

# Annex 10 c to SeGI Scientific Report

Case Study Report | Hungary (Dél-Alföld - Southern Great Plain region)

*Draft Final Version, September 2012*



This report presents a more detailed overview of the analytical approach to be applied by the project. This Applied Research Project is conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

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# 1 Introduction

## 1.1 Description (characterization) of country in context of services of general interests

In this chapter some relevant geographical and socio-economic characteristics of the Republic of Hungary will be described.

Territory of Hungary is 93 026.33 km<sup>2</sup> of which 28 764.04 km<sup>2</sup> urban area (30.9 %). Settlement pattern is characterised by rural areas and small sized towns – apart from Budapest, its 1 733 685 inhabitants. Due to dominance of Budapest in the settlement structure former ESPON research 1.1.1 considered Hungary as monocentric country. However at regional level, because of great number of medium and small towns and cities Hungary may be considered as polycentric country.

Hungary is the mother country of high ratio Hungarian nationality living in the Carpathian basin. Therefore geopolitical and cultural role of the country is significant. Length of borderline is 2 246 km: 679 Slovakia, 137 Ukraine, 453 Romania, 164 Serbia, 355 Croatia, 102 Slovenia and 356 Austria.

Population in 01.01.2011 was 9 985 722 that was 83.4% of population in 2010. In this year 6 952 443 people lived in towns and cities, 69.8% of total population. Population density is 107 inhabitants/km<sup>2</sup>. The Hungarian society is an ageing population, national aging index was 114.7 in 2011. Average age is 44.5, average life expectancy at birth for male is 70.50 for females 78.11 years (2010).

Hungary's administrative structure consists of two levels:

1. 19 counties and the capital;
2. 3 154 settlements of which 24 capital and towns with county's rights, 328 towns, 119 large village and 2 707 villages (2011). All settlements have own local authorities.

According to NUTS and LAU nomenclature:

<b>Category</b>	<b>Name and number of unit</b>
NUTS1	3 macro region (országrés)
NUTS2	7 regions (régió) + capital (főváros)
NUTS3	19 counties (megye)
LAU1	174 subregions (kistérség)
LAU2	3 154 settlements (település)

Regional differences in development have not reduced over the past 20 years. Differences on the level of LAU1 are by far higher than those on the regional level. The level of development of Central Hungary stands above the level of other regions, but it is burdened with internal contradictions. The north-eastern regions are the most backward economically; southern regions require restructuring as the pace of their development lags behind other regions. Regions in the West and North-Transdanubia develop faster than the national average, but their internal contradictions remain strong.

Hungary has a dense transport grid, but transport needs often exceed the capacity of the road and railroad networks. The transport network is characterised by a focus on Budapest and massive regional differences. The country has a preferential economic-geographical situation, which offers good opportunities for the domestic development of international, commercial, transport and logistical services. The modal split is good (comparing EU

average) in terms of sustainability — due to the relatively high rate of rail and community transport, but the isolation of transport networks sets back either intermodality or preference to transport modes with less pollution. The quality of the road network is far from the needs of traffic and the technical characteristics and the service level of the railroad network are weak (ESPON Territorial Observation No. 2 / Accessibility trends). Despite of poor accessibility of the region the railroad density — 85 000 km/1 000 km<sup>2</sup> — is exceeding the average of EU25 (51 000 km/1 000km<sup>2</sup>).

Although Hungarian community traffic network is developed in European terms, stronger urbanisation and desurbanisation processes present an important challenge for domestic public transportation.

Drinking water and sewerage network is well developed, while sever territorial disparities exist. At national level the proportion of dwellings connected to public water pipe network was 95,0%, the highest proportion was 99.5% for the Capital while the lowest proportion counted in Borsod-Abaúj-Zemplén county (87.6%). Proportion of dwelling connected to public sewerage system shows similar pictures: national average was 72.5 %, 96.9% as highest for Budapest, while only 47.6% was in Bács Kiskun county (Dél-Alföld) in 2010.

About the health services it can be said that several reform tried to improve it. That resulted that from 1990 by 2010 the one third of hospital beds in use lost, from 101 954 to 71 216. That also meant the decrease of hospital beds in use per ten thousand inhabitants 98.3 (1990) to 71.3 (2010).

Looking Hungarian labour market it shows that there is an extremely low level of participation on the labour market, and there are particularly many untrained individuals who do not work. Increasing number of people is cornered out from the labour market due to ill health condition. Illegal employment also deteriorates the situation of employment substantially. While there is a generally high level of productivity of the workforce, this productivity is highly dispersed according to age. Employment rate of population aged 15-74 was 55.4%, while the unemployment rate was 11.2% in 2010. One of the main reasons for that is that very few people undertakes continuous training or learning in addition to work.

There are very significant regional differences in employment on the level of subregions (LAU1). The issue is worsened by the low level of mobility of workforce and the pure accessibility of the nearest work opportunities in some of the regions. All of these factors mean that the market processes are unable to leverage the regional and structural disparities in the supply and demand of workforce.

## **1.2 Description of the selected region (character of the region, social, economic and demographic characteristics, settlement structure, etc.)**

### **1.2.1 Character of the region**

The Dél-Alföld region is the largest region, located in the south eastern part of the country includes Bács-Kiskun, Békés and Csongrád counties. Most of the territory is plain – less than 200 meters above the sea level – and rich in diverse natural assets and landscape. The region's territory is 18 339 km<sup>2</sup>, that counts 19.7% of the total area of Hungary. 1 308 470 (2010) people live here, 13.1% of Hungary's population. Population density is some 71.4 inhabitants/km<sup>2</sup>.

1 214.8 hectares are agricultural land from which 996.7 hectares are arable land (82.05%).

### **1.2.2 Settlements structure**

Given the number of municipalities 254 (the smallest number within one region compared with the rest of the country) and the size of the region (largest region), the Dél-Alföld region

has the lowest density of municipalities (1,4 settlements per 1000 km<sup>2</sup>. However, with 53 towns, it is also the second most urbanized area of the country after the Észak-Alföld (North Great Plain) region, share of urban population is 72.5% (2010). At the beginning of 2011, 68.2% of the population of Bács-Kiskun county was living in towns, while this figure was 75.6% for Békés and 75.4% for Csongrád county. Apart from a few exceptions (e.g. the county town of Kecskemét and Mórahalom, which is part of the suburban area of Szeged), the urban population is decreasing at a similar rate as the region's overall population.

Looking the number and distribution of settlements by population size group 80.7% of the regional population live in towns or village with less than 5000 inhabitants, 10.6% in towns with population 5 000-10 000, 7.5% 10 000-50 000 and 1.2% in cities with inhabitant number over 50 000. With this figures the highest distribution of people live in small and medium sized towns or villages following Közép-Magyarország (Central Hungary) region. Highly typical of the Dél-Alföld are urbanized and relatively developed axes, outlined by traditional towns. These towns are neighbouring each other and are located at intersections of main transport arteries as well as the western border of the region along the river Danube. Typically, the economic situation is more favourable than average.

### **1.2.3 Regional economy, labour market**

According to the latest Eurostat issue in 2009 gross domestic product per capita at current market price for the Dél-Alföld was 6 000 EUR, 25,5% of EU27 average. Only the Észak-Magyarország (North Hungary) 5 600 EUR and Észak-Alföld (North Great Plain) 5 600 regions rank lower than the Dél-Alföld.

Distribution of GDP was 8.7% in 2009, while 8.9% in 2008. This means the region was in sixth place among all regions; only region below it was the Dél-Dunántúl (Southern Transdanubia) 6.5% and Észak-Magyarország (Northern Hungary) with 7.4% In the Dél-Alföld region the Szeged subregion is the only one where income per resident (taxable income), exceeds the country-average (by nearly seven percentage points).

Figures show minimal productivity in local rural economies, its structure is unsophisticated, there is a lack of relevant services and access to information needed for successful operation is poor. In several areas, economic exhaustion has also set in: earlier established services withdraw, commercial facilities close down, and transportation options shrink.

The Dél-Alföld region's highest contribution to GVA in 2009 (60.9%) was generated by the service(tercier) sector; this was 7.9% of GVA of Hungary. In agriculture, the gross value added was 23.4% of the national figure while this sector gave 9.2% of the region. Industry had a 24.2% share of the regional economy.

Employment rate was 43.8% in 2010 that ranked it to the fifth place amongst the Hungarian regions. EU27 rate was 47.2% in 2010. 10.6% unemployment rate showed better situation due to the high agricultural employment rate and big regional cities (Kecskemét and Szeged) and put the region to the fourth place. Region also showed better figure than the EU27's 12.6%.

### **1.3 Overview of the case-study report (summary, say what's coming up, e.g. which services are studied in-depth in national and regional cases etc.)**

The case study will examine some SGI in two territorial aspects: national and regional. The national analysis will focus on traditional infrastructure services (gas, water, waste and sewage, electricity, transport – including public transport and postal services) and the new infrastructure services as electronic communications and ICT. The work also reviews the legislation background of selected SGI and touch upon the latest sectoral reforms launched by the government in 2011-12.

Regional analysis includes in-depth examination of selected SGI, such as:

1. traditional infrastructure services: gas, water, waste and sewage management, central and district heating, mass and public transport
2. new infrastructure service: ICT
3. education: kindergarten, primer, secunder and terciar education.
4. care services: health-, child-, and social care.

All SGI group will be examined by the provider / supply and the consumer /demand side. In these analysis the region and its constitute countries (Bács-Kiskun, Békés and Csongrád) will presented and compared with other regions on statistical bases.

Presentation of the density and accessibility of services will use maps to give the SGI additional spatial aspects. In these parts not all SGIs will be drawn up, only those which have spatial relevancies of special characteristics.

The data provided by Hungarian Central Statistical Office, issued in the Regional Statistical Yearbook of Hungary 2010 and Statistical Yearbook of Dél-Alföld Region 2011.

## **2 National analysis of services**

### **2.1 Description of the welfare regime of the country and its particular effects on various services**

In the Hungarian social system, services are provided by three main actors: the state, local governments and the civil or non-profit sector. The legislation is based on a constitutional authorisation, according to which the Republic of Hungary provides care for those who need it with extensive social measures, and citizens have a right to social security, which right is enforced through social insurance, and partly through the system of social institutions.

According to the effective legislation, local governments provide the services which are defined for them by legislation, and which they undertake on the basis of a resolution of their assembly of local councillors. Service obligations (in a framework structure) are defined for local governments primarily in the Act on Social Administration and Social Services. These are partly cash and/or in-kind social benefits, and partly other social services. According to legislation, the two main categories of social services include primary services and specialist services related to personal care.

At the time of the change of political regime in 1989–91, a so-called mixed welfare system was adopted, which included universal social health care and the pay-as-you-go pension system.

It is worth noting that owing to an irresponsible early retirement policy introduced in 1995, Hungary has the lowest employment rate among the active population in the European Union, about 61 per cent.

In the meantime, in practice, reforms of the welfare system have already begun. For instance, pay for sick-leave has been reduced, the period of eligibility for unemployment benefits has been cut, allowances and entitlements in some sectors have been cut, and the whole pension system is being re-examined, including disability pensions and early retirement. The intention is simply to put more people back to work. Of course the plans and the decisions of the government are also responses to the urgent need to reduce expenditures.

Alongside the cuts made to the welfare system, the government is also attempting to implement programmes for job creation, as well as broad public work programmes.



The transformation of the welfare system in Hungary is hampered by the usual contradiction between welfare state expectations and a reluctance to pay taxes.

It has become quite apparent, by now, that there will be fewer funds available for pensions, health care, and unemployment benefits.

Prospectively, a system will be introduced that is familiar in Western Europe, a solution comprised of a mix of state-funded care, redistribution of benefits, and individual self-reliance. Such systems are characterized by the intention to support families and link benefits to work and the payment of contributions. Benefits, therefore, will not be uniform.

## **2.2 Overview of all services of general interest in the country (investment and consumption based SGI according to division from inception report).**

### **2.2.1 Traditional infrastructure services (gas, water, waste and sewage, electricity, transport – including public transport and postal services)**

#### **2.2.1.1 Gas**

Amongst the EU member states, Hungary has one of the highest shares of natural gas in its energy mix (around 40%). Furthermore Hungary imports around 80% of its natural gas consumption from one supplier, Russia. Parallel to its high dependency on imports, Hungary's domestic production of natural gas has been decreasing continuously. The political dimension of gas security is highlighted by the fact that a majority of Hungarian households use gas for heating

E.On Földgázellátó Rt. (E.On Gas Supplier) is the dominant market player that supplied approximately 70% of the Public Utility Market (PUM) in 2007.

The natural gas domestic production by MOL Plc. and Winstar Hungary Ltd. accounted for approximately 20% of the country's total supplies in 2007.

There was a single natural gas transmission system operator, MOL Gas Storage and MOL Gas Trading Companies as of the 1<sup>st</sup> April 2006.

By the end of 2008, there were 13 regional distribution companies operating on the Hungarian Market.

All non-household customers, representing approximately 67% of total demand, are eligible since July 2004. In 2007 public utility represented 75 % of the market whilst only 25 % of demand was contracted at unregulated prices. Approximately 800-900 eligible customers decided to switch to the free market in 2007.

Households and electricity generators account for approximately 33% and 25% of gas consumption respectively.

Three commercially active traders, out of 21, licensed. Seven supply companies have market share higher than 5% each.

#### *National legislation:*

- Act LXXXVI of 2007 (VET) on Electricity including Governmental Decree (enforcement) 273/2007 (October 23)
- Act XLII/2003 (GET) on natural gas supply and its amendment (Act LXIII. of 2005)

- Governmental Decree No. 111/2003 on implementation and its amendment (49/2006. (III. 10.)
- Act XXVI/2006 on natural gas security storage

#### **2.2.1.2 Water**

In Hungary public water services are provided by state-, municipality- and jointly-owned water utilities. Safe drinking water is available throughout most of the country. However, the EU requires that Hungary improve its drinking water infrastructure, to the tune of about USD 1.2 billion over the next five years.

Before the transition, the water sector was operated in a centralized, state owned system: there were 33 regional state-owned companies under the control of the Central Water Agency and the fee for water and sewage was determined centrally. As a part of the decentralization process of the early nineties the ownership of water utilities was transferred to the municipalities. Additionally, water supply became a mandatory responsibility of the municipalities and the municipalities have the authority to define water and sewage fees. The Ministry of Water and Environment Protection operates a subsidy system for those water companies that have higher expenses.

Current regulation specifies that the revenue that originates from these fees must cover the justified expenses. At present, however, no central price-setting formula has been defined. As a result of the decentralization, the water sector became fragmented: 377 water companies operated in 2001 of which five regional companies are still state owned. The sizes of the water companies vary significantly, which is represented by the fact that 92 companies provided 96% of the total amount of water supply in 1998.

Although drinking water provision in the country reached a level that is reasonable economically and is available in almost every settlement (99.7 per cent), but it differs heavily by water quality and settlement type.

In 2001, the National Drinking Water Improvement Program was established to (a) ensure that drinking water supply fulfils all safety requirements; (b) reduce regional differences in drinking water quality; and (c) improve water level and safety of supply.

#### **2.2.1.3 Sewage**

Since 1970 the structure of the water and sewerage sector in Hungary has been changed dramatically. In the 70's the Hungarian waterworks were organised in 33 state-owned companies (see above).

In 1990 the ownership of the majority of sewerage (and water) infrastructure has been passed to the local governments. The transformation of companies owned by the state and the local councils has begun. In 1991 and 1992 the 33 water companies were replaced by five regional and a vast number of local companies held by the new local governments. This process resulted in an extremely fragmented structure.

The gap between the level of drinking water and sewage service in Hungary is one of the greatest within OECD countries, where this difference almost does not exist. Particularly in the capital, Budapest, as well as other cities and townships, new investments in wastewater are necessary. Hungary plans to spend USD 5.8 billion in sewage treatment programs through 2013.

#### **2.2.1.4 Waste management**

The Hungarian waste management regime is being developed continuously, especially from the beginning of the EU accession procedure in the late 90s. The framework legislation has

been established by the Act LIII of 2000 on Waste Management in conformity with the EU Directive 2006/12/EC on waste. The mid-term waste management strategy of Hungary is defined in National Waste Management Plans (NWMP) prepared for six-year periods. The new NWMP for 2009-2014 is under elaboration parallel to the upgrading of the Waste Management Act in order to harmonize national legislation, targets and implementation tools to the new EU Waste Framework Directive 2008/98/EC.

In accordance with the EU regulations Hungary introduced the extended producer responsibility for certain products (waste electrical and electronic equipment, packaging, end of life vehicles - ELV, batteries), and fulfilled the EU obligations on the reduction of heavy metal contents of the goods available on the market, and waste collection and recovery targets.

To promote the collection and recycling of certain products' waste a special product fee is used (on packaging, electronics, accumulators, tyres, oil-products, advertising papers, cooling agents); producers pay reduced product fee if they collect and recover the waste of their products. Steps were also taken to promote the use of reusable packaging and regulations encouraged the bottle deposit scheme.

Special subsidizing systems were elaborated:

- for companies to introduce and develop low-waste and recovery technologies, and for marketing environmental-friendly, and/or recycled products,
- to help R+D+I of such kind of technologies and products,
- to develop complex regional municipal solid waste management systems, including the investments in reuse centres, home-composting, selective collection systems, composting and up-to-date landfill sites.

*National legislation:*

- Act LIII of 2000 on Waste Management

#### **2.2.1.5 Electricity**

In the years of socialist industrialisation, great efforts were needed to meet the increasing demand for electricity. Because of forced industrialisation, demand was growing faster than power plant capacities, resulting in curtailments imposed on consumers. The continued equilibrium of power balance could be established in 1954.

The Hungarian Power Companies Trust (MVMT) was established in 1963 on the model of the organisation of French electrical installations, and took over the companies of the Power Plant Trust as well as the six distribution companies. MVMT carried out the technical and economic management of the entire Hungarian Power System. MVMT operated in this form until the end of 1991. In 1992, it was reorganised into a two-tier structure comprising companies limited by shares, in which the first tier was represented by MVM Rt., which also filled the roles of the shareholder and the holding company, while the second tier included the power plant and power supply companies and a company operating the basic network.

After the regime change, at the beginning of the 1990s, important considerations of the energy policy in Hungary were the enforcement of the least cost principle besides maintaining the security of supply as well as the attraction of private capital to the establishment of new power plant capacities, to the environmental refurbishment of the power plants and to the maintenance and development of the energy infrastructure. The establishment of a contractual scheme implementing the "single buyer" model appeared to be a good solution mainly in the interest of making the investments attractive and equalizing the different cost levels on an institutional basis.

After the new Electricity Act was passed and the related laws were drafted in 1994 and privatisation was carried out at the end of 1995, new operational procedures were implemented again. LTAs (long-term capacity reservation and power purchase agreements),

aimed at minimising long-term business risks, were concluded as a result of privatisation. That moment essentially opened a new era in the history of the industry.

Established in July 1994, the Hungarian Energy Office (HEO) played a great role in the regulation of the energy sector. The HEO is a national public administration agency with its own responsibilities and competence, controlled by the Government and overseen by the Ministry of Economy and Transport. The regulations worked out by its staff form the basis of the processes associated with the power system.

Another change was brought about by the gradual adoption and fulfilment of the norms set out in Directive 96/92/EC of the European Parliament and of the Council, required for accession to the European Union, i.e., the introduction of mandatory market opening. The new Electricity Act of 2001 partially opened the electricity market, thus “eligible” consumers were allowed to freely purchase electricity to a certain extent, but the public utility market was not yet present.

