Ferenc Bódi / Gergely Fábián / Mihály Fónai / Jorma Kurkinen / Thomas R. Lawson / Hannu Pietiläinen (eds.)

## **Access to Services in Rural Areas**

A Comparison of Finland and Hungary



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Studies in Comparative Social Pedagogies and International Social Work and Social Policy, Vol. XXVII



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#### Access to Services in Rural Areas:

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Studies in Comparative Social Pedagogies and International Social Work and Social Policy, Vol. XXVII

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### Blurb

Access to Services in Rural Areas: A Comparison of Finland and Hungary

The Berlin Wall, the symbol of the divided continent of Europe collapsed almost a quarter century ago. In the one and a half decades since the fall of the "Iron Curtain", the European Union has expanded significantly and essentially the borders between these states ceased to exist. However, this historically created divide between east and west within the European Union in many ways remained. Access to Services in Rural Areas provides the reader important information concerning the condition of the local organization of social services (LOSS) and how citizens access them daily in two relatively underprivileged regions of two different countries in the eastern and still relatively divided part of the EU. The book not only provides the outcomes of the two country regional surveys. it shows the juridical background and public administration of the LOSS and their alterations, particularly with respect to the effects of the crisis. This research is a harbinger of continued and expanded international research built upon twenty years of scientific collaboration within the LOSS program.

In both countries, government officials are responsible for arranging social and health care services and promoting the wellbeing of the citizens. Although there are differences between the areas of Northern Hungarian Great Plain and Northern Finland, continued research cooperation would likely open new opportunities for developing services and safeguarding the wellbeing of people living in Hungary and Finland. Research cooperation would generate new knowledge about how citizens experience wellbeing, the phenomena as both a regional and temporary process, and finally about welfare services themselves and the potential for application of technology to safeguard services.

### What is the LOSS

The Local Organization of Social Services (LOSS) is an international cooperation in research established in Munich in 1993 by German, American, Finnish, English, Italian and Hungarian universities and research institutes. This collaborative international comparative research was initiated by professor Rainer Greca from the Catholic *University of Eichstätt-Ingolstadt (Germany)* and professor Thomas R. Lawson from the *University of Louisville (U.S.A)*. The LOSS team meets every one or two years in one of the members' country to present and discuss pre-selected themes (for example, reorganization of education, developing sustainability of projects, migration, dependency etc.) that also promote each other's empirical studies and university teaching.

LOSS is a term commonly used as a synonym for social care in communal areas, where human resources in a particular level of the society are regenerated. It includes elements of human resource production and preservation on the institutional level, spontaneous social actions to include education, training systems, health promotion, development and implementation of health care systems related to both direct and indirect social support systems. Therefore, it is responsible for one of the most important social and economic factors — the human being.

Social services on the local level are particularly important because in the crucial first four years of the life cycle in addition to the family the child encounters almost exclusively the local organization of social services and is impacted by the outcomes of local social actions. In fortunate circumstances the whole of one's childhood is determined primarily by the LOSS system – depending on institutional penetration (See Figure the LOSS-model in the 1.1. chapter). LOSS includes production and reproduction of knowledge as well as the community protection system that has been built over and over again within the local society across generations that help to develop immunity and resistance to societal crises. If LOSS functions adequately, it enables local societies to endure, survive and overcome both internal and external crises, finally, seizing the positive aspect of a crisis, to renew society. Thus, it is an engine for innovative processes.

According to our assumptions, however, LOSS cannot always protect society from the effects of crises. A crisis may be so devastating that it creates massive problems for the local society. In extreme

circumstances it can start the emigration of people "Escape" resulting in the depopulation of the region or it may serve as the impetus for the development of radical social movements "Protest" (see Hirchman). Conversely, a strong LOSS can more effectively respond to the crisis and therefore, societies with strong LOSS are more resistant and respond more quickly.

We further posit that 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 effectively (high level of education, low level of anomie), is more able in a crisis to more economically utilize the decreasing resources, explore new resources, and protect the value and interest system of the society (see Durkheim). 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. Society credits in advance long-term investments in individuals for example investment in education that will be returned in the future by them in the form of tax revenue when they enter the work force well trained. An integrated society is not simply altruistic but also rational, however, it is not purely driven by rationality either, since without morale, confidence and discipline it cannot survive in the long-term (see Schumacher and Fukuyama).

### Background of the current research co-operation

The idea for conducting a joint comparative study of well-being grew out of discussions in 2010 between the following participants:

From Hungary, Dean Gergely Fábián, Head of Social Work László Pátyan and Associate professor Mihály Fónai from the *University of Debrecen, Faculty of Health*, and Senior Research Fellow, leader of the Hungarian Scientific Research Fund' project (OTKA 81667) Ferenc Bódi and Researcher Mátyás Bódi from the *Centre for Social Sciences, Hungarian Academy of Sciences*.

From Finland, Head of Department Hannu Pietiläinen from the *Oulu University of Applied Sciences, School of Health and Social Care*, and Professor Petri Kinnunen and Researcher Jorma Kurkinen from *The Northern Finland Centre of Excellence on Social Welfare* (below *Poske*, as abbreviated in Finnish).

Poske had made several wellbeing surveys in Northern Finland focusing on the experienced well-being of the citizens. We started to consider the possibility of conducting corresponding research in Hungary in order to compare well-being in Hungary and Finland and concluded there was an excellent basis for comparative research on well-being. In both geographic areas rapid changes in society pose challenges and problems for adaptation by the welfare service system. Many of the challenges are common, e.g. globalization, regional segregation, demographic transition, increasing differences in well-being between various population groups, differentiation in real-life situations among citizens. new coping strategies to manage unexpected life changes, difficulties in the recruitment of skilled labor in the welfare services and increasing potential for the application of new technology. In order to look at potential answers to these challenges, it is necessary to obtain researchbased knowledge about the real life situations of citizens and the operational environment.

In both countries, government officials are responsible for arranging social and health care services and promoting the wellbeing of the citizens. Even though there are differences between these areas of Hungary and Northern Finland, we found that research cooperation would open new opportunities for developing services and safeguarding the wellbeing of people living in Hungary and Finland. Research cooperation would generate new knowledge concerning the experiences of wellbeing among the citizens, the state of the wellbeing phenomena, the impact of regional and time factors, and in addition information about the welfare services themselves and the potential for the application of technology to safeguard services.

The research plan was further developed in meetings in Nyíregyháza in June 2011 and in Oulu in April 2012. The research plan focused on the similarities and differences in the context of the countries and the special features of each of their welfare service systems. The process included adaptation of the Finnish questionnaire to Hungary with specification and definition of issues such as the focus areas, the sample, practical realization, data collection by students, and selecting potential comparative statistical indicators. Finally in the autumn of 2012 the field research in Hungary was completed and results were analyzed in the spring of 2013.

(Editors)

## 1. Theoretical Introduction

# 1.1 Toward a dynamic theory of Local Organization of Social Services (LOSS) functioning<sup>1</sup>

Ferenc Bódi

### 1.1.1 The Local Organization of Social Services – LOSS<sup>2</sup>

The Local organization of social services belongs to the complex system related to the well-being of the society mainly as public goods and public services provided to the clients locally in their own local society and on a local level.

The different public goods and social services can be categorized by the type of the providers, central government, regional or province government, county authority, local government, non-government organizations, civil, church institutions and organizations and so on. Three main sectors that can be separated from each other are *public education, health care as well and social support systems*.

The *supply side* of the local social services can be divided by their formal appearance so the *formal organizations* can be highlighted as those that function on public money in accordance with the laws, and led by appointed or elected personnel.

Within a given locality (municipality), the local social services can be placed into four categories:

.

Thanks for the participation and comments in the LOSS Workshop at the Centre for Social Sciences, Hungarian Academy of Sciences in Budapest on the 11th March of *prof. Thomas R. Lawson* (University of Louisville), *Péter Giczey* (University of Debrecen) as well as *Kate Brackett, Amy Godoy, Andrea Ghooray, Kristen Schuenmeyer*, students of *prof. Anna Faul*, Ph.D. Professor, Associate Dean for Academics, Kent School of Social Work, (University of Louisville) Louisville, Kentucky USA.

This subchapter follows the guidelines of the LOSS's international comparative research and documents of the 4<sup>th</sup> LOSS Conference, Trento, 16-18 February 1995. Dipartimento di Sociologia e ricerca sociale via Verdi TRENTO. LOSS's guidelines written by Prof. Rainer Greca; University of Eichstätti, Prof. Thomas R. Lawson; University of Louisville and Stephen Osborne; Aston University. Hungarian participants: Ferenc Bódi; Institute for Political Sciences, Hungarian Academy of the Sciences, Gergely Fábián, and Péter Giczey; University of Debrecen.

- 1. Top down organizations of the central government (GOs; government organizations)
- 2. Institutions led by local elected authorities, representative body and their public offices within a given municipality (LGOs)
- 3. Non-Government Organizations and civil organizations (NGOs)
- 4. Community-based Organizations (CBOs)

At the same time, several *informal institutions* ensure that invisible and elementary social safety net exists. However, in the case of a crisis its role becomes a significant factor. *The most fundamental informal social institution is the family itself* with its network of relatives. Furthermore, several important *social networks* are responsible for the citizen's social safety such as the *neighborhood, friends, workplace relations, as well as professional relationships*.

The function of the Local Organization of Social Services (LOSS) is determined by the structure of the *demand side* forms a special pattern in each local society much like the genome of a living organism. Each local society has a different pattern on the demand side that is dependent on multi-endogenous factors:

- Social structure of the inhabitants,
- Advanced state of the municipalities and abundance in their environment,
- Structure of the local economy,
- Experience of the local culture and tradition,
- Relationship of the local politics (self-government) to the central politics, and to the political systems on national level.

The demand side of the LOSS can be approached from *life situations*. The questions are, what is the capacity of the population for reproduction and what is the quality of life, what is the employment situation of the career beginners, what is the women's role in the local society, what are the conditions for children's education are, what is the housing situation, as well as what is the general health condition, and many more for a given locality (local society).

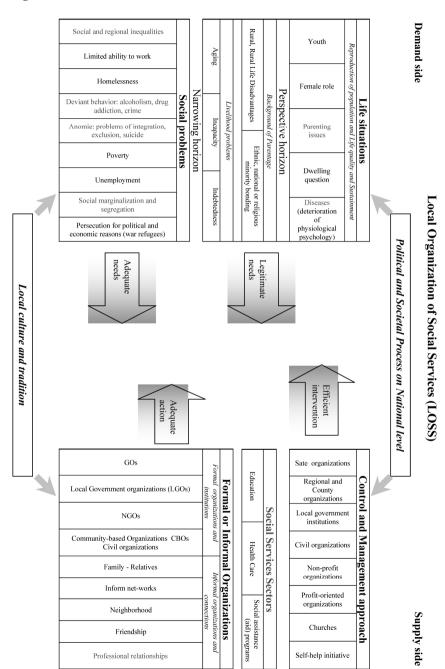
The fact that the LOSS exists locally means that the needs of the life situations (clients of the demand side) can find satisfaction in the local community. Consequently, the clients do not have to leave their residence where they live their own daily routine. Basically, the LOSS handles

ordinary life situations, although, either the big or local society can have a malfunction when the basic institutions become dysfunctional, and they are unable to resolve social problems and deal with the fast social polarization.

The LOSS does not have the task to treat the reasons of social inequality, as it is one that the more complex social politics can treat more effectively in most cases. But it is an indisputable fact that the effective and adequate intervention of social politics, frequently, can be best organized on the local level and in the local society. The goals of social politics if they do not having enough support locally and if the local social efforts do not have enough encouragement from the higher levels become incomprehensible and unproductive initiatives, even if they had been born of goodwill.

The precondition for effective social politics is *legitimation*. A social action can be either a bottom up or a top down initiative, but it will be an effective activity and hopefully successful only if it is accepted locally. For example, if the local initiative can form itself into a united system and gets supporting assistance from the higher politics, it does not become a fragmented isolated action.

Figure 1.1.1



The adequate and effective LOSS can be implemented (in the historical perspective) if the social politics of the given state are *reflexive*, *cooperative even open to the local politics*. When the higher social politics are not sensitive, cooperative and open to the local level then it will more likely be (even beside the most goodwill) expensive, and it will stimulate, build and maintain an inadequate system that cannot handle properly real life situations.

The result of the not legitimated LOSS is depressing: the supply side of the LOSS will not support effectively the reproduction needs of the society (perspective horizon), but it also struggles against the ever increasing social problems (narrowing horizon). Sometimes when the social politics exclude stakeholders from making decisions and the politics do not perceive the needs of the localities, and are inclined to avoid the interests of the local societies, then these politics will unintentionally feed the widening poor crowd, and simultaneously, the growing helpless local poverty intensifies the need for centralization and weakens decentralization resulting for example Nazism and Communism.

The *Vicious circle* is completed. Illegitimate social politics can promote the proliferation of the social problems: social and regional inequality, low employment, homelessness, anomie, marginalization, segregation, and so on. Democratic political systems are not exempt from social problems. In any given case of crises the poverty level can grow but the treatment of social problems cannot be the base of legitimation for political rule (see populist dictatorship, socialist state system, fascism etc.). Social politics of the democratic political systems tend to improve the life situation; life quality and reproduction needs of the society (perspective horizon) in non-crisis periods and the treatment of the social problems received only a secondary role.

## 1.1.2 Dissymmetrical Model of the LOSS

The Trento model in 1995 was based on a suspected solid welfare state. However after the Credit Crisis of 2008, the LOSS model has been made into a dynamic model that is changing and has a reconceived as consisting of dissymmetrical supply and demand sides in its transformation.

The supply and demand side of the LOSS model is symmetrical in when the growing social needs are met by a growing capacity of the supply side (Bódi & Fekete 2012). For example, when the number of children is increasing in a region or in a city so does the capacity of the day nursery, kindergarten and primary school optimally in a short time). When the number of the elderly population is growing the capacity of caring for the elderly would be growing simultaneously. However, a significant dissymmetry can occur when social problems are increasing because of the crisis, for example a huge number of people lose their jobs, and the number of unemployed increases drastically or the due to credit crisis in a region or in a city a huge number of people cannot pay their mortgage loans and cannot pay for other expenses of living at the same time.

In an optimal equilibrium status, an adequate response from the supply side of the social supply system, from the institutions should be to increase capacity. For example, more unemployed will be registered and they receive retraining support, various trainings, and education programs. But there are some social problems that cannot be managed by simply increasing the social supply capacity because the former institutional structure of the supply side has become obsolete. Namely, there are no institutions that could give an adequate response to the emerging social needs in the case of the mass collapse of mortgages.

When more and more social needs appear which do not get adequate response from the supply side of the LOSS or the social services are unsatisfactory, the LOSS should be reformed. The paradigmatic change at the LOSS supply side is started by political action mainly after turning points of economics or after a political crisis has occurred. One such paradigmatic change was the Great Depression followed by a major social transformation, the New Deal in the USA, the recession after the Oil Crises and the response by Ronald Reagan's and Margaret Thatcher's politics and more recently in this century, the Credit Crisis, where the response is still at the moment of birth. Reactions to the crisis were not always successful at the moment of the turning points especially considering their sustainability, because the European alternatives at the time of the New Deal were too radical in the early 1930s they broke with earlier historical traditions let it be fascist or Nazi and even the communist variety. Only the USA could give an efficient response to the Great Depression but Europe could not. The New Deal 1 and New Deal 2 programs covered energy policy, the transport policy, the labour policy, agriculture and rural development and especially youth policy together with training and education received more importance.

The USA has become a global power essentially after R+D sector had been developed. The New Deal model has been copied by Canada

despite the fact that the two countries were significantly different in terms of political orientation, and later Australia led by the labour party leader *Ben Chifley*, and *New-Zealand*. So the overseas Anglo-Saxon countries could manage the crisis by a new multi stage LOSS structure laid on a new social peace, achieved through a wider social consensus.

Europe collapsed after the Great Depression and the WW II. The definition of the *welfare state* was born in England (Temple 1941). *The Beveridge Report* can be considered as a significant initiative and a political turn in the social system of the United Kingdom (Beveridge 1942). The Island's new policies which were similar to the approach of the continental *Bismarck* welfare state model was first realized by *Attlee's government* after 1945 with a *National Insurance Act – National Health Services* where employed people paid a flat rate of national insurance.

However, this significant social innovation – the welfare state- neither in Great Britain nor on the continent could have been built if the USA have would protected them by a strong security shield - economic, military - (Hogan 1987). It is a historical paradox that the consolidation of the Bismarck welfare system helped to restore Europe by a state which itself did not apply it. Of course the United States had an interest in building up solid democratic welfare state systems having enough resistance against the popular left political movements, especially expansive communism after the fall of Nazism and fascism in Europe.

The European welfare state system should not be considered a result of an organic evolution, at least not in the sense that Europe would not have built a new regime of welfare by its own economic sources. Overseas the solution to the crisis was built by a thought-out economic philosophy that was created by representative actors of the society, economics and politics through a multi stage bargaining procedure. However, the new European welfare system was created after a social catastrophe and inspired by the brutal shock of the WW II. The overseas model mixes the American traditions: pioneer individualism, a strong regulative system of the local societies, embraced by a strong state and federal consciousness (Lawson & Soelter 2011, Solter & Lawson 2012). WW II and former political shocks caused a modern welfare system. The welfare social model variations written by Esping-Andersen (1991,1999) has been characterized more and less by strong state care and state responsibility where the individual responsibility and the protective role of the society especially the one of the local society - has faded for half a century.

The crises should not have only negative impact on the history of the societies. Namely, the crises can induce "creative destruction" (Schumpeter 1939) where the politics discovered some shabby institutions and their weak capacity they pursue a solution for the former hidden problems. Paradigmatic change does not come automatically.

The causes of the system's malfunction cannot be deduced in all cases from the function of the normal system itself (Simon 1982). The supply system reacts upon the functioning of the society, especially upon its reproductive function, respectively upon its own performance, for example upon education and health care (Schultz 1971).

It is very important to see how deeply each solution to the crisis, affect the supply side of the LOSS. The transformation can be stormy or superficial it can be also radical or sluggish, and it can be fast or slow, and in some case coward or hazardous. In the optimal case, the transformation can be a stormy or superficial change instead of a profound change that can reform durably and effectively the basic political institutions (election system, funding of parties, etc.). Seen from another aspect, in the optimal situation, the transformation can be *radical* or hazardous change instead of prudent change that can rebuild expediently the economic frameworks (tax policy, pension system, base of social security system, energy policy, etc.). Last but not least in Pareto-optimum case the modest transformation can prevail in the process of the legislation without a radical or sluggish routine (drill) demolishing the inherited traditions (culture of the providing self-identity and elementary norm system) or retaining the obsolete barriers. If a transformation affects only the surface (in extreme case, only the name of the institution has been changed or the leader of the institution has been replaced by a new leader without any new conceptions) there cannot be any structural change ergo there is no chance to increase the effectiveness of the institutions (Figure 1.1.2.)

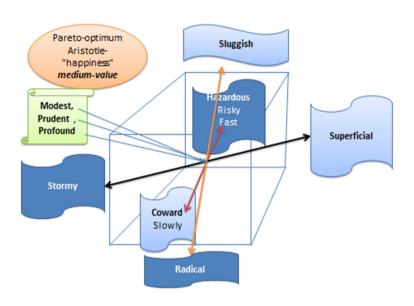


Figure 1.1.2. Pareto.optimum – Aristotle medium value.

Source: edited by author

However, if the changes are thoroughly prepared, so the modification has been preceded by impact studies and if there is intention to estimate the future balance of the supply and demand, there will be a greater chance that the changes will be more successful and sustainable. There would be little chance for a successful change if it is too radical, especially when too narrow exclusive political interests have led the change, and is too fast and the decision makers exclude the stakeholders. However, the chance of success would increase if the transformation of the supply side of the LOSS has been happened step by step with feedback because in this case the social acceptance would be higher if the transformation comes with social sacrifices (*Nash Equilibrium Theory* and preceding theories).<sup>3</sup>

The scientist of several epochs had been seeking the perfect equilibrium point, for example, the ancient Greek geometry created the Golden Ratio. Aristotle wrote about the main virtue which is not be found in the extremist character but it can be found in the middle term. "Thus every knower of the excess and the deficiency avoids them, but seeks out the middle term and chooses this-yet not a

- 1. If the dimensions such as *the radical and modest, the superficial* and stormy, the coward or hazardous would be illustrated in a common system it could be easily recognizable. The transformation would be more sustainable if equilibrium points of the three dimensions could meet in a joint equilibrium point. But the three different equilibrium points should stand close to each another (Pareto-optimum).
- 2. It can be observed that the power ranking among the different regions could be changed significantly following the crisis. Former tail-ender or medium-capacity regions could become flagship former strong regions could become medium-power or tail-ender regions (Pennsylvania, California). Kondratiev cycles: saturation point and new goods and new technologies appear in the production global economic paradigmatic change.
- 3. Those regions could turn out well from the crisis, which could break down quickly the former economic structure, and they could create or accept new technologies or new economic structure. Following Schulz's theses, it can be established that the chance of the success would be more likely where there is strong human capital would be more in a region. There will be advantage there is strong education performing and high health culture as well as strong social norms.

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middle belonging to the thing in question but rather the one relative to us. Indeed, every science in this way brings its work to a good conclusion, by looking to the middle term and guiding the works toward this. Hence people are accustomed to saying that there is nothing to take away from or add to works that are in a good state, on the grounds that the good state is destroyed by excess and deficiency but the mean preserves it; and the good craftsmen, as we say, perform their work by looking to this. Virtue is more precise and better than every art, as is nature as well. If all this is so, then virtue would be skillful in aiming at the middle term." (Aristotle's Nicomachean Ethics. The University of Chicago Press Ltd., London, 2011, Translated Robert C. Bartlett and Susan D. Collins. p. 34. See middle term: coward - courage - recklessness; miser moderate - wasteful; sycophantic - kindly - quarrelsome). In the modern age the economics pursued to set up equilibrium models and theories. This modern conception of general equilibrium is provided by a model developed jointly by Kenneth Arrow, Gérard Debreu and Lionel W. McKenzie. The first fundamental welfare theorem established market equilibrium as Pareto efficiency. In the postmodern age, the game theory has been discovered: the Nash equilibrium (see Prisoner's dilemma, Tit for tat, Stag hunt, Tragedy of the commons, Matching pennies, and so on).

According to the experience of the last century it can be concluded that those countries or regions that have achieved a better position in the world economic competition are those which had been investing in human capital (education, health culture, socio norm, etc.) for several generations. Those countries or regions, which could not have had another way or had narrow-minded politics and did not make effort enough in the area of the human resources, those ones have a heavy disadvantage. Matthew's rule is felt: "For to every person who has something, even more will be given, and he will have more than enough; but the person who has nothing, even the little that he has will be taken away from him." (M25.29)

Matthew's rule is not necessary because the crisis itself can increase the likelihood of "path creating" especially in countries, which are consciously trying to terminate the causes of the crisis. These countries do not waste their time on superficial treatment. Some countries can be found in Europe that could have courage and could go against historical necessity; essentially they could find a policy, which could undertake "path creation". So was Finland becoming independent, the modest socialist (social democratic epoch) Sweden, and the Hungarian breakout attempt for a short time - during the consolidation period. The Treaty of Trianon caused a deep crisis that was treated by politics connected mainly to Kuno Klebelsberg after WW I. These breakout attempts (although their political ideology did not have a common denominator) had a common specific nature, all them tried to build a relevant social services system which could help to abolish the ruin of the former historical period (illiteracy, poverty, widespread diseases; tuberculosis, high mortality rate, high infant mortality rate, one child only, high suicide rate etc.).

## 1.1.3 Changing forces – The learning organization

Equilibrium exits in the LOSS as an essential attribute of the Social System, furthermore, the equilibrium is effected during the transmission period when the LOSS changes between two historical epochs, for example during the New Deal programs. Equilibrium can prevail only in optimal circumstances and can be expected in a democratic political system and market economy conditions. If one reviews the remarkable education reforms of the last century according to the power transfer, there are different sorts of cycles and two dominate poles: *lay participation* and *control of professional organizations* (lasting three

decades from the 1960s till the 1990s) considering the practices of the Anglo-Saxon countries (McGinn 2002 19).

The development of the educational administration has been characterized by special recursive cycles in the epoch of the welfare state (McGinn2002). The development was seeking the condition of a supply-demand equilibrium (Greca 1995) (Bódi 2008) where there was a strong endeavour to rationalize more and more complex systems, trying to create educational systems to meet the individual needs, but at the same time not giving up the principle of the equitable access. These reform politics had often been based on the faith that several problems could be handled at the same time by raising the efficiency of local management and by trying to increase the teacher's professionalization. Additional objects of the change was to resolve the needs of the families and to harmonize the connection between the administration of education and the private and public schools, essentially, to reduce the difficulties in management caused by the increasing complexity of the educational system.

The decentralization cycle starting in 1960s was, essentially, a response to the criticism about the efficiency of education at the time. In *Change Forces* written by *Michael Fullan (1993 12)*: "...pouring scads of money into large-scale national curriculum efforts, open plan schools, individualization instruction; and the like. ...Something was bound to come of it...we have never really recovered from the profound disappointment experienced when our expectations turned out to be so far removed from the realities of implementation." *Change Forces* is an excellent derivative work that is based on the Anglo-Saxon experience; according to Fullan the system of education is a *learning organization*. The learning organization as a depository for the future can prepare the society going into the unknown world to stand up to the changes as well as to fortify the ability of the society to fight for changes. However, education is also a part of the society which is always changing and which is itself forced to change.

Before the Millennium a number of UNESCO's research studies pointed out that *decentralization and centralization* alone do not provide an answer for the negative performance of the education (decrease of the performance, cost management, marketable knowledge, etc.) Several experiments could show that decentralization reform led to corruption and loss of quality (McGinn 2002 12), although these bad practices were

most frequently experienced in states with a weak democratic social environment

There were states that had a strong democratic social environment, a tradition of local educational autonomy where an educational reform started which was based on a national curriculum, and a top-down restructuring has been started which emphasized decentralization (UK 1988, USA 1985). In contrast, the centrists attempted to give more responsibility to the central government than to the local governments. However, these political intentions supported the involvement and representation of local lay persons and the different interest groups (essentially the more important stakeholders) into management of the schools, furthermore, this trend demanded a stronger top control and accountability.

The above example can confirm the hypothesis that the change cannot be examined without the next three elementary conditions: it is necessary to know who has the main role in the process (how educated, experienced, what human relations etc.), for example in an education reform the role of the teacher is very important (see more Mckinsey's global education report 2007). Every organization, which can be developed, is in essence a special learning organization. This is an organic part of the whole society embedded into a democratic environment. Furthermore, according to Fullan's theses, every change must prevail in the culture over the formal dimensions of the organizations. In the case when the boundary condition cannot be overcome then the change would become a counterproductive effect and the committed actors of the change would burn out, because the lack of the changes in the culture would lead to empty formalism and a proliferation of the bureaucracy (Fullan 1993 111, Sarason 1990 129).

## 1.1.4 Cycle impact on social mood and vice versa – Hungarian case study

The relevance of the change's force appears in the crisis period. *Innovation theory* posits these waves arise from the bunching of basic innovations that launch technological revolutions that in turn create leading industrial or commercial sectors. *Joseph Schumpeter took up Kondratiev's ideas* in the 1930s. The theory hypothesized the existence of very long run macroeconomic and price cycles, originally estimated to last 50–54 years.<sup>4</sup>

<sup>&</sup>lt;sup>4</sup> Kondratiev identified three phases in a cycle: *Expansion, Stagnation, Recession.* 

According to *Niklas Luhmann* three social subsystems have three different innovation oscillations that can represent three different long waves (Luhmann 1985). The nature of the *development of the legal system* is different from the *nature of the decisions in politics* and the *nature of the economic interests*. However these systems are dependent on each other despite of the fact that they are able to function and exist based on different paradigmatic principles. The political social subsystem can be able to function at high frequency. The *payback period* of the political social subsystem is the shortest among all three. The innovation cycle of the political system is approximately four to five years between elections.

The payback period of the economic social subsystem is longer than the turnover of the political system. So the economic payback period is able to represent a medium wave. The economic investment cycle (according to Juglar's fixed investment theory) lasts seven to eleven years; it depends on the market expectation. The legal system is the most conservative one because this social subsystem is the most inflexible one and it can preserve the previously achieved human rights. The law can limit the political activity and political will which can be too excessive and violent but it may also be in the way of development and it might be getting in the way of progression. For sure the payback period of the legal system is the longest of them all.

If there are economic waves and there are political waves and there are law innovation waves, could there also be waves for human innovation that can follow or can overtake the other social subsystems. This idea

More common today is the division into four periods: The phases of Kondratiev's waves also carry with them social shifts and changes in the public mood. The first stage of expansion and growth, the Spring stage, encompasses a social shift in which the wealth, capital accumulation, and innovation that are present in this first period of the cycle create upheavals and displacements in society. The economic changes result in redefining work and the role of participants in society. In the next phase, the Summer stage, (rising inflation, rising unemployment...) there is a mood of affluence from the previous growth stage which changes the attitude towards work in society, creating inefficiencies. The Fall stage, this stage comes from the season of deflationary growth, (budget austerity) or the plateau period. The public mood changes during this period as well. Finally, the Winter stage, that of severe depression, includes the integration of previous social shifts and changes in the social fabric (stratification) of society, supported by the shifts in innovation and technology. Gordon, Robert J. (2000). "Interpreting the One Big Wave in U.S. Long-Term Productivity Growth". http://faculty-web.at.northwestern.edu/economics/gordon/338.pdf

about human innovation waves is one that needs more confirmation and it is necessary to find support in empirical data and with further observation.

If the economic system and other innovation and elementary functions of the social subsystem are based on the different waves (cycles) which are in complex interaction with each other then it can be suggested that the LOSS can be formed and evolve along those waves. Good examples might be found in Hungarian history: In the early 18<sup>th</sup> century the population of Hungary together with Croatia and Transylvania was not more than two million. The Hungarian Kingdom's population increased to approximately ten million (including soldiers) by the last decade of 18<sup>th</sup> century. This demographic boom could not have occurred unless population growth had been followed by an economic development that had been preceded by the construction wave of churches and schools. It can be observed that this century at the same time had to try to make up for the lack of the past also and to build the future. This experiment was very successful, because the people knew that they could not rebuild a demolished country if they did not rebuild their own education system.

Hungary was rebuilt stone by stone and repopulated step by step, a truly this work Sisyphean effort. If you visit a Hungarian village, you can experience the church or churches that were built during this period. It is not exceptional, that two or more churches stand (Lutheran, Catholic and Calvinist) on the main square of these villages. Often these same churches established their own school, too. They competed with each other and recruited more and more students to their schools that achieved better and better results. Because the religious peace did not forbid the teacher's freedom (there were some different cases) but in the end an eclectic and excessively high-quality education system was created without general basic education and a university system. There was not a privileged social class in the church schools. For example in the *Piarist* order school in Pest 158 out of 406 students were of noble origin and 248 students were of non-noble origin in 1780 (Kosáry 1983,108).

The students did not have to belong to the church. It was more important that the candidate should be a gifted student. The principle of choosing pupils was based on meritocratic approach. For example *Lajos Kossuth* - who later became head of the *Revolution and Independent War* - could go to a Piarist school in *Sátoraljaúhely (Zemplén County)* although he was a Lutheran. Of course several parents sought a church school for their

children in accordance with their own religion. A strong education system was very important for whole country.

The depopulated country did not have a large enough supply of food consequently the country did not have an adequate military force to fight against the Turkish Empire in the early 18<sup>th</sup> century. The Habsburg Dynasty and the Hungarian political elite tried to strengthen the border of the state and to protect and maintain the European power status quo by keeping the Turkish in the Balkans. The Royal House was Catholic, however, it had to tolerate the Calvinist and Lutheran and other religious movements and churches in Hungary as well as the eclectic and pluralist education system. This situation was favorable for reconstruction of the country especially for the agriculture and the supply of food and later for food exports. Beyond the rational arguments, the effect of the religious toleration, which was born in the middle of the 16<sup>th</sup> century in *Torda Diet* (Parliament), was very important. This century was the age of rebuilding temples and the age of building schools that was an original investment into the *human capital*.

### Accumulation of Human Resources (causes and results)

There was an essential human resource accumulation phase in the cycle between two crises in Hungary during the 18<sup>th</sup> century, from 1708 to 1815. This investment in human resources was an *expansion* that culminated at the end of that century. The *stagnation* of the reconstruction phase was at the beginning of the 19<sup>th</sup> century. This *saturation point* coincided with the world economic saturation point that coincided with the end of the Napoleonic War. Hungary was able to catch up with the periphery of Europe and in this way, the Hungarians were able to "climb aboard the last coach". But their economic system was not modern and did not have the ability to change because the feudal political regime did not allow radical changes in the social system as well as in the bases of economy and last but not least to reforms in the feudal state itself

The prosperity of the Napoleonic War could preserve a temporary feeling of some kind of welfare among rural landlords. The *wheat prosperity* hid several economic and social problems. Productivity was too low in agriculture and there were no roads and canals for the transportation of goods. The land was covered by water when the rivers flooded in the Great Plains then 25% of the country was under water.

The ancient system of law was getting in the way of progression. After the Napoleonic War food exports (cattle and wheat as well as wine, etc.) were reduced, thus the income of the landlords decreased, too. The crisis expanded through the whole country. But by then, a new generation had grown up which could not see and did not want to see the world like their father did. This new generation that had appeared in the country could travel overseas and could bring back to Hungary new experiences about the whole world.<sup>5</sup> This generation entered into politics and its members started out on their military careers, too. And last but not least young officers appeared in public administration, especially at local and county levels. They were Catholics, Lutherans, Calvinists, and Unitarians respectively, they came from ancient families or ordinary citizen families as well as from merchant families. They had one thing in common: they all were well-educated.

The Reform Age prepared Hungary for the Modern Age even though the revolution was crushed by the aid of the Army of the Russian Empire in 1849. This reform period had transformed the whole country successfully. The revolution had failed but after a short period, the Austro - Hungarian compromise was concluded in 1867. The Compromise reestablished the sovereignty of the Kingdom of Hungary, separate from and no longer subject to the Austrian Empire. The general compulsory public education and the new modern administration could be established. Last but not least, modern industrial factories: iron works, railroad system, food industry, etc. appeared in Hungary.

The last third of the 19<sup>th</sup> century was the Holy Peace epoch. However, there are some theories criticizing this Compromise period (Ausgleich). According to Oszkár Jászi who wrote The Dissolution of the Habsburg Monarchy (The University of Chicago, 1929) the old-new state formation was a time bomb because of minority issues. But according to on another

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Sándor Bölöni Farkas was born in 1795 in Bölön in Transylvania. He was a writer who is perhaps best known for his work (Journey in North America) he made while traveling in the United States in 1831. He described the United States as a wonderland, and praised American democracy very high. The book was banned by the Catholic Church in 1834. His diary contained already the New Hampshire Constitution, the Declaration of Independence before other source would publish in Hungary. According to some Hungarian historians this book opened the Reform Age in Hungary. This diary was a detonator, because this book published statistical description (exact data about the Census of the U.S. in 1830), it published an exact state description about the U.S., highlighted the idea of independence, equality and freedom.

author, Gyula Szegfű (Three Generations; the first publishing was in Vienna, 1920) the causes of the failure of WW I could be found in the decline of the achievements and the morals of the third generation which had lost the ethos of the Reform Generation (1831-1848). According to a less pessimistic scholar, John Komlos (The Habsburg Monarchy as a Customs Union, Princeton University Press, 1983) this formation of state was an entirely successful economic enterprise in Europe.

Hungary collapsed in 1918, after two destructive revolutions, but it was able to rebuild itself. This was the *Consolidation Era*, which started a giant project of investment into *human capital*. A New school building project started in the 1920s, it was the Klebelsberg's project, that was the "Hungarian New Deal". After the WW I, the ravages of the civil war and the Treaty of Trianon, Klebersberg played a leading role in the rebuilding and reorganization of the country. He served as Minister of Cultural (between 1922 and 1931). He introduced many educational reforms throughout Hungary. Klebelsberg helped create elementary schools in the countryside, began the modernization of numerous universities, for example the University of Debrecen, the University of Pécs and the University of Szeged. He created a new basis for teacher training in Hungary. The Hungarian education system did have difficulties, for example the teacher shortage was especially common in the rural areas.

A hundred years ago, almost a third of the population over the age of seven could not read and write. According to the principal of Klebelsberg every pupil should be able to get to school on foot within a maximum of one hour. So he had five thousand classrooms built in a period of three years in Hungary, especially in the countryside areas (see Act VII of 1926 on establishment and maintenance of public schools for the agricultural population). It was the biggest public investment in education of all time in Hungary. He was a hard and straight political man. He was often accused of wasting public money. But he was a prudent statesman. Once, there was a strong opposite opinion from an MP in the house of commons of the Hungarian Parliament about a budget discussion. He answered: "A lot of countries were collapsed by the excessive cost of the armament but none of them were destroyed by too much expenses on public education."

Looking back in the history of the modern public education in Hungary, primary education has always struggled with a shortage of buildings and teachers. A balance of supply and demand could not characterize the situation of Hungarian public education.

Based on the concept of Kuno von Klebelsberg, the school network was developed in the country, which has essentially determined the education system up to the present day. This conservative modernization intended to modernize the internal structure of the Hungarian society through a very cautious and gradual transformation performing knowledge investment, was a reaction directly to WW I and the subsequent shock of Trianon (Klebelsberg 1926). Of course, when the Klebelsberg model was formed, both the historical situation and the social demand was different than nowadays, but essentially, the Klebelsberg's educational model could help Hungary to survive the WW II and later the communist era. too. Since Hungary lost 20 percent of its own population (war casualties and POWs, deported and persecuted population) and a significant labor shortage appeared in the country immediately after WW II the contemporary new young generation had to become adult rather fast after the war because they had enough knowledge for complex trades and professions thanks their actual educational system.

The above two Hungarian examples point out that the evolution of the LOSS (including education) is not a permanent process but sometimes it is an interrupted flow which follows a special wave, it is interacting with the evolution flows of other social subsystems (the economic, political subsystems and the legal system). The LOSS had a very important role in the depression periods (*Winter Stage*), especially in the resolution of the crisis. These are not direct processes but the actual decision makers are responsible for the path out of any impending crisis, because they can influence the evolution of the LOSS wittingly or unwittingly, their decisions can determine several ways to address the problems in the depression periods. Therefore, the education system is never built for the actual supply and demand.

In the 18<sup>th</sup> century in Hungary, more and more rival school institutions created a competitive education system in a special *bottom up process* even before the depression period (after *wheat boom*). For this reason, a highly educated elite could form, and then assume primary roles in the successful *Reform Age* in the early 19<sup>th</sup> century. One hundred years later, when the social demand changed radically, the public education became as important as higher education. The Klebelsberg's era created a complex education system from public primary education up to the university level following the crisis (WW I and Treaty of Trianon), in a special *top down process*, which helped the majority of the population to survive the suffering of the WW II and what came after.

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### 2. Methodological framework

## 2.1 The methodological framework of the regional well-being researches made in Finland

Jorma Kurkinen

#### 2.1.1 The quest for the knowledge of well-being

The Northern Finland Centre of Excellence on Social Welfare (later Poske) is part of a national network of nine Centres of Excellence on Social Welfare in Finland. According to the law since 2002 the mission of these centres is 1) to secure, develop and transmit expertise in the social field, 2) to develop primary services and special services, 3) to develop the connecting structures between basic, further and supplementary training and practice, and 4) to carry out research, experiment and development activities. General purpose of the network is to provide an active collaborate structure in all Finland that supports provinces and municipalities in the social field. Poske is responsible of Northern Finland, an area that covers about 60 municipalities and 560 000 population and which is characterized by sparse population and long distances to services.

Poske realized that in order to be able to answer the challenges in the mission, it is necessary to gain research-based knowledge about real life situations and contextual environments. Context of the services was changing dramatically and the change demanded new regional knowledge of welfare and new method to produce it.

The development of the knowledge production of the well-being of citizens and the welfare services has been one of the main focus areas of Poske from the beginning of its operation. Over the years Poske has made several questionnaire studies concerning the well-being of citizens and of various population groups particularly in Northern Finland but also elsewhere in Finland. In general Poske has been developing a new knowledge producing system. This mission has included the following tasks:

- To produce new knowledge of citizen's well-being, service needs and change.
- To produce new knowledge of welfare services and their development needs.

- To monitor, predict and evaluate social change and social impacts.
- To develop methodologically the measurement of well-being.
- To develop a knowledge producing system that monitors regional (local) welfare on real time.
- To develop a method for the comprehensive evaluation of regional well-being.
- To influence on the regional welfare strategy work and decision making.
- To develop the know-how and skills of the central actors in order to anticipate and react to the change.

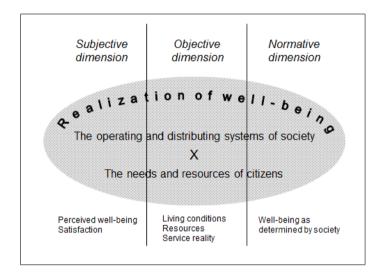
These tasks have only become more important over the years in the rapid social change of the operational environment. The traditional knowledge production has not been able to satisfy the growing and changing needs. The change requires methodological and substantive development of a new regional knowledge production and evaluation of well-being.

#### 2.1.2 The theoretical framework of Poske's researches

The concept of well-being can be defined as a state, where the individual have a possibility to satisfy the essential needs and where he possesses the necessary resources to acquire well-being in the every-day life. The deficit of well-being can be seen as a lack of this state. The well-being in Poske's researches can be reduced to a) immediate individual material and social needs, b) individuals' resources to operate and cope with life, and c) those society's function and distribution mechanisms and processes through which the individuals' well-being is realized in relation to other individuals.

According to this view the well-being can be studied from three perspectives: 1) subjective, when the well-being is evaluated by individuals by their own experience, 2) objective, when the well-being, resources and living conditions are measured by scientific and statistical techniques, and 3) normative, when the well-being and the ideal level of well-being is defined q. by legislation and operational practices of social rights and services. This approach to well-being is shown in the figure 2.1.2.1.

Figure 2.1.2.1 The approach to well-being.



The well-being is being realized in the last resort on the individual level, but it is realized in the interaction of needs and resources on the other side and the operating and distributing systems of society on the other. The realization of individual well-being is connected to external factors and surrounding society and it is more or less a result of an encounter of individual "micro-world" and societal "macro-world", where the different individual life situations meet not only the local conditions, structures and decision-making, but even larger political, economic, cultural etc. systems and processes. From this point of view, in order to get whole picture of well-being, it is justified to use both subjective and objective research materials.

The starting point in Poske's researches is to gain a holistic view of well-being by examining it in a multidimensional way and from different perspectives at the same time. In the social sciences this is called triangulation, which can refer to combining multiple theories or researchers, combining two or more different data perspectives, or using more than one method to gather data (quantitative and qualitative; such as statistics, documents interviews, observations and questionnaires). Using methodological triangulation and combining and relating different perspectives to one another, we will get broader, fully and deeper understanding of well-being.

The traditional and established data source to well-being is the statistics. We have plenty of statistical data of background factors and preconditions of well-being e. g. of population structure, employment, education and regional development. We also have data that is more directly connected to well-being of citizens' e. g. of living conditions, resources, health and illnesses, social problems and service costs. This kind of statistical information system is supported by several national and regional organizations and the statistics are easily at hand.

The statistics give us reliable, uniform and commensurable data which thus makes the comparison between different areas possible. But the statistics have also significant limitations. Firstly the temporal delay of the statistics is notable, usually several years. Secondly is the question of accuracy. The data is usually one year crosscut data and mean data of a certain statistical area, at best at municipal level. This kind of data covers up the inner differences and polarizations. So we cannot get sufficiently exact data of the differences between population groups or living areas inside the statistical unit. Thirdly statistics have knowledge gaps on several important areas from the perspective of well-being and development of services and decision-making. For instance through statistics we can get little knowledge of the actual well-being and needs of people and how they are changing. The point of view of statistics is also too problem-oriented. We get knowledge mainly of reverse or negative phenomenon of well-being, which involves corrective activities of the services, but indicators for actual good life are missing. So from statistical indicators or service statistics it is difficult to judge whether the situation is actually good or bad. One important area of which we can get too little knowledge from statistical indicators is also the quality, effectiveness and impacts of the welfare service activities.

In order to get a broader and deeper understanding of well-being we need to complement the picture of statistics. In the collection of new data it is appropriate to focus on deepening the subjective perspective of the experience of well-being. This kind of data is now almost totally lacking or is at least not systematically collected. The main new data should be collected by interviewing the citizens and collecting quantitative and qualitative data of the experience of well-being, service needs and shortages of well-being and service satisfaction.

We also need to include local and regional interests and perspectives to the picture of well-being. The third data source should focus on the opinions of the local authorities and experts, which would give necessary information and "silent knowledge" of the local context, circumstances and service solutions for the proper interpretation of the local phenomena of well-being and well-being processes.

The fourth and fifth data sources are the client registers and geographical data. In theory the client registers of local service producers could give us real-time knowledge of service actions and processes and geographical information system (GIS) data of locations and mobility of people and services. In practice the use of these data sources in the social and health field in Finland is however technically still so underdeveloped that these sources are almost totally unexploited. There are several reasons for that: amongst other things incompatible IT-technologies, privacy protection and lack of know-how. From the point of view of regional knowledge production the use of these would be essential.

In summary the perspectives and data sources of well-being should include the following:

- Statistical indicators (comparative knowledge).
- Citizens' experiences of their well-being and service delivery (empirical knowledge).
- Opinions of the service producers (local expert knowledge).
- Client registers (real time knowledge).
- Geographical data (location knowledge).

The data perspectives to well-being are illustrated in the figure 2.1.2.2.

Citizens Statistics · Experience of well-being · Uniform reference data · Demographic, socio-Lackina economic etc. factors Well-beine knowledae Client registers · Real time service Service producers

Service producers' knowledge

and services

· Local conditions, the meeting of people's needs

Figure 2.1.2.2 The data perspectives of well-being.

GIS

area information

· Geographical location

actions and processes

Not available

at the present

As illustrated the different perspectives give different knowledge of well-being. Some areas or phenomena of well-being are covered variously by several or all angles, some areas only by one angle. There will also remain areas or phenomena of well-being that are not covered by any angle. Consequently the principal thing is that it is necessary to look at the well-being from as many angles as possible. In the whole by using different perspectives we get more accurate, more sensitive, more diverse and more up-to-date knowledge of well-being. The different standpoints bring out the richness and complexity of well-being and finally by combining and relating the different material to each other, we can produce a broader, deeper and more balanced picture of the reality of well-being and of its underlying phenomena and processes in the context of the local environment and change.

#### 2.1.3 Collecting the data of citizen's well-being

In the development of the knowledge producing system of regional well-being the focus of Poske has been in advancing the measuring of the experience of well-being of citizens. Our starting point has been that individual well-being is fundamentally a multidimensional concept consisting of a wide range of dimensions such as health, independent functioning, livelihood, working life, residential area, social activity, leisure time, safety, regional development and regional identity. At the same time there has been a concrete purpose: to improve the welfare services so that they correspond the needs and the change of needs of citizens. The welfare services have also been understood widely including social, health, employment and social security sectors, and public, private and third sectors. The studies have taken into account also other services that are necessary to individuals' well-being and fluent everyday life e. g. postal services, banking services, shopping, public transport, cultural and recreational services.

Because of special regional conditions and interests, the contents and target groups vary in different studies. The basic structure, however, has been kept unchanged as much as possible in order to gain a commensurable reference data. Different studies enable thus geographical comparison between different areas and also temporal comparison if studies are repeated.

The regional well-being surveys by Poske include the following themes:

- Real-life situations and the experience of well-being by citizens (single aspects of well-being and life satisfaction).
- Differences in well-being among population groups, e.g. measured across age groups.
- Regional differences in well-being between urban and rural areas.
- Feelings of the lack of well-being and needs for services.
- Social support networks and needs for social support.
- Availability of well-being services, transport and access to wellbeing services.
- Use of well-being services.
- Satisfaction and dissatisfaction with received services.
- Obtaining information on well-being services.
- Use of information networks and technology.
- Social participation, preconditions for interaction and influence in the community.
- Citizens' wisdom: preferences and recommendations addressed to decision makers.
- Residential environment and surroundings, residential commitment and regional identity.

- Issues arising from special circumstances and needs in the particular research areas.
- Background questions (respondents' age, sex, family, education, main type of activity).

The basic questionnaire is fourteen pages long and consist about forty questions in all. In the questionnaire the themes of the survey is operationalized to a question sets, which include category questions, scale questions and open questions. The general structure in the questionnaire is that each main issue is first asked with category and scale questions, which apply five-step Likert scale (for example from 1 *Bad* to 5 *Good*). In the end of each section these are followed by open questions, where the respondents are asked to define their answers by own words, e. q. why they are satisfied or unsatisfied to the asked services.

#### 2.1.4 The comparative well-being studies in Northern Ostrobothnia

Poske has a versatile expertise in questionnaire studies concerning the experiences of well-being of the residents at different regional levels, as well as those concerning the well-being of various population groups in Finland. Examples from the latter are questionnaire studies concerning the well-being of different age groups, the disabled, the deaf and the visually impaired.

The main comparative data to Hungarian survey are the regional questionnaire studies carried out by Poske and partners in Northern Finland and particularly in the province of Northern Ostrobothnia. These include seven studies made between 2003 and 2011. All of them are made in co-operation with the local authorities and service producers, some of them also with other partners (Oulu University of Applied Sciences, the hospital district of Northern Ostrobothnia). In addition to these there are also correspondent researches, which are made elsewhere in cooperation with Poske, and can be used as comparative material. Such studies have been carried out in the Lapland region by Kemi-Tornio University of Applied Sciences (Kemi-Tornio area 2003 and 2005; Northern Lapland 2007).

Poske is also involved in one study conducted in cooperation with Finland and Russia. University of Lapland and Kola Science Centre carried out two questionnaire studies in the areas of Kola Peninsula in Russia (Murmansk, Kandalaksha), and eastern Lapland in Finland in

1994 and 2006. These studies focus on the effects of the opening of the border between Finland and Russia, tourism, culture absorption, changes in social structures, the citizens' at- titudes towards the border and motives for border crossing.

A possible reference material to these is offered also by some more or less corresponding surveys made elsewhere in Finland (some of them made in cooperation with Poske). These includes those made by the Finnish Federation for Social Welfare and Health (FFSWH; Eastern Finland 2003 and 2008; Central Finland 2007; and in the Province of Uusimaa 2003 and 2005 and Helsinki 2002), and those made by other Centres of Excellence on Social Welfare in Finland (Socca 2009, Verso 2008, Sosiaalitaito 2007, Pikassos 2004; SoNetBotnia 2009).

Possible reference materials on national level are also the barometers published by the former FFSW and later by SOSTE (Finnish Society for Social and Health). The Sociobarometer, published annually since 1992, is based on the evaluations received from the directors of various organisations and institutions producing welfare services and provides service producers opinion of the well-being of citizens and the state of welfare services on national and region level. Citizen barometer and Social and health NGO's barometer, both published every two years, survey the opinions of citizens' and NGO's on current topics, societal change and challenges.

