COMPARISON OF CASTILLA Y LEÓN (SPAIN) AND THE DÉL-DUNÁNTÚL REGION FROM POINT OF VIEW OF THE REGIONAL DEVELOPMENT

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1. PRELIMINARIES AND OBJECTIVES OF THE STUDY

The development of Spain, after the accession to the European Union (1986) drew my attention already during my university studies. Spain was considered one of the most successful countries in the European Union and her regional policy as a “history of success”.

Professor István Szilágyi drew my attention to Castilla y León, a Spanish region stating that studying the experience of Castilla y León may be useful for us. I already began studying this topic in my thesis at the University.

Castilla y León from different point of view – small settlement structure, demography, relative backwardness, the problems of employment, the role of the tourism etc. – is similar to the Dél-dunántúli Region. That’s why I have choosen the comparison of the two regions from point of view of regional development. I wanted to learn – among others - in what extend the development of Spain and the region was due to the support from the European Union and to the Spanish regional policy.

During my research I concentrated on the role of the regions, the economy, the EU supports, the tourism and the migration.

The period analysed in my thesis begins with Spain accession to the European Union (1986) but it covers the first two years of the crisis (2008–2009 as well. In this case I tried to concentrate on the effects caused by the crisis. I don’t deal with the intense indebtedness, the growth of unemployment and the problems accompanying them because these topics are beyond the tasks undertaken by me.

The objectives of my thesis are to analyse the economic situation of Castilla y León and the Dél-dunántúli Region, the comparison of the two regions
showing and estimating the similarities and differences in the field of regional
development.

To make my thesis complete I deal with the following sub-proyects:

1. I analyse the Spanish and the Hungarian regionalism. I wonder whether
the experiences of Spain’s flourishing regional system can be utilized in
Hungary.

2. I present the legal regulation of the Hungarian and Spanish regional
development, the support and institutional system as well as the regional
development plans and programs. The objectives and programs are compared,
evaluated and analyzed.

3. I examine the economic development, the situation of demography and
employment of Castilla y León and the Dél-dunántúli Region and their contexts
in the field of regional development.

4. I pay special attention to the tourism because this ”sector” in both
regions is considered to be one of the most important factors of the regional
development

5. Likewise in a sub-project I deal with the migration because the
migration in Spain and Castilla y León must be studied from the point of view of
the regional development as well.
2. MATERIAL AND METHODS

During my research work I used statistic methods characteristic of the social sciences. After analyzing the relevant documents I got experiences in Spain in the field of tourism and migration consulting experts in the Spanish and regional peculiarities.

I began the research work in the libraries of Kaposvár, Budapest, Veszprém university libraries. I read the Hungarian and Spanish language literature on regional development focusing mainly on Spain, Hungary and the Dél-dunántúli Region.

To carry out research work I visited the following libraries:

- Biblioteca de Castilla y León (Valladolid)
- Biblioteca Pública de Valladolid
- Hemeroteca Pública de Valladolid

In these libraries I could read the periodicals, newspapers (including actual daily papers) publishing articles, studies in my special line (economic situation, migration, tourism). As for the periodicals I was able to read the papers and the official publications of the region, counties (provincias) e.g. Boletín Oficial de Castilla y León.

Collecting documents I focused on the official statistics of the Hungarian Central Statistical Office, the Spanish National Statistical Office (Instituto Nacional de Estadístico) and I used statistical materials available on internet as well. To create database I used numerous Hungarian and Spanish special literature in the field of my research work.
Important and useful literature were the national and the regional developing plans and operative programs (1996, 1998, 2003, 2011), National Regional Development Conception, resolutions made by the Parliament and the Government. To study these documents I used the internet in an intensive way.

The analyzed years in case of Spain is the period which began with Spain’s accession to the European Union (1986). In case of Hungary I analyzed the period after 2004 (Hungary’s accession to the EU).

