

## THE OBSTACLE OF REMIGRATION DUE TO THE LACK OF REVITALISATION

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**ABSTRACT** - Spatial differences have become an obstacle for Hungarian competitiveness. In addition, the use or little use of brownfields has even more deepened regional inequalities. In our opinion, the lack of brownfields revitalisation and lack of opportunities forced population to migrate. Circular migration would be a solution to decrease regional inequalities. However, the non-revitalisation of rust areas prevents implementation of the process. Circular migration means that the labour force emigrates from the region, but it comes back later and then they use their competent, acquired knowledge (which they got somewhere else) successfully to their investments. This process is not fulfilled, as the non-revitalised brownfields are attractive neither for population, nor for investors. Our research is based on 263 questionnaires. The major question groups of the questionnaires are: expectations regarding the labour market, assessment of home environment and related expectations, the history and structure of labour relations, employment-related information, potential employees, interpersonal social capital, income use plans, value system structures. All in all, the rust fields' revitalisation is essential to keep the workforce and population. Our research aims to contribute to a complex revitalization strategy, which should have a significant role in the retention of labour, and its repatriation.

**Keywords:** labour market, revitalization, migration, segregation

### INTRODUCTION

In Hungary, labour market has become significantly dual for the 21<sup>st</sup> century; this constantly reproducing segregation is a serious burden in the society's welfare. While the official economic policy manages continuously – like a priority – in its communication the reduction of spatial disparities, its actions are not effective, its assets are non-synergistic. The stability of spatial differences in unemployment and the position of the region mean that it has not been caused by short-term case reasons, but long-term stable indicators. Its identification is a prerequisite of a long-term treatment. Our research explores one of the reasons for labour market depression after the political system change: the non-revitalised brownfields and the social and economic environmental results of de-industrialisation in Miskolc. Further, we are going to analyse the possibility of circular migration.

### HYPOTHESES

Our research is based on several hypotheses: by the 21<sup>st</sup> century, labour market has become significantly dual; there is a continuous process of reproducing segregation that has become a serious burden in the society's welfare; the stability of spatial differences in unemployment has been caused by long-term stable indicators.

### METHODOLOGY

In addition to the analysis of relevant literature, the analysis of industrial and labour market secondary statistics was also carried out based on KSH, ÉMOP, NFSZ and MTA Economical Institute

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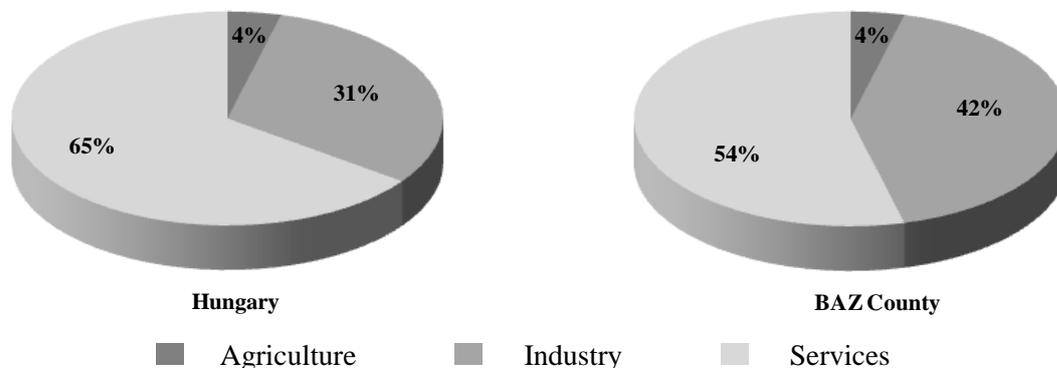
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data. Thirteen interviews were conducted with the potent employees of Borsod-Abaúj-Zemplén County's local government and an in-depth interview with an ex-factory worker. The presentation of the initial research results is also based on 263 structured questionnaire surveys made by the Human Research Department in Diósgyőr and Avas districts of Miskolc.

