The impacts of digitalization, social innovations and conflicts

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ADVANTAGES AND DISADVANTAGES OF GETTING INVOLVED IN SOCIAL INNOVATION PROCESSES FOR FOR-PROFIT COMPANIES FROM THE PERSPECTIVE OF COMPANY DIRECTORS

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1 Introduction

The term of social innovation emerged in international literature in the 1960's. Since then it has been defined by many in many ways. The Oslo Manual (2005) serving as guidance in innovation questions considers social innovation as the initiatives that create new structures and collaborations and that are established in order to meet social demands and needs.

According to Mulgan et al. (2007) social innovation means "innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organisations whose primary purposes are social". Phills et al. (2008) interpret social innovation as a new solution to solve a social problem, which is more effective, more efficient and more sustainable than the currently used methods. Pol and Ville (2009) are of the opinion that social innovation refers to ideas that are capable to improve the quality of life. Caulier-Grice et al. (2012) extended the definition rendered by Phills et al., and elaborated it further in their work: social innovations are novel solutions (products, services, models, markets, processes, etc.) that also meet social needs at the same time (better than the existing solutions), and in addition, they lead to new or developed capabilities and relationships, and to the better utilisation of assets and resources. In other words, they are good for society and enhance its capacity to act. According to the definition of Nemes and Varga (2015) "social innovation is a new way of

perspective and approach, a new paradigm, product, procedure, practice, which aims to solve the problems and needs arising in society, while new values, attitudes, new social relationships or possibly new structures are established." (Nemes and Varga, 2015:434)

Although numerous people have tried to define the concept of social innovation from numerous perspectives, there is one common point in the different definitions: efforts are made for a novel, innovative solution of a social problem. This diversity also makes the research of the questions related to social innovation more difficult. When editing our questionnaire we encountered the problem that it was rather difficult to define the term of social innovation in a concise, straightforward way that would be understandable even for non-specialists.

By presenting some results of the questionnaire survey of 2018, this study intends to show the opinion of Hungarian "for-profit" companies about the potential advantages and disadvantages of getting involved in social innovation. Company directors were asked to reply on a scale between one to six regarding how much they agree with the following statements:

- Social innovation brings several advantages for enterprises.
- Society can expect enterprises to solve social problems if it is clearly profitable also for the enterprises.
- If an enterprise also takes into account social problems during decision making, it reduces the profitability of the enterprise in the long term.
- Nowadays, it is almost indispensible to undertake corporate social responsibility to make people form a favourable image of an enterprise.
- Most companies get involved in the solution of social problems because this is what society expects from them.

During the compilation of the questionnaire we opted for the six-grade qualification scale, in which value 1 stands for the opinion of "I do not agree at all", whereas value 6 represents the opinion of "I fully agree". Our aim was to avoid having a middle value reflecting a "neutral" opinion and it would be possible to decide clearly if the respondent of the questionnaire rather agrees or rather does not agree with the statement defined. Values 1 to 3 represented the "I rather agree", and 4 to 6 the "I rather do not agree" opinion.

2 Corporate Social Innovation (CSI)

Mirvis and Googins approach corporate social innovation from the direction of strategy: "Corporate social innovation is a strategy that combines a unique set of corporate assets (innovation capacities, marketing skills, managerial acumen, employee engagement, scale, etc.) in collaboration with other sectors and firms to co-create breakthrough solutions to complex economic, social, and environmental issues that bear on the sustainability of both business and society". (Mirvis and Googins 2017) Reading this definition an obvious question is bound to come up, what differentiates CSR from corporate social innovation. The above authors set out the following differences:

- Traditional CSR is usually driven by philanthropic intent and it is often funded from the revenues of company foundations. CSI is driven by strategy and funded from the same sources as all the other company investments.

- Traditional CSR primarily provides support in terms of money and human resources, whereas CSI uses the complete range of corporate assets to overcome challenges.

- Traditional CSR involves employees in social innovation on a voluntary basis (they try to convince the employees to spend time doing something valuable in the interest of society.) Although CSI may include volunteering, it approaches the work performed in the interest of society from a strategic point of view (it becomes a part of corporate strategy).

- In traditional CSR companies conclude contracts for the provision of social services with civil society organisations (NGOs) or communities, CSI, on the other hand, establishes real partnership between the companies and NGOs and sometimes between state and local government bodies.

- Traditional CSR provides social and eco-services to needy people. CSI creates something new within the framework of innovations that solve social problems in a sustainable way.

- Traditional CSR supports and finances social goals, whereas CSI involves social groups into partnership in order to promote sustainable social changes. (Mirvis and Googins 2017)

Theoretical and practical specialists rightly ask the question if getting involved in social innovation is capable of or has to create value for the business sector. According to Martin and Osberg (2007), there are people who think that "social innovators" should not count on a big profit, others are of the opinion that it is sufficient if just the costs spent on social innovation are recovered. (Martin and Osberg 2007) According to Porter, if there is something that businesses can really benefit from, it is that they are solving social problems. In his view social problems should also be handled with business models. If the company produces social and corporate values at the same time, it makes it possible to expand the resources required for social problems. (Porter 2013) According to Mirvis and Googins (2017), corporate social innovation is equally useful for the company and society. An advantage of CSI is, for example, that the improvement of the company reputation promotes the "recruitment" and retaining of new partners and employees. (Mirvis and Googins 2017)

The researches carried out by Elena and Herrera (2015) confirmed that social innovation applied consciously and in a well-thought out way, in addition to creating social values, also brings competitive advantage to companies. (Elena and Herrera 2015) Begonja et al. (2016) compared the performance of small and medium-sized enterprises joining social innovation with the results of enterprises that did not join social innovation. 841 enterprises from eight Adriatic countries took part in the research. The researchers found that the "social innovators" were able to achieve higher business performance than the companies that were not involved in social innovation. (Begonja et al., 2016) Zulazli et al. (2017) investigated the impact of social innovation on company success in Malaysia. 130 new and young businesses were included in the research. One of their findings is that there is a close, positive relationship between being involved in social innovation and the success of the enterprise, though success strongly depends on the supporting eco-system of the region. (Zulazli et al. 2017)

3 Research method and sample characteristics

In 2018 a questionnaire survey was conducted to investigate the question, what the domestic corporate sector thinks of social innovation, how sensitive they are to certain social problems, and what role social innovation processes play. The research only covered for-profit companies, the civil sector, social changes, and social cooperatives were not included in the scope of the research. (See, for example, the results related to social enterprises and social cooperatives in the works of Szűcsné Markovics 2015, Kocziszky et al, 2017, Balaton and Varga 2017, Veresné Somosi and Varga 2018, Szűcsné Markovics 2019, Bozsik et al. 2019, Lipták et al. 2019, Lipták 2020, Metszősy 2020, Musinszki et al. 2020, Süveges 2020, Szendi 2020, Szűcsné Markovics 2020, Veresné Somosi et al. 2020, Bozsik et al. 2021, Karajz 2021).

The questionnaires were filled in by 143 enterprises, of which 141 questionnaires were suitable for evaluation. 49% of the companies completing the questionnaire are micro-enterprises, 31% small-sized enterprises, 15% medium-sized enterprises, 5% large companies (though the survey primarily applied to micro, small and medium-sized enterprises, there were some large companies among the survey participants) In terms of ownership structure companies with domestic majority ownership were clearly predominant (their ratio was 93%). 4% of companies completing the questionnaire were in foreign majority ownership, and 3% did not reply to this question. (Figure 1 illustrates the composition of the sample by company size and ownership structure.)
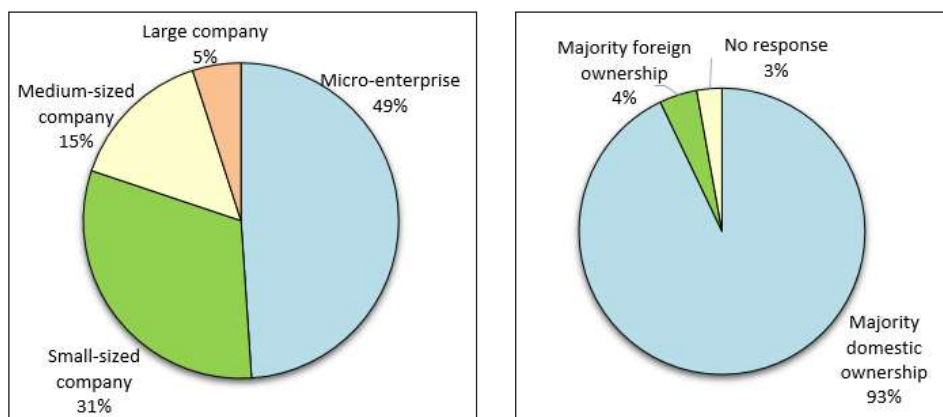
Source: Author's own editing based on the completed questionnaires

Figure 1: Composition of the companies completing the questionnaire, by company size and ownership structure

Out of 141 companies 32 were engaged in commerce, 22 in the processing industry and 21 in the construction industry. Out of the other national economic sectors 10 or less than 10 companies completed the questionnaire. The reason for it may be that the completion of the questionnaires was carried out primarily with the involvement of the students of the University of Miskolc, so the Northern Hungarian companies are dominant (45%) in the sample. In addition, the share of the companies with registered head offices in Central Hungary can be considered relatively high (23%). (Distribution of the sample by registered head offices is shown by Figure 2)
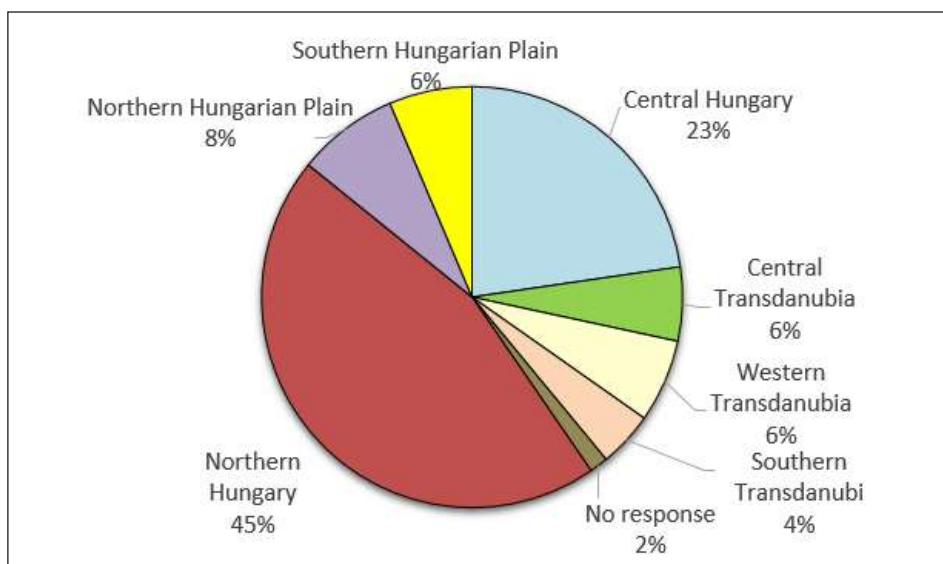
Source: Author's own editing based on the completed questionnaires

Figure 2: Distribution of the companies completing the questionnaire, by registered head office

We asked questions besides the basic data of the company, about some attributes of the company directors, such as age, sex and the highest level of education. About two-thirds of the company directors completing the questionnaire are between the ages of 40 to 60 years, about one-fifth are below 40, and 14% are over 60. The majority of the respondents (72%) are men, and 28% are women. (The distribution of company directors according to age and sex is demonstrated by Figure 3)
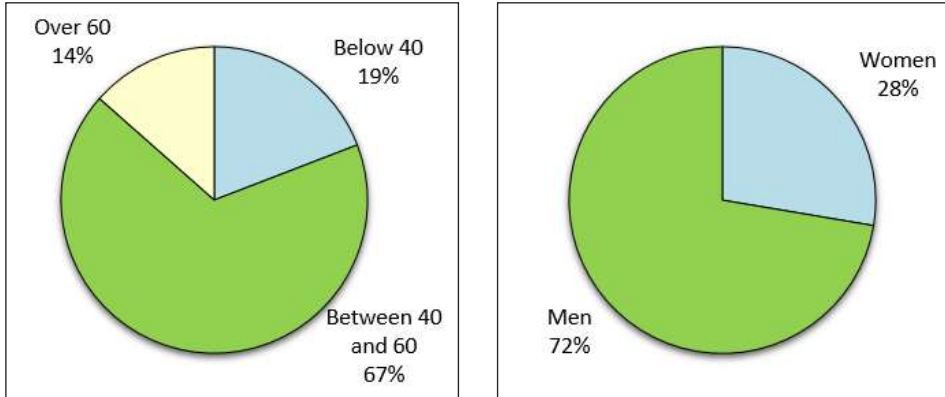
Source: Author's own editing based on the completed questionnaires

Figure 3: Distribution of company directors by age and sex

The majority of company directors have a university degree (26%) or a college degree (23%). (The distribution of the respondents by level of education is shown by Figure 4)

I combined the data of the completed questionnaires in an Excel spreadsheet program and analyzed them using an IBM SPSS 24.0 program package intended for analyses. During my analyses I used simple descriptive statistical methods, e.g. distribution ratio, group averages, etc., on the other hand, I made comparative statistical analyses.
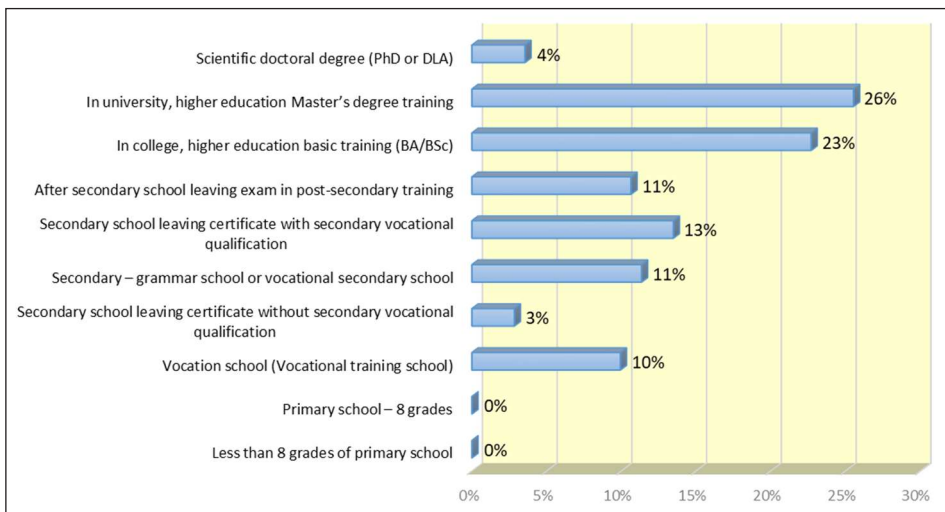
Source: Author's own editing based on the completed questionnaires

Figure 4: Distribution of responding company directors by level of education

The topic of this section covers questions that had to be evaluated by the respondents on a scale from 1 to 6. The independent variables of a more complex examination relating to the existence and strength of relationships were also qualitative attributes, therefore Pearson's chi-squared coefficient and the value of Cramer's V coefficient were calculated for the analyses. In the chi-squared test a significance level of 0.05 was regarded acceptable. In the case of Cramer's V coefficient, the generally accepted values were considered as basis when defining the strength of the relationship between the attributes: A relationship was qualified weak below the value of 0.3, medium between the values of 0.3 and 0.7, and strong above the value of 0.7.

