

## **Changes – Crises – Reactions (Adaptation of local organizations of social services in peripheral countries in Europe)**

### **LOSS**

LOSS is an international cooperation in research established in Munich in 1993 by Bavarian, Italian, Finnish, English, American and Hungarian universities. Researchers meet every or every two years alternately in one of the members' country and negotiate pre-selected themes (organization of education, project sustainability, migration, dependency etc.), promoting each other's empirical studies and university teaching job by these conferences.

LOSS (Local Organization of Social Services) is a term commonly used as a synonym for social care in communal areas, human resources in a particular area of the society are regenerated in this sector.

LOSS includes elements of human resource production and preservation on the institutional level as well as spontaneous social actions beginning with education, training and education systems, through health promotion, health care systems to the direct and indirect social support systems, therefore, it is responsible for one of the most important social and economic factor: the human being.

The social services on the local level are particularly important because in the crucial first four years of the human life cycle (along with the family) one meets almost exclusively the local organizations of social services and the impact of local social actions. But in fortunate circumstances the whole of his childhood is determined primarily by the LOSS system (depending on the institutional penetration). (See Figure LOSS-model)

LOSS means the reproduction of knowledge and the community protection system built up over and over again of a society living in a particular area, which develops for generations immunity and resistance in the local societies. If LOSS works adequately, it enables local societies to endure, survive and overcome internal and external crises, finally, seizing the positive side of the crisis, to renew the society, which means it is able to initiate innovative processes.

According to our assumption, however, the lack or failure of LOSS does not protect the societies from crises. The crisis in this case can make a mess of the local society, of the community, in extreme circumstances it can start the emigration of people, the depopulation of the region (escape) or may be the basis of radical social movements (protest). (based on Hirschman) In contrast to this, strong LOSS can efficiently respond to the crisis and as a result of strong LOSS societies are more resistant and respond more quickly.

According to our assumption, an integrated society, where a higher proportion of the working-aged are embedded in the world of work (high employment) and the education system works efficiently (high level of education, low level of anomie), in crisis is able to economize the decreasing resources, explore new resources, protect the value and interest system of the society. (based on Durheim) A society with strong LOSS can maintain solidarity, preserve and augment human resources essential for the society, even when they are not currently profitable for individuals living in the local community. (The society credits in advance the long-term investments for the individuals – eg. education, which will be returned by the new generation eg. in forms of tax. An integrated society is not only altruistic but rather rational, however, it is not purely driven by rationality, since without morale, confidence and discipline it can not survive in the long-term.) (based on Schumacher and Fukuyama)

### **The crisis**

Malfunctions of the society, in which the former balance (markets) is dissolved, can no longer form a social consensus, a legitimate resource to strengthen the local society. The crisis may be a consequence of a current financial deficit, which may be followed after weeks or months by a new steady state (or mishandling can lead to further crises), or may be production crisis, which induces economic restructuring (failure can lead to social deficit), and may be social, moral legitimacy crisis, political crisis, which calls for intervention in the structure of domination in the society. And finally, there may be social crisis. In the latter, the integration of individuals becomes impossible because of lack of education or work. The value system of the society can break up and the treatment may take place in a generation and definitely closed by a change of generation. (based on Dahrendorf)

### **Working hypothesis**

According to our assumption, those states and societies living in them which are able to maintain adequate LOSS are also better able to respond to global crises. Their social systems are stable, their economic systems can be flexibly adapted to market challenges.

In particular, the above statement is true in the states which do not have large reserves of raw materials. They are not „hard-land” type of states, but rather the so-called „soft-ware developer” areas, which are not major exporters of raw materials and energy carriers, but rather characterized by high value-added manufacturing industries and advanced service sector and their population within Europe does not significantly exceed 10 million people.

Those medium-sized states were in the forefront of our examination which have in recent decades experienced, successfully treated, handled at least two crises (financial, economic, political or social crisis).

Those great European states which belong to the G8 group drop out of our examination, since their economic potential can not be compared to the small states. Those states are also not included which have relatively small population, below 10 million people, but are major energy exporters (Norway).

