat_eves/i_wdsd004a.html
Having presented the macro-level trends, we briefly present the differences of development activity using the example of two, relatively small micro-regions. The case-studies were conducted between 2007 and 2012 and the more detailed description of the cases can be found in (Megyesi 2012).

In paper two, relatively similar micro-regions are compared. Tourism facilities are similar, but none of the micro-regions are popular tourist destinations. In both cases industry is weak, a huge number of the population has to commute to neighbouring towns and county centres. Agriculture is characterized by big agricultural enterprises producing arable crops. The settlement structure is similar, but the relationship between the settlements is different: in one of the micro-regions there is trust between the settlements, in the other there is a lack of trust.

The civic activity of the locals is also different (Megyesi 2014) in the two micro-regions; and while in the first one stakeholders feel able to influence and to improve local social and economic circumstances; in the second one stakeholders act separately, co-operation between them is rare and limited just to what is necessary. They feel desperate and do not believe that they or anybody else could improve local life. It is very interesting, that several actors did not agree that even the central government would be able to stop out-migration of younger generations or provide jobs in the micro-region.

There are also huge differences in development activity: in the first case the micro-region gained almost ten times more subsidies than in the second micro-region. The number of projects is also much higher, the stakeholders involved in projects, and the settlements in which projects were completed is much higher.

The results of this investigation show the role of social capital in rural development (Megyesi 2014, 2012). It also shows the role of networks (Murdoch 2006, 2000), and intermediate actors (Kovách and Kristóf 2009) in rural development. These new phenomena result in a new model of rural development described by Van der Ploeg et al. (2000). The development of knowledge networks (Kelemen, Megyesi and Nagy Kalamázs 2008), temporary organizations (Sjöblom and Godenhjelm 2009) and the relevance of project class (Kovách and Kučerová 2006) is also made visible by the micro-level analysis of development projects.
Agricultural restructuring in the last decades

Central and Eastern European post-communist regimes have been committed to full scale re-privatisation of land property. The post-communist states have used a variety of privatisation strategies and techniques from direct restitution (Romania), sale (Poland) to voucher distribution (former Czechoslovakia). The answer Hungarian government’s and Legislature was to strengthen post-communist crises tendencies so two basic acts were passed on restitution and another on the transformation of the co-operatives in 1992. The extremely complex and involved privatisation of co-operatives and land restitution was hence started in mid-1992.

Altogether two million families were entitled to receive restitution (Harcsa et al., 1998), of the 5 million hectares used by co-operatives, 1.9 million hectares were put aside for the purpose of restitution. The restitution coupons could be exchanged for land by bidding at auctions. Nobody received his or her original plot of land, but could bid with their restitution coupons only for the pieces of land earmarked for the purpose. People who received their restitution coupons on the basis of landed property in the region before collectivisation, as well as local inhabitants and employees of the local co-operative, were eligible to participate in the bidding (Kovách 1994).

Another procedure used for the privatisation of co-operative property was naming and designating the owners of the land and movable and immovable property left in the use of co-operatives, and the establishment of the proportion of ownership of the enterprise. Nationally, the active members of co-operatives received property coupons corresponding to 40 per cent of the whole, whereas 40 per cent was given to pensioners and 20 per cent to the outside owners. According to the Transformation of Co-operatives Act, the proportions had to be set by April 1992, while the termination of membership and the intention of taking out property corresponding to the value of the property coupons had to be announced by the end of the year.

Thus, ten per cent of co-operative property was privatised by the end of 1992. Presumably this number was so little because, after January 1st 1993, no applications for taking out property were possible and until then, it was not at all clear that the economic activities of co-operatives would collapse. The former obligation of co-operatives to employ their members
was terminated only in 1993, when 300,000 people left the co-operatives within half a year because of production hit by recession. These people did not leave the subsidiary branches but continued with agricultural production at a time when they could not take out their share of the business from the co-operative. In 1996 almost all arable land was in private hands, but private producers or their organisations used 30–35 per cent of land of the transformed co-operatives. About 2 million hectares could thus be cultivated by private farmers and their limited companies (Szép and Burgerné Gimes 2006).