4 Results of the research – What company directors think of the advantages and disadvantages of getting involved in social innovation

Several of the questions of our questionnaire survey were directed at mapping what company directors think of getting involved in social innovation: does it mean an advantage or rather a disadvantage for them? We examined it by drawing up different statements and the directors had to evaluate them on a 6-grade scale, deciding to what extent they agree with the statements defined.

The first statement was, "*Getting involved in social innovation brings numerous advantages for enterprises*." 38% of the directors rather did not agree with it, and 62% rather agreed with it. 9% was the ratio of those who did not agree with it at all, and 11% of those who thought the statement was fully true. There were significant differences in the distribution of responses by company size. Large companies marked the two middle values, 3 and 4, which means that they were the least able to decide if getting involved in social innovation was advantageous for them or not. 65% of micro enterprises, 59% of small-sized enterprises, 49% of medium-sized companies rather agreed, i.e. considered joining the social innovation processes more advantageous than disadvantageous. There was no significant difference in the distribution of responses according to the age of directors: 70% of those under 40, 60% of the age group of 40 to 60 years, 63% of the over 60 rather agreed with the statement. There was just a minimal difference in distributions by sex, however, according to the level of education the values dispersed within rather wide limits:

while four-fifth of those obtaining a secondary qualification after obtaining the school leaving certificate rather agreed with the statement, in the case of those having a secondary school leaving certificate this ratio was only 31%. In the chi-squared test conducted by each factor the value of the chi-squared coefficient exceeded the 5% significance level for each variable, which refers to the lack of relationship, and the values of Cramer's V coefficient are also below 0.3, which reflects a weak relationship between the examined attributes and the above statement.

Table 1: Opinion of company directors asked whether getting involved in social innovation brings several advantages for enterprises

Description		1 = I don't agree with it at all 6 = I fully agree with it					
	1	2	3	4	5	6	
Company size	Micro-enterprise	3%	14%	17%	32%	20%	13%
	Small-sized enterprise	16%	7%	18%	30%	18%	11%
	Medium-sized enterprise	19%	19%	14%	29%	10%	10%
	Large company	0%	0%	14%	86%	0%	0%
Director's age	under 40	0%	15%	15%	33%	30%	7%
	between 40 and 60	9%	13%	19%	35%	13%	12%
	over 60	21%	5%	11%	26%	21%	16%
Director's sex	Women	8%	15%	18%	33%	13%	13%
	Men	10%	11%	17%	33%	19%	11%
Director's highest level of school	Vocational school, vocational training school	14%	7%	21%	29%	14%	14%
	Without secondary school leaving certificate	0%	0%	50%	50%	0%	0%
	With secondary school leaving certificate	13%	25%	31%	13%	19%	0%
	Secondary vocational qualification after obtaining the secondary school leaving certificate	0%	16%	5%	42%	21%	16%
	Vocational qualification obtained in higher education	0%	13%	20%	40%	0%	27%
	College (BA/BSc)	13%	9%	13%	38%	22%	6%
	University (MA/MSc)	14%	11%	11%	31%	22%	11%
	Doctorate (PhD)	0%	0%	40%	40%	0%	20%

Source: Author's own editing based on the completed questionnaires

Out of the questions examining the advantages of involvement in social innovation the next one was looking for a reply to the question, "*society can expect enterprises to solve social problems if it is clearly profitable for the enterprises.*" A little more than one-fifth of the respondents (22%) would rather not agree with this statement, whereas 78% rather agreed. The proportion of those who did not agree at all was only 2% and the proportion of those fully agreeing accounted for 30%. This means that most of the company directors think that they can only be expected reasonably to also deal with social problems if it creates a win-win situation. Looking at the distributions in terms of company size it can be established that all the large companies completing the questionnaires marked the values 4, 5 or 6 pertaining to the "rather agree" rating. This ratio was 86% at the medium-sized companies, 80% at micro-enterprises, and 68% at small-sized companies. According to age, the older company directors tend to think that the above statement is true (89%), those under the age of 60 have a little more favourable view about this question. According to sex, there was not a significant difference in the distribution of replies, on the other hand, according to the level of education the values dispersed between rather wide limits. Those completing secondary school without a certificate all marked value 4 on the scale, which means that they rather agreed with the statement. This ratio was 95% among those having a secondary vocational qualification after obtaining the secondary school leaving certificate, while among those holding a secondary school leaving certificate this ratio was "only" 69%. According to the statistical analyses performed the chi-squared coefficient was below the 5% significance level by company size and the company directors' level of education. However, in the case of both variables the value of the Cramer's V coefficient only showed a weak relationship (its value was 0.265 in the case of company size, and 0.267 regarding the level of education). In respect of age and sex, an even weaker relationship was demonstrated (the value of the chi-squared coefficient also exceeded 5%).

Table 2: View of company directors asked whether society can expect enterprises to solve social problems if this is clearly profitable also for the enterprises

Description		1 = I don't agree with it at all 6 = I fully agree with it					
1		2	3	4	5	6	
Company size	Micro-enterprise	0%	3%	17%	23%	29%	28%
	Small-sized enterprise	7%	16%	9%	18%	18%	32%
	Medium-sized enterprise	0%	5%	10%	14%	29%	43%
	Large company	0%	0%	0%	71%	29%	0%
Director's age	under 40	7%	4%	11%	26%	30%	22%
	between 40 and 60	1%	8%	15%	22%	23%	31%
	over 60	0%	5%	5%	21%	32%	37%
Director's sex	Female	5%	10%	10%	23%	21%	31%
	Male	1%	6%	14%	23%	27%	29%
Director's highest level of education	Vocational school, vocational training school	0%	7%	21%	36%	0%	36%
	Without secondary school leaving certificate	0%	0%	0%	100%	0%	0%
	With secondary school leaving certificate	0%	0%	31%	6%	25%	38%
	Secondary vocational qualification after secondary school leaving certificate	0%	5%	0%	21%	37%	37%
	Vocational qualification obtained in higher education	7%	7%	7%	33%	20%	27%
	College (BA/BSc)	0%	13%	16%	22%	28%	22%
	University (MA/MSc)	6%	8%	8%	8%	33%	36%
	Doctorate (PhD)	0%	0%	20%	60%	20%	0%

Source: Author's own editing based on the completed questionnaires

The next statement related to the topic of the article asked about any possible disadvantages of getting involved in social innovation: *"If an enterprise also takes into account social problems during decision making, it will reduce the profitability of the enterprise in the long term.* 36% of the respondents rather did not agree with the statement, while 64% marked some of the values of the 'rather agree' category. The proportion of those who least agreed was 3%, and of those who fully agreed represented 21%. There was a 10% difference between the distributions of the responses given. 61-62% of micro and small-sized companies, 71% of medium-sized and large companies rather agreed with the above statement. Examining the distribution of the replies in respect of company size, the following values are produced: 52% of micro-enterprises, 66% of small-sized companies, 68% of medium-sized companies, and 64% of large companies thought that dealing with social problems would negatively influence the profitability of the company in the long term. By sex, there was no significant difference in the opinions; 59% of women, and 66% of men considered the statement true. According to education level 50% of those completing secondary school without a certificate, but 69% of those holding a secondary school leaving certificate agreed with it (the values are scattered between these two). The chi-squared coefficient exceeded the 5% significance level by far for each variable, which refers to the lack of relationship, and the value of the Cramer's V coefficient was also lower than 0.3 in each case.

Table 3: Opinion of the directors asked about the statement:
"if an enterprise also takes into account social problems during decision making,
it will reduce the profitability of the enterprise in the long term".

Description		1 = I don't agree with it at all 6 = I fully agree with it					
	1	**2**	**3**	**4**	**5**	**6**	
Company size	Micro-enterprise	4%	12%	22%	29%	14%	19%
	Small-sized enterprise	2%	16%	20%	23%	18%	20%
	Medium-sized enterprise	0%	14%	14%	5%	29%	38%
	Large company	0%	0%	29%	57%	14%	0%
Director's age	under 40	11%	15%	22%	22%	11%	19%
	between 40 and 60	1%	14%	19%	26%	18%	22%
	over 60	0%	5%	26%	21%	26%	21%
Director's sex	Female	3%	13%	26%	23%	13%	23%
	Male	3%	13%	19%	25%	20%	21%
Director's highest level of education	Vocational school, vocational training school	7%	14%	14%	36%	7%	21%
	Without secondary school leaving certificate	0%	0%	50%	25%	25%	0%
	With secondary school leaving certificate	6%	13%	13%	19%	6%	44%
	Secondary vocational qualification after obtaining the secondary school leaving certificate	0%	5%	32%	21%	26%	16%
	Vocational qualification obtained in higher education	7%	13%	13%	40%	20%	7%
	College (BA/BSc)	3%	13%	22%	22%	19%	22%
	University (MA/MSc)	0%	14%	22%	17%	22%	25%
	Doctorate (PhD)	0%	40%	0%	60%	0%	0%

Source: Author's own editing based on the completed questionnaires

The next question belonging to the topic tested if the companies get involved in the social innovation process because they think that the company may have an advantage from this or only to make people have a favourable image of the company. This was tested with the following statement: *"To make people form a favourable image of an enterprise, corporate social responsibility is almost indispensible today.* One-fourth (27%) of the directors completing the questionnaire marked one of the values of 1, 2 or 3, and three quarters of them marked one of the values pertaining to the 'rather agree' category. Only 2% did not agree with the above statement at all, while the ratio of the directors who rather agreed accounted for 20%. By company size, the views of the directors were rather different: each of the large companies thought the statement was true, meaning that they think that getting involved in social innovation is worth if not for anything else then just for the sake of creating a positive image of them in society; this ratio was 72-73% at the micro and small-sized enterprises, and 67% at medium-sized companies. There was no significant difference in the distribution of the responses from the point of view of the age of directors. The values dispersed between 70% and 74% in the 'rather agree' category. In respect of sex there was no significant difference among the respondents of this question. Half of those with secondary school education rather agreed, this percentage was 83% in the case of those obtaining a secondary vocational qualification after obtaining the secondary school leaving certificate and of those with a university degree this percentage was 83%. The statistical analyses performed showed a correlation in respect of education level; the value of the chi-squared coefficient came to 4.6%, which is below the 5% level, and the value of the Cramer's V coefficient also became the highest here with 0.268 (though this does not reach the 0.3 value either, which indicates a medium strength).

Table 4: Opinion of the directors asked regarding the statement that in order to make people form a favourable image of an enterprise, corporate social responsibility is almost indispensible today

Description		1 = I don't agree with it at all 6 = I fully agree with it					
	1	**2**	**3**	**4**	**5**	**6**	
Company size	Micro-enterprise	1%	10%	16%	24%	31%	18%
	Small-sized enterprise	5%	2%	20%	18%	34%	20%
	Medium-sized enterprise	0%	19%	14%	10%	29%	29%
	Large company	0%	0%	0%	71%	14%	14%
Director's age	under 40	0%	11%	19%	26%	22%	22%
	between 40 and 60	2%	9%	16%	23%	32%	18%
	over 60	5%	5%	16%	11%	37%	26%
Director's sex	Female	0%	3%	21%	26%	28%	23%
	Male	3%	11%	15%	21%	32%	19%
Director's highest level of education	Vocational school, vocational training school	7%	0%	29%	14%	14%	36%
	Without secondary school leaving certificate	0%	0%	50%	50%	0%	0%
	With secondary school leaving certificate	0%	25%	25%	19%	25%	6%
	Secondary vocational qualification after obtaining the secondary school leaving certificate	6%	6%	6%	22%	56%	6%
	Vocational qualification obtained in higher education	0%	20%	13%	20%	20%	27%
	College (BA/BSc)	3%	0%	19%	28%	28%	22%
	University (MA/MSc)	0%	6%	11%	22%	33%	28%
	Doctorate (PhD)	0%	40%	0%	0%	60%	0%

Source: Author's own editing based on the completed questionnaires

There was another question with a similar content as the previous, belonging here: *"Most enterprises get involved in the solution of social problems because this is what society expects from them."* One-fifth of the companies completing the questionnaire rather didn't agree, while four-fifth of them rather agreed with the statement, so most of the directors are of the opinion that the companies joining the social innovation processes mainly do it because they would like to come up to social expectations. Value 1 was marked by 4% of the respondents, whereas value 6 was marked in the questionnaire by 30% of the respondents. According to company size, the directors of medium-sized companies considered the statement true in the largest proportion (90%). This value was 84% in the case of small-sized companies, 75% in the case of micro-enterprises, and 71% in the case of large companies. 70% of the directors under 40, 83% of the age group from 40 to 60 years, and 79% of the directors over 60 responded that they rather agreed with the statement. In term of sex, there was just a minimal 3% difference in the distribution of responses, however, according to education level a significant difference could be observed. This ratio was 95% at those obtaining a secondary vocational qualification after the school leaving exam, whereas it was only 25% in the case of those completing secondary school without a school leaving certificate. In this case the value of the chi-squared coefficient became zero, based on which it can be assumed that there is a correlation between the responses to this question and the level of education. The value of the Cramer's V coefficient was found to be 0.33, which indicates a medium strong relationship between the two attributes. The value of the chi-squared coefficient was also found low in respect of company size, i.e. 5.1%, on the other hand, the Cramer's V coefficient only refers to a weak relationship.

Table 5: Opinion of the company directors asked regarding the statement that most enterprises only get involved in the solution of social problems because this is what society expects from them

Description		1 = I don't agree with it at all 6 = I fully agree with it					
	1	2	3	4	5	6	
Company size	Micro-enterprise	4%	3%	17%	20%	35%	20%
	Small-sized enterprise	7%	5%	5%	16%	20%	48%
	Medium-sized enterprise	0%	0%	10%	19%	33%	38%
	Large company	0%	0%	29%	57%	14%	0%
Director's age	under 40	7%	4%	19%	15%	37%	19%
	between 40 and 60	4%	1%	12%	22%	27%	34%
	over 60	0%	11%	11%	21%	26%	32%
Director's sex	Female	5%	5%	8%	15%	33%	33%
	Male	4%	2%	15%	23%	27%	29%
Director's highest level of education	Vocational school, vocational training school	0%	0%	14%	0%	43%	43%
	Without secondary school leaving certificate	0%	50%	25%	25%	0%	0%
	With secondary school leaving certificate	6%	0%	25%	13%	25%	31%
	Secondary vocational qualification after obtaining the secondary school leaving certificate	0%	0%	5%	53%	21%	21%
	Vocational qualification obtained in higher education	13%	7%	13%	13%	40%	13%
	College (BA/BSc)	3%	3%	9%	16%	19%	50%
	University (MA/MSc)	6%	0%	8%	19%	39%	28%
	Doctorate (PhD)	0%	0%	40%	40%	20%	0%

Source: Author's own editing based on the completed questionnaires

5 Conclusions

Although corporate social responsibility (CSR) and corporate social innovation (CSI) are similar in many respects, their meaning is not exactly the same. CSR is mainly driven by philanthropic intent, it usually lends "only" financial (from the revenues of foundations) and human resources support, it is based on employees' volunteering, and the cooperation tends to be based on an agreement in most of the cases. CSI, as opposed to that, is always strategy driven, it is financed from company revenues, sometimes the entire range of company assets is utilized to achieve social goals, and apart from that it creates real partnership among the actors of social innovation.

Nowadays, it emerges as an important issue if the for-profit sector is willing and if yes, when and under what conditions to get involved in social innovation processes. Whether companies are only willing to take part in social innovation if this also brings clear advantages for them or they do it selflessly, with the intent to help, or perhaps "only" because society expects them to do so. These were the questions in the article that we set out to find replies to, with the help of a questionnaire survey conducted in 2018.