Of course, those states are in the forefront of our examination where there are universities and research institutes which have developed since 1993 (the start of the international LOSS project) fruitful research and educational relationship with the University of Debrecen Faculty of Health and later with the Faculty of Law.

In our application and in our research in connection with the European „semi-peripheries” (Wallerstein and Iván T. Berend), in this project the „peripheral countries” and the „peripheral regions in the EU” those possible differences of socio-historical origin are mentioned which were described by Jenő Szűcs as historical regions of Europe. The analysed countries, societies and regions belong in the wider sense to „intermediate Europe”, however, because of their socio-historical development a comparison of the differences between „western” and „intermediate European” or by other models, closer to the centre and semi-peripheral societies is also achievable by comparing

- the development of civil societies and the actors of local and national „making” of politics
- the content of public policies and institutional frameworks
- the operating LOSS systems

## **Locations of the research**

University of Oulu, Lapland, Finland

University of Ostrava , Moravian-Ostrava region, Czech Republic

FH Campus, Wien, Burgenland, Austria

University of Trnava, Slovakia (location of the research is Eastern Slovakia region)

University of Debrecen Faculty of Health, Nyíregyháza, Hungary (Northern Great Plain region)

University of Debrecen Faculty of Law, Debrecen, Hungary

Indirect research partners / methodological and theoretical research partners

Katholische Universität Eichstätt-Ingolstadt, Bavaria, Germany

University of Louisville Kentucky, USA

We study a province or region (NUTS II) in the selected countries above, such as Lapland in Finland, where after the collapse of the Soviet Union a very significant and long-term unemployment emerged. East Slovakia in Slovakia, where the very significant rural and industrial structure transformation crisis appeared together in the early 90s, we examine the Moravian-Ostrava region in the Czech Republic, where the structural changes of the traditional heavy engineering and mechanical engineering in the 90s caused serious employment problems. In Hungary we investigate the three counties of the Northern Great Plain region, where entire industries closed down, and after the decline in agricultural exports food processing and food production decreased significantly and because of this the region now has one of the highest unemployment rates in the country.

In this respect, Austria is a less crisis-hit state, but the examined Burgenland region was considered relatively underdeveloped within Austria and the EU, especially until twenty years ago, when the Iron Curtain was demolished. It joined the European Union after the crash of the socialist system in the Central and Eastern European countries and this experience can be summarized, as well as the shift of the Schengen border eastwards raises more questions in Austria.

The current credit crisis has caused a global recession, which has affected all of these regions to varying degrees, and certainly for different time. The crisis hit the countries in different situations because of the different responses to crisis in previous decades and different changes of their LOSS systems. The subject of the comparative research is the earlier periods of crises, changes and the responses within the LOSS system. How they were different, and if they were, how can the former successful adaptation help manage the current crisis. Are there adaptable – learnable – strategies, is there a common fate for the peripheral countries, is there an adequate optimum of LOSS which is capable of handling the integration of societies in times of crisis, or in this case, are the lives of societies determined by random processes?

## **Research methods and issues**

We examine in each state or region the legal and the historical backgrounds. An overview of the state, regional and local administrative management and social management is given, we examine the role of the non-profit sector and the situation of the church, civilians and private actors in the social economy.

In addition to comparing LOSS we examine how they responded to crises of the 90s, what kind of transformation they have undergone and the impact of the crash of the systems on them as a whole, particularly on the local levels. Is there a significant difference in the post-

socialist countries as a result of the creation of the new systems, have different paths developed with different reactions? To what degree has the study of the new social structure been successful and how has this prepared the emerging ones to handle the new crisis? To what extent was Finland, where the social-economic system did not change, hit by the system crash taking place in the immediate neighborhood causing temporary loss of its market share and how was this stress handled? How was the Eastern European turn beneficial for the neutral Austria, if indeed, perhaps a new role was forced on the country?

In Hungary special attention is paid to the efficiency of public investment in health and education, such as statistical analysis of health care institutional development and disease incidence, or the relationship between education and training investment and employment.

Since all the regions and countries examined are members of the EU, we monitor the allocation of resources issued by the ESF (European Social Fund), as well as the allocation of Cohesion Funds for backward small regions.

