The spatial effect of economic recession after the political transition in Hungary –

the case study of the Northern Great Plain Region

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The spatial effect of the political transition

The NUTS-II regions of Hungary

Northern Great Plain Region

Area: 17,750 km²

Population: ~1.5 million

GDP per capita (PPS) in the percentage of the European average: ~42%
National trends and characteristics

The development of GDP per capita compared to 1960, %

Source: Hungarian Central Statistical Office
National trends and characteristics

The modified Kuznets-Williamson inverted U hypothesis adapted for transitional countries

Source: Nemes Nagy, J. 2005
National trends and characteristics

Dimensions of spatial disparities

The dualism between Budapest and the countryside

Poles of growth and developmental axis

Macroeconomic – West-East – inequalities

Differences on micro level (microregions, urban-rural)

Source: by Nemes Nagy, J., 1998
National trends and characteristics

Spatial income inequalities on the level of settlements by inequality indices

Source: calculated from the database of the Hungarian Tax and Financial Control Administration (APEH)
National trends and characteristics

The development of Hoover index between 1988 and 2008 in the Hungarian regions

Source: calculated from the database of the Hungarian Tax and Financial Control Administration (APEH)
The intra-regional spatial income pattern

Change in the number of employees and commuters between 1990 and 2001 in the Northern Great Plain Region, %

Source: based on the censuses
The intra-regional spatial income pattern

Categories of settlements by the distance from the urban centres in the selected commuter belts

1. Berettyőújfalú
2. Csenger
3. Debrecen
4. Fehérgyarmat
5. Jászberény
6. Kisvárda
7. Mátészalka
8. Nyírbátor
9. Nyíregyháza
10. Szolnok
11. Vasárosnamény
12. Záhony

Source: based on the census
The intra-regional spatial income pattern

The relative income per capita level and its change on the level of settlement categories (set up by the distance from their centres) in the commuter belts of the Northern Great Plain Region, %

Source: calculated from the database of the Hungarian Tax and Financial Control Administration (APEH)
Concluding remarks

- Spatial income inequalities spectacularly grew after the political transition,
- Three stages can be detected by the national inequality trends:
  - stage of rapid growth until the mid 1990’s;
  - stage of high level stagnation until the millennium;
  - stage of moderate convergence.
- However, there are considerable differences regarding the regional trends;
- The pattern of economic recession after the political transition reflects income polarization according to the local core-periphery relations;
- This pattern tends to stagnate or become even more polarized in the case of backward areas with economy unable to recover.