



## Local Economic Development and Paternalism in Rural Hungary

**Dr. Sándor ILLÉS**

associate professor, Eötvös Loránd University

### ABSTRACT

The research paper deals with relationship between local economic development and paternalism based on in-depth interviews in Hungary. It describes the local heroes and the members of project-class in the context of state dependent and paternalistic countryside. It argues that local heroes has leading role in the successful local economic development in Hungary.

### KEYWORDS

Rural, Development, Paternalism, Hungary

### 1. Introduction

The risk of downward social mobility and the threat of unemployment have become the major economic challenges for the local inhabitants in the countryside (G. Fekete, 2010). By examining one of the aspects of local economic development (LED) – namely expansion of employment – we intended to serve both the local and general employment policies together with social and regional planning. The basic question of the applied research was that how the LED is assessed or seen by locals in eight settlements.

### 2. Data and methods

The places of our field work were villages and small towns, with less than 20,000 inhabitants in 2012 and 2013. We chose this settlement size because these are the places where the problems of development and – in strong connection with it – employment proved to be the most serious (Skerratt, 2013). Furthermore, we assumed that the overwhelming effect of national policy will be relatively negligible in Bazzi, Besence, Fertőd, Mórahalom, Oszkó, Pásztó, Rimóc and Szarvas.

In the eight settlements we carried out the field work with multiple methods, according to the requirements of the holistic approach (Clarke, 2001). As one of the methods in-depth interviews we asked the local stakeholders (78 persons) thus gaining some pieces of valuable qualitative information.

Variation of the local economy and its development is strongly attached to the problems of local employment. Scholars have attempted to define the LED generally and exactly in many ways so far. Their intentions were foredoomed to failure since the essence of LED lies in the grandeur of uniqueness.

### 2. The types of rural areas

As a narrow subfield of our research this study focuses on the characteristics of paternalism played in LED. We distinguished the paternalistic countryside and the state-dependent countryside.

#### 3.1. State-dependent countryside

The state-dependent countryside strongly depends on state subsidies. The settlements, areas of this type sometimes prosper in some places, sometimes survive in other places and finally, sometimes hardly vegetate from these supports. The LED should create an alternative to reduce external dependence, to discover and utilize internal resources or to draw other resources effectively. On the other side, however, the state should sponsor only those initiatives which are able to become real economic activities in a relatively short time. If the economic activities, state, community or private services cannot be sustained, it may cause that the given countryside loses its population, out migration increases. As a result, the system will get unsustainable from a financial point of view.

#### 3.2. Paternalistic countryside

In Eastern-Central Europe tradition of the paternalistic coun-

tryside has its root in the modern historical development. One of the key problems of development was the attitude with arable land which probably still works in certain regions of Hungary. The other important condition is that this person should be a local inhabitant.

'The good father-syndrome' results in formation of a strong net of vertical relations and at the same time, the horizontal net of relations is subordinated to it. A significant part of the inhabitants of the Hungarian countryside expects the authorities to solve their employment, social and many other problems which are a tradition.

#### 4. State-dependent countryside in the lights of in-depth interviews

„It is a very big problem that the former co-operative employed two thousands workers who are mostly unemployed today, while the lands of the former co-operative are cultivated by two or three people with huge agricultural machines and with few employees.”

If there is no way to earn a livelihood, the structure of state-dependent countryside seems to fall to pieces and thus for the people living in the countryside there is no other way than: "People escape to construction works in the capital, Budapest, or abroad. It's a shame. It can't be a positive view on future..."

#### 4. Paternalistic countryside in the lights of in-depth interviews

People who sell their work force lack capital and property necessary for production and thus they expect solution to their problems from outside. It is not exclusively a feature of the paternalistic countryside. This phenomenon can be observed in towns even more. Paternalism, paternalistic way of thinking has deeper roots both historically and mentally than dependence on state itself, both in the countryside and in towns.

- „People in the countryside have been transformed which means that they have started to think as urban who sell their work force in stereotyped forms conveyed to them by the state and scientific experts via the media.”

- It can be clearly heard in the words of an agricultural entrepreneur of Pásztó: „People's attitude is very bad, they are not able to take something in hand, and they are not able to start something which is due to Socialism, to the paternalistic way of thinking. They don't feel their responsibilities.”

- „There are a lot of unskilled people in the region, there are problems in mentality. Each initiative is connected to one person; the so-called key personalities are very determinants.”