The basic element of our study is the local level. Local level is considered an area, separately within each state, in which there is local autonomy, local authority, that is, we take the lowest level of self-governance locality (NUTS V). In the centre of our research stands an action field in which an effective local organization of social service is in force. The scene may be a small region (NUTS IV) or a town or a section of a town.

Local decisions, local regulations and local practice are in the focus of our investigation. In addition to research for best practice, we are looking for local initiatives, local policies which are not necessarily supported by the EU, nor by the state (although they may rely on their support), but primarily arising from local initiatives.

We are particularly interested in those local activities and social activities that aim to develop human factors by using internal resources (they do not only serve to use tender funds) in a sustainable way, providing in the long-term effective intervention in the social relations of the local society.

We can perform a deep analysis on the municipal level back to 1992-93 with the help of the data available (in Hungary: National Regional Information System (TeIR), Hungarian Central Statistical Office, T-STAR – settlement statistics, Hungarian Tax and Financial Control Administration, Hungarian State Treasury, National Health Insurance Fund Administration etc.).

It will be possible to conduct so called mirror studies with Austrian, Czech, Hungarian in Slovakia, Slovakian, Finnish colleagues after coordination of the analysis methods in two conferences and five workshops.

In addition to the analysis of secondary data, during the reserach we also undertake primary data collection. In the Northern Great Plain region in Hungary, which is limited to three small regions in each of the counties, which were defined with our area demarcation methods by a joint research group of the Centre for Regional Studies and the Institute for Political Science of the Hungarian Academy of Sciences (HAS) (Csatári-Bódi-Fekete).

We deal with minority and ethnic groups as a separate sub-group in each of the observed regions if there are social implications and factors which deepen the crisis.

Since the dominant part of the eight million Roma of Central and Eastern Europe live in Eastern Slovakia and in the Northern Great Plain region, a study of the position of the Roma ethnic group is inevitable. The Roma population in Burgenland and in Moravia should not be underestimated, either.

Surely, in relation to training and education especially the issue of the Hungarian minorities living abroad can not be ignored. Lapland, based on the criteria above, may be particularly informative area of research, as it is considered to be a model area of European minority standards.

After preparing the backgrounds, comparative elements and setting the problem (which is expected to take two years) we will organize a conference and the results of our previous research will be evaluated in a comparative monograph. In the third year of the research, we will conduct local investigations through case studies in the Northern Great Plain region, which will be complemented by study trips to Lapland, Northern Hungarian Highlands, Burgenland, Moravia. In the fourth year of the research, we will edit a summary volume, which will be released in English and German on the Internet and in Hungarian it will be published in print, as well. Depending on the foreign research partners, we will publish our work in English and German, too.

### **Research schedule**

1st section: 01/09/2010 – 31/08/2011 Preparation and evaluation of LOSS comparison and of legal-historical backgrounds in the peripheral countries. Completion of the problem posing research. (international conference online on the Internet, online publications and a printed monograph).

2nd section: 01/09/2011 – 31/08/2012 Case studies in three small regions in three counties of a region. Study trips to the regions studied, publication of case studies in journals and on the Internet in English and Hungarian.

3rd section: 01/09/2013 – 31/08/2014 Evaluation and comparison of best practices of the local case studies in relation to environmental and local factors, similarities and differences to practices abroad.

4th section: 01/09/2014 – 31/08/2015 Editing a summary volume, final online conference, final monograph on the Internet in English, Hungarian and German.

### **The expected results of the research: theoretical and practical importance, novelty of the research**

The country has gone through a series of crises and changes. The research aims to find out how the local organizations of social services (LOSS) reacted and how adequate and how effective these responses were. The investigation will be carried out in the Northern Great Plain region not only because we know it – at least, we have frequently researched this area – but also because one of the most critical regions in the country can be found here.

We would like to compare the national retrospective study to the research results of foreign colleagues (Czech, Finnish, Austrian, Slovakian), comparing their experience of crisis and change in the narrower regions of their countries. Based on the empirical and comparative analysis we would like to publish articles and monographs in a comprehensible form for higher education and decision makers, in addition to preserving and disseminating the professional discourse on the Web.