The political intent urging the establishment of a single European energy market was becoming increasingly prevalent in the EU. For that very reason, simultaneously with issuing Directive 2003/54/EC, the European Parliament and the Council repealed Directive 96/92/EC. The new regulation deleted the “single buyer” model, only allowed access to the network in a regulated form, as well as ceased to apply the alternative solutions in the previous regulation and only allowed those facilitating the liberalisation of the electricity market as efficiently as possible.

With Hungary having become a member of the European Union on 1 May 2004, tension was increasing between the EU regulation and the previously established dual market model.

Free capacities which have accumulated due to decreasing electricity demand by public utilities are sold by the public utility wholesaler (MVM Zrt.) in public auctions. Full market opening and the liberalisation of the electricity market were implemented pursuant to the most recent Electricity Act of 2007. In the electricity sector, in accordance with the relevant EU directive, all industrial and household consumers are free to choose their energy trader as of 1 January 2008. The Act declares that the previous public utility service was replaced by universal electricity supply and the sale of electricity in the free market. Another substantial change is that the fee paid for electricity comprises several components: The consumer has to pay for the energy to the energy trader and for system use to the network licensee. The Companies Act which came into force on 1 July 2006 introduced the concept of “recognised corporate group”, which was previously unknown in the Hungarian legal system. On the basis of this legal framework, MVM Zrt., which remained state-owned, and its subsidiaries were transformed into a recognised corporate group, which ensures more efficient operation like a holding, reaches the group optimum and also serves the strategic objectives that increase business value, on 1<sup>st</sup> June 2007. With its current operation, the MVM Group considers meeting and maintaining the requirements set for companies listed on the stock exchange as its most important task.

#### **2.2.1.6 Public transport**

Hungary enjoys considerable economic advantages by having a dense transport network in comparison with Europe. Transport provides the 7-9% of the Hungarian GDP. The financing of public transport, however, is often described as a bottomless well.

In Hungary public transport has been in a crisis in most sectors as the companies have been run haphazardly and they have been carrying superfluous burdens. Therefore, their funding has been based on credits. Currently public transport services are scattered across a number of companies: MÁV (Hungarian State Railways), Volán (bus company) and BKV (Transport Company of Budapest) and BKK (Budapest Transport Center) since 2011. Their operation, which has been basically uneconomical, is weighed further down by enormous

burdens and incurred losses resulting in the negative impact on public debt. In the 2011 budget Hungary allocated 430 000 million HUF for public transport.

MÁV is a special case from the viewpoint of public debt, as it provides a number of social services which have not been covered by its own budget. Between 2000 and 2010 MÁV received 183 000 million HUF annually from the budget. 208 000 million HUF are allocated for it in the budget of 2011. By 2010, the group has accumulated debts of 289bn HUF of which 189 000 million HUF are covered by state grants. The entire group is made up of 24 companies. The number of employees exceeds 40 000.

The Volán group received 27 000 million HUF from the budget in 2011. Volán is a group of companies made up by 59 companies which also has 12 units that carry out freight forwarding and logistical tasks. Thirty six companies are responsible for scheduled local and domestic public transportation. They carry more than 3.9 million passengers on a daily basis on 77 000 vehicles. Two-thirds of the passengers can reach their places of work, another settlement or a doctor, etc., only by coach.

In 2011 BKV received 32 000 million HUF as normative support and Budapest has been requesting an extra 16 000 million HUF from 2011 on. The transport company owes 75bn HUF in debts to the banks. The current financial short fall is estimated to be 25-30 000 million HUF. 600-800 000 million HUF of shortfall is the result of the lack of amortization compensation and its postponement. 51% of income is made up by state subsidies. Almost half of the operational costs are attributable to wage payments.

Hungary has been suffering losses because transit freight transports carried out by foreign trucks which utilize the motorway network do not pay sufficiently for it.

#### **2.2.1.7 Postal services**

In Hungary, the quality of the postal service is very good. „Magyar Posta Zrt” (Hungarian Post Inc). provides postal services to the individuals and businesses in the territory of the Republic of Hungary. The company operates in five business units: Letter, Financial Services, Newspapers, Logistics Services, and International. Its Letter business unit delivers letters and parcels. The Financial Services business unit engages in postal money transfer activities, postal cash transfer, and postal money order services, as well as engages in dealing as an intermediary in postal savings, home savings, retail banking, and personal loans. The Newspapers business unit distributes newspapers and magazines to subscribers, as well as sells newspapers and magazines at postal outlets.

The Logistics Services business unit provides services in various categories comprising express mail services, forwarding services, and freight contracting. The International business unit delivers international letters and parcels, as well as engages in the consignment of bulk letter and parcel services.

During the past years, big multinational parcel services have moved to Hungary. They have won a considerable market share in the corporate segment, but most people rarely use their services. Hungarian individuals prefer the official postal service, the Hungarian Post.

#### **2.2.2 New infrastructure services (electronic communications and ICT)**

Hungary is a regional leader in terms of ICT potential (the sector accounts for some 8% of GDP) with a large amount of foreign direct investment driving growth. In recent years, the initial focus on production has shifted to R&D with multinationals such as Nokia, Ericsson, Siemens, etc. locating research facilities (mostly in central Hungary) and increasing cooperation with the academic research sector. Hardware producers tend to be almost exclusively large foreign firms, while the software and IT service market is more fragmented with smaller local companies. In more general terms, Hungary is ranked 38<sup>th</sup> out of 104

countries, in the 2004-2005 Networked Readiness Index (NRI). The index is designed to measure the degree of preparation of a nation or community to participate in and benefit from ICT developments. There is a lag in most indicators compared to the EU25, the average for the country masking a divide between the capital region and lesser developed rural areas. Broadband access remains problematic making the use and hence demands for advanced internet services problematic.

### **2.2.3 Education (differentiating levels of education), labour market services, public administration and defence, cultural and recreational services**

#### **2.2.3.1 Education**

##### *Pre-primary education (ISCED 0-1)*

This educational level is meant for children from 3 to 7 years of age. The pre-primary education (óvoda) is optional, except for the final year (beyond the age of 5), which is compulsory. During the last year at kindergarten, children are prepared for school.

##### *Primary education (ISCED 1+2)*

In Hungary primary schools (általános iskola) provide basic education in two 4-year cycles. Children attend primary schools until the age of 14, after which they have to choose a secondary school.

For both primary and secondary school teachers, the National Core Curriculum provides a framework to form their syllabi.

##### *Secondary education (ISCED 2-3)*

Students can choose from the following secondary school programmes:

- Vocational school programmes, special vocational school programmes (ISCED 3)
- Secondary general school programmes (ISCED 2+3)
- Secondary vocational school programmes (ISCED 3)

The division of the twelve-year general education may vary: it can be divided either into 4 years of primary education + 8 years of secondary education or 6 years of primary education + 6 years of secondary education. On the basis of their received points, students gain admission to secondary schools after a central secondary school entrance exam.

##### *College basic and supplementary programs (ISCED 5)*

These programmes are offered cooperating with secondary vocational schools for students with a secondary school leaving certificate. During the training students get credit points, which are taken into account when they apply for places at universities and colleges.

##### *Higher education (ISCED 5-6)*

The Hungarian education system is far from meeting the actual demands set by the economy and the labour market. We have been financing an education system with significant public resources that do not serve the interests of the economy, does not create value and, as a whole, increases public debt.

At enormous cost the higher education system issues such diplomas to young people which do not help them find a job. The students who graduate in areas which would be crucial for the Hungarian labour market often leave the country and the knowledge they obtained bears fruits in another country.

Due to normative financing, the institutions of higher education were interested in maintaining or increasing the number of students which brought about the launching of unnecessary degree subjects.

In Hungary 5.1% of students in higher education study sciences while this figure in the EU is more than double at 12%. As the international comparison which analyzed the proportion of graduates with a degree in sciences or in technological studies and which was carried out among 20-29 year olds indicate, the number of such degree courses must be increased in Hungary.

As the structure of the higher education system does not fulfil the expectations of the labour market, the Hungarian government has been wasting tens of billions of HUF each year. In the private sector there is an increased demand for technological degrees, yet arts departments have been gaining ground in higher education. Applicants to higher education courses decide on their field of study without considering their future on the labour markets.

In Hungary most universities and colleges are financed by the state; a smaller number are controlled by various churches and there are a number of private colleges operating in Hungary as well. There are also some foreign higher education institutions in Hungary. In the country there are altogether 77 universities and colleges (18 state universities, 14 state colleges, 25 religious colleges/universities institutions, 14 private and foundation schools and 6 colleges of foreign countries established in Hungary) In the 1990s, several higher education institutions merged.

The academic year consists of two terms, the spring (February–June) and the autumn (September–January) term. Both terms have a 6-week term period.

Foreign citizens taking part in foreign language programmes (English, German or French) have to pay a tuition fee. More information on the tuition fees can be found on the homepage of the individual university/college or on the homepage of the National Higher Education Centre.

### **2.2.3.2 *Employment and labour market***

Currently the number of people with a job is much less (3.8 million) than the number of the able-bodied population of the country. The administration must take out loans to finance the shortfall of tax revenues and unemployment benefits.

In Hungary the number of people who are active in the labour market is very low. The Hungarian employment rate is the second lowest in the EU

### **2.2.3.3 *Labour market services***

Employment services are also organised in a three-level administrative structure

- the national body deals with global issues (Employment Office);
- regional Labour Centres function in the 19 counties;
- local Employment Offices provide services for placement, as well as function

as paying authorities for the unemployment benefit.

Employment services are financed by contributions. The Labour Market Fund is the central financing body, providing the county Labour Centres with the necessary financial means for paying out the unemployment benefits and enables these institutions to finance active labour market policy measures.

Employment services are provided either by the state administration or by entire private service providers. A separate government decree lays down the personal and material

requirements to be met by these services providers in the field of placement. In the framework of active labour market policy measures, the organisation and delivery of training courses can be outsourced as well, within tendering.

In all above-mentioned fields, quality standards are laid down in distinct legislation (government and ministerial decrees), in details, including internationally agreed standards (ISO, TQM, HACCP)

#### **2.2.3.4 Cultural and recreational services**

Equal accessibility to culture (events and services) is provided by the network of “Houses of culture” structure. Although the network is more or less remained after the regime change, the subsidy and income, thus quality of provided services are different in space.

There is still a huge gap in cultural services between towns and small villages. Accessibility of cultural services in towns is difficult due to other infrastructural burdens (e.g. long travel time)

The largest museum development programme of the past fifty years, is the “Alfa Programme” is for the cultural development of rural areas.

Libraries received IT devices and broadband internet access, thus nearly all library is a public internet access point, too.

### **2.2.4 Care services (healthcare, child care, social care), social housing and compulsory social security**

#### **2.2.4.1 Health services**

In Hungary, health services are provided within the Hungarian social insurance scheme (Act LXXX of 1997 on persons entitled to social insurance benefits and private pensions as well as the coverage of these services, Act LXXXIII of 1997 on compulsory health insurance). The health insurance scheme administration is organised on a three-level structure: the main authority is organised at the national level (National Health Insurance Fund), the 19 counties have their own regional bodies (County Health Insurance Fund) as well as many local institutions (Local Health Insurance Funds). The supervisory body is the Ministry of Health.

Health services are based on contributions paid by both the employer (11%) and the employee (4%). In case contributions would not cover expenditures, the central budget provides supplementary coverage. In general, health services do not require co-payment, with the exception of medicines, where co-payment can range between 0-100%, as well as certain dental and orthodontic treatments.

Health services financed by the national, regional and local health insurance funds are mainly provided by local and county government institutions, state institutions. In certain fields, particularly in case of services provided by general practitioners, the role of private service providers, contracted by the health insurance funds, is also present.

#### **2.2.4.2 Social services**

As regards social services (as defined in Act III of 1993 on social administration and social services; Act LXXXIV of 1998 on the support of families, Act XXXI of 1997 on the protection of children and guardian procedures, Act XXVI of 1998 on the rights and equal treatment of disabled and as treated in Act LXV of 1990 on local governments), these are fundamentally decentralised, competences are divided between local and county level governments. Basic services are provided by local governments. Among others, child welfare services, such as kindergarten, nursery school, family day-care centres etc., and family care centres, elderly



club, food provision and street social work are regarded as basic services. Specialised social services are mainly placed in institutions providing institutionalised special care, such as homes for the elderly, for the disabled, for the addicted, for homeless people, rehabilitation etc., are provided by county governments. Specialised social services include also child protection services, such as foster homes, protection for children in vulnerable situations etc.

Social services are in general financed by the central budget. There are basic and supplementary normative. Basic normative are provided on the basis of the number of inhabitants, whereas supplementary normative are target-financing supports, e.g. supports for the family care centres. In the field of social services, the main financing rule is copayment.

The basis of the co-payment is generally the monthly income of the person concerned but usually cannot exceed a certain percentage (e.g. 30%). Exceptions to the co-payment rule are allowed only in cases when the person concerned either has any means and/or income, or has any relative to bear the costs of these services. Social services are generally provided by the competent local governments. However, legislation provides the opportunity to outsource certain services: it can be provided by public enterprises, public-private partnership, voluntary non-profit organisations as well as churches. Services to be outsourced are as follows: cleaning, food provision, bookkeeping, different maintenance activities.

#### **2.2.4.3 Pension system**

Currently in Hungary the pension fund is not balanced. Every third HUF paid out as pension has been financed from credits and has created a system which can no longer be maintained. The interest liabilities of the national debt which had been accumulated in this way are exhausting the resources which we receive from economic growth and which could be spent on increasing pensions.

The proportion of pension expenditures as percentage of GDP is high and has been on the rise in international comparison. The proportion of pension expenditures (old age, disability, family-related, early retirement) rose from 8.5% of GDP in 2000 to 10.9% in 2008. The proportion of the 65+ population increased relative to the entire population in Hungary, the Visegrád countries and the EU-27 between 2000 and 2008. In Hungary this figure rose during the last 9 years from 15% in 2000 to 16.4% by 2009 and in the meantime it was always above the rate of the Visegrád countries.

According to the estimates of Eurostat, in Hungary the old age dependency rate will rise from 24.2% in 2010 to 57.6% by 2060. There have been parallel tendencies in the other Visegrád countries and in most of the EU's current member states.

#### **2.2.4.4 Tenure structure**

In Hungary 88% of the households have owner-occupied tenure status; social housing ("below market rent") is only 4%, while the remaining 8% is private rental (market rent and "rent free"). This, by European comparison, extreme tenure structure is the result of the privatisation after 1990 and the lack of a social housing program in the last two decades.

### **2.3 Analysis of the national context**

If the tendencies of SGI should be summed up three trends can be drawn:

1. Centralisation of non-market SGI, to trade-off national (budgetary) costs (centralisation).

2. Involving global SGI business players in consolidation of national figures (service-taxation).
3. Modernisation (e.g. energy sector)

All these efforts are initiated by global economic crisis, and indigenous, unbalanced and non-sustainable financial structure of local government which used to be responsible for operation certain SGI, for example hospitals, primary and secondary schools.

### **2.3.1 Centralisation of SGIs**

Parliament has decided that since May 1<sup>st</sup> 2012 70 health institutes are going to be operated by the State. 54 hospitals are operated and owned by while in the rest cases the real estates and equipments of the service are managed by the State. This also means that the State takeovers all liabilities of former owner local governments /municipalities. In the three counties of Dél-Alföld altogether 7 hospitals are involved: 4 Bács–Kiskun, 2 Békés and 1 Csongrád. As the Government stated it was the first step to change the whole healthcare structure, increase the quality of services and setup a centralised and sustainable financing model.

Similar to hospitals schools will be taken over by the State from 2013. Altogether 1964 primary, 305 vocational and 112 special vocational schools, 384 secondary general and 448 secondary vocational schools are concerned. According to the preliminary calculation the process will costs some 492 000 million HUF (1 640 million EUR), but it can be saved from terminated supports.

### **2.3.2 Taxation private SGI**

The national budget for 2013 counts significant income from tax on bank transfers. With this extra tax on every banking transfer on bank account of loan may earn 130-228 000 million HUF (app. 430-760 million EUR). Preliminary calculations show that the rate of 1 ‰ is not a serious burden for the families, approximately 100-1 000 HUF (0.3-3 EUR) extra monthly cost. On the other hand if the rate will not be maximised, as planned the cost may several times higher than the normal banking rate now on the business accounts. Some organisations predict the movement of bank accounts in other banks in the surrounding countries e.g. Austria or Slovakia (n.b. in later country inter-governmental agreement has to be drafted to avoid opening bank account because of less service costs.).

There is a serious political debate on extra tax on telecommunication, which has to pay by the telecommunication companies). After every call and minutes, even SMSs 2 HUF (0.01 EUR) has to be paid, but no more than 400 HUF (1.3 EUR) monthly rate for individuals and 1 400 HUF (4.6 EUR) for businesses. Several experts emphasis that this tax will increase the telecommunication costs which is even now are one of the highest in the EU.

### **2.3.3 Modernisation of the energy sector**

With a view to sustainable energy supply, it is expected that the share of renewable energy in primary energy use will rise from the current 7 percent to the vicinity of 20 percent by 2030. In terms of renewable energy sources, combined heat and power biogas and biomass power plants and geothermal energy utilisation, serving primarily, but not exclusively, heat generation purposes, will be treated as priorities. A more substantial utilisation of the Hungarian solar energy potential for direct electric power generation may become possible after 2020, due to the decreasing price of photovoltaic technology.

The presence of the government is currently rather moderate on a market-oriented, liberalised and highly privatised energy economy. The government is primarily able to assert

its priorities through regulatory instruments. In the electric power sector, the government continues to have a substantial direct potential to influence the market through the state-owned MVM Zrt. (Hungarian Power Companies Ltd.) and the Paksi Atomerőmű Zrt. (Paks Nuclear Power Plant Ltd.), a similar potential should be established in the natural gas and oil sectors, with particular regard to the expiry in 2015 of the long-term natural gas contract between Hungary and Russia. This may include the granting of new authorisations to the MVM Zrt., creating a new state-owned natural gas trading company or acquiring a controlling interest in a company with a high market share

### **3 Regional analysis of SGI**

#### **3.1 Analysis of all services of general interests in the region (based on detailed regional statistics with national background; depth of analysis of each services can vary).**

##### **3.1.1 Traditional infrastructure services (gas, water, waste and sewage, electricity, transport – including public transport and postal services)**

###### ***3.1.1.1 General outline of traditional infrastructure services in the region***

###### Gas

Since the 1994 privatization, there has been relevant development in the energy sector and steady growth in gas supply in public consumption. Land-based networks cover the whole region, where the Százhalombatta–Szeged(-state border) pipeline runs across with the Battonya and Kiskunmajsa–Kiskunhalas branches. The Budapest–Szeged (-state border) gas pipeline is the most important of the existing pipelines; however, almost all major town centres are connected to high-pressure pipes in the region. There are quite significant differences in mains gas supply for the subregions: in the Szeged subregion, more than 90% of households are connected to mains, while in the Bácsalmás area, less than two-fifths of households are connected. In terms of the number of consumers, there are almost 400 per 1 000 in the Szeged, but only 180 per 1 000 in the Bácsalmás area.

###### Water

Regarding mains infrastructure, gaps in the public utilities presents the greatest problem for the Dél-Alföld. Urgent action is required to address the difference in the number of homes connected to the drainage and water systems, although the gap closed by approximately 20 percentage points between 1996 and 2003. In terms of the mains water supply in the region, the most serious problem is not the number of homes without mains connection, but the quality of the mains water. One or more water quality issues affect 220 of the 254 municipalities in the region and almost 90% of the population. Arsenic is an acute problem, as in some places the levels found are much higher than the threshold limit. This means that development work has had to be carried out or has to be carried out in 36 municipalities. In 18 cases, this had been completed by the end of 2005. Boron content is also high and swift action has to (should) be carried out in 13 municipalities by the end of 2006. Acute problems affect almost 10% of the region's population, in almost 50 municipalities (nearly 20% of all municipalities). In order to comply with EU regulations, new tasks emerging until the end of 2009 to reduce arsenic and ammonia levels in the region; these are still acceptable and affect almost 1.1 million members of the population, in nearly 70% of municipalities.