Through re-privatisation, 1.5 million people became landowners before 1996. Moreover, a significant part of rural society became landowners and even many urban households acquired land. Between 1994 and 1996, the land used by small-scale agricultural enterprises was doubled. Forty per cent of land acquired by restitution was rented, while the rest was cultivated by the new owners. In 1994, although restitution had significantly progressed, 30 per cent of land formerly used by co-operatives was utilised by private producers or their organisations. The national average of the size of land acquired by restitution was 4.4 ha. It was hence out of the question that the ownership and production structures of agriculture before collectivisation would be restored by restitution (Burgerné Gimes 1996).

As a result of organisational transformation, there were 1933 co-operatives, 188 incorporated companies, 3654 limited companies and 1.2–1.6 million part-, or full-time family farms in operation in 1996. Private production gradually became dominant in agriculture, although the number of registered individual entrepreneurs active in that sector did not grow after 1993. The number of registered individual farmers was around 30,000 (about 3–4 per cent of all the family farms). There were about 1.2–1.6 million private family farms in the country, the majority of which were part-time and produced for subsistence to a considerable extent. (Harcsa and Kovách 1996).

Agricultural production dropped to 60 per cent of the 1988 level. In 1988, the number of people employed by agricultural units was 1,028,000, which dropped to 326,000 by 1996 to 31.8 per cent of the 1988 total. Rural unemployment was much higher than urban unemployment due to the reduction of agricultural employees and industrial unemployment hitting rural, commuting and unskilled labourers more than average.
In the Nineties, rural settlements were restructured socially with a dramatic force and speed. One of the most conspicuous phenomena was the appearance of massive rural poverty and its new forms, identified by several researchers as the phenomenon of rural underclass. Masses of rural people lost their job in 1993, their property was disposed off elsewhere and the institution of part-time farming also began at the same time. Experts on the emergence of poverty commented on the appearance of belts of rural ghettos (Ladányi and Szelényi 2004; Virág 2010).

By the second half of the Nineties, Hungarian agriculture did not move out of the long period of slow growth; instead, it was pushed into a crisis of transformation. 1993 was a “black year” where agriculture was unable to produce little more than half the output of the last year prior to the systemic change. While the rate of inflation was around 20 to 30 per cent, food prices went up only by 10 to 20 per cent.

In turn, agricultural producers reduced their investments. The purchase of machinery dropped from the 1985 level, taken as 100 per cent to 25 per cent, and as the most significant indicator of the crisis, ten per cent of arable land remained uncultivated in 1992 and again in 1993. The falling number of agricultural employees and their proportion within all employment was one of the biggest changes in the labour market. Of the 108 million employees of agriculture in 1988 only about 325,000 people persons remained by January 1st 1997.

From the second half of the Nineties, rapid concentration of land use and agricultural production began. After the change of millennium, the proportion of agro-companies and bigger family farms in land use constantly increased. A new agricultural structure came into being in which the number of the joint-companies and commodity family farms grew and the number of small and subsistence farms radically decreased. While in 2000 there were still 966,000 working family farms, but ten years later there were only 575,000 (1.1 table).

In the middle of the first decade of the 21st century, only bigger farms over 100 hectares could raise a profit, while farms making between 50–100 hectares profit was around zero and much smaller farms (less than 50 hectares) could not gain profit. The structure of agriculture shifted from the dominance of smaller farms towards small units and bigger farms diversification. The specialised modernised commodity farms over
100 hectares and the part-time subsistence farms were the main types of agricultural units.