The results are a little contradictory. 62% of the company directors were of the opinion that getting involved in social innovation brings advantages for companies, while according to 78% of them, society can only expect enterprises to support social innovation processes, if this is also profitable for them. At the same time, 64% of the respondents thought that dealing with social problems deteriorates the profitability of companies in the long term. In spite of this, company directors feel that they have to get involved in social innovation processes, otherwise they will create an unfavourable image in people. This is in harmony with the result according to which four-fifth of the company directors think that the majority of companies join these processes because they would like to meet social expectations.

Although, due to the contradictory results no clear answer can be given to the above question, it can be assumed that the companies of today's Hungarian for-profit sector are likely to step onto the path of social innovation because of social expectations, in order to improve or maintain their own image. The assessment of that, however, requires further researches.

Acknowledgement

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MANAGEMENT PROBLEMS OF SOCIAL CO-OPERATIVES IN HUNGARY BASED ON A QUESTIONNAIRE SURVEY

by

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1 Introduction

Research on social enterprises has gained momentum in Hungary only recently (See, for example, the results related to social enterprises and social cooperatives in the works of Szűcsné Markovics 2015, Kocziszky et al. 2017, Balaton and Varga 2017, Veresné Somosi and Varga 2018, Szűcsné Markovics 2019, Bozsik et al. 2019, Lipták et al. 2019, Lipták 2020, Metszősy 2020, Musinszki et al. 2020, Süveges 2020, Szendi 2020, Szűcsné Markovics 2020, Veresné Somosi et al. 2020, Bozsik et al. 2021, Karajz 2021). It is impossible to leave the management of all social problems exclusively to the state, and well-functioning social enterprises can successfully perform tasks that the state would only be able to solve with difficulty or at too high a cost. (Katonáné et al.2017)

This research expostulates the significance of social enterprises' financing problems. A questionnaire was used to measure the main financing and business management problems and their severity in a segment of social enterprises. Based on the questionnaire survey and previous references, a model was set up for the financing hierarchy of social enterprises and for the points of decision where a switch is needed from one source of funding to another.

2 Definition and classification of social enterprises

Social enterprises have a non-negligible role. According to a 2014 survey, social enterprises employed 6% of the workforce in the European Union, representing 11 million employees (Cecop, 2014).

Several definitions have been given for social enterprises. According to the most concise definition, social enterprises are market-based business organisations not established for straightforward profit-making, but for some social purpose (Peattie and Morley 2008; Bartha et al. 2018). In other words, their financial assets are acquired by selling some marketable product or service, but their focus is not on maximising the wealth of the owners, rather on highly diverse other goals, such as solving a community problem (e.g. attending to social, health-related and educational tasks, environmental protection, securing employment for their members, or the rehabilitation of the disabled) (Repisky et al. 2019)

The definition alone does not yet present the context of social enterprises: the parties involved, the business form they can choose and the method of their operation. These are described in Gui's model, adapted in this article to the Central and Eastern European setting. (Gui, 1991)

According to Gui's modified model, social enterprises can be established by four different kinds of economic participants. Such an initiative can be taken by the state, by local governments, by a private enterprise by a civil-sector participant, or a combination of them. The following table gives examples for the establishment of social enterprises.

Table 1: Possible establishment of social enterprises

Originator	Supported objective	Legal status	Activity financing
Local government	Public employment	Public company	Public funds
State	Competitive employment	Social co-operative	Public funds, sales revenue
Market enterprise	Competitive sport	Business organisation	Support, revenue from ticket sales
Civil sector	Environmental protection	Association	Membership fee, sales revenue

Source: Bozsik et. al. 2020

Gui's model classifies social changes into the following three types:

An Entrepreneurial Non-Profit organisation (ENP) performs a general market activity to generate revenue, but from the revenue it finances a social mission in the spirit of social responsibility. However, this activity is not carried out directly by the parent company; it is outsourced to a separate company.

A Social Co-operative (SC) operates in the form of traditional co-operatives, i.e. on the basis of the members' equal voting rights, but combines private interests with the public interest or with the interests of a special group.

A Social Business (SB) carries out its activities for a specific social purpose or mission. A typical social enterprise characteristically provides some form of social service (such as care for the elderly, consumer protection, or environmental protection) but earns its income on a market basis.
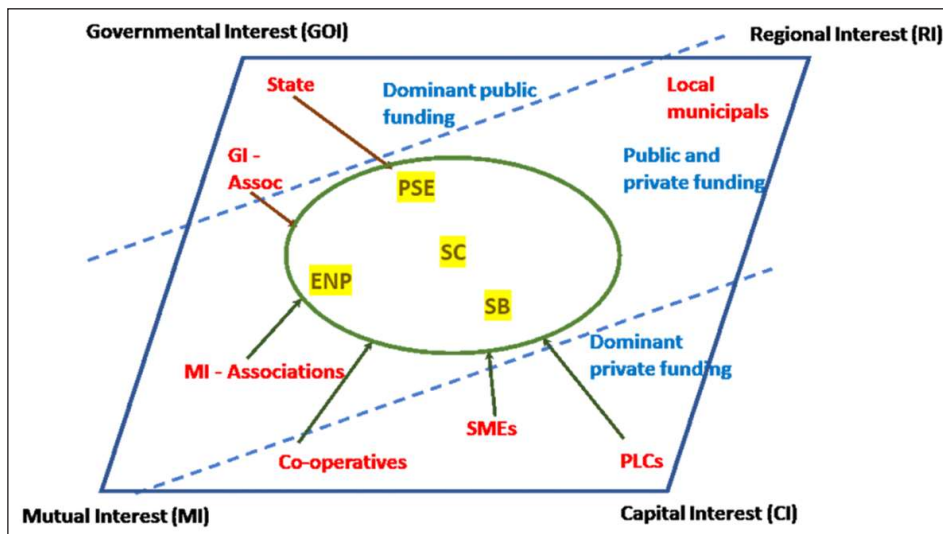
The aim of state-owned social enterprises established by local governments is to reduce the cost of financing public services or to more efficiently operate public services. (PSE - Public-Sector Social Enterprise). They usually use public funds for operation, but are partially reimbursed by their clients for their services.

According to origin, external funding may be provided from three sources. One form of resources is public funding, when the central budget supports their activities directly or indirectly (through local governments from resources allocated through tenders). In contrast to Western European social enterprises, in Central and Eastern European states, public funds prevail (Nemes, 2018).

The second source of funding for social enterprises is financing by the European Union. However, EU funds are not clearly distinct from state resources, as the EU funds are typically distributed through the Hungarian state (Kocziszky et al., 2017).

The third source of funding is private capital. Private companies may also finance non-profit goals in the spirit of their social responsibility. Financing non-profit goals is not mere altruism. Financing community goals is valued by consumers and they may also express their gratitude by buying the company's products, and thus through increased sales and recognition, some of the expenses are recovered.

The following figure shows the evolution of the four social enterprise forms and their sources of funding.

Figure content labels:

Governmental Interest (GOI) · Regional Interest (RI)

State · Dominant public funding · Local municipals

GI - Assoc · Public and private funding

PSE

SC

ENP · SB

MI - Associations · Dominant private funding

SMEs

Co-operatives · PLCs

Mutual Interest (MI) · Capital Interest (CI)

Source: Gui (1991) and Bozsik et al. (2020)

Figure 1: Gui's extended model

Legend:

PSE: Public Social Enterprise

ENP: Entrepreneurial Non-profit Organisation

SC: Social Co-operative

SB: Social Business

3 The significance of financing sources for social co-operatives

The authors of this article are active in the joint in-service training programme for social co-operative managers, conducted at the Faculty of Economics of the University of Miskolc (hereinafter GTK) and in social co-operatives' central supervisory body, the Országos Foglalkoztatási Közhasznú Nonprofit Korlátolt Felelősségű Társaság (National Public Benefit Nonprofit Limited Liability Company for Employment, hereinafter: OFA).

In this training, they had the opportunity to meet senior executives from numerous social enterprises. A questionnaire was compiled for them about the business management problems encountered by social co-operatives. The questionnaire has been completed by 59 people by the time of writing this article. The distribution of respondents was as follows.

By gender		By education		Position held at the co-operative	
male	22	8 General	2	employee	25
female	37	secondary	32	member	17
		college	16	office-holder	3
doctorate		university	7	chairperson	12
NA		1	external specialist	1	
		1	employee and member	1	
Total	**59**	**Total**	**59**	**Total**	**59**

Source: Bozsik et al. (2020)

Office-holding respondents were over-represented in the sample, and the respondents' level of education was also higher than the average educational level of people employed in social co-operatives. This is not surprising, as those with higher education and positions were more likely to apply for the course. The distribution of co-operatives represented by the respondents was as follows.

Table 2/b: Classification of the social co-operatives included in the questionnaire survey

By branches of activity		Region of the site		Size of the locality	
Agriculture	13	Western Transdanubia	4	Less than 1000	15
Food industry	8	Central Transdanubia	2	1000-4000	12
Construction industry	9	Southern Transdanubia	14	4000-10,000	21
Manufacturing	9	Northern Hungary	8	10,000-40,000	6
Commerce	3	Northern Great Plains	9	40,000-100,000	0
Tourism	8	Southern Great Plains	21	More than 100,000	5
Other services	9	Central Hungary	1	Budapest	0
Total[1]	**117**	**Total**	**59**	**Total**	**59**

Source: Bozsik et al. (2020)

[1] Respondents were allowed to choose multiple responses in the survey.

In terms of the activities performed by the surveyed social co-operatives, agricultural and industrial activities were over-represented compared to the general situation of the national economy and services were under-represented. A glance at the size of the locality giving home to their registered offices immediately reveals the reason. Social co-operatives operate at localities with a small population, where people usually make their living from agriculture or from some industrial activity. The market for services is smaller, and services generally require higher levels of education, while the majority of the workforce employed by social co-operatives is low-skilled.

Regarding the location of the site, regions with a low GDP per capita (the Southern Great Plains and Southern Transdanubia) are over-represented. Course enrolment from Northern Hungary and the Northern Great Plains was insignificant up to the compilation of this publication. The under-representation of the Western Transdanubia, Central Transdanubia and especially Central Hungary regions is explained by the fact that the unemployment rate is the lowest in these regions, and consequently there is less demand for social co-operatives' employment-boosting activities.

4 Map of financing social co-operatives

Regarding the sources of funding, the following question was asked in the questionnaire: "How important are the following financing forms in the social co-operative(s) you know?"

A graphical presentation of the responses is given in the following figure in an ascending order of significance. Significance was measured by assigning numbers to each response. 1 for the source considered to be of minor importance, 2 for the average, 3 for the important, and 4 for vital sources. No significance was marked by a score of 0, and the answer "NA" ("not applicable" or "I have no information") were ignored in the average.
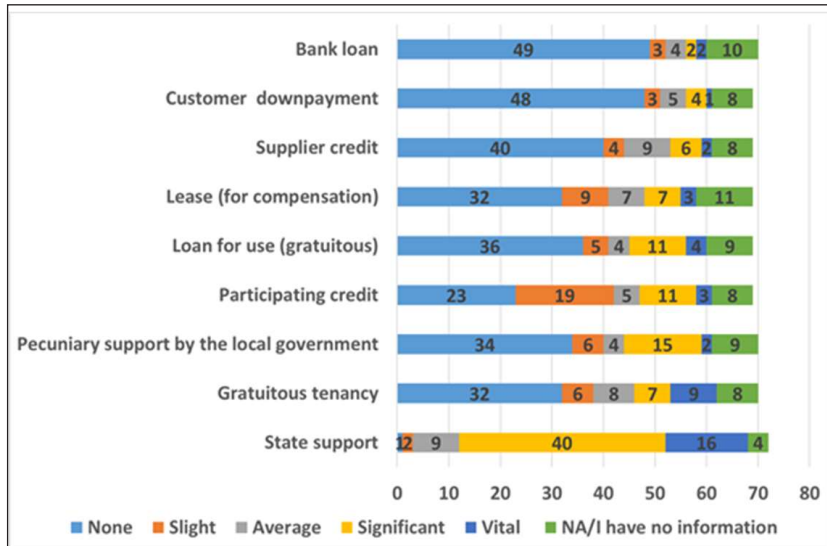
Source: Bozsik et al. (2020)

Figure 2: The role of the individual external sources of financing in the management of social co-operatives

The respondents assigned the most important role to state aid. The ratio of respondents with no information is the lowest (1 person) in this matter, and it was rated as important if not vital by the highest number of respondents (36 people and 11 people, respectively). It had a minor role in merely a single case.

In terms of significance, the following two sources are typically related to the local government of a community. Gratuitous tenancy means that a social co-operative is allowed to use an asset of the local government (most often some kind of premises or land) free of charge. Naturally, local governments can also provide financial support, and they were indeed considered the third most important source.

Participating loans are temporary resources provided by the members of co-operatives. Given that a member of a social co-operative with legal personality is usually the local government, it also participates in the financing of the member loan. Gratuitous loans for use (in this case, the co-operative uses some asset required for operation free of charge) are also primarily granted by local governments.

Leases are a rarer and less than average source of management by the local government. Only two respondents thought that its role was vital.

In the case of market enterprises, significant other sources only play a marginal role in financing social co-operatives. The role of customer down payment and supplier credit was marginal, and bank loans were only mentioned in two cases among the co-operatives surveyed.

IN SUMMARY, PUBLIC FUNDS PLAY A PIVOTAL ROLE IN THE EXTERNAL FINANCING OF SOCIAL CO-OPERATIVES. STATE SUPPORT IS RANKED FIRST, BUT THE FINANCIAL AND IN-KIND SUPPORT GRANTED BY LOCAL GOVERNMENTS IS ALSO ESSENTIAL FOR SUCCESSFUL OPERATION. THE VARIOUS FORMS OF MARKET FINANCING HAVE A MARGINAL ROLE.

Based on the above, a hierarchical model was set up for social enterprises.

4.1. The traditional model for the hierarchy of financing

In this model, traditional resources are usually arranged by enterprises according to the expenditures required to acquire them. According to the theory of the hierarchy of financing, companies first use resources that are relatively easy and cheap to obtain to meet their resource needs, and only half of the new resources are used when the previously used resources have been exhausted for some reason. The order of the sources is depicted in the following figure.
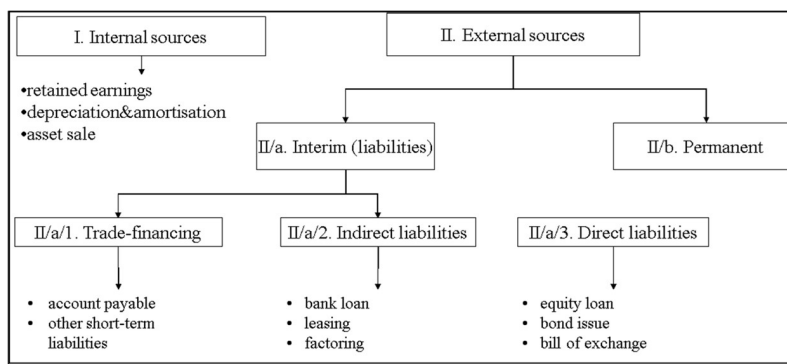
Source: (Brealey-Myers 2010), and the author's own elaboration

Figure 3: The hierarchy of financing

According to the model, the financial manager first chooses between internal and external sources.

