

HUNGARY

Rural Development

(Government focal point(s):

Mr. Zoltán Kárpáti: tel: +36-1-301-3533, fax: +36-1-301-5949, e-mail: karpatiz@fvm.hu and Ms. Rita Francia: tel: +36-1-301-4091, fax: +36-1-301-5949, e-mail: franciar@fvm.hu

Causes of rural-urban migration, and policies to reverse this trend

In the last decade migration from the rural areas has intensified, most of the people leave presumably in the hope of employment and a better living. Positive changes occurred in this regard only in Central Hungary and in the Western and Central Transdanubian Regions, while the migration balance is the less favourable in the regions of Northern Hungary and Northern Great Plain. If current tendencies remain, we have to reckon with an unfavourable change in the age structure of the population in all regions, the continuous decrease of the active-age population, and the concomitant rise in the number of inactive citizens.

The migration of active, well-trained labour force is going to continue, similarly to the ageing and the decrease of rural populations in small village regions.

As a consequence of the falling natural increase in population and the migration of the active, well-trained labour force, depopulation and deteriorating age-structure of the village population is going to occur. As a result of the intensifying migration into urban areas, a strong regional concentration can be expected.

The unemployment rate is more than twice the national average in small settlements, which is due to the critical labour market situation. For people with higher qualification it is hard to find a suitable job; on the other hand, the employment of low skilled social groups is also very problematic. All this leads to migration in the case of the former, and to unemployment, deviation, and dropping out of the labour market in the case of the latter group. The migration of those with higher qualification results in the lack of strong knowledge base in the countryside.

The strengthening of the local communities is an added value to the measures of rural development that as multiplier effect can influence the development of economy, and the life quality independent of financial prosperity. The measures to reverse the migration trend described above are the following:

1. Support for less favoured areas

The aim of the measure is to provide partial compensation – subject to the fulfilment of specific conditions – of economic, social and natural factors having unfavourable impact on the efficiency of production, thereby to sustain production in areas designated as less favoured areas and to stop the increasing migration therefrom.

2. Diversification into non-agricultural activities

Purpose of the measure is primarily to improve the earnings position of the rural population living on the agriculture, to create and preserve jobs outside the agricultural activities that may contribute to diminishing the migration from the rural areas and to improving the rural living conditions. Its aim is to encourage the additional income generating, production and service activities of households with earnings from the agriculture, promotion of products produced locally in entering the market.

3. Village renewal and development

The objectives of the measure are to increase living standards by improving the attractive feature of rural settlements in order to reverse outward migration and negative trends of economic and social conditions and depopulation of the countryside.

Improved access for producers to local markets (for example, farm to market roads).

The development of the infrastructure, in particular investments in logistics would strongly promote the market access of agricultural products and commodities.

The NHRDP has measures like “Modernisation of agricultural facilities” (Art. 26) and “Improvement and development of infrastructure related to the development and modernisation of agriculture and forestry” (Art. 30). These measure are to improve and develop infrastructure to enhance distribution to markets.

Improved access to reliable and affordable energy services and to modern biomass technologies and fuel wood sources; commercialisation of biomass operations in rural areas.

Hungary has a good potential for biomass production, owing in part to the country’s outstanding natural conditions and in part to the centuries-old traditions of agricultural production. The country’s annual biomass energy potential is nearly 60 petajoule. For the boosting of the use of biomass for energetic purposes, the plantation of short rotation coppice and herbaceous plants for energy production,

as and slow-maturing forests, as well as improving the ratio of agricultural and forestry waste and by-products among energy sources is needed.

The country has only a minimum processing capacity for the generation of renewable energy. Only 8-10% of the total biomass produced is used for energy purposes. The construction of a decentralized energy structure relying heavily on biomass utilization may make a vital contribution to reducing Hungary's unhealthy dependence on energy imports, which supply over 70% of the country's energy needs.

Increased reliance on renewable sources within energy production would be particularly beneficial for the diversification of agriculture and forestry production, and thus for boosting the inherent earning security. To exploit synergies it is justified that the role players of agriculture and of the rural areas have an intensive participation in the biomass based renewable energy (bio-energy) industry scheduled to build up dynamically in the near future and that the producers of the raw materials appear on the market with products ensuring higher income by taking a higher step on the ladder of the processing, thus directly partake from the profit.

The production and utilization of biomass help reduce fallow acreage and provide farmers with alternative income. Production focused on renewable resources and the use of biomass for energetic purposes may be instrumental in fighting climatic changes as well.