### RESULTS OF DE-INDUSTRIALIZATION IN BORSOD-ABAÚJ-ZEMPLÉN COUNTY

Industrial revolution began with agricultural and technical innovation and changes which gradually affected the different sectors of production. Society change was followed by the economic change, so a new industrial era has begun which has a 200 years old history. Its special feature is called “dual revolution”; it means that it is not just an economic but also a social change. The context of thinking changed, the focus was on education, use of nature, and on sciences. Instead of slow population growth, due to the lower mortality rate, the increase in population was sudden. Moreover, villages have been replaced by modern industrial towns and cities. However, by the beginning of the 20<sup>th</sup> century, the structure of the economy began to change again. In Europe, traditional industry pushed back and the development of the tertiary sector is observed, process called de-industrialization. Different countries in Europe tried to manage this process in different ways. This process appeared much later in the ex-socialist European countries, about 20-30 years later than in Western Europe. Hungary also became a traditional industrial country in the age of industrialisation. Moreover, the powerful socialist industrialisation effect left its mark on the country.

Borsod-Abaúj-Zemplén (BAZ) County has become the second largest industrial employment area after Pest County and Budapest. It was promoted by those industrial centres in the county which were built in the 1930-40's. By 1941, the number of industrial employees was 221 per thousand employees, which was far above of the national average (Kiss, 2010). In parallel with the population growth, the number of the industrial employees also increased, reaching 143,000 persons in 1980, which was outstanding among the rural counties. By 1980, the spatial concentration of industrial employment was 20 persons per km<sup>2</sup>, higher than the national average. In 1990, the proportion of industrial employees reached 51 percent of the total number of employees, which was the second highest rate among counties. Therefore, the concentration of Hungarian industry extended (beside Budapest) mainly in Borsod County (Hegyi-Kéri, 2011). Industry meant the dominating demand of the labour market more than 40 years in Northern Hungary. However, this region has also become a big loser of the deindustrialization in the 20<sup>th</sup> century. Industry degraded and the service sector was not able to follow the increasing demands of the environment. The change of the industrial production showed a dramatic decline. Industrial production dropped to half in five years. Industrial buildings were neglected, brownfields appeared, and labour force did not meet the expectation of the tertiary sector. If we compare the gross value added of this county with the national average, the structural shift to the industry was conspicuous in 2007 as well (Figure 1).



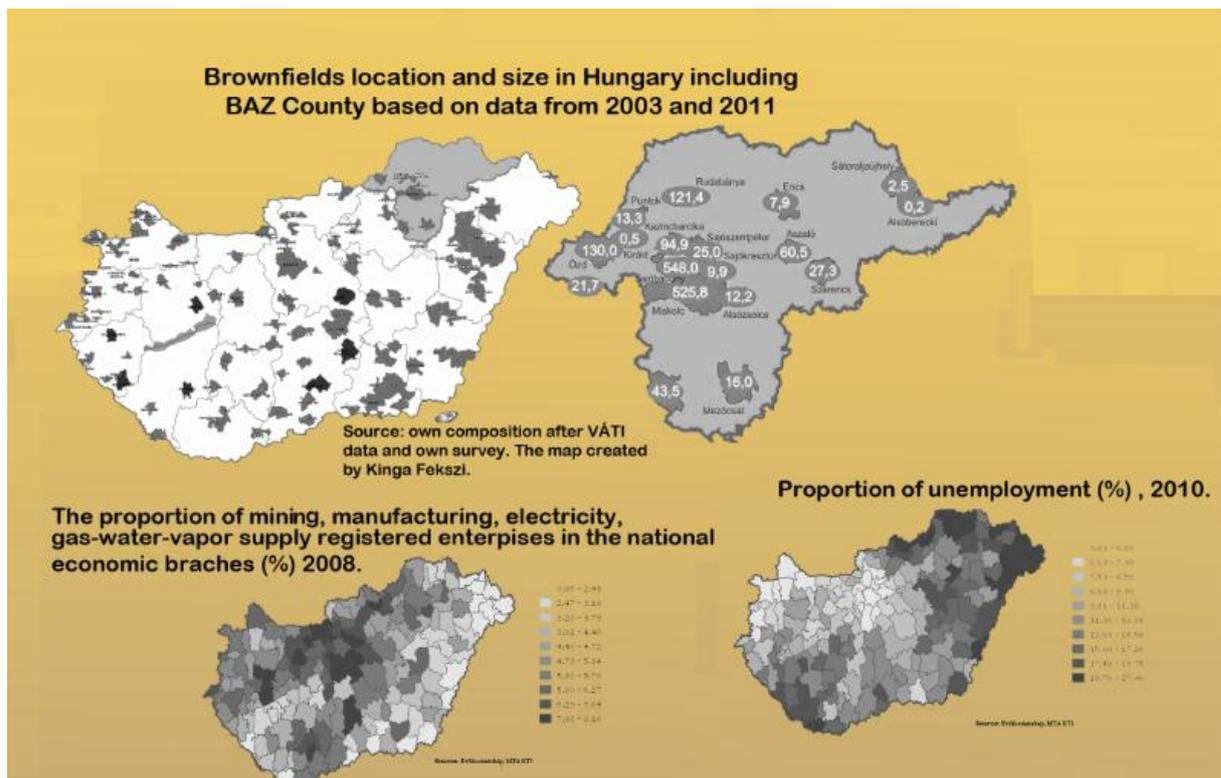
**Figure 1.** Sectoral distribution of gross value added in Hungary and in BAZ County, based on data of 2007