If it was necessary and possible I analyzed the years before the accession as well. The structural framework of my dissertation is the comparison of the analyzed topics at national and regional level. Were the database did not allow to analyze the Union and the national level I compared only the two regions. If the data from regional level could not be obtained I tried to draw regional conclusions from the comparison of the Hungarian and Spanish data.
3. RESULTS AND EVALUATION

The results are the conclusions drown from the analysis of the questions of the regional development, the comparison of regional development models, the special sectors of regional development as well as the tourism and the migration.

I analyzed the legislation (including their stability) on the national financial possibilities, and institutional system from the point of view of the regions.

I proved that in Hungary the legislations in the field of regional politics, their objectives, sources often change causing uncertainty in planning and carrying out. As a consequence the efficiency is reduced. The main characteristic feature of the Spanish model is that the basic rules of the regional development are guaranteed by the Constitution. This fact ensures stability, predictability in the field of planning and development.

In the regional development both in Spain and Hungary the revenue supports are decreasing. While in Spain all the source is decentralized, in Hungary only a small part of it. In Hungary in 2007 the revenue support was replaced by the supports coming from the Union. In contrast in Spain the national revenue support exists even today and the regions have the right to use it according their needs.

The institutional system in Hungary originally was created hierarchically. There were national, regional, county and small area levels. The system was complicated, hardly transparent and its efficiency was reduced by parallel and overlap factors.
The latest change of regulation took place in the spirit of the centralization; the regional institutions were terminated, and the competence of the counties was limited to the elaboration of county plans. The spine of Spanish institutional system is the regional system. A long time guarantee is given to the regions by the Constitution to perform their competence and the regional decentralization of the regional development.

All the regions in Hungary are artificial creations and do not have regional self-government. As for the decentralized national sources the regions had rights to plan and decide them but after the accession to the EU they had right to the Union support according to the regional development plan. In virtue of the centralization they lost their former licences and competences. In Spain the reorganization took place after the fall of the Franco regime. The centralization of the regions came to an end and the regions obtained extensive autonomy in the regional development as well.

Analysing the regional development in Castilla y León and Dél-Dunántúl I compared the economic geography, the demographic and economic situation of the two regions evaluating the objects of regional development, its financing and the effect of the supports coming from the European Union.

The condition of economic geography of the two regions are different but both of them have a very intensive tourism. In Castilla y León we can underline the importance of the historic monuments and the rural tourism, in Dél-Dunántúl we can mention lake Balaton and the thermal baths.

As for the demographic process of the regions and countries I pointed out that differences as well as similarities can be found. Between 1910 and 2010 the population of Spain doubled. Initially the growth was due to the natural increase of the population but later the dynamics of the increase of the population became slow (1-1,5 % per year) and the immigration of foreigners
became the main source of the growth. In Castilla y León the emigration (mainly that of the youth) slows the natural increase of the population. In the last years we can observe natural decrease of the population which can’t be counterbalanced by the immigration. In addition as a result of the economic crisis the emigration and not the immigration became determining.

As opposed to Spain in Hungary the population has been decreasing since 1980 due to the natural decrease. In the last decade the international migration has showed a little surplus and broke slightly the decrease of the population. In Hungary the biggest decrease of the population, the emigration and small–scale immigration characterize the Dél-dunántúli Region. The unfavorable trends result from the disadvantaged position and the economic backwardness of the region. The emigration of the youth also contributes to the decrease of the population.

Both countries and regions are characterized by the ageing of population and as a consequence of it by the decrease of the population fit for work. In Hungary and Dél-Dunántúl the ageing is a bit slower than in Spain and Castilla y León but it means a serious challenge in the areas with small settlements.

I examined the economic situation by analyzing the development of the GDP, the foreign investment and the situation of the employment. I presented the catching up or the lag (compared to the average of the Union) of the countries by analyzing the development of the GDP. In this regard Spain reached the average level of the Union in 2004 (18 years after the accession to the EU), Castilla y León in 2008 (Figure 1.).
Figure 1.