Internal sources are the extra cash revenues that come from the operation of the business. External resources are made available to the company by a legal or natural person outside the company.

For a business organisation, internal resources ultimately come from sales and other income collected and realised by the company. If the sales revenue is reduced by the expenses paid in a given period, the paid corporate tax and the dividend, the result is the part of the internal resources generated in the given period.

The main advantage of internal resources is that their acquisition does not require special expenses, as the company produces them during its operation. No contractual return expectation is related to them, as opposed to, say, a loan, and thus even if business is bad for the company, its payment situation will not deteriorate.

According to the hierarchy theory, businesses have recourse to external sources when the internal sources are no longer sufficient to meet their financing needs.

External sources can also be divided into two groups.

Temporary funds (leverage) must be repaid at some point in the future. Their most typical example is a bank loan. Permanent funds are not subject to any repayment obligation and are available up to the termination of the business. A typical example is capital increase by the company.

Perhaps it is somewhat surprising, but according to the traditional hierarchy theory, as long as the company's indebtedness is not excessive, businesses prefer to obtain temporary funds from external sources (debt financing) over permanent ones. This is due to the fact that the current owners of a company are reluctant to consent to the reduction of their shareholding, and to the new owners wish to have a say in the management of the company's internal affairs. Due to the higher risk assumed, the return expectations of capital providers are also higher than the interest rates charged on loans.

According to the hierarchy theory, up to the point where company executives rate a company's indebtedness as high, they tend to finance their growth plans from temporary sources. New equity will only be raised if the company's indebtedness is already too high compared to what the company considers optimum.

Temporary sources can be divided into three groups.

Trade financing sources are interest-free resources created by the business cycle.

If a company buys materials, machinery and/or labour to generate revenue, it does not necessarily pay for them immediately. Between the delivery of the service and the date of payment, suppliers provide a virtually interest-free loan to the company. This is exploited by larger companies and, if their dominant position allows, they push payment deadlines even if they are not compelled to. Suppliers can defend against this by including the cost of financing in their prices – provided that competition between suppliers allows it.

VAT debt is a similarly non-interest-bearing source for the company. According to the applicable Hungarian regulations, VAT must be paid by the 20th day following the relevant period (which may be a year, a quarter or a month depending on the company's VAT liabilities and sales revenue). In the relevant period, the company uses the money due to the central budget for free (Act CXXVII of 2007).

In terms of interest, the employees' unpaid wages and customer advances are similar to the above.

In several theories the above sources are not considered as external sources, but as part of internal sources, arguing that they arise practically "by themselves". However, while traditional domestic resources are no longer subject to repayment obligations, trade financing resources will have to be repaid sooner or later.

Indirect debt includes funds subject to repayment obligations, made available to the enterprise by a financial institution (bank, savings co-operative, factoring company or a leasing company, etc.). Direct debt is acquired by businesses from investors through the issuance of securities (bonds).

Indirect funds are more accessible to most businesses than issuing securities. Securities issuance is a time-consuming process and there are serious costs involved in informing investors and obtaining an authorisation to issue.

By contrast, obtaining loans, especially if the bank has long been the account manager of the particular business, is a considerably easier process. After all, the bank has already been able to thoroughly familiarise itself with the business management of the company on the basis of the account turnovers and the submitted financial accounts.

4.2. Financing model for social enterprises based on the hierarchy theory and on the responses given in the questionnaire survey

The questionnaire survey has revealed that permanent allocations play a key role in the financing of social enterprises. For this reason, in addition to internal resources, they play a dominant role in the financing of local governments. The two main sources of final resources are state funds allocated through tenders and support granted by local governments.

Temporary resources, and especially interest-free temporary resources granted by local governments, are of much lesser significance. Temporary market sources have a limited role, and more specifically, interest-free funds have a moderate role, while bank loans are merely marginal.

The following financing model was developed for ranking social enterprises by a modification of the original hierarchy model:
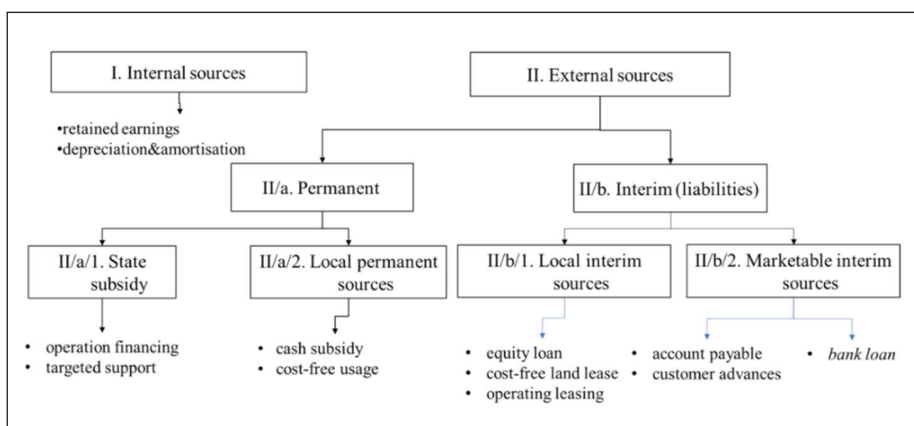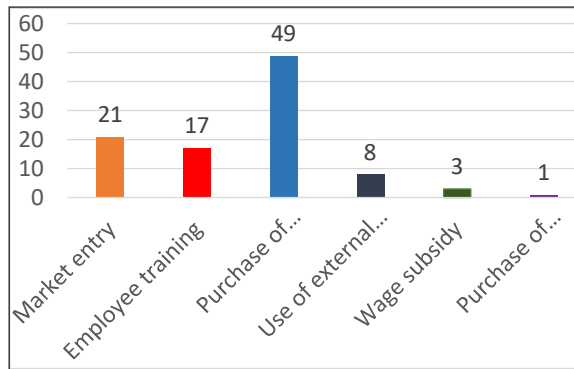

Source: Bozsik et al. (2020)

Figure 4: A model for the hierarchy of financing adapted to social enterprises

Ranking has significance in each type of source. The most important sources are listed first.

Sources **to finance operation** are primarily wage subsidies. Their advantage is that they are continuously available for a certain period of time and, if the social enterprise fulfils its employment obligations specified in the tender requirements, they are available in a predictable way.

Case-by-case grants are targeted. In the questionnaire the related question was the following: "What purposes has your social co-operative applied for in the last two years?" The option was granted to choose multiple responses. The following result was obtained:

Source: Bozsik et al. (2020)

Figure 5: Purpose of applications submitted by social co-operatives

Naturally, one respondent was allowed to specify multiple application goals. Clearly, most of them applied for the purchase of machinery, but several of them also used aid for market research and staff training.

Another part of the permanent allowances comes from the local government of the area where the social enterprise performs its activity. Allowances are granted in the form of funds or in kind. **Gratuitous tenancy** means that the owner makes its property (a building, part of a building, or farmland) available to the social enterprise free of charge and without a specified expiration date.

Local government resources also prevail within temporary resources. **Participating loans** are primarily granted by the local government members of social co-operatives, and other members make negligible contribution. A **loan for use** is a gratuitous loan of moveable property granted without compensation for its use, while a fee is charged (although often symbolic) by the local government for a **lease**.

According to the findings of the questionnaire survey, both supplier credit and customer down payment have only marginal roles, although supplier credit is more common. Borrowing from banks was mentioned by two of the 33 respondents as a less important source of financing.

5 The significance of management problems
   at social co-operatives

In the questionnaire, the significance of the individual management problems was also enquired about. The respondents were asked to "assess how much of a concern the following management problem is in the life of your social co-operative". The responses are shown in Figure 3 in an ascending order of significance. Significance was determined by a method similar to the one applied in the case of the sources of financing. The score 0 was assigned for the answer "no problem", 1 for "minor problem", 2 for "average problem", 3 for "significant problem", and 4 for "severe, unsolved problem". "No information" responses were disregarded in calculating the average.
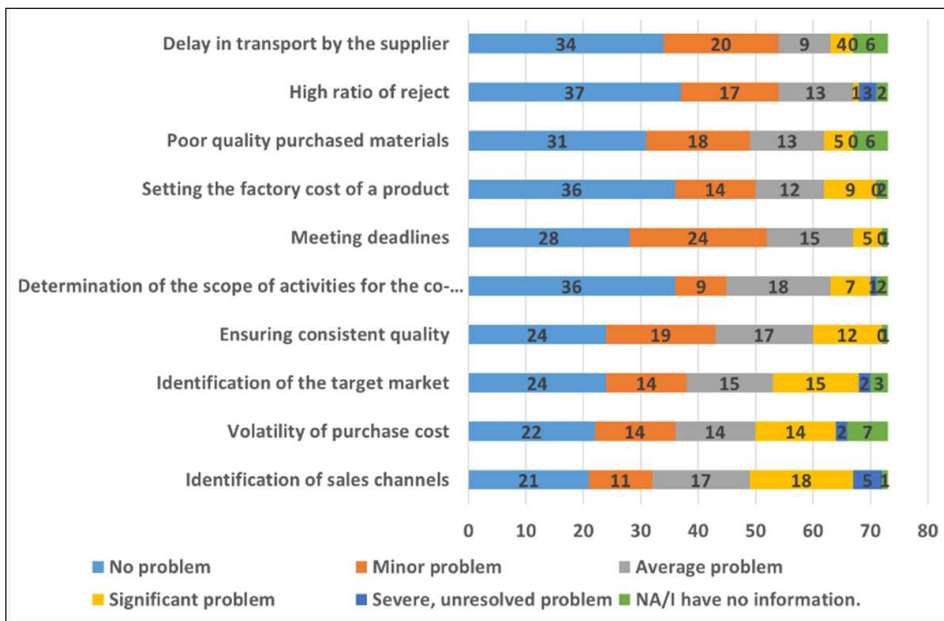
Source: Authors' own elaboration

*Figure 6: The significance of management problems
in the business management of social co-operatives*

The majority of the respondents rated business management problems as surprisingly small. Even the most severe problem had an average score of only 1.62; that is to say, it was between low and average, on average. The figure reveals that the most common response to all questions was

"No problem". "Finding sales channels" was not a problem according to 18 respondents, in 7 cases it was considered to be a minor problem, 15 respondents in each group found it to be an average or significant problem, and 3 respondents rated it as a serious problem. To the above question, one person answered that he had no information on this matter.

The highest number of "No Information" responses was given to the question about inconstancy in acquisition costs. Those who commented assigned it an average of 1.38 points on average, only 12 respondents saw it as a significant or serious problem.

Defining the target market of the co-operative was seen as a serious, unresolved problem in two cases and a significant problem in 10 cases.

Only the above-mentioned three management problems were considered as serious, unresolved concerns in the responses. For the other possible sources of problems, the responses marking the problem as significant also gradually decreased.

In the business management of social co-operatives, the respondents did not consider the problems encountered in relation to customers/suppliers and internal processes to be significant. The relatively biggest concern is the marketability of products/services. This is suggested by the high ranking of sales channels, target market definition and consistent quality in the list. However, the significance of the problems was rated lower than in the case of fully market-funded companies.

The above statement is also indirectly confirmed by the response given to the following question. This is because social co-operatives have the opportunity to use external expertise in certain areas. The survey included the following request: "Please rank the areas where external experts were involved in the management of the co-operative, if any."

The responses were sorted in ascending order of significance. The following responses were received:
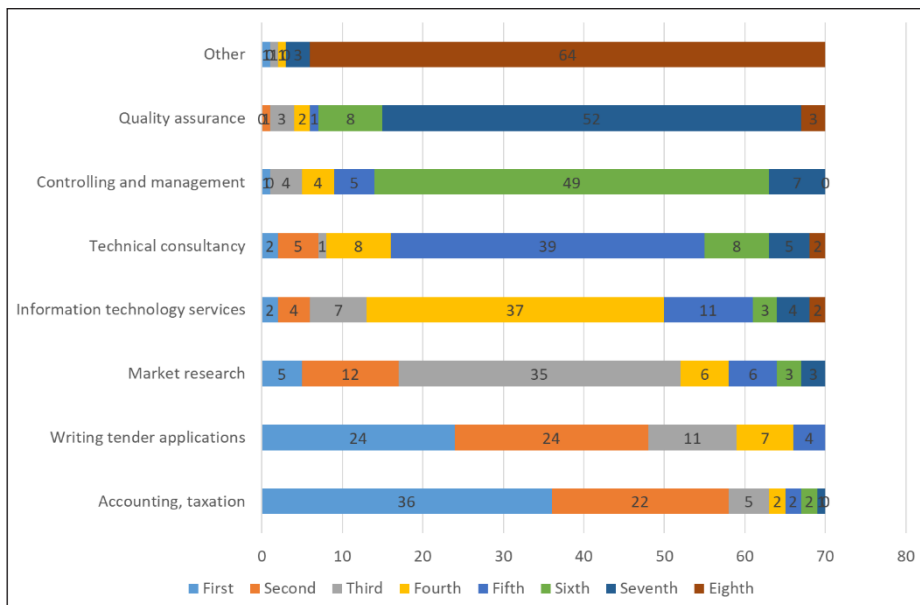
Source: Authors' own elaboration

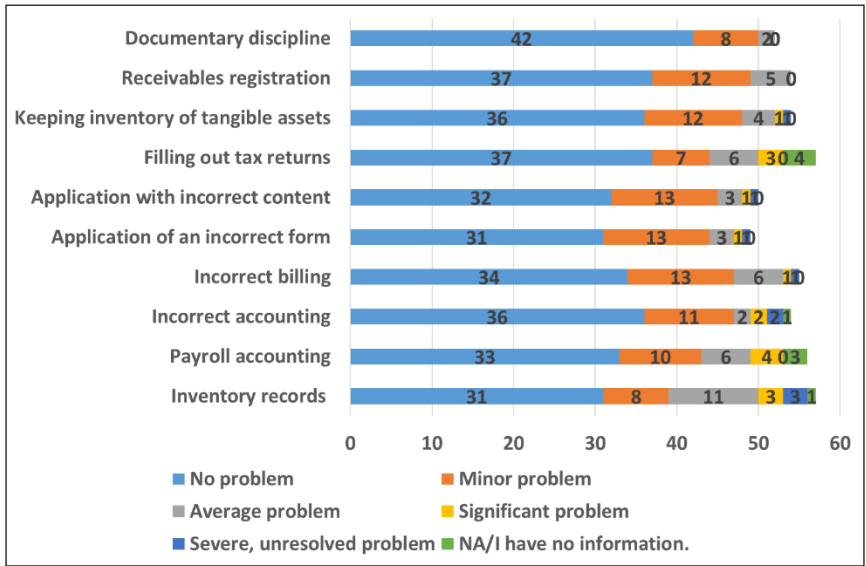Figure 7: The role of external experts in the management of social co-operatives

Clearly, there is a need for external experts in two areas, in the order of mention in the field of accounting and taxation, and in the field of application writing. Market research to address the key marketability issue included in the previous question was mentioned only in the third place. In other areas, the significance of expertise is very slight.

Accounting and tender application writing to help access to basic funding sources are fundamentally administrative tasks. In addition to market research, the role of activities considered as significant for all private companies (IT, technical consulting and quality assurance) is marginal.

In the case of social co-operatives, external experts are mainly required for administrative tasks. Primarily in the field of accounting and taxation, and secondarily in the field of application writing. Expertise to strengthen marketability is less important.

As the role of external experts is mainly limited to administrative tasks, a question was asked about the significance of administrative problems. The question accurately read:

"Only answer the next question if you have insight into the administrative problems of the social co-operative. How worried are you about the following?" Responses are presented in ascending order of significance.