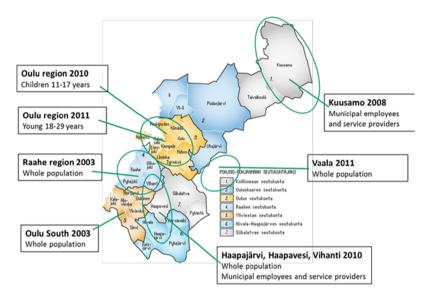
The main comparative studies made in Northern Ostrobothnia region are shown in the figure 2.1.4.1.

The map shows that the knowledge production is still not systematic, that the various surveys are geographically and temporarily fragmented. Also, as you can see from the following table (2.1.4.1), the focus groups and samples, data collection methods, respondent rates etc. have varied in the different well-being surveys made by Poske. The focus groups have included whole population, children, municipal employees and other service producers. When the target group were whole population the questionnaire were directed to all adult persons (over

18) living in their own home. The sample method has usually been random sample or systematic sample and the addresses are received from the population data system of the Population Register Centre. When the target group were children the total sample were used and the surveys were made in school during classes. In case of municipal

employees the total sample were also used and the e-mail addresses were either received from the employer (municipality) or collected otherwise (associations, private producers).

Figure 2.1.4.1. The regional well-being researches made by Poske in Northern Ostrobothnia.



The data collection methods have included surveys by post, by internet and by supported collection and different combinations of these in different rounds of the surveys. One of the most effective ways to guarantee a high response rate and reliability has been the so called supported collection method. In this the questionnaire is personally distributed to the respondent and taken back at the appointed time. Personal distribution gives the respondents a change to ask about items they might not understand and get help in form filling. One disadvantage of this type of data collection is higher expenses compared with survey by post. The method is yet essentially cheaper compared with the personal interview survey, and it can be carried out by students as a part of their methodological studies. A second effective way is to collect data in peoples' daily functional environments e. q. in schools, work places, old people's homes, employment offices etc.

A big challenge today is that data collecting with traditional survey whether done by post or internet has become more and more difficult.

The response rates of surveys have a tendency to remain low and thus the data does not fully represent the whole target group. This requires with each survey a thorough nonresponse analysis and analysis of the skewness of the data. It is common that the most vulnerable groups are missing. But in many cases reaching the opposite groups is as difficult.

In the end of each study the final interpretation and conclusions are made by combining the results of the empirical analysis of quantitative and qualitative data collected by survey with the other data perspectives of well-being: the statistical data, opinions of the local service producers, authorities and experts, and other background materials.

In the surveys we have found that the picture of well-being is of well-being is complicated and different from different perspectives. The individual well-being, and the polarization of individual and social well-being, is not equivalent to the picture that statistics give from the material well-being and its distribution in different geographical areas or population groups. In the individual level the statistical differences are on the whole shown less systematically and regularly. As compared to the service producers' opinions, they are closer to statistics than the experience of citizens. It seems that the service producers have a diverse outlook on citizen's needs, but, on the other hand, they have a tendency to observe best the needs that are recognized by and typical to their own authority and organisation.

Table 2.1.4.1. The regional well-being researches made by Poske in Northern Ostrobothnia.

Surveys	Target area	Focus group	Data collection method	Sample	Respondents (N) and response rate
CITIZEN SU	RVEYS				
Haapajärvi, Haapavesi, Vihanti 2010	3 municipalities, population 18 000 Rural area	Whole population (adults 18+ years)		3 000	1 230 (41 %)
Oulu region 2010	10 mun., pop.225 000 One big city and neighbouring municipalities	Children 11-17 years and parents	Internet (Webpropol), made during school classes	1203	1113 (51 %)
Oulu region 2011	10 mun., pop. 225 000 One big city and neighbouring municipalities	Young 18-29 years	Post (2 reminders) and Internet (Webpropol, activation by phone)	1 487	424 (29 %)
Oulu South 2003	17 mun., pop. 88 000	Whole population (adults 18+ years)		2 550	1 940 (76 %)
Raahe region 2003	6 mun., pop. 35 000 One industrial centre and rural area	Whole population (adults 18+ years)	1st round by post, 2nd round collected personally	900	475 (53 %)
Vaala 2011	1 mun., pop. 3 400 Rural area	Whole population (adults 18+ y)	Post	778	325 (42 %)
SERVICE PI	RODUCER SURVEY	s			
Haapajärvi, Haapavesi, Vihanti 2010	3 mun., pop. 18 000 Rural area	Service producers	Internet (Zef, activation by e- mail)	2 263	664 (29 %)
Kuusamo 2008	1 mun., pop. 17 000 Tourist industry	Municipal employees; service producers	Internet (Webpropol, activation by e- mail)	1 870	495 (26 %)
Vaala 2011	1 mun., pop. 3 400	Service producers	Internet survey	-	105

As a whole the surveys produce a large amount of both quantitative and qualitative material. Over the years Poske has developed a data handling and statistical analysis method, where the analysis proceed from general picture and comparison on research areas to the analysis of the dispersion of phenomena and further to more precise analysis of the different sub phenomena using different multivariate methods. A good example of the method is presented in the article in chapter 5, which studies the well-being of children in the Oulu region.

#### 2.1.5 Comparison of the surveys in Hungary and Finland

The idea for this research co-operation and conducting jointly a comparative study of well-being between Hungary and Finland grew out in discussions in 2010. We started to weigh up the possibility to do a corresponding research in Hungary and thus a comparative research of well-being. In the discussions we found that we had good grounds for that. In both areas rapid changes in society pose challenges which the welfare services system must adapt to meet. Many of the challenges are common, e.g. globalization, regional segregation, demographic transition, increasing differences in well-being between various population groups, differentiation in real-life situations among citizens, new coping strategies to manage unexpected life changes, difficulties in the recruitment of skilled labour in the welfare services and increasing potential for the application of new technology. In both states, the government officials are responsible for arranging social and health care services and promoting the well-being of the citizens. Even though there are differences between the areas of Hungary and Northern Finland, we found that the research cooperation would open new opportunities for developing services and safeguarding the well-being of people living in Hungary and Finland.

In order to meet the challenges, it is necessary to get research-based knowledge about the real life situations of citizens and operational environment. Our purpose of the research coope- ration was to generate new knowledge firstly of the perceptions and experiences of the well-being among the citizens and the state of the well-being phenomena, secondly of the regional and temporary processes and the internal differences, variations, polarizations and contradictions, and thirdly of the welfare services and the potential for the application of technology to safeguard services. Finally comparison between the results in Hungary and Finland would generate new knowledge.

Research plan was developed 2011 and 2012. Specifying the research plan demanded profound discussions in relation to the similarities and differences in the contexts of the countries and the special features in each countries welfare service systems. The process included adaptation of the Finnish questionnaire to Hungarian context, translations of the questionnaire first from Finnish to English, then from English to Hungary, specification and definition of issues such as the focus areas and population sample, the actual realization and data collecting by students, and defining the possible comparative statistical

indicators. Finally in autumn 2012 the field research in Hungary was made and the results are presented in this book.

# 2.2 Methodological framework, Sample selection and an overview of the composition of the Hungarian research questionnaire

Fónai Mihály – Patyán László

#### The Main Dimensions and Characteristics of the Research

In planning the empirical research on the *Hungarian North Great Plain* Region it was important that the research be comparable with that of the Finnish partner. In addition, all the previous experience and results of the members of the research group were taken into consideration in determining the dimensions and problems to be examined. Before describing the dimensions of the research it is important to know that because of the differences in the social history and institutional systems of Finland and Hungary there were some restrictions (for example in case of the local social supply system), on the Hungarian empirical data in the examination of several issues.

The request for public services, the expectations placed on them and the satisfaction level with these services were examined in the study. Public services are defined as those services, from public education through social provisions to settlement services and the recently important IT services, that are provided by the state, the local governments, the local societies, and through the NGOs and churches. Since the 90s these services have been interpreted as the *local organization of social services* (LOSS). Besides the *social* provisions (and institutions) LOSS also contains health care, education and other settlement services too (everything that appear as *public service* for those who live in that given local society) (Bódi 2001, Fónai 2012).

The first dimension of the research and the questionnaire was directed to the *households*. From the middle of the 90s it was one of the authors' important dimensions concerning research (Fónai & Pénzes &Vitál 2006, Bódi 2008, Fábián & Patyán & Huszti 2012). In the frame of the current research the situation of the households has also been analysed. The first series of questions was about the composition of the households. The respondents in the sample answered questions about themselves and also questions about other people who were also living in the household/family. Because of the inequalities prevailing in

the Hungarian society, Hungarian research on social topics, educational level and job situation are also usually investigated.

This research deals with these issues but also with the relationship the interviewees have with other people living in the household and demographics about them to include gender and age. Thus, households/families (in most cases households mean families) can be described well. Since gender and educational level influence the labour market and are related to income inequalities, these questions were included in the research plan as important, independent and explanatory variables.

While examining households there were questions about their financial and income situation, but these questions were not asked directly. Primarily the sources of household incomes were taken into consideration. In Hungary the rate of participation in the labour market income is low. This can be explained by the low level of employment (Income inequality 2009) and is the reason why the exploration of the potential income sources is extremely important, because the income source, its size and structure form the structure and operation of the local supply systems. On the basis of previous research the expectation was that social insurance and social transfers, that is social type income are at least as important as work income. In household/family income their rate shows the income inequalities, and they are suitable to form poverty indicators.

The situation of the households is not only characterized by the structure and resources of the income but also with the structure of expenditures as well. The structure of expenditures also highlights income inequality of the households and it is suitable to examine poverty in consumption also. Because of the Hungarian income and employment situation, which are characterized by big differences between incomes and the low level of employment (Borbély & Fülöp 2008), investigation of income inequality is considered an important research issue. The low level of incomes and employment has a serious effect on the operation of the local social service supply systems and on the expectations in connection with them (Bódi 2001, Fónai 2012, Csoba 2012, Horváth 2007, Patyán 2012).

The next dimension of the research and the questionnaire is location, transport and migration. This dimension of the research is an important issue in analysing the socio-geopraphical differences in Hungary and the impact on local social service systems (Fekete 2008,

Bódi & Giczey 2012). This study looks at the components of satisfaction and identification with the settlement, which is appropriate for the characterization of the operating method of the local society, because it shows what the local society is like and how strong the bonding with the local society is. The socio-geographical differences also affect the operation of the formal and informal supply systems. According to Hungarian research literature, although the bond to the local society is strong, it is often based on contact networks and it is not a civil bond (Fónai & Pénzes & Vitál 2006, Balogh & Fábián 2012, Huszti 2010). The development of the settlement, its current services and expected changes in the future for the settlement have a major influence on the bond that influences a person toward either staying in the settlement or migrating.

During the socialist system in Hungary a heavily supported public transport was developed, which, along with the overal employment situation typical to that era, in reality came together as "inside gate unemployment", overemployment and low effective employment (Csoba 2012), which served to enable the rural population to commute to urban workplaces. After the collapse of the social economy in 1990, mass unemployment developed and within one year one and a half million jobs were lost. A consequence was the crisis in the earlier form of the public transport. These processes interacted with each other so by the 2000's several hundreds of villages were no longer connected by public transport. It is understandable that the level and utilizability of public transport basically determines the living situation of the rural population and it often strengthens the "feeling of abandonment".

As noted previously in discussing the operation of the local society, the *supply systems* in Hungary primarily mean the family and neighbouring networks. This research also examines the frequency, forms and reasons for turning to different supply systems. In the framework of this dimension, household chores, financial difficulties and managing official matters are examined. Some of these issues were also examined by the Finnish partners, so the results can be compared. Based upon the peculiarities of Hungarian social history and earlier research with similar topics showed that the interviewees place more trust in informal supply systems than in formal institutions (Fónai & Pénzes & Vitál, A. 2006, Balogh & Fábián 2012, Huszti 2012).

This can only partly be explained by the operational method and the development of the local societies. Hungarian society has an "under

developed bourgeois status" consequently the influence and strength of the NGOs is weak, and Hungarians are less likely to turn to them if they have problems. They would not turn to institutions either because of the lack of trust and they take them into consideration when the only way a supply or service can be reached is in a formal, institutional way. The causes of this lack of trust arise partly from Hungarian social history (Tóth 2010). In the highly hierarchical Hungarian society, from which the "middle class" was missing, institutions were typically tied to the rulers. The other reason for lack of trust in the social institutions is the change of the political system and is related to the operational method of the already developed institutional system.

In the research conducted in Finland the utilization of the information network played an important role. On the basis of different indicators (Internet supply, and supply of PCs), Hungary is not in disadvantaged position. However, the use of ICT is significantly different from Finland in both *supply* and *demand*. The "mass" system of the information services has not been developed by Hungarian public institutions. In some fields, primarily in the business and in the bank sector the use of ICT devices is highly developed. In the public area there is the "client gate" system, that is primarily related to taxes. Local governments form an important part of the *demand side*. Their websites, primarily in bigger cities, provide several services to the population (administration, forms, information etc.). On the *demand side* there are two restricting factors. One is distrust towards administration and is based on nonpersonal connections, and the otheris the inequality coming from "digital gap", that restricts access.

Based upon previous research the dimension dealing with social and health services and the operation of settlements was included in the current research. The focus is on the experiences of those who use the services. Not only was the frequency of usage and satisfaction measured the study also measured how much the different services are known. It had been found in previous research that those services are the most known, people are the most satisfied with and use the most are those services that are the "the closest" to them. So in the previous study respondents were more satisfied with the GP than with the hospital (Fónai & Pénzes & Vitál). Since a major area to investigate was the "provision of the public goods, questions were included that refer to all potential services provided in the settlements. Some examples are free time, cultural and sport services offered in the settlements. The rating of how satisfied people are with them, and how often they are

used, basically form the quality of life of the inhabitants and their identification with the settlement and the possibility of migration. Another area studies was the operation of associations, which was one of the important elements of the research by the Finnish partner. Not only was the popularity of the associations operating in the settlement measured, the membership of the organizations was also examined. As already mentioned, because the middle class is missing in Hungary, and due to "the breaking of the development of the middle class that have strong citizenship responsibilitiy" the idea and practice of civil society is weak, thus major differences are expected between Finland and Hungary.

The final section of the questionnaire dealt with the recent life situation and the ethnic group of the interviewees. The respondent's health status, mental status, human relationships, financial situation, the quality and conveniences in their living environment as well as the quality of life basically influence the frequency of using the public services and have a strong effect on how much they are satisfied with the public services.

The examination of ethnic affiliation is important for many reasons. Since ethnic affiliation cannot be registered in Hungary, only research based on personal interaction can give a more or less precise image if there are Roma living in certain parts and settlements of the country and if yes then how many. This data is important because the census data are based on self- assessment and according to the census data only one third of the Roma population report their ethnic affiliation (Fónai & Fábián & Filepné & Pénzes 2008). The educational level and employment of the Hungarian Roma is very low, resulting in a high rate of poverty. To define *Roma* the practice of the *external classification* accepted in Hungarian research and literature is used. Thus, in this research Roma is a person who the interviewer considered to be Roma.

#### The principles of sample selection

In the research conducted in the Northern Great Plain Region a sample consisting of 1,000 *households* was planned. Since available data for *households* is not available because in Hungary there is no such a database, the sample selection unit was modified and people living in each household became the sample selection unit. Sample selection took place by taking gender, age group and type of settlements (the status of settlements) into consideration.

In the framework of the study a stratified sample was drawn from the population with the peculiarities of the settlement structure of the Northern Great Plain Region taken into consideration. Thus, the county centers, towns and villages became part of the stratification in sample selection. Specific settlements were selected on the basis of the peculiarities of the settlement structure of the certain counties. Persons included in the study were selected on the basis of the settlement type Selection was done by the Central Office of the Administrative and Electronic Public Services according to the national address register.

For the sample selection two times as many additional addresses were used as the number of the people was who were finally included in the sample in order to insure that the study would include an adequate number of respondents. The sample on the basis of the settlement types (the status of the settlement), gender and the age group can be considered representative. Any difference from the population resulted in weighting according to three criteria (settlement type, gender and age). The composition of the weighted sample was 47.6% men and 52.4% women which is the same as the region. The distribution of the sample by type of the settlement is shown in the table below.

Table 2.2.1 The distribution of the sample according to the type of the settlement.

	Frequency	Percentage
County centers	264	26.8
Towns	392	39.8
Villages	328	33.4
Total	985	100.0

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services."

The sample according to settlement types is very close to the distribution based on the number and population of the settlements of the region. The age distribution is also representative of the region.

Table 2.2.2 The distribution of the sample according to the age-groups.

	Frequency	Percentage
– 29 year	201	20.5
30 – 39 year	193	19.6
40 – 49 year	163	16.6
50 – 59 year	173	17.6
60 +	255	25.9
Total	985	100.0

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services."

#### The specifics of the Hungarian sample

This chapter introduces the main characteristics of the respondents making up the sample. While developing the sample, because of the available database (the national address register) it was not the heads of households who were included into the sample. During earlier research heads of households meant the sample frame, which was more suitable for the characteristics of the household/family situation (Fónai & Pénzes & Vitál 2006, Fónai & Fábián & Filepné & Pénzes 2008). In the current research individuals were included in the sample by taking the age group and settlement type into consideration. Independent of the composition of this sample, information was obtained also about the households/families. The gender distribution of those interviewed was 47.6% women and 52.4% men. The distribution of the sample according to education level is shown in the following table.

Table 2.2.3 The distribution of the sample according to education level, in percentage.

Having maximum basic education (elementary school)	20.5%
Having vocational education (vocational education without final exam)	20.3%
High school giving final exam	34.3%
College	12.6%
University	7.8%
Lack of response	4.3%
Total	100.0%

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N = 985

The distribution of educational level is roughly evenly distributed across the sample, if college and university degrees are combined. Most of the respondents graduated from high schools that provide a final exam. In Hungary the success of the labour market is basically determined by the educational level. The higher the educational level of the more they have the chance to be employed. The employment status of the sample is shown in the table below.

Table 2.2.4 The distribution of the sample according to economic activity (employment status) in percentage.

Active, employed	50.8%
Unemployed (registered and not registered)	17.3%
Pensioner	23.9%
Other inactive (student, being on maternity leave)	5.7%
Lack of response	2.3%
Total	100.0%

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services". N = 985

In 2013 in Hungary the level of education was 59.0%, which is significantly behind the EU average (KSH 2013). In the *North Great* 

Plain Region it was only 49.9% which is significantly behind the national level (employment 2013). This phenomenon has several reasons, for example the long-lasting crisis of the previous economic structure, and industry and agriculture from the time of the political changes up to the present day. The most important consequence of these factors is the low income in the region. Migration can be a problem as well. Affiliation according to gender shows significant differences with the educational level and the employment (2.2.5. and 2.2.6. table):

Table 2.2.5 The connection between the educational level and the distribution according to genders in percent (Pearson Chi-Square p < 001).

	Men	Women
Having at least basic education (elementary school)	15.0%	25.5%
Having vocational education (vocational education without final exam)	30.8%	10.8%
High school giving final exam	32,7%	35.9%
College	9.4%	15.6%
University	9.8%	6.0%
Lack of response	2.4%	6.2%
Total	100.0%	100.0%

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N = 985

The deviation in the differences between the educational level of men and women corresponds to the overall Hungarian situation. There are more women than men who have the lowest educational level, but there are also more women than men who have high school or a college (BSc) degree. These characteristics affect the level of employment as well, supporting an explanation about the lower employment level of women, which is in connection with the higher rate of the unskilled workers even though the women have more college degrees than men.

Table 2.2.6 The connection between the economic activity (employment) and the distribution according to genders in percent. (Pearson Chi-Square p < .001).

	Men	Women
Active, employed	56.8	45.2
Unemployed (registered and not registered)	17.7	17.1
Pensioner	19.1	28.2
Other inactive (student, being on maternity leave)	4.0	7.2
Lack of responds	2.3	2.3
Total	100.0	100.0

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N = 985

The differences of the employment of the genders correspond to the indicators of the region. The higher pensioner rate can be explained by the women's previous lower retirement age and the higher age of women within the sample (in the age group over 60 the rate of women is 8.7% higher).

Student field journals written about the data collection process during the research process

The research was a questionnaire examination based on personal interviews. The interviewers were students of the *Debrecen University* and the *Szent István University* (Gödöllő). Their experiences were written down in their journal of research field work report. The students focused on two things (1) the circumstances of the interview to include the reaction and cooperation of the interviewes and (2) their impression and peculiarities of the settlements. According to the interviewers' reports the rate of those who did not cooperate with them was very high. The students think the reason for it was universal distrust and often the irrational fear of strangers, but at least being wary of them. The interviewees often said that too many people visit them in their homes and there are too many swindlers and violent "opinion distributors" who come to their houses on behalf of some organization or party. The interviewers stated that the respondents in rural areas

were more accepting, they were less distrusting and in interview situation the interviewees soon started to behave in informal way and treated the interviewers as acquaintances.

The other recorded experience of the young university students concerned the living conditions of the families, and the image and milieu of the settlements. Their general opinion was that they gained an impression about a life with poverty, and about the stagnant and physically unapprochable villages. Their opinion was that independent of their university major, and because of their own personal life experiences that it is most important to at least once step out of the middle class cities with their higher standard of living.

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### 3. Changes in the LOSS in Finland and Hungary

## 3.1 The role of non-governmental organizations in promoting welfare in the rural villages of northern Finland<sup>6</sup>

Arja Kilpeläinen

The right to choose one's place of residence in Finland is guaranteed by law. However, municipalities of small villages have financial difficulties maintaining welfare services and offering them to residents. To solve this challenging problem requires open-minded thinking and new ways to offer services to citizens. To address this dilemma, non-profit organizations (NGOs) have a specific role to play, particularly in Finland where the work of NGOs has a long tradition. Transparency of acting is to some extent a prerequisite to the participation, which is one of the main conditions for cooperation between NGOs and authorities. Cooperation provides a foundation for the continual welfare and security of people living in remote villages. In this paper the aim is to describe a common belief among actors in NGOs about their prominence in the public sector and about their opportunities for participating in decision making. The results showed that the role of NGOs in remote areas is increasing. NGOs are known best by municipal authorities and least by state authorities, and the NGOs have a high level of cooperation with the public sector and give a voice to the people. The changing trend of welfare policy seems to support the union of communities, particularly in the production of basic services, even if the public sector still has the main role of producing and organizing welfare services. NGOs offer a relevant support to ease everyday life in remote areas.

#### Introduction

Finland is a country with extensive rural areas and a population of only 5.3 million. Hence, the population density is low—on average only 17 inhabitants per square kilometer. In comparison, the corresponding figure in Hungary is about six times higher. Over one million Finns live in the metropolitan area: Helsinki, Espoo, Vantaa, and Kauniainen. On the other

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hand, Lapland covers one-third of the country and has just over 183,000 inhabitants, giving an average density of 2.0 inhabitants per square kilometer (Lapin Liitto 2010a; 2010b). The northern part of Finland, therefore, represents sparsely inhabited areas on a wider perspective.

Everyday life in remote villages contains many challenges, such as migration, aging population, and low population density. This is not a new situation in remote regions. For example, Finland experienced an intensive migration from rural areas to cities in the 1960s. This migration decreased somewhat during the next decade (Kortelainen 2010). Even so, against predictions (e.g., Rintala & Heikkilä 2004), people still live in villages, and there are some indications that they'll continue to do so (Aho & Ilola 2004). Hunting, picking berries, and hiking in nearby nature areas are among the activities valued by villagers.

The Constitution of Finland guarantees similar rights to all citizens regardless of where they live. This is a crucial issue in the production of welfare services to residents. Municipalities are obliged to organize welfare services equally, but their resources differ depending on different factors, such as number of inhabitants, property, and sales revenue, etc.

Traditionally, non-governmental organizations (NGOs) have been part of Finnish culture and have shaping the welfare policy, for example through volunteer work, peer support, and advocacy. In some cases professional expertise and training are included in NGO job descriptions (Peltosalmi et al. 2009; Pihlaja 2010).

The possibility to participate is the key point in developing social cohesion and in building a secure and functional environment for people. However, the number of active NGO actors is decreasing with the decreasing number of residents in remote areas. In addition, cooperation between authorities and NGOs is complex (Pihlaja 2010) with a need for improvement. This liaison should be examined closely because associations have a special role in Finnish society, and the level of their importance has international significance (Siisiäinen & Kankainen 2009).

My aim in this paper is to describe the various cooperative associations between authorities and the third sector. This article focuses on statements dealing with the prominence of NGOs among different authorities and on opinions about their cooperation. This provides a means to reflect on welfare services and the role of NGOs in their supply.

#### Public sector and pressures for change in organizing everyday welfare

At the national level, the Finnish administrative policy and the Finnish welfare policy have probably undergone their greatest changes during the last two decades. The most influential reform has been, and still is, the national project to restructure Finnish local government and services. It was launched in 2005 and continues today. This reform is based on problems encountered in organizing and financing even the basic law-based welfare services to all citizens. From the perspective of the economy, local authorities lack the resources to provide proper services and living conditions for people (Vakkuri et al. 2010). However, the number of municipalities has decreased significantly during the last two decades due to the policy favoring merger (Figure 3.1.1.), which has perhaps been one of the main consequences of this national project. The policy is based on the idea of an economy of scale – that services can be arranged more effectively for a broader population base.

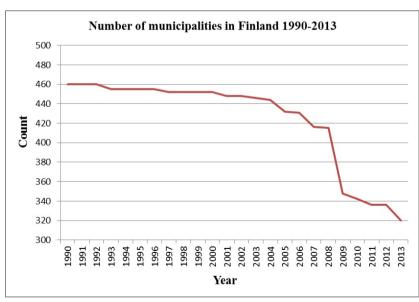


Figure 3.1.1. Number of municipalities in Finland 1990–2013.

Source: Municipal Mergers 2013.

Inevitably, changes of this type have a number of effects on villagers. For example, public services have receded from villages to municipal centers

or even to other regions (e.g., Kilpeläinen & Pohjola 2007; Laitinen 2010).

Finnish municipalities can be divided into different types. According to the commonly accepted definition, there are three types of rural areas in Finland: rural areas close to urban, rural heartland, and sparsely populated rural areas. Rural areas close to urban centers are the healthiest areas and lie in the southern part of Finland. Rural heartland areas usually are relatively well-off economically, even if the economic structure has been reshaped. However, people living in sparsely populated areas are moving to the cities for employment or other reasons. Due to this kind of development, polarization is occurring. The proportion of Finnish people living in rural municipalities is 40% (Statistics Finland 2008; Rural Well-being...2010). The trend seems to be that rural heartland areas are becoming more prosperous while remote areas are dwindling.

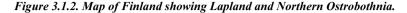
Despite the ongoing changes in the political arena, Finnish municipalities are very independent in their decision making, although the state has its own role in taxation and in allocating taxpayers' money to the municipalities. In 2013, municipalities had over 500 statutory tasks to fulfill (Mäki- Lohiluoma 2013), imposing many demands on the authorities both at the national and at the regional level. The participation of citizens is considered an important mean to develop services. Concerning this target, municipalities have to rethink their methods in developing and organizing welfare services. However, this participation is a continuous issue in programs at the national level. Government program after another underlines citizens' possibilities to participate in decision making (Government Program 2007; Government statement 2010; Government Program 2011). This is a challenge for municipalities and for villagers, especially in sparsely populated areas; overall sectoral cooperation is needed.

#### Data and analysis

Finland has a long tradition of voluntary and paid work among associations and federations. For example, in Lapland there are over 400 associations dedicated to social and health care (Palmgren

& Martin 2008). One of these is the Lapland's Social Welfare and Health Association, which is based on voluntary work. Between 2007 and 2009 the Lapland Association conducted the project *Järjestötieto tunnetuksi* (*Getting Familiar with Federations*), which involved two large surveys

aimed at social affairs and health NGOs in Lapland and in Northern Ostrobothnia (Figure 3.1.2.) (Martikainen et al. 2010).





The data that I analyze in this paper were collected during 2009, and the informants were chairpersons or members of the boards of social affairs and health NGOs. The employed questionnaire was part of the second survey mentioned above. Thus, the data form only a small part of the overall research, but are significant, especially from the perspective of villages in remote areas and their NGOs.

Altogether 484 questionnaires were sent, of which 198 were answered. The answering rate in the second survey was 37%, which is rather low. On the other hand, this percentage is not uncommon in contemporary quantitative questionnaires and it does give relevant information on the phenomenon, although it should not be used to generalize. There are some explanations for the low answering rate. The first survey had been conducted only 18 months earlier and there had been other surveys

during the break, which may have brought about some survey fatigue. In addition, the timing of the questionnaire was not the best as it took place during the holiday season. Nevertheless, it is possible to make some conclusions from the evaluation.

The data were analyzed statistically through quantitative methods using the SPSS program. Analysis was based on the subjective opinions of the NGO actors; opinions of the authorities were not included in this research as they will be the theme of another research project.

This article focuses on analyzing two statements selected from the questionnaire. The informants were asked to evaluate how well known their organization is among municipal authorities, state authorities, and elected officials. The other statement concerned cooperation between NGOs and authorities and the possibilities to participate in and influence the decision-making process in municipalities. Participation and prominence are landmarks of cooperation between NGOs and authorities and thus form the foundation for everyday welfare and security in villages.

#### The role of NGOs in the Finnish welfare system

In Finland, NGOs have always had a specific role in society. In 2011 Finland had about 8,000 officially registered social affairs and health NGOs, and the number is increasing by 100–200 every year. The actors are usually non-profit organizations; their work is mainly based on voluntary work, although the third sector also conducts business for profit. The most important work the third sector does is lobbying the authorities and thereby promoting the national development of welfare at every level. (Harju 2003; Peltosalmi, Vuorinen & Särkelä 2009)

In addition to social affairs and health associations, there are numerous other types of organizations, such as local sports associations, the Martha Organization, and hunting and fishing associations. On the whole, Finland has approximately 120,000 associations with around 15 million members. Given that the number of Finns is slightly over 5 million, one person is statistically a member of several associations during his or her life. (Peltosalmi et al. 2009)

Based on this high number of organizations as well as the ongoing reform, NGOs without a doubt have a very important role in the production of welfare and better living conditions in villages, especially in Finland's rural areas. The sparse population combined with

geographically long distances creates unique challenges when adequate welfare services are provided, maintained, and developed for the residents of remote villages and municipalities. The diminution of resources in municipalities has forced authorities to identify innovative solutions and strong cooperation with all regional actors. The only sensible alternative, therefore, is to work together with NGOs in pursuit of better living conditions. Or is this so?

#### The prominence of social affairs and health NGOs

The starting point of all cooperation between the public sector and the third sector is the prominence of local, regional, and national NGOs among the authorities. This is also fundamental to the NGOs because they need to be recognized as relevant actors who give a voice to villagers in municipalities. However, to become a well-known association can be difficult, considering the small size of NGOs. Work in associations is mostly voluntary, and the activities depend on the volunteers' activeness. Therefore, the activity of an NGO changes over time.

The most important cooperators at the regional level are the authorities of municipalities. Elected officials of municipalities have a very important role because they make almost all decisions on the use of money. In addition, there are the authorities of state organizations. The public sector is thus quite fragmented, and if cooperation between authorities is challenging, the situation becomes even more demanding with numerous NGOs taking part.

According to the respondents' replies, they do not seem to think there is much variation in the level of prominence of NGOs regardless of the authority under discussion (Figure 3.1.3.). The informants of the research assert that their own organizations are known best by municipal authorities and least by state authorities and by elected officials more than state authorities. This is locally quite significant in terms of their voluntary work in municipalities.

Recognition of own NGO among different actors, % 30 state authorities 50 14 ■ very good quite good elected official 5 ☐ quite badly very badly authorities in municipalities 1 2 0 10 20 30 40 50 60

Figure 3.1.3. Recognition of informants' association among different authorities according to the respondents.

Source: own survey (2011)

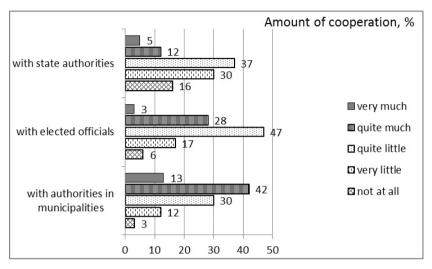
The prominence of NGOs facilitates their cooperation with authorities and provides stability and continuity to it. On the other hand, process continuity is important to NGOs, especially to those offering welfare services paid by municipalities. Municipalities buy welfare services from NGOs, and this enables the existence of small local associations. Since the actors of these associations are mainly from villages, this concept generates welfare and security in communities, e.g., by creating new jobs. Especially in small municipalities and villages, every job is worth its weight in gold.

## Cooperation – its conditions and implementation

As noted previously, there are numerous municipalities in Finland having the right to make independent decisions on welfare services, among other things. There are almost 4,000 villages among those municipalities with official Village Action Associations (Rural well-being...2010) and other NGOs, which provide one possibility for citizens to be heard. Due to the recently changed national trend described earlier in this article, authorities in municipalities are forced to pay more attention to citizens' opinions and to give them an opportunity to participate in decision

making. It is, therefore, very interesting to note the extent of cooperation between NGOs and authorities

Figure 3.1.4. Cooperation between NGOs and different authorities, as respondents interpreted it.



Source: own survey (2011)

The vivacity of the actors seems to be in order, and their cooperation with authorities in municipalities is relatively active. According to 55% of the informants, their cooperation with authorities amounts to at least "quite much." Only 3% report that there is no cooperation at all at the municipal level, which is a very good sign. On the other hand, it is worrying that as many as 16% think there is no cooperation with state authorities (Figure 3.1.4.). This suggests that we have to think seriously about why cooperation with state organizations and authorities seems difficult.

Elected officials are important decision makers in Finnish municipalities. For example, boards and committees make the final financial policy decisions based on propositions made by authorities. These officials are elected every fourth year and they represent the public voice. It should, therefore, be obvious that they have close relationships with local NGOs and actors. However, it is surprising that only 31% of the informants said that their cooperation with elected officials amounts to "quite much" or more. This boils down to the question, are elected officials also detaching

themselves from local people (Kilpeläinen & Pohjola 2007; Laitinen 2010)?

Fluent everyday life in remote villages enabled by technology?

In the contemporary world, the role of e-services and e-networks is strengthening. Authorities in the public sector as well as NGOs have to develop an alternative course of action and new systems. Electronic services provide one solution for the changing needs and for supporting daily life in villages. However, the dilemma of availability is present in producing e-services. At best, they complete traditional services and offer an alternative to transact with authorities. However, are there appropriate equipment and connections available in remote areas—areas where eservices are needed most but the capacity of buying and organizing them is not necessarily the best? According to Kilpeläinen and Seppänen (2013), people in remote areas are slowly becoming more familiar with computers and the Internet. The ways they use information technology are routine use, entertainment, and utility. The most common way of using information technology was reported as routine use, like online banking, communicating with relatives or with friends, and e-services. However, even inside the group of routine users, the variation of the level of using IT was wide. Working-age people in villages use IT as a tool, whereas the third-age group (65-79 years) in remote villages in the northernmost region in Finland were reported to have the strongest faith in the possibilities of IT (Kilpeläinen & Seppänen 2013). In summary, people in remote villages are willing to use e-services to a reasonable extent because it is a very competitive alternative to the other option, which is to travel hundreds of kilometers to reach services, or even move away from your home village.

Online support communities are one means to complement face-to-face support. It provides the opportunity to meet others without travelling. To work and to have a social life online is not yet a solution for everyone. This is where NGOs can make a contribution. Associations could offer, for example, online counseling or create social communities via the Internet. Some associations already do this in Finland, but mostly it is taken as a positive extra. Giving and receiving information is more common instead, which is a good start (Martikainen et al. 2010). In Lapland, the Social Affairs and Welfare Association has just started a project to develop technology-based solutions for the local NGOs who work to support everyday life in the region and its villages. The purpose

is to create lighter solutions for cooperation and new models for voluntary work.

Purely from the viewpoint of the association, a huge step has been the portal lappilaiset.fi. It is founded to support NGOs in rural areas. This portal includes information, news, and possibilities to be in contact with other representatives of local associations in remote regions of Lapland. This environment also provides the platform to virtually encounter authorities and to become familiar with each other. One part of this portal is the platform for voluntary working through which a genuine lane to enhance welfare in villages can be realized.

One notable long-lasting dilemma is the relationship between and within the social and health sectors. There have been a number of projects involving joint technological development and usage with an aim to enhance traditional services. This idea is also included in many national strategies, such as "Tulevaisuuden verkottuva Suomi"(Networked Finland of the Future, translation AK), "Tulevaisuuden elinvoimainen Suomi" (Dynamic Finland of the Future, translation AK), "Arjen tietoyhteiskuntastrategia" (Ubiquitous Information Society), "Kansallinen tietoyhteiskuntastrategia 2007-2015" (The Knowledge Society Strategy 2007–2015). In reality, the health sector has been the leading user and developer of the production of e-services. This has led to the established practice that the majority of funding has focused on the health sector, although strategies to promote health are written for the health and social sectors as a joint actor.

For NGOs, the development of e-services may be in its infancy or, for some of the major NGOs, may be at a high level. At least at some level, the role of NGOs awaits clarification in these strategies and actions; at the moment it is vague and indefinite, in some cases even taken for granted.

#### Discussion

Associational actors entertain some basic ideas about their role in supporting the villagers of remote areas. They do voluntary work to make villagers' everyday life easier and to help them confront vicissitudes. On the other hand, according to Ritva Pihlaja (2010), the public sector has its own vision of municipal third-sector actors, especially in the production of basic welfare services, and this adds tension to the cooperation between them. In general, the importance of NGOs is increasing, which might cause dissonance between the actors of different sectors. Active

people in NGOs want to have their freedom to decide, while the expectations of the other side may be very specific.

The gaps between the different actors call for some deliberation. Can people in remote areas actually choose or are they forced to deal with associations to reach even the basic welfare services? The changing welfare policy seems to support the union of communities even in the production of basic services, but the needs of citizens can be very individualistic. This is an opportunity for local and regional associations but it may also be a burden. At the national level, cooperation between NGOs and the public sector is polymorphous, but the voice of NGOs is not audible (Peltosalmi, Vuorinen & Särkelä 2009).

The significance of associations in remote areas is rising. The crucial question is: How is it possible to support associations in their basic work supporting everyday life in remote areas without setting them up against challenges they cannot handle? Especially in remote areas, the part of voluntary-based work is prominent.

Based on the answers in this research, actors in associations seem to think that they are well-known in the public sector. This is only one side of the coin. An association engaged in fruitful cooperation with some actors in the public sector may not be adequate if some other actors are not included.

To support everyday life presumes explicit and public discussion about the values and ethics in the organization of services. In this discussion NGOs have a very important role as speakers for minorities and small groups. While municipalities are faced with great changes, the voice of a single inhabitant and even of a single village may be weak. Therefore, NGOs are important actors in the formulation of welfare policies and services.

It is also worth considering whether NGOs can be genuine participants in local decision making. In Finland, associations often give a voice to minorities and defend their rights when needed. Since the current national policy seems to lean toward the economy of scale, it is crucial to discuss local associations as a channel for the voice of the average citizen. We have to ponder how to guarantee that there are reasonable possibilities for NGOs to carry out their work and thereby support people and their everyday life in sparsely populated regions.

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#### 3.2 Changes in the Hungarian local government system

Gabriella Csűrös

The reform of the public sector is still an ongoing process in Hungary. The measures – taken by the present (2010-2014) right-wing government up until now – show fundamental changes in public services, both at central and local governmental levels. This reform is an answer to the dysfunctions of Hungarian local government system established in the nineties related to the era of transition. The aim of this study is to represent and evaluate the main characteristics and changes of Hungarian local government system. During my research I primarily apply analytical analysis, interpretation of legal documents – using historical analysis and comparative method, and estimating statistical data

## 3.2.1 Changing models of Hungarian local government system

Decentralisation of local government has no strong historical root in Hungary. From 1870 until the middle of twentieth century both the settlements and the counties had self- government rights with different legal status and functions, in which the counties played the dominant role. In 1950 the Council Act changed the earlier local government system and implemented the *Soviet model* with a centralised, hierarchical government structure eliminating the right of self-government at sub-national levels. In the period of Hungarian state socialism the local councils depended not just on central decisions but also on county councils and political actors. In conclusion the influence of external factors on the development of Hungarian territorial units strengthened the centralised endeavours.

During the period of regime change a new regulation; the Act LXV/1990 on Local Governments was adopted radically changing the Hungarian local government system. After this reform the local government system was based on the principles of European Charter of Local Government and guaranteed the autonomy of local units. The

<sup>7</sup> This study is based on investigations of the Research Group of the Hungarian Academy of Sciences and the University of Debrecen (MTA-DE) on Regulations of Local Public Services (2012–2016).

Hungarian local governments had wide responsibility for providing public services though they were relatively small units, so they *mixed the Scandinavian* local government model on the basis of their role and *the Mediterranean local government model* on the basis of their fragmentation.

Table 3.2.1. Indicators of local government models and Hungary (2010).

Indicators	Federative model	Scandinavian model	Mediterran model	Great-Britain	Hungary
	(Germany, Austria)	(Denmark, Sweden)	(France, Spain)		
Average inhabitants in local government/ country population	6700/82.4M 3500/8.2M	56000/5.4M 31000/9M	1700/62,8M 5400/43M	139500/60M	3100/10M
Local government expenditures/GDP	7.2% 7.6%	33.6% 24.7%	11.3% 6.5%	13.3%	11.4%
Local taxes/local revenues	42.9% 61.4%	36.0% 64.8%	45.5% 48.9%	36.1%	25.5%

Source: Own compilation based on Vigvari (2011, 97)

# 3.2.2 Features of Hungarian local government system after transformation

First, I will analyse the original system of local governments created in 1990 with respect to the regulations, institutions, competences and finances of local governments, afterwards the main initiatives of structural and financial reforms during the following two decades and the main dysfunctions of the system.

## Legal basis, territorial structure

The Constitution delegated wide power to local governments and the Act of Local Governments defined the level of settlements as the basis of local government system.

The radically altered Constitution (Act XX/1949) defined the right to self-governance as a collective right of the community of voters. According to the standpoints of the Hungarian Constitutional Court the rights of the community of voters enjoy the same protection as

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The local government system in Hungary consisted of 3168 settlements which have an average of 3340 inhabitants in 1995 (Bódi, 2003: 214).

fundamental rights<sup>9</sup> and local governments are a sovereign branch of power<sup>10</sup> (fundamental rights and tasks of local governments could be regulated only by the Parliament). Apparently, *Constitutional guarantees provided wide autonomy for local self-governments and met the requirements of the European Charter of Local Government.* 

According to the Constitution and the Act of Local Governments there were two types of local governments: local government of the settlement and local government of the county (as territorial self-government). Each settlement, even the smallest one was empowered to undertake any types of local government tasks regardless of their size. The role of counties was to perform special local public services that are not provided by the municipalities. Therefore the sphere of actions of the county governments was limited not only by the regulation of the Parliament (dealing with the transfer of competences) but also by the individual decisions of settlements as counties could execute only those tasks which the settlements were unable to or unwilling to fulfil. As a consequence of the counter-limitation of county governments and the motility of competences between different levels of local governments the meso-level of local government had narrow functions and they did not create a stable system.

The relationship between the self-governments of the county and the settlements in the same county was not hierarchical; both of the directly elected local governments had their own tasks and duties. Not just the functions and their wideness of different types of local governments were different but also the scope of their financial autonomy: the meso-level counties could not impose any taxes, so did not have any own revenues. The deliberate intention to weaken the county self-government derived from the negative experiences of state socialism and resulted in a powerless meso-level self-government that could not fulfil any integrative, controlling roles over settlements.

There were two special types of settlements: towns of county rank and the Capital. A town of county rank 11 functioned as a local government of

<sup>&</sup>lt;sup>9</sup> 8/1993. (III.19.) resolution.

<sup>&</sup>lt;sup>10</sup> 55/1994. (XI.10.) resolution.

In 1990 there were 20 towns with county rank. In 1994 other two towns received this title and since 2006 there have been 23 towns with county rank in Hungary (their number cannot be higher according to the new Act of Local Government adopted in 2011). The number of counties (19) has not changed during the two decades. Source: http://www.terport.hu/telepulesek/telepulestipusok/megyei-

settlement and also fulfilled the responsibilities and exercised the jurisdiction of county government in its territory. As a result of their special status the towns with county rank practised wider competences than other settlements but were not represented in the decision-making body of county government. The capital city, Budapest had a unique, dual structure: the two-tier local government of the Capital was composed of the local government of the Capital and of its 23 districts. Both levels were local government of settlement with separate responsibilities and authorities defined in the Act of Local Governments.

Another significant characteristic of the Hungarian local government system was the *right of voluntary association in spite of the fragmented structure*. Due to the subordinated position of settlements in the era of state socialism every settlement insisted on their independence, so their willingness to associate with other local government was low.

#### Institutions, controls

Every local government of settlements had the right to develop its organisation and order of operation. The most important *bodies of the settlements*<sup>14</sup> were the body of representatives and the mayor and the voters in the community directly elected both. The body of representatives (settlement council) was the main decision-making institution, it had the right to pass regulations, determine the budget, levy local taxes, borrow and issue bonds, etc. The mayor who was also a member of the body of representatives fulfilled his municipal and state administration duties and exercised such jurisdictions with the assistance of the office related to the body of representatives.

The body of representatives appointed the notary, who headed the office of the body of representatives and was responsible for legal operation (he had to notify the body of representatives, the committees and the mayor if he perceived any infringement of legal provisions in their decision). According to the Act of Local Governments villages having less than a thousand inhabitants and adjacent to each other within the county, had to establish and maintain a district-notary's office except the case if they could set up a separate office and appoint a notary who

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jogu-varosok/magyarorszag-megyei-jogu-varosai (01.06.2013)

<sup>&</sup>lt;sup>12</sup> Paragraph (1) of Article 61 Act LXV/1990.

Until 1994 Budapest had 22 districts.

<sup>&</sup>lt;sup>14</sup> Article 12–40 Act LXV/1990.

met the requirements of qualification. This regulation resulted in a halfobligation of association, but the latter complementary earmarked grants related to association were more effective (better pressures).

A *County* (and Metropolitan) *Public Administration Office* was established in every county starting in 1994.<sup>15</sup> They were central budgetary bodies performing state administration duties. County Public Administration Offices were also responsible for supervision of local government decision from the viewpoint of legality (they could investigate local government decisions taken with deliberation, as to lawfulness only).<sup>16</sup> Within the scope of supervising legality, the head of the Public Administration Office could call upon the appropriate body in the settlement to cease the infringement of the law, setting a deadline. The body had to inform the head of the Public Administration Office about its measures or its disagreement. If no measure was taken within the deadline set, the head of Public Administration Office could (!) initiate the revision and nullification of the local government regulation by the Constitutional

Court and the revision of local government resolution infringing the law by the competent general court. Furthermore, it could also initiate the convening of a body of representatives for stopping the offence against the law and to establish the responsibility of an officer of the body of representatives. In practice these legal measures were taken only in extraordinary and exceptional circumstances.

The State Audit Office supervised the economic management of local government, but it could only make its report public and did not have any effective instruments to stop irresponsible management. Every local government looked after the financial supervision of its own institutions and provided for the internal *control of its economic management* (especially by the financial committee) and in certain cases they had to employ an auditor.

## Competences and their financing

There were two basic types of local government tasks: mandatory and voluntary. In the Act of Local Governments there was an itemized list

From 1991 to 1994 commissioners at regional level and their offices at county level were responsible for the functions of the latter County Public Administration Offices.

<sup>&</sup>lt;sup>16</sup> Article 98 Act LXV/1990.

about the *minimum level of mandatory tasks of every settlement* and two exemplary enumerations about other mandatory tasks of the settlements and mandatory tasks of the counties.

According to the Article 8 Act LXV/1990 every local government of the settlement had to provide for safe drinking water, kindergarten education, primary school instruction and education, basic health and social welfare provisions, public lighting, maintenance of local public roads and public cemetery; it was also obliged to ensure the enforcement of the rights of national and ethnic minorities. Within the scope of local public services other mandatory tasks of settlements were for example water resources planning and drainage (of rain water), canalization and sewerage, support of scientific and artistic activities, sport, providing for local fire protection, etc.).

The county's local government had to take on as a binding duty the following: maintaining secondary schools, special schools and colleges, special health care if they are not undertaken by the settlement's local government; protection of architectural and natural environment, provision of services of county library, etc.

Derived from the Constitution,<sup>17</sup> according to the Act of Local Governments<sup>18</sup> other acts might also determine compulsory spheres of duties and jurisdiction for local governments and the Parliament ensured – according to the act – simultaneously the financial conditions necessary for their being carried out. Differentiated allocation of tasks was not a characteristic feature of settlements and there were hardly any areas of public services where the differentiated division of competences would have taken into account the size of settlements (Pálné Kovács 2011, 14).

Additionally, local governments might undertake voluntarily the solution of any local public

affairs, which may not endanger the performance of compulsory municipal duties and jurisdiction.

The Constitution defined the *economic basis of independence* of local governments ensuring: grants with a tax-sharing system from the central government; municipal own resources (local taxes, duties, fines, etc.),<sup>19</sup>

Paragraph (1c) of Article 44/A Act XX/1949.

Paragraph (5) of Article 1 Act LXV/1990.

<sup>&</sup>lt;sup>19</sup> Territorial local governments (the counties) were not entitled to levy local taxes.

own assets, the right of pursuing entrepreneurial activity on its own limited responsibility, entering money or capital markets, borrowing and issuing bonds. The contributions and grants of central government served to supplement the costs of performing local public services and development. Central government transfers were not allocated for the total cost of compulsory tasks, which created an interest in increasing local fiscal capacity. Transfers related to compulsory tasks were basically (but not exclusively!) non-earmarked grants (so called normative grants), which were allocated on the basis of indicators with respect to the number of inhabitants, consumers of public goods and services, etc. In addition, the revenues from personal income tax and tax on motor vehicles were shared (part at least) between the central and local government levels.

The proportion of *local tax revenues* to total local government revenues had grown during the two decades. In 1991 it was only 2.4%, in 2000 it reached almost 10% (Bódi 2001, 253) and in 2010 the average rate of local tax<sup>20</sup> revenues was about 25% (Vigvari 2011, 97), which was still a low level compared to the rate of West-European countries (e.g. Sweden 64.8%, Finland 47.7%, France 45.5%, Germany 42.9%, Great-Britain 36.1%) and the rate of some East-Central-European countries (e.g. Slovakia 59.6%, Latvia 51.9%, Slovenia 39.2%, Poland 33.2%). Consequently, central governmental transfers had a significant role in sustainable and responsible local governmental spending. Though the average level of local tax in the Member States of the EU is higher than in Hungary, it is adequate according to the European Charter of Local Government<sup>21</sup> that says: "part at least of the financial resources of local authorities shall derive from local taxes and charges..." As a matter of fact territorial local governments were not entitled to levy any local taxes - it contradicts the abovementioned paragraph of European Charter of Local Government.