**Table 6.** The number of agricultural holdings (in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Companies</th>
<th>Family farms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>8.4</td>
<td>958.5</td>
<td>966.9</td>
</tr>
<tr>
<td>2003</td>
<td>7.8</td>
<td>765.5</td>
<td>773.4</td>
</tr>
<tr>
<td>2005</td>
<td>7.9</td>
<td>706.9</td>
<td>714.8</td>
</tr>
<tr>
<td>2007</td>
<td>7.4</td>
<td>618.7</td>
<td>626.1</td>
</tr>
<tr>
<td>2010</td>
<td>8.8</td>
<td>566.6</td>
<td>575.4</td>
</tr>
</tbody>
</table>

*Source: Agricultural Census 2010*

The privatisation of land in 90’s Hungary was followed by the rapid concentration of land use and agricultural production resulted in considerable changes. However, the dual character of farming – commodity and subsistence – survived radical shifts in the structure of agriculture. In 2005 the number of semi-subsistence and subsistence farmers was similar to full and part-time commodity family farmers. From 2000 to 2010, the number of private farms fell by 40%. Even if 400 000 smaller family farms were excluded agricultural census or finished farming, the proportion of subsistence and semi-subsistence farms was 60 % even in 2010 (“Agricultural Census” 2010).

Evidence from the Hungarian agro-census shows that small-scale subsistence farming was extensively practised in Hungary. In 2010, 85% of private farms and agricultural companies used less than 5 hectares. Here, 567 000 farms, and 1.1 million non-farmer families produced food, making up altogether 40 per cent of Hungarian households. The proportion of self-provisioning farming of private farms was 60 per cent. The evolution of a new agricultural structure started some years before Hungary joined the European Union in 2004.

Between 2000–2003, 200,000 smaller farms disappeared. EU membership and introduction of EU agro-policy and supporting system did not change the tendency to decrease the number of farms and restructuring. For example, from 2005–2007, 90,000 family farms were engaged in agricultural production.
The restructuring of farming structure was even more radical compared to the loss of family farms. The process of specialisation intensified and the number of cereal and maize growing farms increased by 30 percent while farms with mixed (animal keeping and plant-growing) decreased by one third. Hungarian agriculture mainly changed to intensive, top level modernised crop and maize production and this could be a source of structural, market and environmental risk. The land use of farms denoted a more intensive shift towards double (big commodity and subsistence farming) structure and polarisation (Table 1.3). Not more than 2 percent of agricultural units owned 65.5 percent of arable land, while 0.9 percent of family farms used more than one third of family farms’ land property. Family farms over 50 hectares used 50 percent of family land property in 2010. Nearly two-thirds of the family farms cultivated were on less than one hectare.

Table 7. Family farms & production type (2007)

<table>
<thead>
<tr>
<th>Farm profile</th>
<th>Crop-production (%)</th>
<th>Animal husbandry (%)</th>
<th>Mix (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household consumption, hobby</td>
<td>49.33</td>
<td>73.15</td>
<td>37.28</td>
<td>52.06</td>
</tr>
<tr>
<td>Self-consumption and sale of surplus</td>
<td>27.8</td>
<td>24.01</td>
<td>47.25</td>
<td>32.41</td>
</tr>
<tr>
<td>Commodity production</td>
<td>22.82</td>
<td>2.73</td>
<td>15.37</td>
<td>15.45</td>
</tr>
<tr>
<td>Mainly agricultural services</td>
<td>0.05</td>
<td>0.12</td>
<td>0.1</td>
<td>0.08</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Agricultural Census 2010

Table 8. Land use concentration, 2014

<table>
<thead>
<tr>
<th>Farm size category (in ha)</th>
<th>Average hectare</th>
<th>Total land hectare</th>
<th>Number of farms</th>
<th>Share of farms (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–5</td>
<td>2.5</td>
<td>176705.5</td>
<td>69 496</td>
<td>44.8</td>
</tr>
<tr>
<td>5.1–10</td>
<td>7.2</td>
<td>207700.3</td>
<td>28 994</td>
<td>18.7</td>
</tr>
<tr>
<td>10.1–50</td>
<td>21.8</td>
<td>877645.5</td>
<td>40 258</td>
<td>26</td>
</tr>
</tbody>
</table>
The concentration of land use and agricultural production, the introduction of EU agro-policy and support system consolidation were concurrent with stabilisation of bigger commodity farms. The price difference between agricultural and industrial products was mainly positive, while the cereal and maize production was profitable when bigger farms changed to monoculture cereal production. Crop growing family farms gained 60 percent higher income than one year before and stabilisation was highly supported by EU agro-subsidies.