Source: Authors' own elaboration

Figure 8: The role of external experts in the management of social co-operatives

The size differences between the individual lines are explained by the fact that not all respondents assessed all the administrative problems. In general, respondents did not perceive administrative problems as significant. Inventory records (which scored the highest average) were no problem for half of the respondents. Three respondents considered it a serious concern.

Where do respondents experience more serious problems if neither management nor administrative issues are considered significant? Typically, criticism was made about colleagues and employees, which was the subject of a separate question in the questionnaire.

The question was the following: "How would you rate the following matters in relation to the employees in a social co-operative you know?"

The responses were listed in ascending order of significance:
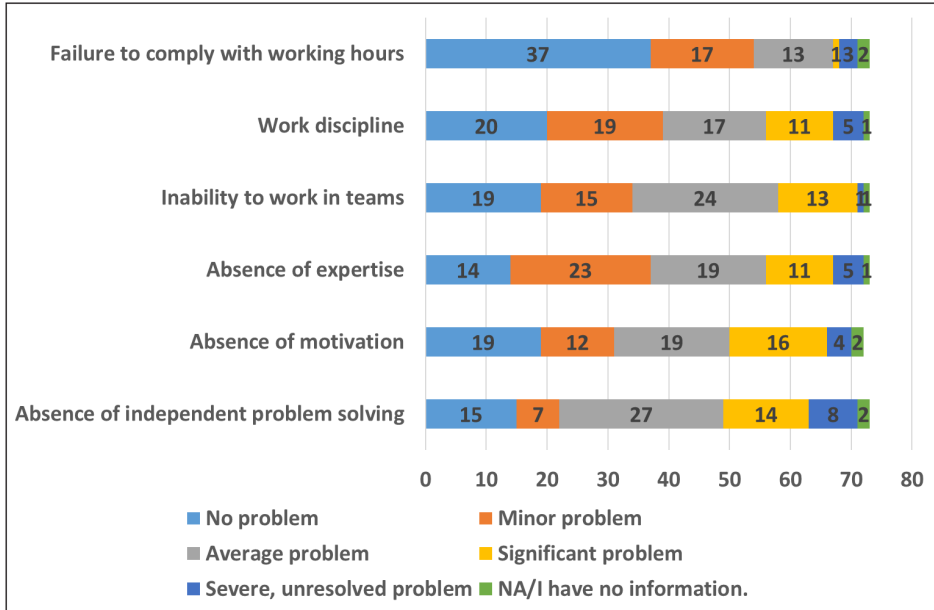
Source: Authors' own elaboration

*Figure 9: Significane of staff-related problems
at social co-operatives*

The average score for the "Absence of independent problem solving" scored 1.96, which means that the severity of the problem is average. In 6 cases it is a serious and in 12 cases it is an important problem. No wonder, the lack of motivation was rated second. Social co-operatives mandatorily pay the minimum wage to their employees, and its payment is a precondition to obtaining state support, but they are only able to pay more than this if they manage efficiently, producing high added value. As wages are paid even if they merely stay at the premises of the co-operative during the prescribed working hours, the intensity of work needs to be constantly monitored. An independent initiative to maintain work intensity should not be expected from employees.

The absence of expertise and inability to work in a team was rated by half of the respondents as an average or significant problem.

6 Conclusions

The findings of our research are summarised in Figure 4, which plots a financing model for social enterprises created by the authors.

Other conclusions of the article are as follows:

1 Public funds have a key role in the external financing of social co-operatives. State support is ranked first, but the financial and in-kind support granted by local governments is also essential for successful operation. The various forms of market financing have a marginal role.

2 The main problem in the management of social co-operatives is the marketability of products/services. However, the significance of the problems was rated lower than in the case of fully market-funded companies.

3 In the case of social co-operatives, external experts are mainly required for administrative tasks. Primarily in the field of accounting and taxation, and secondarily in the field of application writing. Expertise to strengthen marketability is less important.

4 The main problem in social co-operatives is the available human resources. The absence of staff members' independent decision-making, motivation and expertise are the biggest challenges for running a co-operative.

5 The responses given to the above-mentioned questionnaire reveal that social co-operatives have a fundamentally conservative business management. Production processes are simple, and the only major problem is finding markets for the products and services produced. The primary external source of funding is funds granted in the framework of tenders or by local governments, and the administration of the activity is carried out by an external expert.

Acknowledgement

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CONVERGENCE AND SPATIAL AUTOCORRELATION IN GERMANY – SPECIFIC GDP INEQUALITIES 30 YEARS AFTER THE FALL OF THE BERLIN WALL

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1 Introduction

One method of examining territorial inequalities and polarisation is to examine the convergence process, which provides information on catching up and may also shed light on the causes of inequalities (Benedek and Kocziszky, 2017). The study of closing gaps and convergence is not new, since the creation of Solow's (1956) neoclassical growth model, a number of theories have been created and the implementation of convergence has been examined on numerous occasions at different spatial levels. "Convergence is the process by which certain longer-term general macroeconomic characteristics of less developed countries close the gap to levels or ratios of more developed countries" (Oblath and Szörfi, 2008, p. 205). Most studies examine the economic convergence of countries and regions by change in the distribution of GDP per capita. This is explained, among others, by the fact that improving GDP values may increase life expectancy at birth in a given area, provide better access to basic services, and may also increase the population's quality of life (Royuela and García, 2015). However, other indicators are also available for a characterisation of development and the analysis of convergence.

In Germany, the analysis of convergence is a topical issue, as despite the nearly 30 years since the re-unification, there are still significant differences between the data characterising the eastern and western parts of the country. Provinces in the former GDR show a significant social and economic disadvantage compared to the western provinces.

In the period since the re-unification, the German federal government has initiated a number of programmes to promote the complex development of the eastern provinces, which have led to favourable economic processes, but social and economic disparities can still be observed (Weddige-Haafa and Kool, 2015; Burda and Severgnini, 2018).

This study seeks to provide an overview of Eastern Germany's convergence to the western parts of the country 30 years after the fall of the Berlin Wall, demonstrate any tactile trends of the period between 2000 and 2016, and seeks to find out whether or not the spatial effects have any relevance in the process of convergence.

2 Theoretical background

The concept of convergence first appeared in the 1960's, in Solow's neoclassical growth model. In this theory, output growth was determined by three exogenous factors: capital stock growth, population growth, and technological development. The main claim made in this theory is that poorer regions are increasingly converging towards more developed regions over the long run because they tend to grow faster than richer regions (Solow, 1956). Since the 1970's and 1980's, convergence theory has developed in combination with the endogenous growth model, where endogenous factors such as R&D and education have played a central role. According to endogenous growth, regional convergence is not mandatory. Quah's concept of convergence clubs also plays an important role in convergence. A convergence club is a group of economies that are close to each other in terms of with equilibrium conditions and show some similarity in certain economic or geographical indicators (Quah, 1996). The process of convergence can be measured in several ways, including the sigma, beta, gamma, or the above-mentioned convergence club method.

Convergence is particularly important in the case of Germany, as economic surveys reveal a slight convergence between areas in many cases, but there are significant differences in areas such as GDP per capita, industrial companies and R&D. In my previous studies, I analysed the implementation of convergence up to 2011, and found that GDP showed significant western concentration (part of the Ruhr Area, southern Bavaria, north-eastern Baden-Württemberg, Hamburg and Bremen) and difference

between the western and eastern parts of the country. The sigma and the beta convergence analyses also showed the implementation of a slight convergence between 2000 and 2011 (Szendi, 2016).

3 Data and methodology

The study of the catching-up process basically comprises an analysis of convergence by regional GDP in order to establish the extent to which there has been a shift in the values of the areas. For this reason per capita GDP data taken from the Eurostat database for the period 2000-2016 was used in the analyses.

The convergence of spatial units was analysed by several methods in order to better support my findings. The applied methods are briefly summarised in Table 1 below. A detailed description of the methods is given in the calculations.

Table 1: Analytical methods used in the study

No.	Method	Sign of convergence
1	sigma convergence	Change in the CV indicator: the relative coefficient of variation of per capita GDP values decreases over the period
2	gamma convergence	favourable change in ranking, the value of the indicator decreases over time
3	beta convergence	The beta coefficient is negative and significant.
4	spatial lag beta convergence	spatial lag significant variable

Source: Authors' own elaboration

4 Findings

As a first step in the analysis of convergence, the distribution of GDP per capita was studied in German NUTS3 areas and it was concluded that in 2016 there were significant differences between the individual districts. In terms of GDP per capita, there is still a significant difference in

development between the western and the eastern parts (Figure 1). The western and the eastern areas may be identified as two fundamentally contiguous arrays, with the exception of a few hot-spots.
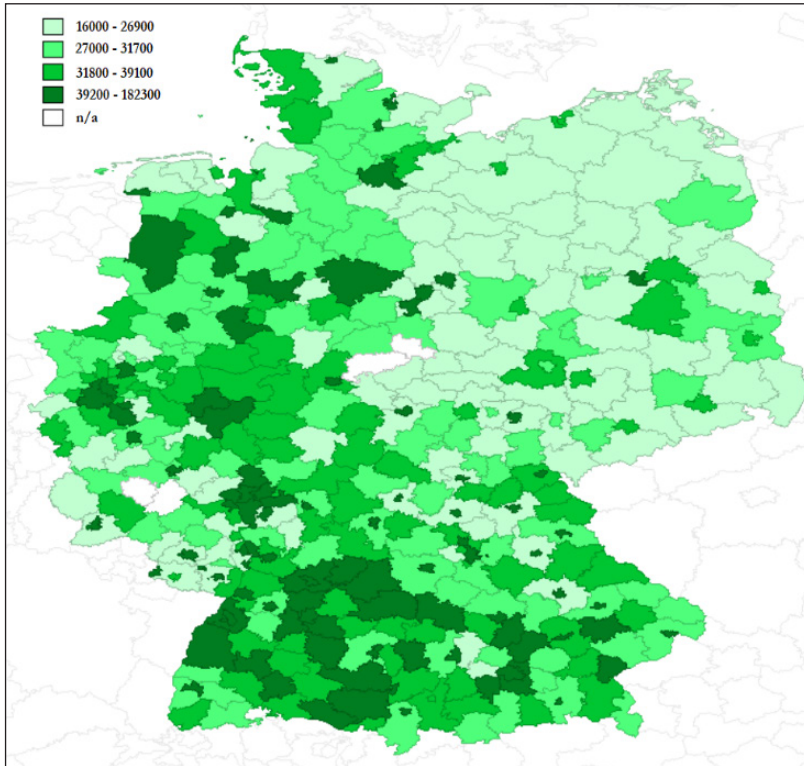
Source: Authors' own elaboration

Figure 1: Distribution of GDP per capita (2016)

In the case of the indicator, the spatial concentration of values is highlighted in the following areas: part of the Ruhr Area, the entire southern Bavaria and several large cities in Bavaria, a significant part of the province Baden-Württemberg, a significant part of Hamburg, Bremen and Lower Saxony. The most developed districts may be identified as major cities in the Wolfsburg, Ingolstadt, Munich and Ruhr regions (such as Dusseldorf or Frankfurt), while the least developed districts can be found in Mecklenburg-Western Pomerania. In most of the regions concerned exceptionally high GDP is due to the presence of capital-strong, large corporations (e.g. active in the automotive, manufacturing and machine tool manufacturing

industries), with companies such as BMW, MAN, Siemens, Linde in Munich, Audi in Ingolstadt, and Volkswagen AG in Wolfsburg (Forbes Global 2000, 2019). In the case of the province of Mecklenburg-Western Pomerania, large cities do not play a dominant role. "However, its position may be favourably affected in the future by the establishment of industries that serve as the engines of the economy, such as biotechnology, medical sciences, space research and renewable energy management, which has started in recent years" (Szendi, 2016, p. 56).

One of the basic methods of convergence studies is sigma convergence, which is usually measured by changes in the coefficient of variation (CV). If the relative coefficient of variation of GDP per capita values decreases during the period, the criteria of sigma convergence is met (Szendi, 2016). For this reason, first this indicator was studied for an analysis of convergence.

$$CV = \frac{coefficient\ of\ variation}{avera} \tag{1}$$

In the period between 2000 and 2016, overall, a slight sigma divergence may be demonstrated between the German NUTS3 spatial units, as shown by the slightly increasing coefficient of variation (CV). At the same time, it can be said that specific GDP sigma converged several times in shorter periods during the period analysed, e.g., between 2001 and 2004, 2007 and 2009, or 2011 and 2015 (Figure 2). It was also found that the unfavourable change that took place from 2015 to 2016 resulted in the divergence projected for the full period, while in the aggregate, up to 2015 the indicator had remained significantly below the 2000 level.

The abrupt change in the last year of the period is the result of growth in total GDP by more than 5 per cent from 2015 to 2016 in 51 of the 401 districts surveyed, of which only 10 are located in one or another of the eastern provinces. The highest growth in GDP was recorded in the Wolfsburg district at 56 per cent, followed by Emden and Kassel, both with more than 20 per cent. In the eastern provinces, GDP grew fastest, by nearly 9 per cent, in the city of Leipzig, followed by Mittelsachsen with 5.5 per cent. However, there was a single district where GDP fell rather significantly (by more than 5%) from 2015 to 2016, namely the district of Hersfeld in Hessen province.
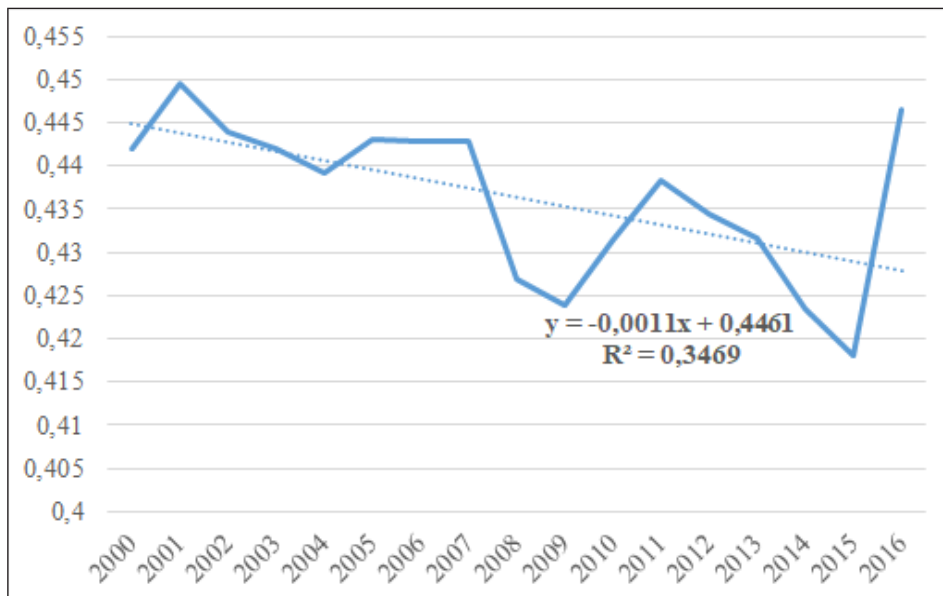
Source: Authors' own elaboration

Figure 2: Sigma convergence of GDP per capita (2000-2016)

The concept of gamma convergence was introduced by Boyle and McCarthy (1997) in relation to economic analyses. The index measures a kind of change in the ranking of each area compared to the base year.

$$\gamma = \left(\frac{\text{var}(RGDPC_{ti} + RG_{t0})}{\text{var}(RGDPC_{t0} * 2)} \right) \tag{2}$$

where is the variance of the serial numbers of GDP per capita; is the current year under review and is the base year.