The fiscal autonomy of local governments can be determined according to the proportion of own revenues (local taxes) to the total amount of

Local taxes: business tax, property taxes (on buildings and plots), communal taxes on private persons (related to their property) and on enterprises (it became null and void at the end of 2010) and tax on tourism. After the business tax (84-82%), property taxes had the second biggest rate (11-12) among local tax revenues (in 1997 and 2006), so the proportion of certain local taxes to gross local taxes did not change (Péteri, 2008: 17).

<sup>&</sup>lt;sup>21</sup> Paragraph (3) of Article 9.

local governmental revenues, additionally *characters of intergovernmental fiscal relations* (grants and tax-sharing system) are also decisive to promote fiscal capacities. The higher is the proportion of non-earmarked grants to the total amount of grants, the wider fiscal autonomy the local government has. The non- earmarked normative grants that contributed to compulsory tasks were the dominant operational grants, so the grant system strengthened the fiscal autonomy of Hungarian local governments. Subsequently, the fiscal capacities of Hungarian local governments in spite of the low level of local taxes could have been appropriate if – concerning the tasks and competences of local governments – the central government had guaranteed proportion and incentive transfers.

As local government of settlements had wide autonomy for providing local public services (even though the structure of territorial local units was fragmented) the budget of local governments amounted to 11-13% of the GDP — with significant differences among local governments (Vigvari 2010, 52). In connection with fragmented local government units, the institutional system of local public services was also fragmented. However, it does not change the fact that *local governments played an important role in providing local (typically human) services*.

Table 3.2.2. Local government expenditures by sector in 1991 and 2003 (%).

Type of services	1992	Type of services	2003
Education	36.5	Education	31.2
Health care	23.0	Health care	16.7
Administration	6.5	Administration	16.2
Social services	6.1	Social services	12.3
Transportation	5.9	Transportation	3.1
Housing	1.9	Housing and communal	7.3
Communal services	4.4	services	
Culture, sport	4.7	Culture, sport	5.1
Industry, commerce	4.6	Industry, agriculture	3.1
Water management	2.6	Environmental services	3.8
Others (transfers, loan repayment)	3.8	Miscellaneous	1.2
Total expenditures	100.0	Total	100.0

Source: Péteri (2008, 13)

## 3.2.3 Dysfunctions and reform initiatives

Hungarian local governments had to cope with the opportunity and burden of wide, unprecedented autonomy. Without historical roots and bottom-up, organic development of local public functions the liberal, over-generalised regulation of the local government system was associated with some dangers and risks. Some specifics were related to the territorial structure of self-local government, others connected to the financial regulation.

Main structural challenges of Hungarian local governments were:

- Fragmented local government of settlements, and voluntary association,
- Lack of differentiation and determination of competences,
- Weakness of meso-level,
- Control of legality.

Main challenges of financial regulation of Hungarian local governments were:

- Balances between tasks and revenues,
- Accountability, budgetary constraint: control of expenditures, indebtedness, etc.
- Legal certainty and stability,
- Appropriate regulation of responsibility and risks in case of outsourcing. In the following section features of local government system will be investigated.

## Changing functions of territorial units?

The reform initiatives of territorial units emphasized on two characteristics of sub-national governmental levels: the *fragmentation of local units* and the problem of *meso-level*.

The association of local governments remained a fundamental constitutional law and did not become obligatory to local governments, though the changing legal regulation endeavoured to motivate integration. First among transitional European countries the Hungarian government adopted the Law on spatial development in 1996 and a separate law on associations was also adopted in 1997. Later, in 2004 a special association form, multi-purpose micro-regional local government

association was also regulated in a separate law. 2216 In the hope of obtaining more EU funds the area of Hungary was divided into territorial statistical units and two new levels, micro-regions (NUTS4, now LAU1) and regions (NUTS2) were constituted and became institutionalised in different organizational forms and legal status (Pálné Kovács 2011, 14). Also, the alteration of the financing system tried to stimulate the corporation: supplementary, task-bounded supports (with an increasingly proportion) were transferred by the central government in cases of providing local public services in the framework of an association. According to the financial changes and the above mentioned acts (with their amendments) micro-regions as associations of settlements (operating at a territorial level between settlements) and counties) received more and more functions. Basically they were development units (becoming beneficiaries of EU regional funds), later they also served as organisations for providing local services and public administration. These kinds of associations frequently operated in the framework of multi-purpose micro-regional local government association, though other legal forms also existed (with less functions).

Although micro-regions gradually covered almost 100% of the territory of the Hungarian state, there were more types of associations, and the scope of task sharing may differ in each micro-region but the provision of public services essentially remained the responsibility of settlements. The main reason for the low level of associating was the insistence on municipal autonomy and the symbols of it (having their own institutions like a school or council office). During the last two decades the number of *towns* had also risen, but the process produced towns only in the legal sense (legal status without real differences). Due to their size they could not fulfil an integrative role, which – according to some experts – poses further problems in the fragmentation of the local government sector (Pálné Kovács 2011, 13).

In the era of regime-changing enthusiasm the county governments had a subsidiary and weak role as most of its functions were taken over by larger settlements. Additionally dozens of deconcentrated<sup>23</sup> state offices

<sup>22</sup> Act CVII/2004.

I distinguish deconcentrated offices from decentralized bodies as they represent different types of task delegation from central to subnational governmental levels. Deconcentrated territorial offices depend on a central body, so there is a hierarchical relationship between central and territorial bodies. As decentralization means the share of power, decentralized bodies represent the

and agencies were established and played role at the county level – in the framework of centralisation.

An example of centralisation is the process of regionalisation. From the end of the nineties special geographical units, the NUTS 2 regions were established. Each of them covers the territory of two or three counties. In 2002 the program of the newly elected, left wing government aimed to reinforce the functions of regions and create a self-governing regional level. Though the left-wing government (reelected in 2006) had time to achieve its own proposes, it did not have enough power since the alteration of Constitution or the Act of Local Governments was the precondition for changes. In fact, they implemented regional reorganisation for territorial public administrative bodies (e.g. Regional Public Administration Office, Regional Directorate of National Tax and Customs Authorities).

The regions became the fundamental geographical *units of spatial development*, as regional bodies (regional development councils and agencies) were established to perform regional development policy. Regional development councils were empowered to decide about the decentralized (weightless and constantly regressive) sources of national development. Moreover, county development councils remained and county governments also had spatial development functions, so the institutions of development policy became parallel, fragmented but remained powerless at sub-national governmental levels. Above all the members of regional development councils were mostly government representatives responsible to central dominancy. Regional development agencies were operative organisations for regional

councils and intermediate bodies of EU structural supports.

It should be noted that the *institutional and financial system* of national development policy had lost its position and the Hungarian management system of EU regional funds had remained centralised (the European Commission did not insisted on regional-based system due to weak regional capacity). Even though from 2007 every region had its own regional operative program, the regional development councils and agencies had not been granted a decision-making function so every decision related to operative programs was brought to a central managing authority, the National Development Agency.<sup>2418</sup> To conclude

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local self-governments.

<sup>&</sup>lt;sup>24</sup> Until 2013 it works similarly.

the lack of consensus in the question of meso-level government and the top-down regionalisation resulted only in state administrative units and advisory, intermediary actors of regional policy.

Moreover, as a result of non-conceptual and frequently changes of administrative system the spreading and sometimes parallel territorial system of public administration was an internal dysfunction.

## Changes of fiscal capacities and financial regulation

The scope of competences of settlement's local government had become wider and wider. On the one hand it was common that the settlements strove not just to maintain their own functions and institutions but also to provide voluntary tasks and in cases of bigger towns taking over the provision of public services from the county was also typical. On the other hand acts of the Parliament transferred more and more compulsory tasks from central to local governmental level. What was the reason of the *transfer of competences*? According to some experts it was a kind of decentralisation of conflicts. This kind of "buffer zone" (Offe 1975) or according to the Hungarian experts (Pálné Kovács 1990; Ágh 2005) "conflicts container" can be an effective tool in cutting the central government's responsibilities in the provision of public goods though not decreasing the level of governmental role. *The increasing scope of duties resulted in more deficiencies*. For example:

- a) Though the Constitution and the Act of Local Governments declared the fundamental rights of local governments to proportional grants with tasks, the gap between the central government transfers and the cost of local public affairs became deeper and deeper, local governments turned into *overburdened position*. It is contrary to the Paragraph (2) of Article 9 European Charter of Local Government regulating that "local authorities" financial resources shall be commensurate with the responsibilities provided for by the Constitution and the law."
- b) In parallel with the growing functions of local governments the *number of grant titles* also increased (see table 3), which contradicts the principles of transparency and legal certainty. As a matter of fact, in 1991 the grant system consisted of 35 operational grant titles, in 2008 this number was 170 (Vigvari 2010, 55).

- c) The *new types of grants were more likely earmarked grants*, which reduced the scope of financial actions and financial autonomy. By contrast, according to the European Charter of Local Government<sup>25</sup> "as far as possible, grants to local authorities shall not be earmarked for the financing of specific projects."
  - d) Increasing burdens escalated the frequency of different types of local public services' *outsourcing*. The outsourcing promoted the participation of private and civil sector in the provision of local public goods and services though the regulation of this phenomenon was overdue, could not keep up with the necessity of tackling the emerged failures. Otherwise the private and civil sector participation developed the multi-sectorial governance.
- e) Fiscal regulations did not devote recommendable attention to *property management* and the cut of national development (capital) grants further decreased the sources of conservation and development of own assets "family silver ran out" (Vigvári 2006). Though EU regional supports supplemented the national development grants, but they entailed the *risk of fly paper effect* and overspending. Furthermore, the *fiscal information system* also contributed to insufficient property management, as the amortisation was not taken into consideration as implicit costs, the conservation of assets was ignored or was secondary to attractive investments.
  - f) The growing number of *deficit grants* also shows the declining fiscal capacities. Deficit grants (typically the so called ÖNHIKI) were designed for tackling temporary disorders, but became an organic, permanent part of the grant system of local governments. However, the amount of deficit grants was not significant among local revenues and it could also occur that some of the supported local governments were otherwise in good financial position. So referring merely to the increasing number and amount of deficit grants to justify the failure of financial system of local governments is misleading. Finally, increasing discretionary and the continually changing conditions were additional problems with deficit grants.

<sup>&</sup>lt;sup>25</sup> Paragraph (7) of Article 9.

<sup>&</sup>lt;sup>26</sup> "The money sticks where it hits", for example the support can result in unnecessary spending because the grant does not take into consideration the real necessity of the supported organ.

Table 3.2.3 Types and numbers of grants of central governments.

Year	Number of capital grants	Number of operationa l grants	Non- earmarked block grant	Earmarked block grant	Number of local government receiving mandatory	Number of local government receiving discretionary
					deficit grant	
1991	1	36	26	0	165	-
1998	9	95	46	5	887	-
2002	10	98	56	20	1279	558
2008	14	170	76	33	1050	1364

Source: Vigvári (2010, 56)

Though the local governments of settlements were legally equal, practically their financial position differed. As the most often used and largest<sup>27</sup> tax revenue was the local business tax, which was highly concentrated in the capital and several large, industrial urban centres, the local tax system increased the differences between settlements. Additionally, development grants from the central budget did not put emphasis on spatial development.

The different types of central contributions and grants and the system of tax-sharing were also regulated in the act of central budget from year to year, that also aggravated the implementation of strategic financial management (especially if you take into consideration the abovementioned fact, that the transfers of central government were dominant in the revenues of local governments).

Though the dominant dependency on transfers of central government and the frequently changing grant system (with the multiplication of numbers of grant types) can be mentioned as excuses for medium-term financial planning, there are other defects related to the property management. The accounting, planning and information system had not been developed. Instead of cash flow approach the accrual based accounting, the medium-term planning with strategic approach and thorough evaluation of proper indicators would have improved the financial system of local economy. It could also occur that local governments did not take into account the future costs of investments, like risk of borrowing or operating costs.

Business tax gave the majority, 85% of local tax revenues (Péteri, 2008: 16).

Another failure of financial regulation was the *lack of budgetary discipline* both at central and at local governmental levels. After transformation, in the framework of liberal regulation there were not any limitations of indebtedness of local governments.

From 1996 the modification of Act of Local Governments and the adoption of rule of settlements' debt tightened the fiscal discipline: the amount of borrowing was limited (to the 70% of own revenues of local government) and the payment of operational grants became net-based (the taxes paid by local governments were drawn from the grants). Furthermore, the employment of auditor became compulsory in certain cases. At the turn of the Millennium earmarked grants were introduced and the conditions of deficit grants became stricter.

As a consequence of the accession to the EU the *system of development grants changed*: the national spatial development grants were minimised and significant amount of European regional development supports became available. As more than 60% of public investments were realised by local governments<sup>2822</sup> the capital advanced in cases of EU grants and the own contributions required by the EU created a great challenge to local governments' budget. Finally due to the economic downturn from 2006 – in the framework of economic restriction central governmental contributions and grants were radically cut resulting in severe financial difficulties at local governmental levels. Therefore by the end of the first decade of new century settlements reduced the extension of voluntary tasks and undertaken tasks (from counties) because of the decreasing financial capacity. Local governments seeking loophole in borrowing in foreign currency got into debt trap (the *increasing indebtedness* is revealed by table 4).

Table 3.2.4. Division of debt settlement procedures (1996–2012).

Year	Number of debt settlement procedures
1996	7
1997	1
1998	1
1999	5
2000	3
2001	1

<sup>&</sup>lt;sup>28</sup> In 2000 the proportion of local investments to public investments were 65%, in 2010 62,1% (Vigyári, 2011:49).

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2002	0
2003	1
2004	0
2005	2
2006	1
2007	2
2008	6
2009	4
2010	9
2011	12
2012	7
Total	62

Source: Gyirán(2013)

To conclude, municipalities became overburdened with obligatory tasks on the basis of posterior regulation of competences. In parallel, they also became under-resourced, as the financial transfers were not in proportion to the increasing tasks. Via legal measures and central governmental grants the financial autonomy of local governments was reduced.

## Forms of providing services

According to surveys made in 1994 and 2006 (Horváth M. 2007; Péteri 2007) significant changes took place in providing local public services. During one decade the *private and civil sector participation in providing public services became considerable*.

Local settlements could ensure local public affairs within budgetary agencies as the classical form of provision. Otherwise they could also establish (or take part in) business associations, moreover holding companies and provide services according to the mixture of regulations related to public financial and company law. The so-called "in-house" providing of public services required special guarantees as the given local government had more functions in one economic unit (it was both "mandatory" and "agent", regulator on behalf of the public and shareholder with profit interest). In fact, the regulation was insufficient.

Even though the responsibility of providing public services remained at local governmental level, settlements frequently used different forms of

delivery. The transmission could be *inside the public sector* in case of association of local governments' settlement or assuming tasks from the county. In the framework of outsourcing, the private and civil sector could also take part in the provision of public services.

The intensity of task-transfer was different depending on the type of public service for example (1) human services, (2) settlement operations for example, maintenance of cemeteries, parks, waste collection and recycling, (3) network services, for example, water supply, sewage, local mass transit, maintenance of local public roads, local supply of energy, and (4) treatment facilities, for example, housing management, maintenance of sport facilities and other property.

The territorial associations (e.g. multi-purpose micro-regional local government associations) and task assuming from county played an important part in human services, typically in cases of special human services which cover the whole or big part of the county, like family counselling centre (institutions for family support), health visitor and educational counselling services (for pregnant mothers and child rearing), speech therapy, old people's home, library, vocational and secondary school, etc.

The transfer of tasks without transfer of liability may occur between public and private or civil sector. Table 5 illustrates the extension of delivering tasks outside the public sector in the case of human services.

Table 3.2.5. Non-governmental institutions participated in human services (2006).

Institution	Proportion of non-	Among non-govern	-governmental institutions		
providing human	(local)	Proportion of non-	Proportion of for-		
services	governmental	profit organisations	profit Associations		
	institutions (%)				
Cable TV	58.0	2	98		
General practitioner	43.2	2	98		
Dentist	33.3	3	97		
Local cable TV	19.3	5	95		
Local newspaper	13.8	20	80		
Elementary school	10.6	91	9		
Specialist doctor	10.4	98	2		
office					
Old people's home	10.1	78	22		
Nursery school	9.9	5	95		
Old people's club	9.1	84	16		

Source: Péteri (2007, 30)

Agreement between public and private sector was significant in the event of local and other cable television services, local newspaper services, provision of the dentist, general practitioner, etc. If the civil sector took part in providing human services they usually supplemented not substituted for the provision of human services (like old people's club, sport facilities, temporary accommodation, nursery and elementary school, etc.).

If a local government transferred a task to another actor, the central government grant or a part of it was also transferred. It must be mentioned that (on the basis of Vatican and other agreements between the state and different kinds of church) when the church got involved into the provision of public services typically more grants were transferred than in the case when a foundation or a society provided the same service.

To sum up, the local governments took the road of learning the process of how to share the duties and risk in providing local public services. It must be noted that a developmental disorder is not equal with being incapable of progress!

# 3.2.4 Ongoing reform of the Hungarian local government system (2010-2013)

Due to the ongoing economic depression the supervision and evaluation of governmental roles is surfacing not only in the European Union but also at national governmental levels. Besides, the economic and political background in Hungary also contributed to the changes. From 2006 restrictive economic measures were necessary due to the earlier uncovered welfare governmental expenditures. The economic depression strengthened the necessity of reforms and the overwhelming result of the election in 2010 empowered the new government to perform these changes.

As a result of supervision and evaluation of governmental roles the new governmental reforms have two main characteristics: *extension of state intervention and centralisation* in the aspects of intergovernmental relations.

In the framework of tackling economic crisis and *restructuring of local governments* a new Hungarian local government system is being formed. What are the main features of the new model? The earlier "Hungarian mixture" of Scandinavian and Mediterranean local

government models has been transformed to a clear *Mediterranean model*: the role in providing public services has been radically reduced and the control of central government has been strengthened.

Due to the regulations of the new Hungarian constitution (the so-called Fundamental Law) the local governments' rights are no more fundamental constitutional rights, though the new Act of Local Governments<sup>29</sup> declares the collective right of local self-government. According to some experts (Árva 2013, 395–396), the earlier fundamental rights of local governments have become rather obligations in the Constitution. With respect to the fact that the separation of state powers and the autonomy of local governments have been reduced, in my opinion the changes of Hungarian local government system decrease the political and fiscal autonomy of local governments and this process is contrary to the principles or at least the idea of European Charter of Local Government.

## Changes of territorial units and functions

As a result of the reform initiatives until 2012 the *county level of the government system* has changed significantly. The two-level local government system remained, but the role of county local governments has fallen to void functions. The competences of performing special (typically human) public services have been transferred from the territorial (county) local governments to the state and its territorial institutions established in the counties. (The state has taken over not only the power, but also the duties and indebtedness of county's local government.) In return, the county governments have become responsible for spatial and rural development and spatial planning – even though the decision-making power remained at the central governmental level. With regard to the centralised spatial and rural development policies in Hungary the local government of the county has turned to an "empty shell".

On the contrary, the *county level of state administration* has been strengthened. Dozens of territorial state offices and agencies were integrated into the restructured County Public Administration Office (except for e.g. the new deconcentrated institutions providing education and health services). This process has gone hand in hand with the weakening of the regional level (the functioning of regional

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<sup>&</sup>lt;sup>29</sup> Act CLXXXIX/2011.

development councils and also county development councils were terminated). It admits of no doubt that the fragmented deconcentrated public offices and the parallel territorial institutional system of spatial development policy must have been abolished. However, the territorial institutions of development policy are still inharmonious: the county's local government has become responsible for (the minimised) national development policy, but the regional development agencies have remained the deconcentrated institutions of regional policy (until 2014, the beginning of new period of EU budget and regional policy).

From 2013 the district<sup>30</sup> governmental level (without self-government rights) has been re- established taking over a significant scope of competences from the notary of settlements, operating in the framework of similar territorial units like the terminating multi-purpose micro regional local government associations. The re-establishment of the district has strengthened and also unified the different kinds of microregion associations. Besides, it has resulted in the creation of a new type of town, the city of district that may have wider scope of actions according to the differentiated allocation of tasks. Both the secession of notary's powers and the depletion of county local governments resulted in the reduction of local government autonomy and centralisation.

Furthermore, the right of voluntary association has also changed. According to the Fundamental Law *in case of compulsory task the association can be obliged* by act. According to the new Act of Local Governments independent council office administration is not allowed in settlements with fewer than two thousand inhabitants (this measure affects about 400 local councils)<sup>31</sup> as common council office must have been established in 2013. Compulsory association on the one hand serves to reduce the fragmentation of local government system, on the other hand decreases the autonomy of local governments.

The *Capital* keeps its dual, two-tier structure though the local governments of the Capital has become a special, sui generis unit that is local governments of settlements and also of counties at the same time. The local government of the district has remained solely settlement government.

<sup>30</sup> District has strong historical root in Hungary, it terminated in 1984 in the era of state socialism.

Ministry of Public Administration and Justice, 2011: 5.

## Changes of the institutional framework of settlements

The organization of the local government of settlement has also changed. The new Act of Local Governments has reinforced the power of the mayor (e.g. except for exclusive power of the body of representatives the mayor may decide in cases when the body of representatives secondary failed to bring a decision), but has weakened the position of *notary*. As it has already been mentioned, a significant scope of competences was transferred from the notary to the office of the district. According to the act, the regulations of conflicts of interest will be tightened after the 2014 elections, as it will not be possible for someone to serve both as a mayor and a Member of Parliament. The regulation of inappropriate conduct of the mayor and the members of the body of representatives is also more severe in the act. The governmental period of central and local governments will be different, as the term at local governmental level will increase from 4 years to 5 years, whereas the governmental term at central level remains 4 years.

The *legal supervisory competence of restructured County Public Administration Office* has been reinforced and brings up the issue of separation of state powers.<sup>32</sup> In conformity with the European Charter of Local Government<sup>33</sup> the County Public Administration Office basically provides legal control. But in certain cases<sup>34</sup> the head of the office can enact a regulation in spite of the body of representatives that can be modified only by a new elected (!) body of representatives. The head of the office, the so-called commissioner is under the direction of the government. Furthermore, the County Public Administration Office is entitled to impose a fine as a consequence of certain negligence (default of data retrieval, sending of minutes and judgement related to mandatory legislation).

<sup>&</sup>lt;sup>32</sup> In addition, the County Public Administration Office can take over the investment of local governments if the project is supported by the EU and the risk of delaying in performance occurs – it can be also disputable from the viewpoint of separation of state powers.

Paragraph (2) of Article 8.

According to the Fundamental Law (Paragraph (5) of Article 32) and the new Act of Local Governments (Paragraph (3) of Article 138) if the court stated that no measures were taken in case of obligatory legislation.

## Competences, renewal of financing

Competences have been reduced not just at county but also at settlement governmental level. The most significant redundancy has been in the field of human public services. Therefore public education and health services are provided essentially by the state, only larger settlements could decide whether contributing to the public service by maintaining their infrastructure or not. From the viewpoint of local autonomy it was a disadvantageous measure as mostly these institutions symbolised their self-dependency and the settlements adhered to them.

The new Act of Local Governments restructures the regulations related to tasks and competences. There is no minimum level of obligatory tasks but the act emphasizes the differentiated allocation of tasks (see district city).

In accordance with the act of National Property<sup>35</sup> the possibility of outsourcing reduced, only the church has maintained and could grow its role in provision of public affairs. Other non-governmental actors (further non-profit organisations and private entities) have lost their entitlement to take part in assets management or the conditions have tightened. Different forms of outsourcing, especially PPP (Public Private Partnership) constructions are not preferred by the new government.

I firmly believe that the different kinds of outsourcing can lead to a growing economy, efficiency and effectiveness. The private and civil sector participation in providing public services shall stimulate competition and shall affect the remaining actors of public sector. The most important requirements are the appropriate regulation of functions, risks, cost and

benefit. The reason for the deficiency of the Hungarian system of outsourcing was the

insufficient regulation and the lack of experience. Besides, it had been a learning process that resulted in multi-sectorial local services.

Paragraph (19) of Article 3 Act CXCVI/2011.

## The local governments' *financial reform* is based on:

- Renewal of transfer system,
- Budgetary discipline,
- New regulation of debt management and debt initiation procedures of public sector, debt consolidation.

In the framework of the renewal of financing the resource-based support system has transformed to *task-oriented financial system* reducing the financial scope of actions. It is indisputable that only changing the types of supports from unbound to earmarked grants does not bring balance between duties and revenues and do not result in economy, efficiency and effectiveness. The statement is also proved by the regulation of new Act of Local Governments, because it emphasizes that the task-financing system does not cover the whole required sources.

Furthermore, the financing of voluntary tasks shall be covered by the incomes of local government, supplementary supports can be transferred only in extraordinary cases by the central government on the basis of deliberation.

The soft *budgetary constraint* has become more severe and the indebtedness of settlements has been also tackled.

On the basis of Fundamental Law, according to the cardinal act on Stability<sup>36</sup> the indebtedness of local government cannot exceed the 50% of its own resources (earlier it was 70%). If the indebtedness is higher than 50% of own resources the local government cannot carry out new investments. Moreover, the levy of certain local taxes<sup>37</sup> also became a precondition for local governments to be able to contract initiating debt. Beside this general and rigorous limitation, in every case of initiating debt (already involving the case of issuing bonds, too) the prior consent of the County Public Administration Office is also necessary except in some cases.<sup>38</sup> Additionally, local governments cannot plan with operational deficit. In European countries the general limitation of local

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<sup>&</sup>lt;sup>36</sup> Act CXCIV/2011.

<sup>&</sup>lt;sup>37</sup> The local government of settlement can decide which tax to levy: the local business tax or a property tax on real estate.

The necessary contribution to national or EU development grants and the prefinancing of EU development projects, investment credit until a certain limit, credit for debt restructuring and liquid credit.

government borrowing is usual, but the individual authorisation is not (Vigvári 2011, 60). Above all, the permission is given discretionally by a territorial state administrative office that is under the direction of government, so the political nature of it is assumable.

The *debt consolidation* is also part of the renewal of the financial system. After the takeover of the county's debts (tasks and assets), on 27 October 2012 the Prime Minister declared that the state wishes to arrange the local government debt stock. The consolidation of indebted settlements with fewer than 5000 inhabitants covers the entire debt, but in settlements with more than 5000 inhabitants only 40-70% of the debt will be taken over by the state.

The debt consolidation of local governments was necessary because the new regulations prohibit local governments to plan with deficit so the financing of earlier credits and observing the law at the same time would have been unachievable. Besides, the consolidation of indebted settlements raises the problem of "free rider local governments" and unequal treatment.

It should be noted, the immoderate emphasis on local government indebtedness is misleading. The proportion of local government indebtedness to GDP is not significant, approximately 4% (throughout the last three years it has grown because of underfinancing). Above all, with respect to the proportion of local government indebtedness to state (national) indebtedness Hungary passes by many European countries (Hungarian local governments has the second best place related to the analysed countries). Finally, the differences among indebtedness of

settlements are severely diverse: the amount of settlements with fewer than 5000 inhabitants was only 8% of the total amount of local government indebtedness (Horváth M. 2013). It deserves attention if you take into consideration the different way of local governments' debt consolidation.

Table 3.2.6. Indicators of indebtedness and budget balance in European countries (2005, 2009).

Countries	National budget indebtedness/ GDP		Local government indebtedness/ GDP		National budget balance		Local government budget balance	
	2005	2009	2005	2009	2005	2009	2005	2009
Hungary	60.4	78.4	1.9	4.1	-7.8	-4.4	-0.4	-0.4
Germany	67.8	73.4	5.3	5.2	-3.2	-3.0	0.0	-0.8
France	66.2	78.1	7.0	8.2	-3.0	-7.5	-0.2	-0.3
Denmark	36.2	41.4	5.3	7.1	+4.7	-2.7	-0.3	-0.8
Slovakia	35.1	35.4	1.7	2.5	-2.8	-7.9	0.0	-0.6
Romania	15.6	23.9	1.2	2.4	0.1	-0.7	0.1	-0.7

Source: Vigvari (2011, 61)

## 3.2.5 Remaining and emerging of contradictions

Summarizing the evaluation of changes up until now, the centralisation and reducing of local autonomy is indisputable. In my opinion, some of the measures were necessary and can lead to more sustainable public finances (like general limitation of indebtedness, strengthening mesolevel), but most of them involve contradictions and conflicts. The fragmentation of the local government system resulted not in strengthening territorial local governments but in reinforcing and establishing deconcentrated state administrative units The enhancement of legal supervision of local governments was necessary but excessive control may occur and the problem of separation of state powers may emerge. The restructure of competences has been realised (significant competences, like education and health have been centralised), but the balance between tasks and revenues is till missing. Additionally, the transfer of competences does not require the reducing of fiscal autonomy though the task-oriented grant system resulted in it. In spite of the revising and altering of regulation related to the different kind of functions in cases of private, civil participation the possibility of private sector participation has been decreased. Budgetary discipline has been tightened but the individual permission of borrowing and the discretion in the authorisation is not common in Europe, the political position of the decision-maker can result in the abuse of governing party's power. The restructuring of local government system was rapid, missed the overall conciliation, the preliminary and systematic

monitoring and evaluation of the functioning of governmental system and providing of public services (Pálné Kovács 2011, 34). Above all, the newly adopted acts are also changing regularly that significantly reduce legal certainty and stability.

The present Hungarian government has radically changed the former local government system. In my opinion both the reasons for the new measures and also the methods of the alteration are disputable in certain cases. According to the new regulation local governments have to take a new road with new difficulties and face new challenges regardless of the earlier direction and experiments. But every voyage is special, and not only the direction but also the road conditions are relevant. As the new system is still being formed, thorough surveys need time and experiences.

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# 3.3 The process of changes in social administration in Hungary

Anita Krizsai

The establishment of the system of municipality

With regard to goods and services, the state role concentrates primarily on providing public goods. Public goods can be divided on the basis of the level they are provided; centrally administered tasks like national defence, classic local goods which are bound to local levels, and finally goods that on the basis of consideration can be tied to either level. These include education, health care, social provision and environment protection, and the state decides on the level that is obliged to provide them. Several factors influence the scope of local public services, as well as the manner and range of their provision (Bódi, 2008). Historical elements are also present, but more important, is the decision of which tasks are delegated to local levels. The allocation of a part of public tasks to municipalities can be supported by several arguments. Partly, municipalities respond to the needs of the local people in a more rapid and flexible way. On the other hand, regarding some parts of community services, the distance between the service and client is of crucial importance, like in the case of social care (Horváth; 2002). In the 1960's, several European governments reached the same conclusion; tasks need to be decentralized because better decisions can made at the local level (Früch; 2009).

The system of districts, introduced on 1st January 2013, was not unknown to Hungarian public administration. Districts were first formed in the 13th century as sub-centers for royal comitats. After that their territory and responsibilities continuously changed over the time. At the end of World War II there were 140, which became 150 when the system of councils was established in the 1950's. The system of councils, using the Soviet pattern, reflected a strongly centralized traditional three-level and formed a regional administration system, which was divided into local (town and village), district and county levels. Districts, as mid-level public administration units, had the function of operation and mediation between local and county councils until 1954 when towns and later in 1969 large villages were also withdrawn from district governance. The transition from three-level administration system into two-level administration system

was started in 1971; districts lost their independent function and became special administrative bodies of counties, were abolished when the municipal system was introduced after the change of the regime. District governance was gradually replaced by town vicinity, which also triggered the end of districts. In the end districts were replaced by towns and certain assigned large villages (Kovács-Somlyódyné; 2008).

The contemporary system of municipalities, which replaced the system of councils, was set out in the Act LXV of 1990 on Municipalities (hereinafter Municipality Act) in line with the basic principles laid down in Chapter 9 of the Constitution.<sup>39</sup> After the change of the regime, several acts were passed which were necessary to create the financial independence of municipalities and enable them to function.<sup>40</sup>

By introducing municipal administration (3092 municipalities were formed after the change of the regime) the public administration level between the county and settlement ceased and the former joint village councils were also dissolved. Each settlement became an independent municipality and in addition Sectorial laws also allocated tasks and responsibilities to municipalities. Article 8, paragraph 1 of Municipality Act abolished the mid-level public administration, as well as the undifferentiated allocation of tasks and responsibilities of several sectors to municipalities created a situation where small municipalities often have not been able to properly manage their obligatory tasks laid down in the Municipality Act. Another significant difficulty was caused by the inappropriate separation of tasks carried out by either the municipality administration or state administration (Pálné, 2008).

<sup>39 &</sup>quot;We talk about municipalities if within the framework of written or customary laws, the subjects of a municipality due to their joint and direct or indirect decisions are able to have a permanent impact on their walk of life." (Báán-Horváth; 1999) According to the interpretation of the Constitutional Court, the municipality power is based on both the decentralized state power and the voters' right to local governance. (34/1993. (IV.28.) Constitutional Court Decree.) In the 55/1994 (XI.10.) Constitutional Court Decree, the Constitutional Courts points out that the Constitution took municipalities out of the system of state administration and separated them, with guarantees, from the executive power, acknowledging them as a separate element of power.

<sup>&</sup>lt;sup>40</sup> 2 Act XXXVIII of 1992 on state budget, the Act C of 1990 on local taxes, the Act XX of 1991 on the tasks and responsibilities of centrally subordinate bodies, the Act XXXIII of 1991 on transferring certain state properties to municipalities, the Act LXXXXIX of 1992 on the system of addressed and target support for municipalities.

The rules of social transfers in cash or in kind, as well as the rules of organizing social services were laid down in Act III of 1993 on social administration and social provision. This Act allocated certain scopes of duties belonging to personal care to municipalities according to the size of the settlement. Thus, for smaller municipalities it was not necessary to provide all the services. Default of state control and due to unrestricted use of monies provided by the state he state for arranging social duties, some municipalities did not even arrange their obligatory duties. The aim of the unrestricted money provided by the state was to ensure money for municipalities so that they could arrange obligatory duties in the first place without definitely determining its usage. However, as a result of continuous budget restrictions, certain sectors urged that state resources should be restricted to definite duties (Horváth; 2002).

The undifferentiated system of local public administration, together with its unhealthy dependence on central resources, amplified regional disparity and moved it towards an unbearable limit, while it reduced the tasks and responsibilities of small municipalities to the minimum, ad absurdum to disseminate aid" (Józsa; 2008). A 2009 report of the State Audit Office of Hungary also pointed out this problem. "In the first two governing cycles the most important acts on regulating the welfare systems were passed. The envisaged welfare services, mainly with no visible results, could not be provided by the state due to the lack of financial and other resources. This led to frequent amendments, while those in need did not have an equal chance to gain access to social, health and other welfare services." (State Audit Office of Hungary 2009)

Despite the dynamic development of the system of municipality, several other problems cropped up. The result of the above mentioned cessation of mid-level public administration could already be felt in 1994. In order to create a mid-level public administration, the government aimed to strengthen county municipalities by several amendments of the Municipality Act, furthermore, public administration offices were established, which also functioned as government offices starting in 1997. However, strengthening the counties could not be realized completely, and finally developmental regions replaced this function.

Although the proposal to the Municipality Act that giving the right to function as a municipality does not involve separate functioning for all the small municipalities, voluntary coalitions of municipalities failed to

form. The Act on Coalition of 1997 meant a move forward, since it aimed to promote a more efficient provision of tasks carried out by the municipalities. As part of the modernization of public administration, the 2002 governmental program targeted the modernization of municipalities and certain community services like health care, education and social care, as well as the establishment of microregions and developmental regions defined and regulated by law.

Micro-regions appeared as a new way of providing public services provided by municipalities. However, micro-regions do not belong to the levels of public administration, they do not form a municipality but rather form a special association. The micro-region comprises a group of geographically adjacent and functionally joined settlements clustered around one or more centres, which through the connections between member settlements makes it possible to fulfil regional tasks. 41 Using the experience of micro-region associations, a new prospect was opened up to carry out a more economic joint service provision with high standards even in the settlements which otherwise would not be able to carry out all their tasks independently or economically. According to the report of State Audit Office of Hungary, the Parliament approved 87.7 billion HUF<sup>42</sup> in the budgets between 2004-2008 in order to stimulate the establishment and operation of multi-purpose associations, from which 15.9 billion HUF was used to stimulate the establishing and enlarging process, as well as carrying out model experiments. Central resources promoted the establishment of associations, thus by the end of 2006 the territorial coverage by multipurpose micro-region associations became complete, also stabilized their organizational framework, and enhanced the readiness of municipalities to form coalitions. However, municipalities mainly

<sup>&</sup>lt;sup>41</sup> The Act CVII of 2004, as well as the 244/2003 (XII.18) Government Decree, entered into force on 1st January 2004, on the foundation and limitation and the rules of changes of micro-regions made it possible to establish micro-regions. The detailed conditions concerning the merit of, application for, decision mechanism on, paying out and account for subsidy in 2004 for the multi-purpose micro-regional association was regulated in the 65/2004 (IV.15) Government Decree. The 5/2005 (I.19) Government Decree on the subsidy in 2005 for certain public services provided by multi-purpose micro-regional association, regulated the extra financing of micro- regions in the cases of joint implementation of public services such as education, social care, health care, regional development, family and child and youth protection, drinking water supply, employment, etc.

aspired to gain an extra subsidy, what is more the conditions made it possible to get a subsidy despite the lack of joint and more efficient arrangement of services.

#### The problems of municipal operation

After the change of the regime a decentralized system of public administration was introduced, in which municipalities were delegated a prominent role, thus when sharing the tasks between the state and municipalities more and more burden has been placed on municipalities in the last years. Nevertheless, the systems of resource regulation and subsidy connected to municipalities have not changed. Nearly two thirds of the municipal income for the base year arrives from different subsystems of the state budget in a direct or conveyed form. Of the total municipal budget 60% is for human public services such as education, health care and social care. Thus, it is the service provided by the municipality that the government is unable to finance, not the municipality itself. More and more criticism was aimed at municipalities about weak state control over those municipalities. Therefore the central administration tried to be more influential through the regulations of responsibilities and financing. Formerly, the task municipalities significant freedom provision bv had a implementation but it has been replaced gradually by the regulation of responsibilities that set out obligatory implementation.

Due to decreasing central resources, municipalities started to use more and more of their own resources to make up the necessary amount to be able to implement their obligatory tasks. In order to balance the decreasing state resources to finance the implementation of municipal tasks, municipalities entrusted civil and religious organizations with performing social services, in addition the process was encouraged by legal amendments in 2010.<sup>43</sup> In addition to outsourcing, municipalities still have been trying to fulfil their tasks despite the decreasing resources. As a result of this innovative development they introduced the 'single institution' model, when either several institutions are

<sup>&</sup>lt;sup>43</sup> By the amendment of Social Act, enacting on 1st July 2010, it became possible that institutions run by the municipality could be passed to the church without the obligation to pay the sum of complementary norm for the central budget for the 5 oncoming years. (In order to cover the provisions, the state ensured a norm-based state contribution laid down in Annex 3 of the Act on state budget of the current year.)

integrated into one organization, or only the technical and financial functions are integrated. Other solutions are also applied; tasks are integrated at micro-regional level, the number of professional organizations are decreased, tasks are outsourced and finally a stricter judgement of being entitled to benefits for those in need is introduced (Jeney; 2009).

The need for changing the system of public administration has arrived. The intention to change is driven by both inner and outer factors. Hungary's joining the EU, as well as the economic crisis can be mentioned as outer factors. The European Union does not set uniform regulations for public administration, though it articulates principles; decentralization, citizen orientation, subsidiary and transparency. In order start to use foreign management reforms it is necessary to have a closer look at them. The adoption of these reforms in Hungary can be determined only after revealing and articulating the problems, as well as setting the goals.

After joining the EU, the government aimed to execute developmental tasks – as part of modernizing the work of state, and in line with New Public Management – by a minimized though centralized state, by an intentionally supervised municipality, and finally by marketing, that is involving the private sector. The government issued the 2118/2006 (VI.30) Government Decree on organizational changes promoting the effective operation of the government, and on the measures of the government preparing these changes. The restructuring started with transforming the central administration, then establishing the regions and micro-regions at the regional and local levels of public administration. In Hungary, there were 19 counties, 23 cities of county rank, 7 regions, 168 micro-regions and 3135 settlements in 2010. The conditions to join the EU made it necessary to free our inner markets for outer capita, which meant renewing the procedural rules of issuing permit to operate services, in addition electronic data processing was also required.

# State or local government?

The State Audit Office of Hungary pointed out in its 2009 report that for the sake of higher standard services provided by the state, the content of state tasks should be reconsidered and defined more precisely.<sup>44</sup> Since it is the state that decides on whether the municipality or other state bodies provide certain services, the state can restructure the task provision. As a matter of fact it raises the question: What possibilities are there?

Since 2010 through the centralization processes, the role of the state was enlarged with a maintenance function besides its regulating and controlling functions. Further changes took place in connection with task provision by the state and municipality, which referred to social services belonging to public services. By enacting the Act CLXXXXIX of 2011 on Municipalities, the restructuring of state and municipality roles was started with tasks connected to education, health care, state administration, social care and the fire brigade, in addition tasks provided by municipalities, and public work.

When restructuring task provision, several possibilities were taken into consideration. One of the solutions could mean that tasks would have been provided by the settlements as before but preceded by clear deliberation and restructuring the tasks of municipalities. In this case a differentiated allocation of tasks and responsibilities would have been necessary, while a significant role would have been passed to county municipalities, towns and settlements with a larger number of populations.

Another possibility, which was considered, aimed to preserve the above mentioned municipality coalition with an important modification; in order to provide certain obligatory municipality tasks an obligatory coalition would have been created and enforced by the law. This solution would have meant restructuring the micro-regions, too.

<sup>&</sup>quot;...Big caring systems (health care, pension, social provision and education) are overdeveloped in contrast with the economic potentials of the country: there are too many institutions with too wide competencies, plus these systems work on low efficiency level. At the same time, these caring systems are greatly influenced by demographic problems, losses due to the changes of the regime (closing 1.5 million workplaces), as well as the motionless and significant disparities caused by the regional development. Regarding social care and social cohesion there are some acute problems to be solved by the government, such as the income differences among different population groups has increased to a great extent, the number of employees should be increased, and the well-being of old people should be protected. It is emphasized by the fact that in a transitional economy it is inevitable to keep the standard of living of those who are the sufferers of the economic transition, and to improve the situation of the poorest layers." (State Audit Office of Hungary, 2009)

However, it would have been difficult to arrange settlements, different in number and size, into micro-regions. Several problems made the operation of micro-regions difficult. The main problem was that regulations allocated tasks to municipalities rather than micro-regions, and the body of representatives of the given municipality is entitled to make decisions on task provision. These decisions are usually formal ones, and, not knowing the operation of the coalition council (consists of mayors), they are accepted. The lack of stability and the continuously changing sum of supplementary normative funds provided by the state budget to encourage joint task provision make the operation of multi-purpose micro-regions unforeseeable. Due to financial incentives the integration of public services was arranged, thus by the modification of the conditions of subsidy, there is no guarantee that municipalities will provide the same scope of services of the same standard, which will likely be disadvantageous for the citizens of small settlements. In 2012, several micro-regional associations decided on terminating its operation due to uncertain and unforeseeable financing. Those who kept on operating, took advantage of the situation since against all expectations, they were entitled to obtain supplementary normative funds even in 2013. The uncertain legal background doubled problems derived from uncertain financing. On 31st December 2012, the regulations connected to regional associations were set aside. Rules regulating their current status are laid down in the Act CLXXXXIX of 2011. Apart from voluntary association, the legal institution of obligatory association was also introduced, which became possible according to the Fundamental Law.<sup>45</sup>

The third possible solution resulted in bringing a part of public services under state control again, which affected social services providing personal care, as well as allowances in cash or kind depending on the merit of neediness.

# Changes connected to social administration

All together 131 social and child protection institutions were brought under state control on 1<sup>st</sup> January 2012 in line with Act CLIV of 2011 on the consolidation of county municipalities, and on taking over

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Article 34 Paragraph 2 of the Fundamental Law of Hungary: "An Act may authorise local governments to perform their compulsory duties through associations."

institutions of county municipalities and certain health care institutions of the Capital Municipality. To ensure the operation of these institutions a county institution maintenance center was established in each county. 46

After taking over the social and child protection institutions of municipalities, the next action was about taking over institutions maintained by municipalities and municipal associations on 1<sup>st</sup> January 2013. According to the regulations of Act CXCII of 2012 on taking over certain specialized social and child protection institutions, and on the modification of certain acts, not only the rights of the maintenance, but also all the rights of property and rights equalling to property pass to the state. Annex 1 of the Act regulates the process of

taking over 40 social and 127 child protection institutions in the year of 2013. Bringing

institutions under state control first referred to long-term care residential social institutions and residential homes providing care for disabled people, psychiatric patients and addicts, the Capital Municipality and cities of county rank maintained a great number of them

Again, the Act announced on 7th December 2012 did not ensured the right for municipalities to make decisions.<sup>47</sup> Several settlements were reluctant to give up their institutions, even though they had had to provide extra resources to maintain them. The rearrangement of tasks also raised some structural questions to be solved; to ensure material and personal conditions. Thus, it is doubtful, whether this solution will bring considerable savings and growth in the quality of public administration and services, as was planned before. No data are available referring to last year's experience connected to capacity,

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<sup>46 258/2011. (</sup>XII. 7.) Government Decree on the county institution maintenance center, on the consolidation of municipalities, and on the modification of certain government decrees in connection with taking over institutions from county municipalities and certain health care institutions from the Capital Municipality.

According to Article 10 paragraph 2 of the Act, the municipality till 15th December 2012 – enacting on 31st December 2012 – shall decide on restructuring institutions and giving out or modifying the deed of foundation whose registered offices from the date of 1st January 2013 in Annex 1 provides passed tasks, while their registered offices not shown in Annex 1 provide obligatory municipality tasks. Still, the regulations were not coherent. If the obligatory municipality task provision took place in the same as task provided by the state from 1st January 2013, taking over the building did not take place.

number of the cared ones, number of the professionals or material conditions

Regarding the expenses of social provision of municipalities big towns play an important role. The rate of social expenses provided by towns over 5,0000 inhabitants, and county and capital municipalities exceeded the two thirds (69%), while the social expenses of settlements with few inhabitants make out for a small proportion. However, when analysing these data it also should be taken into consideration that even the obligatory tasks are not provided by all the municipalities. Access to food and home aid was available in 78% of the settlements in 2009. Community care for psychiatric patients and addicts was provided in 37-38% of the settlements, while day care institutions<sup>48</sup> could be found in 13-17% of the settlements.

The number of municipal offices was decreased by the integration of smaller municipalities in 2012 for example a single office for settlements under 2,000 inhabitants. Presumably, a slight amount can be saved this way, since only these small municipalities used a small per cent of the expenses of the state budget. Since 1st January 2013, a part of the authority tasks was taken over by district offices due to the establishment of districts. Restructuring raised questions in this case, too. Passing a part of the authority for tasks to districts greatly influenced the social and child protection fields.

The districts and district government offices, 23 in the capital and 175 in the counties, started to operate on 1st January 2013, as the organizational units of the capital and county government offices. 49 Their duty is to perform state administration tasks below the county level. From enacting the Social Act of 31st December 2006, the provision of social allowances in cash and kind was allocated into the scope of municipalities. The Social Act served as a framework and laid the basic rules, while detailed regulations were set in government decrees. Between 1st January 2007 and 2013, the number of allowances judged by the notary was gradually enlarged, thus these tasks were performed as state administration tasks by the municipality offices. From them five types of allowances were moved to the district offices. In the case of two allowances, nursing fee and health care services at reduced price, the municipality has the opportunity to allocate

<sup>48</sup> Statisztikai Tükör 2009.

<sup>49</sup> Act XCIII of 2012 on establishing districts, and on modifying the related regulations.

allowances by virtue of fairness (on better terms than stated in the Social Act), though local regulations are needed to do so. Thus, a complicated rule of procedure was set in regulations between the two offices, which significantly slows the procedure.<sup>50</sup>

While passing a part of required tasks to district offices and bringing social institutions under state control influenced the cities of county rank, the role of county centers was strengthened by offering them the possibility to take over institutions like museums or libraries that provided for providing as public culture, which took place by taking over the maintenance tasks from the county municipalities. The role of county municipalities in task provision was reduced, and instead of being the institution maintenance they have been entrusted with regional development tasks and co-ordinating functions since 2012.

The goal of the above mentioned processes is to press back the scope of institutional responsibility functions, as well as the authority tasks and responsibilities of municipalities, furthermore in the case of the mayors' offices the emphasis shall be put on settlement development, settlement operation, enterprise development and community development. However, the restructuring of social sector did not completely fulfil the goals above. A significant part of services providing personal care (primary care and old people care from among the specialized care), as well as several allowances in cash or kind are still the duty of the municipalities carried out as state administration tasks.

#### **Summary**

After the change of the regime the system of social administration was established and the legal regulations continuously developed. New social services appeared, in the case of certain services the norm-based financing was replaced by contractual financing through application on the basis of task indicators. At the same time the changes of the last 17 years have been going in two directions and two contradictory phenomena have been present. On the one hand there is privatizing; that is strengthening the role of the market, and outsourcing, while on the other hand centralization appeared; bringing things under state control.

<sup>50 63/2006. (</sup>III.27.) 35/B Government Decree on detailed regulations of applying for, judging and assigning allowances in cash and in kind.

Meanwhile neither the role and responsibility of state, nor the position of municipalities in the system of social services seems to be obvious.

The main problem is that the social service coverage all over the country is still not complete. The number of social care and child welfare/protection services, as well as the administration authority of municipalities gradually increased. However, lacking the necessary resources, most of the municipalities have not been able to perform all their tasks. The current intention of the government is to strengthen the regulating and controlling role of the state, while the tasks and burden of municipalities were eased through the already implemented centralized measures. Seemingly it is in favour of the municipalities. Nevertheless the main problem is that through the regulations the state defines entitlement rather than rights, with the clear aim to adjust the system to the capacity, although it involves the failure of equal access and legal equality.

Several reasons can be cited to support the position that certain public services should be provided by municipalities. One of the most important reasons is stated in the European Charter of Local Self-Government "Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy." When restructuring the system of municipalities, apart from cost efficiency, equality, fairness and subsidiary also have to be taken into account. On the basis of subsidiary the municipalities can guarantee that citizens will have access to services of proper quality.

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#### 3.4 Comparing welfare states - the Finnish and Hungarian case

Mihály Nyilas

# Typology and models of modern welfare states

The publication of Esping-Andersen's Three Worlds of Welfare Capitalism in 1990 proved to be a cornerstone in comparative social policy and since then this volume has been one of the most important and influential books in welfare state research. The central argument of Esping-Andersen is that we can see the emergence of three distinct welfare regimes or as he calls them "ideal-types" of welfare states: liberal, conservative and social-democratic. These models were formed by different historical forces and they follow different developmental paths. Accordig to Esping-Andersen (1990, 29) three factors are important in shaping the differences: the nature of class (particularly the working class) mobilization, class-political action-structures and the historical legacy of regime institutionalization. In characterizing the three ideal-types two factors seems to be decisive: first, the degree of decommodification, which means the degree to which social welfare provisions are delivered on the basis of citizenship right, and second, the kind of social stratification and solidarities, i.e. does the welfare state build broad or narrow solidarities and which stratification system is promoted by state social policy.