###### Waste and sewage management

With regard to waste management, the region is in a good position by in national terms, except in the case of municipal liquid waste. This region generates the lowest quantities of

municipal sewage sludge and construction and other inert waste. The quantity of solid municipal waste is approximately the same for the size of the municipalities as in the area beyond the Tisza river. Organised waste-collection (delivery and drop-off) is now carried out in almost all municipalities. In the Dél-Alföld Region in 2002, the proportion of urban population using waste collection services was 56,6%, placing the Dél-Alföld in second place among the regions for waste collection. Municipal waste separation began in middle of the 1990s. The efficiency of selective waste collection is reduced by the lack of related industries for waste utilisation and processing. Only a low proportion of drop-off points carry out processing, post-sorting and usability assessment on waste. In terms of end-storage for municipal waste, the “one municipality – one landfill” solution has been applied. Most solid waste from municipalities placed in landfill sites which do not meet regulations and without waste utilisation (wet area, on nature reserve areas, operating with pit-filling technology). There are many landfill sites which are in unfavourable locations and where technical standards are not provided. The place is to replace the 250 landfill sites in the region with 11 regional sites, plus a further one for inert waste.

Some 33% of municipalities are on the mains sewage system, while the remainder of wastewater dries out. In 2001, liquid waste was poured directly onto surface in 73 settlements in 2001. Distribution level of public drainage network is low, which can lead to significant environmental damage. Mains sewage connection is usually only available in central areas of municipalities. In contrast with the 88% level of mains water connection, only 39% of homes were connected to the mains sewage system; both these figures are below the national average (93% and 59% respectively). The average length of mains sewage per 100 km of mains water is 27 km. Evident for one of the most serious environmental problems is that in the 67 municipalities which are home to almost three quarters of the population and where mains connection is available, only 50% of homes have a mains connection. Currently (as of 2005) there is no mains sewage in 91% of municipalities with less than 2 000 resident equivalent; such municipalities are home to 10% of the respective population. In parts of municipalities where mains sewage is uneconomic or not feasible or has not yet been developed, specialist, individual wastewater handling facilities are required. Such facilities need to be developed in a logical, well-planned way, together with mains sewage construction. In terms of mains infrastructure, the development of gas supply is most dynamic.

#### Central/district heating

Some 8-8.5% of homes have access to centralised hot water and district heating; this varies by a great deal within counties.

Almost 50 000 homes are still connected to the district heating system in the region.

#### Mass transport

The region's transport/geographical situation are favourable since the most important transit roads (towards northwest Europe, southeast Europe and the Middle East) in the country run through it. As a result, three EU Trans-European Network corridors (IV, X.B continental and VII waterway) run through the region. The transport infrastructure of the Dél-Alföld Region has low quality and a low level of development, despite the fact that one of the busiest international transport axes of the country runs across its territory (IV, IV/A, VII, X/B “Helsinki channels”). There is a strong contrast between geographical attributes and the state and development of transport facilities in the region. The main transit axis of the region is not only lagging behind West European levels, both in terms of quantity and quality, but also behind the much lower national average. Transversal transport links within the region and with the neighbouring regions along the border are under-developed in comparison with north-south links. A lack of bridges, poor distribution of bridges and in efficient bridge capacity on the Danube, Tisza and Kőrös rivers does not improve the situation. Delays in government financing for transport development other than that of the transit axis through the region may increase the relative lag for outlying regions, since their isolation is not

addressed. The dynamic impact of funds, information and developed technologies is concentrated in a small number of municipalities.

The quality of the road network is worse than the national average for every road category, with a very high proportion classed as “poor” or “very poor”. Transport conditions are split unevenly among the counties and areas of the region. While Bács-Kiskun and Csongrád will be linked to European transport system during the 2006–2010 planning period due to railway and motorway the developments, in case of Békés only rail projects can be expected to be completed. On a local level transport conditions will not improve in long term for north and south Békés, the interior of Homokhát and some areas of the Danube Valley either. Only the development of the M9 motorway link to the Szekszárd bridge would help to some extent. The delayed development of the no. 47 trunk road devalues regions close to one of the most important transversal routes. The situation is most unfavourable in Békés County where there is no motorway, semi-motorway and no main road while the most favourable situation is in Bács-Kiskun County, which is closest to the capital city.

In railway transport, there can be no solution to the issue of local railway lines in the short and middle term. Poor rail links often create obstacles to international connections. Delays in motorway construction and in railway development adversely affect both the competitiveness of the region and the opportunities to exploit the region’s favourable logistical location.

Waterway transport is an unexploited opportunity. Such projects can only realistically be implemented if the water is used in more than way (waterways, supplementing water supplies, etc.). One of the reasons for the economic and social differences within the region is the persisting differences in accessibility to different areas in accessibility can reduce and area’s opportunities for catching up economically, and this can lead to a deterioration in the standard of living in the areas concerned, and in the long term, to migration, to an ageing population and depopulation. Infrastructure development can result in multiplication effect, with harmonizing national, regional and local interests in regional and transport infrastructure development, with cooperation of all the parties involved.

#### Public transport

In public transport, contradictory changes are taking place, almost in parallel with each other, in long distance transport, transport between towns and villages, and local transport. Even while new services have started up and new demands have arisen from the economy, society and the network of municipalities, there are many cases where services ended or the frequency of services reduced. This has resulted in almost no change in passenger numbers or in transport efficiency (expressed as km per passenger). Meanwhile residential transport undergoing restructuring and private vehicles is taking over at the expense of all types of public transport. Within passenger carry, the objective is to maintain the ratio of public transport or to reduce the rate of its decline. To that end, urban public transport needs to be renewed and its operational conditions improved. Network development must be made more flexible, the effects of seasonality must be reduced, passenger information, and passenger services must be improved, along with transport safety, road construction projects to help the operation of public transport and operational technologies.

In case of large towns, consideration must be given to connecting local transport and public transport between municipalities. One way to achieve this is to facilitate the establishment of transport alliances, tariff communities and regional systems, and to set up intermodal centres. When designing and implementing the aforesaid development projects, special attention should be paid to environmental and equal opportunities horizontal objective

#### **3.1.1.2 Density of the particular service**

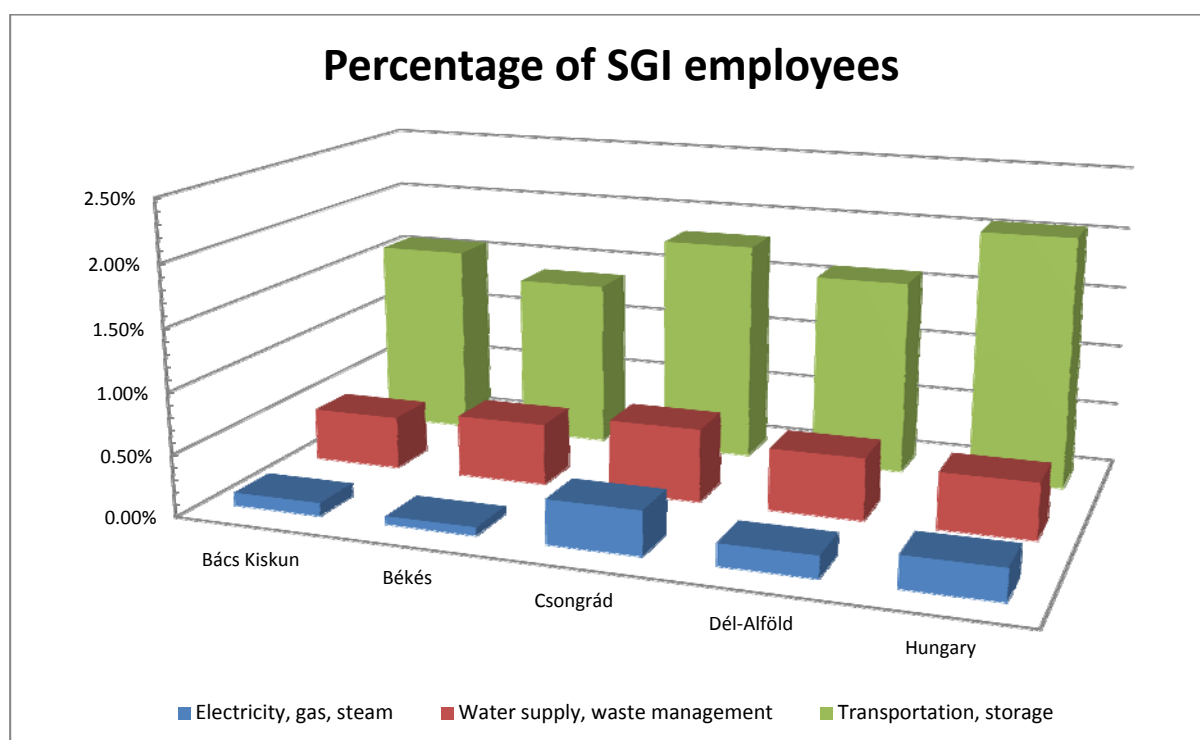
When the density of particular services are analysed, two aspects are drawing up:

1. Service providers activity described by ratio SGI employed people projecting to the total (county, regional, national) population
2. Consuming (demand) side for certain services.

### Service providers

The following chart graphically shows the ratio of SGI employed people projecting the total population of counties, Dél-Alföld region and Hungary.

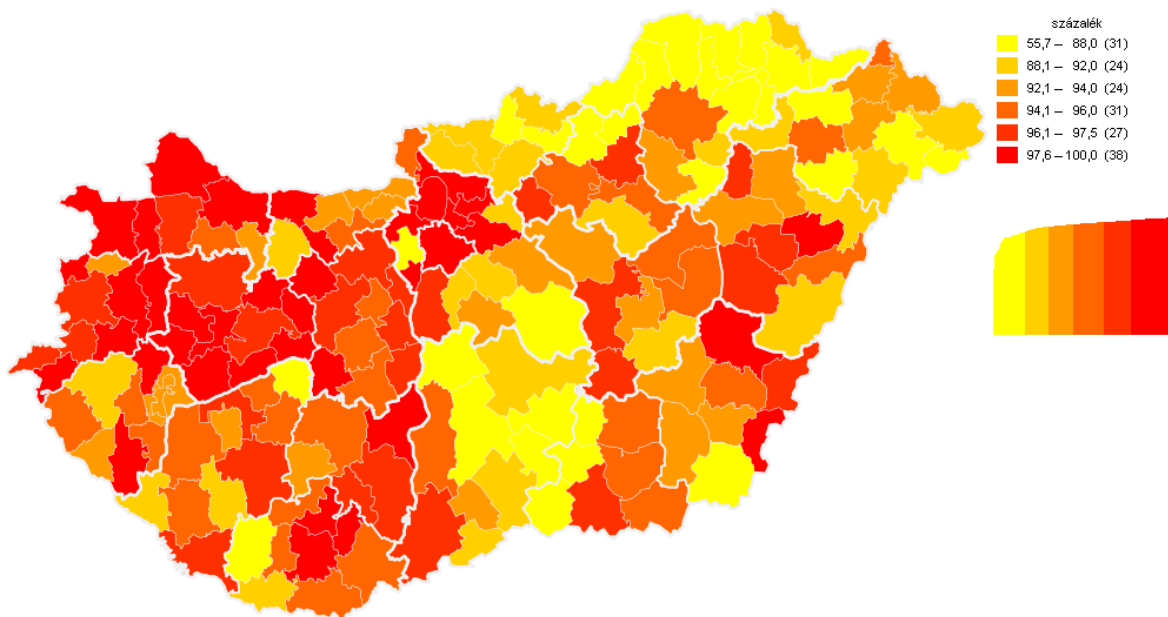
Percentage of employees working for certain SGI sector exceeds the national average in case of energy supply and heating and water supply and waste management in Csongrád county. This is inevitable radiation effect of the third most populated Hungarian city, Szeged in a periphery area. Transportation also exceeds the regional average, but of course it cannot compete the Közép-Magyarország (Central Hungary) region and Budapest.



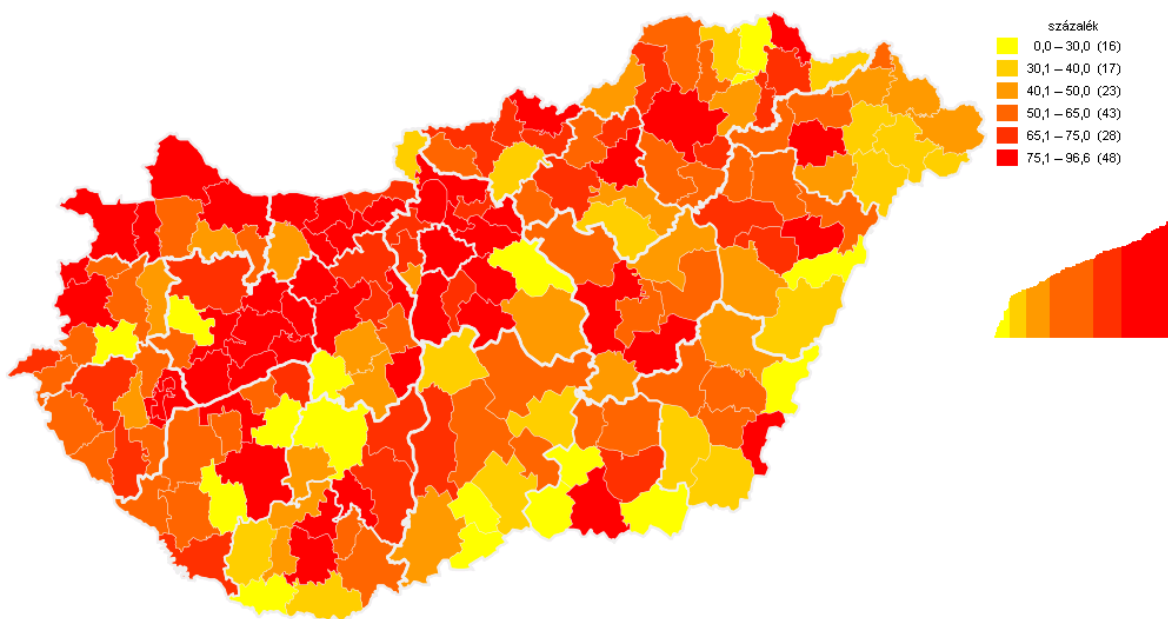
### Consumer/demand side

The gas monthly consumption in Dél-Alföld region was 77.3 m<sup>3</sup> per consumer. With this figure the region is in the last amongst the region. Its rank is better — it is on the 2<sup>nd</sup> place — if consider the consumption per inhabitants (29.2 m<sup>3</sup>). Contribution of gas supplied to households is relatively high, 45.9% which prove the low industrialization level of the region. At national context in Bács-Kiskun county the highest the households' consumption ratio, it is 51.0%.

Looking at the consumption side, the situation opposite, the Region shows the lowest percentage in connection to the public water pipe and public sewerage network. Peaking figures appear in the subregion with big cities (Szeged, Hódmezővásárhely and Kecskemét)

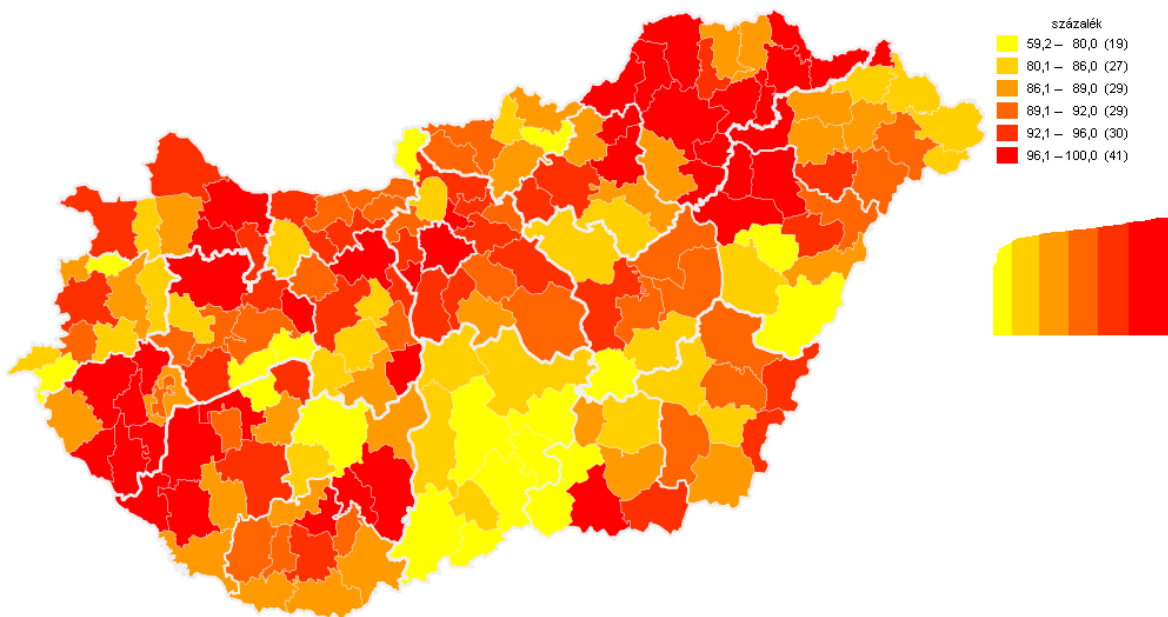


*Ratio (%) of dwellings connecting to the public water supply network at LAU1 level. (Dwelling stock =100%)*



*Ratio (%) of dwelling connecting to the public sewerage network at LAU1 level. (Dwelling stock =100%)*

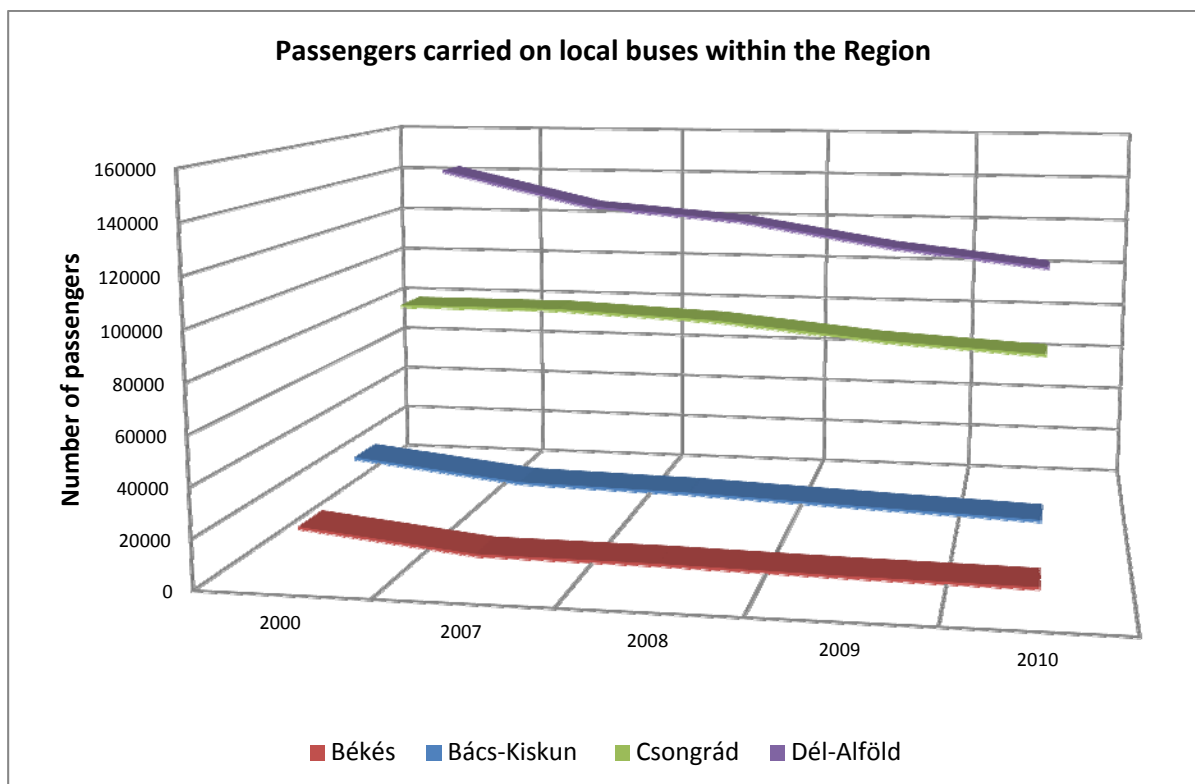
In case of waste management the territorial differences are sharper. Bács-Kiskun county shows the lowest ration on regular waste removal/collection this is because of the settlement structure (small scattered farms) and bad accessibility of individual dwellings, farms.