Having measured changes in the gamma convergence in the period between 2000 and 2016, continuous gamma convergence may be established during the period, in other words, there were favourable changes in the ranking by specific GDP (Figure 3). The change suggests that there has been a minor rearrangement in the ranking of the most developed and least developed regions.
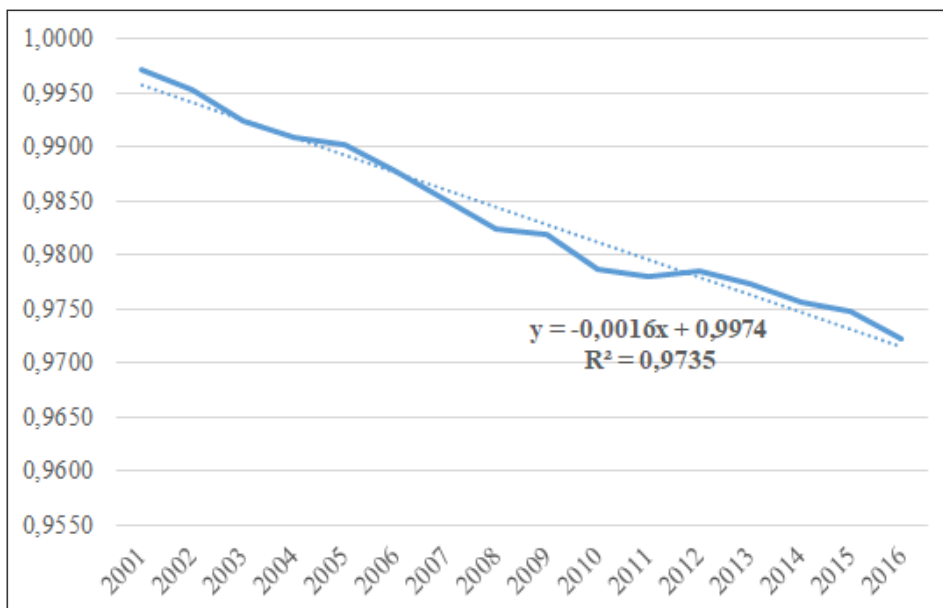
Figure 3: Gamma convergence of GDP per capita (2001-2016)

The most significant rearrangement in the ranking of areas may be illustrated by the following examples: Ingolstadt, which topped the list, had moved from the 15th place in 2000 to the 2nd place in 2016, with similar increases for Coburg and Dingolfing, while the Donau and Jena districts rose even faster (to the 54th from the 115th and to the 85th from the 136th place, respectively). The largest declines took place in the Offenbach and Schwabach regions, where regional GDP fell from the 41st to 121st and from the 83rd to the 161st positions, respectively.

In the course of analysing beta convergence, the equation for the regression line between the annual growth rate of GDP per capita and GDP of the initial year is studied. If the beta coefficient is negative and significant, then the criteria of the beta convergence are fulfilled (Ferkelt, 2005). An overview made at the level of the German NUTS3 districts allows the establishment that the tests indicate a slight beta convergence. In other words, in this period, the figures of the most developed and least developed regions were able to converge. This indicates that GDP in the less developed regions was able to grow at a higher rate than that of the most developed ones, and so a slight catch-up could begin (Figure 4).
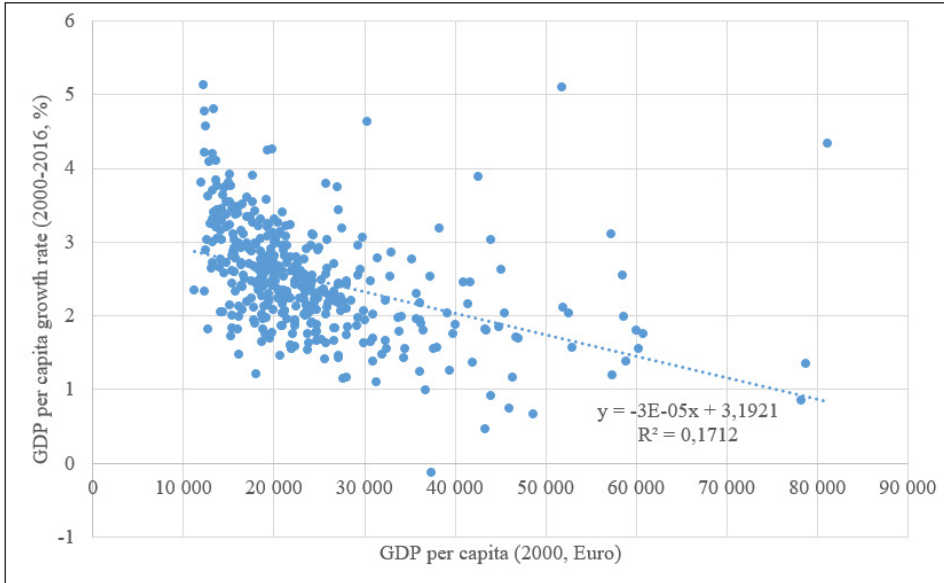
Source: Author's own elaboration

Figure 4: Gamma convergence of GDP per capita (2000-2016)

During the analysis of beta convergence, the role of spatial effects in the model and the impact of the position of spatial units on the convergence process were analysed. Spatial autocorrelation is a method of analysing spatial interactions to establish whether the spatial distribution of specific GDP is random or follows some regular pattern (Dusek, 2004). In this case both the global Moran I index and the Local G statistics were used for measuring autocorrelation. The Moran I index shows autocorrelation, while the Local G statistics is an indicator of the local spatial autocorrelation of each data point (Abdulhafedh, 2017). The Local G can be calculated by the following equation:

$$G_i^*(d) = \frac{\sum_{j=1}^{n} w_{ij} x_j}{\sum_{j=1}^{n} x_j} \tag{3}$$

where *d* is the neighbourhood distance, and w_{ij} is the weight matrix, which is a queen neighbourhood matrix. The value of the G statistics may vary between 0 and 1 (Abdulhafedh, 2017). A positive indicator suggests the local concentration of high values (hot spot), while a negative indicator means the local concentration of low values (cold spot).

The autocorrelation of specific GDP in 2016 was analysed and it was found that a small, positive, significant spatial autocorrelation could be demonstrated between spatial units, and Local G statistics clearly marked out the cold spot regions of the eastern areas (Figure 5).

It can be established that almost all of the eastern provinces can be classified as cold spot regions, and thus in this region we can talk about the spatial concentration of areas with low specific GDP (e.g. a significant part of Mecklenburg-Vorprommern, almost the entire provinces of Saxony-Anhalt, and certain districts in the provinces Saxony and Thuringia). The significance of the Moran I index suggests that it is worth taking spatial effects into account when calculating beta convergence, and calculating with spatial lag models.
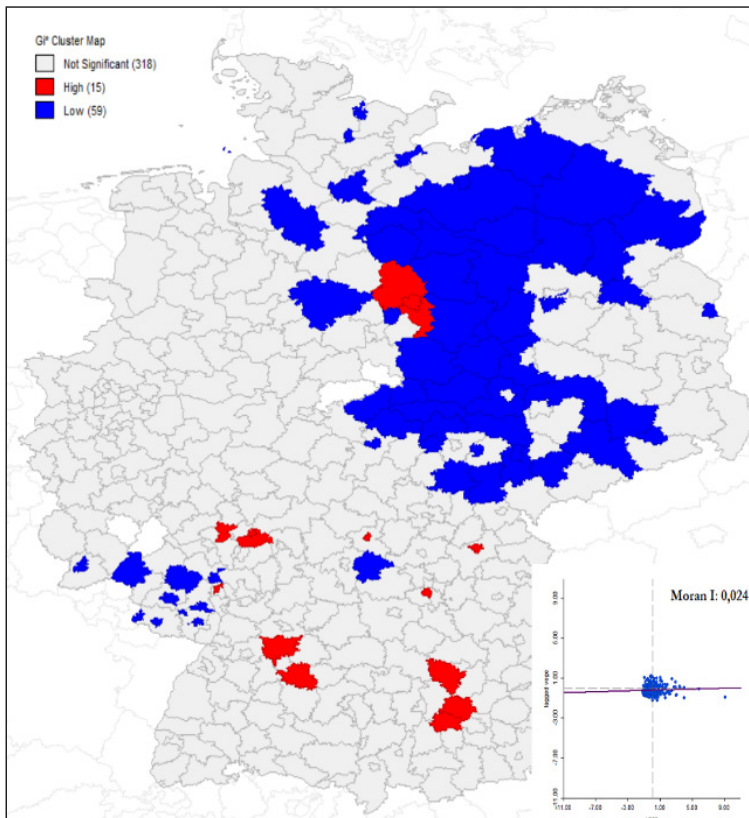
Source: Author's own elaboration

Figure 5: Global and local spatial autocorrelation of GDP per capita (2016)

The assumption of spatial independence is also disputed in the case of convergence studies (Royuela and Garcia, 2015). This is because Rey and Montouri (1999) tested beta convergence under spatial dependence conditions and showed that developments in convergence may be influenced by spatial processes, and so their analysis is necessary. The inclusion of spatial effects in regression analyses can be done with the spatial lag model and the spatial error autocorrelation model (Varga, 2002). The spatial lag model is a regression model with a spatial lag variable that refers to an existing spatial dependence and measures the magnitude of spatial spill-over effects (Anselin and Bera, 1998). One of its variants is the model with a spatial lag dependent variable, where the adjacent values of the dependent variable have a direct effect on the value of the dependent variable (Szendi, 2016). In a general format:

$$y = \rho W y + X\beta + \varepsilon \tag{4}$$

where ρ (rho) measures spatial dependence in the model. It measures the average influence of neighbouring spatial units on each area. The direction of the indicator (positive, negative) gives the direction of influence. If the value of rho is positive, the specific area has higher GDP per capita values, provided that on average, its neighbours have high GDP per capita (Anselin, 2001).

In contrast, in the spatial error model, spatial dependence appears in the case of the error term. It examines the spatial dependencies of spatial errors (e.g. missing values). The model has the following general format:

$$y = X\beta + u \tag{5}$$
$$u = \lambda W u + \varepsilon$$

where λ (lambda) is the index of the spatially autocorrelated error term. If the value of lambda is not zero, then there is a spatial dependence of the error term within the scope of the interrelated observation units (Anselin, 2001). In order to decide which model is applicable, the Lagrange Multiplier tests should be reasonably used. This compares the likelihood values of models without spatial interaction and models with spatial interaction (Szendi, 2016).

Thus, for beta convergence, the traditional linear regression estimation was compared to the spatial lag models. The outcomes of the models are illustrated in Table 2 below.

Table 2: Beta convergence of GDP per capita in Germany (2000-2016)

	Beta convergence	
	There is no spatial effect (OLS)	Spatial lag
Coefficients		
constant	41494 *(t-statistics: 14.69)*	40233 *(value z: 10.22)*
growth rate	-2199.8 *(t-statistics: -2.03)*	-2111.8 *(value z: -1.95)*
W Matrix	-	0.0316 *(value z: 0.4297)*
Convergence rate (2000-2016), %	2.49	2.38
R^2	0.010	0.011
Rho	-	0.0316
AIC	8710.67	8712.52
Number of observations	390	390
LM no spatial lag	0.1151 *(t-statistics: 0.7343)*	-
Robust LM, no spatial lag	6.5466 *(t-statistics: 0.0105)*	-
LM no spatial error	0.0111 *(t-statistics: 0.9160)*	-
Robust LM, no spatial error	6.4426 *(t-statistics: 0.0111)*	-

Source: Author's own elaboration

Based on the results, it can be concluded that the existence of spatial lag beta convergence for German GDP per capita is verified, as the results of the Lagrange Multiplier tests suggest a spatial lag dependent variable. After a run of the spatial lag model, the value of rho confirmed a slight, significant positive autocorrelation for the variables. This means that individual areas will have higher GDP per capita if, on average, their neighbours have high GDP per capita. In this case, 1 per cent change in GDP will cause an increase of 0.03 per cent in neighbouring areas in the district studied.

5 Summary

Overall, most of the methods suggest that there has been some convergence between spatial units, with less developed areas being able to converge to developed ones between 2000 and 2016, while significant differences remain between the eastern and western parts of the country.

Table 3: Convergence of GDP per capita in Germany (2000-2016) – comparison

No.	Method	Result
1	sigma convergence	slight sigma divergence, slightly increasing standard deviation of the CV index BUT! sigma convergence between 2001-2004, 2007-2009 2011-2015
2	gamma convergence	continuous slight gamma convergence
3	beta convergence	slight beta convergence over the period
4	spatial autocorrelation	slight positive, significant spatial autocorrelation
5	spatial lag beta convergence	verifiable and significant spatial lag beta convergence (spatial lag model)

Source: Author's own elaboration

Acknowledgement

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THE IMPACT OF DIGITALIZATION ON THE SOCIAL INNOVATION OF PERIPHERAL AREAS

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1 Introduction

Research on social enterprises has gained momentum in Hungary only recently (See, for example, the results related to social enterprises and social cooperatives in the works of Szűcsné Markovics 2015, Kocziszky et al. 2017, Balaton and Varga 2017, Veresné Somosi and Varga 2018, Szűcsné Markovics 2019, Bozsik et al. 2019, Lipták et al. 2019, Lipták 2020, Metszősy 2020, Musinszki et al. 2020, Süveges 2020, Szendi 2020, Szűcsné Markovics 2020, Veresné Somosi et al. 2020, Bozsik et al. 2021, Karajz 2021). With digitalization gaining ground, it is becoming an important question what role it can take in social innovation processes. In the 21st century digitalization, competitiveness and innovation are closely interrelated processes, influencing and stimulating one another. It is reasonable to assume that there are cause-and-effect relationships between digitalization and the efficiency of social innovation. Such interrelationships tend to be rather special in peripheral (disadvantaged) regions due to their social, cultural and infrastructural characteristics. The limits and opportunities of peripheral regions are also reflected in digitalization, and they exert influence on the efficiency of social innovations. The strengths and weaknesses, as well as the opportunities and threats can be identified with a SWOT analysis. Based on those we can deduce what role digitalization should take in peripheral regions to achieve successful social innovation, and what direction social and economic developments should take in order to be successful.

2 Digitalization and social innovation

2.1. Concept and process of digitalization

It is easy to define the process of digitization because it is nothing else but the process of converting analogue signals into digital signals. The traditional approach can be seen in Figure 1. After converting the analogue source into digital signals, the data must be adjusted to the user's needs. This process consists of three steps, software processing, formal and content disclosure and the editing of metadata, and finally, optimization. In our everyday lives it has become perfectly natural to rely on the results of digital technology. We find our way on a GPS-based map, use digital media, buy entrance tickets and goods online, and look at digital photos on our mobile phone. We would not be able to do all this without digitalization.