Under the national development plans for renewable energy, the share of green electricity within the total electricity consumption needs to be increased to 3.6% by 2010. With respect to bio-fuels the aim is to achieve a share of 5.75% by 2010. The ongoing developments in Hungary in this area have been harmonized with EU objectives in the exploitation of biomass for energy purposes (Biomass Action Plan, EU Strategy for Biofuels).

Enhancement in sustainable tourism development

Sustainable tourism has a broad concept; ecotourism, responsible tourism, rural tourism and agro-tourism can be included in sustainable tourism.

The NHRDP put emphasis on encouragement of rural tourism (environmentally sustainable because of its low-scale, producing less environmental load contrary to mass-tourism). The main aim of this measure is the improvement of the hospitality capacity of the settlements by improvement of the quality of the local tourism-related services. Coupling of the agricultural production and local sales with the tourism offer of the villages, conservation and exploitation of the country values

as well as presentation of the natural values and establishment of the conditions for an active way of recreation. Establishment of accommodations providing high quality services, renovation, modernization and improvement of the existing accommodations and services and assisting them in entering the market. Further aim of the measure is to support the tourism-related enterprises of the region and the cooperation of the service providers, encouragement of introduction of the IT developments, quality assurance standards

Concerning the “rural tourism” scheme, across the country, 31 organic farms offer visitor facilities and accommodation under this scheme, naturally exploiting the gastronomic attraction of their organic products.

Environmental consequences of rural development efforts

The Strategic Environmental Assessment (SEA) of the New Hungary Rural Development Plan describes the major environmental aspects of rural development.

In the SEA the evaluators have considered the likely environmental effects during the implementation of the Programme. The Programme has a neutral effect in totality on the air quality and on the greenhouse gas emission. The pollution of the surface waters may be decreased by the modernization of the animal husbandry farms, the transformation of the machine fleets and fuel storing facilities, the appropriate treatment of the liquid manure and the agricultural waste materials. In compliance with the requirements of WFD, the risk of the pollution of the sub-surface waters and the extent of the pollution may be decreased by the measures supported by the Programme. Among the water and soil management measures of the Programme in case of the melioration measures, the deep tillage may improve the fertility and water management of the soil, it may lessen the risk of the inland excess waters, the energy and water safe irrigation may lessen the drying and erosion of the soil.

The biodiversity is basically threatened by two risks. The improper use of land and land development is at the first place. Secondly, the effect of the climate change on biodiversity has to be emphasised. The occurrence of extremely hard rains with erratic territorial distribution is more often, thus the regularity of severe floods and inland excess water too. However, the length of the periods of drought and the affected territories may increase too. In its totality, the NHRDP has a predominantly positive or neutral effect on the forests. However, some measure may have risks on the long term in relation to the naturality, health, amount and structure of the forests.

The measures of the Programme mostly affect the health conditions of the population in a positive way. The animal welfare payments also decrease the health risks which appear during the animal husbandry and which contain risks in relation to human health too. In its totality, the Programme will have a positive effect on the nature consciousness of the population, on the land use, landscape management and neutrally on the spacial structure. Among the natural resources, the renewal of the soil and water supplies is clearly supported by the measures of the Programme.

Capacity building for small and medium-sized enterprises.

Axis 3 of the NHRDP supports the local capacity building as a main area of intervention serving the implementation of the national priorities.

Axis 4 (LEADER programme) also helps local groups to organise themselves, to enhance capacity building in rural areas, and they are the basis of the partnership-based rural development approach throughout the country.

Around 10% of the total budget for Axis 3.-4 will be spent on local capacity building and establishing local partnerships with the involvement of Rural Development Offices.

Empowerment of local rural communities, especially those living in poverty and their organizations.

The objectives, priorities and tools of rural development policy (NHRDP) should contribute to the compliance with the following social aspects and criteria:

It should contribute to the improvement of the living of rural population, the **combat against poverty**, the closing-up of deprived social groups.

There is no measure in the NHRD plan that aims directly the empowerment of local rural communities, but there are some that can help indirectly described in the first part of this chapter.

Waste management systems in the rural areas – waste prevention and minimization, reuse and recycling, and environmentally sound disposal facilities.

Legal basis:

- Act XLIII. of 2000 on Waste Management
- 20/2006. Ministerial Decree on Landfill of Waste - Rules and Criteria of Landfill Sites

There is also a National Waste Management Plan (2003-2008), that has regional and local plans as well.

Implementation of actions to develop environmental awareness, improving the surroundings of water bodies, nature conservation areas, and improving the conditions for selective waste collection and waste management, etc. is supported by the NHRDP.