*Ration of dwelling connected to the regular waste removal system (Dwelling stock =100%)*

In 2010 4.72% of the municipalities (12 from the 254 municipalities) possessed/owned central heating network. 8.27% of the dwellings use central heating networks for heating and hot water supply. This ratio did not change in the past 10 years. Even the supplied quantity of heat is stabilised at 1.5-1.6 million GJ.

The role of community bus transportation in the regional passenger carry lost its importance in the past 10 years. However the length of the network and the number of local routes did not changed significantly. In generally the individual transportation dominates; peoples use their own cars in daily mobility.



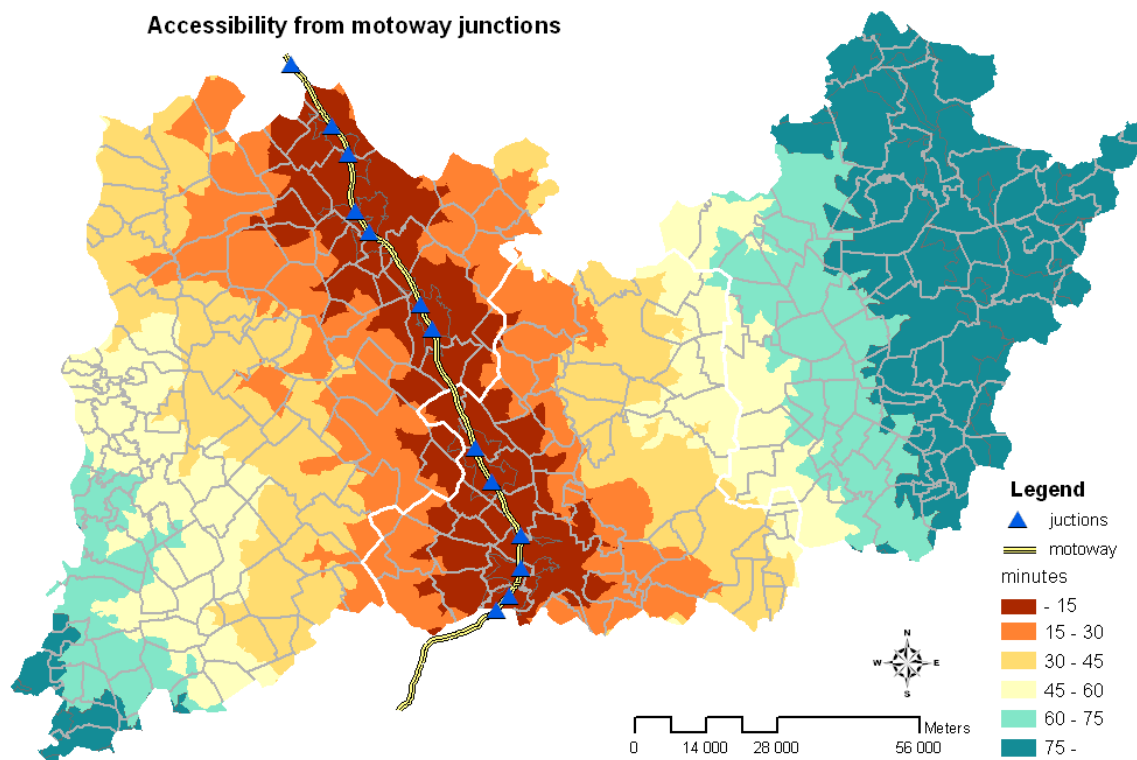


### 3.1.1.3 Range of services/number of different services present/available

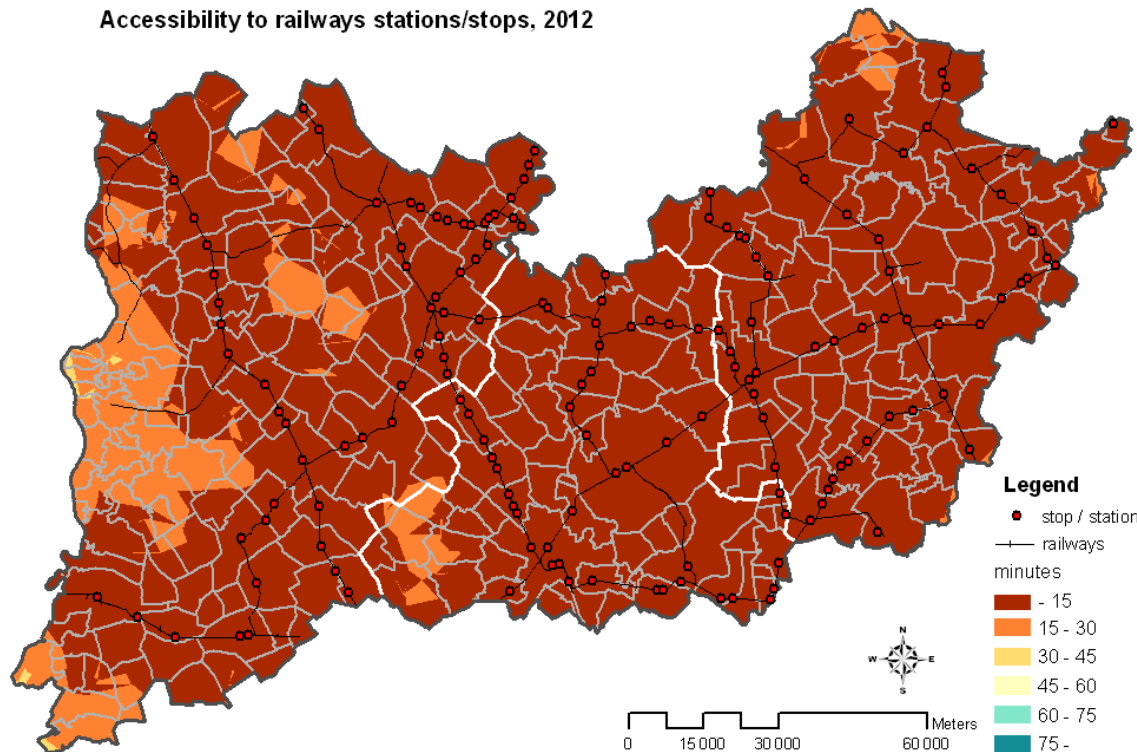
In general it can be said the all in the 53 towns and cities and/or in the subregional centres of all traditional SGI service providers are represented: the regional electrical and gas suppliers, waste and sewage management private and municipal companies. It also has to add that all service provider suggest and support electronic customer service via internet. It is another question that such services are not widely use by the customers in this region.

In case of transportation services (bus and railways) nearly all bus or railways stop or station can be reached within 15 to 30 minutes.

### 3.1.1.4 The accessibility to potential users within the region



Accessibility to railways stations/stops, 2012



### 3.1.2 New infrastructure services (electronic communications and ICT)

#### 3.1.2.1 General outline of new infrastructure services in the region

Regional Information Society Strategies were accomplished in 2004-2005 in all regions. They include all the plans, which were needed to achieve by the regions during the period of the Hungarian Information Society Strategy, namely in 10-15 years. Documents were prepared by regional agencies or passed out to companies, so thus people could take part in planning, who really see the possibilities hidden in the region and know the region-specific characteristics and local problems.

Regional Information Society Strategies formulated typically the same strategic aims (development of information infrastructure, implementation of e-government, creation of knowledge based economy and society etc.), since they had to fit in with national development strategies. The regions aimed at including all national development directions in regional documents, but with different weights. The region of Közép-Magyarország (Central-Hungary) formulated a significantly different aim — putting the reduction of inequalities and the society-cantered development in the foreground — than the region of Dél-Alföld region — naming the expansion of ICT in order to advance life quality. According to our experiences generally the more developed a region, the more significant shift can be seen from infrastructure development to the direction of human resource development.

Regional structural models reflecting the level of information society development give a comprehensive picture on regional characteristics. Beside that these models show the variance of regions, they make possible to see also the structural disproportions of the regions, for example by demonstrating the deviation from the average in infrastructural factors or in the level of qualification.

Dél-Alföld region was the first Hungarian region to prepare a strategy on regional information society (IS) development (in 2000). Various IT indicators (e.g. households' access to

Internet) showed a rapid improvement in the second half of the 2000s, nevertheless this indicator is still below the national average (44.2 % vs. 48.4 % in 2008).

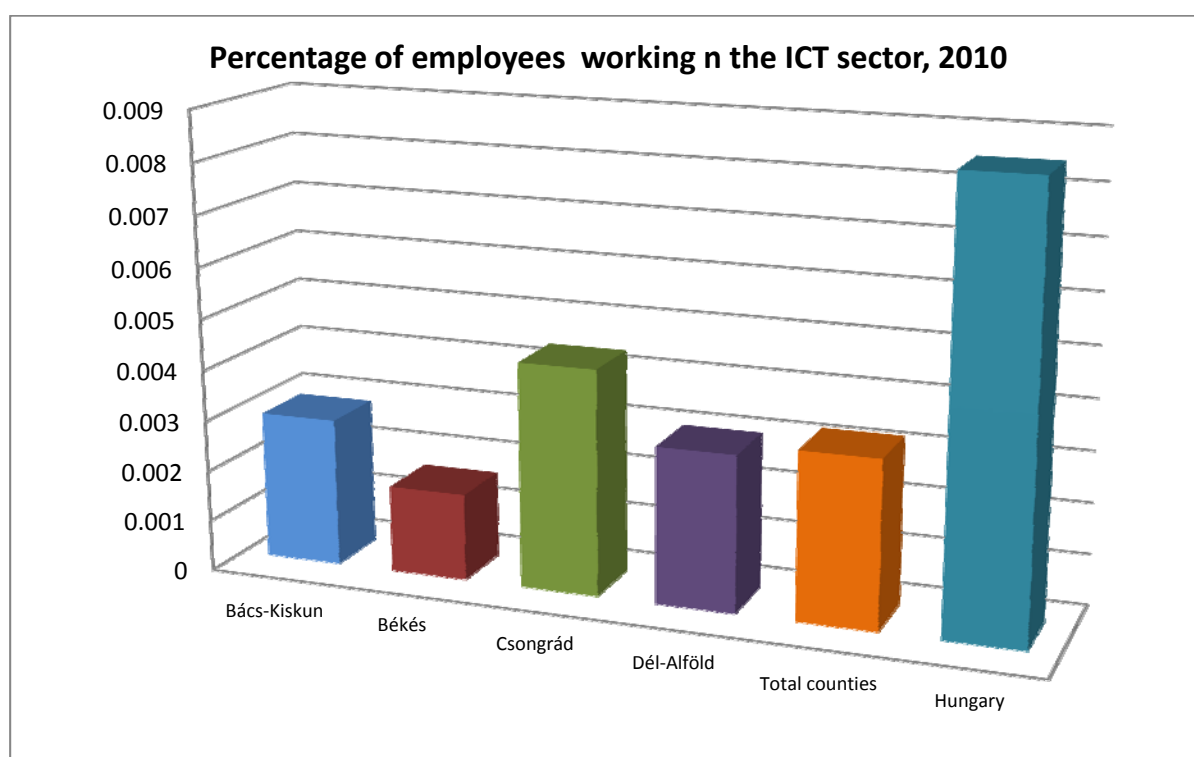
The ICT infrastructure of the region is poor comparing other Hungarian regions. PC availability is 24% that is the next to the last in the rank of regions. Although the increase fits to the national average, the lagging position is not changing.

Situation is similar in case of telephone line in the households, less than two-third of the households has direct telephone line.

Internet access shows significant territorial differences: in the county centre the 13% of PC users have internet access at home. In the towns and cities this ratio is only 10%, while in the villages 6%!

### **3.1.2.2 Density of the particular service**

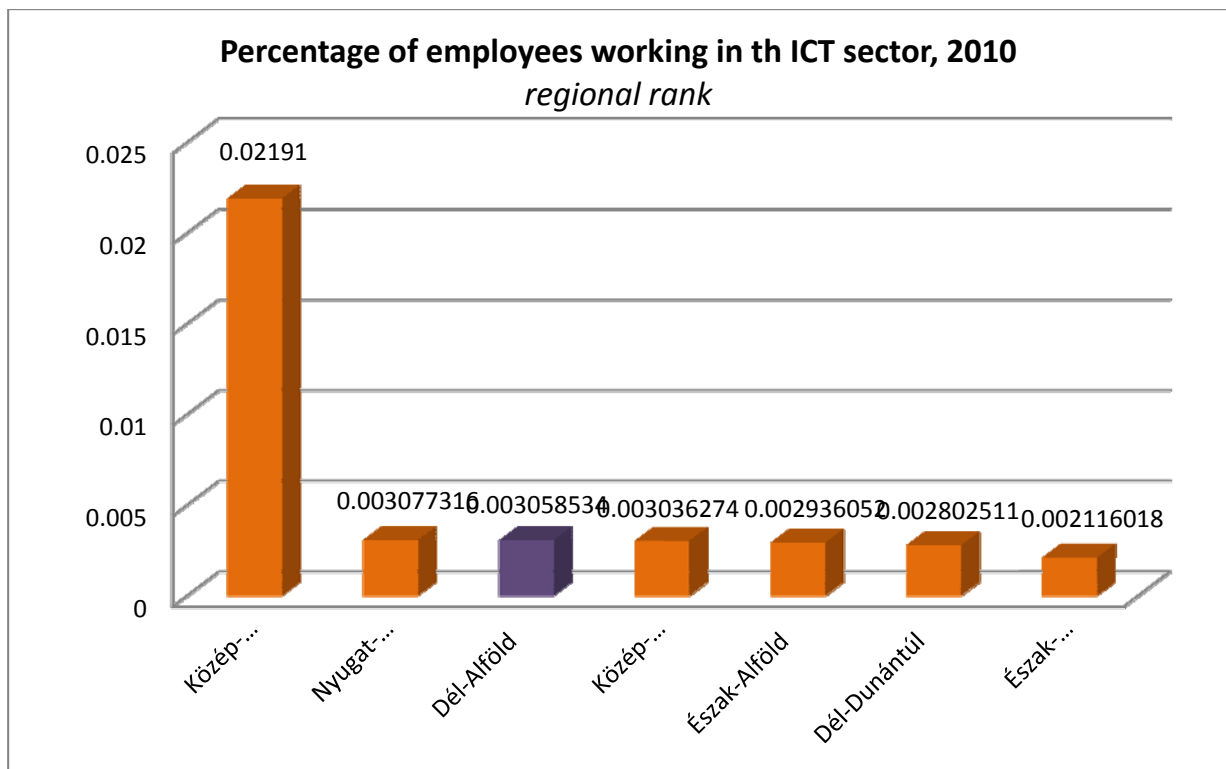
#### Service providers



The chart graphically shows the ratio of SGI employed people projecting the total population of Dél-Alföld region, its counties and Hungary. A column is also shown the percentage for all counties except Budapest, as the capital provides extreme ratio in IT sector.

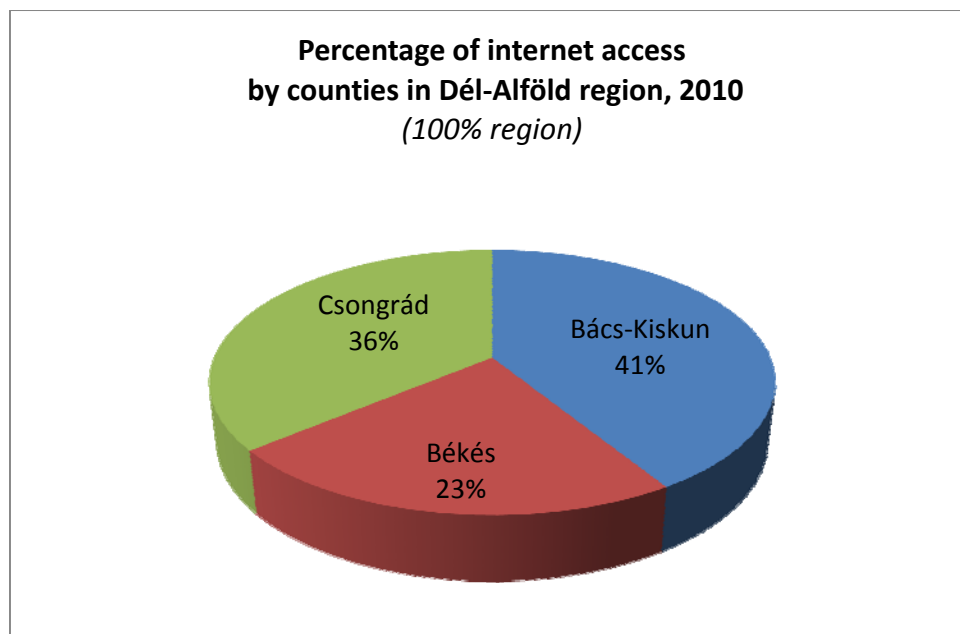
The graph shows that Csongrád county is the leading in the region considering the percentage of ICT employees (0.44 %). This is because of Szeged, which is significant knowledge centre in ICT sector (university).

The region has good position amongst the other counties, its sectoral employment ratio (0.31%) is slightly below the average of all counties (0.33%).

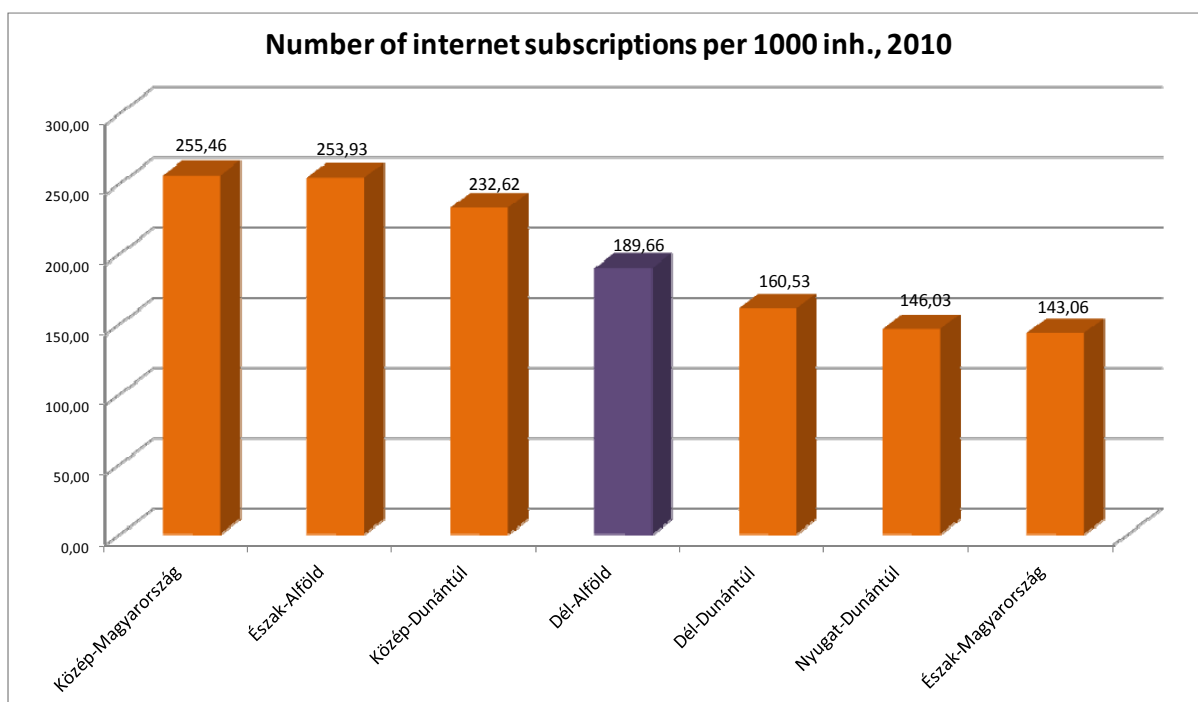


#### Consumer/demand side

Internet access within the region differs in space. Bács-Kiskun county counts the largest ratio in internet use (41%) while Békés has only 23%. Because of the settlement structure and social composition of Csongrád county we should expect lower ratio in internet access, although Szeged may increase the ratio.