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│     Conversion into a digital signal │
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│       Data processing by software    │
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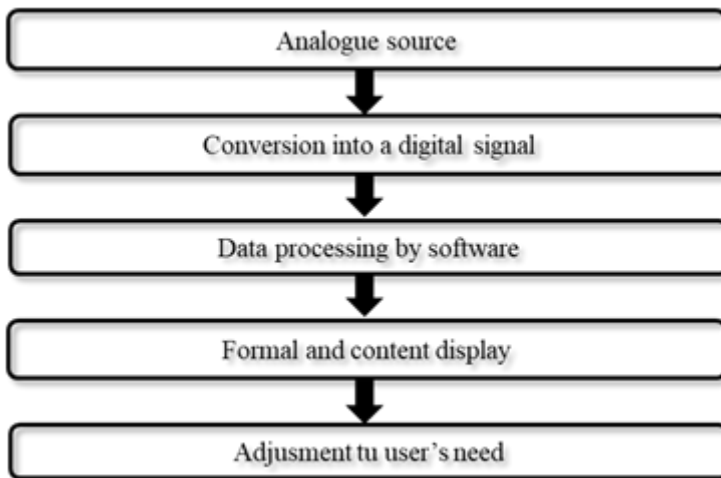
Source: author's own editing

Figure 1: The process of traditional digitization

The toolbox of digitalization opportunities is continuously developing, thus the interpretation of digitalization is keeping pace with it, carrying a different meaning today than some years ago. Today it has a much more complex meaning. In many cases the processes that were understood as digitalization earlier are now handled as basic available conditions,

and digitalization is considered an appropriate term only in the case of more complex operations. The elements of the complex interpretation of digitalization can be seen in Figure 2. Even without a detailed analysis, just by merely looking at the elements, you can understand the complexity of digitalization. Digitalization appears in all the areas of life, it means an online presence, a man-machine data and information exchange (Kollár and Poór, 2016).

The economic and social significance of digitalization is tremendous, it counts as one the pillars of industry 4.0, i.e. the fourth industrial revolution, affecting all areas of life. It helps and accelerates our everyday life, relationships and work. It assists and encourages learning and entertainment, contributes to the improvement of the quality of life. It encourages independence and innovation and transforms the processes of the economy and our daily life.
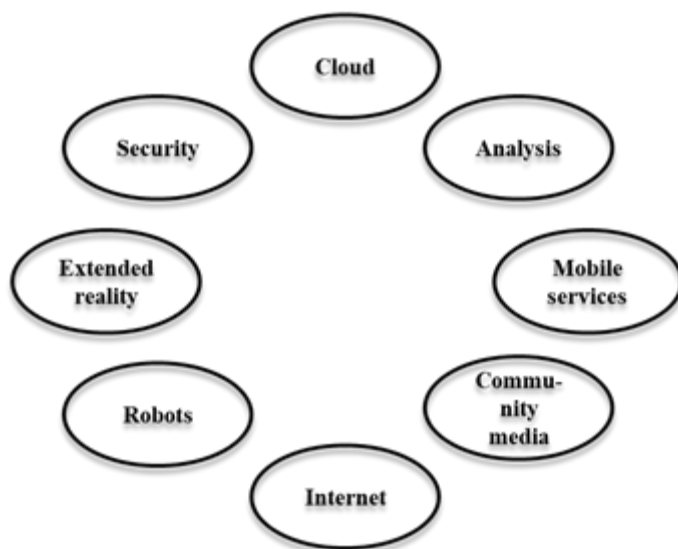
Source: Kollár and Poór, 2016

Figure 2: Complex interpretation of digitalization

Siemens conducted a research in 2016 and 2018, in which it surveyed the digitalization status of the corporate sector. They established a digitalization index, which is calculated as an aggregated index based on the following categories:

- ➢ importance of digitalization within the company
- ➢ actual degree of digitalization
- ➢ preparedness of the company for developments
- ➢ digitalization plans and opportunities

The companies were asked to evaluate the factors on a rating scale ranging from 1 to 5. The digitalization index was 3.5 in both years, which may not show any progress but in 2018 small-sized companies were also involved in the evaluation. In their cases the research showed a lower value (3.2) than the mean, which leads us to conclude that if small-sized companies had been part of the sample in 2016, the aggregated index would have been lower, which suggests that in reality the level of digitalization grew during the two years' period. In 2018 the medium-sized company index was 3.5, and the large company index was 3.7 (A digitalizáció és a Siemens (*Digitalization and Siemens*), 2018).

The companies regarded the conditions of digitalization better in 2018, they saw fewer hindering factors in the implementation of digitalization developments. As regards company approaches, in the case of small-sized companies with smaller digital potentials even simpler IT investments are qualified as digitalization developments, whereas in the case of large companies rather the complex, high volume investments are listed there (A digitalizáció és a Siemens, 2018).

The survey is important for us because, although it examined the corporate sector, the methodology used can be adapted to the examination of the digitalization level of social innovations. The four categories (importance, degree of digitalization, preparedness for it and future ideas) are important conditions for efficient digitalized solutions also in the innovative solutions of social problems.

2.2. Digitalization in the area of social innovations

"Social innovation can be defined as the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations" (European Commission, 2013, p.6). If we assume that the primary aim of resolving a problem is not to gain a profit but to increase social well-being, then: "Social innovation is

a non-profit activity that is aimed at a novel, innovative solution of a social problem." (Karajz and Kis-Orloczki, 2019, p.2)

In recent years digital transformation has exerted a great impact on social and non-profit areas besides profit-oriented activities. Digitalization, apart from keeping social actors better informed and creating networks, provides opportunities for the development of new social products and services. Digitally supported social innovation (Digital Social Innovation (DTI) in short) is a new type of process, during which digital technologies are used to solve social problems.

Figure 3 shows the typology set up by Geser (2017). He takes into account two factors from the point of view of digitalization. Digital technologies can be used for the identification, definition and actual solution of problems. Based on that, four types can be distinguished. The empty white square illustrates traditional social innovation. If digital technology is used to help identification and/or solution, it means digital innovation. Obviously, in a broader sense, the identification of a social problem is also an element of the problem-solving process.
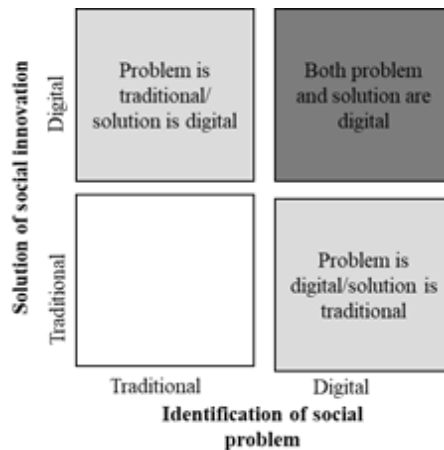
Source: Geser, 2017

Figure 3: Typology of social innovation from the perspective of digitalization

3 Digital social innovations in peripheral areas

3.1. Defining peripheral areas

To provide a clear definition of the boundaries of backward areas is an important issue in respect of regional and economic development, and innovation policy. The most important problems arising in the process of defining boundaries are the regional level, timeliness and indicators measuring the level of development (underdevelopment). Several indicators are known that can be used for a relevant territorial definition. The concept of territorial capital (system of indicators) is one of the possibilities to define regional zones.

3.2. Characterisation of peripheral regions using the notion of territorial capital

The level of development of a given area is defined by numerous factors (sociological, cultural, etc.) in addition to the economic factors. By using the concept of territorial capital, the different capital elements of a region can be determined, thus also the direction of regional development. So, territorial capital is suitable for measuring the level of development of different regions. It does not only examine pecuniary data, but it also takes into account cultural factors and social potentials. Over the past two decades numerous concepts have been published with regard to territorial capital. We are going to present the most well-known of them, Camagni's concept (Camagni, 2009) (Figure 4). Camagni groups capital elements based on two criteria, rivalry and materiality. Using the two criteria, he sets up 3 categories for both of them and distinguishes a total of 9 element groups. According to rivalry, public, collective and private capital elements are differentiated, and in terms of materiality, soft, mixed and hard capital assets are listed. Camagni draws attention to the middle cross of the model (fields B, I, H, G, E) and its elements because these, in addition to traditional elements (fields C, A, F, D), play a significant role in regional development.

C	I	F
• Private fixed capital stock • Pecuniary externalities (hard) • Toll goods	• Relational private services in the following cases: ➢ External linkages for companies ➢ R+D transfer • University spin-offs	• Human capital ➢ Entrepreneurship ➢ Creativity ➢ Private know-how • Pecuniary externalities (soft)
B	**H**	**E**
• Proprietary networks • Collective goods ➢ Landscape ➢ Cultural heritage	• Cooperation networks: ➢ Strategic alliances in R&D and knowledge ➢ p/p partnerships in services and schemes • Governance of land and cultural resources	• Relational capital ➢ Cooperative capability (trust) ➢ Collective action capability (participation) ➢ Collective competences
A	**G**	**D**
• Natural and cultural resources • Infrastructures	• Agencies for R&D transfer • Receptivity enhancing tools • Connectivity • Agglomeration and economic zones	• Social capital: ➢ Institutions ➢ Behavioural codes ➢ Values ➢ Trust ➢ Reputation

RIVALRY (vertical axis) — MATERIALITY (horizontal axis)

Source: Camagni, 2009

Figure 4: Territorial capital element

Using territorial capital, it is possible to quantify tangible and intangible capital factors found in a region, which represent the resources of competitiveness of the region (Jóna, 2013; Lengyel, 2012). Tangible factors include among others: incomes, employment, the built environment, institutions, infrastructure, natural environment, services, recreational opportunities and characteristics of enterprises, whereas the intangible factors include among others: level of education, internet use, change in population, ageing, migration, characteristics of local policy, higher education, theatres, culture, dependence, public education and public health, etc. (Dombi et al., 2017).

PRODUCTIVE
CAPITAL

KNOWLEDGE/
CREATIVE CAPITAL

HUMAN
CAPITAL

PRODUCTIVITY
EMPLOYMENT
LIVING STANDARDS

INFRASTRUCTURAL
CAPITAL

SOCIAL-
INSTITUTIONAL
CAPITAL

CULTURAL
CAPITAL
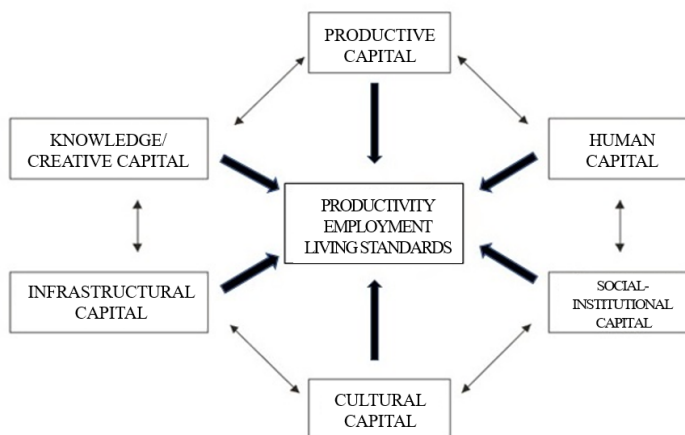
Source: Kitson et al., 2004

Figure 5: Relationship between territorial capital and competitiveness

The relationship between the elements of territorial capital and competitiveness can be followed based on the concept of Kitson et al. (2004) (Figure 5). Competitiveness is determined by three factors: productivity, employment and living standards. The elements of territorial capital (productive, human, social institutional, cultural, infrastructural and knowledge capital), which are also interrelated with each other, determine the competitiveness of the region.

3.3. SWOT analysis of digital social innovation

With the SWOT analysis it can be examined what positive and/or negative features can be identified in the peripheral areas in respect of digital social innovations. It was shown at the description of the concept of territorial capital which capital elements (tangible and intangible) play a role in regional development and its regional categorization. The backwardness of peripheral regions is revealed by the shortcomings of these capital elements, which also indicate the limits of the competitiveness of the region. Obviously, in reality the picture is more diversified, but these territorial capital elements are usually interrelated. Let us assume a "typical peripheral" region for the SWOT analysis.

Strengths

➢ The network and other IT infrastructure items necessary for digitalization are usually available nowadays, even in regions with lower level of development.

➢ The relatively high unemployment rate may provide workforce in areas requiring lower level of vocational skills.

➢ Willingness for collective actions and collaboration tend to be higher in peripheral areas.

➢ Relative abundance of available collective assets, natural assets.

Opportunities

➢ The social well-being caused by DTI reduces social differences.

➢ Digital solutions eliminate geographical distances.

➢ Developing local educational institutions in order to create trained workforce.

➢ Expanding (social) innovation knowledge of local entrepreneurs.

Weaknesses

➢ lack of highly qualified workforce (able to serve digitalization).

➢ low innovation potentials, lack of agencies for R&D transfer.

➢ Scarcity of traditional fixed capital, high costs of innovations.

➢ Special capital needs of digital solutions.

➢ Due to low level of development, interest in innovation is low, lack of receptivity.

Threats

➢ Unfavourable demographic processes influencing DTI

➢ The outcome of innovation processes is doubtful due to the low level of social capital.

➢ Low level of efficiency of innovation processes due to the low R&D transfer.

4 Conclusions

Due to the rapid information technological and technical development, the processes of digitalization have become more and more complex. On the one hand, they provide opportunities, and on the other hand, they pose challenges for the actors of society and the economy. The actors who do not follow the dynamic development may be lagging behind, and cannot use the opportunities offered by digitalization.

Digitalization appears in the innovative solution of social problems and it is increasingly gaining ground with the growing complexity of digitalization. Due to its complexity it is capable of solving problems with great efficiency and its impact on increasing social well-being is high.

The concept of territorial capital is suitable for analysing social innovations, thus also the impacts of digital social innovations. It is also suitable for surveying regional differences, so it can be used well in the case of peripheral regions. Territorial capital determines the regional innovation potentials and comprises both tangible and intangible capital elements, so it can be used for exploring deeper interrelations within a region.

Based on the SWOT analysis conducted, it can be stated that peripheral regions show strengths and weaknesses with regard to the implementation of digital social innovations, and they provide opportunities but at the same time they also pose threats.

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PLACE AND ROLE OF HIGHER EDUCATIONAL INSTITUTIONS IN THE PROCESS OF BECOMING A SMART CITY, WITH SPECIAL REGARD TO THE COUNTY SEAT CITIES OF HUNGARY

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1 The concept of the "smart" higher educational institution in literature

This study is part of the series of researches started at the Faculty of Economics of the University of Miskolc, the subject of which is what role higher educational institutions take in the process of becoming a smart city. (For the results of previous researches see the works of Szendi et al., 2020 and 2019, and Nagy and Tóth, 2019.)

Universities can be counted among the first users of IT devices (hardware and software). Such devices were used for decades as islands. So it brought significant changes when they were arranged into intranet and internet networks. However, in our view, it was the widespread dissemination of the systems approaches that actually made these systems smart.

When reviewing Hungarian and foreign literature, we came to the conclusion that the co-existence of several factors are required for a higher educational institution to be called really smart (besides the hard factors, such as a "smart" campus, a learning environment, classrooms, and besides the IT background that is indispensable for the creation of these, so-called "soft" factors are also necessary, e.g. systems approach and human factors,

such as "smart" teachers and learning communities). A higher educational institution can be called "a smart university" if all these factors are present together. The general definition of a "smart university" is the following: the "smart university" is a concept that provides a comprehensive solution for the modernisation of all the processes that are related to education. The result is the accomplishment of high quality processes and services in the area of education, research, and administration, and other activities carried out at the university (Tikhomirov V. Dneprovskaya, N., 2015).

IBM defines intelligent education as follows: "A Smart, multi-disciplinary student-centric education system – linked across schools, tertiary institutions and workforce training", using:

- interactive, on-line curricula with separate interfaces for teachers and students,
- computerised student administration (ideally reaching an almost entirely paperless system),
- monitoring students' work and reporting on their results,
- supplying information to students.