The GDP relative to EU-27 average (% per capita PPS)

Source: on the basis of [http://portal.ksh.hu/pls/ksh/docs/hun/eurostat_tablak/tablon compilation](http://portal.ksh.hu/pls/ksh/docs/hun/eurostat_tablak/tablon compilation) (Download: 03.05.2010)

Hungary’s catching up proved to be very slow. In 2004 reached the 63% of the average of the countries of the European Union and in 2008 reached only 64%. The situation of Dél-Dunántúl is even worse because we can not speak about catching up but lagging behind. Its level of development relative to the average of the EU reduced from 45,6% (2004) to 44%. Behind the numbers the different development policy of the two countries and the shortness of time spent since the accession to the EU play role as well.

In Hungary the settlement of the foreign capital was lively in the first decade of 1990 due to the privatization. Mainly the Közép-Magyarország, Pest-county and Budapest were able to attract foreign capital. The Dél-Dunántúl got behind
in the rivalry for the foreign capital due to the lack of skilled labour force and the satisfying infrastructure.

I have pointed out that the stock of foreign working capital investment between 2000 and 2011 increased by 4.1 fold in Hungary and 3.4 fold in Spain. (Figure 2.)

Between 2004 and 2008 Spain was a net capital exporter. Her FDI was equivalent to 3% of the GDP. On the other hand, Hungary was all the time a capital importer. The imported capital contributed 2.8% to the growth of the GDP. The per capita foreign capital comes to 10.3% relative to the national average and the per company foreign capital comes to 23.3%.

Analyzing the situation of the employment I dealt with the employment structure, the employment rate and the unemployment rate. As for the employment structure we can state that the decrease of the role of the agriculture and the growth of the services are slower than in Spain. The employment structures in Castilla y León and in Dél-Dunántúl "have preserved" their former agricultural character and have built a strong service sector up.

The employment rate in Hungary shows a downward trend (54.4%/2010) and can be considered to be low if we compare it to the EU-27 (64.1%) or Spain (58.6%). The unemployment rate however is much more lower in Hungary (12.1%) than in Spain (20.2%).
In Dél-Dunántúl the employment is lower than the national average but the unemployment is above the national average. This region lagged behind the developed regions and is more and more nearing the regions with the lowest employment and the highest unemployment rate. In Castilla y León the employment rate is higher than the national level (60.8 %/2010) and the unemployment rate is lower than that of Spain.

I considered to be important to study the Hungarian and Spanish regional development objectives and programs to be able to show whether the similarities or the differences have affects on the dynamics of catching up. Using the
support from the Union Spain has defined relatively few goals. In her development philosophy the modernization of the economy has the priority together with the development of the human capital and the transport. In Castilla y León they put the emphasis on the transport, the human capital and the development of economy. Hungary after the accession to the EU aspired to realize great many targets and programs. In the first National Development Plan the order of tasks: development of economy, human capital, the agricultural and rural development, environmental protection, the transport. In the 2007-2013 period the priorities are: the development of the transport, the human capital and the development of the economy. In the Dél –Dunántúl Regional Development Program different priorities can be read because this program could already be based on the needs of the region.

In Spain to concentrate the support coming from the Union on some emphasized projects proved to be correct because they managed to catch up the country and the region. The number of underlined targets should be reduced in Hungary too in order to remove the obstacles to the acceleration of the economic development by reducing the number of the targets and concentrate the supports.

The amount of the support from the Union depends on the economic development of a country and a region. During the period of 2007-2013 Hungary got 7,5 fold more support (2511 euro/capita). In the first three periods after the accession to the EU the Union Support for Spain had been steadily increased but in the present fourth period the support halved. The falling back can be explained by the support policy of the Union towards the backward areas.

As for the effect of the support coming from the Union I analyzed their contribution to the reduction of the regional development differences and to the growth of the GDP.
The contribution of the support from the Union to the GDP between 2000 and 2011 was 0.81% (every year) in Spain, and 2.97% in Hungary. The difference of the two indicators can be explained by the lower development of Hungary. Because of the lower development Hungary was entitled to a relative more support.