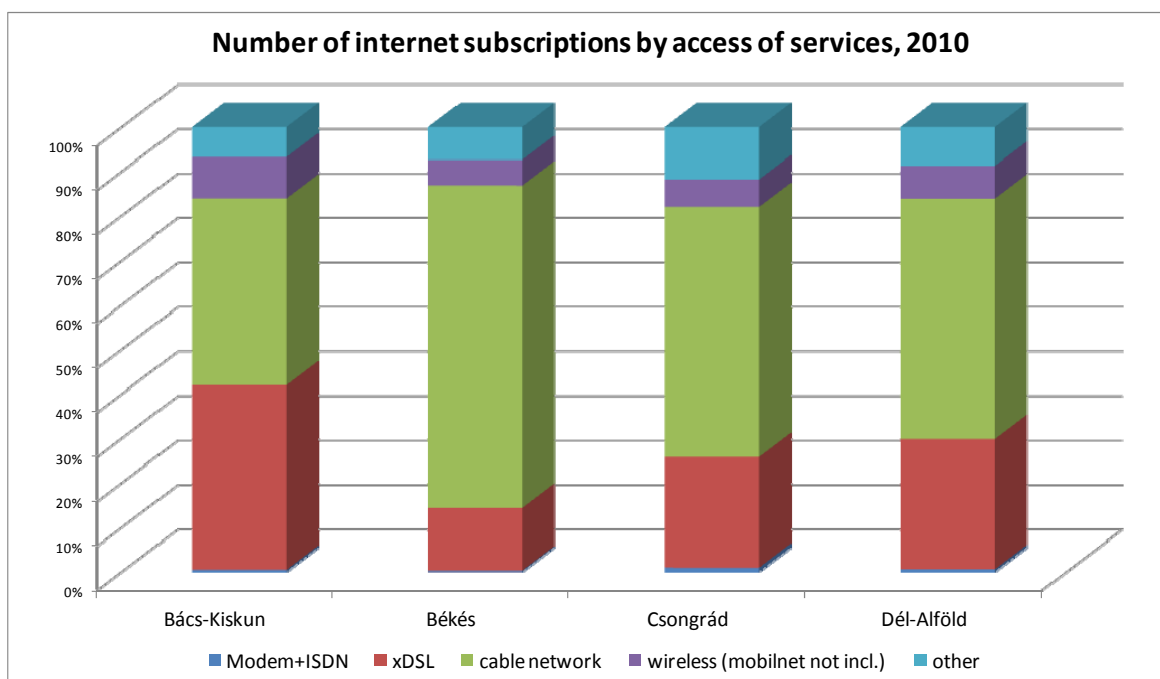


Examining the number of internet subscriptions (household and business together) can be concluded that Dél-Alföld region is moderately supplied by internet access. Although the farmsteads are less access the internet — due to socials and technical reasons — the regional big cities (Kecskemét, Szeged) compensate (increase) the internet subscriptions.



87.3% of the enterprises (enterprises with at least 10 employees in the economic sector) have any type of internet access point. With this percentage Dél-Alföld region is in the last position after Észak-Alföld region (82.4%) among the other regions. Enterprises predominantly use xDSL services (55.9%), modem and ISDN (28.6%) and mobile broadband (21.0%) are in the second and third places. Nowadays leased line lost its importance proportion is only 7.8%.

The type of internet connections shows different picture if households are included. Cable network and xDSL services are predominant (cable network for households), while public switched network and ISDN by modem less used. Other types of supply e.g. frame relay, metro-ethernet, powerline communication, V-SAT, microwave, WIFI etc. are widely applied.



### **3.1.2.3 Range of services/number of different services present/available**

Several internet service provider companies are represented in the larger cities. However their personal representation is limited. Frequently these service provider cooperate the telecom companies (T-Com, Invitel etc), those have full territorial coverage even in the remote farmstead areas. Some company sell communication packages e.g. TV channels, telephone and internet service together at reasonable prices using wireless technology where cable network is not available (e.g. UPS, Digi).

### **3.1.3 Education (differentiating levels of education), labour market services, public administration and defence, cultural and recreational services**

#### **3.1.3.1 General outline of education, labour market, public administration and defence, and cultural and recreational services in the region**

#### Education

Nursery care is well-established in the region. The objective is to strengthen and maintain the institutional network of nurseries, to provide access for everyone and high quality service, so that children can be properly prepared for school entry and in with lowering the socio-cultural differences of differing family background. In the 2005/2006 school year, there were 606 registered nurseries, representing 13.4% of nurseries in the country. The number of nurseries has clearly been shrinking over the last decade: broadly speaking, one in ten nurseries has closed down since 1990, a decrease which far outstrips the national trend (4,2% have closed). There are only 12 municipalities without nurseries. Most of these are municipalities on former farming areas in Bács-Kiskun County, whose populations do not exceed 300. There is large regional differences capacity utilisation for nursery places. Nurseries with the lowest utilisation are in the central part of Békés County and in some areas of Bács-Kiskun County (Kalocsa and Kiskunhalas areas). It is these nurseries which are at the highest risk of closure over the medium term. A relatively large proportion of nurseries are operating at above 100% capacity utilisation.

Maintenance of educational facilities for primary and statutory municipal education is mostly carried out independently by the municipalities themselves. In most municipalities, children can attend primary school locally until eighth grade, however accessibility is a problem for the outlying population. In the year up until 2015, the school age population will decrease. In 2001, the number of primary school pupils was 150,000; however, by 2009 this number is expected to drop to 125,000, and by 2015 to just 110 000 – 115 000.

The institutional infrastructure across public education is considered deficient. This mainly applies to buildings and secondly to facilities. Although thanks to the IT developments of the last few years, some progress has been made in the renewal of information technology equipments. However, differences between schools are quite large, regarding the standard of hardware and internet access. At most institutions, there are only limited options for using multimedia tools for education. The most serious problem is the poor condition of buildings and other facilities. The outdated construction in many cases does not allow reconstruction of existing buildings at all, or only with a disproportionately high input. In such cases, the only solution is to replace old buildings with new, while taking demographic figures into consideration. There is a need to emphasize the question of accessibility for people with disabilities. Another connecting issue is to secure appropriate school yard facilities and play equipment, obligatory exits, gym halls and rooms and cafeteria facilities, which comply with EU regulations.

Adequate mobility for people living in sparsely populated rural areas and assuring transport services for them at appropriate standards are issues yet to be resolved. High-quality, easily accessible transport services are particularly important for primary school pupils in such municipalities. By creating incentives for offering public education services at micro-region level, an arrangement must be devised to allow all children living in small municipalities to master competitive knowledge irrespective of their social and family backgrounds. The widening of the gap between rural and urban areas and aggravation of residential and educational segregation must be prevented.

There has been significant growth in the range of secondary level education in the region over the last ten years. The number of municipalities with secondary schools has increased, they have new facilities, they are being run by new providers (churches and foundations) and the range of educational programmes has widened. Post-secondary and vocational education is playing a greater role. The number of secondary school places has increased.

There has been restructuring in secondary school education regarding informing families on education, both in terms of education level and location of the institution. Besides a growing interest in vocational secondary education in the last couple of years, there is growing and rather dominant interest towards grammar school secondary level education, followed by interest towards technical schools. Acquiring qualifications where physical work is required are rather out of fashion currently due to the mistaken view in society that for a more secure and higher standard of living higher level of education is essential. Szeged, Kecskemét and Békéscsaba have high importance in secondary level education already. There is also important role in the provision of secondary level education for Baja, Kiskunfélegyháza, Kiskunhalas, Kalocsa, Hódmezővásárhely, Szentes, Gyula and Orosháza.

The capital city dominated the historical development of geographical distribution of the national higher education institutions, supplemented by other large university towns outside Budapest and the network of colleges.

Location of educational institutes in the region is determined by the dominance of Szeged, where 27 000 students studied in the 2002/03 school year, 16 000 of them in full time education. The second biggest student centre is Kecskemét with more than 4 000 students in higher educational. The Colleges at Békéscsaba, Szarvas, Baja and Hódmezővásárhely are frequented by slightly more students altogether than the Kecskemét facilities. The region's middle sized towns (Gyula, Orosháza) have been involved in upper level education as a first step by establishing outplacement sections of facilities.

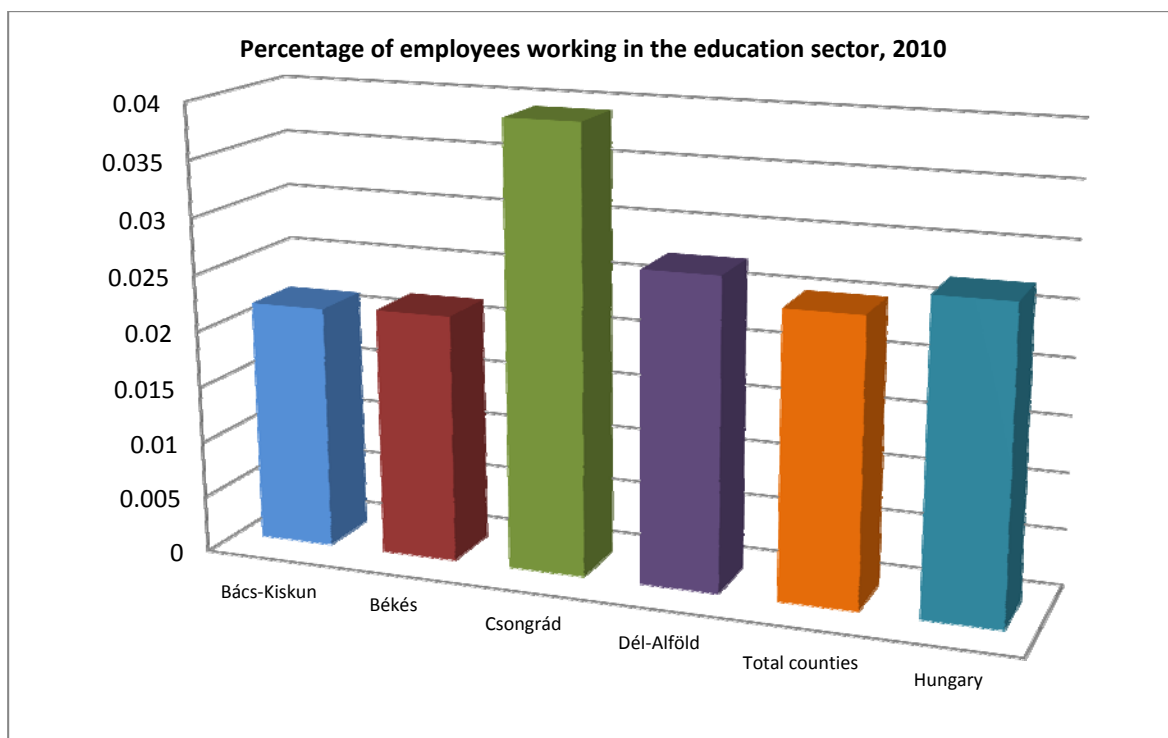
Secondary schools in the South Great Plain fulfil a significant proportion of educational needs. However, the structure of education does not always meet employers' expectations.

In the region there are 109 organisations for adult education accredited, among them are the regional centres of state adult educational network in Békéscsaba and Kecskemét. Currently 10.5% of the able-to-work population has a tertiary education degree in the South Great Plain region; this is the lowest figure among regions. The Hungarian average is 14.3%, while the average for the EU25 is 20.6%.

#### 1.1.1.1. Density of the particular service

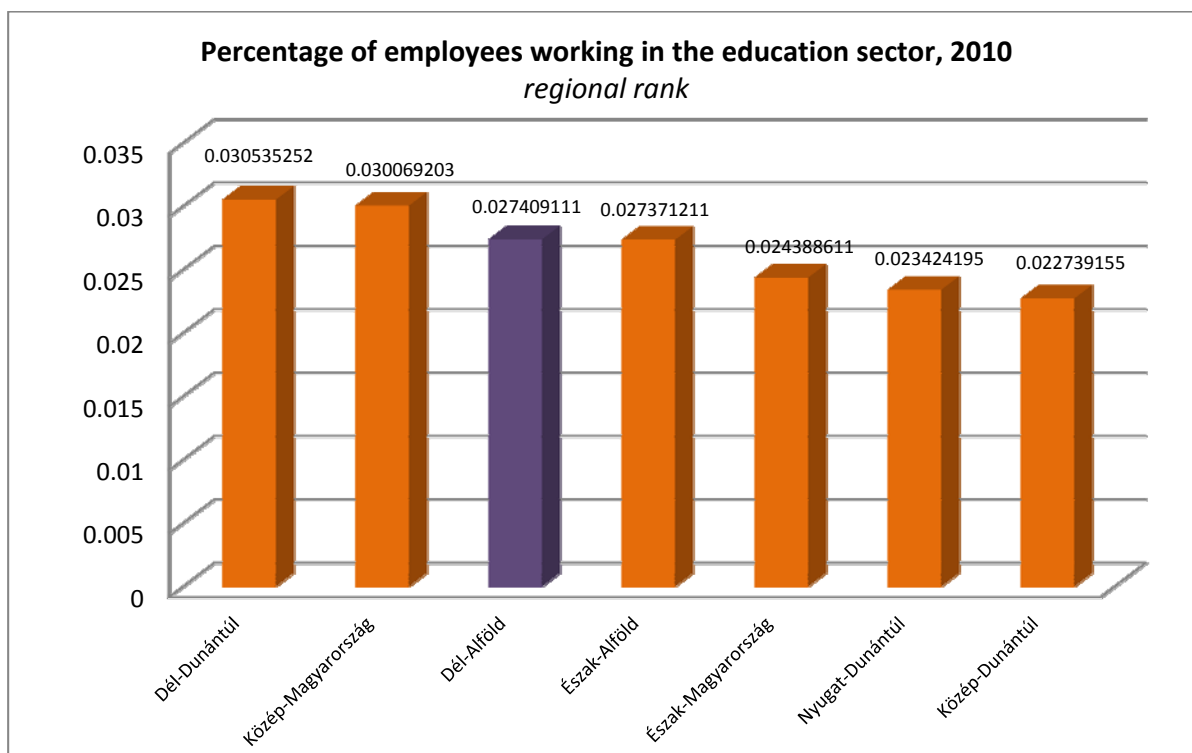
##### Service providers

As the graph shows in Csongrád county the ratio of employees working in the education sector is extremely high, even higher than the regional, counties and national average. This is because of city of Szeged which is a university town having one of the largest "universitas" typed higher education complex. Also several smaller faculties and institutions of the University decentralised in smaller cities.



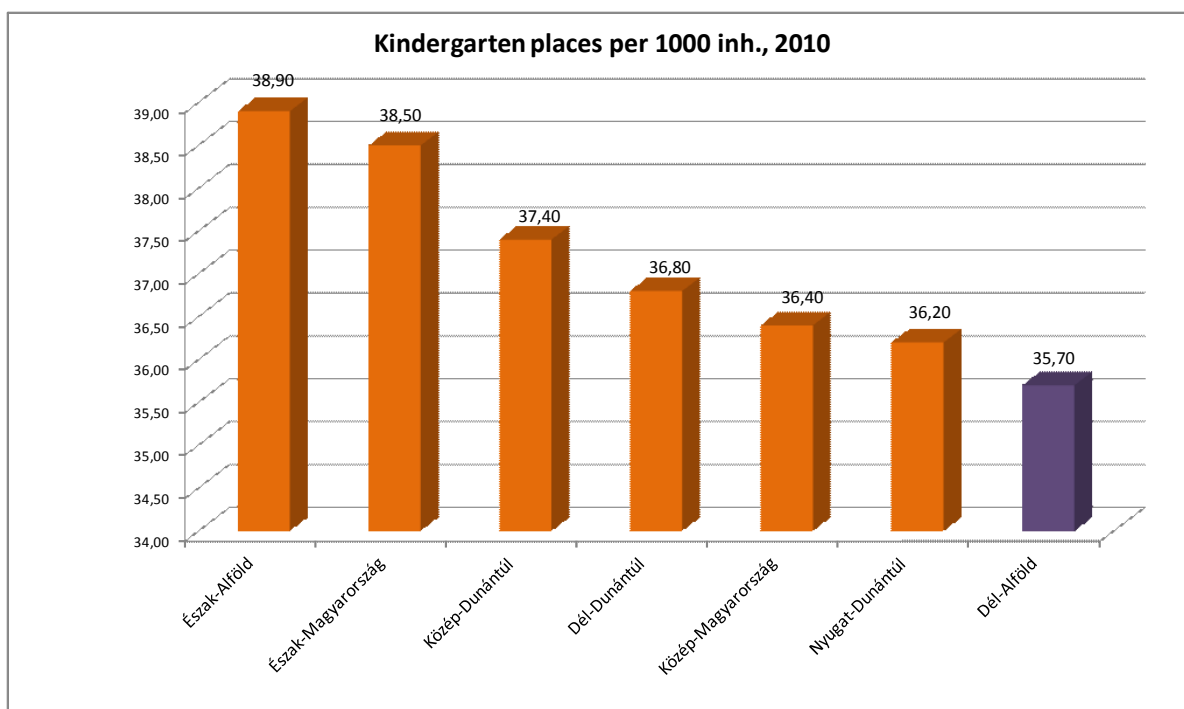
If we check the ratio of employed people in the education sector the 2.74% puts the region in the third/fourth place among the other region. Dél-Dunántúl with city of Pécs and Közép-Magyarország with the faculties of universities seat in Budapest successfully compete the region.

However this high proportion of working places in the education sector provides good potentials for innovative industries, innovation and R&D. Several pharmacological and research centres and clusters established in the shadow of Szeged University.



In Hungary the kindergarten-system rather belongs to the education sector than the social one. Therefore the kindergarten spaces may give a real picture of the service side.

