

Regional Outlook 2019 HUNGARY

Regional Development Policy in Hungary



General policy approach

Regional development and spatial planning are divided among three ministries, with the Ministry of Finance providing the overall framework. The mid-term objectives of the current framework are: to improve the global competitiveness of firms; promote employment through economic and social policies, taking into account territorial disparities; promote greater energy and resource efficiency; address social inclusion and demographic challenges; and implement economic growth oriented to local and territorial development.

The ministries in charge of regional development and spatial planning also prepare the EU operational programmes, with place-based elements found in the different sectoral programmes, along with the EU Territorial and Settlement Development Operational Programme that supports decentralised development actions. Cities and cities with county rights, for example, benefit from EU operational programmes.

A national urban policy is under development, including prior elements of the national guidance on spatial planning. There is a separate rural development strategy along with the EU Rural Development Programme. The State Secretariat responsible for rural development was moved to the Ministry of Agriculture in 2018.

Recent policy changes

- The municipal and territorial public administration reform of 2012 abolished the regional county and micro-regional development councils, making the elected county level the main territorial actor. A subsequent recentralisation of many responsibilities of counties and municipalities has been accompanied by new governmental offices at county and district level (including the capital), operating as the government's deconcentrated administration bodies with general competences.
- The National Development and Territorial Development Concept (2014) offers guidance for both national (sectoral funds, territorial levels) and EU programming (Partnership Agreement and operational programmes). The concept is to be reviewed in order to set the new mid-term objectives for development policy and territorial development of Hungary.
- For the 2014-20 EU programming period, counties have set up their own regional development concepts and programmes, to co-ordinate investments across sectors. Counties are also responsible for integrated territorial investments, in parallel with those developed by the largest cities.
- In 2018, responsibilities for rural development were moved to the Ministry of Agriculture, which is responsible for the Rural Development Strategy and the Rural Development Programme 2014-20.
- A national urban policy is under development.
- Anticipated changes to improve policy co-ordination and the effectiveness of public investments may include: integrating development in functional areas, greater use of monitoring and policy indicators, and public involvement in planning and implementation.

Institutional arrangements to prepare for global megatrends

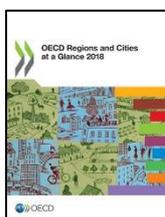
At the national level, the National Development and Territorial Development Concept is Hungary's regional development plan. The plan defines a vision for Hungary's regional development to 2030 as well as medium- and long-run objectives in the following areas: attractive economic environment and dynamic economy; growing population, communities; strategically used natural resources; and balanced spatial structure. A review of the concept is under preparation in order to set the new mid-term objectives for development policy and territorial development of Hungary.

Hungary also has a National Rural Development Strategy (2012-20), which is managed by the Ministry of Agriculture. The strategy explores the development challenges of agriculture, rural development, and food sector and environmental protection. Similarly, the Rural Development Programme (2014-20) is focused on supporting agriculture and people living in rural areas. Its main goals are to support small and medium-sized enterprises and young farmers (through the young farmer thematic sub-programme); and help the development of horticulture, animal husbandry and food processing sectors.

At the subnational level, counties and cities with county rights develop their own territorial development concepts and programmes, with a ten-year time span. Such documents are aligned with the development objectives of the European Union and the national-level territorial and urban strategic plans.

Looking for statistical information to complement this?

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<https://oe.cd/pub/2n9>

OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas

The 2019 edition of the *OECD Regional Outlook* examines the regional dimensions of global megatrends and their implications for the well-being of people living in different places. It discusses how place-based policies, public investment and multi-level governance reforms can respond to these megatrends to revive productivity growth, reduce inequalities, improve quality of life and increase sustainability.

Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vq>.