I pointed out the change of the regional differences with the help of the relative scattering of the GDP. The growth of the scattering shows the decrease in the development differences, the decrease of it expresses the moderation. Taking into consideration the change of the indicator the regional inequalities in Spain decreased from 21.4 to 18.8 in Hungary however increased from 25.7 to 42.8.

In Hungary a growing difference can be observed between the developed Közép-Magyarország, Nyugat-Magyarország and the lagging behind regions (Észak-Magyarország, Észak és Dél-Alföld).

In Spain, like in the countries of the Union the decrease of the territorial differences can be observed, that is the differences among the regions decrease considerably. (Figure 3.)

The tourism is one of the most important factor of the economy contributing to the regional GDP by 10.3%, and giving job for 70 thousand people. The rural tourism in Spain is the most developed in Castilla y León where the rural tourism contributes to maintaining the population of the region with small settlement and helps to counterbalance the employment regardless of the season of year. The good result of the tourism is partly due to the fact that the tourism marketing of the region connects the religious tourism (Saint James pilgrimage) with the rural and cultural tourism.
Figure 3.

The scatter of regional per capita GDP in Spain and Hungary (EU-27, 1995-2008)

![Graph showing scatter of regional per capita GDP in Spain and Hungary (EU-27, 1995-2008)]

Source: on the basis of http://portal.ksh.hu/pls/docs/hun/e own compilation
(Download: 05.02.2012)

The tourism in Dél-Dunántúl contributes by 7.5% to the regional GDP. If we take account of the main indicators of the tourism, (tourist arrivals, tourism nights, number of units) Dél-Dunántúl is the second in the country after Közép-Magyarország. The better use of capacity would be realized by the extension of the tourist season and a more balanced distribution of the tourists. The tourism of the region could be expanded and made more colorful if Kaposvár joined the international Saint James pilgrimage because there is a "Saint James monastery" in Kaposvár. The Saint James pilgrimage in Spain and Castilla y León is a very important factor of the tourism. As for the migration Hungary belongs to the countries where the balance of migration is positive. The number of the migrants is low but since 2009 it has dynamically grown.
In 2010 the number of migrants was 198 thousand (1.98% of the population). It is favorable that about three-quarter of the migrants belong to the economically active age group (20-59 year) and most of them belong to the age of group of 29-39. (Figure 4.)


Source: StatisztikaiTükör 2011/27

According to the forecasts up to 2020 Hungary will belong to the countries where – because of the worrying demographic tendencies – without the immigrants the population will decrease.

That is why we have to take into consideration the stimulation of the foreign immigration (increase the number of economically active, fit for work population) in a differentiated way.

In Spain the immigration is supported by legal and economic means.
Table 1.

The number and rate of the foreign citizens in the countries and regions (January 1.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Hungary</th>
<th>Spain</th>
<th>Castilla y León</th>
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<tbody>
<tr>
<td></td>
<td>thousand</td>
<td>thousand</td>
<td>thousand</td>
</tr>
<tr>
<td>2001</td>
<td>116</td>
<td>1164</td>
<td>26</td>
</tr>
<tr>
<td>2002</td>
<td>116</td>
<td>1561</td>
<td>43</td>
</tr>
<tr>
<td>2003</td>
<td>116</td>
<td>2189</td>
<td>59</td>
</tr>
<tr>
<td>2004</td>
<td>130</td>
<td>2772</td>
<td>71</td>
</tr>
<tr>
<td>2005</td>
<td>142</td>
<td>3371</td>
<td>91</td>
</tr>
<tr>
<td>2006</td>
<td>154</td>
<td>4002</td>
<td>106</td>
</tr>
<tr>
<td>2007</td>
<td>166</td>
<td>4606</td>
<td>120</td>
</tr>
<tr>
<td>2008</td>
<td>175</td>
<td>5262</td>
<td>155</td>
</tr>
<tr>
<td>2009</td>
<td>184</td>
<td>5651</td>
<td>168</td>
</tr>
<tr>
<td>2010</td>
<td>198</td>
<td>5663</td>
<td>173</td>
</tr>
</tbody>
</table>