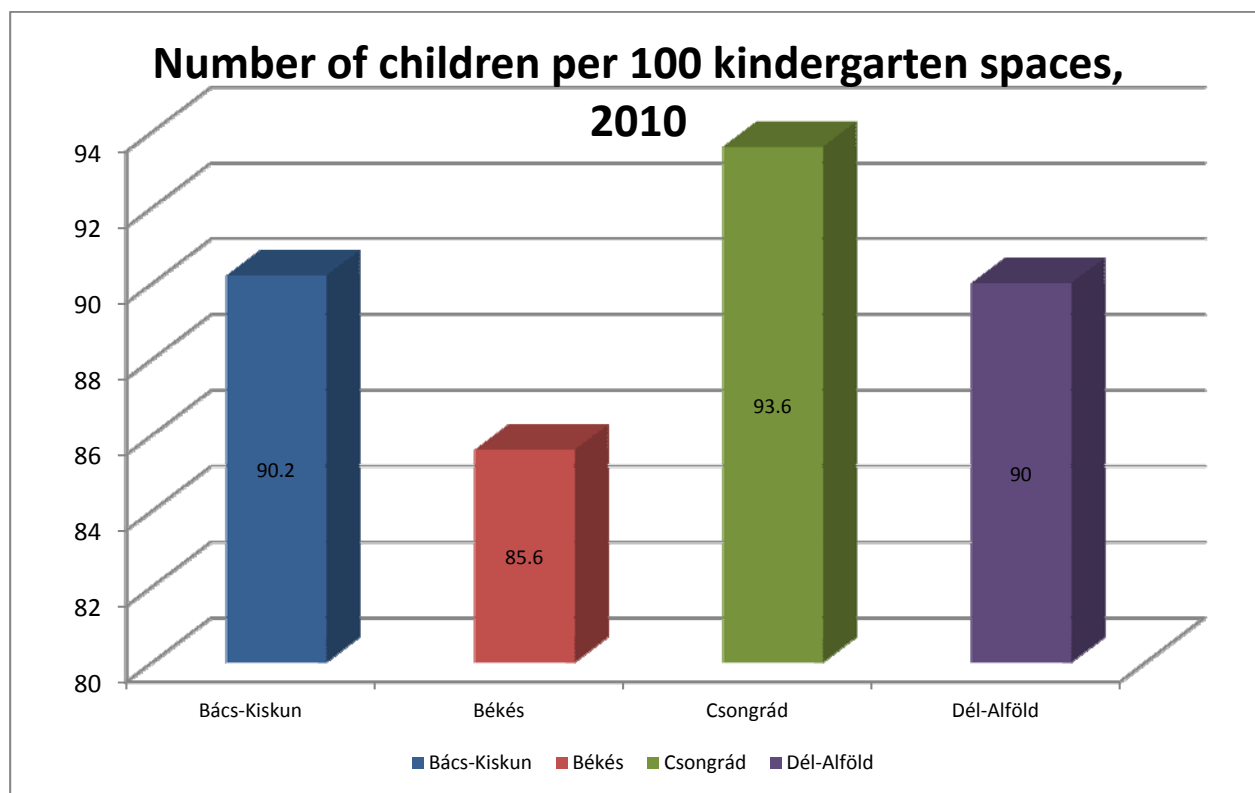




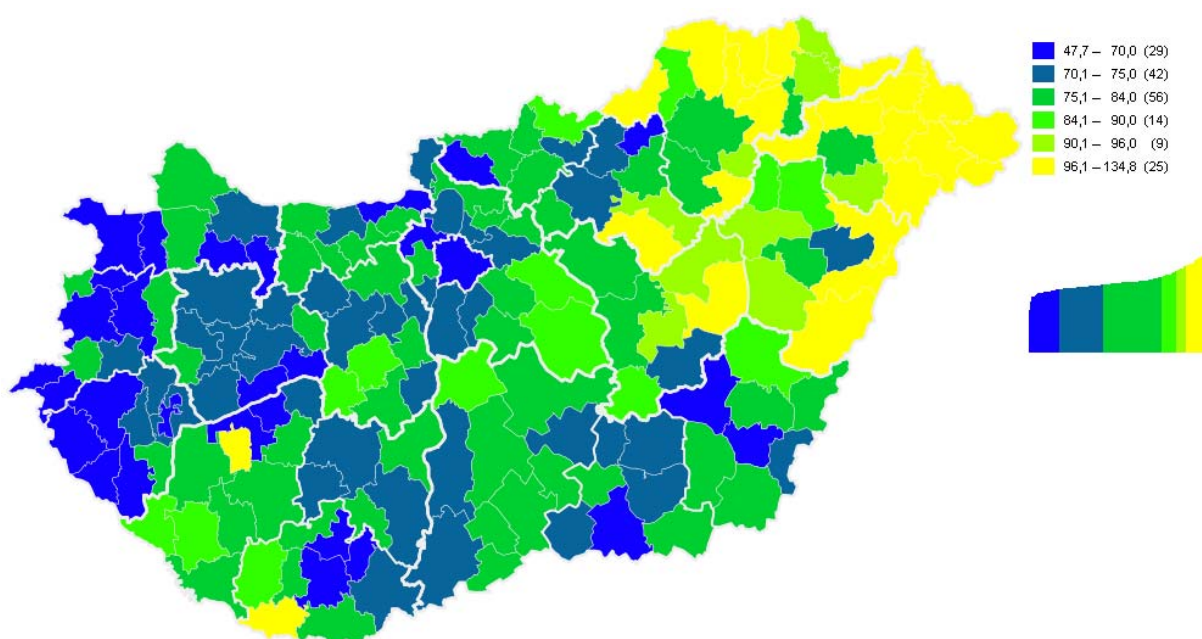
Dél-Alföld has the highest ageing index in 2011 it was 127.2. Comparing in the same year Észak-Alföld counted 95.3, the lowest value. This trend is mirroring in the kindergarten spaces, which is the lowest among the region.

#### Consumer/demand side

On the other hand if we examine the demand side, the figures prove that the utilisation of kindergartens in the region is average, some 90.0%. The counties of the region show similar figures, vary between 85.6 (Békés) and 93.6 (Csongrád).

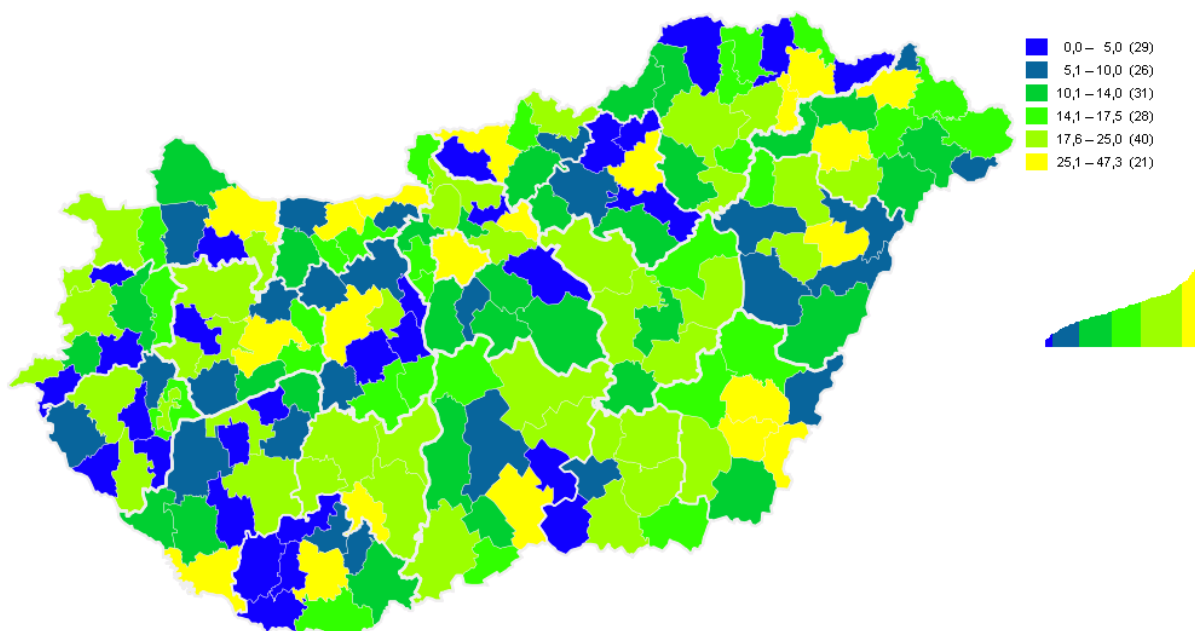


Participation in compulsory primary school education appoints the most ageing subregions. These are not in the border, periphery zone of the region rather in the sparsely lived farmstead areas of the region.



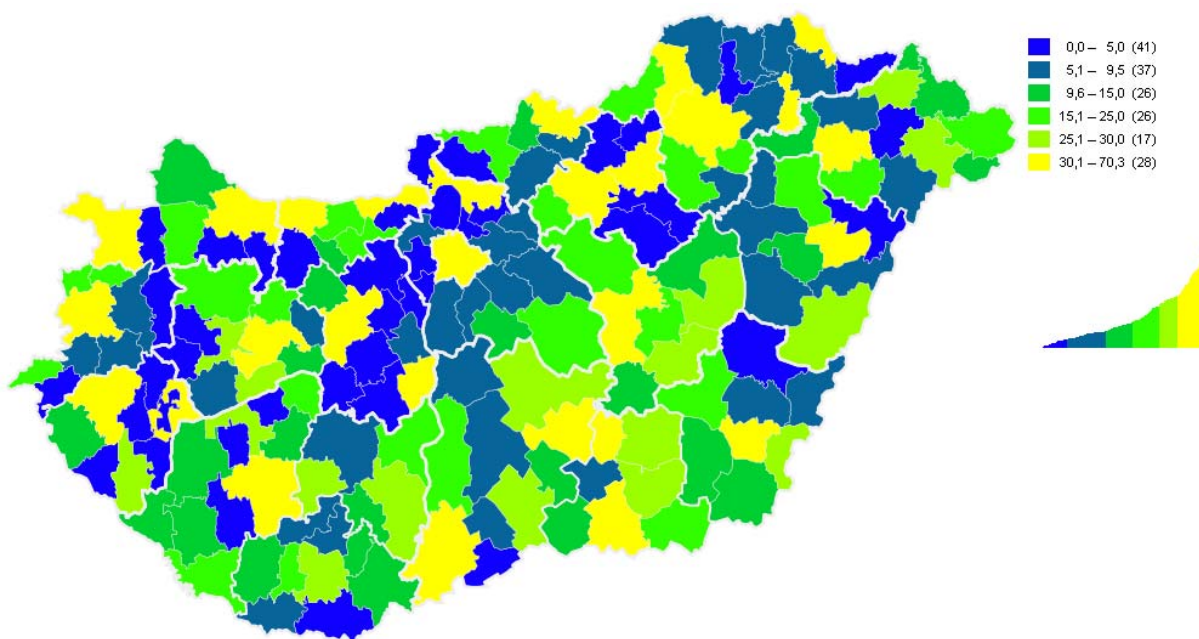
*Number of primary school pupils per 1000 inhabitants (2010/2011)*

The number of secondary school students correlates the social conditions of the subregions. In the neighbourhood of the large and medium sized cities and towns the ratio is higher, while in the rural farmstead areas the ration very low.



*Number of secondary (grammar) schools students per 1000 inhabitants (2010/2011)*

Dél-Alföld region has a traditional rural society which rooted the farming and agro-machinery and food industry. The last map shows well the ratio of those youngster who wish to have a profession is high and balanced in space (comparing the northern part of Hungary where the unemployment rate is the highest and activity rate is the lowest).



*Number of vocational schools students per 1000 inhabitants (2010/2011)*

### **3.1.3.2 Range of services/number of different services present/available**

Education can provide special competencies rather than “services”. Nearly all the 254 municipalities have at least one kindergarten, but quite often beside the municipal financed institution private or religious ones are operated, too.

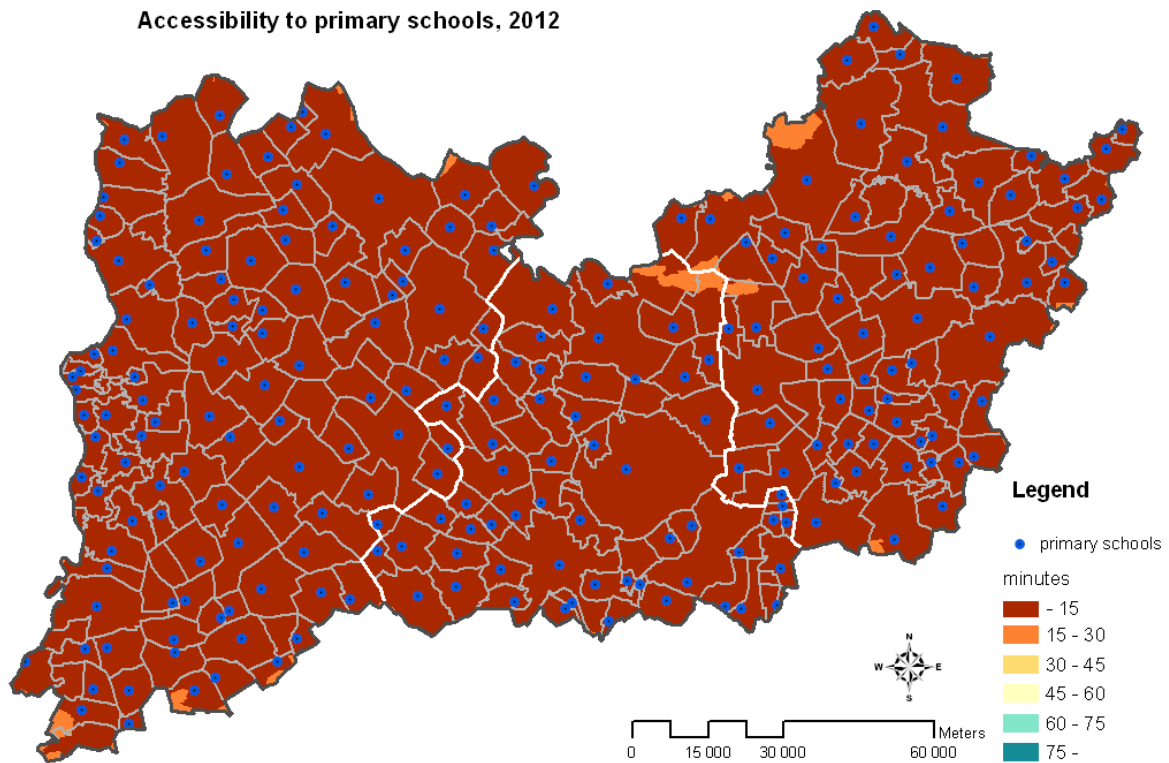
Primary schools also provide special courses for the pupils, mostly musical and art courses.

Secondary education is diverse in space and time. The schools offers different special classes and schemes (secondary grammar schools) and different skills and professions (vocational schools) sometime in different educational and/training structure.

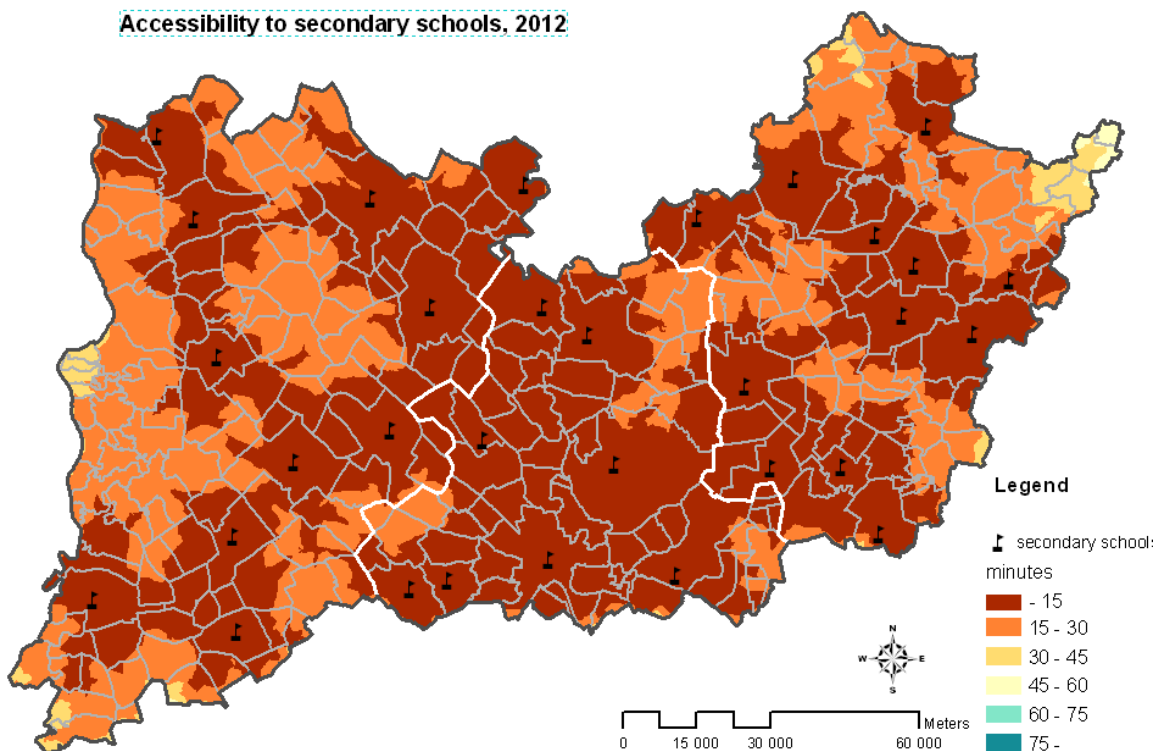
Universities and colleges specialised and having nation-wide gravitation effect, e.g. University of Szeged attracts student from other part of Hungary (and abroad).

### 3.1.3.3 The accessibility to potential users within the region

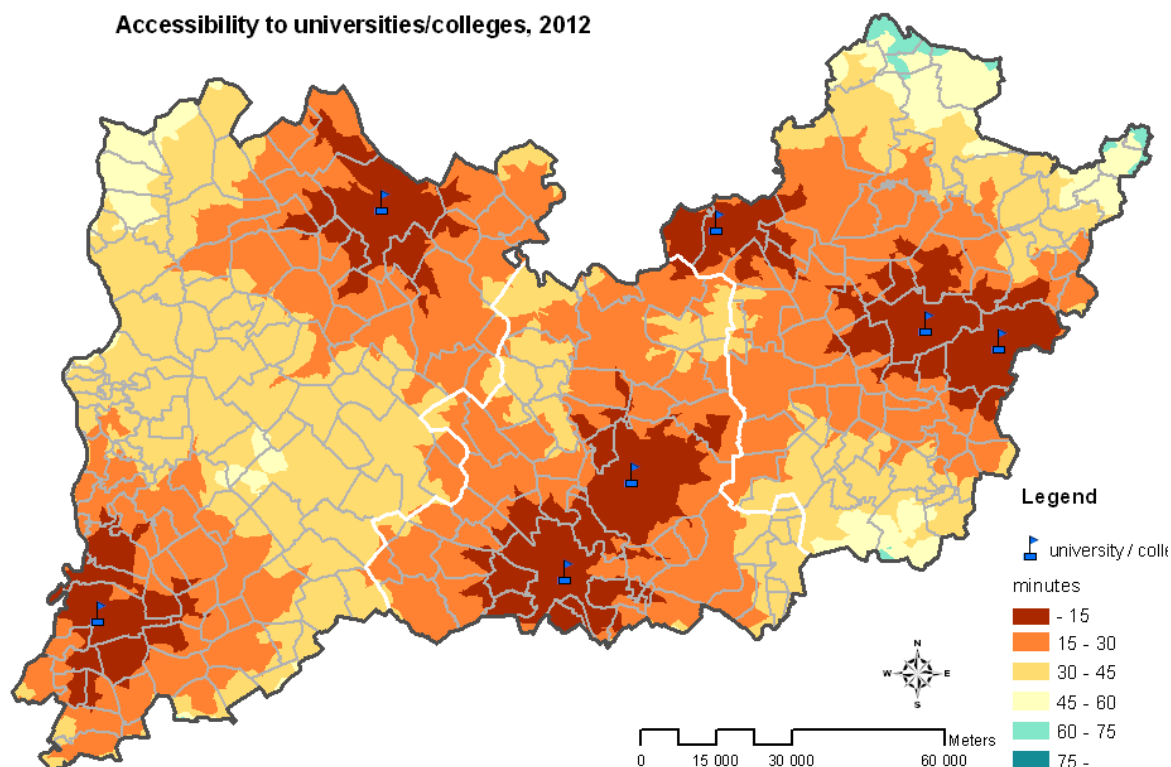
Accessibility to primary schools, 2012



Accessibility to secondary schools, 2012



Accessibility to universities/colleges, 2012



### 3.1.4 Care services (healthcare, child care, social care), social housing and compulsory social security

#### 3.1.4.1 General outline of care, social housing and compulsory social security services

##### Health care

The situation of the healthcare system in the Dél-Alföld Region has not changed in almost ten years, compared to that in other regions and in Hungary as a whole. The same applies to the inner structure of the regional health system; ongoing regional differences have not changed significantly till early 2012. Since 1<sup>st</sup> July a radical change improved in the national health service which has restructured the regional hospital and outpatient service. As the structure is rather new we cannot provide data and information on that thus earlier data will be shown.