Hence, the concentration of production could continue and 30–50 percent of commodity family farms increased production. Now, 10–15,000 units (12,000 family farms and 3000 joint-companies) dominated the Hungarian agricultural sector and this concentration became stronger when the land market was liberalised (Kovács, 2007). In 2014, 0.8% of farms used one third of total arable land and 7.5% of farms cultivated 75% of total agricultural areas (Kovách 2016).

Employment in agriculture constantly decreased from nearly 1 million in 1988 to less than 200,000 in 2010 and only 40,000 farmers were less than 40 years old. Hungarian agriculture mainly operated through mixed farming structure (part-time, subsistence farms, commodity family farms and joint-companies, or agro-enterprises). The crisis of post-communist transformation was hence held off until the second half of the nineties, as effective investment and dynamic technical modernisation had been implemented in last decade and farmers could find and develop new ways of integration in production, supply and marketing (Tisenkopfs et al. 2011).

Table 8. Land use concentration, 2014

<table>
<thead>
<tr>
<th>Farm size category (in ha)</th>
<th>Average hectare</th>
<th>Total land hectare</th>
<th>Number of farms</th>
<th>Share of farms (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.1–100</td>
<td>70.2</td>
<td>538319.4</td>
<td>7673</td>
<td>4.9</td>
</tr>
<tr>
<td>100.0–200</td>
<td>139.5</td>
<td>630475.5</td>
<td>4520</td>
<td>2.9</td>
</tr>
<tr>
<td>200–500</td>
<td>295.8</td>
<td>840937.5</td>
<td>2843</td>
<td>1.8</td>
</tr>
<tr>
<td>over 500</td>
<td>1299.9</td>
<td>1667786</td>
<td>1283</td>
<td>0.8</td>
</tr>
<tr>
<td>Total</td>
<td>31.9</td>
<td>4939570</td>
<td>155067</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: SASP 2014
Conclusions

The interactions between urban areas has presented a significant social challenge to rural areas in recent years. Several Hungarian studies show that people from the city buy houses in nearby smaller towns, while commuting to their urban jobs. Other urban citizens like to spend their increasing leisure time in rural places close to or also a little further from the city (Csurgó 2013). Hence urban people, their preferences and conditions have a strong impact on the rural environment; for example, in terms of the minimum level of infrastructure necessary. These changes clearly mean pressure on rural areas, but there are benefits from these interactions for the rural population. Therefore, it can be beneficial to strengthen the relationships with their urban consumers, especially for rural entrepreneurs.

Nevertheless, rural people also benefit from the opportunities and services of nearby cities and they continue to use the city for jobs, specialised education or cultural entertainment (Overbeek and Terluin 2006). The synergies of urban-rural interaction have thus been proved. Rural areas benefit from having more urban neighbours in terms of residential development, as well as a stronger tourism sector. At the same time, urban areas with more rural neighbours experience a higher level of employment and economic growth. The rural-urban relationship is beneficial to both urban and rural areas, which also means that remote rural regions are the losers from transitions characterised by population decline, growing poverty and economic crisis.

Our paper has shown that, at the macro-level and even between 2004–2011, (1) private investments had the main effect on the economic performance of a region and (2) development policy supported competiveness, despite cohesion, while at the micro-level (3) strategic planning, together with a dense network and trust among the different stakeholders could lead to sustainable developments. The case-studies show that it is worth stakeholders investing in (local) cooperation because it helps them to find common goals and realise sustainable developments (Megyesi 2012). Hungarian rural development shares the elements of the Western-European patterns described by Van der Ploeg et al. (2000) and Marsden (2006) and Shucksmith (2010).

Family farmers have confronted robust challenges over past decades. A rural crisis has emerged: economic decline, structural changes and
intensive, pervasive privatisation first, then concentration of agricultural production and land use in later times, where rates of rural unemployment which are much higher than in urban societies or in more developed EU member states. The management of rural development is primary and pressing. The most challenging economic problems that farmers have to face are the further technical modernisation of agricultural production, stabilisation of land property and land use structure, the prevention sales of land property in the next few years, future liberalisation and opening of land ownership for EU citizens, ways of managing climate change and generation change in agriculture and the development of local food production.

