PERIPHERY AND REINDUSTRIALIZATION IN HUNGARY AFTER THE MILLENNIUM

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• Defining reindustrialization

➢ Reindustrialization as renewed industrial growth:
  o in production;
  o in export;
  o in employment.  
  With different emphasis and sometimes with opposite tendencies

➢ Reindustrialization as structural change:
  o in sectoral sense;
  o in technological-organizational sense.

➢ Reindustrialization is the combination of:
  o Deindustrialization
  o Reindustrialization
  o Industrialization  
  in time and space

Barta, Gy. - Czirfusz, M. - Kukely, Gy. (2008)
CORE-PERIPHERY DICHOTOMY IN HUNGARY

• Core-periphery dichotomy has different aspects:
  - The geographical approach – location and accessibility;
  - The social-economic approach – development pattern;
  - The political approach – based on the inequalities of power.

• Most characteristic dimensions of the Hungarian spatial structure:
  - The outstanding role of the capital city, Budapest;
  - The formation of the “West-East slope”;
  - The increasing inequalities in micro level. (Nemes Nagy, J. 2003)
FRAMES OF THE CURRENT ANALYSIS

• Objective of the research:
  
  ➢ analysing of the spatial structure of the industry after the millennium;
  
  ➢ finding the correlation between the level of peripherality and the role of industry within the local economic structure.

• Data and territorial frames:
  
  ➢ investigation of employment data – by the 2001 and 2011 census;
  
  ➢ defining and delimiting Local Labor Systems based on commuting – by the census 2011;
  
  ➢ relevance of the topic after the millennium:
    • analysis of the newly published data;
    • opposite trends in the industry as the result of the ongoing structural change.
LOCAL LABOR SYSTEMS (LLS) IN HUNGARY

THE MAP OF LOCAL LABOR SYSTEMS (LLS) IN HUNGARY, 2011

Source: calculated by the census

Legend
- LLS centres
- LLS subcentres
- LLS boundaries
INDUSTRIAL EMPLOYMENT IN HUNGARY

RATIO OF INDUSTRIAL SECTOR BY THE
EMPLOYMENT IN THE LLS UNITS, 2001

Source: calculated by the census
RATIO OF INDUSTRIAL SECTOR BY THE EMPLOYMENT IN THE LLS UNITS, 2011

Source: calculated by the census

Source: calculated by the census
CHANGE IN THE RATIO OF INDUSTRIAL SECTOR BY THE EMPLOYMENT BETWEEN 2001 AND 2011

Source: calculated by the census
## INDUSTRIAL EMPLOYMENT IN THE CATEGORIES OF LLS UNITS

<table>
<thead>
<tr>
<th>LLS</th>
<th>Share of industry (2001, %)</th>
<th>Share of industry (2011, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source</strong>: calculated by the census</td>
<td></td>
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</tr>
<tr>
<td>Budapest</td>
<td>25.2</td>
<td>9.9</td>
</tr>
<tr>
<td>Regions with high employment rate (above the national average)</td>
<td>39.8</td>
<td>36.1</td>
</tr>
<tr>
<td>Regions with average employment rate (75-100% of the national average)</td>
<td>33.7</td>
<td>30.1</td>
</tr>
<tr>
<td>Regions with low employment rate (below 75% of the national average)</td>
<td>33.1</td>
<td>31.3</td>
</tr>
<tr>
<td>National average</td>
<td>32.9</td>
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</tr>
<tr>
<td>Regions with high income level (above the national average)</td>
<td>42.6</td>
<td>38.7</td>
</tr>
<tr>
<td>Regions with average income rate (75-100% of the national average)</td>
<td>33.9</td>
<td>30.5</td>
</tr>
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CONCLUSIONS

- General decline in the industrial employment and structural change within the industry after the millennium;
- Western Hungary was unambiguous winner of the reindustrialization in the 1990s and differentiation in developing paths after the millennium;
- Significant deindustrialization in Budapest and its LLS – but reindustrialization can be seen in the case of some neighbouring LLS;
- Northeastern Hungary was characterised by spectacular deindustrialization after the change of regime and increasing importance in the last decade;
- There is moderate connection between the regional development and the share of industry within the economic structure.
THANK YOU FOR YOUR ATTENTION!

References:

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