The mortality rate for the region is alarming: they are above the national average and for several years now (except for 2001), deaths per 1000 in the Dél-Alföld were the highest of all the regions. The majority of deaths, 94 – 95 %, are due to 5 main causes: cardiovascular disease, cancer, external causes (accident, suicide, poisoning), disease of the digestive system and maleficent mutation of the respiratory system. The region's unfavourable age structure has a determining effect on the above country average mortality of the South Great Plain.

The population's health depends partly on inherent tendencies and partly on social and economic circumstances. Besides genetic illnesses, in some areas illnesses may top the lists which have already been overcome successfully in population's living in better economic circumstances, as a result of more advanced technical conditions and better social and healthcare systems. The opposite can also apply: in some areas illness of affluence can occur, which more slowly developing areas remain unaffected by. Regarding leading illnesses, similarly to developed countries Hungary's population suffers most from



cardiovascular disease due to a stressful lifestyle. Most adult patients turn to their doctor with cardiovascular problems, due to stress, lack of exercise and unhealthy eating. Within this illness group, hypertension is the most frequent in the region, similarly country generally. In 2003, this was the diagnosis in every fourth case.

Among the most frequent illnesses in the region are cerebral illnesses. Their incidence is increasing among the population. For medical care for STROKE, healthcare providers have currently contracted for 69 beds. The exact capacity required for the rehabilitation of STROKE patients needs to be established by experts and opportunities to develop current space need to be evaluated. Illnesses of the cardiovascular system mainly affect the elderly population. In 2003, almost half of the deaths caused by malfunction of the cardiovascular system were due to heart disease. Heart disease is followed by stroke illnesses and sclerosis. There are a very high number of deaths from stroke in Békés County, at 237 per 100,000, while in Bács-Kiskun and Csongrád counties “only” 80% of this figure died from this cause. The exact capacity required for the rehabilitation of cardiovascular system patients needs to be determined with the expertise of cardiologists and neurologists.

The suicide rate is high in Hungary generally, but within is even more significant among the Dél-Alföld region’s population. The national suicide rate was 28 people per 100 000 population in 2002, but the highest was in the Dél-Alföld with 38.5 people. Suicide among men is four times more frequent than among women, and most common in villages and among people living in outlying areas.

The medical attendance of doctors per population was at a lower level in the region in 2003 than the nationwide average. Although it should be borne in mind that the nationwide average is boosted by Budapest, but lower in the regions. The number of active doctors per 10 000 residents was 31 in the Dél-Alföld region in 2003, while the nationwide average was 38, but without the capital city it was only 29.

The population has reasonable access to general practitioner and family paediatrician services, although not all municipalities have their own general practitioner. There is however a serious issue: the frequency of general practitioner referrals to outpatient clinics and hospitals is well above average. Paediatrician attendance is available only in some areas, namely in towns and 34 villages.

The amount of outpatient care capacity in Dél-Alföld is significant. It ranked second after Közép-Magyarország in 1997 and 2003. Csongrád County is particularly outstanding, as it ranks third among all Hungarian counties, both in terms of outpatient care working hours per 1 000 of population and by the number of healthcare cases. Outpatient clinics are located in larger towns. One of the largest outpatient clinic operating independently of a hospital is in Szeged. Kecskemét, Gyula and Békés Békéscsaba also have significant outpatient capacity. Outpatient services are supplemented by specialized outpatient care at hospitals, with especially significant capacity in Szeged. Cases of specialist outpatient care per 100 of population in the Region exceeded the national average in 2003, especially for internal medicine, emergency surgery and oncology. Special medical care is available in 34 towns and 7 villages in the region.

Regarding active and especially chronic patient beds, supply of hospital beds in the region and in the counties is worse than the nationwide average. One of the reasons is the hospital supply of the capital city is well above the nationwide average, the other health policy developments in the area. Bács-Kiskun county differs the most from the nationwide average: for example, the number of chronic beds is only 43.9 % of the nationwide average.

The priorities of the Dél-Alföld region have not changed since the middle of the 1990s. Szeged is still the regional healthcare centre for the area. Most of the facilities with regional roles are concentrated here (Szeged Medical University, Szeged Municipality Hospital and Ambulance Care Center). Medical training and international diagnostics centre are only available here within the region. Hospital beds which are of regional importance are financed

in Kecskemét by the Bács-Kiskun County Municipal Hospital and by the Airbase Hospital, and in Gyula by the Pándy Kálmán Hospital of the Békés County Municipality.

The number of patients in the healthcare institutions of Dél-Alföld is below the nationwide average in almost all types of facilities. According to given data, healthcare institutions still cannot fulfil requirements for prevention, which is reflected by the declining number of screening examinations. If the health of the population continues to deteriorate then the current level of primary prevention will be inadequate.

#### Child care

Activity of regional district nurses concentrates on health protection for families, on prevention and on health development. There were 665 district nurses in the Region area in 2003, with 572 of them doing regional work. The provision in Csongrád County is the best among the counties; there are 268 families per district nurse here, while in Békés County this is 304 and in Bács-Kiskun it is 310, which is typical for the country as a whole. The workload for district nurse has reduced by 0.1% during the last five years.

#### Social care

The distribution of social and child welfare services in the Region is one of the best in the country. The best developed services are subsidised meals, home help and child welfare. However, this does not mean that accessibility to the services by the population is adequate.

In 2003 in the counties of Dél-Alföld, there were 209 senior clubs and community centres offering all-day activities, various programmes and cultural entertainment, as well as subsidised meals. Almost 7 800 people used these services. However, growing numbers of facilities cannot keep pace with the fast-growing elderly population, demand significantly exceed provision. Among the counties in the region, facilities in Csongrád County are the most crowded, while the ones in Békés County are the least.

Subsidised meals and home help services are mandatory in every municipality, but they can be provided by farm and village caretaker services in farming areas and villages (population below 600); it is essential for the outlying population that this system become more widespread, in order to ensure access given the farming areas aspect of the settlement structure.

There are lacks of day care services for all groups. Lack of full provision unnecessarily increases the use of more expensive residential care. Institutions providing day care play a significant role due to the high proportion of elderly people in the population. In four micro-regions, nursery provision is missing completely. Although this region has the highest number of day care places for families and capacity utilisation is favourable, day care provision for young children is still underdeveloped in the whole region, as is home-based childminding.

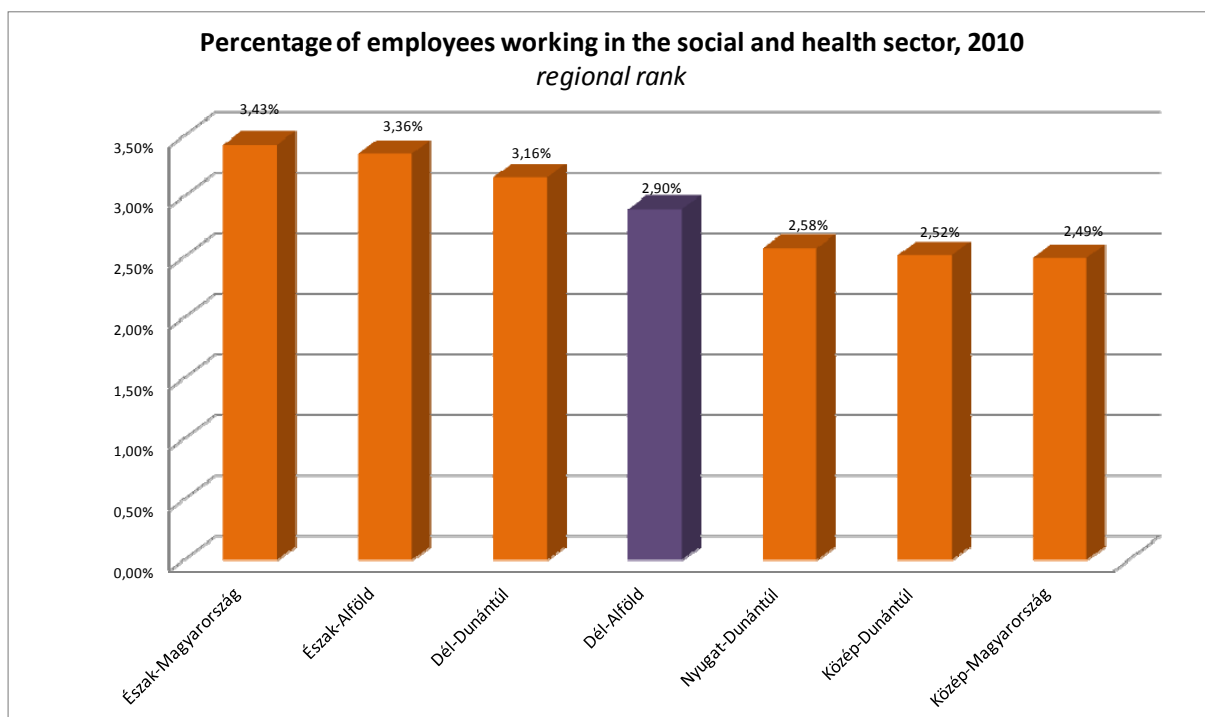
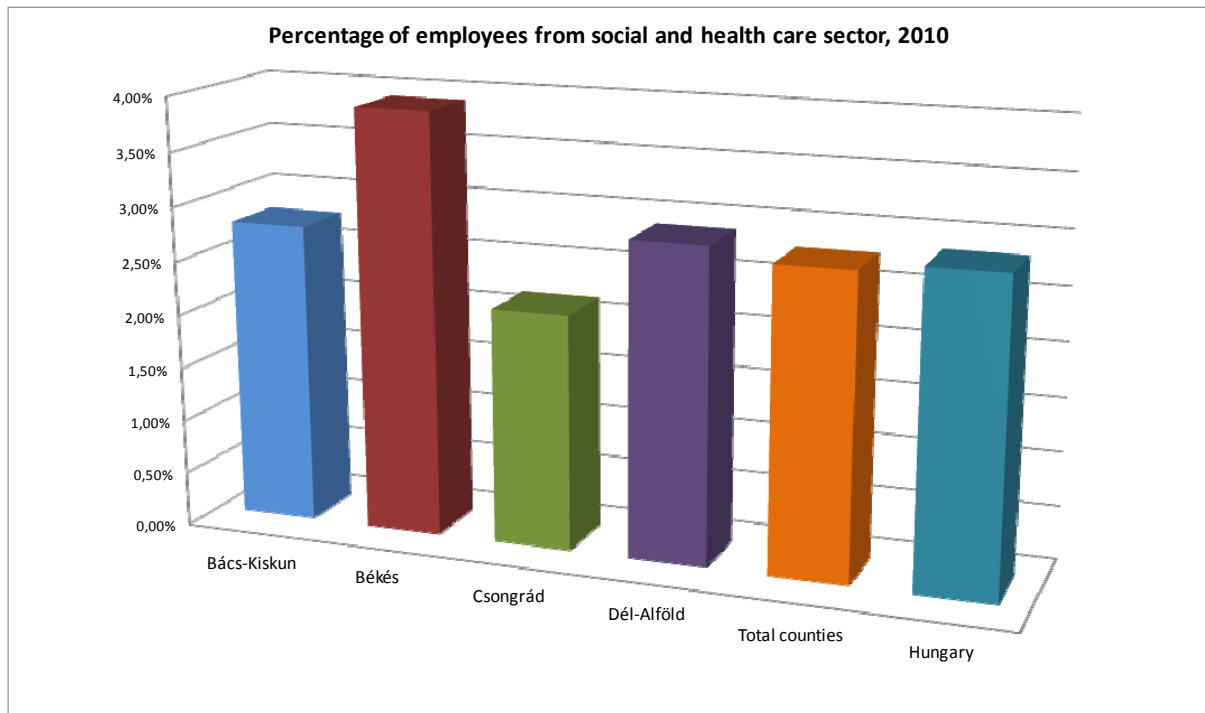
In the counties of the Region, approximately the same number of non-profit organisations can be found (in Bács-Kiskun 226, in Békés 211, in Csongrád 187). These organisations are quite heterogenic regarding legal status, operational areas, tasks and scope. In terms of geographical distribution, non-governmental organisations are concentrated in the areas of county centre towns obviously. This reflects the centralization of the distribution of funds. The least non-profit initiatives apply to the most disadvantaged micro-regions (Bácsalmás, Jánoshalom, Kiskunmajsa, Kunszentmiklós, Sarkad, Csongrád, Kistelek and Mórahalom). The conditions under which most civil organisations are operating do not guarantee stability and continuity for them.

Institutional infrastructure varies and is outdated in many cases. Buildings are old and those responsible for their maintenance do not possess the necessary financial resources for reconstruction.

### 3.1.4.2 Density of the particular service

#### Service providers

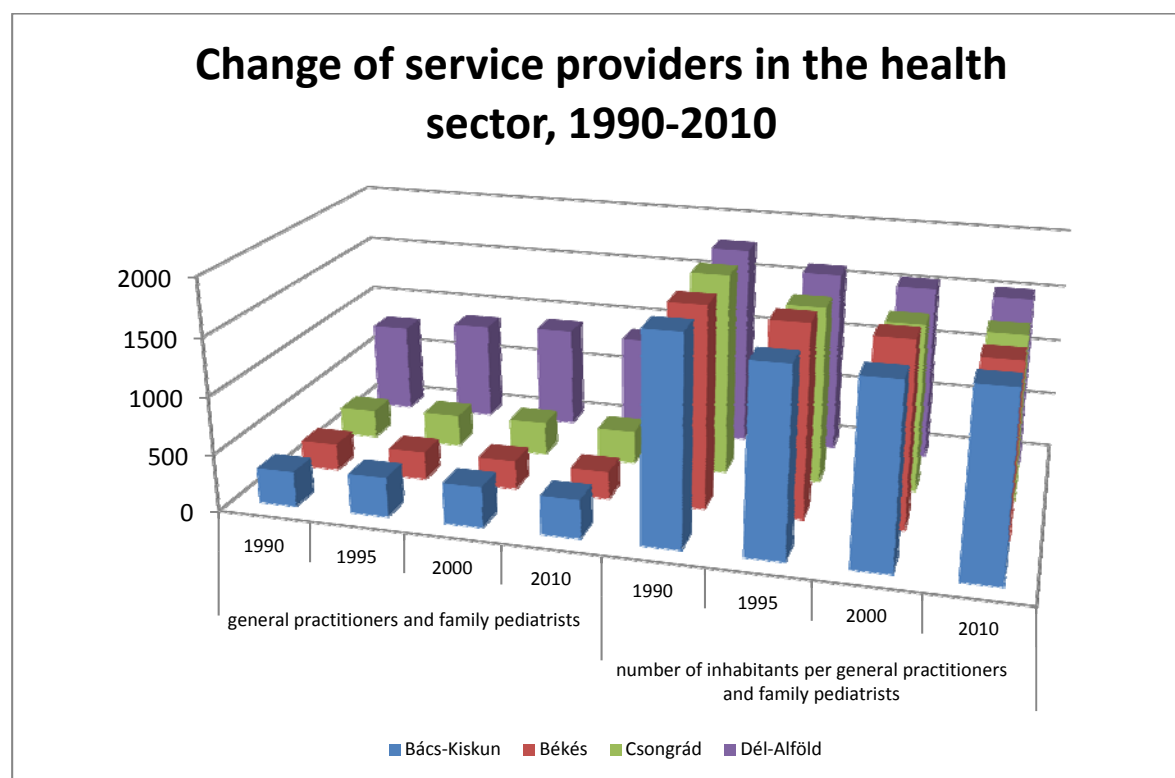
The number of employees working in the health and social sectors exceeds the national, regional and county average for Békés county. The number of employees nearly the same in the three counties, only the number of inhabitants differ causing the peak of Békés. On the other hand in Békés county there is a great number of dispensaries and other social institutions.



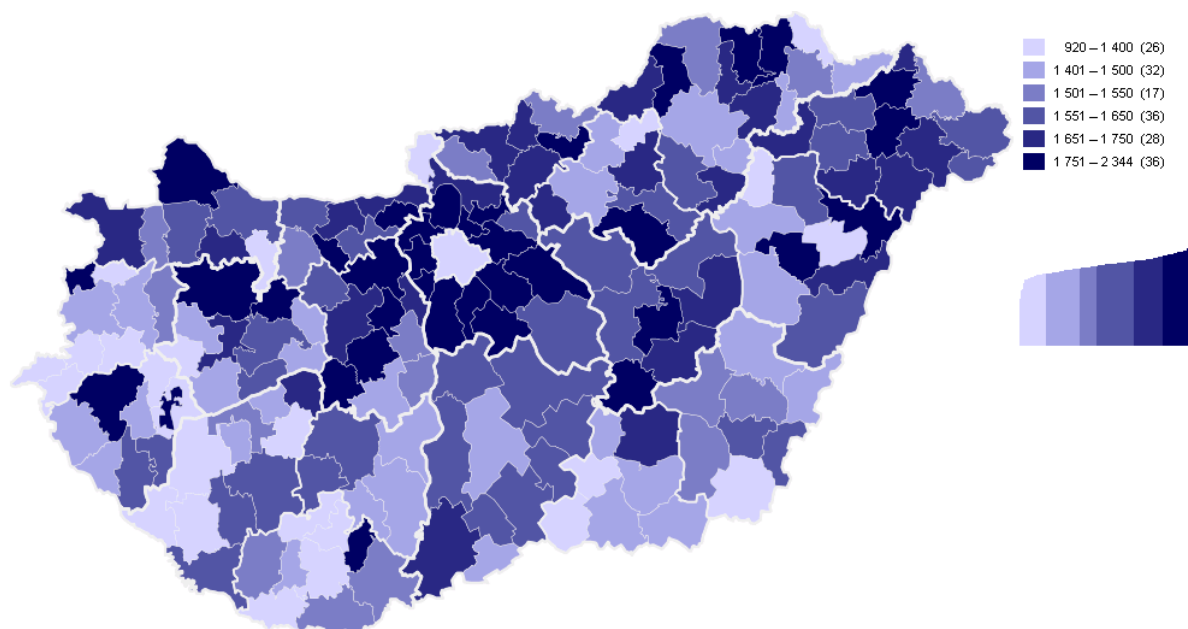
The number of general practitioners and family pediatricists did not change significantly in the



past 20 years. On the other hand the number of physicians did not follow the increase of the population therefore by 2010 the number of doctors per inhabitants decreased.