Contrary to the "ideal world" of welfare states, in the real world we can find mostly hybrid forms, but most of the countries can be identified with one or another model. Esping- Andersen characterized his ideal-types as follows (1990, 27-28). Important features of the liberal type are individualism and the primacy of the market in meeting social needs. There is a little redistribution of incomes showing a low decommodification rate and social rights are limited. The operation of the liberal type leads to a division of the population between low-income state dependents and those able to finance their needs through private social insurance plans. In public social programs stigmatized means-tested benefits play a central role, social insurance provisions are relatively modest and private welfare is encouraged by the state.

Conservative or conservative-corporatist welfare states have a moderate level of decommodification. In the historical legacy there are

strong positions of Catholic social policy, corporatism and etatism. The direct influence of the state is restricted to the provision of income maintenance provisions related to occupational status. Here social insurance is the main social institution but it works in a way that maintains status differences among the population. This means that solidarity remains quite narrow and corporatist. This type is committed to the preservation of traditional family structures with male bread-winners and women performing care functions in the family. Thus labour market participation of women is discouraged and according to the principle of subsidiarity state only interferes when the family's capacity to service its members exhausted. Finally, the Church and voluntary organizations play a prominent role.

The social-democratic model has the highest rate of decommodification which appears in the most universal and most redistributive benefits. Public benefits and services are highly universal and cover practically the whole population. Social policy within this type is aimed at the maximization of capacities for individual independence. This model has the most egalitarian income distribution and builds an universal solidarity in favour the welfare state. Countries of this type of welfare state regime are generally dedicated to full employment and a central political goal is to achieve and maintain high level of labour market participation for both sexes. The political regime is characterized by strong working class mobilization and the ability of social democratic parties to form class coalitions with other groups.

Just after its appearance Esping-Andersen's threefold typology has met a high variety of reactions, not least several critiques and objections. Some commentators suggested alternative typologies with other labels based on different indicators. A leading argument in the debate was that since the original typology is unable to cover all developed countries, a fourth model is to be established (Arts and Gelissen 2002, 142-148). Among the newly proposed additional models were a "Southern" or "Mediterranean" type for the South European countries, a "radical" or "Antipodean" type for Australia and New Zealand and an "East Asian" or "Confucian" type for the developed countries of the far East. Besides these, feminist writers have argued that Esping-Andersen's classification is "gender-blind" and pays no attention to the effect of the different welfare models on gender issues, e.g. the rate and modes of female labour market participation.

Comparative welfare state research has the tendency to focus on the transfer component of welfare systems and relatively small attention has been paid to the service component. Esping-Andersen himself based his analysis on three transfer programs: pensions, sickness benefits and unemployment compensation schemes. Welfare services may constitute another dimension around which welfare regimes cluster and generalizations based on the service component may lead partly different results. Jensen (2008) finds that studying the expenditures on health care and social care two patterns appear. Contrary to health care spending in case of the personal social services clear model characteristics show: the social democratic welfare state spends considerably much in this area than the other two. As these services are run in many instances on sub-state level, this is a noteworthy finding for researchers of local governments. Jensen (2008, 160-161) explains the differences with "familiarism". In social-democratic welfare states preference for state involvement and gender equality has led to defamilization, which has led to the expansion of public social care services. In the conservative type the value attached to traditional family prevented such a development, and liberal welfare states have always been concerned with minimizing state intervention.

# Finland: a latecomer social-democratic type

When we try to locate Finland and Hungary in welfare state typologies, the former is the easier case. Out of the eighteen countries examined by Esping-Andersen the classification of three has been undisputable: the United States, Germany and Sweden as the prototypes of the liberal, conservative and social-democratic model respectively. Thus Sweden is the closest to the social-democratic "ideal-type", but a few other countries, including Finland, are also identified as belonging to this model (sometimes called "Scandinavian" or "Nordic", too).

Finland has been a latecomer in building up the welfare state but the country compensated this delay with the extension of reforms. Finland developed a universal model of social protection and by the 1980s has caught up with the other Nordic countries concerning the main indicators of the relative development of public social policy (such as public social expenditure, size of the population covered by public welfare and the level of social provisions).

An important aspect of the welfare state arrangements in Finland is the division of labour between central government and municipalities (Kangas & Saari 2009). Similar to the neighbouring Sweden the state is responsible for the governance and partial financing of the general income transfer programs covering about one quarter of the total social costs. Social, health and educational services are provided by local governments which have the right to collect taxes for (partial) financing their obligations. Municipal taxation comprise about one- fifth of all financial sources.

Like in the most developed welfare states the lion's share of social spending is allocated to old age, health and disability. Finland spends relatively much on families and on unemployment. One important result of the quickly developing welfare institutions in the post-war period is the improved position of older people. In care of older people – as in other personal social services – the main responsibility lies on local governments while the central government gives legislative frames and guidance that are obligatory for municipalities. Welfare pluralism, i.e. the relative share of public, private and voluntary service varies depending on the service area in question. Thus e.g. there is clear public dominance in old people's homes and home services, while service houses are evenly distributed between non-governmental organizations and municipalities.

In the 1990-s the welfare state proved to be an important tool in mitigating the negative effects of the economic crisis. Despite this, however, a decade later income inequalities have expanded and poverty level is also somewhat higher than in the "golden era". The most important reason for this is long-term unemployment and the cuts in basic social security benefits, but the orientation of Finnish welfare policies has not changed significantly over the decades. Kangas and Saari (2009, 204-205) argue that it has maintained its basic elements:

- Close links to social risks: Social policy programmes are designed to respond to specific social risks, such as unemployment, old age, work disability, not to specifically respond to poverty or social exclusion.
- Individuality: Social insurance benefits and taxation are based solely on the individual's own work history, payments and income.
- Independence: Individuality also means that there are now dependencies between adult generations.

- Collectivism: In principle all citizens are covered by the very same (or same kind of) schemes.
- Coordination: Individuals can move from one municipality to another or from one workplace to another without losing their social rights.
- Legislated benefits: Almost without exception, Finnish social security is based on laws and statutes, and the role of occupational or individual social protection is negligible, although it is expanding. The expansion of private services and insurance markets has been rapid, but here the focus is also on benefits that are regulated by laws.
- Residence-based benefits and services: The first criterion for receiving services and transfers is residence, not employment. Thus, the coverage of social insurance is wider than in many other EU-countries.
- Emphasis on income transfers and social services: With very few exceptions, assets have no impact upon rights to social transfers or services.

Though Finland belongs to the social-democratic model, it has its distinct characteristics as well which differentiate the country from the other Nordic states. Andersson et al. (1993) explain these differences with the following factors:

- Late industrialization and urbanization, mostly due to the position of timber industry agriculture and agricultural interests remained strong.
- More fragmented political party structure with a traditionally strong agrarian party.
- The hegemony of the social democratic party typical for Sweden is non-existent.
- Economic growth, high investment rate and competitive export industry are important political goals and have sometimes priority over such social objectives as full employment.
  - Social policy has dominantly Nordic character but compared to the other countries representing the same model social policy is more subordinated to economic goals, e.g. social expenditures may not harm the competitiveness of export.

• Quality of the human capital (and investments in it) is important priority.

Hungary: several attempts for classification without final result

The historical changes in Central and Eastern Europe and the collapse of the former communist regimes triggered a new interest for the "new democracies". Esping-Andersen did not regard communist countries as welfare states because of the lack of two decisive structural elements: political democracy and market economy. The declared goals of the post-communist transition have been to build up modern Western-type democracies with market based economy and political pluralism and since the beginning of the 1990-es attempts have been made to apply the results of comparative welfare state research to the these countries.

Soon in the beginning the question arouse if the post-communist welfare states of Central and Eastern Europe can be classified according to Esping-Andersen's well-known welfare types or if they form a distinct group of their own (Fenger 2007). Some researchers tried to extend the application of Esping-Andersen's typology beyond its original Western European roots and identify the post-communist countries with one of the classical models. Others insisted that some kind of independent, distinct new welfare model is emerging that does not fit to none of the western types. Esping-Andersen (1996) rejected the idea of a new model and argued that the differences between these countries and his welfare types were only a transitional nature and sooner or later each country would follow one of the classical developmental paths.

The welfare typology of the post-communist regimes is hampered by several facts, among other things the following:

- Long transitional phase with mixed results until now. Although the declared goals of the system-change were clear but the time period the transitional period necessary for achieving the promises takes much longer than many anticipated. This is why these countries are still "in the making" without clear welfare system characteristics.
- The lack of political consensus even in basic welfare issues. Welfare policy is rather changeable according to electoral cycles and often subordinated to political party interests. This leads to a kind of "teeter-totter" politics: the winner party often changes the decisions of the former government.

- The post-communist world is not a uniform entity. The structural features and traditions survived the communist period and there have been different developmental ways.
- An important issue is whether the dominant welfare state theories (e.g Esping- Andersen's regime theory) are applicable to Central and Eastern Europe. Or to put it in a different way: are Western patterns general in the sense that they can be used in a region with more or less different traditions, social structures, development, value judgements etc.<sup>51</sup>
- The role of "path-dependency", the way and extent to which the institutional and other characteristics and traditions of the communist (and perhaps the pre-war) period determine the welfare developments.

The results of classification depend on the particular comparative welfare state theory applied. From an institutional path-dependency perspective the impact of the communist legacies are expected to have an effect on post-communist welfare outcomes. If we take the policy diffusion theory we may expect the development towards one of the well-known regime types. This developments is likely to be promoted by international donor agencies like World Bank or IMF, and the membership in the European Union.

If we take institutionalism and path-dependency theories it is evident that several decades of communism exert an influence on the welfare regimes of Central and Eastern Europe. Fenger (2007, 20-27) argues that the welfare states in post-communist countries may be divided into three groups: the former soviet republics, the Visegrad countries of Central and Eastern Europe and the group of developing welfare states of the Balkan and Caucasus. The group of Central and Eastern European countries is the closest of the Western models but not even these

policy prescriptions. This resembles very much the strategy of the so-called

<sup>51</sup> The most common approach to welfare changes in Central and Eastern Europe, applying the modernization theory, considers the transformation from a communist to a post-communist welfare system as a pure shift from a premodern welfare system to a differentiated and modern one. Due to the supposed superiority of the Western model this means a simple transfer from West to the East. The only effort that the recipient countries should make is to follow the

Washington Consensus of the World Bank when the Bank was selling the same developmental strategy in the world irrespective of the countries' characteristics and differences (Saad-Filho 2013).

countries can be placed to one of the Western clusters. In general the level of trust, the coverage and extension of social programs, the level of social provisions are significantly lower in the post-communist countries than in Western Europe. All in all, post-communist welfare states differ from Western models and also from each other.

Alfio Cerami's (2006; 2009) main argument is that Central and Eastern European countries develop towards a new "world of welfare capitalism", which combines old and new social policy characteristics. He finds that social assistance schemes play a crucial role in democratic negative effects alleviating the of the transformation. Using the path-dependency and neo-institutional theories welfare state change is explained in terms of incremental transformation in which historical, social, political and institutional legacies play a determinant role. In short "post-communist countries have not built the new society out of the ruins of communism, but rather with the ruins of communism" (Cerami 2009, 45). According to the author in Central and Eastern Europe the transformation of the welfare state means that social policy characteristics of the pre-communist period (Bismarck-type social insurance) and the communist era (universalism, corporatism and egalitarianism) have influenced the postcommunist reforms, leading to a mixed welfare model.

A Hungarian researcher of the Hungarian welfare state seems to agree with the above conclusion. She suggests that Hungary's welfare state cannot be compared with the liberal, conservative or social-democratic welfare regime and it constitutes an "anti-model or hybrid model" (Tausz 2009, 260). It cannot be described as a consistent model either since "the different measures and arrangements are the reflections of the ideologies and of the interests of the consecutive governments" and none of the governments had a clear political profile.

There has not been a consistent societal program and a long-term institutional vision and so social changes were spontaneous consequences of the political and economic changes. As Ferge argues "One has to conclude that there is no unique label to describe these countries, and none of the relatively clear-cut ideal-typical labels applies to them. They differ from each other and they are all changing constantly, influenced by home and foreign social forces" (Ferge 2001).

The system of governance has changed in the past two decades as a result of democratization. Special laws established the political

autonomy of local governments and they were given a wide range of rights and responsibilities. Basic social policy tasks related to education, health care and personal social services were allocated to local authorities. There were also unintended or even negative effects of decentralization. The tension between adequate financial resources, administrative capacities and obligations have always been a problem in the operation of territorial self-governments. Another example for the negative consequences of the decentralized operation was the failure in reducing the territorial differences. The appearance and increasing number of profit-oriented and third sector providers was a new phenomenon in post-communist social policy, opening the door for the division of social tasks and developing a more plural welfare system (Tausz 2009).

#### Some notes on the welfare characteristics on local level

Due to the same challenges the two countries face there have been similar tendencies at the sub-state level, such as reactions for the trade-off between efficiency and democracy (democratic participation), increasing role of welfare pluralism and stronger participation of non-governmental organizations in the welfare mix. There are, of course, differences as well and an interesting issue for the researchers of the topic is what extent these dissimilarities can be explained with the general welfare characteristics of the countries.

As one researcher of the Hungarian local government system suggests, several models of the personal social care system were developed in the European countries (Hoffman 2011; 2013). The characteristics of these models are depending on the social system and the spatial structure of the given country. In Europe local governments are responsible for two main areas of welfare: means-tested benefits and personal social care. According to the division of activities two main models can be distinguished at this level, the centralized and the decentralized (municipality based) models although the differences between these forms have been diminished in the last decades.

In Hungary during the state-socialist era social insurance was the main welfare system, the unemployment services and the means-tested benefits emerged only in the late 1980s. The development of the welfare system of the democratic Hungary can be compared with the (Western) European models: the challenges on the system have been similar and Hungary has often chosen a European sample for the

solution of the problems - impact of the continental (German) model is important in this respect. The local self-governments and their organs have been responsible for the means-tested benefits, child protection and for personal social care.

The Hungarian personal social care system can be considered as a settlement centered, self- government based model. Several dysfunctional elements in the operation of the system can be observed. "...decentralization ought to mean the clear distinction of the responsibilities of the different actors and functions (legislation, financing, service provision, legal and financial control, professional supervision)" (Krémer et al. 2002, 124). The Hungarian regulations have had many deficiencies in this respect.

In many instances the acts and regulations related to the social tasks of the local governments are based on a trial and error method, meaning that experiences are collected after the enactment of a new rule and then legal regulations are modified. Thus e.g. the Social Act of 1993 have been changed several dozen times since its enactment.

Local self-governments had until recently strong autonomy and discretionary power on the basis of the subsidiarity principle. In this framework it is assumed that locally assessed needs can most effectively be met by locally regulated measures. However, decentralization has resulted undesirable consequences such as the non-uniform quality of services provided or the very low level of social assistance benefits. Of course, decentralization has resulted in positive outcomes, too, the stronger role of the more flexible third sector organizations is one example for this.

In spite of the theoretical conceptions and reform-attempts comprehensive social reform able to manage the known dysfunctions has not come into existence yet. The Hungarian local government system is still in a situation of "permanent reforms". Parallel with this we can see the influence of "path-dependency" in the territorial administrative changes (survival of the county level and revival of the districts). At the same time the fate of the local governments shows another feature of the welfare model of Hungary, the subordination of welfare issues to (party) political interests. Visible signs of this phenomenon can be experienced in the strong efforts of the present government for centralization and nationalization of former local social functions. Still, although the competences of the central government and their agencies have been enlarged by the public administration reforms

of 2011/13, the important role of the municipalities has remained in personal social care.

As mentioned earlier a typical mark of a Nordic welfare state is the provision of the overwhelming part of services by public agencies. Local and county self-governments play a decisive role in operating the welfare infrastructure. In building the system of welfare institutions the functions of self-governments were widened in parallel with organizational centralization aimed at higher efficiency.

Efficiency, democracy and autonomy are competing goals in the functioning of self- governments. In Finland there may have happened similar developments like in the Scandinavian countries two decades ago. In Sweden e.g. from the second part of 1970s there was a rising trend to strengthening local democracy, with the external framework provided by shifts in the relationship between the State and selfgovernments, which in turn resulted mainly from central efforts to streamline welfare services (Nyilas 1993). The self-governments were faced with concurrent problems of higher efficiency and stronger democracy (i.e. participation of the population in the respective policydecision processes). Related experiments and reforms have had contradictory effects on Swedish self-government autonomy traditionally resting on strong foundations. Decentralization and deregulation have given the settlements and counties a larger freedom of decision and a greater degree of independent operation, but central endeavours for restrictions have narrowed their scope of financial management. Municipalities were given more autonomy and freedom of action and at the same time central efforts were made to restrain the increase of spending in the local level.

From a central government point of view decentralization and deregulation are mainly tools for increasing efficiency and decreasing public expenditure. So these developments can be interpreted as an attempt of the state for - at least partly – shifting the responsibility in crisis management to the local self-governments. As if the central government would say: "You have more freedom than earlier for doing what you want – but in a narrower fiscal framework."

Reaction of the self-governments can be manifold, among others outsourcing, strengthening welfare pluralism with giving stronger role to civil organizations and civil society in fulfilling different tasks and securing better user participation. Since these civil organizations are

frequently more flexible and innovative than the "official" organs, they can be more competent in meeting newly arising needs.

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# 4. Introduction to the regions of the researched

#### 4.1 Introduction to Northern Ostrobothnia Region in Finland

Jorma Kurkinen

#### 4.1.1 The regions of Northern Finland

Northern Ostrobothnia with Lapland and Kainuu are the three regions, which together are usually considered to make the area of Northern Finland. The borders of Northern Finland are not definite and sometimes Central Ostrobothnia is included in it, while Kainuu is included in Eastern Finland (e. q. in EU's NUTS-classification of territories).

These three regions of Northern Finland cover 48 percentages of Finland's geographical area but its portion of the population of Finland is only 12 percentages as most of the Finns live in the southern part of the country. Northern Finland is characterized by sparse population and long distances to services. This is emphasized even more in the region of Lapland, which make one third of Finland's area, but the population share is only three per cent. Vast majority of the square kilometres are uninhabited. The whole population of Northern Finland is about 560 000, it includes 60 municipalities and the longest distance from northernmost municipality to the southernmost municipality is about 900 kilometres. One speciality in Northern Europe is the minority of Sámi people, which are the only remaining indigenous people in the European Union. The number of Sámi is approx. 75 000 in all (including those in Norway, Sweden and Russia), of which 9 000 live in Finland and one third in the original home in the area of four northernmost municipalities.

Norway

Lapland

Russia

Russia

Northern
Ostrobothnia
Roahe
Central
Ostrobothnia
Costrobothnia
Roahe
Nainuu
Central

Figure 4.1.1.1 Northern Finland and Northern Ostrobothnia region.

The natural environment of Northern Finland is mostly forest, marshland, lakes and hills. Finland belongs from its main part to the Nordic coniferous forest belt (taiga), and the greatest part of Northern Finland area is pine, fir and birch forest apart from the tundra belt in the most northern part. For the climate it is typical big variation of the seasons from long, dark and freezing winters to relatively short, light and rather warm summers.

Northern Ostrobothnia region is the second largest region in Finland and it extends across Finland from the Gulf of Bothnia coast to the Russian border (Republic of Karelia). It has an area of 37 000 km² (11 per cent of Finland) and population of about 380 000 persons (7 per cent of the population of Finland). The average population density of the region falls down to 11 people per sq. kilometre. Northern Ostrobothnia has 29 municipalities and it is comprised of three types of areas. The provincial capital Oulu and its surrounding district is one of the most important population centres in the country outside the metropolitan

area of Helsinki. The total population of Oulu and its surrounding district is nearly 240 000. After Oulu there are three smaller town centres (Raahe, Ylivieska and Kuusamo). Most of the region is countryside — consisting of geographically large, but from their population small municipalities. In all about 80 percentages of the population live in built-up areas. The remaining part of the region is peripheral and sparsely populated area. Long distances to services are typical.

Agriculture and forestry represent essential sources of income in the rural areas of Northern Ostrobothnia. The few populated local centres in the area have significant industrial facilities specialized in the fields of forest, metal and chemical industry. Oulu is known for its university, high-tech expertise and electronics companies. Approximately one third of the area's jobs are located in the private or public service sector, around one fifth in industry, and less than one tenth in construction and in primary production.

## 4.1.2 Regional development

In general Northern Ostrobothnia is a growing and developing region, but it is undergoing a structural change, which is fed by the globalization and the global recession. The change is characterized by increasing polarization, which shows in the region in many ways, for example as:

- Concentration of population and unbalancing age and sex distribution in different areas.
- Concentration of labour markets, jobs, state offices, education.
- Economically developing and declining areas; areas that are involved in the internationalization process and areas that are not.
- Employment and unemployment areas.
- Concentration and lacking of services.
- Growing differences in the financial situation of the municipalities.
- Concentration and lacking of social capital, know-how, research and development.

The numbers of migration and population projections (see Appendix) show how the general trend of concentration is continuing. Lapland and Kainuu in Northern Finland are losing population and Northern

Ostrobothnia is getting population from them and in some extent from other parts of the country. Also in Northern Ostrobothnia the migration has been slightly negative in some years, but positive in the long run. The main reason for population growth in Northern Ostrobothnia is however the natural population increase. Northern Ostrobothnia has an exceptionally high birth rate, which is partly influenced by the religious movement of Laestadianism, which have a strong support in the area. As a result Northern Ostrobothnia has an exceptionally young age structure even in national comparison, more children and young and less working-aged and old than in almost any other area in Finland.

The change means that age and sex structure in the region is getting more and more imbalanced. Those who migrate are mostly young people, more likely women than men, and young families, who seek better education and job opportunities in the centres. This shows in the numbers on the region level, but the phenomenon is clearer inside the region. The in- migration and population growth concentrates almost solely to the Oulu region and as counterpart to Oulu there are the rest of the region, strongly aging and depopulating regressive countryside.

The demographic (or population) dependency ratio is in all regions worse than the national average. The ratio shows the number of people aged under 15 and over 64 per hundred working-age people aged 15-64 years. The greater the number of children and retirementage people is, the higher is the dependency ratio. The current demographic dependency ratio of Northern Ostrobothnia is 57, which means that there are almost two working-age persons per each dependency-age person. Another ratio, the economic dependency ratio describes even better the economic capacity of the municipalities as it includes all economically inactive population who are unemployed or otherwise outside the labour force (children, students, conscripts, those engaged in family duties, retired people, disability pension receivers, prisoners etc.). In Northern Ostrobothnia the ratio is 147, which means that there are about one and a half persons outside working-life per one working person. In all regions of Northern Finland the situation is worse than on average in Finland.

The concentration of people produces also another kind of polarisation. The measure of educational level gives the average length of education and training required for each person's highest educational qualification or degree after completing basic education. In Northern Ostrobothnia the value 345 shows that the theoretical length of

education per person is 3,5 years after basic education. The regions of Kainuu and Lapland lag clearly behind the whole country, whereas Northern Ostrobothnia is well above the national average (340). But the differences between the municipalities are big and the good result is due mainly to the high values of the Oulu region (395) and more specifically of Oulu (402), where the population is well educated and among the top regions in the country.

In all regions of Northern Finland there are less foreign nationals than on average in Finland. The numbers of immigrants are still relatively small, but there is a growing trend. For instance in Oulu the immigration has doubled in ten years and there are today about 3 500 foreigners from 118 different nationalities (the biggest groups being from Russia, Irak, Somalia, China, Vietnam, former Yugoslavia and Sweden).

## 4.1.3 Well-being in different phases of life

#### Children and families

In Northern Ostrobothnia there are more families with children and less single parents than on average in Finland. The level of housing is generally good, but living in overcrowded conditions is typical to families with children. Almost every fifth family with children live in households with low incomes measured by the at-risk-of-poverty rate, which is a relative concept measuring relative income differentials (according to the European Commission the threshold is set at 60 per cent of the median disposable income). In all regions of Northern Finland the number is more than on average. But when we look at the social assistance receivers, the proportion of actually poor families with children is considerably smaller. Single-parent families have a higher risk of needing social assistance than families with two parents and some single-parent families can be classified as poor who need of continual assistance.

Childrens' placements outside home have been in constant increase in Finland ever since the last big depression in 1990's. It seems that the depression had far-reaching consequences and the social problems it generated are still seen today as the children of that time are now parents themselves. During the depression it was also made wide cuts in municipal welfare services and different forms of preventive support. E. q. the previously common home help for families with children

suffered severely from the axe and is now practically missing in most of the municipalities. In Northern Ostrobothnia the childrens' placements outside home are fewer than on average, but the differences between the municipalities inside the region are however big.

Alarming numbers are expressed by the children themselves in a nationwide classroom questionnaire study *School Health Promotion Study* presents. From the 8<sup>th</sup> and 9<sup>th</sup> grade pupils of the comprehensive school 15 per cent experienced their health poor, 12 per cent suffered from depression, 9 per cent had no close friends and every fifth experienced inadequate parenting.

#### Young people

From the point of view of the young people, the unemployment is one major problem. In Northern Ostrobothnia almost every fifth young is unemployed, clearly more than on average in Finland. The situation is linked to the large number of the age group in the region, the bad work situation for the untrained young and insufficient number of education places. Staying away from work and training is another major problem and a severe risk for social exclusion. The proportion of those young, who are neither working or in education or training, is almost 10 per cent. In Northern Ostrobothnia this means about 4 000 young, more boys than girls, of which in Oulu lives about one thousand. The situation on the whole is better than on average in Finland, but also here the differences between the municipalities are big.

Equivalent numbers as children are expressed by the pupils of upper secondary school in above mentioned questionnaire study: 17 per cent experience their health poor, from depression suffer 11 per cent, no close friends has 7 per cent. About the frequency of mental health problems tells also the numbers of sickness allowances for mental health reasons of young people.

# Work-aged

The tax revenue is in Northern Ostrobothnia smaller than on average in Finland. So is the proportion of the employed of total population. Unemployment in Northern Ostrobothnia, 12 per cent, is a little more than the average in Finland. Every fifth of the unemployed are long-term unemployed. Social assistance and housing allowance receives

about 6–7 per cent of adult population and long-term social assistance 1,5 per cent. Also here the inner differences of the region are big.

The morbidity index describes the sum of seven different groups of national diseases (cancer, coronary heart disease, cerebrovascular diseases, diseases of the musculoskeletal system, mental health problems, accidental injuries, and dementia). The value of the index is 100 for the whole country and bigger value means greater morbidity. In Northern Ostrobothnia the index 113 shows that people are sicker than on average in Finland. The situation is the same in other regions of Northern Finland. The greater relative sickness of the region is shown also in the lower average retirement age, higher numbers in sickness allowances and higher disability pensions in Northern Ostrobothnia. Another index, the mental health index describes through three dimensions the prevalence of mental health problems in population. It includes suicides and suicide attempts leading to hospitalisation, entitlement to special refunds for psychosis-related medication, and disability pensions due to mental health issues. Also in the light of this index the situation in Northern Finland and especially in Northern Ostrobothnia is clearly worse than on average. These indexes reflect the burden of disease and mental disorder in the region and consequently greater demand for services when compared with the country as a whole. Again the differences between the municipalities are big. The high values and municipal differences can be partly explained by age structure, genetic factors, and occupational structure in different areas.

The substancial socio-economic differences in health in Finland, which have been reported in several studies, have been observed in health politics. It seems that in spite of the general improvement of health the socio-economic differences between different social groups has remained unchanged or even got bigger during the last decades. The socio-economic differences have been connected e. q. to education, working position and living habits (such as eating habits, doing physical exercise, use of alcohol and tobacco). One important fact connected to this is also the occupational health care system, which has a big role in Finland. Working usually ensures easily accessible high-quality health services on private sector paid by the employee. In contrast the unemployed must seek help from the overloaded public sector.

One notable and interesting fact is also that almost 40 per cent of workaged people are living alone. This seems to be a growing trend and hint

to thinner supporting social networks in the future. Divorces, suicides and consumption of alcohol do not differ significantly in the region from the average of the whole country.

## Old people

In the old peoples' services in Finland there have been several years a clear objective to reduce the more expensive institutional care and extend the time the old people live at their own homes. This objective has been promoted e. q. with home help and respective ways. In Northern Ostrobothnia of those aged 75 or more almost 90 per cent are living at home, which is close to the national goal. Of the age group however 45 per cent is living alone, which makes them a risk group in the sense of social, mental and physical well-being.

Of those aged 75 or more less than four per cent are in the long-term institutional care. Some of the old people live in residential homes and some of them are taken care informally by a family member or other close person. The latter is in some extent supported by the public services provider and it is hoped to be more important in the whole of old peoples' services. Considering the proportion of old people who are living alone, it is a challenge.

## 4.1.4 The challenges of well-being in Northern Ostrobothnia

In the historical perspective, before the new globalization era, the Northern Finland has been peripheral area to which international changes have come late and tame. You could say that the equality of people have been maintained by scarcity and hard conditions. Even now Northern Finland is a periphery of peripheries when viewed against the power centres of Middle Europe. But Northern Finland is involved in internationalization and the changes it carries with. Mainly the development has been positive as the prosperity and well-being of people has increased, on the other hand the positive development has not been even to all regions and groups of people.

As in the whole Finland the general standard of living and the prosperity is higher than ever, expected life time is longer than ever, the education system has consistently come at the top in the international rankings, welfare service system is by and large wide and functioning, and the society is secure and stabile. The majority of people are satisfied with their lives and situations. The general raise of well-being

and prosperity does not however distribute evenly to all. The growing socio-economic differences in health, income, employment etc. are manifested in many ways, such as in social assistance receivers, long-term unemployment, premature retirement, child protection, staying out from work and education, drug problems and mental health problems. A lot of people are socially excluded and there are a lot of others that are headed for the same process. In the light of indicators there are risk factors in all phases of life.

In Northern Ostrobothnia the essential factors in the process of social exclusion can be seen connecting on the other hand to employment position and living, and on the other hand to participation and integration. Firstly, the unemployment, low income, bad living habits, social and health problems have a tendency to accumulate to same groups of people and create cumulative ill-being. From the experiences since the 1990's depression we know also that this kind of ill-being in families can create possible super-generational hereditary ill-being.

From the point of view of participation and integration, it is notable that the heavy migration and concentration of people cause disturbance in social integration and cohesion in both the out-migration and in the inmigration areas, as the existing networks break up or change. The change affects strongly to participation possibilities, communal interaction and social support systems, and it concerns diverse groups of people and also those living in the centres. Concentration and differentiation of services to certain places raises the risk of social exclusion of those whose activity is restricted, especially this concern in a growing degree the old age people living alone in small communities in remote areas. Increasing use of technology in the services is one solution, but it may produce new divisions and risk among the so called information poor. The service needs of people differentiate and this demands different kind of service solutions in different areas basing on the needs of residents. At present the central challenge is that we lack adequate real time knowledge of people's well-being and needs for the basis of these solutions.

Scarce population, aging, unbalanced structure of population, unemployment, deprivation and social problems... The change sets the social and health services in front of a large operation field. The strong economic and demographic change, which is dividing the region to developing and regressive areas, continues in the near future and leads to growing inequality of citizens' possibilities to access services. The

change is strengthened by the general growth in the use of services. The social reality is much more complicated than a generation before and services confronts new kind of needs, increasing individualism and raising standards of people, new mobility and diversity of life styles, cultures and ethnicity. Beside the traditional social problems there are increasing numbers of new kind of "nasty" problems that stretch over the sectorial and professional limits and are insufficiently recognized by the service system.

The change is a big challenge, as there will be increase in demand on social and health services in the strongly aging municipalities at the same time when financial base of the services weaken. Finland is a welfare state, which typically guarantees wide universal services equally to all. The responsibility for financing and providing social welfare and health care is in Finland, as a rule, vested in strong municipalities. In Finland education and social and health services take roughly 80 per cent of the operating costs of the municipalities. In addition to these the municipalities have to take care of fire and rescue services, public libraries, youth and recreational activities, road maintenance, technical infrastructure, environmental care, general administration and several other duties. Over the last decades it has become more and more difficult for small municipalities to manage their duties to arrange the wide range of services locally The financial difficulties of municipalities and lack of resources results in shortsighted solutions to take care off only the statutory and corrective duties and to minimize the "unnecessary" preventive and open welfare work. A big challenge is also how to ensure the know-how and competent personnel in services. In many small municipalities there are difficulties to get trained employees.

So the keeping up the traditional welfare service level is difficult and the erosion of basic services in some extent seems inevitable. It has been realized in Finland that reforms are needed. The national Service Structure Reform was launched in 2005. It is the most significant reform in social welfare and health care in decades. The reform is linked to a wider National Project to Restructure Municipalities and Services. The general purpose of these is to create new larger municipalities or collaborating areas, and to arrange services on a broader population and financial base than at present. Crucial question is to how many social welfare and health care regions there will be needed in future and what way the services should be organized on different levels. The aim of the Service Structure Reform is to submit the Government Bill to

Parliament in spring 2014, and the Act is scheduled to enter into force in 2015. At present the solutions are still open. However the process has encouraged municipalities to several consolidations with the result that the number of municipalities in Finland has reduced from 432 in 2005 to 320 in 2013. Eight of these consolidations were made in Northern Finland; two of them concerning Oulu as five small surrounding municipalities have joined to it.

The globalization and the international and European development during last decades have in a certain sense drawn different systems closer each other. Hungary and Finland are both subjected to strong global and regional dynamics of change. The change includes from their time span and scale different kind of economic, political, ideological, cultural and social factors, which influence in the multidimensional process of change and eventually affects the basics of well-being and the realization of well-being of citizens. In both areas rapid changes in society pose challenges which the welfare services system must adapt to meet. Many of the challenges are common globalization, regional segregation, demographic transition, increasing differences in well-being between various population differentiation in real-life situations among citizens, new coping strategies to manage unexpected life changes, difficulties in the recruitment of skilled labour in the welfare services and increasing potential for the application of new technology. In both states, the government officials are responsible for arranging social and health care services and promoting the well-being of the citizens. In order to meet the challenges, it is necessary to get research-based knowledge about the real life situations of citizens and operational environment.

# 4.2. Introduction to the Észak-Alföld region - North Plain Region

Mátyás Bódi

The Észak-Alföld (North Great Plain) region is located in the East of Hungary and includes three counties: Hajdu-Bihar, Jasz-Nagykun-Szolnok and Szabolcs-Szatmar-Bereg. The region shares external borders with Slovakia and Ukraine on the North and Romania on the East. This provides the possibility for interregional cross-border cooperation between key cities. Ranking second in terms of size, the region occupies an area of 17,729 km2, with a population of 1,521,231.

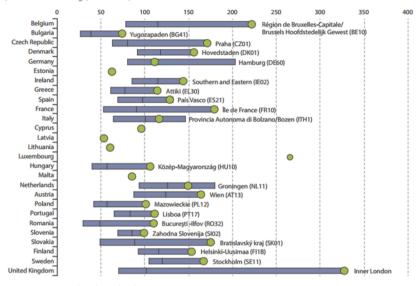
It is important to recognize that the region is among the poorest in the EU, with a per capita GDP at 41% of the EU 27 average<sup>52</sup>; only *Észak-Magyarország (Northern Hungary)* and numerous *Romanian* and *Bulgarian* regions are ranked lower of all the EU regions with respect to GDP per capita<sup>53</sup>. The *North Great Plain Region* is one of the six Hungarian regions receiving assistance under the Convergence objective during the current programming period.

<sup>&</sup>lt;sup>52</sup> source; Eurostat, Regional Yearbook 2013.

<sup>&</sup>lt;sup>53</sup> Only 9 other EU region have lower GDP/capita value; Sud – Muntenia (Romania), Sud-Est (ROM), Severoiztochen (Bulgaria), Yugoiztochen (BG), Sud-Vest Oltenia (ROM), Yuzhen tsentralen (BG), Severen tsentralen (BG), Nord-Est (ROM), Severozapaden (BG).

Figure 4.2.1 Range of the highest to lowest regions by GDP (PPS) per capita by member states.

**Figure 1.2:** Gross domestic product (GDP) per inhabitant, in purchasing power standard (PPS), by NUTS 2 regions, 2010 (¹) (% of the EU-27 average, EU-27=100)



Source: Eurostat regional yearbook 2013. pp. 28.

The range of the highest to lowest region for each country shows that there are no higher inequalities in Hungary at the regional level than in other member states. The duality of the country is represented by massive gap in economic performance between the capitol and the rest of the country. The black vertical line is the average (mean); the green circular marker is the capital city on the figure. The existing differences are related to the outstanding performance of the central region that consists of the capitol and its urban sprawl area. In 2010, the highest level of regional average GDP per inhabitant was at least two times as high as the lowest level in Hungary just like in *Bulgaria*, *Belgium*, the Czech Republic, Germany, Poland or Italy. But it must be mentioned that the regions with the lowest level (the North Great Plain and Northern Hungary Region in Hungary) didn't even reach 50% of the EU average in Hungary as well as Bulgaria, Romania, Poland and Slovakia.

The geographical features make the region homogenous; the highest point of the region is the 240 m high *Kászon-hegy*. The region has strong agricultural potential, as 21.7% of Hungary's agricultural land is located

in the region. However, agricultural production is facing problems for example, poor production security and low number of high value-added (i.e. processed) agricultural products. The region has undergone significant development, but it still remains below the Hungarian average in terms of industrial production per capita. Lack of infrastructure hinders further development of economic potential in key sectors such as tourism. Research and development, particularly in the fields of lifesciences and innovative technologies are key areas for further development. The settlement pattern is not homogeneous across the region, as the northernmost county (Szabolcs) has typically scattered farmstead settlements surrounding major cities. Providing social services for people living in such remote farm buildings is challenging, as the majority of the inhabitants are old, inactive, and socially backward.

Although the counties (Szabolcs in particular) belong to the less developed and flourishing economic part of the country, significant internal inequalities can be recognized within the region as well. Such major cities as Debrecen, Szolnok, and Nyiregyhaza had a key role in the regional economy as those cities were an attractive target for foreign capital investments since the fall of the communism, while the eastern periphery along the Romanian and Ukrainian borderline and a distinct inner periphery near the Tisza river in Jász-Nagykun-Szolnok suffer from major structural and social problems.

In the following parts of this chapter some general aspect of the economic and social situation will be presented, comparing the *North Great Plain Region* to the rest of the country. In this section some insight will be added as well regarding the spatial structure of economy and the social situation in the region.

# *Income level – Employment*

As it was stressed above, the region has one of the lowest GDP per capita (PPS) value within the whole *European Union*. To provide some insight about the standard of living of the region's inhabitants, the net income level will be used as a general well-being factor. As the aim of this small chapter is not the representation of the regional inequalities of the region, only general indicators are used and results on micro-regional or even municipal level are not presented.

Table 4.2.1 Net. Income of level of Hungarian counties and regions in 2011 (1000 euro<sup>54</sup>).

Regions /Counties	Net. income (€)	Regions /Counties	Net. income (€)	
Dél-Alföld	4 815	Közép-Dunántúl	5 777	
Bács-Kiskun	4 736	Fejér	6 032	
Békés	4 522	Komárom-Esztergom	6 022	
Csongrád	5 172	Veszprém	5 269	
Dél-Dunántúl	4 959	Nyugat-Dunántúl	5 474	
Baranya	5 068	Győr-Moson-Sopron	5 745	
Somogy	4 594	Vas	5 433	
Tolna	5 275	Zala	5 087	
		Észak-		
Észak-Alföld	4 771	Magyarország	5 130	
Hajdú-Bihar		Borsod-Abaúj-		
Trajau Binar	4 974	Zemplén	5 066	
Jász-Nagykun-Szolnok	4 932	Heves	5 457	
Szabolcs-Szatmár-Bereg	4 452	Nógrád	4 833	
Közép-Magyarország	7 505			
Budapest	8 142			
Pest	6 636			

Source: VATI (TeIR) Hungarian Non-profit Ltd. for Regional Development and Town Planning (Information System of Territorial Data)

According to the latest available income data (2011), the examined region has the lowest average income degree. It must be pointed out that the economic performance of the peripherally located *Szabolcs-Szatmár-Bereg* County is much lower than even the national mean. The average net income level in this county is only the half of the amount in the capital (*Budapest*). Of the 33 least developed Hungarian micro-regions, 6 can be found in this county, forming a complete block of territorial units in the North East corner part of Hungary.

In general, on the municipal level the region suffered a decrease in the relative level of income compare to the national average (Pénzes 2010) between 1988 and 2007. The settlement size is a significant differentiating factor with respect to income level, the county seats (Debrecen, Nyiregyhaza, Szolnok) had a massive growth potential in their

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<sup>&</sup>lt;sup>54</sup> 1 euro = 304 HUF according to the Hungarian National Bank at 2012.01.01

income level, while towns with more than 10,000 inhabitants had a small decrease on the average, but villages with less than 2,000 inhabitants experienced a serious drop-off in their income level.

Considering the rate of *unemployment* in Hungarian regions, even more significant differences can be recognized. The unemployment rate in the total regional population doesn't really reflect the real situation, but it can be stated that the *North Great Plain* Region suffers from the highest unemployment (with the neighbouring *Northern-Hungary*) according to this index.

When the number of unemployed persons was examined compared to the population in the active age, the differences become more distinct. In the two least advantageous regions every 8<sup>th</sup> person is permanently unemployed, while in such regions as *Western-Transdanubia (Nyugat-Dunántúl)* there is less than one third of this amount permanently unemployed.

Table 4.2.2 Rate of unemployment among regions (NUTS-2) in Hungary in 2011.

REGION (NUTS-2)	Number of unemployment pop.	Total population 2011	Active population (15-62 years olds)	% unemp. in total pop.	% unemp. in active pop.
Dél-Alföld	78279	1329138	918662	5.89	8.52
Dél-Dunántúl	67069	960729	668338	6.98	10.04
Észak-Alföld	131989	1526790	1063268	8.64	12.41
Észak- Magyarország	106460	1230702	843730	8.65	12.62
Közép-Dunántúl	50813	1109292	779816	4.58	6.52
Közép-					
Magyarország	83493	2938604	2019784	2.84	4.13
Nyugat-Dunántúl	34205	996465	697523	3.43	4.90

Source: VATI (TeIR) Hungarian Non-profit Ltd. for Regional Development and Town Planning (Information System of Territorial Data)

It is important to recognize that on county level, the least developed, *Szabolcs-Szatmár-Bereg* County has the highest unemployment rate among Hungarian counties in both cases (every 10<sup>th</sup> person is permanently unemployed from the total population). Special factors can't be excluded like the high rate of Roma (*cigány* – Gypsy) population in that county as well as the extremely high number of young unemployed.

According to the latest census (2011), 70 % of the county's unemployed population is in the 20-44 year old age group.

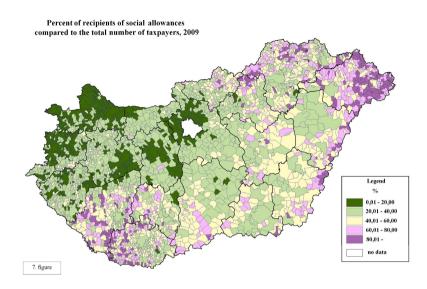
The high rate of permanent unemployment among Roma people has led to certain social problems. Permanent unemployment emotionally breaks most marginalised people; it increases alcoholism and suicide rates and can lead to crime. This further exacerbates their social exclusion. A "black economy" has a special role to play especially in the areas near the Ukrainian border, where alcohol, petrol and cigarette smuggling is the source of income for numerous households.

## People, receiving social benefits

The high rate of citizens receiving permanent social allowances is considered to be one of the greatest obstacles to the further social development of Hungary. Similarly to other social and economic indicators, this phenomenon also has a typical spatial pattern, which reflects the regional inequalities that can be measured and observed is the examination of certain income indicators.

The editors of a recent book examined the social services of the Hungarian welfare system as well as access to those social services. One of their greatest achievements was that they also conducted research from a territorial point of view, giving in-depth analyses about the spatial differences in people's source of income. As shown in the book (Bódi & Fábián 2011) there is a distinct part of Hungary – group of settlements forming compact areas having the same social characteristics.

Figure 4.2.2 Population receiving social allowances, compared to the number of taxpayers in 2009.



Source: Bódi, F. & Fábián, G. & Lawson, R. T (2012) Local Organization of Social Services in Hungary. appendix pp. 332.

In that work the question of social inclusion and the large number of people living by social benefits was examined on the municipal level and according to settlement size. The most important findings were that in some of the indicators (ratio of citizens receiving social allowance in the active age group, or the aggregated number of people receiving different social benefits compare to the people having a regular salary) settlement size was the most crucial distinctive factor. In this later case, when the aggregated number of people having some sort of social allowance was compared to the number of tax payers, it turned out that in the settlement type having a population less than 1,000, 42%, needed to apply for social benefits to cover their family needs and daily necessities. In Hungary, the system of family allowances, which is based on subjective right and inherited from the socialist era, is more extensive than in other countries, although amounts paid are rather low.

Most of the poor in Hungary have no opportunity to earn a living by working. In addition, the active labour market programs have been gradually taken away over recent years. In many villages, social care services provided by local municipalities are limited. Subsidies from municipalities are at a low level – about 0.5% of GDP. Support is paid by municipal governments to local families in many forms including regular social benefits, regular or special child protection support, flat maintenance support, public health benefits and special subsidies.

The previously described micro-regions on the north-eastern periphery of the region has this special settlement pattern with dozens of villages having a population of less than 1000 or even 500 people. The same situation can be seen in smaller municipalities along the Hungarian-Romanian border. The amp shown above reflects the fact the *Szabolcs-Szatmár-Bereg* County has by far the worst social situation in the region. In order to have an exact view on the county level with aggregated numbers, the data is summarized in the table below.

What was not visible when the regional GDP per capita or even regional income level was examined was the strong duality of the country with respect to geography. Észak-Alföld (North Great Plain) and Észak-Magyarország (Northern Hungary) has four or five times more people receiving permanent social allowances compared to the western or central part of Hungary (Western Transdanubia). The highest amount can be seen in on the northeastern part of Hungary. The two neighbouring counties (Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg) are over 10%, while Hajdú-Bihar and Jász-Nagykun-Szolnok have lower per cents.

Table 4.2.3 Rate of population receiving social allowances by regions and counties in 2011.

<b>D</b> • • • • • • • • • • • • • • • • • • •	People with social		People with social
Regions / Counties	allowance/tax payers (%)	Regions /Counties	allowance/tax payers (%)
D (I A ICTL)		Közép-	
Dél-Alföld	5.08	Magyarország	1.52
Bács-Kiskun	5.31	Budapest	1.57
Békés	7.23	Pest	1.47
Csongrád	2.89	Közép-Dunántúl	2.71
Dél-Dunántúl	6.89	Fejér	2.84
Baranya	6.74	Komárom-Esztergom	1.87
Somogy	8.35	Veszprém	3.27
Tolna	5.17	Nyugat-Dunántúl	2.18
Észak-Alföld	8.91	Vas	1.03
Hajdú-Bihar	7.96	Zala	2.06
Jász-Nagykun- Szolnok	7.00	Győr-Moson-Sopron	4.12
Szabolcs-Szatmár-			
Bereg	11.26		
Észak-			
Magyarország	10.32		
Borsod-Abaúj-			
Zemplén	12.41		
Heves	6.25		
Nógrád	9.78		

Source: VATI (TeIR) Hungarian Non-profit Ltd. for Regional Development and Town Planning (Information System of Territorial Data)

These brief analyses underline the fact that even an underdeveloped region as *Észak-Alföld* can have serious, deeply rooted inner inequalities regarding the social indicators. Next to the city-village social diversification there is a clearly recognisable territorial one as well, with the peripherally located *Szabolcs-Szatmár-Bereg* being in the worst condition based upon these indicators.

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# 4.3 Anomie as a thermometer of the crisis (experiment) – Social Capacity – phenomenon of the complex crisis

Ferenc Bódi – Jenő Farkas – Zsuzsanna Horváth

## Types of Anomie and Historical Background

The purpose of the chapter below is not to provide an additional interpretation of *Durkheim*'s concept of anomie or to represent the concept in terms of quantitative measures. As Merton said a few decades before us: "Like many of us who have tried to follow in his large footsteps and consequently wobble a bit in these excessively spacious areas, Durkheim did not afford explicit and methodical guidance to the various signs of anomie, to the observables of normlessness and deteriorated social relationships. Yet it is plain that indicators must be developed if the concept of anomie is to be utilized in empirical research." (Merton 1968, 219) Rather, the authors' attempt has been to design a complex measure, an experimental index to describe the symptoms of acute anomie in territorial units of various sizes.

First of all, the concept of anomie must be investigated. Its first appearance is connected to the deep global crisis, the tipping point of which served as a basis for the prognosis of the *Great Depression* by *Nikolai Kondratiev* (Kondratiev 1925), while datasets serving Durkheim's analyses pertain to the period between 1870 and 1880.

Durkheim's analyses are embedded in history as a social environment which includes embodied artifacts and institutions already framed, but the primary substance of historicity of human beings is their sociality as a space of free inter-subjectivity beyond any strict determinism. Durkheim relied on Guyau's idea of social environment as historically embedded (Guyau 1898) is not oriented towards discovery of hard mechanical laws of human behavior, quite the contrary, it seeks to understand social *milieu* with its traditions and interactions as a complex field of differentiations and free choice. To put *Guyau* in relationship with Taine and positivism, F. J. W. Harding (1973, p. 65) accentuates that »...the influence of a social environment ceases to be dominant in highly complex and dynamic communities which tend to break up into a number of smaller, independent *milieux*.« Beside »life« as dominant idea, there is a dominant motive in Guyau's thought: to liberate philosophy and science

from positivist or social evolutionist ambition to represent human beings and their social interaction in terms of mechanical determinism, and to synthesize such knowledge into laws of absolute necessity which call for scientific manipulation management of the people, a discipline which political leaders found so compelling in *Saint-Simonian doctrines*.

Durkheim's contribution to the study of the relationship between society and health is immeasurable. Perhaps most important is the contribution he has made to the understanding of how social integration and cohesion influence mortality. Durkheim's primary aim was to explain how individual pathology was a function of social dynamics. In *Suicide*, Durkheim challenges us to understand how the patterning of one of the most psychological, intimate, and, on the surface, individual acts rests upon the patterning of *social facts* and not upon psychological foundations. In *Suicide*, he shows how *social facts* can be used to explain changing patterns of aggregate tendency toward suicide. Durkheim introduces his work by observing how countries and other geographic units and social groups have very stable rates of suicide year after year. Once armed with the irrefutable social patterning of suicide, Durkheim goes on to theorize that the underlying reason for suicide relates, for the most part, to the level of social integration of the group.

Anomic suicide is of particular relevance. This type of suicide defined by Durkheim, is related to large-scale societal crises of economic or political nature, often occurring during times of rapid social change and turbulence. Social control and norms (e.g. the regulatory function of integration) waning, the rapid change serves to deregulate values, beliefs and general norms and fails to rein in or guide individual aspirations (Turner & Noh 1983).

Today crises in Russia and Eastern Europe might be classical situations leading to anomic suicide. Durkheim illustrates suicide is triggered by the erosion of society's capacity for integration.