Source: own composition, based on KSH data

## THE OBSTACLE OF REMIGRATION DUE TO THE LACK OF REVITALISATION

This is a reason why the county is not able to move from the deadlock. A sign of the region's poor condition is that the income of the industrial employees is generally much lower than the service sector workers' income.

In Hungary, the size and the spatial layout of the abandoned industrial brownfields are varied. The most affected counties are Pest and Fejér and some highly industrialized areas in Western Hungary. However, the disappearance of industry caused real social problems in the Eastern part of Hungary.



**Figure 2.** Location and size of brownfields in Hungary including the BAZ County, based on data from 2003 and 2011

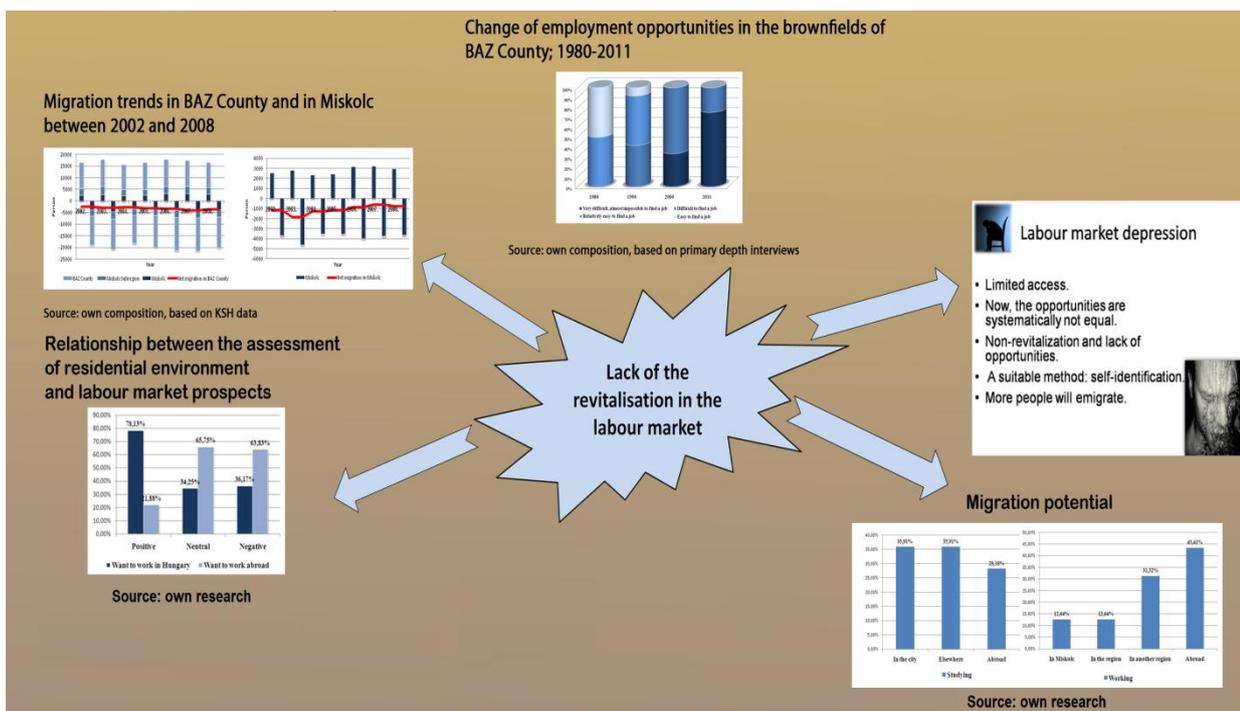
Source: own composition after KSH data and own survey. Map created by Kinga Fekszli