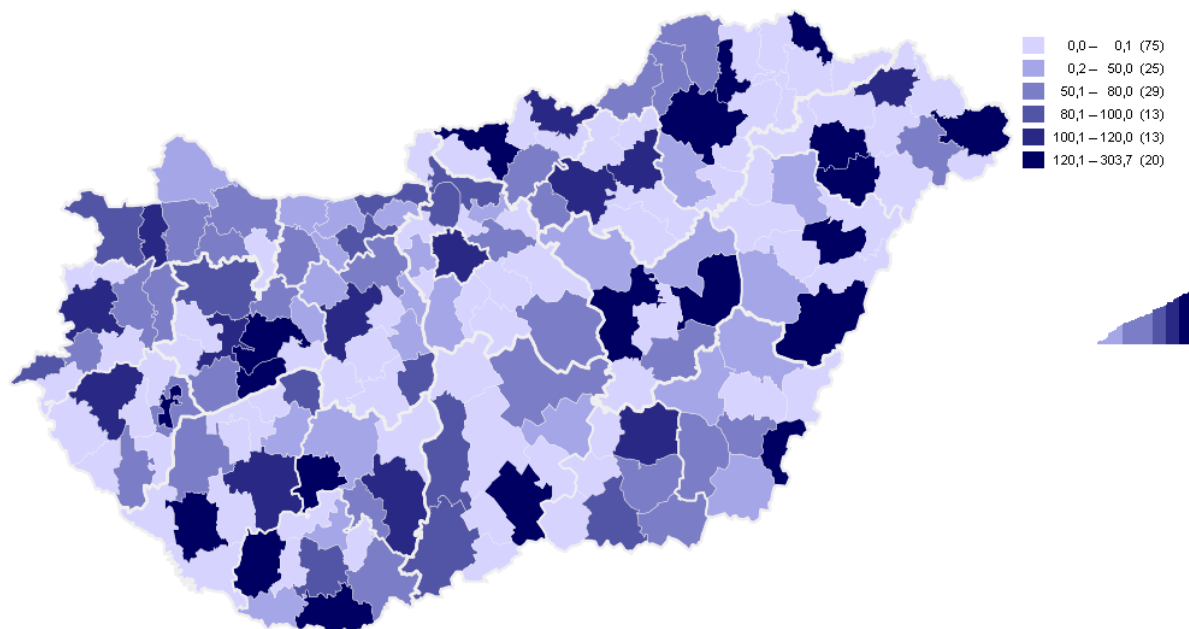
The number of inhabitants per family practitioners and pediatricists shows diverse pictures. Bács-Kiskun well served by physicians while the periphery areas of Békés and Csongrád county, the border zone are among the worst served subregion. Here due to the settlement structure, and the remote and sparse scattered farm-structure physician services is difficult to reach.



*Number inhabitants per family practitioners and pediatricists, 2011*

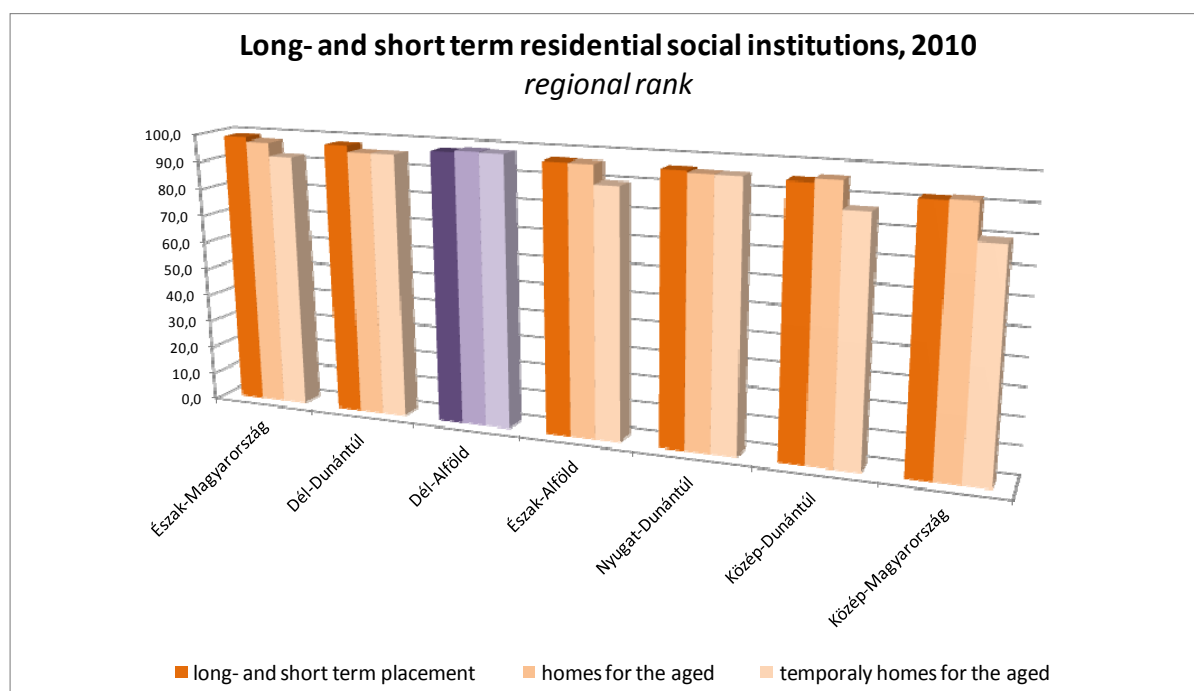
### Consumer/demand side

Hospital service is concentrated around the big regional and national medical centres (e.g. Szeged University Hospital, Kecskemét Aviation Hospital etc.). Some subregion show low hospital bed capacity per inhabitants. However the accessibility of the hospitals is good, even after the structural reform of health service in 2012.



*Hospital bed in use per ten thousand inhabitants, 2010*

Also good indicator of “consumer” side is the occupancy rate of beds. Bács-Kiskun showed the lowest rate in 2010 with 69.1% among the counties. Even Csongrád and Békés are in the end of occupancy rate rank with 73.0% and 75.1%, respectively. This low rate may explained by the mentioned hospitals which specialised certain cases therefore those reserve beds for emergency or education purposes.



On the other hand Dél-Alföld region provides the high occupancy rate of beds in short- and long term residential social institutions. The regional rate is 97.7%. Csongrád showed the highest rate, 99.2% among the counties in 2010.

Occupancy rate of homes for the aged was 98.3%, while the same rate for temporally homes for the aged was 98.0% in 2010. Bács-Kiskun county provides extreme high rates, 99.5% for homes for the aged and 100.0% for temporally homes. These figures show that the county reached its capacity limitation which is because of the high percentage of elderly population living alone in remote farms.

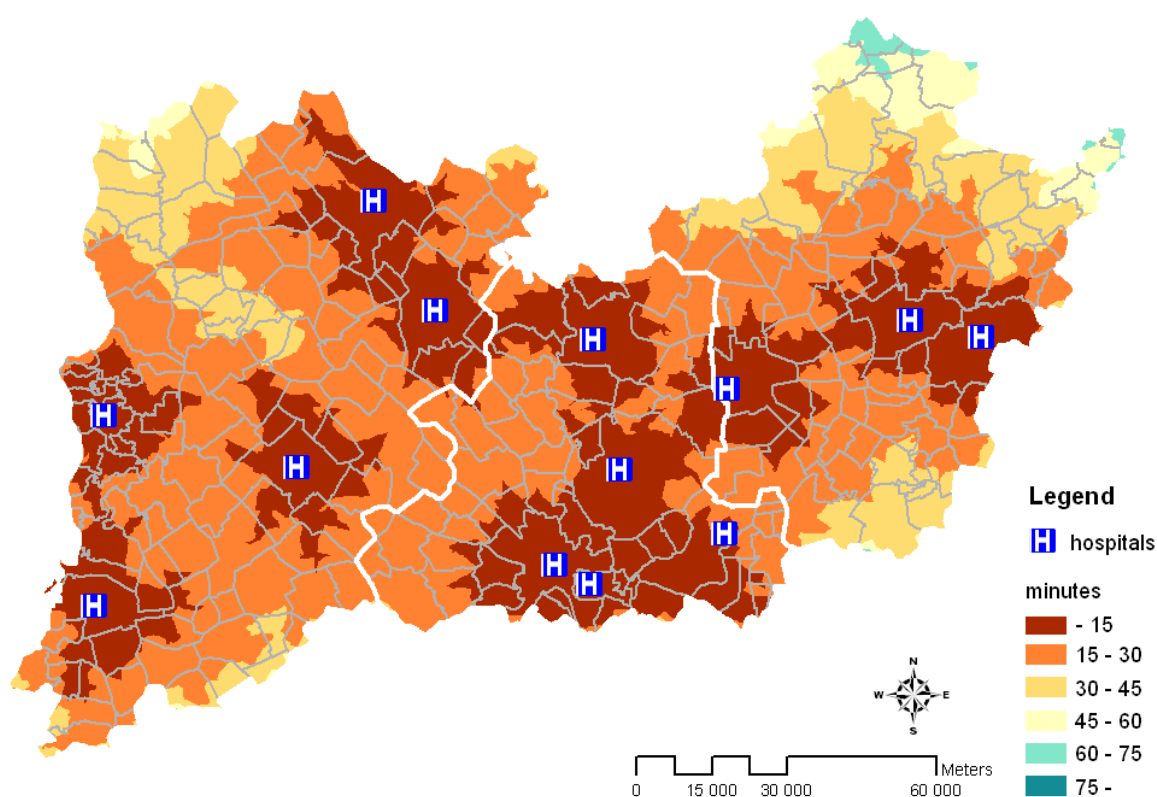
### **3.1.4.3 Range of services/number of different services present/available**

The most radical change in the health service was introduced in spring this year, when the whole patient care structure (hospitals and other health institutions) were localised (centralised). Different levels of health care and treatments were set from the emergency urgent treatment to the rehabilitation phase. However there is no information the effects of the reform, it is a fact that the region lost some of its hospitals.

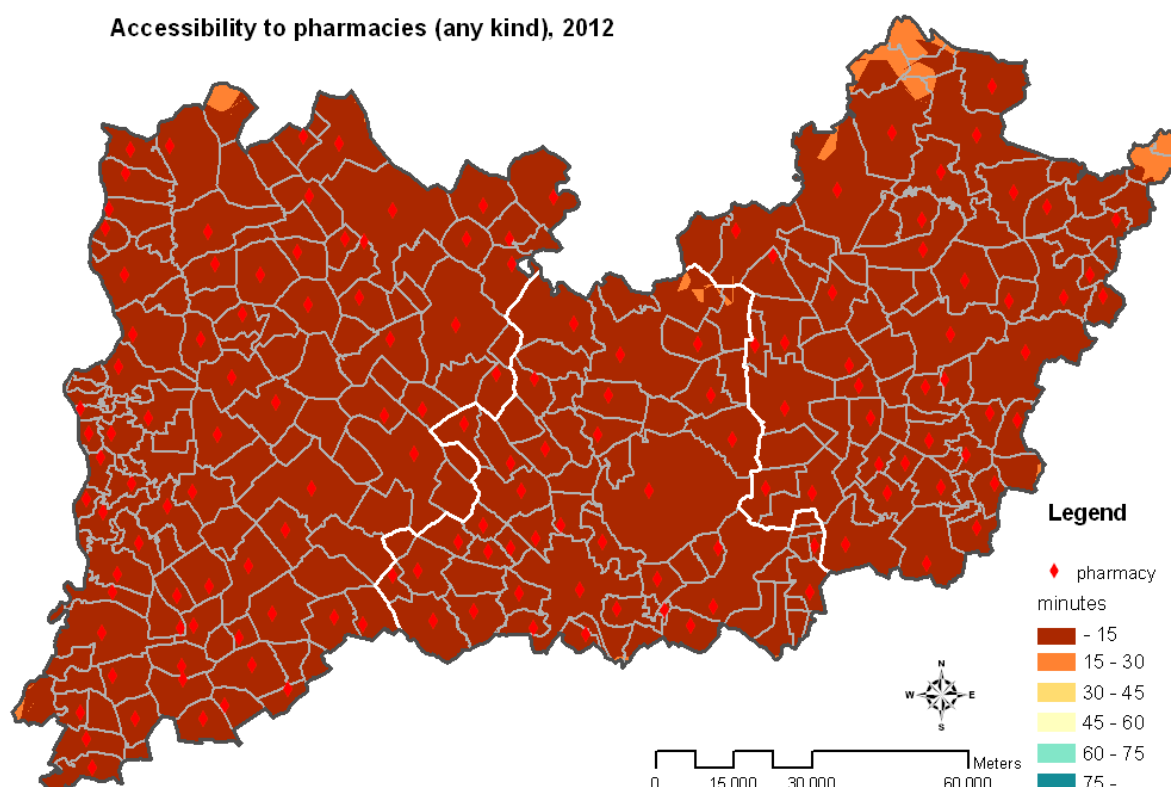
On the other hand it is expected that additional sources will be allocated to the remaining institutions by the government/state.

### **3.1.4.4 The accessibility to potential users within the region**

**Accessibility of hospitals**



Accessibility to pharmacies (any kind), 2012



## 3.2 Summary of the results of questionnaire survey

For a better overview on selected SGI availability at local level a questionnaire drafted and was sent to the local municipalities. The response ratio was higher as it might expected:

	<i>Total number of local municipalities</i>	<i>Town with county's rights</i>	<i>Town</i>	<i>Large village</i>	<i>Village</i>
sent	254 (100%)	4	49	20	181
response	107 (42.1%)	2	20	11	74

### 3.2.1 Accessibility and presence

Accessibility of local administration got the highest scores neither for individual nor business clients. On one hand it is acceptable if purely look the physical existence of the offices, but on the other hand the services (flow of cases) would show a more realistic picture.

Health services are generally ranked good, 70.5% of the municipalities gave the highest (most accessible) score. The same results drew up for kindergarten and primary schools, too.

Banking and financial services showed a worse presence. 33.3% of the municipalities though that the presence is good, but 52,8% of the questioned ranked these services poor or moderate accessibility or presence.

Interesting result can be concluded for the water supply network. Nearly all municipalities gave the highest score in spite of the fact that the quality of drinking water is the poorest in Dél-Alföld region.

### **3.2.2 Accessibility of services according to “sensitive” social/age groups**

For hospital service the questionnaires showed that the most it less accessible for the most affected groups: 22.8% for elderly people, 19.8% for people with disabilities and 18.2% household without car.

Classical network-like services like gas supply, sewage system and waste disposal are the least available for poor classes as the dominantly private companies makes the consumers to pay the costs of network improvement (instead of financing from own revenues).

Fixed line and mobile telephone networks are widely available for the “sensitive” groups, it seems that there is no significant difficulties for elder age groups.

### **3.2.3 Share of households, individuals and businesses without access to SGI**

The most sever situation has drawn up for electricity. 58.8% of local municipalities estimated that up to 10% of households do not have access to electrical network. It comes from the settlement structure of Great Plain, where there are numerous individual, separated farms and farmsteads.

The tendency is similar for other network-like services, like gas and sewage system.

### **3.2.4 State of development**

Nearly all municipalities expressed that the local roads need improvement rather than building new ones. It is understandable thus the local roads are owned by the municipal authorities. Necessity of improvement of regional roads appeared in case of towns and cities which has direct connection to main traffic network. Less than 15% of the municipalities indicated that waste disposal and sewage system should be improved.

### **3.2.5 Quality and presence**

The municipalities were much moderate when the questionnaire asked about the quality of infrastructure. 41.2 % of those qualified the local roads as “in good condition”, while 58.8% mentioned that the local roads are in poor condition. For regional roads the result was similar. Sewage system and waste disposal, also gas network were qualified as “good” and “very good”.

More that 75% of the municipalities drew up that the number of institutions and places are sufficient to sustain the needs of local inhabitants. Only for personal and household services the 26.4 % mentioned that the presence should be higher.

As a conclusion 85.6% of municipal authorities ranked the serviced as good and very good in their settlements. 11.7 % mentioned the lack of cultural facilities and 17.6 % the lack of personal and household services.

## **3.3 Political contextualization of services of general interest in the region (e.g. existence and influence of EU founding in the region, other special programs, etc.)**

Dél-Alföld region, especially the big cities were successful in utilisation of EU development funds and national sources. Significant developments implemented establishing Biopolisz medical and pharmacological cluster in Szeged or Mercedes assembling in Kecskemét, just grab some of the successful projects.

The earlier mentioned canalisation and building or improvement piped fresh water supply also financed basically pre-accession funds of the Union (e.g. Phare)

All entire tree counties of the region is alongside the national border (Serbia and Romania) this these are eligible for cross border programmes. That means a big advantage for mainly infrastructural developments (e.g. IT development, road network improvement, common development of cross border health structures etc.).

## 4 Conclusions

Regarding mains infrastructure, gaps in the public utilities presents the greatest problem for the Dél-Alföld.

There are quite **significant territorial differences in mains gas supply** for the subregions: in the Szeged subregion, more than 90% of households are connected to mains, while in the Bácsalmás area, less than two-fifths of households are connected. In terms of the number of consumers, there are almost 400 per 1 000 in the Szeged, but only 180 per 1 000 in the Bácsalmás area.

In terms of the **mains water** supply in the region, the **most serious problem** is not the number of homes without mains connection, but the **quality of the mains water**. One or more water quality issues affect 220 of the 254 municipalities in the region and almost 90% of the population.

With regard to **waste management**, the region is **in a good position** by in national terms, except in the case of municipal liquid waste. This region generates the lowest quantities of municipal sewage sludge and construction and other inert waste. Organised waste-collection (delivery and drop-off) is now carried out in almost all municipalities.

The region's transport/geographical situation are favourable since the most important transit roads (towards northwest Europe, southeast Europe and the Middle East) in the country run through it. As a result, three EU Trans-European Network corridors (IV, X.B continental and VII waterway) run through the region. The transport infrastructure of the Dél-Alföld region has low quality and a low level of development, despite the fact that one of the busiest international transport axes of the country runs across its territory (IV, IV/A, VII, X/B "Helsinki channels").

In **public transport, contradictory changes** are taking place, almost in parallel with each other, in long distance transport, transport between towns and villages, and local transport. Even while new services have started up, there are many cases where services ended or the frequency of services reduced. Meanwhile residential transport undergoing restructuring and private vehicles is taking over at the expense of all types of public transport. Number of carried passengers are decreasing, wing lines of the national railways network and stops are terminated, competitiveness of community transportation weakens.

The **ICT infrastructure of the region is poor** comparing other Hungarian regions. PC availability is 24% that is the next to the last in the rank of regions. Although the increase fits to the national average, the lagging position is not changing.

**Nursery care is well-established in the region.** The objective is to strengthen and maintain the institutional network of nurseries, to provide access for everyone and high quality service, so that children can be properly prepared for school entry and in with lowering the socio-cultural differences of differing family background.

The institutional infrastructure across **public education is considered deficient**. This mainly applies to buildings and secondly to facilities. Although thanks to the IT developments of the last few years, some progress has been made in the renewal of information technology equipments. However, differences between schools are quite large, regarding

the standard of hardware and internet access. The **most serious problem** is still the **poor condition of buildings and other facilities**.

The situation of the **healthcare system** in the Dél-Alföld Region **did not change in almost ten years**, compared to that in other regions and in Hungary as a whole. The same applies to the inner structure of the regional health system; ongoing regional differences have not changed significantly till early 2012. Since 1<sup>st</sup> July a radical change improved in the national health service which has restructured the regional hospital and outpatient service.

Activity of **regional district nurses** concentrates on health **protection for families, on prevention and on health development**. There were 665 district nurses in the Region area in 2003, with 572 of them doing regional work. The provision in Csongrád County is the best among the counties; there are 268 families.

The distribution of **social and child welfare services** in the Region is **one of the best in the country**. The best developed services are subsidised meals, home help and child welfare. However, this does not mean that accessibility to the services by the population is adequate.

**Subsidised meals and home help services** are **mandatory** in every municipality, but they can be provided by farm and village caretaker services in farming areas and villages. There are **lacks of day care services** for all groups.

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