Following the tipping point of the third Kondratiev cycle, *anomie*, probably the greatest sociological innovation of the 19<sup>th</sup> century, came to the forefront anew. The Great Depression prompted a more precise description and definition of the concept along with the introduction of a new methodology. The most precise, if not always consistently used, definition of anomie provided by Merton refers to "a literal *demoralization*, i.e., a deinstitutionalization, of the means" that is the consequence of a dissociation between cultural goals and institutional norms (Merton 1968, p. 190). Anomie has often been believed to refer

to a general imbalance between cultural goals and the legitimate ways to achieve those goals. That is clearly not the case, for Merton's concept of anomie refers to "a specific imbalance where cultural goals are overemphasized at the expense of institutionalized means" (Orrù 1987, 122). In his attempt to renew the concept, he distinguishes between simple and acute anomie, the former being a general imbalance, the latter being "acute anomie, to the deterioration and, at the extreme, the disintegration of value-systems, which results in marked anxieties. "(Merton 1968 217 Garzia 1948) Further on, he explains that anomie can have various levels of intensity, and of different types. Consistent with the Theory of action of Parsons and Bales (Parsons et al. 1953) he points out that deviant action can have four distinct directions generating the four archetypes of anomie described in the Continuities in the theory of social structure and anomie (Merton 1968). The actor's active or passive role in either the alienation from the normative pattern, or the *commitment* to the normative pattern or to change are depicted below:

Table 4.3.1 Parsons' typology<sup>55</sup>

the alienative side,	the side of compulsive conformity		
Aggressiveness	compulsive performance		
Withdrawal	compulsive acceptance		

Source: authors based Parsons and Bales (1953).

Consistent with Parsons' Theory of action, Merton uses phases in US culture as an ontological framework to develop the typology of anomie. He investigates the relationship of *success* as a central notion to US culture along with its institutional and changing norms, and he focuses on success in terms of an aim to be achieved and a path to reach it,

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In the words of Parsons and Bales, "Deviance was shown to involve four basic directions, according to whether the need to express alienation from the normative pattern – including the repudiation of attachment to alter as an object – or to maintain compulsive conformity with the normative pattern and attachment to alter, and according to whether the mode of action was actively or passively inclined. This yielded four directional types, those of aggressiveness and withdrawal on the alienative side, and of compulsive performance and compulsive acceptance, on the side of compulsive conformity. It was furthermore shown that this paradigm, independently derived, is essentially the same as that previously put forward by Merton for the analysis of social structure and anomie." (Parsons et al., (1953)Working Papers, 68.

embedded in available institutional framework. Two critical phases in time are included in his work: the aftermath of the Civil War *How to become rich?* (quoted by Merton) giving birth to the American dream and the Great Depression and its aftermath.

Analysing the first phase, he points out the contradiction in the parallel validity of the value system of 'Work! and work makes you a man!' (quoted by Merton) and "...the greatest barons were robber barons, men who made their way by corrupting legislatures, appropriating resources, organizing monopolies, and crushing competitors." (Merton 1968, 223)<sup>562</sup> Opposing values (morals and immorality) of the terminal value system of the society are in contrast with the opportunities and societal realities. "The disjunction between accepted norms and opportunities for socially rewarded conformity to these norms 'exerts pressure' for deviant behavior and produces anomie." (Merton 1968, 230)

At the same time, if institutional practice is rejected but cultural aims are invariably maintained, then – in order to achieve institutionalized goals, non-institutionalized means are deployed, for instance white-collar crime, or the frequency of organized crime can increase – like in the aftermath of the Great Depression. Merton points it out that "...this theory does not maintain that the resulting deviant behavior is rationally calculated and utilitarian. Instead, it centers on the acute pressures created by the discrepancy between culturally induced goals and socially structured opportunities." (Merton 1968, 232)

This *innovation* attitude is observed during significant societal transformations – coincidental with phases around tipping points of economic depression and more specifically, with their aftermath. Merton, describing the 'gangster' attitude exuding an air of negativism, and destructive behavior, aiming at the goal meanwhile rejecting instruments leading there, in reality establishes the first archetype of anomie.

Parallelism with Eastern Europe is not difficult to point out: in the legal and moral chaos following the collapse of communism, white-collar crime (tax evasion, property acquisition by unlawful ways and fraud), together with 'subsistence crime' flourished and were not actively

Acknowledging a striking parallelism, any reader from Eastern Europe could believe that his region following the transformation of the socio-political system in 1990 and the subsequent wild capitalism and privatization are described by Merton. The only condition not valid for the region in the era of postcommunism is the value system of Work!

investigated by authorities – consistent with the permissive attitude of ruling governments.<sup>57</sup>

In periods of crises intermittent phases of status- and role transformation can be detected; individuals, yet bound by institutional norms can give up their terminal values. This is what Merton calls *ritualism*, the second archetype of anomie (Merton 1968, 238). "As located in the typology, ritualism refers to a pattern of response in which culturally defined aspirations are abandoned while "one continues to abide almost compulsively by institutional norms. 'As was said when this concept was introduced, 'it is something of a terminological quibble to ask whether this represents genuinely deviant behavior." (Merton 1968, 238)

Bureaucratic virtuosos are seen as champions of excessive adaptive and concessional behavior, that can, in extreme cases 'develop' a workaholic pathological behavior. According to Merton, driven by status anxiety, they are characterized by obsessive repetitive and stereotypical behavior patterns, experience eviction, excessively 'good' form. Transformation in Eastern Europe has developed its bureaucratic virtuoso archetype, recklessly struggling for the remaining workplaces and constructing their careers tooth and nail, enforcing their rights over others' backs and thus negating values of older generations instrumental in generating cohesion and solidarity.

Generation Y<sup>58</sup> which actually happens to be the first generation educated and socialised in a society newly liberated from the socialist norm behind the former Iron Curtain is impacted by the former effects and synergies. Its members are ready to overshadow values in their fight for work, employment, in extreme situations to live as singles (one possible form of live) giving up family ties, and protection.

The third archetype of anomie is labeled as *retreatism* by Merton "The retreatist pattern consists of the substantial abandoning both of the once-esteemed cultural goals and of institutionalized practices directed toward those goals." (Merton 1968, 241)

Retreatism is triggered by acute anomie which may occur in times of both depression and prosperity. Merton mentions the example of

Jean M. Twenge (2006) Why Today's Young Americans Are More Confident, Assertive, Entitled--and More Miserable Than Ever Before. Simon and Schuster.

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http://www.polgariszemle.hu/app/interface.php?view=v\_article&ID=318& page= 0 / Póczik Szilveszter: szegénység, Bűnözés, Megélehtési bűnözés, Polgári Szemle, 2009. 5. Évf. 2. Sz.

widowhood where both sloth and torpor can overwhelm one's behavior. The same apathy can seize people freshly entering unanticipated pension and disrupted from their daily routine.<sup>59</sup>

Apathy as a topic is often used in fiction: *Camus* in his work entitled *L'Étranger* (1942) uses absurd as an approach. *Retreatism*, the most conspicuous type of anomie can be detected in the socio-graphic experiment of *Marienthal* near Vienna, where apathy takes the shape of a drained community with its members retreating into their dwellings, relinquishing travel and socializing.

Public spaces and parks are abandoned, institutions are not supported – thus compelled to shut down, visits to public institutions (library and social circles) and membership decreases even if they are free. Long-term pensioners, despite the higher price of tabloids choose to subscribe to them and not to the cheaper daily papers with more substantial and meaningful content. Political parties are gradually abandoned, and the number of unsubstantiated prosecutions increases, etc. (Jahoda & Lazarsfeld & Zeisel 1975).

Marienthal is the perfect precursor of the rust belts developing after 1990 and of the communities living or subsiding on the ruins of socialist heavy industries.

Symptoms recorded in the middle of the 1930's, although not referring to the notion of anomie, coincide with *retreatism* as defined by Merton. Individuals, absorbed by vacuum are tossed around, thus becoming preys of political totalitarianism.

Merton has reservations about the metric experiment designed by his contemporary, Bernard Lander, attempting to define a measure of anomie from the point of view of objective living conditions. According to Lander (1954), the increase in the level of anomie in a given territorial unit is proportional to the increase of crime rate, the rate of Afro-Americans and Hispano-Americans in the population, and the low rate of residential ownership.

However, the Marienthal experiment of Lazarsfeld and collaborators, offers a better starting point for the composition of an indicator of anomie based on objective variables. This indicator could be used a measure of comparing varying levels of *retreatism-type* anomie. For instance, in Hungary, in regions still not recovering from employment crisis lasting

<sup>59</sup> See the movie entitled About Smith with Jack Nicholson playing this role.

for nearly a quarter of a decade, owing to the modifications in the timetables of public transportation, the coach and train services have dramatically dropped. Institutions had to shut down due to aging populations, former migration and low income levels (Bódi & Fekete 2012). Gardens and orchards are not being cultivated, yet there are 200,000 hectares of them available in the country.<sup>60</sup>

Civil institutions are more present and active in more developed regions and settlements than in underdeveloped ones. <sup>61</sup> In Hungarian settlements with long-term low level of employment and income, participation at the parliamentary elections is lower than the national average (Bódi, F. & Bódi, M. 2012). Measurement of the territorial differences in the *retreatism-type* anomie will be the topic of a later study.

Former archetypes of anomie have been defined in function of the relationship between the institutional norms; however, individual groups of society may have varying norms, furthermore, these norms are bound to change, giving birth to new norms that can subsequently become dominant. Values greatly appreciated in the past can become devalued. Cf. the topic of Don Quixote, the decline of the value system of former periods, or the absurd approach of the topic in Dürrenmatt's Romulus der Große (1950). Merton relies on Elinor Barber's The Bourgeoisie in 18th Century France (1955) when he introduces the archetype of rebellion anomie. "When rebellion becomes endemic in a substantial part of the society, it provides a potential for revolution, which reshapes both the normative and the social structure. It is in this connection that a recent study of the changing role of the bourgeoisie in eighteenth century France significantly extends the present theory of anomie." (Merton 1968, 244)

When discrepancy between mobility expectations and factual mobility is too wide, we face a state of anomie – says the author – and effective mobility is not accompanied by moral approval (Barber 1955). In reality, in this case, *change in class and order structure is not organic*, the principle of *conservation cum elimination* is not effective, meaning that the emerging individuals are despised, considered as opportunistic by their peers, on the other hand, emerging individuals despise those remaining in lower ranks.

<sup>60</sup> http://mno.hu/mezogazdasag/fazekas-ez-a-magyar-agrarium-aranytartaleka-1144491

<sup>61</sup> http://civil.info.hu/nyilvantartas

Rebellion-type anomie can prevail in a time dimension, that is, the dichotomy of old and new, and also in space. Dual living presence prevail in space (Castells 1991), where terminal values friction and clash. In metropolises created by globalization parallel living presence came to existence, specifically owing to immigration, the modern-time migration. By the same token, parallel living presence of the drifting and depressed-emerging regions are organic consequences of the complex crisis following the collapse of communism in Eastern Europe. In regions with long-term low employment levels, including rural living presents, we can observe the formation of ghettoes (Kovács & Váradi 2013) and enclave societies the escape from which is nearly or wholly impossible (Gazsó 2008). Societal and regional discrepancies triggered by the crisis are sustained and continue to have an impact (theory of Kuznets-Williamson gap 1966)

In drifting regions, where children cannot see their parents going to work on a regular basis, managing genuine property, everyday life is restricted to black work, allowance benefits and a certain degree of "collection". Family and friend celebrations are organized for children not in the event of their graduation from secondary school, not that they have high chances of doing so, but when they return from their first preliminary arrest or served prison sentence.

In these enclave communities new regulating norms become dominant and they start to gnaw away basic norms of society. Family as an integrating institution alienates from the measures safeguarding societal order, yet a more restricted community keeps its members in a bubble, who so have weak chances of breaking free using their own means. Supporting institutions, kindergarten, school, family caregivers, health caregivers and church, as outsiders to this world, cannot address these issues as they don't use the same means of communication.

Significant development of spatial informatics of the past decades made it possible for us to have access to data relating to a given spatial unit in a given time. The use of such methods is pointedly required today in the Eastern part of the former Iron curtain following the EU-accession

Concomitantly, a series of health sociology reports have been published, confirming relevant relationship between death and deprivation, and exploring connection between phenomena independently observed before (Juhász et al. 2010). Durkheim's hypotheses have been confirmed on various points. "Durkheim's theories related not only to the patterning of

suicide but easily extend to other major outcomes ranging from violence and homicides to cardiovascular disease."(Berkman et al. 2000)

In the following, we attempt to demonstrate regional discrepancies and to delineate areas suggesting the prevalence of a peculiar type of dual living presents. Wherever societal integration is weak, and social capacity is low, a conglomerate of symptoms of anomie will be found.

# Overview of indices and composite indicators depicting social phenomena

In social sciences, the condition of individual observation units, their degree of complexity and development trends are defined by indicators, or in the case of more complex phenomena, by composite indices. The latter, consistent with the object of observation, using joint application of the values of the diverse indicators by mathematical-statistical methods, describe various aspects of the given phenomena. Among the most widely known complex indicators are the Bennett- indicator, the human development and other deprivation indices.

The composite Bennett-indicator comprises settlement characteristics such as accessibility, development, competitiveness, or degree of urbanization. The composite indicator is calculated by comparison to the given indicators' maximum value, thus values of the individual test units are defined as percentage of these maxima. The per cent aggregation results in the final indicators value.

Human Development Index (HDI), introduced in 1992 by the United Nations Development Program, is the basis of the annual Human Development Reports. HDI, a composite statistic, having the objective of capturing the full complexity of human capabilities is calculated taking into account three dimensions:

- A long and healthy life: Life expectancy at birth
- Education index: Mean years of schooling and Expected years of schooling
- A decent standard of living: GNI per capita (PPP US\$)

The three autonomous dimensions are used to calculate the HDI composite statistic. At its origin, HDI was considered to be a revolutionary statistic, but some serious criticism has been worded considering both the methodology and the basic indicators.

The immediate predecessor of our social capacity index described in this piece has been the deprivation index as elaborated by Juhász and his research team (Juhász et al., 2010). In the course of the past decades, researchers of the topic have developed a number of complex indicators differing in some of their details (Jarman, 1983; Towshend 1987; Spéder, 2002; Kapitány and Spéder 2004). The Hungarian research team has been able to bring fresh results in the selection of indicators by considering fundamental characteristics of Hungarian society. Thus, the constituents of the index include the rate of large families (in Hungary three children or more than three children in a family) rate of single parent families, since, data provided by the Hungarian Bureau of Statistics indicate that these families are liable to a higher risk of poverty.

## The objective for creating the social capacity index

The objective of creating this composite indicator is to assess the capacity of local society as a reliable local resource when allocating various regional development programs. We consider local society to be a local resource that can substantially contribute to the success of regional or rural development in any given settlement or region. Hence the importance of describing its condition before the commencement of a planning or development cycle. Development requires — beyond environmental and economic resources - the availability of societal resources, since the combination of these resources predict the effectiveness of setting realistic strategic objectives and the of the right development methodology. Therefore, when composing our composite index, we strive to assemble that grasp and describe population characteristics: physical and mental health, economic status, well-being and relationship with the world of working.

# Description of the constituent indicators of the index

At this stage of research design, municipal level has been defined as the test unit. Consequently, we had to face the difficulty of some of the selected indicators not qualifying as stabile enough for mathematical-statistical purposes (e.g.: early mortality risk) on the level of territorial test units. Therefore it has been decided that whenever possible, a single relevant indicator will be integrated into the index using aggregate data of three years (2009-2011). However, this solution has not been always workable because of the shift in the range of data collection (the number of the recipients of social allowances, owing to regulatory change cannot

be retrospectively calculated over several years), or because of missing data (in the case of criminals). (Differences are shown at the individual indices.)

- 1. Proportion of convicted criminals (by residence) to the ratio of taxpayers averaged over 3 years (2008, 2009, and 2011) indicators describing the moral condition of the society.
- 2. (Annuitants) Proportion of recipients of social allowances compared to the number of taxpayers in the year 2011. This indicator is an aggregate indicator in itself, deployed on the basis of the results of (Bódi &Fekete & Bódi 2012) (Bódi 2012), and comprising the following constituents: number of recipients of regular social allowances, registered unemployed in search of work, number of recipients of old age pension, and the recipients of disabled and rehabilitation allowances. This indicator's objective is to assess the proportion of those in need of allowances in any given municipality.
- 3. Income per taxpayer in the average range of 3 years representing economic wealth.
- 4. Proportion of taxpayers as a percentage of the population aged 18-59, in the average range of 3 years, representing the number of active population having work wages.
- 5. Change in population between 2009-2011 as an indicator representing increase, stagnation or decrease of the population as a resource.
- 6. Number of abortions as a percentage of women of child-bearing age, in the average range of 3 years, representing the mood and optimistic future orientation of the society.
- 7. Risk of early mortality in the average range of 3 years, as an indicator representing damage (economic and social) caused by inefficient (or lack of appropriate health care and health educated) healthcare furthermore, there is a significant correlation to certain poverty-related illnesses, such as cardiovascular illnesses.

# Methodology of composing the composite index

Methodology has been following the formulation of the deprivation index as developed by Juhász, Nagy, Páldy and Beale (Juhász et al., 2010). Standardization and aggregation of the individual indicators, as

constituents of the composite index, has been implemented in the following way: Indicator values of the individual territorial units (X) have been compared to their arithmetic mean (A) and divided by standard deviation (S). This calculation is expressed by the formula below:

$$Z=(X-A)/S$$

For indicator 3 (per capita income), indicator 4 (percent of tax-payers) and indicator 5 (population change) the formula is modified as per below:

$$Z=(A-X)/S$$

Furthermore, Z values of the indicators standing for individual territorial units have been

aggregated, resulting in the value of social capacity index. Mathematical and statistical weighing of the indicators, as well as expert weights has been omitted at this time.

## Explaining the social capacity index

The social capacity index can be interpreted as follows: the higher the *Z* value in any given territorial unit, the higher the complexity and number of societal-social problems to be found. Lower *Z* values signify more favorable societal-social status.

## East-West slope

Before the discussion of the spatial differences of the above indicators, it would be useful to consider the position of Hungary within *Central Europe* from a wider perspective. Although for Hungarians it seems obvious that there are some measurable discrepancies between the quality of living in *Transdanubia* in the Western part of the country and the *Great Plain* in the East, it seems less obvious that discrepancies do not originate in the breakdown of the employment structure of the aftermath of 1990.

Browsing through the *Atlas of Central Europe* of *András Róna* (1945), particularly the pages showing quality of life indicators, one can realize that there is a step, a fissure dividing the country in an East-West direction.

In the respective period, *Illiteracy* rate in Transdanubia and in *Central Hungary* is 0-10 %, but in the *Great Plain* and in *Northern Hungary* it is 10-20 %, except in the larger towns (e.g. Debrecen and Szeged), and in

the further East (*Transylvania*, *Eastern Balkans*) the picture based on data registered in the beginning of the 1930's is gloomier (Róna 1945, 184-186).

Death rate in Northern Hungary and Transdanubia, along with Central Hungary and between Danube and Tisa, is 14-16 ‰, but in the further East it is 16-18 ‰, followed by Northern Great Plain, where it attains more than 18 ‰, based on 5-10 years average around 1930 (Róna 1945, 196-197).

*Infant mortality* (based on 5 years in the middle of the 1930's), in *Central Transdanubia*, along the Austrian border is below 12 % (not an error, factually percentage), but in the *Trans-Tisa*, along the Rumanian border it is 16 % (Róna 1945, 202-203).

Despite the dramatically changed life conditions of the Central European population in the past 8 decades, the East-West slope continues to prevail.

## Social Capacity Indicators

In the following section indicators will be examined by local municipalities, amounting to 3142 in the territory of Hungary, excluding *Budapest*, as the unique municipality of the size of a metropolis. Each municipality was allocated a Z-value for each indicator, and the values have been ranked and divided into 5 equal parts consisting of equal number of constituents (628-629 items). Z-values divided into quintiles were represented on a map comprising administrative boundaries. Municipalities with near-median values are ranged in the middle quintile and marked with yellow, and the upper quintiles contain municipalities marked with red and orange. Most disadvantaged local municipalities in green are found in the two lower quintiles

Municipalities in the upper quintiles of the map illustration on *criminals index* are to be found more frequently in regions of *Northern Hungary* and *Northern Great Plain*, notably in *Szabolcs- Szatmár-Bereg county* adjacent to the Ukrainian border (Appendix, map figure 4.3.1.). Moreover, high *criminals index* municipalities are situated in *Southern Transdanubia*, and those along the Austrian border tend to belong to the *lower quintiles*. In the upper ranges, municipalities are found more frequently in the internal peripheral, along the county borders. Although the range values of the two upper quintiles are rather high, yet when observing municipalities in red, we can see that the adjacent

municipalities are in orange or yellow, meaning that they gradually blend into networks of 'green' municipalities. This signifies that the spatial situation of inhabitants clashing with the societal norms is not entirely random; therefore the inclusion of *criminals index* into the composition of the index seems justified.

Municipalities of the lower quintiles of the map illustration on *annuitants index* are distributed into three regions: *Western Transdanubia*, regions adjacent to *Austria, Central Transdanubia* regions adjacent to *Western Slovakia*, the belt around *Budapest*, additionally, the *Central Hungary* Region (Appendix map figure 4.3.2.). It is in this area, the size of one third of the total territory of Hungary that the majority of GDP is produced. Newly established automotive and electronic industries are found along this modern industrial axis, or *mega region*, its terminal points being *Budapest* and *Vienna*, respectively.

In the past twenty years, the greatest investments of *reindustrialization* involved attracting significant workforce of Hungarian ethnic minority from Western Slovakia. Concomitantly, a large number of inhabitants are currently employed as *commuter workers* in nearby *Austria* or as *immigrant workers* in German-speaking parts of Western Europe. German is generally spoken in the region as during the Iron Curtain period German language television and radio programs were broadcasted in the Western part of the entire *Transdanubia*.

Accordingly, *annuitants'* rate (benefiting from pension-type allowance, yet not reaching the pension age limit) in this mega region, in proportion to the taxpayers is significantly low, resulting in a relatively high rate of employment<sup>62</sup>, and education rate is popping out compared to the other regions. It is believed to be a sign of optimism that this "green banana" zone has a tendency to expand to the South-East, crossing *Kecskemét* (Mercedes investment) reaching towards *Szeged*, its university center being the national fortress of biotechnology. The other expansion direction is *Debrecen*, and its surroundings to the West, in the *Hajdúság*<sup>63</sup>, with the largest rural university and the national fortress of nuclear research.

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<sup>62</sup> http://www.ksh.hu/docs/hun/xstadat/xstadat\_hosszu/h\_qlf009a.html

Hajdúság has been as an ethnography area since early 16th century between Debrecen and Tisa river which existed as an independent administrative unite till end of 19th century.

Municipalities of the map figure on *income index* (Appendix map figure 4.3.3) are distributed into a similar pattern. The index comprising of income per taxpayer depicts a less coherent mega region, however, the municipality structure of the country, and the orange and yellow municipalities of the Western Transdanubia, designate municipalities sparsely inhabited by old- age pensioners, not paying income taxes. Adversely to this green region, we can find the regions of *Northern Great Plain* and *Northern Hungary*, adjacent to remoter *Eastern Slovakia* and *Ukraine*. Owing to the presence of the Roma communities, a large number of rejuvenating villages are located there. Their economic activity being rather low, they do not pay taxes or just barely. Out of the red and orange regions, *Debrecen, Nyíregyháza* and *Mickolc* cities stand out, each with entrepreneurs and public sector as significant employers. *Southern Transdanubia* is colored the same, with the county seats standing out with their deep green color.

Colored map illustration on *taxpayer index* is congruent with the previous two, the only significant difference being that the big green mega region (*green banana* does not stretch across the *Danube* (Appendix map figure 4.3.4.). The *Central Hungary* Region is not joined with *Győr- Moson-Sopron County*, referred to as the flagship region of *Transdanubia*, or with the adjacent, more active counties. Adversely, the *index of income and annuitants* is promising, one of the probable explanations being that many of the active age adults attend tertiary education in full time. These individuals in a *post-adolescence stage* of late twenties, remain with their parents (mama hotel), do not have own families, and do not generate independent, taxable income, yet do not live on unemployment allowances either; when they finally become independent, continue to be strained with their lives of singles. This life situation is typical with families having significantly higher than average income.

Societal distribution of labor is a very important integrating factor, described by the previous three indices, each of which can create a coherent spatial pattern from the mosaic of municipalities on the country's map. It can be undoubtedly declared that they stand as constituents of the social capacity index to be created. In Hungary, acute population decrease was on the agenda as early as in the 1960's (Bódi & Bódi 2012), but following the collapse of the socialist system, it has recently emerged as a political agenda-setting topic, and endeavors have been made to prevent further escalation. The results are yet to be assessed. Demographic crisis has been widening since the 1980's;

according to the KSH – Hungarian Central Statistical Office, while the total population decrease of the country was 737,000 (between 1981 and 2011), the balance of migration amounted to 363,000 (between 1988-2009). The main reason of population decrease is natural loss, which, without the uninterrupted influx of Hungarian ethnic populations from across the borders, would have reached 1 million. At the same time, there are settlements with increasing population by means of immigration and natural growth, and they can be found in the Budapest agglomeration, in the Great Plain, surrounding Debrecen the Hajdúság, and these small villages are included in the upper two quintiles (Appendix map figure 4.3.5.). Probably, the population change index is the weakest element of the social capacity index from methodological point of view and need further elaboration.

We have assumedly arrived to the most dubious index, the *abortion index*, which, in Eastern European research environments used to be a taboo subject for many years, and its agenda-setting systematically avoided, following the collapse of socialism. This topic was at the origin of a schism between the researchers, at least in Hungary. Yet it is essential to reflect upon facts. In 1990, there were 90,400 abortions, meaning a rate of 71.9 over one hundred births. At the millennium, the number decreased to 56400, but the rate still remained high, 58.1 per one hundred births.

Subsequently, abortion rate decreased to 38400 in 2007, maintaining a high proportion on births: (46.4). As a means of comparison, in the same year, the surrounding countries had the following rates: Austria 22.1, Slovakia 27.2, Slovenia 26.3, Czech 20.6.<sup>64</sup> Abortion rate was higher only in the Eastern neighboring countries: Romania 46.9 and Ukraine 40.4.<sup>65</sup>

Spatial distribution of abortion is varied and extreme, making it impossible for us to provide birth-related proportional distribution. In numerous settlements, abortions exceeded births,

therefore we chose to compare them with heads of women in birth-giving age. This is represented by the map figure (Appendix 4.3.6) entitled

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<sup>64</sup> Kamarás Ferenc – Terhességmegszakítások Magyarországon – http://www.tarki.hu/adatbank- h/nok/szerepvalt/Kamaras-99.html

Percentage of Pregnancies Aborted by Country, compiled by Wm. Robert Johnston, 21 February 2007

http://www.johnstonsarchive.net/policy/abortion/wrjp333pd.html

abortion index, with a wide range of legends. Red and orange of the upper two quintiles mark settlements of Northern Hungary and Southern Transdanubia, and those along the Ukrainian and Rumanian border in Northern Great Plain. A more promising picture is discerned in Westernand Central Transdanubia, with the remaining indicators being equally positive.

The creation of *premature mortality index* is the outcome of the research done by Juhász and Nagy (Juhász et al. 2010), demonstrating the relationship between deprivation and cardiovascular mortality, along with dependencies such as smoking, sedentary lifestyle and education attainment in spatial patterns in Hungary. Map figure (Appendix 4.3.7.) displays evidence of the settlements of *Northern Great Plain, Northern Hungary and Southern Transdanubia*, excluding big towns and their agglomerations, which are included in the two upper quintiles. *Western-and Central Transdanubia*, and the *Central Hungary* Region, except for the inner peripheries discernible along the county borders constitute a coherent, quasi-unified mega-region and allow for a more optimistic picture.

For each of the indices, natural indicators have been used to draw the country maps, and these maps displayed the same patterns as the ones using Z-values. Many of these maps have been published (Bódi et al. 2012) and used for the purposes of previous research. One of the aims of the present work has been to establish a main index assembling independent *anomic phenomena* observed (criminality, rejection of the order of societal structure of division of labor, rejection of life as a value). Notwithstanding, this is not the final anomie index connected to various elements of the crisis cycle, but the *social capacity index* requiring further elaboration and precision. It is posited that this index will be instrumental in localizing the existence of parallel living presents and *rebellion anomie* of norm ghettoes opposing to the totality of the local communities, together with regions where a significant segment of the local communities live in apathy, rejecting cultural aims and institutional norms (*retreatism anomie*).

# Interpreting the Social Capacity index

Map illustration of the *social capacity index* (Appendix map figure 4.3.8.) exhibits the quintiles on the basis of Z-values of individual settlements. Overall range is wide: 52.4, with minimum and maximum range in the lowest quintile being -16.3 and -3.19; respectively. It is

expected that local communities in this range are rather stable and the phenomena of disintegration of the society are scarce. Members of the lowest quintile do not constitute the totality of a region, these dark green patches signify larger, industrially developed, university towns (knowledge centers), and their wider agglomeration circles, such as: *Győr, Sopron, Szombathely, Veszprem, Székesfehérvár.* They are the most successful towns of the past 30 years, many of them having had mercantilist local policies already in the socialist period, with carefully planned capital attraction, education- and industry development plans also in place.

Most of the settlements of *Győr-Moson-Sopron County*, located in the North-Western corner of Hungary, in the proximity of Vienna and Bratislava, are comprised in this most promising lower quintiles. Successful towns are networked by pale green settlements, all comprised in the second 'lower quintiles', in a somewhat narrow range (-3.18 – 1.00). Both of the green fields are connected by an axis between the Southern shore of *Lake Balaton* (standing out as a successful agglomeration) and *Budapest*. In the East of *Budapest*, *Kecskemét*, *Szeged and Debrecen* and their agglomerations emerge from the field.

Antipodal to the above two lower quintiles stand the red (min. max.:4.03-36.1) together with orange (min. max.: 1.17-4.02) settlements, networking into a coherent field in regions of *Northern Hungary, Northern Great Plain* and *Southern Transdanubia,* sporadically broken by the green hue of the county seats and significant educational towns (Gyöngyös, Sárospatak).

Considering the 19 counties of the country, calculating the settlement average of the *social capacity index* weighted by population for each county, the following Z-values are obtained:

Table 4.3.2 Social capacity index by weighted Z index in 19 counties in Hungary.

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County	Min	Max	Range	Standard	Z index
				deviation	weighted
Bács-Kiskun	-4.8029	11.5641	16.3671	2.3794	-1.3603
Baranya	-7.3682	23.7478	31.1161	4.6275	-1.3101
Békés	-3.5789	13.5626	17.1415	2.7565	-0.7431
Borsod- Abaúj- Zemplén	-7.2841	36.0939	43.3780	4.4298	0.7758
Csongrád	-4.9098	9.2942	14.2040	2.6830	-2.4794
Fejér	-11.1792	11.11175	22.2909	3.0122	-4.3433
Győr- Moson- Sopron	-9.9467	6.3322	16.2789	2.0875	-5.1322
Hajdú-Bihar	-4.6068	21.8544	26.4612	3.4197	-1.5753
Heves	-6.2168	21.6609	27.8777	4.6662	-1.0928
Komárom-					
Esztergom	-6.4872	3.50026	9.98747	1.6532	-3.7945
Nógrád	-4.6547	16.3320	20.9867	3.6903	0.3281
Somogy	-8.3530	25.0443	33.3974	4.9215	-0.6972
Szabolcs-					
Szatmár- Bereg	-4.18026	17,7392	21.9195	3.5867	1.0552
Jász- Nagykun- Szolnok	-5.2995	23.0370	28.3366	3.49465	-0.5438
Tolna	-8.7465	11.9861	20.7327	4.05372	-1.4062
Vas	-7.5861	11.5299	19.1161	2.79941	-4.3824
Veszprém	-8.1860	28.5223	36.7082	2.92569	-3.8113
Pest	-16.2509	7.28652	23.5374	3.38599	-4.7489
Zala	-8.7909	14.1543	22.9452	3.17191	-3.4235

Source: calculation of the authors, based on TeIR database "National Spatial Development and Spatial Information System"

Counties having high social capacity Z-value will have equally high range, predicting significant discrepancies between the settlement values within the same county. In the most promising county, *Győr-Sopron-Moson*, the weighted Z-value for the county is -5.13; but in the least

promising *Szabolcs-Szatmár-Bereg* County it is +1.05; with low range in the former and high range in the latter.

Territorial variations as displayed on the map figure (Appendix 4.3.8) can be explained by other reasons than just regional impacts, it seems therefore reasonable to observe weighted Z-values of each indicators by settlement types (inhabitants) as well. Z-values of indicators drop dramatically towards settlements with more inhabitants, meaning that although settlement size is a predictor, its effect is not exclusive. In the Western Transdambia Region there are several local governments of less inhabitants, typically along the border, belonging to the upper quintiles. On the other hand, the settlements of this size typically in the Southern Transdambia and Northern Hungary, stretching across areas of county size, belong to the upper quintiles.

Table 4.3.3 Indicators and Social Capacity index in the types of the local municipalities in Hungary.

Indicators and types of the local municipalities	0-100 head	101-500 head	501-1000 head	1001- 3000 head	3001- 10000 head	10001- 50000 head	50000- head
Criminals	0.1534	0.3744	0.2062	0.1819	0.0694	0.0158	-0.0702
Annuitants	0.7344	0.6409	0.3298	0.2061	-0.0075	-0.1985	-0.3058
Income	0.3761	0.5036	0.1523	-0.1343	-0.6119	-1.2379	1.7613
Taxpayers	-0.5054	0.0528	-0.0313	-0.0116	-0.1725	-0.4393	-0.7976
Population change	0.4540	0.1371	0.0347	-0.0951	-0.1793	-0.2810	-0.4453
Abortion	0.0528	0.1080	-0.0106	0.0446	-0.0246	-0.0826	-0.2085
Premature mortality	0.3102	0.2398	0.1521	-0.0474	-0.3636	-0.8391	-1.3567
Social capacity	1.5756	2.0566	0.8332	0.1441	-1.2976	-3.0624	-4.9455

Source: calculation of the authors. TeIR database "National Spatial Development and Spatial Information System" calculated with the average (inhabitants) of the given local municipality category.

Regional economic structural research, using the Bennett method, carried out by Matolcsy, Csizmadia & Csordás (2007) provide encouragement to our efforts in further elaboration and precision of the social capacity index. These authors grasped spatial structure of the economy and the society by involving variables such as migration, spatial distribution of

personal income tax, entrepreneurial activity, per capita foreign direct investment, prevalence of knowledge bases, spatial impact of highways, accessibility, unemployment, thermal tourism and EU-funds allocation data.

Peculiarly, despite our aim and methods being entirely different, our research deploying the social capacity index (SCI) resulted in a similar set of regional formations as the above approach (Appendix map figure 4.3.8.).

In their research article entitled Spatial geomodels of Hungary the authors define a Western Hungarian modernization line, which is also present in our model along the Austrian border. Balaton region, together with Danube innovation axis (a deep green corridor along the Győr Budapest axis) and the Southern- Danube ancillary between Budapest and Pécs, each colored with a deep green hue, are present in both models. Further to the above, the Central Hungary belt can also be observed on the map illustration (the deep green hue of the Budapest agglomeration embraced by a lighter green ring). The North-Eastern Hungary wall, established by the article can also be found on the SCI-map, adjacent to the Rumanian-Ukrainian and Eastern Slovakian borders. Areas assessed as depressed by the regional economists are also found on the SCI-map and their innovative and modernization areas are categorized as stable from the point of view of societal norms on the SCI-map.

The methods deployed in the research need further elaboration and precision, as mentioned before. This research has been a first step, an experiment in the process of reinterpreting classic theories ranging from Max Weber's *Protestant ethics* (1905) to Peter Sir Bauer's work (1991). Economy, and its crisis symptoms cannot be interpreted without understanding the ethos and moral attitudes of the working, economically active man. It is not our aim to envelope the latter into figures and formulas, but to establish a framework of investigation serving the optimization of socio-economic modeling both in space and time. Hopefully, we have made the first steps on this path.

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5. Research studies on the Northern Ostrobothnia Region in Finland and on the Észak-Alföld region – North Plain Region in Hungary

# 5.1 Results from the citizen and service producer surveys in Northern Ostrobothnia

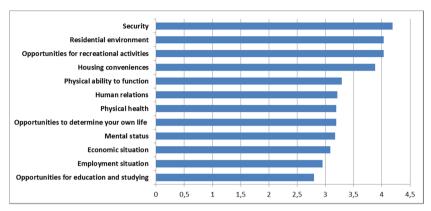
Jorma Kurkinen

In this chapter we present a summary of the results of the main citizen and service producer surveys made in Northern Ostrobothnia region in the years 2003–2011 by The Northern Finland Centre of Excellence on Social Welfare (Poske). General information of these surveys is presented in chapter 2.1. In the following we analyse first the perceived (or experienced) well-being of citizens, second the social networks and unmet needs for help of citizens, and third the satisfaction to the welfare services. We reflect the survey results to the statistics and general situation in Northern Ostrobothnia, which is described in chapter 4.1 and appendixes. In the end we present shortly an experiment of an aggregate evaluation of regional well-being in Northern Ostrobothnia.

## 5.1.1 The perceived well-being of citizens

In the surveys the respondents evaluated their well-being in different dimensions on 5-step Likert scale (1 Bad – 5 Good). Citizens evaluated their own well-being and service producers the citizens' well-being through their professional experience. In the overall picture of all the surveys the satisfaction is wide (70–80 per cent) with issues like housing conveniences, residential environment and security. Dissatisfaction is most wide in education possibilities (15–40 per cent), employment situation (20–30 per cent) and economic situation (15–30 per cent). Dispersion is however big between different research areas and the results vary. In figure 5.1.1.1 is an example from one research area (the municipality of Kuusamo 2008; N 495).

Figure 5.1.1.1 The perceived well-being in Kuusamo (2008); mean values on scale 1 (Bad) – 5 (Good).



Source: Poske's survey; Kurkinen et al. 2008.

In the overall picture of all the surveys the majority of the respondents are satisfied with their lives. According to the age the perceived wellbeing (sum variable) is lower than the average in both ends of the age range. With the old the overall perceived well-being is worsened by the physical health dimension. With the young (11–17 years old) and young adults (18–29 year old) the vast majority perceive their well-being and life situation (family, friends, hobbies, school, material goods and environment) as good. Most dissatisfaction is reported to the economic and employment dimensions (on third of the young adults) and in possibilities to recreational activities (a quarter of respondents).

In the table 5.1.1.1 is presented a summary of five citizen surveys and three service producer surveys. The detailed tables of the perceived well-being in different surveys are presented in the appendix to this chapter. In the table are presented the proportions of respondents who evaluated the situations in the dimensions of well-being either "bad" or "rather bad" (this has been made by counting together categories 1 and 2 of the Likert scale). In the last row it is summed the proportion of those dimensions of well-being (total 13), in which at least 15 per cent of respondents evaluate the situation as bad. It is considered that if 15 per cent of respondents think the situation is bad on a certain dimension, it is so much that the possible reasons and ways to change the situation should be analysed more thoroughly in the research areas. Thus the total

proportion of these on the last row describes the total situation of well-being and shows the variation between the research areas.

Table 5.1.1.1 Summary table of the perceived well-being in five citizen surveys and three service producer surveys 2003–2011: The proportion of respondents who evaluate their situation as bad in different dimensions of well-being.

Dimensions of well-being	Citizens %	Service
		producers %
Economic situation	13–31	14–21
Employment situation	18–30	14–29
Housing conveniences	4	4– 5
Physical health	4–16	10–20
Physical ability to function	8–15	8–10
Mental status	5–7	14–22
Human relations	3–5	7–14
Opportunities for recreational activities	12–23	6–17
Opportunities for education and studying	14–40	21–45
Residential environment	3–6	2–6
Security	4–8	2-6
Opportunities to determine your own life	8–18	12
Opportunities to determine in services concerning your own life	32–37	19–32
Proportion of dimensions of well-being (total 13), in which at least 15 % of respondents evaluate their situation as bad	8–54	31–46

Source: Poske's surveys 2003 –2011; see Appendix.

Generally one tenth of the respondents in the different surveys have significant lacks of well- being and cumulating problems. Even in those dimensions that are generally perceived to be well, there are individuals who perceive their situation as bad. On the other hand it seems also that those strong things in the area (such as residential environment or security) does not realize as well-being for those who suffer lack of well-being in some other dimensions. The most vulnerable groups are connected generally to factors like unemployment, especially long-term unemployment, poverty, single-parent families, low education, being without family, bad health or disability to work, psycho-somatic problems (mental health problems, drug problems) and staying out of education or work (young).

According to the three surveys made in the sub region of Oulu 6 - 8 per cent from the young and up to 20 per cent from the young adults have serious problems and cumulative deficits in well-being (e. q. loneliness, problems in school, motivation problems, low spirits, disturbance of conduct). In figure 5.1.1.2 is described the change of well-being between age groups. It shows that the situations in well-being worsen clearly when moved from 11–14 year old to 17 year old. After this, when moved from 17 year old to 18–29 year old, turn up a strong polarization and transition from the middle groups to the extreme groups. This point out the risks of exclusion that are linked in the young peoples' phase of becoming independent.

Figure 5.1.1.2 The change in well-being by age group among young and young adults in sub region of Oulu 2010 – 2011.

	11-14 year old (N 460)	17 year old (N 414)	18-29 year old (N 426)	
Excellent situation	34	15	<b>a</b> 35	
		K		
Good situation	32	32	19	
	`	4		
Apparent problems	29	44	26	
			A	
Recognized risk	6	8	20	

Source: Poske's survey; Kinnunen et al. 2013.

In overall view (table 5.1.1.1) we see that in some dimensions the perceived well-being is on the same level in different surveys, while in others the dispersion is notable. Secondly we find that in some dimensions the citizens' evaluations are more or less equivalent to the evaluations of the service producers, but in some dimensions the evaluations differ. Thirdly, when we look at the sum row, we find that there are big differences in the general situation between different surveys and research areas (see in detail in appendix). In some areas even half of the dimensions gather more than the critical 15 per cent of bad evaluations, in some areas only few are such. In the following we take a closer look at these issues.

## Economic situation, employment and housing

As a whole 50-60 per cent of the respondents are satisfied with their economic situation and from 15 to 30 per cent are dissatisfied and

report problems in living. From families with children one quarter have difficulties in making the ends meet. When asked from the young, only 2–8 per cent from the 11–17 years old in the sub-region of Oulu perceive their families' economic situation bad, but in the age group of 18–29 year old the portions of the satisfied and the dissatisfied are both one third. This can partly come from that the young are not sufficiently aware and capable to judge the actual economic situation of their families, partly of the poor economic situation of the young adults (18–29 year old) themselves, most of whom are starting their independent lives and are no longer economically dependent of their parents.

Working situation and education are typically the most badly perceived issues among citizens. To the working situation from the whole population is satisfied 60–70 per cent, dissatisfied about 20–30 per cent; from the young adults satisfied one half, one third dissatisfied. Even to education is less than a half of the whole population satisfied with and the proportion of dissatisfied is 30–40 per cent; from the young 14 per cent. Housing situation is an issue that is perceived as one of the best, satisfied is 80 per cent and only four per cent perceive it bad. To the size of home is dissatisfied in the sub region of Oulu 8,7 per cent, in other sub-regions about five per cent.

The perceptions of citizens and service producers are close to each other, which tell that the service producers are in these issues well informed of the general picture. The dispersion in different surveys reflects firstly the actual differences in the situations in the areas and secondly the situations of different age groups of the surveys.

The statistics (at risk-of-poverty-rate, social assistance recipients, long-term unemployment etc.) back up the perceptions of the respondents. The indicators show that the amount of those who are economically in bad situation is big. Among those are especially children with families, single parents, young people, students, unemployed and pensioners. As vast majority of the young are students or unemployed (on fifth of the labour force), their poor economic situation is obvious. The statistics explain also the dissatisfaction in education. Although the measure of educational level is high in the region as awhole, it is concentrated to the sub region of Oulu. From the young every tenth stay only on basic education. Statistically every third of families with children are living in overcrowded conditions, but according to the surveys this doesn't seem to disturb most families. The slightly higher

dissatisfaction to the size of home in the sub region of Oulu is explained by the more common living in flats and the more expensive housing in general.

#### Health

From the whole population to their own health is satisfied 56–70 per cent and dissatisfied 4–16 per cent; to their ability to function and work is satisfied 65–73 per cent and dissatisfied 8–15 per cent; to their mental spirit is satisfied 74–77 per cent and dissatisfied less than ten per cent. The surveys show well how the satisfaction declines with aging. Men perceive their health a little better than women. Along with age also the education level have influence, low education means worse perceived health. The differences between municipalities are big, which can be explained by the polarization of age structure in the region. The statistics confirm the demographical and socio-economical polarization.

There is a wide divergence in the dimension of mental health, which is evaluated much more critically by the service producers than the citizens. It seems that the service producers are through their professional experience more aware of the actual situation. To the citizens' "over-positive" evaluation affects the typical fact in surveys that the most vulnerable groups are inadequately represented among the respondents.

In health behaviour from the 5th grade pupils of the comprehensive school (11 years old) only few have experiences with smoking or drinking alcohol. In 8th grade pupils (14 year old) the proportion of those who have tried out smoking is 17 per cent and alcohol 12 per cent. From the pupils of upper secondary school (16–17 year old) on third smokes regularly and 11 per cent does get drunk at least once a week. From the young adults (18-29 year old) about one fifth smokes regularly, eight per cent do get drunk at least once a week and experiences with drugs have two per cent. This is in line with the national numbers and long-term trends that smoking is in decreasing and using alcohol increasing.

## Human relations and opportunities to participate

The citizens are generally very satisfied to human relations and opportunities to determine their own lives. The perceptions of citizens and service producers are parallel to those of the citizens in general, but

the citizens are more critical in opportunities for free time activities, education and participating in the service decisions concerning their own lives. The firsts reflects the actual supply of those opportunities in many of the research regions. The latter is more a question of working methods in the services.

### Environment and safety

The respondents are generally satisfied to the pleasantness of their living environment (about 80 per cent) and the proportion of the dissatisfied is only few per cent. The people appreciate especially the natural environment and the inconveniences are connected to traffic, noise and the ugliness of the built-up environment.

People are also generally very satisfied to security (80 per cent), the proportion of the dissatisfied being less than ten per cent. The perceived insecurity correlates with the amount of the population and is bigger in cities than in rural areas. It seems, though, that the feeling of insecurity is in mild rise with the depression. The greatest issues of concern of the citizens are connected to the general societal development and future, unemployment, the increasing social exclusion, street security, drugs and criminality in general. The perceptions of citizens and service producers are parallel in both issues. Also the statistics back up these perceptions in overall picture.

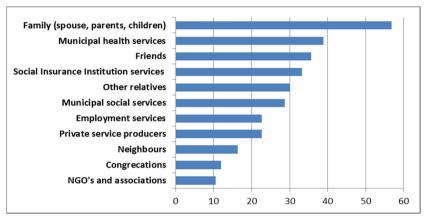
## 5.1.2 The supporting social networks and unmet needs for help

In the surveys the respondents were asked how important different actors are for them in such everyday life situations, in which they need help or support. The reported needs of the citizens focused mainly on different kind home or work help (for instance child minding, cleaning, shopping, snow clearing, repair and renovation help etc.), but they also included financial support and discussion help and consolation. Most of them, who need this kind of help, are families with children and those aged 75 and more.

In general picture the biggest significance in social support have typically the family (spouse, parents, children) and other actors come behind in slightly varying order in different surveys. In the figure 5.1.2.1 is presented an example from one research (the sub region of Raahe 2003; N 475). Almost 60 per cent of the respondents regard the family's significance big. In the second group come in order the health

services, friends, the Social Insurance Institution services, other relatives, the social services, the employment services and private service producers. The smallest significance has the NGO's, congregations and neighbours.

Figure 5.1.2.1 The significance of different actors in getting social support in the sub-region of Raahe (2003): Percentage of respondents who regard the significance as big.



Source: Poske's survey; Kurkinen 2004.

In this issue the citizens' opinions and the services producers' opinions differ slightly in the surveys. The service producer tends typically to value the importance of their own organisation bigger than the citizens or other service producers.

According to the surveys the citizens build up the social networks that support their well-being in many ways. In figure 5.1.2.2 is an example from one research (the municipality of Kuusamo 2008; N 495), which describes the varying strategies of citizens. (The result has been made by cluster analysis.)

Wide welfare mix
Officials
Wide social network
Narrow social network
Minimize public actors
Disconnected

Figure 5.1.2.2 The strategies how citizens build up their social networks in the municipality of Kuusamo (2008).

Source: Poske's survey; Kurkinen et al. 2008.

The most common types (both 28 per cent) are first the so called welfare mix type, which use widely all the possibilities, including the public services and informal social networks, and second the type of wide social network, which use informal social networks widely including own family, close friends, relatives, neighbours, NGO's and congregations. The narrow social network type (16 per cent) uses networks more narrowly including family, close friends, relatives and neighbours. Part of the people (15 per cent) turn only to the official service producers, while another part (12 %) tries to avoid them. In this study one per cent is typed as disconnected outsiders who depend solely on the self-help. The proportion of outsiders is lower than the real situation, because the most vulnerable groups are inadequately represented among the respondents. These groups include e. q. long-term unemployed, poor, solitaries, aged who live alone, long-term ill, disabled, drug abusers and immigrants.

## 5.1.3 Satisfaction to the welfare services

In the surveys the respondents were asked to evaluate the functionality (including accessibility, availability and operational

functionality) of the welfare services on 5-step Likert scale (1 Bad - 5 Good). Citizens evaluate the services as users, service producers through their professional experience.

In the figure 5.1.3.1 is an example from one research (the sub region of Raahe 2003; N 475). The figure shows that in overall picture the satisfaction to the accessibility, availability and functionality of the welfare services is generally wide in services that are focused to masses of people, such as maternity and child clinics, child day care, dental care and school and student health care. Rather well functioning are also home care in the health services, laboratory and Rontgen, old peoples services and occupational health. Most dissatisfaction is focused in the services, which are badly available, badly accessible, missing or otherwise functioning badly. These include specialist physician services and all employment services.

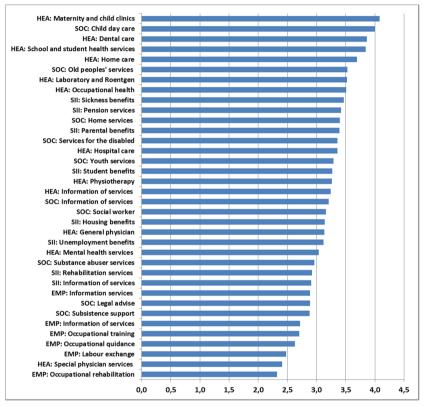
In the tables 5.1.3.1–5.1.3.6 are presented a summary of the dissatisfaction in main services in all surveys. The detailed tables of the dissatisfaction in the welfare services in different surveys are presented in the appendix to this chapter. The tables show the proportions of respondents who evaluated the functionality of services either "bad" or "rather bad" (this has been made by counting together categories 1 and 2 of the Likert scale). On the last row it is counted the total number of services, in which at least 20 per cent of respondents evaluate their functionality as bad. It is considered that if 20 per cent of respondents think their functionality as bad, it is so much that the possible reasons and ways to change the situation should be analysed more thoroughly in the areas. Thus the total proportion of badfunctioning services on the last row describes the total situation in the services and shows the variation between the research areas.