Moreover, the uneven development of rural areas indicates dramatic social, economic and also spatial polarisation, regional disparities have increased far too much. It is not only differentiation that is taking place in these areas and so generating varieties of rural spaces with varying potential to sell. In addition, “class differences” are emerging between those with the potential to develop and those who are deprived. The role of agriculture has dropped dramatically in producing the country’s GDP as well as its employment capacities from around 10% and 15% respectively in the early 1990s, to approximately 4% in 2008.

Small-scale farming has also declined; the number of individual farming units dropped from 1.5 million in 1990 to 618 thousand in 2007. Of the three categories of individual farms considered by statistics, the number of subsistence plots declined the most, followed by semi-subsistence farms, whilst the number of purely commercial farms has increased. It is remarkable that both the decline and direction of change have been steadily the same for the last 15 decades. The problems raised by “professionalisation”, specialisation and property accumulation at one extreme, while withdrawing from farming to garden-scale or abandoning cultivation altogether at the other. These are the prevailing trends concerning ownership and land use structures.

References

Agricultural Census 2010.


Budapest Szakpolitikai Elemző Intézet 2013 A leszakadó térségekbe irányuló fejlesztési források összevetése a magánszektor beruházásaival Kutatási jelentés, Kézirat, p. 107.


Dövényi Zoltán 2009 A belső vándormozgalom Magyarországon: folyamatok és
struktúrák. Statisztikai Szle. 87: 748–762.
Dövényi Zoltán, Kovács Zoltán 1999 A szuburbanizáció térbeni-társadalmi jel-
Wehling (ed.) Kummunalpolitik in Europa. Kohlhammer, Stuttgart, pp. 258–
264.
Esparcia, J., Buciega, A. 2005 New Rural-Urban Relationships in Europe: A com-
parative analysis. Experiences from the Netherlands, Spain, Hungary, Finland
and France. UDERVERAL, Valencia.
PTE Kommunikáció Tanszék, Budapest-Pécs.
Gödri, I., Spéder, Z. 2008 Internal migration.
Gorlach, K., Kovách, I. 2006 Land Use, Nature Conservation and Biodiversity in
Central Europe: The Czech, Hungarian and Polish cases, WORKING PAPERS.
Institute for Political Sciences of HAS, Budapest.
Halfacree, K. 2006 ,Rural space: constructing a three-fold architecture’ in: P. Cloke,
Halfacree, K. 1998 ,Neo-tribes, migration and the post-productivist countryside’
in: P. Boyle, K. Halfacree (eds.) Migration into Rural Areas: Theories and
Issues. New York: Wiley, Chichester,
4: 104–134.
Harcza, I., Kovách, I., Szélényi, I. 1998 ,The Crisis of Post-Communist Transfor-
mation in the Hungarian Countryside and Agriculture’ in: I. Szélényi (ed.)
Privatising the Land. Rural Political Economy in Post-Socialist Societies.
Izsák, É. 1996 Társadalmi folyamatok Budapest közigazgatási határának két ol-
Kálmán, J., Samu, F., Sütő, T., Váradi, B. 2013 A leszakadó térségekbe irányuló
fejlesztési források összevetése a magánszektor beruházásaival Budapest Szak-
Keating, M. 1998 The New Regionalism in Western Europe: Territorial Restruct-
Kelemen, E., Megyesi, B., Nagy Kalamás, I. N. 2008 Knowledge Dynamics and
Sustainability in Rural Livelihood Strategies: Two Case Studies from Hungary.
Lőcsei, H. 2013 A fejlesztési források szerepe a lezakadó térségek dinamizálásában | HÉTFA.


Németh, N. 2009 Fejlődési tengelyek az új hazai térszerkezetben. Az autópálya-hálózat szerepe a regionális tagoltságban, REGIONÁLIS TUDOMÁNYI TANULMÁNYOK. ELTE Regionális Tudományi Tanszék, Budapest.

Overbeek, G., Terluin, I. (eds.) 2006 Rural areas under urban pressure. Case studies of rural-urban relationships across Europe. LEI, Haag.


Tönnies F. 2004 Közösség és társadalom. Gondolat K.