Brownfield areas in Borsod, formed because of the degradation of industry, are concentrated in Miskolc and in its surroundings as displayed on the map (Figure 2). Social inequalities have deepened in the brownfield areas of Miskolc. This progress led to problems such as slumming, segregation, deepening poverty, and deterioration of competitiveness. The decrease of an average citizen's situation and quality of life are the most conspicuous in these districts. They think that their situation is hopeless and they have to decide between four possibilities. Firstly, they can live on unemployment benefits so they drop behind. On the other hand, they develop various "survival strategies". It has a repulsive effect and it encourages them to seek livelihood in another place. It means that they move to those places where they find work; for example they go abroad like guest workers. Finally, a small group become entrepreneurs. The new arrivals – who are usually the poorest groups – come in migrant families' place. They lag even more behind the already decreasing average standard. In Diósgyőr – the largest brownfield of Miskolc – the middle class has almost disappeared and this absence is a serious gap. The following diagram (Figure 3) shows that the trend did not change in the last decade, after the change in the regime of mass migration, and the balance of migration is seriously negative both in the county and in the city of Miskolc.

This indicated that in our research, we analysed the movement of population and the city's attractive and repulsive population retention capacity. An interesting situation has developed in BAZ County, including Miskolc: while the population of the country declines and the emigration from the county and city is high, the region's population is not decreasing. This is due to the persistence of high birth rates and there is also some immigration. The proportion of Roma population is significantly high in the region. We know that in most of these families a large number of children are born. The youngest village in Hungary is located 40 kilometres from Miskolc where the average age is the lowest in the country. These newly emerging social groups do not have the necessary education level and qualification. So, although the population is relatively constant, the development of this area is significantly hampered by social problems and unemployment – because of the large number of children and non-educated labour force.

### LABOUR MARKET ATTITUDES IN BROWNFIELD AREAS

Our primary research was carried out in the brownfield areas of Miskolc and included 13 in-depth interviews with the employees of the affected local governments. Questionnaire surveys were carried out in two different parts of the city and we chose a sample of 236 persons of the total population from these two city parts. One area – called Diósgyőr colony – was the citadel of the heavy industry, while the other is a quite young housing estate, called Avas.



**Figure 3. Lack of the revitalisation in the labour market**  
Source: own composition after VÁTI and KSH data and own survey

After the local government's survey, we found out that there was no significant change in the respective brownfield areas in the last five years. Although minor development started, we could not find any sign of a global social relations-managing strategy. Job opportunities were thought to be worsening around the brownfields. While it was quite easy to find work in the nineties, nowadays it is very difficult, almost impossible for the job-seekers to get a job – according to the local governments.

Unfortunately, the young people's employment prospects were thought to be worse, seven of the 13 local government experts agreed completely with the statement that young people have absolutely no job opportunities in the town and in its surroundings.

### **Labour market effect of non-revitalisation**

Our primary research aimed to answer the question how the labour market perception is determined by the people in Miskolc, due to the fact that the city's brownfield revitalisation was not achieved. The results are summarized in the following structure.

#### ***Relationship between the assessment of residential environment and labour market prospects***

According to our hypothesis, the people who live in brownfield areas are basically dissatisfied with their living environment and this attitude determines their employment strategy. In our questionnaire-based study we were looking for answers focusing on the opinion that the living environment determines people's labour market decisions. Our method was that we evaluated based on several questions how they considered their own living environment (optimal or unacceptable) and how this determined the willingness to work in the city or abroad. The following figure demonstrates that among those whose opinion is negative about their living environment, and are disturbed by the non-revitalized brownfields, migration potential is higher. Therefore, their labour market strategy is affected by a depressed and dissatisfied attitude.