The dissatisfaction gives more precise picture of the functionality of the services. In the general view the best functioning services are in the same way focused on wide masses and especially children. But in large part of the services their functionality is perceived as bad by more than 20 per cent of the respondents. In some research areas even the majority of the services are such. In some services the proportion of dissatisfied citizens or service producers exceeds 50 per cent or even 70 per cent (see appendix). In all the wide dissatisfaction of people and service producers refers to wide and serious problems in the functionality of the welfare services. This concept is supported also by the result that

from 8 to 17 per cent of respondents of the different surveys report unmet needs in the social and health services.

Figure 5.1.3.1 The perceived functionality of services in the sub region of Raahe (2003); mean values on scale 1 (Bad) – 5 (Good).

Abbreviations: SOC = social services, HEA = health services, EMP = employment services, SII = Social Insurance Institution services.



Source: Poske's survey; Kurkinen 2004.

The most bad-functioning services includes e. q. general physician and special physician services, all social work services for the elderly (including service housing, institutional care and old people's home), income support, child protection, psychosocial services, mental health services, substance abuser services (especially preventive). The badfunctioning services include many services that are responsible for "nasty" social problems and that are the bottommost corrective

services, which need individual service and special know-how. One interesting, although typical, matter is that the dissatisfaction to the information of services, personal counselling and guidance is wide in practically all services.

In some services the evaluations of their functionality is on the same level in different surveys, while in others the dispersion is notable. In some services the evaluations of citizens and service producers differ. These issues are studied more closely in the following by service sectors.

Table 5.1.3.1 Summary table of the social services in four citizen surveys and three service producer surveys: The proportion of respondents who evaluate the functionality of different services as bad.

Social services	Citizens %	Service producers %
Information of services, personal counselling and guidance	25–37	8–42
Day care, early childhood education	6–8	7–12
Child protection, child welfare	15-23	14–32
Youth work	19–23	14
Social work services, adult social work	23-28	12–28
Social work services for the elderly, home service, support services	15–32	18–43
Service housing services	24–38	18–46
Institutional care, old people's home	27-41	25-71
Social services for the disabled	19–31	10-18
Psychosocial services, mental health services, substance abuser services	25–35	21–61
Proportion of services, in which at least 20 % of respondents evaluate their functionality as bad	66–75	50-81

Source: Poske's surveys 2003 –2011; see Appendix.

In the social services the best functioning services are typically in all surveys day care and early childhood education. In Finland all children under school age are entitled to day care and early childhood education and these tasks are generally arranged well in the municipalities. The dissatisfaction is wide in the information of services, old people's services and psychosocial services. But except for day care and early childhood education, in all social services the dissatisfaction is more than 20 per cent, which tells that there are serious problems in the functionality of all the rest of the services.

Basically the evaluations of citizens as service users and service producers as professionals are in line. However, in many services (information services, child protection, old peoples services, psychosocial services), the service producers' dissatisfaction varies more than the dissatisfaction of the citizens. This can be interpreted that the service producers are better aware of the actual situation in these services than the citizens. In the old peoples' services the dispersion is wide in both the citizens' and the service producers' opinions. It refers to differences in the quality of services in different areas and operational units – it seems that some of them are functioning well, while others are not.

Also in the health services the best functioning services are those who focus on children's well-being: the maternity and child clinics and school and student health care. The dissatisfaction is most wide in general and special physician services and in three survey regions the dissatisfaction to specialist physician services is more than 50 per cent. The main reason to this is that the waiting times and access to services is considered difficult. In some areas part of the problem is connected to the difficulties in filling the vacant offices. Also in the health services the dissatisfaction is more than 20 per cent in many services.

Table 5.1.3.2 Summary table of the health services in four citizen surveys and three service producer surveys: The proportion of respondents who evaluate the functionality of different services as bad.

Health services	Citizens %	Service producers %
Information of services, personal counselling and guidance	19–25	15–22
Maternity and child clinics	4–5	4–6
School and student health care	8–9	11–32
Dental care	12-18	12–36
General physician services	32-41	35–49
Specialist physician services	56–58	39–61
Intensive hospital care	22-24	10–26
Mental health services, preventive mental health services	23–33	18–55
Proportion of services, in which at least 20 % of respondents evaluate their functionality as bad	33–83	29–68

Source: Poske's surveys 2003 -2011; see Appendix.

The perceptions of citizens and service producers are basically in line, but the service producers seem to be more critical especially in school and student health care, dental care and mental health services (including preventive mental health services). This can be interpreted that the service producers are better aware of the actual situation in these services than the citizens.

Table 5.1.3.3 Summary table of the employment services in four citizen surveys and three service producer surveys: The proportion of respondents who evaluate the functionality of different services as bad.

<b>Employment services</b>	Citizens %	Service	
		producers %	
Information of services, personal counselling and guidance	31–41	22–52	
Employee services, labour exchange	29–34	28–38	
Employment training, occupational rehabilitation	38–56	20-56	
Proportion of services, in which at least 20 % of	80–100	80–90	
respondents evaluate their functionality as bad			

Source: Poske's surveys 2003 -2011; see Appendix.

In the employment services the dissatisfaction is typically most wide of all service sectors and focuses to all services. The perceptions of citizens and service producers are in parallel. The operational functions of the employment office are perceived bureaucratic and slow. On the background of the discontent affects also the difficulty of the labour exchange task in the conditions of wide unemployment and lack of jobs.

Table 5.1.3.4 Summary table of the Social Insurance Institution services in four citizen surveys and three service producer surveys: The proportion of respondents who evaluate the functionality of different services as bad.

Social insurance institution services	Citizens %	Service producers %
Information of services, personal counselling and guidance	22–33	21–42
Benefits services: parental, student, unemployment, housing and sickness benefits	10–26	6–40
Pension services	17–18	14–27
Proportion of services, in which at least 20 % of respondents evaluate their functionality as bad	50–60	38–50

Source: Poske's surveys 2003 –2011; see Appendix.

In the Social Insurance Institution the people are most satisfied to the routine benefits services (parental, student, unemployment, housing and sickness benefits), but the more complicated pension services are perceived troublesome, bureaucratic and slow. The perceptions of citizens and service producers are more or less parallel.

Table 5.1.3.5 Summary table of the education and culture services in four citizen surveys and three service producer surveys: The proportion of respondents who evaluate the functionality of different services as bad.

<b>Education and culture services</b>	Citizens %	Service producers %
Information of services, personal counselling and guidance	11–24	9–20
Education services: basic education, high school	30–35	1–16
Student services and student welfare (school welfare officer,	12–16	14–30
health care, mental care)		
Support services: catering, transport, club activity	8–19	10–27
Proportion of services, in which at least 20 % of respondents evaluate their functionality as bad	17–100	13–47

Source: Poske's surveys 2003 –2011; see Appendix.

In the education and culture services the citizens are much more dissatisfied to basic education services than service producers, which reflect partly the closing of many local schools and therefore growing distances. In some areas the dissatisfaction is wide to all education and culture services, which reflects the hard availability and lacking of the services.

In the other public and commercial services the satisfaction is most wide to the commercial services: shops, banks and pharmacy. The dominant trend in recent years has been the vanishing of local services, both public and commercial, from sparsely populated areas and concentration ever further in the centres. Despite of this the citizens seem to be happy with the commercial services, but at the same time dissatisfaction to public services is wide, especially public transport is perceived as badly functioning. The demand of private social and health services is growing and as the supply of private social and health services is in many areas still modest, it is perceived widely

insufficient. Especially in some small areas the service producers seem to be more critical in the availability of other services.

Table 5.1.3.6 Summary table of the other services in four citizen surveys and three service producer surveys: The proportion of respondents who evaluate the functionality of different services as bad.

Other services	Citizens %	Service producers %
Information of services	19–27	13–27
Commercial services: shops, banks, pharmacy	6–15	3–33
Post	13–20	5–10
Public services: public transport, housing and construction, environmental protection	24–34	4–55
Social ombudsman services, patient ombudsman services, legal advise	31–35	17–67
Private social services and private health services	26–28	9–54
Proportion of services, in which at least 20 % of respondents evaluate their functionality as bad	50–83	25–60

Source: Poske's surveys 2003 –2011; see Appendix.

## 5.1.4 The aggregate evaluation of well-being in Northern Ostrobothnia

The aim in Poske's regional well-being researches is to gain a comprehensive research-based analysis and evaluation of well-being. The final interpretation of the situation and change of regional well-being is made by combining the results of the empirical analysis of quantitative and qualitative data collected by the survey(s) with the other data perspectives: the statistical data, expert opinions of the local service producers and other relevant materials. (The methodological approach is described in ch. 2.1.)

In 2011 Poske carried out in co-operation with the Regional Council of Northern Ostrobothnia and within the frame of the regional welfare strategy and program work a pilot project, in order to make an aggregate evaluation of the well-being in Northern Ostrobothnia. For the evaluation it was collected a large amount of background material based on the citizen and service producer surveys by Poske, statistics and other available and relevant material (surveys, researches and reports).

Summing up the vast information and making interpretation and conclusions requires theoretical and substantial understanding of wellbeing and knowledge of local service solutions and operational environment. Therefore for the evaluation was collected a multi professional expert panel, which was comprised of central welfare professionals in the region: representatives of the municipalities, social and health districts, hospital district, other service producers, representatives of universities and other experts.

After careful reasoning of the significance of the indicators (factual data), the panel made a common interpretation on the level of relevant (and relatively stable) dimensions of well-being such as conditions of living, health, social well-being, environment and safety, welfare services and background factors (demography, regional development). The evaluation of the significance of the data and interpretation was made by reflecting and evaluating the different kind of knowledge in each issue against each other. For instance, the perceived health according to the surveys was reflected against several statistical health and sickness indicators in order to explain, verify or contradict the subjective experiences of citizens. In each issue the purpose was to take into account not only the condition and level of well-being, but also the differences and polarization between groups of people and different areas, and moreover the change and dynamics of well-being and different phenomena. The aggregate evaluation tried to take into account what the indicators were actually describing, what the underneath causes behind them were and to what other phenomena they were connected. In practise however there remained gaps in the "knowledge matrix", which could not be filled sufficiently well with accurate or valid operative indicators. So the interpretation was all in all strongly based on the professional expert knowledge the panel possessed.

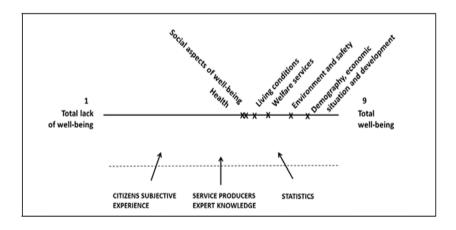
In the final phase the conclusions were made from the point of view of the regional welfare program work and development of services. For monitoring the operational goals of the welfare program and in order to promote the practical use of research-based knowledge of well-being in decision-making, it was considered in the pilot project necessary to condense and visualize the information to some kind of more manageable form. In this the panel settled on to summarize the evaluation in the dimensions of well-being into one number and visualize it in the form of a line segment. The panel settled on to use in the aggregate evaluation a 9– step Likert scale (1 Total lack of well-being – 9 Total well-being). The final evaluation was made as an arithmetic

mean of the individual positions of the panel members. In the table 5.1.4.1 it is presented the final results of the panel and in figure 5.1.4.1 the positions of well-being dimensions on line segment.

Table 5.1.4.1 The aggregate evaluation of well-being in Northern Ostrobothnia by expert panel 2011.

	Total mean value	Range of the panel
Demography, economic situation and development	7,9	7–9
Living conditions	6,2	5–7,5
Health	5,8	4–7
Social aspects of well-being	5,9	5–7
Environment and safety	7,4	7–8
Welfare services	6,6	5–7,5

Figure 5.1.4.1 Positions of the dimensions of well-being in Northern Ostrobothnia in line segment.



In the aggregate evaluation by the panel the positions of well-being dimensions are all more or less on the "good" side. The positions of health, social aspects of well-being and living conditions were evaluated the weakest elements of total well-being while the regional demographic and economic situation, environment and services were evaluated as the strongest elements. The former can be seen as dimensions that are more closely connected to well-being on individual

level, and the latter to the more or less structural factors on a general level.

In the process the diverse information of the original indicators were reduced to one gross value, but with the thought that the gross value could be taken back to original indicators when necessary. Methodologically the line segment model has obvious deficiencies. Important questions connected are e. a. the mutual commensurability of the different dimensions of well-being, the "calibration of the meter" itself, and presenting the regional variations and dispersions. Summing up the well-being this way may appear methodologically somewhat subjective and relative, but this was not considered the crucial thing in the panel in the sense of development work. More important was that the process generated thinking and brought out new alternatives. Also the relevance of the meter grows later when the evaluation is done anew and it is possible to make the change visible justifying it in the change of the original indicators.

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## 5.2 Access and using welfare services in the North Plain Region<sup>66</sup>

The next seven sub-chapters are based on a partial survey that was conducted in the *North Plain Region* of Hungary, in the winter of 2012. The reader can find the detailed methodical description in Chapter 2.2. (Fónai & Patyán).

The comprehensive and complex analysis based on the above mentioned survey will be continued in an already established international collaboration of comparative research with the *University of South Bohemia, Faculty of Health and Social Studies* in the spring of 2014.

The descriptive analyses below were written by researchers who have previously studied the given regions *on site* many times, therefore, they have an excellent knowledge of the area.

The questionnaire "Accessing and using welfare services" also includes some more significant variables and variation in the analyses. Our intention in the future is to test this survey in other regions in Europe or in regions outside Europe having a similar social system. It could have wide spread application for further international comparative research as our questionnaire will be available on the website of our research in English, Czech, Finnish as well as Hungarian: http://www.mtapti.hu/loss/

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<sup>&</sup>lt;sup>66</sup> Ferenc Bódi, research leader of the No 81667 OTKA, The Hungarian Scientific Research Fund.

### 5.2.1 Differences between Roma and non-Roma, villages and towns

Mihály Fónai–Gergely Fábián

Due to social historical reasons in Hungary strong differences can be demonstrated between urban and rural population and between Roma and non-Roma population. Being *rural*, (Kovách 2007, Kovách 2012, Starosta & Kovách & Gorlach 1999) the *relative lack of the middle-class* and the *underurbanization of the society* (they are highly correlated) carries multiple disadvantages. The rural population is less educated, the level of employment is lower which results lower incomes than in city centers or in the more urbanized, more developed regions.

Because of these phenomena the population of the rural areas and rural settlements is decreasing as young people leave these regions and the population is aging while sat the same time significant Roma migration can be found into the poorer areas and villages (Pásztor, 2011). The majority of Roma live in the north-eastern and the south-western areas, which traditionally belong to the poor areas. In case of the Roma disadvantages arising from living in rural areas (rurality) go together with the disadvantages coming from, tied to or formed by ethnic affiliation. Among these disadvantages are low educational level, high unemployment, and a low level of employment that is exacerbated by spatial segregation (Virág 2010). Due to these factors the focus of this section is on the differences between the several groups in the study.

## Some of the Roma's indicators in the sample

The distribution of the sample according to settlement-types together with that classification method where interviewers classified the interviewees to be Roma or non-Roma have been introduced earlier. As a result from the sample of 986 persons 47 (4.8%) were considered to be Roma by the interviewers. The number of those who were considered to be Roma does not provide a possibility for more in depth analysis and this is why the findings reported are for the entire Roma subsample.

The statistical rate generated from other studies of the Roma in the region is 9% (Kemény & Janky & Lengyel 2004) so the sample per

cent is about one half (50%) of the number of Roma that was expected. To assess it the entire number of people living in the Roma and non-Roma households were taken into consideration<sup>67</sup>. According to the report of the interviewers fewer Roma households were reached due to no response and the uncertainity of the given addresses. However, the sample was representative because the chance of the Roma be in the sample was the same as that of the non-Roma.

Considering the inability to generalize because of the low number of Roma respondents some conclusions will be reported with caution. Sixty percent (60%) of the Roma participating in the sample live in villages while 40% of them live in towns. For the non-Roma 32% live in villages and 68% live in towns. The Roma live in rural, poor settlements. A large difference was found in the age distribution as well. Among Roma respondents the rate of people over 50 was 27.6% whereas for non-Roma respondents it was 44.6% – a very big difference. The gap is even bigger over the age of 60, where only 1% of the Roma are over 60 compared to 27.4% of the non-Roma.

### The judgement of the recent life-situation in the sample

The questions relating to the "recent life-situation" deal with the judgement of the state, social relationships and the opportunities in the settlement. These statements were rated by the interviewees on a 5 point scale. First the differences between the settlement types are examined (5.2.1.1. table).

<sup>67</sup> In Hungary ethnic affiliation cannot be registered so there are only estimations about the number and rate of the Roma population. These estimations are done in the frame of scientific researches. There is not a generally accepted "classification" process, two major standpoints prevail. According to one of them Roma is that person who is considered to be Roma by their environments (one of its case is the classification of the interviewers). According to the other one only those people are considered to be Roma who undertake their ethnical identity (about the argument: Horváth, & Landau & Szalai 2000). Answering the questions regarding ethnic affiliation, using a language is voluntarily; the number of those who identify themselves as Roma is swinging from census to census. It often depends on the circumstances and the political milieu as well. In 2001 190.046, in 2011 315.000 persons identified themselves Roma/Gypsy.

Table 5.2.1.1 The judgement of the recent life situation on a 5-point scale, according to settlement types.

		of country	Other t	towns	Village	es	Sig.	
	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation		
Physical health conditions	3.68	0.820	3.58	0.948	3.54	0.977	.246	
Ability to self- sufficiency	4.25	0.904	4.03	0.994	4.11	0.950	.024	
Mental status	3.81	0.998	3.61	0.960	3.58	1.015	.027	
Human relationships	4.15	0.791	4.00	0.875	4.05	0.833	.107	
Financial status	2.96	1.028	2.79	0.968	2.61	0.883	.000	
Employment situation	3.45	1.120	2.97	1.183	2.98	1.210	.000	
Residential Environment	3.77	0.827	3.65	0.814	3.61	0.863	.105	
Comfort of the home	4,.01	0.751	3.84	0.887	3.69	0.862	.000	
Chance for having free time activities	3.51	1.086	2.96	1.081	2.47	1.085	.000	
Chance to influence the own life	3.43	1.111	3.17	1.105	2.92	1.109	.000	
How they see* their	4.76*	1.455	4.36*	1.552	3.97*	1.511	.000	
financial situation								

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N=985

The respondents are mostly satisfied with the ability to be self-sufficient their human relations and the comfort of their homes. There were no significant differences between physical health, human relationships

<sup>\*:</sup> ten point scale

and satisfaction with their living environment. The peculiarities of the significant differences are that besides the ability for self-sufficiency, the so-called *settlement-slope* phenomenon clearly prevails in the Hungarian publications dealing with this topic (Obádovics & Bruder & Kulcsár, 2012). Its essence is that settlements, from the capital, through the city centers and the other towns to the villages, form a hierarchic system where advantages accumulate on the higher levels of hierarchy, while the disadvantages "gather" at the bottom of the hierarchy. Territorial differences only modify them, as the towns of the disadvantaged regions are in much worse position than the towns and villages of the developing regions.

In Hungary the regions around Budapest and the north-western *Transdanubia* are the most developed ones among the regions (Bihari & Kovács 2006). In spite of this, the influence of the already mentioned *settlement slope* prevails. In the sample those who live in villages have the poor living conditions. At the same time it is important to see that indicators of bad employment and bad income conditions are not necessarily the results of, for example, the radical deterioriation of mental status. This latter creates an affect in a very ambivalent way, for while the respondents see little chance to influence their own lives they also consider their mental status less bad. This duality and acceptance has a social historical background. The Hungarian population has learned to adapt to poverty over the last centuries and to the several distinguishing processes of the strongly hierachized society – to tell the truth, they do not see a serious chance to influence their own life. This is especially true in case of the Roma (5.2.1.2. table).

Table 5.2.1.2 The judgement of the recent life-situation on a 5 point scale among Romas and non-Romas.

	Roma		non Roma		Sig.
	Mea	Standard	Mea	Standard	
	n	deviation	n	deviation	
Physical health conditions	3.33	0.905	3.60	0.934	.570
Ability for self-sufficiency	3.82	0.960	3.98	1.000	.092
Mental status	3.39	1.022	3.67	0.976	.009
Human relationships	3.82	1.134	4.07	0.815	.005
Financial situation	2.07	0.854	2.83	0.948	.000
employment situation	1.98	1.084	3.16	1.161	.000
Residential environment	3.07	0.837	3.71	0.811	.000
Comfort of homes	3.09	0.949	3.89	0.813	.000
Chance for free time activities	2.26	1.120	2.97	1.140	.001
Chance for influencing the own lives	2.46	1.070	3.20	1.110	.000
How they see* their financial Situation	3,09	1,254	3,62	1.353	.000

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N=985

In addition, there are significant differences in the judgement of physical health and the ability for self-sufficiency between the Roma and the non-Roma. Experienced disadvantages are more typical in case of the Roma, even when the indicators of the non-Romas are low as well. This means that in a disadvantaged region where incomes are low, unemployment is high and low employment is general, the Roma are even more disadvantaged. On the basis of the answers of the Roma and non-Roma it is clear that the common point in the region is the low level of employment and the resulting low incomes (poverty) and it should be noted that the analysis of programs directing on them is not the subject of this research.

These regional problems definitely have an effect on the intent to migration because if life- conditions are unfavourable then migration seems to offer an obvious opportunity. Significant differences cannot be

<sup>\* 10-</sup>point scale

seen between the respondents based on settlement types. The rate of those who are thinking about moving from their homes is 15-175 but moving plans are not strong showing their uncertainty. This can be explained by two factors: neither the central part nor the north-western part of the country has strong pull effect. Today in Hungary the real migrants are the young and they primarily emigrate abroad (Hárs 2011).

Another serious barrier to migration is the stagnant real-estate market where apartments can only be sold only for the fracture of the cost, which forces people who would like to move away to stay in their homes. These phenomena further increase the unfavourable processes, for example the aging of the settlements and regions and/or the income poverty (Medgyesi & Tóth 2012). The situation is different if we examine the migration intention of the Roma. Migration intention is twice as big among the Roma where 29.2% of them would move compared to the non-Roma where only 15.1% of the non-Roma with the Roma have much stronger moving plans. The migration practice of the Roma basically differs from that of the non-Roma. The non-Roma migrate and would migrate to the economically more attractive, more developed areas, including emigration. However, for the Roma it is more typical that their large majority of their moves are to the economically declining areas where they can afford the real-estate.

Partly as a result of this process in Hungary the rate of the Roma living in rural villages where non-Roma have already moved away from is increasing. This process, which is called "post-socialist ghettoisation" (Ladányi & Szelényi 1997, Virág 2010) results in the Roma moving from one bad place to another bad one, as they do not have job possibilities in the target place either. They are further away from the city centers, so this situation increases the spatial segregation of the Roma and also their poverty (Virág 2010). The other target of the Roma inner migration is the capital where within a quarter of a century the number and rate of the Roma population has significantly increased (Pásztor 2013). At the same time a strong spatial segregation of the Roma population can be seen in the inner districts of Budapest.

This chapter examined the influence of the settlement types, the ethnic affiliation and the experience of life situations, It could be seen that both the settlement type and the ethnic affiliation have significant influence on the life situations of the persons and their families and on their subjective interpretations as well. In these interpretations the

Hungarian social- historically patterns appear very often but additionally new-types of inequalities have influence as well.

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### 5.2.2 Satisfaction with local facilities and local policy

Ferenc Bódi

Satisfaction was measured in eighteen areas on a scale of 1-5 with 5 as high satisfaction and 1 as low satisfaction. The basic question was *How satisfied are you these days with the following?* A very high percentage of the sample early answered the questions concerning for example: *living conditions, shopping facilities, medical services, the condition of road condition of pavements, and water supply.* Based upon averages for the 18 areas the residents of the *Northern Great Plain* Region are least satisfied with *employment opportunities* (2.22) and *road conditions* two, with an average of 2.46, and the *condition of pavements* is only a little higher with a figure of 2.57. *Entertainment and cultural opportunities* approaches three (2.93), satisfaction with *living conditions* (2.97) and *public safety* (2.99) indicating below an acceptable level of satisfaction.

The dissatisfaction with *employment opportunities* may have several reasons; the *Northern Great Plain* Region is well known for the lowest employment rates in Hungary, and among the lowest even in the all of Europe. However, substantial differences were found in the different settlement types. Two thirds (67%) of the residents in the region evaluate *employment opportunities* as poor or very poor, but in the villages 80% of respondents rate it as poor or very poor. Similar differences were found on the positive side of the scale. In county centers nearly one fifth (20%) of the population think that *employment opportunities* are good or very good, while in villages only every 10% evaluate the state of employment so positively.

Surprisingly, the residents of villages are relatively more satisfied with the *condition of roads* than people living in towns or county centers. Fifteen percent (15%) of the respondents consider the *condition of roads* good or very good, with 10% of the urban population and 25% of village inhabitants satisfied with it. City and town dwellers have the most critical opinion. Although the reasons are difficult to determine, there may be two possible answers. First, since more people use cars in urban areas, they more often face the deteriorating condition of roads. Second, in rural areas the reconstruction of even a smaller stretch of road may result in satisfaction, while in cities road maintenance and construction must cope with a proportionally larger

road network. A dense network of walkways is typical of the settlement structure in Hungary. A pavement is built even if there is no solid roadway, and in the countryside quite often house owners themselves construct narrow pedestrian ways in front of their houses, under the guiding principle "You yourself sir, if you do not have a servant". Therefore, it is understandable that people in rural settings are relatively more satisfied with the *condition of walkways* than the residents of cities (county centers), even if the population of the region in general is very critical of their state.

Table 5.2.2.1 How satisfied are you nowadays with the following?

How satisfied are you nowadays with the following?	Mean	Valid	Standard deviation
1. Living conditions	2.97	966	0.820
2. Employment opportunities	2.22	860	0.963
3. Local transport	3.33	811	0.866
4. Shopping opportunities	3.77	961	0.867
5. Medical services	3.81	962	0.749
6. Education opportunities	3.56	688	0.808
7. Social services	3.17	645	0.866
8. The condition of roads	2.46	969	0.967
9. The condition of pavements/walkways	2.57	955	0.964
10. Water supply – services of water works	3.85	967	0.751
11. Gas supply	3.83	876	0.752
12. Sewage disposal	3.57	867	1.074
13. Entertainment and cultural opportunities	2.93	770	1.165
14. Public security	2.99	950	0.917
15. Condition of public spaces	3.42	960	0.850
16. Functioning of the mayor's office	3.34	845	0.899
17. Banking and financial services	3.51	807	0.879
18. Postal services	3.82	946	0.760

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Center for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N=985

Entertainment and cultural opportunities were rated a low three, but there was a large difference between county centers and villages, with towns forming a transition rating between cities and villages. Fifty percent (50%) of the respondents in villages thinks that freely accessible entertainment and cultural opportunities are bad or very bad, whereas only 10% of the respondents gives such a poor rating in county centers. At the same time, 70% of city dwellers are satisfied with entertainment and cultural conditions, while only 15% of people living in villages are satisfied. The reasons behind the differences are evident: county centers have a great variety of sports and cultural venues, libraries, theatres, cinemas in shopping malls with easy access to the required events by local transport on any day of the week. However, in rural small towns and villages, young people find hardly any opportunity to get together other than the local pub or disco. Pensioners also find it easier to find well organized clubs in cities than villages, where only a village festival or other festivities can at most bring together the local community.

Table 5.2.2.2 How satisfied are you nowadays with the following? Freely accessible entertainment and cultural opportunities (%) (Pearson Chi-Square p<.001).

Type of municipality/opi nio n	County center	Town	Village	Total
1110 11				
Very bad	2.8	13.6	23.3	13.7
Bad	6.1	22.7	32.9	21.4
No strong opinion	22.4	40.6	28.5	31.6
Good	48.1	18.8	10.8	24.4
Very Good	20.6	4.2	4.4	8.8
Total	100.0	100.0	100.0	100.0

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Center for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N=770

The image of *public security* in the whole region is rated basically in the lower middle with no significant differences. People living in different types of municipalities have similar judgments of public security: 25% of the respondents claim it is bad or very bad, 40% do not have a strong opinion, and approximately 33% of them think it is good or very good.

Public safety in Hungary is relatively good, although news reports of shocking violent crime appear in the media from time to time. In several municipalities in the region the proportion of legally convicted offenders is higher than the national average (Bódi et al. 2012), especially in villages and small towns. Further examination is needed to explore if this has an influence on the local people's image of public security.

Residents of the region rated *local transport* (3.33), *social services* (3.17), *condition of public spaces* (3.34), and the *performance of the mayor's office* (3.34) in the middle range with not much strong opinion. *Local transport* is understandably criticized more in villages than in county centers, as local governments in the cities run the local transport system with substantial state funding, while in smaller towns and villages this service (running less and less frequently) is limited to buses and trains to the big cities.

Around 67% of the respondents evaluated *social services* and regardless of settlement type, 20% of the respondents said *social services* are bad or very bad, almost half of them (50%) do not have a strong opinion and a third (33%) evaluate it as good or very good.

The residents of villages are more satisfied with the *condition of public* spaces than people living in cities, especially in the county centers. One fifth of city dwellers, while only every tenth village resident is dissatisfied with public spaces; two thirds of people in villages as opposed to one third in county centers are satisfied with how public spaces are looked after. Small towns are placed between villages and big cities, being a little closer to the life world of villages in this respect. Unlike in cities, it is still a tradition in Hungarian villages to look after the area in front of one's own house: to plant flowers, trees, or grow a hedge. Therefore it is a positively surprising experience to travel for example in Szabolcs-Szatmár-Bereg county, where looking at the nice flower beds in the streets it does not feel like being in one of the regions in Hungary with the lowest income. The significant EU funded village center and general image reconstructions of recent years, which allocations the local governments competed a lot for, may also contribute to the general positive impression in villages.

Village people are more satisfied with the *performance and functioning* of the mayor's office than residents of towns and county centers. The region in the survey on the whole thinks that the *performance of the* mayor's office is good or very good (nearly half of the respondents), but in urban settings only four tenths, and in villages almost two thirds of

the people were satisfied. Only every tenth resident gives a negative judgment of the *performance of the mayor's office*, and this figure is very similar in all settlement types.

In spite of the problems of the healthcare services kept up-to-date in the public media and public political discourse (low salaries, emmigrating doctors and nurses, low financing of the sector), a relatively high average figure is given to health services (3.81). This may result from the specially intimate relationship between doctor and patient in spite of all the objective hardships, and this is especially true in the case of GPs. People trust their doctors a lot, they have a high respect in Hungarian society. Earlier research (Bódi & Horváth 2012) showed that people in rural areas visit their home doctors more often than in urban settings. In the region of the survey there is no significant difference in the evaluation of *health services* among people living in county centers, towns and villages.

Education opportunities and the quality of education get a lower rating (3.56), but nearly a third (33%) of the respondents are not affected by this issue, since they are not likely to have students in their household. A third (33%) do not have a strong opinion about the quality of education while 50% rate it as good. People in urban areas are more satisfied with education than in rural places, that is, two thirds (67%) of the affected respondents in county centers think that education is good or very good, while in villages only 50% rate it as good or very good. However, 13% of the people in villages think that education is bad or very bad, while in the county centers only 5% have such a poor opinion.

The population of the region finds the level of services organized on a market basis generally better than those funded by public money. They are especially satisfied with the *water and gas supply* (3.85 and 3.83). Three quarters (75%) are fully satisfied with the performance of *waterworks*, and only 5% give a ranking of one or two, regardless of settlement type. At the beginning of the 1990s the whole country went through a significant infrastructure development, and the changes positively affected disadvantaged regions (Fekete 2008b). Both the quality of and access to drinking water is very good in all of Hungary, although there are substantial differences in water prices among municipalities. Critical voices are more frequently heard concerning *piped gas supply* in villages where 10% rate it as poor, while there was basically no such criticism in towns and cities. The gas pipeline network was completed in the nineties, when gas prices were kept low and

thus were very attractive. Similar to building the water network a significant amount of money was spent by both the government and the population on building public utilities. Due to the decision of the current government, these utilities (even the waterworks in some cities) may be owned by foreign companies

The population of the region generally has a worse opinion concerning sewage disposal (3.57), especially in villages where 30% rank it a one or two, and only 50% of them are well satisfied (4 or 5) with the *sewage disposal system*. People living in county centers (80%) and in towns (70%) are proportionally the most satisfied. The reason for the large difference is that the building of the waterworks in the 1990s was not accompanied by the building of the sewage disposal system and water treatment facilities (Fekete 2008a). As a result, the utility gap used to be large in the countryside, and smaller in the cities (Fekete 2008b). In the past decade the situation has improved a lot both in the countryside and the region, but building the sewage disposal system in the region and especially in the areas with tiny villages of *Hajdú-Bihar* and *Szabolcs-Szatmár-Bereg* counties is very expensive, particularly with the technology favored by the EU funding systems.

Shopping opportunities received a ranking of 3.77, a relatively good mark, but people in urban and rural settings have very different opinions of their shopping opportunities. Of the people living in cities 85% are satisfied, but only 67% of those living in villages are satisfied. In county centers the number of dissatisfied citizens is very low, while in villages 14% are not satisfied with their shopping opportunities. In the early nineties, due to a liberal retail policy, a dense network of retail shops was built in Hungary (similarly to the Czech Republic), particularly in the less developed regions, as a large number of unemployed only opportunity for work was to employ themselves or their family members by opening a shop and thus becoming forced entrepreneurs. However, by the end of the decade, this flourishing era of retail shops was ended by the multinational shopping centers, and hundreds of small shops had to close because they could not compete with the lower prices (Bódi, M. 2012). In villages where a large number of people have no cars and cannot afford public transportation, it is impossible to get to the shopping centers for a big weekend of shopping.

*Postal services* (3.82) get a relatively high evaluation regardless of what settlement type the respondents live in. Hungarian Post is one of the oldest public (state) institutions working on a market basis. Nearly

everyone knows their postman in person, both in rural and urban settings, and the Post Office is an institution that is very close to the lives of Hungarians, and especially village people, where it is almost as intimate an institution as that of the GP (General Practitioner physician), just in a different context.

The evaluation of banking services is 3.51. One fifth (20%) of the people living in villages are not satisfied with the banking services, while in county centers only 10% are dissatisfied. In Hungary nearly fifty commercial banks offer banking services to private clients, complemented by a savings bank network operating mainly in rural municipalities.

Finally, let us review how the population of the *Northern Great Plain* Region sees the general level of their living conditions depending on whether they live in villages, towns or county centers. Most people rank it as a three, with the inhabitants of villages tending more to the direction of worse, and those living in county centers to give better marks. However, there is one point where the population of each settlement type agreed on: *hardly anybody claimed that their living conditions were very good in the region*.

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# 5.2.3 Satisfaction with rural development, local facilities and local policy

Attila Fekete

The developments of regional/territorial inequalities and the differentiating effects of regional processes have been discussed by several authors (Enyedi 1996; Faluvégi 2000; Németh & Kiss 2007; Nemes Nagy & Tagai 2009), as well as research on the population's satisfaction. The TÁRKI *Social Research Institute* regularly surveys the opinions and expectations of the population about what they expect in the following year regarding their own financial situation and the economic situation of the country. In addition, public opinion research companies also survey the population of certain municipalities and regions about the developments in living conditions, public life, and satisfaction with public services.

In spite of the high number of satisfaction research studies, almost no attempts have been made to query the population that the developments have been aimed at, what they think about the success of these developments (Fekete 2010).

This research tries to answer the question "what the population of an average underdeveloped region think about the development of their environment". The region under investigation is underdeveloped as it is next to last on the list of regions since the turn of the millennium, with only about 65% of the average national GDP per capita. However, it can also be regarded as average in the sense that it follows the national trend: it shows the trend of neither catching up, nor lagging behind.

Table 5.2.3.1 How do you define the situation of your settlement on the whole? (%)

Type of municipality/opinion	County centre	Town	Village	Total
Very underdeveloped	1.0	2.1	3.9	2.4
Underdeveloped	8.0	24.5	24.6	21.0
Average	59.8	60.2	58.9	59.7
Developed	27.1	12.5	12.5	15.7
Highly developed	4.0	0.7	0.0	1.2
Total	100.0	100.0	100.0	100.0

Source: Own survey; Accessing and using welfare services in the North-East Region of Hungary (2012) Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe, No 81667. OTKA project "Accessing and using welfare services."

Compared to our expectations – being an underdeveloped region –, the inhabitants consider the development level of their hometown fair. Around 20% of the respondents feel they live in an underdeveloped (within this 2.4% in a very underdeveloped) place, but another 20% of the respondents think their hometowns are developed, while the majority – 60% – think they live in an average developed municipality. The distribution of opinions of the development level of the hometowns reflects the legal status of the municipalities. A higher proportion of residents of a county centers feel that they live in developed or highly developed municipalities, while a higher proportion of people living in villages place their village in the very underdeveloped category.

When judging the development level of the municipalities, town residents were more similar to villages, i.e. a higher number of them claimed they were living in an underdeveloped area. The opinions of the respondents are almost equal regarding the changes of the past ten years, and of what led to this situation. A third (33%) of the respondents think that their hometowns developed less; slightly more than a third of them think it developed more compared to the other, similar municipalities. The opinion of the development level is influenced by the legal status of the municipalities. According to nearly half of the residents of county centers their hometowns developed more than other towns. However, a slightly larger proportion of town dwellers felt that their municipalities developed less than other places.

The highlighted correlations are significance at the p < .05 level.

And what does the future bring? Nearly a quarter (25%) of the respondents think that their municipalities will develop more than other in the next ten years, but almost 40%, think it will develop less. With respect to the future, the opinions are not differentiated by the legal status on the basis of the respondent's municipality; only the residents of the county centers think it will develop more than the average in the future.

The question arises: How the expectations of the past, present and future connected? And if connected, Are the opinions at these various times related?

The strength of the correlations may help to provide an answer to the question of what came first, the feeling of being underdeveloped, or the awareness of the decaying environment and the lack of development, and how these opinions are linked to future expectations.<sup>69</sup> The strongest correlation of 0.59 was between the opinion of the past period and the image of the municipalities' status. The link between the processes of the past ten years and future expectations is almost that strong (0.58), while a slightly weaker correlation (0.45) was found between the present state of the municipality and future expectations. This leads to the conclusion that *the respondents rather project past processes to the future*. If they think that their municipalities developed in the past period, they tend to think that this trend is going to continue in the future as well, and if they experienced the deterioration of their environment in the past period, they do not have high hopes concerning the future.

After the system change, regional differences in Hungary were manifested, the spatial structure was transformed, and by the mid-nineties a new system of regional differences came into being. This process was accompanied by the deepening of spatial inequalities, which have not decreased ever since. However, it is a completely different matter to create a scale to measure dimensions like how the inequalities develop, and how they change than to experience them every day. It is an eternal question from a decision-making point of view, what the limits of the society's tolerance are, and what the maximum amount of inequality people will endure. This is why it was considered very a very important to ask people about the extent of inequalities who daily face the lack of development in their environment.

<sup>69</sup> When applying Sperman's rank correlation, a p < .05 is used for reporting results.</p>

Nearly 40% of the respondents thought that differences among municipalities in Hungary today are big, while the proportion of people who do not consider differences in development level significant is not even 2%. The opinion of the respondents on this question was not related to the type of municipality they live in. The populations of both county centers and villages considered differences large.

Another eternal dilemma of regional development is whether to enforce the principle of efficiency or solidarity: whether to facilitate the development of regions and municipalities which will be able to enter a new path of development based upon this support, or in the name of social solidarity and equal opportunities, to support the most underdeveloped municipalities, and improve the living conditions of these populations. Obviously the two solutions may – and should – be combined in practice, but respondents were not given this choice. Based on former experiences, respondents tend to vote for the centre, and prefer opting for both.

People living in underdeveloped areas were supposed to take the side of solidarity more, while inhabitants in more developed municipalities were thought to prefer the support of developing regions, i.e. the opinions of the respondents will be influenced by the legal status of their hometowns. However, regardless of the legal status, two thirds (67%) of the people living in both towns and villages think that municipalities lagging behind or less developed than the average should be supported.

In regard to the former issues, judging the development level of municipalities, the personal characteristics – age, education level, profession – of the respondents were not different. Differences in opinion were not seen between age groups or between men and women. However, groups of people with different education level were of different opinion when interpreting solidarity versus competitiveness. A higher rate (75%) of people with a lower education level – eight years of primary school – would support improving regions lagging behind. Those with a higher level of education (at least with a final exam at secondary school) would support places with a potential to develop. Respondents with a higher education level have mixed feelings about which groups of municipalities should be supported, since almost equal numbers of them would support regions lagging behind than developing ones (53% and 47%).

It was typical in the seventies and eighties if the inhabitants of villages were not satisfied with their hometowns they "voted with their feet", that

is, they moved to another place (Bódi 2010). By now the conditions of moving ones home have changed, relocation has become more difficult, but it is also questionable if people have the willingness, the desire to move. How much do people in underdeveloped regions insist on remaining in their hometowns these days, would they emigrate if they had the chance? Eighty-five per cent (85%) of the respondents gave a negative answer to this question. The legal status of the municipalities does not differentiate people wishing to move, but there is a difference in the target area of relocation. Half of the people willing to migrate would prefer living in towns, where not only village residents but also people from other towns wish to move in a rate higher than the average. One out of five (20%) considering moving would go abroad, and a higher proportion of them come from county centers.

Personal characteristics of the respondents has not been discussed so far, especially, their financial situation. It is worth treating separately, since, unlike the other characteristics, it has a more marked influence on the opinion of the environment (Bódi 2013). The population of the region was asked how they live on the income at their disposal. Nearly a fifth (18%) of the respondents say it is impossible to get by, 60% can only manage with difficulty, 17% can live from their income without limitations, and 8% manage very well and even save.

Those who cannot get by at all on their income (referred to as indigents from now on) consider the situation of their municipalities worse than people who are better off than the average, what is more, the proportions are reversed. Of the indigents 46% claim that their municipalities are underdeveloped or very underdeveloped compared to (47%) of people who can get by easily on their income (referred to as the well-to-do in a local setting) that say their municipalities are developed or outstandingly developed.

The groups of the indigents and the "well-to-do" have had a different experience with respect to the changes of recent years. Over half of the indigents (52%) think that their environment has developed less or much less in the past ten years than other places, while 62% of the well-to-do feel that their environment has developed more or a lot more.

Their opinion of the changes that might occur in the next ten years is similar to that of the past ten years 'of "development". According to 58% of the indigents their hometown will also have less chance to develop in the next decade, while nearly half (45%) of the "well-to-do" expect their

environment to develop more or a lot more than other similar municipalities.

It is only in judging the difference between municipalities where the financial situation of the respondents does not play a significant role. Both the indigents and the "well-to-do" evaluate the differences in development level to a similar extent; although a smaller proportion (67%) of the "well-to-do" thinks that these differences are large.

However, opinions are varied regarding how the differences in development level considered equally large by everyone should be reduced. A slightly higher than the average proportion of those who can just barely get by on their income would develop municipalities lagging behind, while the "well-to-do" would support municipalities with potential to develop.

The relationship between the legal status/development level of the municipality and the financial status of its inhabitants, which is dominant and more determinative, may be the topic of further research. With some simplification and polarisation of the assumptions, the question arises, "Are people able to judge the situation of their environment realistically, regardless of their own position, or are their feelings about their own situation projected onto their hometowns?" That is if they are not getting along well, if they feel they live badly, do they will feel their whole environment declining?

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# 5.2.4 The relationship between the population able to retain capacities and the capacity to retain population

Tibor Szarvák

The principle of the population able to retain capacities is an important notion in local and regional social policy and social work. This notion is widely used in different ways by many people's arguments, even as the starting point of their reasoning. In our research conducted in the winter of 2012-2013, we were interested in whether the notion of population retaining capacities had a categorical system and regional characteristics that can be well defined and described.

In this short chapter we basically concentrated on regional communities, since the idea of the population retaining its capacities shows also the relation of services and remunerations between the State and its citizens. The ability of a settlement to retain its community and its development opportunities have an important effect of socialization and cohesion. A strong community identity can have a considerable effect on a possible negative life situation of an individual. This paper also deals with sustainability, social work, and the responses to the issues of local and regional social policy in the 21st century, in the Hungarian context.

## Space and its community

Nearly one third of our respondents felt that the municipalities in the Northern Great Plain Region (as a convergence region) have developed more or much more in the past decade. 30% still say that it has developed less or much less than other Hungarian regions<sup>70</sup> 2/3 of the respondents say that the development level of their settlement is average. About 20-20 percent of the respondents felt development or underdevelopment.

This balanced response is in line with the fact that according to 36% there will not be a major development in the region. However, the rate of more pessimistic respondents, who say there will be less or much less

<sup>70 75%</sup> of the respondents said that the difference between municipalities was large.

development, is about the same (32%). 22% are optimistic, and say there will be more or much more development.

Most municipalities in this region neither develop, nor decline (44%). 38% of the inhabitants reported of development, while 14% of underdevelopment or decline.

Universality and selectivity are both important dilemmas in social policy. In our research, we defined this sociopolitical thinking by the value pair of center and periphery.

An interesting response with regards to the system of values in the region was one third of the respondents saying that they would grant development to "the ones with a potential to develop, who can later help ones lagging behind". The percentage of those saying that less developed municipalities lagging behind should be supported is relatively high (63%).

Table 5.2.4.1 Dilemmas of development policy – Who are to be supported? (Row percentages).

Regions that are less developed than the average,	63
Those with a capacity to develop, and who can	32
help the underdeveloped ones later on	
Does not know	4

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Insti- tute for Political Science, Center for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N=972

Every fifth inhabitant of the settlements said they wished to move somewhere else. The main reason for this was employment (getting closer to the workplace, changing jobs, starting a business). Staying at ones homeplace is naturally also linked to this dimension (e.g. earning a living, salary, providing for the family).

How the functioning of local economy in a convergence region on the *Great Plain* is perceived also relates to this part of the survey. The majority (40%) said that the condition of local economy was average. However, others (35%) said that local employment and economy were problematic. Remarkably, 15% of the respondents said that local economic possibilities were promising and positive. According to one

of the data series, more than half of the respondents have a full-time salary. Every 10th respondent marked agricultural, self- employed or occasional income. 5% worked as public workers in the autumn of 2012.

The cutting of unemployment benefits can be observed in the data showing 2% receiving them. Every 4th person gets pension-like benefits, and every 10th gets social benefits.

It is an important issue how one can manage with this income. 1 in 2 respondents say that they can make a scarce living. Almost every 5th respondents (17%) say that they can't make a living at all with this income, and only 7% live well and can even save money.

These responses confirm our earlier statements: there is a strong polarization in the region based on the social and territorial indices (e.g. income, living, vision of the future).

Table 5.2.4.2 Dilemmas of inequality – How do you get along with that income? (Row percentages).

Cannot get along at all	16
Can hardly get along	52
Can get along without difficulty	17
Can get along well	5
Can even save	3

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Insti- tute for Political Science, Center for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare ser- vices." N=972

## In family, in community, alone

Examining the support networks of the respondents, 17% are found to get some kind of help in their households. 4% is the possible target group of social care. These potential clients say they do not receive any assistance now, but they would like to. 78% do not get any assistance in their households.

A helping child/parent not living in the same household is most likely to take this role of support (11%). Then other relatives, friends, neighbors help the respondents in their housework or in solving problems around the house (4-8%). Other type of assistants at individual households can be social and healthcare workers from the

municipality (3-3%). The role of self-organizing groups is negligible in the support process.

1 in 4 people could identify some kind of NGO activity at the municipality. 17% were satisfied with the work of NGOs, which does not come with a high number of membership, 7% being an active member. The activity of these associations is targeted primarily on the Church, charities activities, culture, leisure and sports. Since values have already been referred to in this chapter, it is important to emphasize that the respondents in this region become members of NGOs mainly to belong (coming together), or for the love of the given activity (value), and to do something for the municipality (community).

#### *Internet – a tool for information and administration*

Info-communication tools become important in this chapter because using them helps or may help everyday activities (coping strategies).

2/3 of the respondents have an Internet access<sup>712</sup>; and close to 85% have mobile phones. 1 in 2 has a landline phone and every 3rd person has a smartphone.

Regional users use the Internet in various ways; half of them have personal e-mails, but only 1 in 10 is curious about the decisions of the local government (table 5.1.3.1).

Respondents not using the Internet said it was expensive or there was a lack of coverage, but some of them said they simply did not know how to use it.

Table 5.2.4.3 Use of online applications in the Northern Great Plain Region (percentage of 'yes' responses).

other services	7
applying for social care	8
library services	13
information on the decisions of the local government	14
labor market services	26
shopping consumer goods	26
travel, hotel booking	28
cultural services	28
official matters (access portal)	30
information on training opportunities	37
banking services	39
personal e-mail	54

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Insti- tute for Political Science, Center for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N=972

#### 5.2.5 Some dimensions of the natural and artificial support systems

Éva Huszti

#### Introduction

The study introduces the concept of natural and artificial support systems. Relationships around the individual like close family members, relatives, friends, neighbours are part of the natural support system. Units belonging to artificial support system are organizations, communities, social services, basic health services given by local governments, different state and private services, churches, and church organizations.

## Personal relationship-net providing social support

Modernization, individualization, industrialization, and the spread of Information Technology generated theories that claimed that the elements of the traditional, kinship and neighbouring solidarity have disappeared from modern societies (e.g. Tönnies 1887; Durkheim 1893; Wirth 1938). However, according to some research studies traditional solidarity is not disappearing it is only under transformation (Tilly 1978; Gans 1962; Wellman 1979). The content of the altruist solidarity that expects selfnessless is decreasing while the content of the mutual solidarity and its reciprocity value increases (Utasi 2008).

Several research studies have confirmed that individuals, who receive *any* social support are more satisfied with their quality of life and they are happier and more balanced, therefore the presence and amount of social support is a significant part of the subjective quality of life (Utasi 2008).

Solidarity with each other can be expressed by flowing financial or symbolic resources: useful information can be given to each other; we can intercede somewhere for somebody; we can give emotional support only with listening to each other; we can go somewhere together; etc. These resources can be transformed to another type of capital that can facilitate the integration of the society. Solidarity among individuals favours the development of community cohesion and micro-social integration as well. The purpose of micro-social integration is to not let the community tear apart and not let the members of the community

become isolated. Different solidarity sources have different weights as social layers and groups, however solidarity from traditional community relationships have an important role for of each group (Utasi 2002).

Not only family and kinship relations but relationships outside the family can provide micro social integration.

Types of micro social integration are:

- Type 1. very strong social embeddedness: those who have intensive social and kinship relations
- Type 2. integration realized with outstanding kinship solidarity
- Type 3. those who integrate with strong social-associational relations
- Type 4. those who integrate weakly: the intensity of both family relations and relations outside the family is weak.

Type 1 consists of people who live in municipalities, have degrees, are in their 30s, are not married yet or have a traditional marriage, belong to the upper-middle class or the wealthy class. About 15% of the society belongs to this group.