In Spain between 2001 and 2010 the net migration grew to 5,663,000 which increased annually the population of the country by 1,1% and the migration became the main source of population growth. (Table 1.). The immigration in Spain and Castilla y León is considered to be a special economic and social manpower source: it means the expansion of the human capital, the rejuvenation, the replacement of the population and the stimulation of the consumption. In spite of the problems arising from it (criminality, expensive social insurance, education etc.) the migration contributes to the increase of the population fit for work and became important factor of the regional and rural development.
4. CONCLUSIONS, RECOMMENDATIONS

In my dissertation I compared the Spanish and Hungarian regional development model underlining the role of the regions. The other theme of my dissertation was the comparison of the particular and the common features of the regional development in Dél-Dunántúl and Castilla y León. I analyzed the tourism and the migration as well because both of them play a determined role in the regional development of the examined regions.

The regional development plans comprise the regulation of the regional development, the support- and institutional system and the licenses of the regions.

In Hungary the regulation of the regional development often changes what makes the planning of development uncertain and difficult. In Spain the Constitution offers a solid background for all the actors of the regional development.

In Hungary–because of the frequent changes of the regulation- the supports are less calculable and the regional decentralization of the sources is very low. The predictability of the Spanish system is guaranted by the Constitution and the Union supports.

The institutional system of the regional development in Hungary was complicated, hardly transparent and had overlappings. In 2011 the regional development system ceased existing. In Spain being regulated by the Constitution the regional development system is simple and transparent. The main towers of the system are the regions. Due to the centralization the licences of the regions in Hungary were terminated and their roles in the regional development devaluated. As a result of it their future became uncertain.
In contrast the Spanish regions have a strong statute (statútum), autonomy, extensive regional development licences, and decision-making power confirmed by the Constitution.

The analysis of the characteristics of the regional development of the two countries and regions included the population, the economy, the goals of the regional development and the support coming from the European Union.

In Hungary the number of population has been significantly decreasing since 1980 owing to the natural decrease of the population. The situation is even worse in the Dél-Dunántúl, where the decrease of the population is accelerated by the ageing and emigration of the population.

In Spain since 2000 the population has been increased slower than in the last century and the growth of the population is due to the immigration and not to the natural increase. The dynamics of increase of the population in Castilla y León is slow which can be explained by the emigration of the youth and ageing of the population. The immigration plays an important role in the development of the region.

In 2004 Hungary at the time of her accession to the EU reached 63% of the average development of the EU countries and in 2008 reached only 64%. At the same time the development level of the Dél-Dunántúli Region decreased from 45.6% to 44% and dropped relative to the other regions of the country.

Spain reached the average development of the EU in 2004, Castilla y León in 2008, that is in case of Spain it took 18, in case of Castilla y León 20 years to reach the average development of the EU.

The economic development is influenced by the foreign direct investment (FDI). Between 2000 and 2008 Spain was a net capital exporter. She exported capital equivalent to 3% the GDP. In contrast Hungary was a capital
importer. The imported capital contributed 2.8% to the growth of the GDP. The FDI data of Castilla y León are much worse than the national average. The Dél-Dunántúl lagged behind due to the insufficient infrastructure, the insufficient skilled manpower and to the unfavorable geographical situation.

In the countries and regions examined by me there are reserves in the field of employment. The employment rate in Spain and Hungary is low and lagged behind the EU average. There is analogous situation in the regions. In 2010 the highest unemployment rate in the EU was in Spain. It exceeded 20%. In Hungary the situation is better but as a consequence of the crisis the unemployment has been grown, and the differences among the regions have been increased. At regional level the connection between the lower development and the higher unemployment can be detected.