The phenomenon of paternalism, which is without doubt very strong in our country, cannot be related only to a political theory, an ideology, a party or a regime. It can be said that the right-wing, quasi-legal Horthy-era before the state socialism was paternalistic; that the fate of the country was in hand of a few privileged who decided on crucial questions at bridge parties. It can also be said that this era gave birth to paternalism by maintaining the hunger for land, by anchoring the capitalist structure. However, it can also be stated that during decades of the left-wing Socialist era atomisation of the society, destruction of the existing communities and expansion of the one party's power on their ruins gave birth to a network where people were in relation of an agent both personally and also with the state. There was no real relation between people (theoretically it was not able to) which could avoid the state power and which could be independent. It is disputable what kind of change we can see in it. In any case, it is certain that both periods preferred uncritical loyalty to the independent way of thinking, initiatives and value creation.

### 5. Local actors and bureaucratic mediators of paternalism

Local heroes are the key figures in the extension of employment. They are actors of paternalism who live locally or have local connections and who initiated activities, successfully realized projects, coordinated different tasks. Recognition of these local heroes and their keeping locally are of basic essence in actions of LED to extend employment. Co-operation between the project-class and local heroes resulted in many successful projects and tenders. They are the most important factors in local economic development.

#### 5.1. Local heroes – as positive local products of paternalism

In each place of research the initiators were emphasized very much in relation to the local economy. They were really well-identified figures with local connections that made initiatives, successfully accomplished projects and coordinated tasks. However, it is a question how much the community sees them being part of the given community. Or, what happens if the given key person leaves the region for some reason or perhaps dies (Smith and Atkinson, 2011; Illés and Kincses, 2012).

„Each initiative is connected to one person, the so-called key figures are extremely significant“ said one of the interview subjects outlining the above written thoughts.

If the members of the project-class try to avoid these local heroes, it should be expected that there may be a reduction in efficiency, and sustainability of the project may be questioned. Thus, we can put the question why the representatives (sometimes hyenas) of the project-class with a high level of political commitment would avoid local heroes. The exemption from country level politics (aloofness from political parties) and pragmatism rule the behaviour of local heroes. For the members of the project-class who would like to keep most part of the development resources for themselves it is really worth avoiding „these strange locals“ who want to select in relation

to external resources instead of being happy without hesitation about „the external intention to help“.

#### 5.2. The project-class – the caste of project managers and writers

Representatives of the project-class can be regarded as a particular intermediary sphere of paternalism besides bureaucracy from the state to local level. One of our interview subjects explained that the project-class can be found everywhere in the developed world who are in a close connection with politics. Practically, they live on development projects. The project-class can be regarded as a kind of intermediary who link the macro level with the micro one, thus represent a kind of a middle level. That is why they cannot be expected to live locally. However, „double life“ is necessary when the project is under realization. Without it development projects are foredoomed to failure and the probability of their sustainability draws near to one. As a non-intentional effect the culture of dependence evolves (Garcilazo, 2011) with similar symptoms to ones which were well-known results of direct state redistribution in order to restrain differences in the level of regional development either before or after the political transformation.

### 6. Summary

Paternalism has deep roots in Hungary and probably the so-called Central-Eastern European region. By examining the opportunities of the ideal type of paternalistic countryside within the context of the extension of employment of LED, we concluded that the most important factors are the presence of local heroes. They can be the new representatives of paternalism which is relatively independent from the state. It can be added that although they carry the paternalistic traditions on, they still have an important part in moderation of destroying external effects (state, bureaucracy, representatives of the project-class).

### Acknowledgements

The research was supported by Together for Future Workplaces Foundation and Active Society Foundation.

## REFERENCES

- Clarke, S.E. (2001). Well, Maybe... Taking Context Seriously in Analysing Local Economic Development. *Economic Development Quarterly*, 15(4), 320–322. | Garcilazo, E. (2011). The evolution of place-based policies and the resurgence of geography in the process of economic development. *Local Economy*, (26)6-7, 459–466. | G. Fekete, É. (2010). Geographical aspects of social and solidarity economy. *Business Studies*, 7(2), 47–59. | Illés, S. and Kincses, A. (2012). Hungary as a receiving country for circulars. *Hungarian Geographical Bulletin*, (61)2, 197–218. | Skerratt, S. (2013). Localism: identifying complexities and ways forward for research and practice. *Local Economy*, (28)3, 237–239. | Smith, I. and Atkinson, R. (2011). Mobility and the smart, green and inclusive Europe. *Local Economy*, (26)6-7, 562–576. |