Type 4 consists of people who live in small towns, are over 60, have not completed elementary school education, are widows or divorced, and have a poor financial situation. About 38% of the society belongs to this group (Utasi 2002).

#### Social connections and social networks

Basically two types of social relationships can be distinguished, those that are strong and those that are weak. Those that are classified as strong are ones that have close family relationships (primarily parents, children, spouses), and close friends with whom there are regular and intensive interactions. Weak ones are where the ties are loose connections for example like a bridge connects the individuals with those who are further from them, with those who cannot be reached by strong relations. They are very important from the point of view of social integration. Neighbours and acquaintances can be placed into the weak relationship type. The role of strong relationships is indispensable in the micro social integration. Weak relations, primarily with their socialled *bridge* role provide the macro social integration. It can be stated that the danger of closure for those having a lot of strong but only few weak ties is greater in spite of having a very dense connection net with several very strong ties. However the problem is that extensive

resources cannot flow through these relationships. So those, who have more weak ties in their connection net can receive different resource types easier, can integrate into society easier and they can have in many instances a more advantaged situation (Granovetter 1973, 1974; Angelusz & Tardos 1998; Gyarmati 2009).

#### Method

The current research primarily examines the role of strong relationships manifested in social support Among the relationships placed into weak ties there is data about the role of the neigbours. Three namegenerator<sup>721</sup> type questions were used to examine how much the individuals can use their natural and artificial support system if they need different types of assistance. Included in the types of the support was small instrumental assistance, help needed for personal/official affairs and asking for council.

Respondents were questioned about who they would ask help for general household chores (e.g. smaller work around the house, borrowing smaller things, babysitting), and if yes then which kind of relationships they used in. The second question also examined the instrumental assistance but it focused on the financial aspect that is if the respondents have temporary financial problems is there anybody who they can ask for help. The third question examining the social support system wanted to know if the respondents needed assistance in official/ personal affairs or if they needed advice that they would turn to.

#### Results

Examining the support system the rate of "No" answers given to questions asking if the respondents asks for help in situations listed by the interviewers (general household chores; minor financial difficulties; personal/official matters) was very high.

Name generator is primarily used to measure strong ties. Such situations are given in the name generator that can happen to anyone in any everyday situation, everybody can imagine themselves in such situations. About the national application see the writings of Angelusz & Tardos; Albert & Dávid. International reference primarily: Laumann 1973; Wellman 1979; McCallister & Fischer 1978; Ficher 1982a,b; Burt 1984; Campbell & Lee 1991; Marsden 1987, 2003.

Table 5.2.5.1 Asking for assistance in three situations.

Do you ask for assistance?		nousehold		inancial ulties		l/official ters
	N	%	N	%	N	%
Yes	160	16	308	31	420	43
No but would like to	45	5	20	2	40	4
No	774	79	654	67	524	53
Total	979	100	982	100	984	100

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Center for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services."

Further analysis deals with respondents who gave positive answers to the above questions. Due to the low number respondents those who do not ask for assistance but would like to are not included in the analyses.

Examining the three questions it is clear that respondents most often ask for help to arrange some personal/official matter (43% of the respondents) and they ask for help with household chores very rarely (16%).

Those who gave a positive answer to the above questions ranked on a 5 point scale how often they ask/asked for help from their natural and artificial connection system net. A rating of 1 meant that the given element of the support system never gives or gave help to the respondent, while a five means that it always gives help.

## The operation of the support system

The majority of those interviewed (79%) do not use help for work around the house. Those who they turn to for help are most often<sup>732</sup> close family members, that are parents or children, even when they do not live in the same household. They are followed by relatives, friends and neighbours as the next most frequent source of help. The role of the artificial support system is minimal with respect to help in the house.

Herein 'after' 'often' and 'always' answers are referred together.

To the question "When you have temporary financial difficulties is there anybody who helps you / do you ask for help from somebody?" one out of three (31%) gave a positive answer. They most frequently ask their close family members or relatives for help, indicating the role of the natural support system is significant here as well.

When questioned about help for personal/official matters or for advice, 43% responded "Yes" they would ask for help. This is the highest per cent of asking for help of any of the areas. Again they often turned to close family members (41%) followed by more distant relatives (40%) and friends (34%), and finally to neighbours (14.5%). Among the elements of the artificial support system, social services given by local government was mentioned the often (13%).

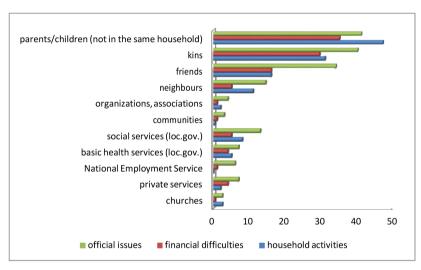


Figure 5.2.5.1 Frequency of make use of natural and artificial support system.

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Institute for Political Science, Center for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services."

Figure 5.2.5.1. clearly shows that in each question the support of the close family members is the strongest, followed by relatives and friends. Besides it can be said that while the role of the family members is the strongest in case of little activities around the house, the interviewees primarily rely on friends, neighbours when they have to arrange private matters. Social services provided by local governments are the most often

used part of the artificial support system. In all cases respondents most often ask for help from the artificial support system in connection with arranging official matters.

Rako and Szabo, in another study in this volume, examined the practice of asking help among families with and without children, in one hand along the same questions, and on the other hand they also used some further questions. They established there are no significantly differences between families with or without children how they make use of natural and artificial support system in the studied situation: both of the examined groups it is rarely asking help from artificial system, they rather use supporting of their close kin ties and their friends. There are differences between families what type of social services they use and it depends on mainly the living situation of families.

### Spatial differences

Spatial differences of the support system can be examined only in connection with the natural support system since the role of the artificial support system is minimally used concerning the areas in question.

Regarding the natural support system there are no significant differences among the counties concerning who they ask for help with housework. The only thing that can be stated is that people living in Jász-Nagykun-Szolnok County rely on both close family members and relatives. People living in Szabolcs-Szatmár-Bereg County primarily ask their friends for household help. The role of neighbourhood is the strongest in Jász-Nagykun-Szolnok County again.

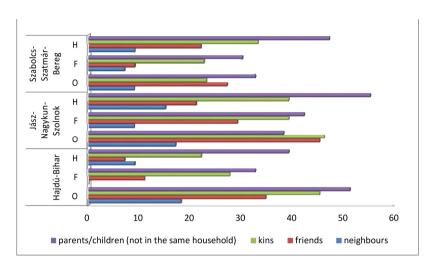


Figure 5.2.5.2 Make use of natural support system in the three Counties.

(H=household activities; F=financial difficulties; O=official issues)

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Institute for Political Science, Center for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services."

For help with financial problems people living in Jász-Nagykun-Szolnok County turn to close family members and relatives. Respondents from  $Hajd\acute{u}$ -Bihar County do not rely on neighbours for help. The role of friends shows a significant difference between the three counties. Those who live in Jász-Nagykun-Szolnok County rely primarily on friends when they have financial problems (p < .05).

While arranging official matters the inhabitants of Jász-Nagykun-Szolnok County have strong kinship and friend ties, while in the two other counties respondents relied on their close family members again. The difference among the counties is significant (p < .05).

Examination of the different gender differences found no significant difference in indicators which means there is no large differences between how women and men ask for help.

For financial difficulties different age groups show significant differences. The characteristic of the younger generation is to ask family members living in different households (p < .05), relatives (p = .001) and friends (p < .05) for help.

To arrange personal or official matters a significant difference can be seen in different age groups again. Young people and the older age groups rely on the help of relatives, while it is the young who turn to friends for help (p < .05 and. P = .001).

#### **Summary**

After the political changes in the Hungarian society the circle of trust has become narrower, and the cross section of the solidarity net has become smaller. This means that people tend to share their problems primarily with their close family members. The major reason is that fewer and fewer family members live together and the number of living alone is increasing (Utasi 2002).

The above findings are not different from the national tendencies and clearly fit the results of general research findings. In the three counties studied, it is the family members who can provide selfless assistance and people mostly expect the different kinds of supports from family members. Seeing help from the artificial support system is very low; it is the natural support system that people predominantly rely on. This is why strengthening local communities, raising awareness of the role of social relationships in the area of providing different types of social capital would be very important.

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### 5.2.6 Characteristics of elderly people's access to social services

László Patyán – Gergely Fábián

Due to the aging of the European population, welfare systems supplying elderly people receive more and more attention. There are several questions concerning the sustainability of the systems for example, how to provide quality services and how to ensure equal and appropriate access, at the same time taking into consideration the cautious public coordination policies in connection with providing and organizing social services. However, it is undoubtedly true that elderly people, because of longer life expectancy and experiencing old age and in connection with it such special circumstances like living alone, long-term disability<sup>741</sup> and a greaters claim for long term care (not including poverty and unemployment) became the most critical target group for the EU's service policy.

Due to the different welfare systems of the Member States, different service models have been developed, which make the analysis of the systems and the interpretation of the quality and adequacy of the services rather difficult. Researchers have tended to explore the general characteristics of the usage of the provision and service of the elderly people. This was a difficult task because in Hungary social benefits can typically be used only after applying for them. Thus if a person has no information about the provisions or eligibility, or if they feel ashamed to apply for assistance or because of disabilities they cannot access them, they will not apply for them and can be left out. Access to personal social services depends on many factors in addition to the ones already mentioned. As a result of particular rulings and the finance environment, big differences can be experienced between the service indicators of the settlements and regions.

Generally the service indicators (the number of services per 100,000 inhabitants) are better in the eastern part than in the western part of the country. According to the settlement size the services are the best in

<sup>&</sup>lt;sup>74</sup> Concerning to the present research: 17% of the active population has a permanent health problem, compared to the elderly population, where 60.6% have chronic disease. The elderly population has a worse physical heath condition (Mean: 3.04) than the actives (Mean:3.86), and worse menthal health condition (Mean: 3.5) than the active population (Mean: 3.76).

towns with about 20,000 inhabitants. These indicators are improving in both directions, that is towards both smaller settlements and towards bigger ones as well including the capital. National sectoral databases do contain services but they do not indicate what needs they are reacting to and what coverage they provide (Krémer 2013; Patyán 2013).

#### Foundation for the current research

A significant part of research on the access of welfare services interprets physical distance from the service as a critical variable related to access. Publications dealing with this topic examine the issue of access by dividing it into several elements (Geurs K.T. & van Eck 2001). These elements are geographical and time dimensions, information and being informed, access obstacles (expenses, affordability, territorial accessibility, administrative obstacles, social and other obstacles) (Yeatts & Crow & Flotts 1992). Other research has focused on the access chances and inequalities of certain groups being in special situations (Damron & Wallace & Kington 1994).

An earlier settlement level research study (Patyán, 2010) and a probe query prior to this research in 2012, when only people over 65 were interviewed (N=200) about the characteristics of how they use services, found the following:

- (1) Services for elderly people even in a municipality with about 100,000 inhabitants is strongly concentrated in the central areas. People who use services live around the service center, while those who live in peripherial areas where the rate of elderly people is higher have less chance to access these services.
- (2) Elderly people prefer those services that "go to their homes".
- (3) Elderly people think that social services are basically the duty of the state, meaning they mostly want to use them free or at low prices, compared to other public services for example, health services. These paternalistic attitudes result a low preferences for market services exhibiting non-consumber behavior and a big claim for the state to assume much more responsibility.
- (4) Generally they are satisfied with a service if they are able to use it but if they are left out, they will be dissatisfied.

The current research further examines the characteristics of the using of the services among elderly people

The study included 985 processed questionnaires where 255 heads of households (25.5%) were 60 years old or older. Taking the high rate of the elderly people in the one-person households into consideration, this rate reflects to the consistence with national household statistics. In this study elderly people make up 64.2% of the all the one-person households in the study and they are 42.3% of the total elderly sample. Elderly comprise 39.5% of all the households with two persons and they make up 42.5% of the total elderly people. So 84.6%, that is the majority of elderly people, lived in households with either one or two persons. There were no significant differences in the distribution of elderly by settlement type. The per cent of the active and old population is nearly the same in the small towns, towns and cities. Elderly people use public transport usually in an amount that is similar to members of the active age group.

## Using social services

Social services that could be claimed by elderly people can be placed into three groups. It is common that each of these supports is judged according to the principle of the welfare re- distribution. Social insurance compensation is not analysed in this study, instead this study looks at supports from local governments. One of the types support is the so called additional income supports, that help to provide for people with low income. The main characteristic of these supports is that they are additional and that the income of the elderly people is supplemented to a given minimum. The eligibility level of the social support is determined based upon the rate of the current minimum pension. The fact, that in Hungary living on a pension does not mean a direct poverty risk as a result of the relativly high and indexed pensions also means that it is more difficult for elderly people to access to certain provisions. (Supplement 1.)

Supplementary, expense-compensating benefits are included in the other group of provisions. For elderly people they mainly contribute to the costs of living and health provisions. Occasional supports (e.g. funeral support) belong to a smaller circle of supports.

At the time of the study social support was given to 9.6% of the active age respondents, compared to 7.9% of the supported elderly

people, due to the above reasons. The biggest difference was found in housing-related supports, where 8.8% of the active population received such support compared to 6.7% of the elderly.

One of the significant problems of eligibility and access is seen in the size of the apartments where elderly people live. Housing support is determined among others by the size of the apartment and the number of those who live together (Supplement 2.). Two third (67%)of the elderly people typically live alone or with one other person in two or three room households, so the unit cost of maintaining the house is higher and because of the bigger apartments they are not included in that circle who can be supported. So in certain cases the support trap and the standard pension brings the old age group with little housing mobility into a disadvantaged situation.

#### Personal social provisions

From among long term care provisions, elderly people's nursing homes operating with the highest expenses, cannot be examined in this research because the survey included only households. This analysis concentrates on provisions which are provided for those still in their homes. The focus is directed on those that are primarily used by elderly people (Supplement 3.). The three most frequently used services are meals on wheels, home care and day care but in addition them most of the elderly people have already heard about other services as well. While examining how much they know the services it was surprising that the active population knows more about them than the elderly people themselves. For example in case of services 12% more of them know about home care and day care.

Indicators referring to the use of the services are much higher than the national average<sup>752</sup>, which is likely due to the higher service per cents in the disadvantaged region. Looking at how often the services are used it can be determined that elderly people are typically frequent service users, while the active population needs social services more rarely. This can obviously be explained by the predominence of the long term care services.

The examination of how satisfied people are with different services shows that elderly people are the most satisfied with those personal

<sup>&</sup>lt;sup>75</sup> 6.69% of the old population can use catering, 3.79% can use home care, 1.66% can receive day care services. Sources: Yearbook of Welfare Statistics, 2011.

services that are preferred by the elderly and are those that currently use them. On the 5 point scale of satisfaction, bringing the two largest satisfaction values together, the following data was found.

Table 5.2.6.1 Satisfaction rate in various kinds of personal services, within different experience groups (%).

Groups	Catering (meals on wheels)	Home care	Day care center
Never used	23	23.5	35
Used it before	45	62.6	72.2
Use it permanently	67.9	89.2	96.2

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." (Pearson Chi-square p = 0.001)

#### The characteristics of how to get information about services

Knowing the immobility and the household structure of elderly people, one of the most important questions is from where and from what sources they can obtain information about the applicable social provisions and services. The table below contains what they rated the most important and the least important information sources:

Table 5.2.6.2 How did you get information about the social services?

	Active households (%)	Older households (%)
Information of the local government (official advertisements)	44.2	9.8
Internet	32.8	2.,8
Family	40.4	4.,7
Health services	45.7	4.,1
Social services	21.4	6.3
Church	3.3	1.6
Friends, neigbours	9.1	9.4
NGO-s	1.3	1.,7

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012)

Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises - Changes - Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services."

For elderly people, family (45.7%). is still the most importation information source. Health services are also seen as important information source (42,1%). The elderly less information from social services, centrally displayed local governmental advertisements, churches and from the local population.

The results are a little bit surprising and they can call attention to the isolation of the elderly. If there is regular relationship between the elderly people and their families then the tie between those who get information about social services and those who drop out of these services can be the family. About 86% of the elderly people visit their GPs regularly. Their connection to this service is very intensive, so the information they obtain from there can be judged important. This is why bringing the social and the health systems closer together would be important in practice. Elderly people rely on churches as information sources the least. In Hungary the number of the church run social services is growing rapidly, mainly in the field of elderly care<sup>763</sup>. Provision of social services by churches and concentrate mostly on their

<sup>&</sup>lt;sup>76</sup> 30% of the all home care services are provided by church based institutions. 24.3% of the all long term residential care is provided by the church based organizations. Sources: Yearbook of Wellfare Statistics 2011.

own clients. Giving information about accessible services to the affected population is less typical.

About 25% of the elderly people they are able to get information about social services from the Internet. In many countries the provision of services for the elderly is being modernized by spreading information about services and using services through the Net. Internet service was available to some extent according to 27% of the elderly in the survey and nearly 70% of them had cell phones. One of the directions for the development of the ICT services can be in utilizing and increasing this area.

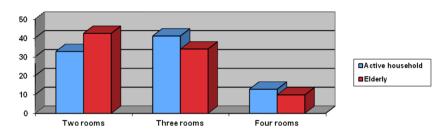
#### Summary

Social characteristics of the target group have a determining role from the point of view of using and access to social services. This research on the elderly did not find important differences between the demographical characteristics of the rural and urban population. Access to services is basically influenced by how the family connections of the elderly people can work as supporters, therefore, lonely, isolated elderly people can easily become disadvantaged. Health services and building tighter professional connections among service providers can serve as important means of mediation. After the decades of the postcommunist transition it is getting to be a challenge for church-run organizations to have a bigger and bigger role in services, but they have to make their services more professional, and they have to be more open towards service systems. It would be wise to start concrete access programs based on risk analysis (older age, disability, living alone). These programs will help the high-risk groups to access provision even in the recent provision systems as.

Elderly people can be the major victims of the centralization of the services. Provisions close to their homes should also be pioritized for those groups that cannot afford to pay the costs of institutional services.

#### Supplement No1.

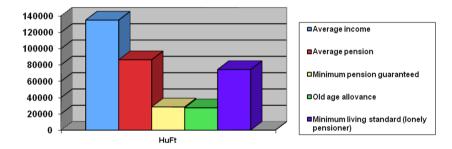
#### Income and pension rates in 2010.



Sources: Hungarian Central Statistical Office, 2011.

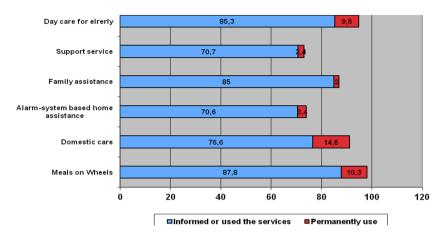
#### Supplement No2.

#### Caracteristics of housing within the age groups of the population



Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services."

#### Supplement No 3.



Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services."

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## 5.2.7 Family support systems

Erzsébet Rákó – Gyula Szabó

The family is absolutely indispensable for the functioning of a healthy society. The operation and situation of the family is significantly influenced by its life cycle and it is important for the members of the family what kind of support they receive and how the family can help them to cope with emerging difficulties. The *Northern Great Plain* Region is the less advanced region of Hungary from many aspects and that is why the social financial and health characteristics of this area were studied in several research projects (Fónai et al. 2005).

In this book there is another paper, which deals with natural and artificial support systems in Hungary. In her paper Éva Huszti focuses on the role of strong relationships manifested in social support system. We also studied the support system, but in our paper we used different methodology (compared families with and without children) and we examined a wider range of indicators that may distinguish families with and without children.

In this paper we first look at the income situation and the consumption of the families with and without children. In addition, the study investigates what support systems serve the families with and children in the *Northern Great Plain* Region. A total of 963 families were involved in the survey in the region and 286 of them had one or more children.

The concept of support system is interpreted as a natural and artificial form of support based on the writings of Caplan (1976). Family members, relatives, friends, neighbours and acquaintances are assigned to the natural support systems. People first search for solutions to their problems and ask for help from their inner circle members (natural support). When they cannot find a solution there, the next step is to make use of the institutional services (artificial support systems).

#### Income

Typically the average net income in the respondents' families with children was 47,432 HUF (165.4 EUR) per person, while in the case of families without children the income was much higher, 76,149 HUF

(265.5 EUR). In comparison to the national statistics of *TÁRKI Social Research Institute* (2012) the average net income per person in a Hungarian family was 84,000 HUF (292.9 EUR) (Tóth 2013). Thus incomes from the respondents were significantly lower, especially in the families with children.

#### Consumption structure

Respondents spend a significant part of their income on expenses connected to housing and food. With regard to expenses connected to housing, 21% of the families with children spend almost the half of their income on housing while families without children spent 28%. Expenditures related to food products are definitely higher among families with children, where 42.7% of them spend between 26-75% of their income on food. But for childless families this per cent is lower, 34,4%. Considering the economic thesis (Engel's law) that posits the lower the family's income the higher the rate of expenses spent on food, it can be stated that in this region the families with children are in a worse financial situation then the families without children. Similarly the rate of money spent on clothing and consumer goods is higher among families with children. On the other hand expenses connected to health and personal hygiene are higher among childless families.

The answers given to the question regarding how easy it is to make ends meet also confirms the more difficult financial situation of the families raising children. A much smaller per cent (5.42%) of the respondents from such families answered that their income is sufficient to ensure a comfortable life for the family and they are able to save money compared to the responses from childless families (8.5%). A slightly higher per cent of families with children (16.95%) think that it is impossible to make ends meet than childless families (15.36%). In addition, 54.48% of the families with children think that it is just barely possible to make ends meet but among childless respondents the per cent was a bit lower (52.44%).

*TÁRKI* studied the most important consumption factors in Hungarian households in its Monitor survey in 2012. The researchers verified that expenses related to house maintenance were more than a third of all expenses (33.5%) in that year. Other surveys confirmed that families in Hungary spend approximately one third of their total expenditure on food (Simonovits & Szívós 2013). Thus the results of this present

survey in the Northern Great Plain Region are in accordance with the national level data

## Support systems

In a region, where the ratio of people living in poverty is as high as in the *Northern Great Plain*, the support and welfare system has a very important role (Bódi 2012). The following chapter deals with the question if the families can rely on the natural support systems (relatives, friends, neighbours etc.) or the artificial support system (health care, social services etc.) when they need help. For the general household tasks the majority (83.1%) of the families with children do not make use of help, among childless families this rate is lower (75.3%). Based on the data it is confirmed that most of the families in the region manage these tasks alone. This is especially interesting in the case of families with children, where presumably some kind of external help would be useful sometimes to perform all the duties in the household.

In the region both the families with (6.1%) and without children (4%) rarely rely to the support of friends and relatives in household tasks. They do not make use of the help of the neighbours, another element of the natural support systems very often either (families with children 5.4%, without children 5.5%). The rates of use are even lower for religious institutions; non-governmental organizations, associations and community programs, only 1-2 per cent of the respondents mentioned them as providing support.

At the same time these families do not make use of the help of the artificial support systems either, only 1-2 per cent of the respondents and even those that take advantage of them do so only very rarely. However the answers in the questionnaire can make one stop and think that since neither the basic health services nor the *National Employment Service* take part in fulfilling household tasks. There are social services, which could assist (e.g. domestic assistance services) but only a few of the families (1.7% and 1.6%) ask for their help.

Of the respondents, 62.7% from families with children said that they do not ask for help if they have financial difficulties, and 69.3% of the childless families answer the same. It is noticeable both among families with and without children that those who ask for help call upon relatives or friends for assistance and it is not typical that they ask for financial help from neighbours. Among the artificial support providers, respondents usually ask for help from social services but

the per cent is still very low – only 1% among the families with children and 1.5% among the childless families. It is even more rare that they call upon other service providers for help when they have financial difficulties.

A higher rate of families with children (47.8), ask for help in order to manage their official affairs than childless families (40.3%). Families with children usually request help from relatives and friends rather than families without children. The most significant difference between the two groups of respondents can be observed in the case of asking for help from friends. The per cent of families with children ask for help from their friends to manage official affairs, is 10.2% compared to 5.8% in childless families. The situation is similar when families need help from the neighbours, 4.2% of families with children and 2.8% of childless families use this form of help.

For social services, the majority of respondents (more than 60%) stated that they had heard about these services but they have not used them. This is true for all forms of services and for both families with and without children, the only exception is community support, where 57.6% of the respondents with children answered that they had heard about it but have not used it. It is positive that they have heard about it because that means that the low level of utilization is not caused by lack of information. Community support and support services, which do not belong to the basic duties of the local authorities, are among the less known services. Both services are unknown by 30% of the respondents.

According to national level data in most regions of Hungary less than 20 out of 1,000 inhabitants obtain family support services and child welfare services, which is less than 2 per cent. However, in the northeastern areas of the country 50 of 1,000 inhabitants (5%) use these services. The level of utilization is significantly influenced by the fact that these services have to be provided according to the number of inhabitants of the settlement, that means that a number of local authorities are not obliged to provide them and because of this substantial structural and territorial disparities developed in the field of extension and availability of the supply system (Goldman et al. 2013)

According to the data from the KSH (Hungarian Central Statistical Office) the availability of family support and child welfare services in the Northern Great Plain Region is the lowest in Hungary, where 87.9% of the settlements provide family support services. The same can be

said about the child welfare services, although 96.2% of the settlements provide this service, it is still the second lowest rate in the country (KSH 2011).

The need to rely on different types of services is highly dependent on the living situation of the individuals. Families with and without children have different needs. Thus, families with children used nursery schools (8.81%) and child welfare services (5.76%) while among childless families these rates are below 1%. Home assistance, clubs for elderly people and residential homes are used to a much greater extent by childless families (Figure 5.2.7.1.). According to statistical data elderly people typically use these services.

Financial and in-kind support, provided by the local authorities, were utilized by families with children to a greater extent (6.44% and 12.2%) than childless families, where the utilization rate was 1.62% (in-kind support) and 5.47% (financial support).

The utilization rate of health services was high. At the time of the survey almost 70% of the respondents used the services of family doctors. In this case there was no significant difference between families with and without children. Based upon their life situation families with children typically make use of pediatrician, midwife and school doctor services. However there is a significant difference with dental services. Families with children made use of this service to a much greater extent (49.9%) than childless families (29.3%). Both types of families stated they has heard about in-patient care and home nursing but never used them.

Almost 40% of both families with and without children responded that they have not heard about early childhood development. This can cause problems especially in the case of families with children because if they have difficulties, they have no information on how to ask for help. More than half of the respondents (53.5%) from families with children have heard about it but have not made use of it. Concerning educational and psychological counselling a high per cent of the respondents from families with children stated that they had heard about them but had not used them (61.3%). The per cent of those, who had not heard about them, is also high (25.7%). This data also indicates that some of the families with children have no idea where to turn if they have educational problems with their children – or even if they have this information, they do not use the opportunity.

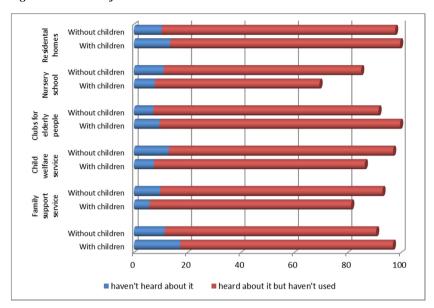


Figure 5.2.7.1 Use of social services. 77

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N=972

A higher rate (27.12%) of respondents from families with children reported that they were unemployed in the past two years; this rate is 16.99% for the families without children. Families with children are affected more by unemployment, and is probably caused by the fact the reintegration to the labour market from maternity benefit is quite difficult – as other studies have found.

In comparison with other regions of Hungary the unemployment rate in the *Northern Great Plain* Region is high -13.9% in 2012, - the second highest rate in the country. Despite this more than 60% of the respondents from both families with and without children said that they had heard about labour market services but had not made use of them. This is true of administration, training to obtain a job, career

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 $<sup>^{77}</sup>$  N =295 (With children), N=677 (Without children) By using Spearman's rank correlation the results were significant at the 5 per cent level on every scale except the question regarding residential homes.

counselling and career orientation as well. More than 70% of the respondents answered that they had heard about public employment, supported employment and re-training, but they had not made use of them.

The low rate of using the employment services has been demonstrated in past surveys. In the survey "*Ifjúság 2012*" 29% of the responding young persons asked for help to find a job from the family and 24% from the relatives. Of the respondents 37% did not receive help from anyone. The role of the labour offices in helping employment was not more than 5%, and career advisors provided help to less than 1%. According to the research, the utilization of social capital during job hunting has a significant tradition in the Hungarian society (Gazsó 2013).

In the survey respondents were asked to evaluate their own situation by using a five-point scale. Families with children judged factors related to health more positively than the childless families. This includes physical health, mental state, ability of self-care and human relations as well. (Figure 5.2.7.2.).

Responses from families without children considered the employment situation a bit more favourable with an average rating of 3.09 compared to the average of 3.07 of the families with children. Childless families clearly considered their financial situation better, rating it 2.81, while the families with children was 2.67. Childless families think that their chances for leisure time activities are better (rating 3.01) while the respondents from families with children are less optimistic (average 2.78). Most likely the tasks accompanying child rearing significantly decrease the leisure time of family members. No significant difference was found between the two family types regarding the chance to influence their own life.

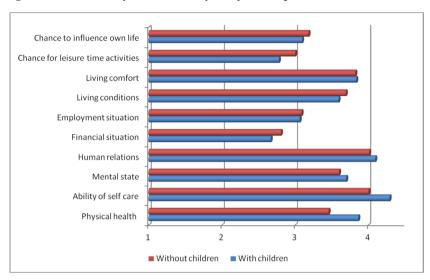


Figure 5.2.7.2 What do you think about your life at this point in time?<sup>782</sup>

Sources: Own survey; Accessing and using welfare services in the North East Region of Hungary (2012) Institute for Political Science, Centre for Social Sciences, Hungarian Academy of Sciences. Crises – Changes – Reactions. LOSS in the Satellite Countries of Europe No 81667. OTKA project "Accessing and using welfare services." N=957

Non-governmental organizations and other community organizations without legal authority may serve as important pillars in the support systems. However participation in the work of non-governmental organizations is not common among the respondents. Both the respondents from families with (93.2%) and without children (92.9%) answered that they were not members of any community organizations. It can be ascertained that the families in the *Northern Great Plain Region* do not make use of the supportive potential of communities.

# Summary

To summarize the findings regarding the natural and artificial forms of support of families following can be stated. Respondents did not use either the naturel or artificial forms of support to complete household

N=293 (With children), N=664 (Without children) By using Spearman's rank correlation the results were significant at the 5 per cent level on every scale except the questions regarding mental state, human relations, financial situation and living comfort.

tasks; rather family members themselves did them. For financial problems families unwillingly call upon others for help, but if they do it at all, they turn to family members and friends. Institutional support in for financial difficulties does not play a significant role.

In managing their official affairs families are more willing to ask for help. Asking for help is more typical of the families with children in making use of institutional assistance to a greater extent. There is no significant difference between families with and without children in making use of social services; on the other hand there are differences in the type of services they use. The difference is principally due to the living situation of the families. Most of the respondents know about social services but they do not make use of them, thus by their own admission these institutions do not have a significant role among the artificial support systems. Employment services play a very similar role as the social services. Most of the respondents in both groups make use of health services. They certainly visit family doctors regularly but respondents from families with children visit the dentist more often. Most respondents do not consider educational and psychological counselling as a tool for problem solving and many of them do not even know about these options. Non-governmental organizations and community organizations are not real alternatives for family support either.

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# **Appendix**

Below are several figures and tables that were made in the Finnish and Hungarian LOSS cooperation at *The Northern Finland Centre of Excellence on Social Welfare (Poske)* and at the *Centre for Social Sciences, Hungarian Academy of Sciences* as well as at the *University of Debrecen.* The aim of the Appendix is to help the readers to understand some chapters better but the Appendix is also usable independently. Namely some chapters of the book would be imperfect without Appendix. Especially: *Introduction to the Northern Ostrobothnia Region in Finland (Jorma Kurkinen), Introduction to the Észak-Alföld region – North Plain Region (Mátyás Bódi), Anomie as a thermometer of the crisis (experiment) -Social Capacity – phenomenon of the complex crisis (Ferenc Bódi – Jenő Farkas – Zsuzsanna Horváth), Results from the citizen and service producer surveys in Northern Ostrobothnia (Jorma Kurkinen)*. Reading of those chapters requires the studying of the figures and tables in the Annex.

The purpose of our research is to publish all completed map figures and processed data in the internet in our home page in Hungarian as well as English, too. This goal is dual: first to serve reliable and relevant data and information for the international comparative research network, and second, to give an inspiration to all the students of universities who seek to find their own research field or theme of thesis.

Appendix is made by *Jorma Kurkinen*, researcher from The Northern Finland Centre of Excellence on Social Welfare (Poske), and *Jenő Farkas* senior research fellow at the *Centre for Economic and Regional Studies*, Hungarian Academy of Sciences, Grate Plain Departure, *Dániel Bódi*, geographer student at the *Debrecen University*, as well as *Ferenc Bódi*, senior research fellow at the Centre for Social Sciences, Hungarian Academy of Sciences, who is also leader of the Hungarian Scientific Research Fund No 81667 Crises – Reactions – Change (Adaptation of local organizations of social services in peripheral countries in Europe).

**Editors** 

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- 2. Population change in Finland, Hungary and EU-27.
- 3. Population age groups in Finland, Hungary and EU-27.
- 4. *Old-age-dependency ratio in Finland, Hungary and EU-27.*
- 5. Statistics of GDP and social costs in Finland, Hungary and EU-27.
- 6. Statistics of employment and unemployment in Finland, Hungary and EU-27.
- 7. Statistics of poverty in Finland, Hungary and EU-27.

- 8. Statistics of health in Finland, Hungary and EU-27.
- 9. Statistics of Internet use in Finland, Hungary and EU-27.

## APPENDIX. 3rd European Quality of Life Survey 2011

- 1. Subjective well-being in Finland, Hungary and EU-27.
- 2. Standards of living and material deprivation in Finland, Hungary and EU-27.
- 3. Work-life balance in Finland, Hungary and EU-27.
- 4. Sources of support in Finland, Hungary and EU-27.
- Social exclusion and community involvement in Finland, Hungary and EU-27.
- 6. Home, housing and local environment in Finland, Hungary and EU-27.
- 7. Public services, health and health care in Finland, Hungary and EU-27.
- 8. Quality of society in Finland, Hungary and EU-27.

# APPENDIX A to chapter 4.1 Statistics of Northern Ostrobothnia and Northern Finland.

#### Jorma Kurkinen

Source: SOTKAnet Statistics and Indicator Bank 2005 - 2013, Finland. www: http://uusi.sotkanet.fi/portal/page/portal/etusivu

Figure 4.1.1 Population change in the regions of Northern Finland and city of Oulu 1990 – 2012.

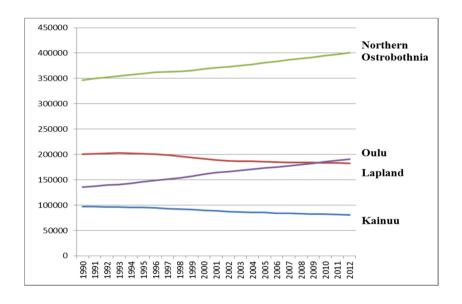


Figure 4.1.2 Population change as index (1990 = 100) in the municipalities of Northern Ostrobothnia 1990 - 2012.

The surrounding municipalities of Oulu marked by asterisks.

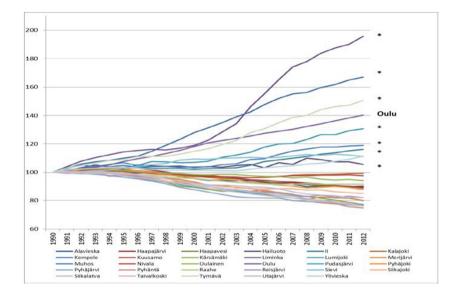


Table 4.1.1 Population by sex 31.12.2012.

	Total	Women %	Men %
The regions of Northern Finland and Finland.			
Whole country	5 426 674	50,9	49,1
Region of Kainuu	80 685	49,9	50,1
Region of Lapland	182 844	49,8	50,2
Region of North Ostrobothnia	400 670	49,6	50,4
Sub-regions and municipalities of Northern Ostrobot	hnia		
Haapavesi-Siikalatva sub-region	14 832	48,1	51,9
Haapavesi	7 283	48,8	51,2
Pyhäntä	1 566	48,3	51,7
Siikalatva	5 983	47,0	53,0
Koillismaa sub-region	20 480	48,6	51,4
Kuusamo	16 167	49,1	50,9
Taivalkoski	4 313	46,7	53,3
Nivala-Haapajärvi sub-region	30 196	49,0	51,0
Haapajärvi	7 641	49,2	50,8
Kärsämäki	2 760	48,6	51,4
Nivala	10 985	48,8	51,2
Pyhäjärvi	5 849	49,3	50,7
Reisjärvi	2 961	48,6	51,4
Oulu sub-region	235 268	50,2	49,8
Hailuoto	986	48,1	51,9
Kempele	16 383	50,0	50,0
Liminka	9 432	48,8	51,2
Lumijoki	2 059	48,9	51,1
Muhos		49,2	50,8
Oulu	190 847	50,4	49,6
Tyrnävä		49,1	50,9
Oulunkaari sub-region	21 144	47,7	52,3
Ii	9 574	48,0	52,0
Pudasjärvi	8 620	47,5	52,5
Utajärvi	2 950	47,4	52,6
Raahe sub-region	34 567	48,9	51,1
Pyhäjoki		48,1	51,9
Raahe	25 659	49,1	50,9
Siikajoki	5 597	48,4	51,6

Ylivieska sub-region	44183	49,6	50,4
Alavieska	2761	48,1	51,9
Kalajoki	12625	49,1	50,9
Merijärvi	1176	46,2	53,8
Oulainen	7847	51,1	48,9
Sievi	5241	48,4	51,6
Ylivieska	14533	50,1	49,9

Table 4.1.2 Population structure of the regions of Northern Finland and Finland.

	Finland	Kainuu	Lapland	North. Ostrob.
Population at year end, 2012.	5 426 674	80 685	182 844	400 670
Population as % of the population of Finland.		1,5	3	7
Area, square kilometres, 2012.	338 435	24 452	98 983	37 415
Population density, 2012.	18	4	2	11
Population aged 0-6, % of total population, 2012.	7,8	6,6	7,2	10,1
Population aged 7-15, % of total population, 2012.	9,7	9,0	9,4	11,8
Population aged 16-64, % of total population, 2012.	63,7	61,7	63,1	62,5
Population aged 65+, % of total population, 2012.	18,8	22,7	20,3	15,7
Demographic dependency ratio, 2012.	54	59	56	57
Economic dependency ratio, 2011.	129	164	157	147
Natural population increase, 2012	7 786	- 286	- 196	2 727
Immigrants, number 2012.	307 245	3 625	9 272	20 805
Emigrants, number 2012.	289 812	3 950	9 567	20 703
Foreign nationals, % of total population, 2012.	3,6	1,7	1,9	1,6
Measure of educational level, 2011.	340	295	307	345
Persons with upper secondary education aged 15+, %, 2011.	28,2	21,7	23,3	26,7
Persons with higher education aged 15+, %, 2011.	39,5	43,6	43,8	43,2

Table 4.1.3 Population projections of the regions of Northern Finland and Finland.

		2010	2020	2030	2040
Finland	Total (change in number)	5 426 674	+204 343	+421 004	+558 224
	0-15, %	17,5	17,6	17,1	16,5
	16-64, %	63,7	59,8	57,3	57,3
	65+, %	18,8	22,6	25,6	26,2
Kainuu	Total (change in number)	80 685	-3 538	-5 800	-7 526
	0-15, %	15,6	15,9	15,7	15,6
	16-64, %	61,7	55,5	51,4	52,7
	65+, %	22,7	28,6	32,8	31,7
Lapland	Total (change in number)	182 844	-1 058	-373	-464
	0-15, %	16,6	17	16,8	16,5
	16-64, %	63,1	57,3	53,5	54,6
	65+, %	20,3	25,7	29,7	28,9
Northern					
Ostrobothnia	Total (change in number)	400 670	+20 455	+37 436	+47 112
	0-15, %	21,9	22	21	20,2
	16-64, %	62,5	58,4	56	55,9
	65+, %	15,7	19,6	23,1	23,9

Table 4.1.4 Intermunicipal net migration per 1000 inhabitants of the regions of Northern Finland and Finland.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Finland	0,5	1,1	1	1,1	1,3	1,7	2	2,6	2,9	2,7	2,6	3,1	3,2
Kainuu	- 12,8	- 13	- 10,2	- 6,4	- 5,1	<b>-</b> 7	- 7,8	- 4,8	- 4,7	<u>     4                               </u>	- 4,8	- 5,6	<b>-4</b>
Lapland	- 14,3	- 13,5	- 7,7	- 4,4	- 2,9	- 3,9	- 4,4	<b>–</b> 3	- 2	- 1,4	- 1,7	- 0,9	- 1,6
North Ostro- bothnia	2,3	1,2	- 0,7	- 0,9	1,4	0,8	- 0,2	0,1	0,1	0,3	0,1	0,9	0,3

Table 4.1.5 Statistical information by age groups of the regions of Northern Finland and Finland.

	Finla	ınd	Kain	uu	Lapla	nd	Nort Ostro	
The children and families with children								
Families with children, % of all families, 2012.	39,5		34,9		36,7		43,2	
Single parent families, % of all families with children, 2012.	20,4		19,4		21,7		17,2	
Families with children living in overcrowded conditions, %, 2012.	29,2		29,0		30,8		30,3	
At-risk-of-poverty-rate for children, 2011.	14,9		16,4		18,6		17,8	
Social assistance, rec. families with children, % of fam. w. ch., 2011.		8,6		9,6	10,4			7,3
Social assistance, short-term, single-parent househ., % of h., 2011.		4,8		4,4		5,2		6,0
Social assistance, long-term, single-parent households, % of h., 2011.		2,8		1,8		2,3		1,9
Placements outside home aged 0-17, % of age group, 2011.		1,4		1,6		1,4		1,0
In moderate or poorer health, % of pupils, 8th and 9th grade, 2011.	16,4		17,1				15,9	
Moderate or severe depression, % of pupils, 8th and 9th grade, 2011.	12,8		14,4				12,0	
Inadequate parenting, % of pupils, 8th and 9th grade, 2011.	22,3		21,7				20,0	
Have no close friends, % of all pupils in 8th and 9th grade, 2011.		9,1		9,9				8,8
The young								
Unemployed young people, % of labour force aged 18-24, 2012	12,4		16,5		19,2		18,0	
Those aged 17-24 not in education or training, % of age group, 2011.	11,2			9,1		9,9		9,7
Long-term social assistance recipients aged 18-24, % of age gr., 2011.		2,9		3,4		3,3		2,4
Those aged 18-20 years placed outside the home, %, 2011.		1,0		1,0		1,1		0,6
In moderate or poor health, % of pupils in upper sec. school, 2011.	17,1		18,5				17,2	
Sickness allowance for mental health reasons, 18-24/1000 p., 2012.	12,9		15,0		11,3		15,8	
Moderate or severe depression, % of pupils in u. sec. school, 2011.	10,5		10,2				10,6	
Have no close friends, % of pupils in upper secondary school, 2011.		7,4		7,1				7,3

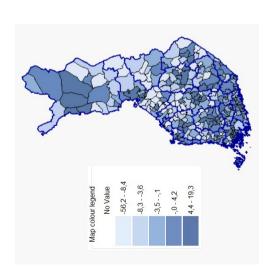
The weating age negulation				
The working-age population	2.520	2.027	2.254	2.125
Tax revenue, euro per capita, 2011.	3 530	3 027	3 254	3 125
Employed, as % of total population, 2011.	43,6	37,9	39,0	40,5
Unemployed people, as % of labour force, 2012.	9,8	12,6	13,4	11,8
Long-term unemployed, as % of unemployed population, 2012.	24,2	19,0	20,1	21,3
Social assistance recipients during year, % of population, 2011.	6,9	7,4	7,9	6,2
Long-term social assistance recipients aged 25-64, %, 2011.	2,2	1,8	2,1	1,5
Housing allowance recipients, % of household-dwelling units, 2011.	7,0	6,6	7,0	7,7
THL's morbidity index, not age-standardised, 2009.	100	124	118	113
THL's Mental health index, 2009.	100	120	112	126
Average retirement age, 2012.	59,2	58,0	58,6	57,2
Sickness allowance recipients aged 25-64/1000 persons, 2012.	106,4	130,8	117,2	118,1
Sickness allow. for mental health reasons, rec 25-64/1000 p., 2012.	18,7	23,3	20,2	21,2
Population aged 25-64 receiving disability pension, %, 2012.	8,3	12,8	11,4	10,2
Household dwelling-units with one person, % of all h. d-u., 2012.	41,5	41,7	41,4	38,8
Homeless persons per 1000 inhabitants, 2012.	1,5	0,1	0,5	0,3
Divorces per 1 000 married persons aged 25-64, 2012.	16,2	13,8	15,1	14,7
Suicides per 100 000 inhabitants, 2011.	16,9	25,7	21,3	17,7
Total consumption of alcoholic beverages, pure alcohol l/cap., 2012.	7,7	8,7	10,7	7,1
Voting turnout in municipal elections, %, 2012.	58,2	54,5	60,6	56,9
The old age population				
Those aged 75+ living at home, as % of age group, 2011.	89,6	91,3	89,5	89,4
Living alone, population aged 75+ as % of age group, 2012.	48,6	48,3	45,6	45,3
Regular home care, clients aged 65+, as % of age group, 2011.	6,2	7,2	7,4	7,8
Residential home clients aged 75+, % age group, 2012.	2,6	1,0	1,1	2,9
Long-term institutional care, clients aged 75+, as % of age gr., 2011.	4,4	1,7	3,3	3,8
Support for informal care, clients aged 75+, % of age group, 2012.	4,5	7,4	6,3	6,6

# APPENDIX B to chapter 4.1 Map figures of the municipalities of Finland.

## Jorma Kurkinen

Source: SOTKAnet Statistics and Indicator Bank 2005-2013, Finland; Maps © Genimap Oy. http://uusi.sotkanet.fi/portal/page/portal/etusivu

Map figure 4.1.1 Intermunicipal net migration per 1000 inhabitants 2012.



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Map colour legend	No Value	0,1-0,8	0,9 - 1,2	1,3 - 1,7	1,8 - 2,7	2,8 - 15,9	*	

Whole country	3,2	
Region of Kainuu	-4,0	
Region of Lapland	-1,6	
Region of North Ostrobothnia	0,3	

Whole country	3,6
Region of Kainuu	1,7
Region of Lapland	1,9
Region of North Ostrobothnia	1,6

Map figure 4.1.3 Population aged 0-17 as % of total population 2012.

Map figure 4.1.4 Population aged 65 and over as % of total population 2012.

Map colour legend

No Value

7,7 - 16,2

18,2 - 20,4

20,5 - 23,1

23,2 - 40,3

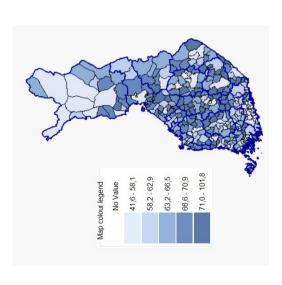
Whole country	19,9
Region of Kainuu	18,1
Region of Lapland	18,9
Region of North Ostrobothnia 24,5	24,5

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Map colour legend	No Value	7,3 - 18,1	18,2 - 21,6	21,7 - 24,8	24,9 - 27,9	28,0 - 45,8	**

Whole country	18,8
Region of Kainuu	22,7
Region of Lapland	20,3
Region of North Ostrobothnia 15,7	15,7

# Map figure 4.1.5 Demographic dependency ratio 2012.

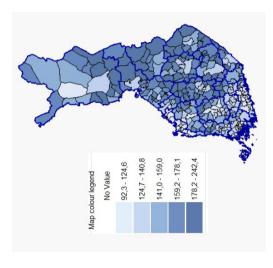
The number of population aged under 15 and over 64 per hundred working-age people aged 15-64 years.



Whole country	54,3
Region of Kainuu	59,4
Region of Lapland	55,8
Region of North Ostrobothnia 56,8	56,8

# Map figure 4.1.6 Economic dependency ratio 2011.

The number of all population outside the labour force (children, retired people, unemployed, students, those engaged in family duties, disability pension receivers etc.).



Whole country	129,4
Region of Kainuu	163,8
Region of Lapland	156,5
Region of North Ostrobothnia 146,7	146.7

Map figure 4.1.7 Families with children, as % of all families 2012.

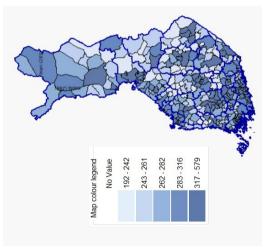
Map figure 4.1.8 Single parent families, as % of all families with children 2012.

Map colour legend
No Value
19,2-31,1
31,2-34,4
37,8-41,6
41,7-62,0

Whole country	39,5
Region of Kainuu	34,9
Region of Lapland	36,7
Region of North Ostrobothnia 43,2	43,2

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Map colour legend	No Value	5,0 - 13,8	13,9 - 16,5	16,6 - 18,3	18,4 - 20,7	20,8 - 40,0	*

Map figure 4.1.10 Persons with higher education qualifications, aged 15 and over, as % of total population of same age 2011.



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	Map colour legend No Value	192 - 242	243 - 261	262 - 282	283 - 316	317 - 579	***	

15,8 - 18,1

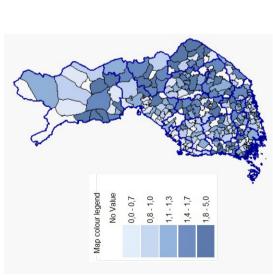
Map colour legend No Value 7,4-15,7 18,2 - 20,8 20,9 - 25,3 25,4 - 56,6

Whole country	28,2
Region of Kainuu	21,7
Region of Lapland	23,3
Region of North Ostrobothnia 26.7	26.7

Whole country	340
Region of Kainuu	295
Region of Lapland	307
Region of North Ostrobothnia	345

Map figure 4.1.11 Placements outside the home for those aged 0-17, as % of total population of same age 2011.

Map figure 4.1.12 Those aged 17 - 24 not in education or training, as % of total population of same age 2011.



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11,3 - 13,1 13,2 - 47,4

9,7 - 11,2

Map colour legend No Value 0,0-8,1 8,2-9,6

Whole country	11,2
Region of Kainuu	9,1
Region of Lapland	6,6
Region of North Ostrobothnia	9,7

Whole country	11,2
Region of Kainuu	9,1
Region of Lapland	6'6
Region of North Ostrobothnia	2.6

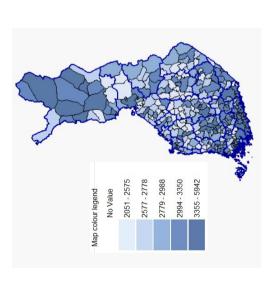
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Region of North Ostrobothnia

Region of Lapland Region of Kainuu Whole country

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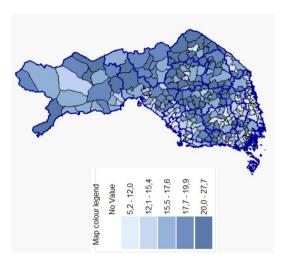
## Map figure 4.1.13 Tax revenue, euro per capita 2011.