## **The role of researchers and assistants (Hungary)**

### **Research coordinator:**

Ferenc Bódi PhD, senior research fellow at the Institute for Political Science (HAS) EU integration and globalisation department. Main research fields: local governments, local policies, Local Organisation of Social Services (LOSS), regional development

### **Senior researchers:**

Bálint Csátári PhD, geographer, senior research fellow and head of department of the Alföld Institute, Centre for Regional Studies (HAS). Main research fields: rural and regional geography, regional development

András Vigvári PhD, senior research fellow at the Research and Development Institute of the State Audit Office of Hungary. Main research fields: financial management of local governments.

Gergely Fábián PhD, sociologist, professor and head of department at the University of Debrecen Faculty of Health. Main research fields: the impact of globalization on society, with special respect to LOSS.

Mihály Fónai PhD, sociologist, associate professor at the University of Debrecen Faculty of Law. He is research coordinator for social studies in the region, especially in Roma research.

Zsigmond Kósa PhD, associate professor and head of department at the University of Debrecen Faculty of Health. Main research fields: mortality, health.

Tibor Szarvák PhD, associate professor and head of department at the Szent István University Faculty of Applied and Professional Arts. Main research fields: civil society, sociology of youth, information society.

### **PhD candidates:**

dr. Gabriella Csűrös, lawyer, teaching assistant at the University of Debrecen Faculty of Law. Main research fields: legal and political aspects of regional development.

dr. Attila Fekete, sociologists-economist, assistant professor at the Pázmány Péter Catholic University Faculty of Humanities and senior research fellow at the Institute for Political Science (HAS).

### **University (MA) students:**

Mátyás Bódi, holds a BSc degree from Eötvös Loránd University Faculty of Science Institute of Geography and Earth Sciences. Currently doing his MA degree at Eötvös Loránd University.

Örs Tari, currently doing his degree in political science at Eötvös Loránd University and works for the OSA Archives of the Central European University.

### **Research assistance:**

research assistant, project manager, international relations coordinator and about 150 university students taking part in the field work

### **Required infrastructure:**

The server of the Institute for Political Science (HAS) has to be expanded, powerful laptops for leading researchers need to be provided and map softwares need to be updated.

## Workplan

In the first year of the research changes in the local organizations of social services (LOSS) will be recorded (legal, financial, developmental conditions) and movements between the state and local government and non-government sector will be studied. In respect of the whole country the penetration of support systems in rural and sparsely populated areas will be studied. Such as the availability of institutions, the nature and effectiveness of their network – disease, incidence statistics. We will compare the results of surveys on knowledge level to health and education capacity expansion and decrease. We will investigate the impact of welfare investment with statistical analysis and examine a series of factors operating in parallel.

In the first section, during 12 months especially documents and secondary data will be analysed and organized, using statistics which were gathered in recent years. The basic element of the macro analysis, which will be based on data from the state administration, local government sector and social service systems, is the town and the local municipal level. The Northern Great Plain region is in the focus of the research, which we would like to compare to those of our partners' across borders, but the work beyond the borders is not included in our project. Comparison will take place in a conference and thematic workshops, of which a study will be edited in electronic version.

The next period of work (12 months) includes preparation of a series of case studies, involving students from the University of Debrecen Faculty of Health to research the sites which were previously statistically analysed. The study will be performed from the „bottom” point of view: with interviews, questionnaires, processing of local monographs. The research in this period focuses closely on the life and relations of a region. The bottom and the top point of view of the work will be performed on the basis of their match and contradictions through continuous consultance between the research teams. The local studies may overwrite the zero-hypothesis and the work of the first stage. Based on these results of the research enriched with new elements or on a totally new synthesis a workshop will be organized (with working groups of five) with the Czech, Finnish, etc. colleagues via the Internet, and we will have short „social day” study trips, as well. The new good examples found will be assessed and examination of the reasons will be carried out on the scene. After having evaluated the programs found, the local environment and local differences, the results will be released in each of the countries and the summary will be published in English, as well.

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