#### ***Assessment of labour market conditions***

The labour market expectations were examined by using nine questions. 66% of the respondents answered negatively to our statements, which proved the pessimistic labour market attitude of the area.

47% of the respondents are working; this is the same as the county average and it is approximately 10% less than the national employment rate. We analyzed the attitude of 99 employees related to their current work. The depression of the labour market is demonstrated by the fact that none of the 124 employees were fully satisfied with the situation. They think about their labour market prospects explicitly pessimistic when it comes to losing their jobs. 28% said that they would absolutely not be able to find a job, 55% predicted long-term unemployment for this case. Only 17% of the employees thought optimistically about their possibilities.

62% of the respondents said that they would willingly work abroad if they had the opportunity. It is a gross migration potential, but we did not examine whether they have taken steps in order to leave the Hungarian labour market. More than a third of those who chose foreign countries in the questionnaire would work anything; they insist on neither better income, nor on their own profession.

#### ***Second-generation effects***

We believe that the assessment of labour market can be characterised by how parents feel about their children's future. Overall, we can say that most parents would appreciate if their children studied elsewhere, even abroad, and they also advise them to find a job somewhere else. According to our interviews, among those people of the colony in Diósgyőr who saw their children's future in this area preferred this option not because of the many opportunities offered, but for fear. Life as an unemployed and their experiences have led them to the conclusion that the certainty of existence was better even in such a hopeless domestic field like Diósgyőr than somewhere else. This approach launches a specific counter-selection: those who are confident as individuals and have trust in their future can more easily mobilize themselves; those who would rather stay, have become uncertain of their future because of their negative labour market experiences in the recent years. The other conspicuous difference in terms of settlement is that people living in depressed areas want less their children to live in such a big city where there is an old industrial area. They know well the danger of this situation.

There is a significant correlation between the assessment of the living environment and the willingness to emigrate abroad. 64% of the dissatisfied respondents would prefer working abroad.

We examined separately those who had worked in metallurgy in Diósgyőr. The former factory workers are all advising their children to choose a totally different profession than that of their parents. However, 47% would suggest their children to find a job abroad. This is a problem, because it

encourages using their acquired knowledge in another region. However, parents would like their children to settle down in a big city where industry has only a minor importance.

### CONCLUSIONS

Inequalities have increased significantly in Miskolc. Trends in a market economy emerged in the internal structure of inequality. It is the opposite of the socialist redistribution effect. The growth of the inequality, the economic crisis and the restrictive economy policy caused a decline in the living standards. The market economy necessarily liberated the top-down egalitarian system. Therefore, the distance between the higher groups and the average ones significantly grew. The social system prevented the poorest group to lag even more behind the already decreasing average standard. For this reason, the deterioration of the average citizens - it means the middle class, representing 40-50% of the population - had the highest rate. In these sections, this stratus is missing and its absence left a serious gap. We believe that this problem could be solved with the aid of circular migration. It means that this process needs the settlement of those institutions and extra transfers which can strengthen the middle-class population.

In the limited access societies, the political system is often used for gaining supplies and for the elimination of the potential rivals. Today, in the contemporary Hungarian economy, the opportunities are systematically not equal, regardless whether it is a government order, support or access, or it is a business interaction. Our research question has intended to reveal the connection between the brown zones and labour market depression. The non-revitalized brownfields and the lack of opportunities caused the migration of population. A suitable method to understand the psychological aspect of the social situation is the self-identification, which means the subjective assessment of the social situation. Actually, we can think of our social-economic conditions as better or worse – this is more often – than the real situation. This subjective social status indicator provides information about how we experience our social stratification daily. If the society is collectively moody, it views its socio-economic status gloomy, more people will emigrate.

We have verified our hypothesis in a logical way: the failure of revitalization causes labour market problems. Due to the degradation of industrial areas, the city's labour market has become depressed. Government intervention, a strong development concept, the definition of new functions and reindustrialization are needed to avoid this depression or to find a new path for it.

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