Whole country	3530
Region of Kainuu	3027
Region of Lapland	3254
Region of North Ostrobothnia 3125	1125

# Map figure 4.1.14 General at-risk-of-poverty rate 2011

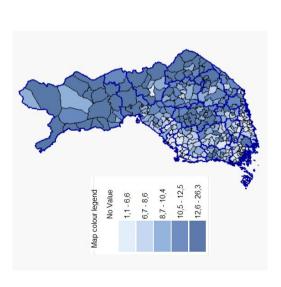
As % of persons living in households with incomes less than 60 % of median disposable income of Finnish households.



Whole country	15,0
Region of Kainuu	17,4
Region of Lapland	17,5
Region of North Ostrobothnia 16,8	16,8

Map figure 4.1.15 Unemployed people, as % of labour force 2012.

Map figure 4.1.16 The long-term unemployed, as % of labour force 2012.



Whole country	8,6
Region of Kainuu	12,6
Region of Lapland	13,4
Region of North Ostrobothnia	11,8

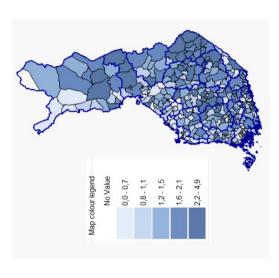
7					人の大学	くるというなどと		
	Map colour legend	No Value	0,0 - 1,3	1,4 - 1,7	1,8 - 2,4	2,5-3,0	3,1-5,0	

Whole country	2,4
Region of Kainuu	2,4
Region of Lapland	2,7
Region of North Ostrobothnia	2,5

Map figure 4.1.17 Unemployed young people, as % of labour force aged 18-24 2012.

Map figure 4.1.18 Long-term social assistance recipients aged 25-64, as % of total population of same age 2011. 14,5 - 17,8 11,9 - 14,4 17,9 - 26,6 9,1-11,8 Map colour legend No Value 0,0-0,0

Whole country	12,4
Region of Kainuu	16,5
Region of Lapland	19,2
Region of North Ostrobothnia 18,0	18,0



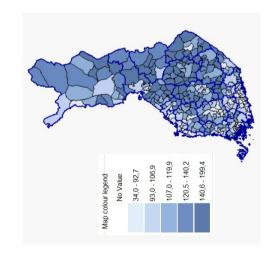
Whole country	2,2
Region of Kainuu	1,8
Region of Lapland	2,1
Region of North Ostrobothnia	1,5

### Map figure 4.1.19 THL's morbidity index, not agestandardised 2009.

cerebrovascular diseases, diseases of the musculoskeletal system, mental health problems, accidental injuries, dementia. (Whole country = 100.)



Map figure 4.1.20 Mental health index, not age-standardised 2009.



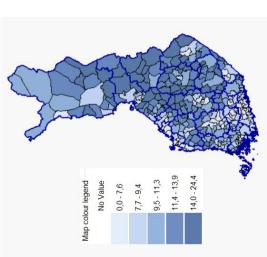
Whole country	100
Region of Kainuu	124,4
Region of Lapland	117,8
Region of North Ostrobothnia 112.8	112.8

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Map colour legend	No Value	24,3 - 78,2	79,1 - 93,8	93,9 - 112,1	112,3 - 134,6	134,9 - 235,6	<b>₹</b>

Map figure 4.1.22 Living alone, population aged 75 and over, as %

of total population of same age 2012.

Map figure 4.1.21 Population aged 25-64 receiving disability pension, as % of total population of same age 2012.



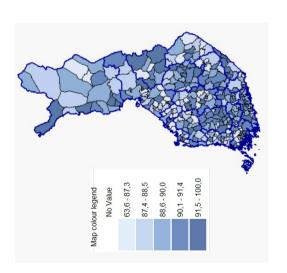
	11, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,
Map colour legend No Value 31,2 -41,6 41,8 -44,6 44,7 -46,8 46,9 -49,8 49,9 -58,3	nolos C. A.
Мар	Мар

Whole country	8,3
Region of Kainuu	12,8
Region of Lapland	11,4
Region of North Ostrobothnia 10,2	10,2

Whole country	48,6
Region of Kainuu	48,3
Region of Lapland	45,6
Region of North Ostrobothnia 45,3	45,3

Map figure 4.1.23 Living at home among those aged 75 and over, as % of total population of same age 2011.

Map figure 4.1.24 Net expenditure of the municipal health and social sector, euro per capita 2011.



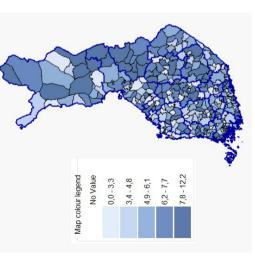
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Map colour legend	No Value	265 - 2978	2984 - 3246	3247 - 3465	3466 - 3763	3764 - 5017	***************************************	

Whole country	89,6
Region of Kainuu	91,3
Region of Lapland	89,5
Region of North Ostrobothnia 89,4	89,4

Whole country	3272
Region of Kainuu	3587
Region of Lapland	3492
Region of North Ostrobothnia 3215	3215

Map figure 4.1.25 Offences against life and health recorded by the police per 1000 inhabitants 2012.

Map figure 4.1.26 Property offences recorded by the police per 1000 inhabitants 2012.



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3	2	J.					金数		
2				4		75	-6	7	į.
<b>4</b>	Map colour legend	0,0 - 3,3	3,4-4,8	4,9-6,1	6,2-7,7	7,8-12,2			

33,4 - 109,8

25,6-33,2 20,4 - 25,5

14,5 - 20,3

0,0 - 14,4

Map colour legend No Value

43,8	31,8	36,1	othnia 40.2
Whole country	Region of Kainuu	Region of Lapland	Region of North Ostrobothnia

Whole country	43,
Region of Kainuu	31,
Region of Lapland	36,
Region of North Ostrobothnia	40.

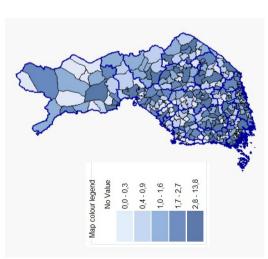
9,5 8,2 8,9

Region of North Ostrobothnia

Region of Lapland Region of Kainuu Whole country

Map figure 4.1.27 All drug offences recorded by the police per 1000 inhabitants 2012.

Map figure 4.1.28 Divorces among those aged 25–64 per 1 000 married persons of same age 2012.



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Map colour legend	No Value	6,0-0,0	0,4-0,9	1,0 - 1,6	1,7 - 2,7	2,8 - 13,8		•	Š.	
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11,7 - 14,0 14,1-17,2 17,4 - 38,5

8,4-11,6

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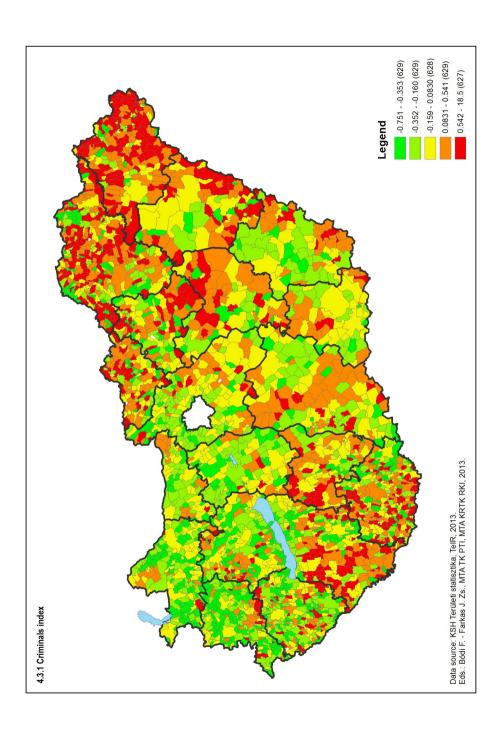
Whole country	16,2
Region of Kainuu	13,8
Region of Lapland	15,1
Region of North Ostrobothnia 14,7	14,7

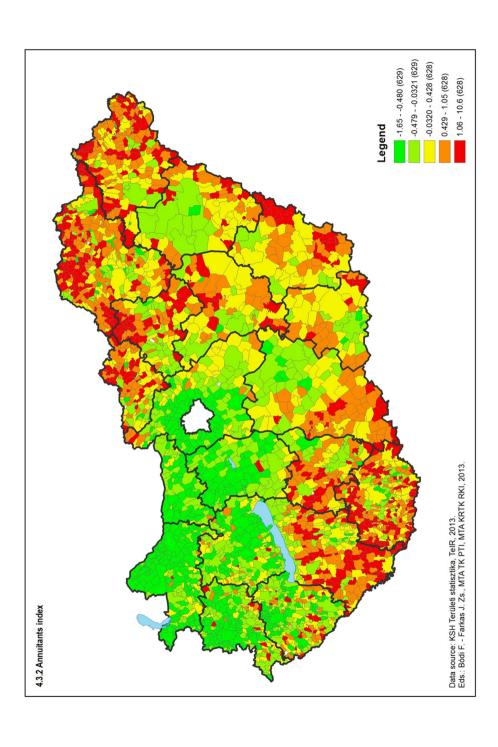
*	Whole country	
<u> </u>	Region of Kainuu	
<u>~</u>	Region of Lapland	
_~	Region of North Ostrobothnia	

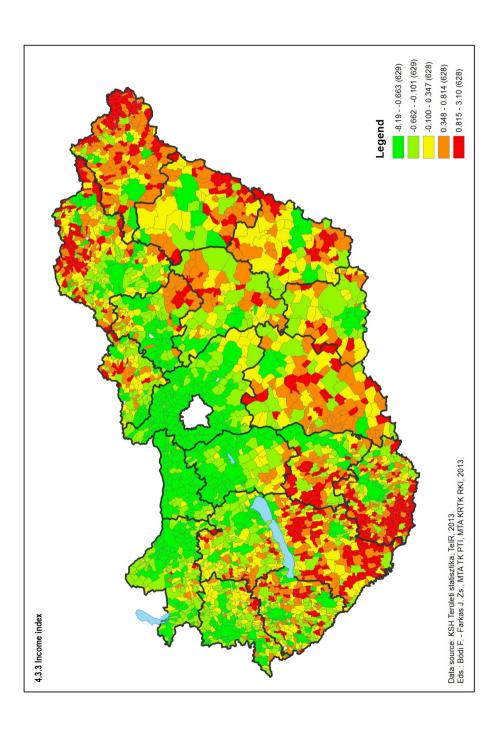
3,6 2,4

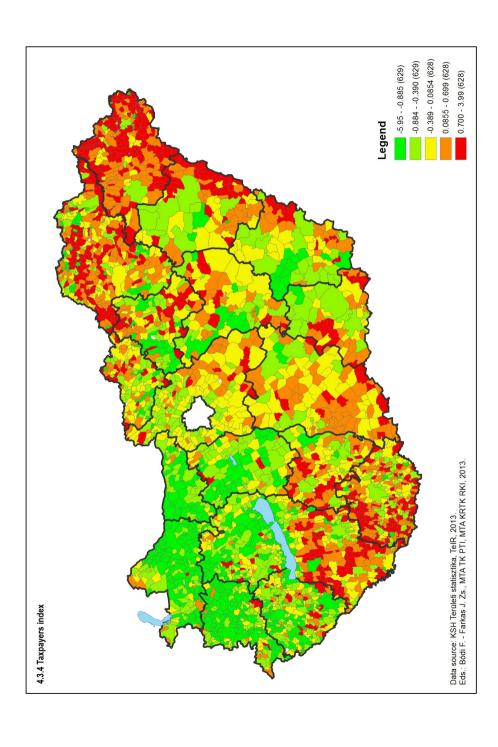
Region of North Ostrobothnia

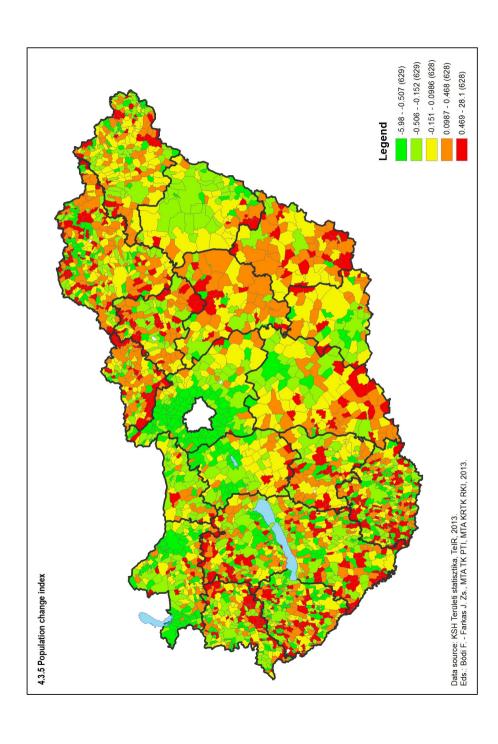
Region of Lapland Region of Kainuu Whole country

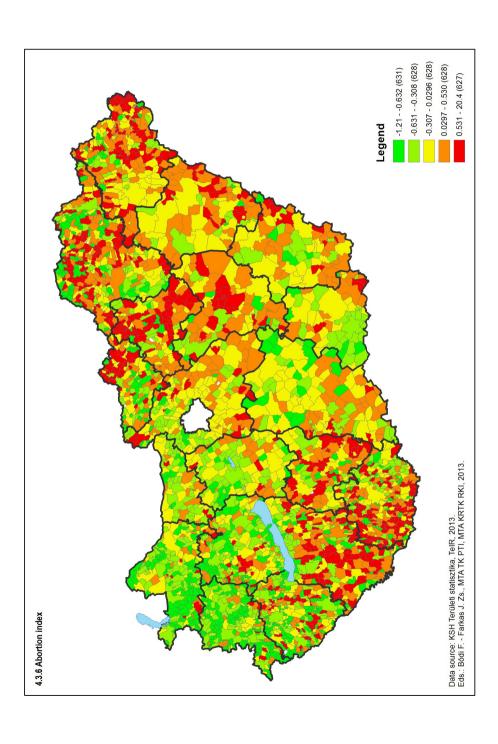


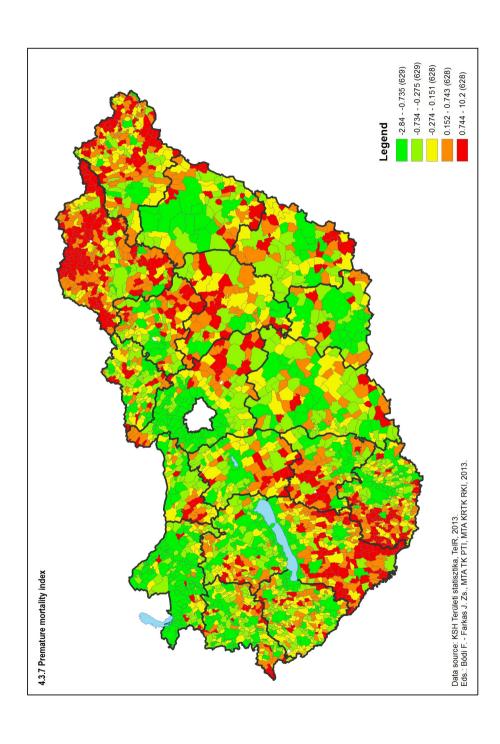


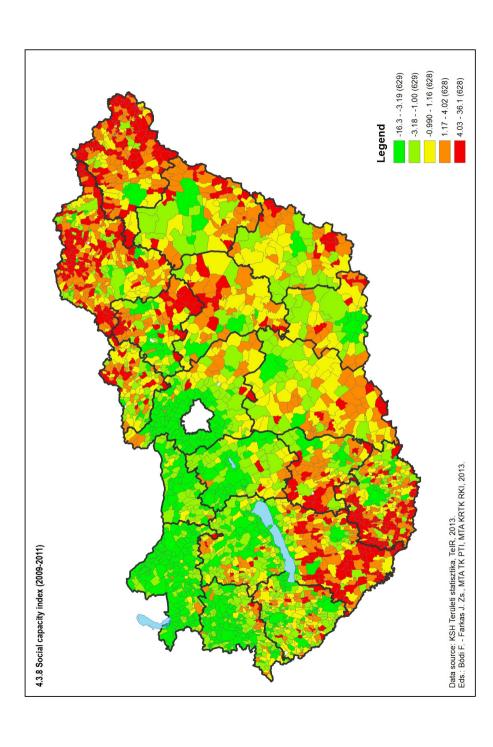


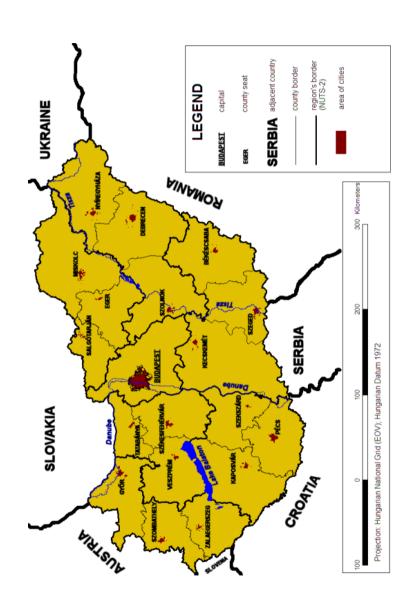


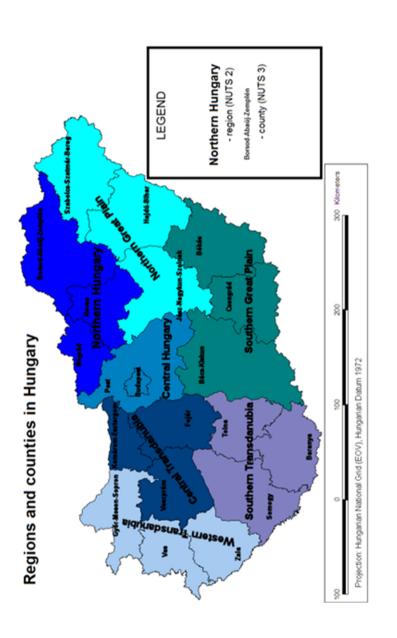












APPENDIX to chapter 5.1 Summary and comparison of the perceived well-being and satisfaction to services in the citizen and service producer surveys in Northern Ostrobothnia

Jorma Kurkinen

Source surveys (See chapter 2.1. for details):

- Vaala 2011: Junell, R. & Matikainen, K., Vaalalaisten hyvinvointi. Survey data and handout report. (The well-being in Vaala; Poske with Oulu University of Applied Sciences, School of Health and Social Care.)
- HHV 2010 (Municipalities of Haapajärvi, Haapavesi and Vihanti): Koskimäki, V., Survey data and and handout report 2010. (Poske with the Hospital District of Northern Ostrobothnia.)
- Raahe 2003: Kurkinen, J. (2004) Raahen seudun hyvinvointi kansalaisten kokemuksia hyvinvoinnista ja palveluista. Pohjois-Suomen sosiaalialan osaamiskeskuksen julkaisu 11. Oulu. (The well-being in the region of Raahe citizens' experiences on well-being and services; Poske's own survey.) http://www.sosiaalikollega.fi/poske/julkaisut/julkaisusarja/Julkaisu\_11.pdf
- **Oulu South 2003**: Suihkonen, T. Kansalaisten kokemuksia hyvinvoinnista ja hyvinvointipalveluista Oulun eteläisen alueella. Survey data and handout report 2004. (The experiences of well-being
- and welfare services in the region of Oulu South; Poske with Oulu South).
- Oulu 2011: Kinnunen, P. & Vuorijärvi, P. & Honkakoski, A. (2013) Oulun seudun lasten ja nuorten hyvinvointitutkimus Pohjois-Suomen sosiaalialan osaamiskeskuksen julkaisu 35. Oulu. (Research of the well-being of children and young in the Oulu region; Poske's own survey.) http://www.sosiaalikollega.fi/poske/julkaisut/julkaisusarja/julkaisu\_35\_hyvinvo intitutkimus
- Kuusamo 2008: Kurkinen, J. & Vuorijärvi, P. & Kinnunen, P. (2008) Hyvinvointi ja palvelut Kuusamossa. (The Well-being and services in Kuusamo; Poske's own survey.)
  - http://www.sosiaalikollega.fi/poske/julkaisut/tyopaperit-ja-muut-julkaisut/Tutkimusraportti1-3\_Hyvinvointi%20ja%20palvelut%20Kuusamossa.pdf

The surveys differ in the categorization of services, because of the differences in the arrangement of services in different municipalities and the change in the arrangement of services during the 2000's. The combined cells mean that those services have been evaluated together. The empty cells means that services are not evaluated in the survey.

Table 5.1.1 Summary table of the perceived well-being in five citizen surveys and three service producer surveys 2003 - 2011: The proportion of respondents who evaluate their situation as bad in different dimensions of well-being.

	CITIZ	ENS				SERVI PROD	CE UCERS	
	Vaala 2011	HHV 2010	Raahe 2003	Oulu South 2003	Oulu 18-29- v. 2011	Vaala 2011	HHV 2010	Kuusamo 2008
Physical health	<u>16</u>	14	11	8	4	<u>20</u>	<u>16</u>	10
Physical ability to function	<u>15</u>	13		8		10	9	8
Mental status	7	6	6	5		<u>22</u>	14	<u>15</u>
Human relations	5	4	4	3		7	8	14
Financial situation	13	14	13	<u>15</u>	<u>31</u>	21	<u>16</u>	14
Employment situation	23	<u>20</u>	<u>19</u>	<u>18</u>	<u>30</u>	<u>23</u>	14	<u>29</u>
Residential environment	6	4	3	4	6	2	6	4
Residential/Housing conveniences	4	4	4	4	4	5	5	4
Opportunities for free time activities	23	<u>15</u>	12	<u>15</u>		13	<u>17</u>	6
Opportunities for education and studying	<u>40</u>	<u>29</u>			14	<u>45</u>	<u>21</u>	<u>39</u>
Opportunities to determine your own life	<u>18</u>	11	8	10		12	12	
Opportunities to determine in services concerning your own life	37	32				30	32	<u>19</u>
Security	8	4			4	6	5	2
Number and proportion of	7/13	4/13	1/13	3/13	2/13	6/13	5/13	4/13
dimensions of well-being (total 13), in which at least 15 % of	54 %	31 %	8 %	23 %	15 %	46 %	38 %	31 %
respondents evaluate their situation as bad								

Table 5.1.2 Summary table of the social services in four citizen surveys and three service producer surveys 2003 - 2011. The proportion of respondents who evaluate the functionality of services as bad.

SOCIAL SERVICES	CITIZE	'N'C			CEDI/I	CE DD	DDUCERS
SOCIAL SERVICES	Vaala 2011	HHV 2010	Raahe 2003	Oulu South 2003	Vaala 2011	HHV 2010	Kuusamo 2008
Information of services	<u>37</u>	<u>26</u>	25	28	42	32	21
Personal counselling and guidance	<u>35</u>	<u>31</u>			8	<u>32</u>	22
Information services on Internet	<u>29</u>	<u>21</u>			<u>31</u>	<u>24</u>	
* Family help services (incl. several serv.)	12	11					
Maternity clinics, child welfare clinics, school clinics						12	
Day care, early childhood education			8	6	9	7	12
Preschool education					9	6	4
Home services for families with children					15	<u>50</u>	<u>35</u>
* Special family services (incl. several s.)	18	18					
Family work					<u>24</u>	<u>32</u>	
Family clinics					<u>23</u>	<u>30</u>	
Special early childhood education					<u>33</u>	<u>28</u>	
Speech- and occupational therapy					<u>32</u>	<u>25</u>	
* Child protection (incl. several services)	15	17		<u>23</u>			18
Child welfare					<u>32</u>	27	
Child welfare officer					14	<u>30</u>	
Child protection social work					17	<u>25</u>	
Youth work			19	<u>23</u>			14
Home help services			<u>21</u>	19			
Social worker services			<u>25</u>	<u>23</u>			<u>23</u>
Emergency social services							<u>28</u>
* Adult social work (incl. several services)	<u>28</u>	<u>26</u>					
Subsistence support			<u>38</u>	<u>29</u>	11	<u>24</u>	24
Adult social work					12	20	
Rehabilitation					33	22	
Labour force service centre					<u>31</u>	<u>35</u>	
Social work services for the			17	15			

elderly							
Home care	<u>32</u>	<u>26</u>			<u>43</u>	<u>24</u>	18
Home care support services					<u>42</u>	<u>25</u>	
Support to caring for close relatives					41	38	<u>47</u>
Day services for the elderly					<u>32</u>	<u>33</u>	19
Service housing services	<u>38</u>	<u>24</u>			<u>46</u>	27	18
Intensive housing services					<u>37</u>	<u>28</u>	
Old people's home	<u>41</u>	27			<u>71</u>	<u>25</u>	
Long-term institutional care					<u>33</u>	<u>29</u>	
Services for the disabled	<u>31</u>	19	20	<u>20</u>	10	13	13
Counselling for open welfare					13	14	]
Services based on the law for the disabled					17	18	
Mental health services	<u>29</u>	<u>25</u>			21	30	
Substance abuser services			<u>31</u>	<u>35</u>	<u>61</u>	27	30
Number and proportion of services,	9/12	8/12	6/9	7/10	19/30	25/31	8/16
in which at least 20 % of respondents	75 %	66 %	67 %	70 %	63 %	81 %	50 %
evaluate their functionality as bad							

Table 5.1.3 Summary table of the health services in four citizen surveys and three service producer surveys 2003 - 2011. The proportion of respondents who evaluate the functionality of services as bad.

HEALTH SERVICES	CITIZE	ENS			SERVI	CE PRO	DUCERS
	Vaala 2011	HHV 2010	Raahe 2003	Oulu South 2003	Vaala 2011	HHV 2010	Kuusamo 2008
Information of services	<u>20</u>	20	21	23	22	21	15
Personal counselling and guidance	19	<u>25</u>			<u>21</u>	15	18
Information services on Internet	21	<u>25</u>			<u>35</u>	19	
* Health promotion services (incl. several. s.)	13	32					
Health examinations					<u>27</u>	22	
Health examinations for the unemployed					<u>52</u>	<u>65</u>	
Nutritional counselling					<u>30</u>	<u>37</u>	
Screening examinations					<u>23</u>	14	
Support for cut out smoking					<u>50</u>	38	
Physical counselling					19	27	
Maternity- and child clinics			5	4	5	6	4
School and student health care			8	9	11	19	32
Dental care			12	18	12	<u>36</u>	
Preventive substance abuser services					<u>58</u>	40	
Preventive mental health services					<u>55</u>	43	
Clinic for the elderly					<u>50</u>	<u>32</u>	
*Health care services (incl. several services)	19	44					
General physician services			<u>32</u>	41	<u>35</u>	<u>49</u>	<u>36</u>
Specialist services			<u>58</u>	<u>56</u>	<u>61</u>	<u>47</u>	<u>39</u>
Nurse					13	20	
Occupational health care			18	15	15	29	12
Dental care					14	<u>35</u>	<u>29</u>
Physiotherapy			<u>25</u>	20	20	16	9
Rehabilitation				30			18
Intensive hospital care			24	22	<u>26</u>	<u>25</u>	10
Mental health services			33	23	<u>25</u>	30	18
Home health visitor			11	7			
Support services	6	18					
Laboratory and X-ray examinations			15	16	15	11	4
Device and distribution				15	13	11	9
Number and proportion of services, in	2/6	5/6	6/12	7/14	16/25	17/25	4/14
which at least 20 % of respondents	33 %	83 %	50 %	50 %	64 %	68 %	29 %
evaluate their functionality as bad							

Table 5.1.4 Summary table of the employment services in four citizen surveys and three service producer surveys 2003 - 2011. The proportion of respondents who evaluate the functionality of services as bad.

EMPLOYMENT SERVICES	CITIZE	E <b>NS</b>			SERVI	CE PRO	DUCERS
Experienced functionality of services bad, % of respondents	Vaala 2011	HHV 2010	Raahe 2003	Oulu South 2003	Vaala 2011	HHV 2010	Kuusamo 2008
Information of services	<u>41</u>	41	41	<u>40</u>	52	44	<u>26</u>
Personal counselling and guidance	<u>31</u>	<u>31</u>			<u>32</u>	<u>33</u>	22
Information services on Internet	12	21			<u>20</u>	16	
Information services			33	<u>34</u>			14
Labour exchange	<u>29</u>	<u>34</u>	<u>50</u>	<u>46</u>	33	38	28
Vocational guidance,			<u>43</u>	<u>40</u>	31	<u>36</u>	23
Employment training			<u>40</u>	38	<u>56</u>	27	<u>29</u>
Occupational rehabilitation			<u>56</u>	<u>50</u>	<u>46</u>	20	29
Employment subsidy				<u>34</u>	23	<u> 29</u>	24
Enterprise allowance	<u>20</u>	<u>42</u>		<u>50</u>	<u>20</u>	<u>24</u>	<u>29</u>
Employer services					10	24	16
Number and proportion of services, in	4/5	5/5	6/6	9/9	9/10	9/10	8/10
which at least 20 % of respondents	80 %	100%	100%	100%	90 %	90 %	80 %
evaluate their functionality as bad							

Table 5.1.5 Summary table of the Social insurance institution services in four citizen surveys and three service producer surveys 2003 - 2011. The proportion of respondents who evaluate the functionality of services as bad.

SOCIAL INSURANCE INSTITUTION SERVICES	CITIZE	CE PRO	RODUCERS				
Experienced functionality of services bad, % of respondents	Vaala 2011	HHV 2010	Raahe 2003	Oulu South 2003	Vaala 2011	HHV 2010	Kuusamo 2008
Information of services	<u>33</u>	<u>25</u>	<u>32</u>	<u>32</u>	<u>42</u>	<u>37</u>	21
Personal counselling and guidance	<u>24</u>	22			<u>25</u>	<u>28</u>	<u>25</u>
Information services on Internet	10	13			11	11	
Parental benefit	10	13	17	16	6	13	14
Student benefit	]		<u>22</u>	23	7	21	19
Unemployment benefit			<u>25</u>	19	<u>40</u>	<u>24</u>	<u>23</u>
Housing benefit	]		<u>26</u>	<u> 26</u>	13	14	17
Sickness benefit			15	13	8	14	10
Pension services			18	17	<u>27</u>	18	14
Rehabilitation services	<u>31</u>	<u>26</u>	33	30	7	<u>22</u>	
Number and proportion of services, in	3/5	3/5	5/8	4/8	4/10	5/10	3/8
which at least 20 % of respondents	60 %	60 %	63 %	50 %	40 %	50 %	38 %
evaluate their functionality as bad							

Table 5.1.6 Summary table of the education and culture services in four citizen surveys and three service producer surveys 2003 - 2011. The proportion of respondents who evaluate the functionality of services as bad.

EDUCATION AND CULTURE SERVICES	CITIZI	ENS		SERV	SERVICE PRODUCERS			
Experienced functionality of services bad, % of respondents	Vaala 2011	HHV 2010	Raahe 2003	Oulu South 2003	Vaala 2011	HHV 2010	Kuusamo 2008	
Information of services	11	12			9	13	11	
Personal counselling and guidance	<u>20</u>	24			18	20	20	
Information services on Internet	19	21			<u>50</u>	16		
Education services			30	<u>35</u>				
Basic education	10	6			16	5	3	
High school					10	5	1	
Technical college					<u>77</u>	10	6	
Art education (music, fine arts)					4	14	7	
Youth services					<u>21</u>	18	15	
Physical education			20	19	19	14	2	
Cultural education			30	<u>36</u>	34	19	10	
Special education					14	16	14	
Student welfare (school welfare officer, health care, mental care)	12	16			14	<u>25</u>	30	
School catering	19	8			<u>27</u>	14		
School transport					<u>25</u>	10		
Club activity					<u>27</u>	16		
Number and proportion of services, in	1/6	2/6	3/3	2/3	7/15	2/15	2/12	
which at least 20 % of respondents	17 %	33 %	100 %	67 %	47 %	13 %	17 %	
evaluate their functionality as bad								

Table 5.1.7 Summary table of the other services in four citizen surveys and three service producer surveys 2003 – 2011. The proportion of respondents who evaluate the functionality of services as bad.

OTHER SERVICES	CITIZI	ENS			SERV	ICE PR	ODUCERS
Experienced functionality of services bad, % of respondents	Vaala 2011	HHV 2010	Raahe 2003	Oulu South 2003	Vaala 2011	HHV 2010	Kuusamo 2008
Information of services	<u>22</u>	<u>23</u>			<u>21</u>	<u>25</u>	
Personal counselling and guidance	<u>27</u>	19			<u>27</u>	<u>24</u>	
Information services on Internet	<u>26</u>	21			<u>20</u>	13	
* Commercial services	7	6					
Shops			15	12	12	<u>20</u>	3
Banks			15	9	<u>33</u>	11	3
Post			<u>20</u>	13	10	16	5
Pharmacy					8	5	2
Public transport	<u>34</u>	<u>24</u>			<u>48</u>	<u>52</u>	<u>55</u>
Housing and construction					11	13	4
Environmental protection					14	19	<u>23</u>
Tourism services							3
Immigrant services					33	<u>29</u>	
Social ombudsman services				<u>34</u>	<u>67</u>	<u>23</u>	<u>22</u>
Patient ombudsman services				<u>35</u>	17	<u>23</u>	18
Legal advise			<u>35</u>	<u>31</u>			
Private social services	<u>28</u>	<u>26</u>			<u>50</u>	<u>44</u>	9
Private health services					<u>54</u>	<u>21</u>	14
Number and proportion of services, in	5/6	4/6	2/4	3/6	9/15	9/15	3/12
which at least 20 % of respondents	83 %	67 %	50 %	50 %	60 %	60 %	25 %
evaluate their functionality as bad							

### APPENDIX. Statistical profile of Finland and Hungary and comparison to EU-27

### Jorma Kurkinen

### Sources:

Eurostats. European Commission Statistical Database.

http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/

SOTKAnet Statistics and Indicator Bank of Finland. http://uusi.sotkanet.fi/portal/page/portal/etusivu

UNECE (United Nations Economic Commission for Europe) Statistical Division Database. http://w3.unece.org/pxweb/

OECD Statistics. http://www.oecd.org/statistics/

Table 1. Statistics of population in Finland, Hungary and EU-27.

	Finland	Hungary	EU-27
Population 2011, 1 January. Source: Eurostat.	5 375 276	9 985 722	502 476 606
Population 2011, 1 January, as a percentage of EU-27 population. Source: Eurostat.	1,1	2,0	
Area (square kilometres) 2011. Source: UN Europe Statistical Database	338 150	93 030	
Population density 2010. Source: Eurostat.	17,6	107,5	116,6
Crude rate of population change 2010. Source: Eurostat.	4,4	-2,9	2,7
Crude rate of natural population change 2010. Source: Eurostat.	1,9	-4,0	1,0
Immigration 2009. Persons. Source: Eurostat.	26 699	27 894	
Emigration 2010. Persons. Source: Eurostat.	11 103	11 905	
Non-nationals among residents 2010, as percentage of population. Source: Eurostat.			
EU27-countries except declaring country	1	1,3	2,5
Extra EU-27	1,8	0,8	4,0
Foreign country	2,9	2	6,5
Dependency ratio 2010. Source: Sotkanet.	50,6	45,7	49,3
Old-age-dependency ratio 2010. Source: Eurostat.	25,6	24,2	25,9

Table 2. Population change in Finland, Hungary and EU-27.

Crude rate of population change. Source: Eurostat.	2000	2005	2006	2007	2008	2009	2010	2011
EU-27	2,1	4,2	4,2	4,9	4,0	2,8	2,7	
Finland	1,9	3,6	4,1	4,4	4,9	4,7	4,4	
Hungary	-2,1	-2,1	-1,0	-2,1	-1,4	-1,7	-2,9	
Crude rate of natural population change. Source: Eurostat.	2000	2005	2006	2007	2008	2009	2010	2011
EU-27	0,6	0,6	1,0	1,0	1,2	1,1	1,0	
Finland	1,4	1,9	2,0	1,8	2,0	2,0	1,9	
Hungary	-3,7	-3,8	-3,2	-3,5	-3,1	-3,4	-4,0	
Population projections, change to 2010. Source: Eurostat.			2015	2020	2025	2030	2035	2040
EU-27			1,4	2,7	3,6	4,3	4,7	4,9
Finland			2,3	4,2	5,7	6,6	7,0	7,0
Hungary			-0,6	-1,1	-1,9	-3,1	-4,4	-5,7

Table 3. Population age groups in Finland, Hungary and EU-27.

People by age group. Source: Eurostat.	2000	2005	2006	2007	2008	2009	2010	2011
Proportion of population aged 0-14 years								
EU-27	17,2	16,2	15,9	15,8	15,7	15,6	15,6	
Finland	18,2	17,5	17,3	17,1	16,9	16,7	16,6	16,5
Hungary	16,9	15,6	15,4	15,2	15	14,9	14,7	14,6
Proportion of population aged 15-24 years								
EU-27	13,2	12,8	12,7	12,6	12,4	12,3	12,1	
Finland	12,8	12,4	12,5	12,5	12,4	12,4	12,3	12,3
Hungary	14,9	13,1	12,9	12,8	12,7	12,6	12,5	12,3
Proportion of population aged 25-49 years								
EU-27	36,7	36,5	36,4	36,3	36,2	36	35,8	
Finland	35,5	33,5	33,2	32,9	32,7	32,5	32,3	32,1
Hungary	35,4	36	35,8	35,7	35,7	35,7	35,8	35,9
Proportion of population aged 50-64 years								
EU-27	17,2	18	18,1	18,4	18,6	18,8	19,1	
Finland	18,7	20,7	21,1	21,1	21,5	21,6	21,7	21,6
Hungary	17,7	19,7	20,1	20,4	20,4	20,5	20,3	20,4
Proportion of population aged 65-79 years								
EU-27	12,3	12,6	12,6	12,7	12,7	12,7	12,7	
Finland	11,5	12	12	12,3	12,2	12,3	12,4	12,7
Hungary	12,4	12,3	12,3	12,3	12,5	12,5	12,7	12,7
Proportion of population aged 80 years and more								
EU-27	3,3	4	4,1	4,3	4,4	4,5	4,7	
Finland	3,3	3,9	4	4,2	4,3	4,5	4,6	4,8
Hungary	2,5	3,3	3,5	3,6	3,7	3,8	3,9	4,1

Table 4. Old-age-dependency ratio in Finland, Hungary and EU-27.

Old-age-dependency ratio. Source: Eurostat.	2000	2005	2006	2007	2008	2009	2010	2011
EU-27	23,2	24,7	24,9	25,2	25,4	25,6	25,9	
Finland	22,2	23,8	24	24,8	24,8	25,2	25,6	26,5
Hungary	22	22,7	22,9	23,2	23,5	23,8	24,2	24,4
Projected old-age dependency ratio. Source: Eurostat.	2000	2010	2015	2020	2025	2030	2035	2040
EU-27	23,2	25,9	28,5	31,4	34,6	38,3	42,3	45,5
Finland	22,2	25,6	31,4	36,3	39,8	42,7	44,3	43,5
Hungary	22,0	24,2	26,2	30,0	32,8	33,6	35,7	39,5

Table 5. Statistics of employment and unemployment in Finland, Hungary and EU-27.

				Fin	nland	Hunga	ry E	U-27
Employment rate by sex, age group 20-64, 20	11. Sou	ırce: E	urostat.	.   7	73,8	60,7	(	58,6
			Won	nen 7	71,9	54,9	(	52,3
			Λ	1en 7	75,6	66,8		75
Unemployment rate by sex- annual data, 2011	. Sourc	e: Eur	ostat.		7,8	10,9		9,7
			Won	nen	7,1	10,9		9,8
			Λ	1en	8,4	11		9,6
Youth (under 25) unemployment rate, 2011. S	ource:	Sotkar	et.	2	21,4	26,6		21,1
Unemployment rates by education, population Source: Eurostat.	aged 2	25-64,	2011.					
Pre-primary, primary and lower secondary ed	lucatio	n (leve	ls 0-2)	1	1,3	23,1		14,8
Upper secondary and post-secondary non-tertiary education (levels 3 and 4)				ls	6,9	9,6		7,6
First and second stage of tertiary education (l	evels 5	and 6)	)		4	3,9		5
Jobless households with children 2010. Source	e: Euro	stat.			4,4	16,1		10,6
Long-term unemployment rate by sex 2011. S	ource:	Eurost	at.		1,7	5,2		4,1
			Won	nen	1,2	5,3		4,1
			Λ	1en	2,2	5,2		4,2
Unemployment rate - annual data. Source: Eurostat.	2000	2005	2006	2007	2008	2009	2010	2011
EU-27	8,8	9	8,3	7,2	7,1	9	9,7	9,7
Finland	9,8	8,4	7,7	6,9	6,4	8,2	8,4	7,8
Hungary	6,4	7,2	7,5	7,4	7,8	10	11,2	10,9
Total long-term unemployment rate. Source: Eurostat.	2000	2005	2006	2007	2008	2009	2010	2011
EU-27	4,1	4,1	3,7	3,1	2,6	3	3,9	4,1
Finland	2,8	2,2	1,9	1,6	1,2	1,4	2	1,7
Hungary	3,1	3,2	3,4	3,4	3,6	4,2	5,5	5,2

Table 6. Statistics of GDP and social costs in Finland, Hungary and EU-27.

	Finland	Hungary	EU-27
GDP per capita as Purchasing Power Standard 2010, EU27 = 100. Source: Sotkanet.	116	63	100
Real GDP per capita, growth rate and totals 2011. Source: Eurostat.			
Euro per inhabitant	31 500	9 000	23 300
Percentage change on previous period	2,4	2	1,3
Expenditure on social protection 2011. Percentage of GDP. Source: Eurostat.	30,3	23,4	29,5
Social benefits paid by general government 2011. Percentage of GDP. Source: Eurostat.	17,6	15,3	16,7
Social contributions paid by general government 2011. Percentage of GDP. Source:	12,4	13	13,9
Eurostat.			
Social benefits, percentage of total benefits 2009. Source: Eurostat.			
Disability	12,3	9,1	8,0
Social exclusion n.e.c.	2,4	0,6	1,4
Family/Children	11,3	13,2	8,0
Housing	1,7	2,7	2,0
Old age	35,3	39,6	39,0
Sickness/Health care	25,6	24,7	29,6
Survivors	3,3	5,9	6,0
Unemployment	8,2	4,2	6,0
Social benefits per head of population 2009. Purchasing Power Standard per inhabitant.			
Source: Eurostat.	060	214	521
Disability	968	314	531
Social exclusion n.e.c.	191	20	95 533
Family/Children	890	454	
Housing Old gas	132 2 789	94 1 367	134 2 598
Old age Sickness/Health care	2 019	853	1 972
	7 891	3 450	6 667
Social protection benefits Survivors	258	203	400
Survivors  Unemployment	644	145	403
Unemployment	044	143	403

Table 7. Statistics of poverty in Finland, Hungary and EU-27.

	Finland	Hungary	EU-27
At-risk-of-poverty rate 2010, % of total population. Source: Eurostat, SILC.	13,1	12,3	16,4
People at-risk-of-poverty or social exclusion 2010. Source: Eurostat.			
1000 persons	890	2 948	115 790
Percentage of total population	16,9	29,9	23,5
At-risk-of-poverty rate before social transfers by age group 2010. Source: Eurostat, SILC.	27	28,4	25,9
From 18 to 64 years	26,6	27,7	24,8
65 years or over	25,1	8,6	19,7
Less than 18 years	29,7	47,4	35
Severely materially deprived people, 4 items or more, 2010. Source: Eurostat.			
1000 persons	150	2 129	40 084
Percentage of total population	2,8	21,6	8,1
Material Deprivation rate, 3 items or more, percentage of total population, 2010. Source:  Eurostat.	8,4	39,9	17,5
Housing deprivation rate by number of item 2010. Percentage of total population. Source: Eurostat, SILC.			
No items	90.7	69.9	77,9
1 item	8,2	21,6	16,6
2 items	1	4,7	4,3
3 items	0,1	2,4	0,9
4 items	0	1,4	0,3
Housing deprivation rate by item 2010. Percentage of total population. Source: Eurostat.			
Living in a dwelling with damp damages.	5	24,2	16
Having neither a bath, nor a shower in their dwelling.	0,8	4,4	3
Not having indoor flushing toilet for the sole use of their household.	0,7	6,6	3,4
Considering their dwelling as too dark.	4,2	8,7	6,8
Living in households considering that they suffer from noise.	13	11,4	20,6

Table 8. Statistics of health in Finland, Hungary and EU-27.

	Finland	Hungary	EU-27
Healthy life years and life expectancy at birth by sex 2009, 2010. Source: Eurostat.			
Healthy life years - women	57,8	58,6	
Healthy life years - men	58,5	56,4	
Life expectancy - women	83,5	78,6	82,6
Life expectancy - men	76,9	70,7	76,7
Infant mortality rate 2009, 2010. Source: Eurostat.	2,3	5,3	4,2
Causes of death 2009 (EU27), 2010. Standardised death rate. Source: Eurostat.			
Death due to alcoholic abuse	2,6	3,5	2,6
Death due to drugs dependence	0,3	0	0,5
Death due to suicide	16,8	21,7	10,3
Death due to homicide, assault	1,9	1,4	0,9
Death due to transport accidents	5,9	8,9	7,4
Smokers, % of population, Finland 2009, Hungary 2010. Source: UNECE.			
Total (Finland population aged 15-64, Hungary population aged 18+)	20,4	31,4	
Women	17,6	26,7	
Men	24	31,4	
15 - 24 years	15,5	37,2	
Women	14,1	32	
Men	17,6	42,3	
Self-reported unmet need for medical care, by income quintile, 2010. Source: Eurostat.			
First quintile of equalised income	0,4	3	5,2
Second quintile of equalised income	0,3	1,4	2,4
Third quintile of equalised income	0,3	0,7	1,4
Fourth quintile of equalised income	0,2	0,7	0,8
Fifth quintile of equalised income	0,1	0,4	0,3
Total	0,2	1,2	2
Perceived health 2009. Percentage of population with health >= good. Source: OECD.			
Women	68	50	
Men	68	59	
15-24 years	82	90	
25-44 years	75	77	
45-64 years	59	39	

Table 9. Statistics of Internet use in Finland, Hungary and EU-27.

	Finland	Hungary	EU-27
Internet use 2011. Percentage of population. Source: Eurostat.			
Households with Internet access at home	84	65	73
Individuals who have never used the Internet	9	28	24
Individuals using the Internet for interaction with public authorities	68	38	41
Individuals using the Internet for interaction with public authorities	25	53	
Internet use: downloading official forms (last 12 months)	53	26	25
Internet use: obtaining information from public authorities web sites (last 12 months)	58	37	35
Internet use: sending filled forms (last 12 months)	40	18	21
Individuals using the Internet for seeking health-related information	58	48	38
Individuals using the Internet for finding information about goods and services	76	54	56

### APPENDIX. 3<sup>rd</sup> European Quality of Life Survey 2011

### Jorma Kurkinen

### Sources:

Eurofound: European Quality of Life Survey Reports 2005, 2009, 2012. http://www.eurofound.europa.eu/surveys/eqls/2011/index.htm http://www.eurofound.europa.eu/surveys/eqls/2007/index.htm

http://www.eurofound.europa.eu/surveys/eqls/2003/index.htm

Table 1. Subjective well-being in Finland, Hungary and EU-27.

	Hungary	Finland	EU-27
Life satisfaction on a 1 – 10 scale	5.8	8.1	7.1
Happiness on a 1 – 10 scale	6.9	8.1	7.4
Optimism about the future, agree and strongly agree, %	43	74	52

Table 2. Standards of living and material deprivation in Finland, Hungary and EU-27.

	Hungary	Finland	EU-27
Difficulties to make the ends meet, %	77	24	43
Lowest income quartile	84	47	75
Highest income quartile	52	10	22
Material deprivation, six items, mean number of items people cannot afford	2.8	0.6	1.2
People reporting that their financial situation will be worse in a year's time, %	58	12	30

Table 3. Work-life balance in Finland, Hungary and EU-27.

	Hungary	Finland	EU-27
After work too tired to do necessary household jobs, %	59	46	53
Difficulties to fulfil family responsibilities, %	39	17	30

Table 4. Sources of support in Finland, Hungary and EU-27.

-			Hungary	Finland	EU-27
Family or friends as main	support, %				
source of		Illness	96	96	94
		Personal problem	96	89	93
		Money	83	70	82
Service provider as main	support, %				
source of		Illness	0	4	4
		Personal problem	1	8	4
		Money	4	21	8

Table 5. Social exclusion and community involvement in Finland, Hungary and EU-27.

	Hungary	Finland	EU-27
Index of perceived social exclusion, average score of four question on 1 – 5 scale (where	2.2	2.0	2.2
5 stands for 'strongly perceived social exclusion')			
Community involvement: Participation in social activities at least once a month &	17	41	27
Involvement in voluntary (unpaid) work, regularly	7	28	18
Political involvement	8	33	25

Table 6. Home, housing and local environment in Finland, Hungary and EU-27.

	Hungary	Finland	EU-27
Housing tenure			
Own without mortgage, %	71	38	44
Own with mortgage, %	22	33	21
Tenants, private and public	5	26	24
Problems with dwelling, mean number of reported problems: shortage with space, rot,	0.7	0.4	0.6
damp, lack of indoor toilet or bath etc.			
Difficulty of access to different neighbourhood services: post, bank, public transport,			
cultural services, recreational areas etc., %			
Urban area: difficulties in worst accessible service	22	17	20
Rural area: difficulties in worst accessible service	54	40	48
Problems in the immediate neighbourhood, mean number of reported problems: crime, violence, vandalism, litter, noise, traffic congestion, air quality, quality of drinking water	1.8	1.8	0.9

Table 7. Public services, health and health care in Finland, Hungary and EU-27.

	Hungary	Finland	EU-27
Satisfaction with health, mean on 1-10 scale		7,7	7,3
Lowest income quartile	6,4	7,2	6,6
Highest income quartile	7,6	8,3	7,8
Reasons for difficulties in accessing doctors, %			
Waiting time	48	20	42
Getting appointment		29	39
Cost	28	12	30
Distance	29	13	22
Reasons for difficulties in accessing childcare			
Availability (lack of service, waiting time)	45	46	58
Costs		33	59
Access (distance)	39	34	41
Quality of care	36	12	27
Reasons for difficulties in accessing long-term care			
Availability (lack of service, waiting time)	68	61	61
Costs	78	42	60
Access (distance)		31	49
Quality of care	61	39	44

Table 8. Quality of society in Finland, Hungary and EU-27.

	Hungary	Finland	EU-27
Trust in people, average score on 1 – 10 scale	4.3	7.1	5.1
Trust in public institutions (parliament, legal system, police, government, local		6.6	4.8
authorities), average score on $1-10$ scale			
Perceptions of social tensions between different groups, %			
Poor vs. rich	71	17	36
Management vs. workers	60	15	32
Racial and ethnic groups	60	36	37
Religious groups	24	19	28
Sexual groups	37	19	18
Old vs. young	26	5	13
Men and women	16	4	10