In Hungary the efficiency of the regional development is influenced by the number of the backing regional development goals and programs. In Hungary the multitude of the objectives and programs which can be found in National Development Plans hindered the efficient and the concentrated use of the supports. In contrast Spain used the supports coming from EU for relative few goals. In spain to be able to develop the regions they focused on the economic development, and the development of the human capital and the infrastructure (especiality the transport) were tailored to the needs of the economy. Castilla y León followed the national practice. The Regional Development Program of Dél-Dunántúl was elaborated according to the needs of the region so facilitated the more effective use of the sources.

Between 2000 and 2010 the support from the Union contributed by 2.97% to the GDP in Hungary and by 0.81% in Spain. The divergence of the two indicators can be explained by the lower development of Hungary and the relative more EU support.
Taking the relative scatter into consideration in Hungary between 2000 and 2008 the development gap among regions grew sharply and the country deviated into two parts. The developed regions are Közép-Magyarország, Nyugat-Dunántúl, and Közép-Dunántúl. The growth of the inequalities sharpens the social tensions and call the attention of the decision-makers to realize a more balanced regional development policy. In Spain the regional inequalities have been considerably moderated and the same tendency can be observed in case of the European Union.

The tourism in Castilla y León is very important. It contributes to the regional GDP by 10.3% and giving job for 70 thousand people. The rural tourism is the more developed in Castilla y León. It contributes to maintaining the local population. The good results of the rural tourism is partly due to the fact that the tourism-marketing connects the rural tourism with the cultural and religious tourism (Saint James pilgrimage).

The tourism of the Dél-Dunántúli Region could be expanded and more coloured if on the basis of its possibilities Kaposvár joined the international pilgrimage as well.

In Spain the international migration supported by legal and economic means is an important source of the population growth. The immigration in Spain and Castilla y León is considered to be a special source of the economy and society. It means the growth of human capital, the rejuvenation, the substitution of the population and the stimulation of the consumption.

The surplus of population coming from the immigration – taking into consideration of the alarming democratic tendencies – could be an important population replacement factor so it would be practical to stimulate the immigration of foreigners in a differentiated way.
5. NEW SCIENTIFIC ACHIEVEMENTS

On the basis of my research I drew the following new results.

1. Hungary’s speed of catching up the average of the European Union and the process towards the regionally balanced development is considerably determined by the efficient use of the support coming from the EU. The general regulation of the regional development have an impact on the regional development positions of regions. The research proved that if the decentralization is expanded and the regions get more licences, the regions are able to validate their interests and the use of the regional development sources becomes more effective.

2. The effect of the support coming from the EU is greatly influenced by the number, the order, the content and the backing of the highlighted regional development goals. It is proved that it is more practical to concentrate the union supports only on few highlighted goals and not ”to fritter away”. Taking the Spanish example into consideration we have to deal with the economic development, the human capital, the environment protection as underlined priorities, because the long term balanced development can be created only in this way.

3. The rural tourism in the areas with small-settlements can play a balancing role in maintaining the population and reducing the dependence on the season especially if the development of the tourism is interconnected with other kinds of tourism (cultural tourism, religious tourism).

4. The international migration plays an increasing important role in the compensation of the unfavourable demographic trends. At the same time it contributes to the economic development. Taking it into consideration in
Spain the immigration of the foreigners is backed by both legal and economic means. Because of the worrying demographic trends the immigration should be stimulated (in a differentiated way) in Hungary as well. Without this the number of the population fit for work will be considerably reduced.
6. PUBLICATIONS

Publications on the thesis topic

In foreign language

1 Horváth Péter, Sarudi Csaba (2013): Las enseñanzas de la regionalización y del regionalismo español para el desarrollo regional húngaro. In: Revista Historia Actual [España, Cádiz](forthcoming, accepted for 2014./Invierno, 21 pages)


In Hungarian language

9 Horváth Péter, Sarudi Csaba (2013): A bevándorlás társadalmi, gazdasági és regionális hatásai Spanyolországban. In: Tér és Társadalom (After taking into consideration the opinion of the opponents by the authors the editing committee accepted the article for publishing, 26 pages)


*Other publications*


*Conference presentations*