Other authors use the term "Smart Campus" or "intelligent campus", and mention such necessary factors as holistic e-learning, community networks, collaboration, communication, zero emission, sustainability in respect of ICT, intelligent sensors integrated into a system, healthy environment, ergonomics, intelligent building supervision, automated security protocols, surveillance, as well as transparent university governance and reporting (Kwok - 2015).

An alternative definition often occurring in literature is the "smart" learning environment, which can be regarded a technologically assisted learning environment (a little similar to the "just in time" approach used for companies), which provides sufficient support (e.g. guidance, feedback, tips or devices) at the right place and at the right time to meet students' needs.

The smart learning environment is context-conscious, i.e. it is capable of lending immediate and adaptive support taking into account students' needs, with prompt analyses and a user interface that can be changed according to actual needs with regard to students' individual learning styles and preferences (Hwang, 2014).

In Abueyalaman's view the operation of an "intelligent" campus is based on a well-thought-out strategy, which includes people, facilities and teachers, and it sets as an aim to use technology in an efficient way. A smart campus includes smart teachers, the necessary smart devices, and it is characterised by continuous development and sustainable operation, which contribute to the increase of pedagogical efficiency (Abueyalaman, 2008).

Other approaches mention the concept of smart learning communities. The following factors should be present in smart learning communities:

- the devices are connected to a network, they have sensors and the information produced, processed and structured by the devices are accessible,
- access is possible via different devices (desktop computer, web terminal, mobile devices, etc.) and on different operating systems (Windows, Android, IOS, etc.),
- it is also possible to share information on the interfaces of the community medium,
- data are reliable and logged, the source of data is clearly identifiable (Adamko et al. 2014).

During our research of literature we also came across the term of "smart classrooms" in the articles of certain authors. A smart classroom is related to the optimization of the curricula, the easy access to learning resources and the in-depth interactivity of teaching (Uskov, V.L. et al. 2015).

We examined the frequency of occurrence of the mentioning of different terms in Hungarian and in English with the help of Google and Google Scholar (Table 1).

HU	google HU	%	google tudós	%	EN	google EN	%	google scholar	%
"okos város"	127 000	88.82	82	47.40	'smart city'	54 600 000	6.41	2 480 000	12.18
"intelligens város"	7000	4.90	26	15.03	'intelligent city'	64 800 000	7.61	2 650 000	13.01
"tudás város"	1100	0.77	2	1.16	'knowledge city'	147 000 000	17.26	4 530 000	22.25
"fenntartható város"	3270	2.29	41	23.70	'sustainable city'	3 320 000	0.39	2 360 000	11.59
"tehetséges város"	414	0.29	0	0.00	'talented city'	76 100 000	8.94	338 000	1.66
"összekapcsolt város"	230	0.16	1	0.58	'wired city'	27 700 000	3.25	305 000	1.50
"digitális város"	3780	2.64	14	8.09	'digital city'	335 000 000	39.34	3 020 000	14.83
"információs város"	196	0.14	7	4.05	'information city'	143 000 000	16.79	4 680 000	22.98
összesen	142 990	100.00	173	100.00	sum	851 520 000	100.00	20 363 000	100.00

Source: authors' editing (date of download: 8.11.2018)

Based on Table 1 we can establish that in Hungary the terms of "smart university" and similar terms are not really widespread. It also turns out from the download that in English language literature this topic already has a significant base. In our view, as it is evident that the future of higher educational institutions can only be assumed within such a "smart university" framework, thus it is fully justified to research it in Hungary.

In the next part of our study we made a comparison between the characteristics of "traditional" and "smart" higher education based on Chun S. Lee's article published in 2015 (Table 2). The two models are significantly different mostly in terms of time schedule, location of teaching in terms of space, and the resources used. The most important conceptual difference, however, is that while traditional education primarily focuses on developing basic skills, smart education is more oriented towards competences.

Table 2: Characteristics of traditional and" smart" higher educational institutions

Traditional higher education	„Smart higher education"
Fixed schedule (school lessons)	Independent schedule
Traditional textbooks	Digitalized sources
Physical space (classroom)	Virtual space
Lessons	Varied, modern teaching methods
It develops basic skills	Competence-oriented

Source: authors' editing based on Chun S. Lee's article (2015)

In "traditional" higher education time schedule is typically pre-defined in the form of school lessons according to a timetable. In the case of smart higher education, however, independent, individual time schedules may come more and more to the forefront. At the former one, the curriculum is mostly available in the form of books and proprietary course notes, whereas in the case of the latter one all the sources are digitalized. Another important difference between the two teaching methods is the use of space. While physical space is important for traditional education, i.e. the existence of classrooms, in smart education the virtual space is (can be) used in a complementary or exclusive sense (e.g.: Skype conference calls).

After our researches of literature, we examined, partly relying on the literature reviewed, partly on our own experiences, what benefits the implementation of "smart" teaching can bring in the case of best practices, and what can be experienced in cases that differ from ideal implementations.

In the case of good practices both learning and teaching can be assisted by modern and up-to-date digitalized curricula with mainly on-line, multimedia contents and lectures that can be replayed on the internet. These "smart" systems largely contribute to the reduction of teachers' administrative tasks, for example a test completed on-line is automatically corrected by the relevant program and even the score can be recorded, thus helping the work of the teacher. Examining it in respect of management tasks, we found certain features that can be clearly mentioned as positive if a smart education system is implemented: well-established smart systems can be

easily accessed from any platform (Windows, Android, IOS, etc.). They are secure and help the rapid and reliable implementation of processes. They are transparent for everybody, they can be reached with appropriate authorizations, they have clear rules, and support the implementation of long-term strategic goals. It is important to underline sustainability, as for a well-functioning, "smart" higher educational institution it is a fundamental requirement to have a good energy management system and an energy-saving work environment.

When implementation is not ideal, it is found that although there are digitalized teaching materials but these are not up-to-date on the one hand, and on the other hand, they are often not interactive. The system may be too fragmented, i.e. different software is used for each task, and these do not come together in a single system. As a consequence, the quantity of administrative tasks are bound to increase, a lot of unnecessary tasks must be carried out, unnecessary reports must be prepared, and these will lead to the slowing down of processes, and occasionally, new people should be hired to perform the additional tasks. Due to this fragmented structure there are a lot of possibilities to make errors, and as a result, false, incorrect and incomplete data are circulated in the system. Many processes are not clearly regulated, and cases may occur when there are existing rules but they are practically not accessible for the users. At such an implementation the questions of sustainability are definitely not in the focus, energy waste is typical and so is the obsolete and in many cases unnecessary paper-based production of documents.

Table 3: Possible positive and negative features of "smart education"

	Positive features due to the implementation of smart teaching, in the case of best practices	Potential negative phenomena due to the implementation of smart teaching, in cases of not ideal implementations
Learning, teaching	Modern, up-to-date, digitalized on-line curricula	Obsolete curricula
	Teaching materials adequate for students' needs and tailored to individuals if necessary	No interactive digitalization
	Monitoring students' progress	Teacher's administrative interfaces that are difficult to handle
	It does not necessarily require physical presence (distance teaching)	Users not trained (appropriately) to use smart devices
	Promoting students' involvement	Making students disinterested, drop-outs
	Using interactive, multi-media curricula	Static contents
	Facilitating teachers' administration	Increasing teachers' administration tasks
	Goal-oriented teaching for the use of smart devices	Abusing recorded contents
	Re-playable lectures	
	It builds on open access or professional services made available free of charge by others	It wants to implement (program) all functions independently
Management	Systems accessible from any platform	Systems not usable on mobile devices
	Monitoring students' studies	Badly built up useless databases
	Data security, stability	Data loss, instability
	Single (some) software is able to manage a significant part of arising tasks	Use of separate software for each task, their quality is extremely varied
	Acceleration of the process of administration	Slowing down of the process of administration
	Workforce rationalization	Emergence of additional need for workforce
	Modern hardware	Obsolete hardware

Governance	Information related to up-to-date management	Obsolete, mostly incorrect, faulty data in the systems
	Continuously updated internal regulations	Inaccessible internal regulations
	Transparency	Non-transparent systems, incompetent users
	Accessible, strategic goals clear for everybody	Strategic ideas "almost kept in secret"
	Clearly regulated processes	Unregulated processes
Working environment	Healthy, continuously monitored working environment	Energy-wasting working environment
	Clearly regulated authorizations	Badly or incorrectly regulated authorizations
Sustainability	Energy-saving working environment	Energy-wasting working environment
	Well-functioning energy management system	Digitalized contents are printed out, and archived
	Paperless administration	

Source: authors' editing

2 Higher educational institutions of county seat cities according to their level of preparedness (based on public information)

In the second part of our study we investigated the higher educational institutions of our county seat cities from the point of view of their level of preparedness for becoming a smart university. We wanted to know if they have a unified learning system, RFID cards, integrated platforms supporting teaching, distance teaching/central interface, a repository, simultaneously operating, task-oriented systems or integrated management systems, etc. (Orosz, D.- Péter, Zs., 2018)

Name of institution	Unified study system	RFID card	Integrated teaching assistant platform	Distance teaching centre/interface	Repository	Task-oriented systems operating in parallel	Integrated company management system (e.g. SAP)
*Eötvös Loránd University	X	X	X	X	X	X	
University of Debrecen	X	X		X	X	X	X
University of Dunaújváros	X			X	X	X	
University of Eszterházy Károly	X			X	X	X	
University of Kaposvár	X			X	X	X	
University of Miskolc	X	X		X	X	X	X
University of Neumann János	X			X	X	X	
University of Nyíregyháza	X			X		X	
University of Pannon	X			X	X	X	X
University of Pécs	X			X	X	X	X
University of Sopron	X			X	X	X	X
University of Széchenyi István	X	X		X	X	X	X
University of Szeged	X	X		X	X	X	
University of Tatabánya	X			X		X	

Source: authors' editing

Figure 1: Higher educational institutions of county seat cities, according to their level of preparedness (based on public information)

On the basis of available public information it can be said that the universities of our county seat cities are not in a bad position as regards their stage of becoming a "smart" university. All the examined universities have a unified learning system, and they have a distance education/central interface and simultaneously operating, task-oriented systems. Almost all of them have a repository (a document server used by higher educational institutions). An increasing number of higher educational institutions are working with SAP to implement (to simplify) work processes. RFID cards are used in relatively few places, available information on the operation of a platform assisting integrated teaching is found only in respect of ELTE (Eötvös Loránd University of Budapest). Higher educational institutions typically (partially) use free distance teaching systems. It is a typical problem, however, that in many cases due to the requirements of previous projects, numerous systems have been created which are not integrated, and their level of up-to-datedness and usability are rather varied. Alongside the free systems professional software can also be found at the universities, which can provide a stable background for "smart university" developments, obviously at higher costs. It may be reasonably assumed that, taking into account cost-efficiency criteria, even the development of a platform shared

by all the higher educational institutions of Hungary may be considered. Currently, Panopto is one of the world's leading platforms, which is capable of video storage, management, recording (e.g.: teacher's lecture), sharing (tablet computer, smart phone, laptop, personal computer), facilitating administration and motivating students. (www.panopto.com)

3 Summary

The term "smart university" is used by more and more people but no unified concept has been established, and it is often characteristic of universities to use individual solutions. The higher educational institutions of Hungary are found to be in different stages of development on the road of becoming a "smart institution". The developments implemented at the initiative of the institutions are extremely diverse. However, the proper operation of the accomplished developments, particularly in the case of EU sources, is not always ensured after the maintenance period. Therefore we think that operating the "innovations" deriving from legislative or other mandatory obligations show a higher stability.

Acknowledgement

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WITH SOCIAL INNOVATION FOR THE PROSPERITY AND WELL-BEING OF THE COMMUNITY

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1 Introduction

The theoretical antecedents of the concept of innovation appeared in Schumpeter's work in 1912, entitled 'The Theory of Economic Development'. Schumpeter considered the entrepreneur's activity the essence of business cycles as a result of which, by way of an innovation, the existing balance is disrupted, and afterwards, with the dissemination of the innovation and its adaptation in the economy a new balance is attained. He combined the theory of innovation with the theory of creative disruption and defined the entrepreneur as someone who creates a new product or service by the novel combination of the existing factors.

Ogburn (1957) interprets a defined combination of the cultural elements found in society, or their modification according to given principles, as the effort to renew society. The significant role of social initiatives was also investigated by Dénes Gábor in 1970, who analyzed scientific, technical, biological and social innovations, and he found that technical innovations had significantly broken away from social innovations. In his view the predominance of technical innovations created disproportions in the process of innovation, as the efforts made to increase social welfare were lagging behind and were pushed aside, to the periphery. In his understanding social innovation is a comprehensive framework program that is primarily not an initiative pursued in parallel with technical innovation, but a "reform" that controls and regulates the totality of innovations (Gábor, 1970). When rendering a theoretical definition of social innovation it must be stressed that innovation is necessary in every field of life, the innovative initiatives cannot be restricted to technical and economic areas

(Drucker, 1985). In the 1970's special attention is paid to the concept of social innovation (Rosanvallon, Fournier), and emphasis is put on the role of social transformation in problem solving (MacCallum et al., 2012). Social initiatives are novel solutions that respond to people's problems (Whyte, 1982). Zapf (1990), as well as Bagnasco and Sabel (1995) highlight the basic importance of cooperation, a novel and collaborative social problem-solving (in terms of social and economic innovations).

2 Social innovation processes

The comprehensive investigation of the social innovation process is a relevant task (Manzini, 2014) due to two reasons:

- on the one hand, social innovation efforts have multiplied, and they are more and more capable of finding solutions to manage social challenges,
- on the other hand, the process of social innovation is a change in itself, which leads to new solutions unknown before.

The process of social innovation can be captured using two polarities (Manzini, 2014):

- incremental vs. radical change: similarly to technological innovations the proposed change can be implemented within the limits that have been known until then (incremental innovation) or through efforts outside the limits (radical innovation),
- top-down vs. bottom-up initiative: the starting point of the innovation process is the person or group of people who launch the process of change. If they are researchers or decision-makers then the process is controlled from above, if (characteristically) it is based on the involvement of people and small communities, then it is a bottom-up initiative. As a combination of top-down and bottom-up processes hybrid social innovation processes are established.

The social innovation process can be described by interrelated sub-processes (Moulaert et al., 2005):

- meeting social needs,
- changes of social relations,
- mobilizing socio-political resources and their access.

García et al. (2015) identify social innovation as a wide range of processes, as a result of which:

- resources and services are created that serve to meet social demands,
- trust and the supportive activity of marginalized groups are strengthening,
- social relationships are transformed and the transformation brings about new governmental measures.

Bacon et al. (2008) identified three determining factors that explain the dynamics of social innovation:

- willingness to change (either due to fear of being threatened or based on an opportunity for innovation),
- efficient activation of available (internal) resources for the purpose of change,
- successful achievement of available (external) resources to implement the transformation process.

The resources (people, money, capabilities and networks) in this interpretation represent the resources that mean a positive feedback from the community preparing for renewal.

The basic criterion of the social innovation process is that the effort should be a novel initiative. This does not necessarily mean a completely new solution, but a novel combination of schemes that have already worked well, which satisfy the existing social needs. In the case of social needs it is a criterion of outstanding importance how urgent the needs are and how sustainable the suggested solution is. Social innovation is not a linear but a spiral-shaped process with feedback loops. It is reasonable to ask questions about the level of appearance of the effort, the sector where the initiative can be observed and the examination of further development (generation) opportunities.

Social innovation is a dynamic process. A significant factor is the feedback loop in certain activities of social innovation, and also the relevance of time.
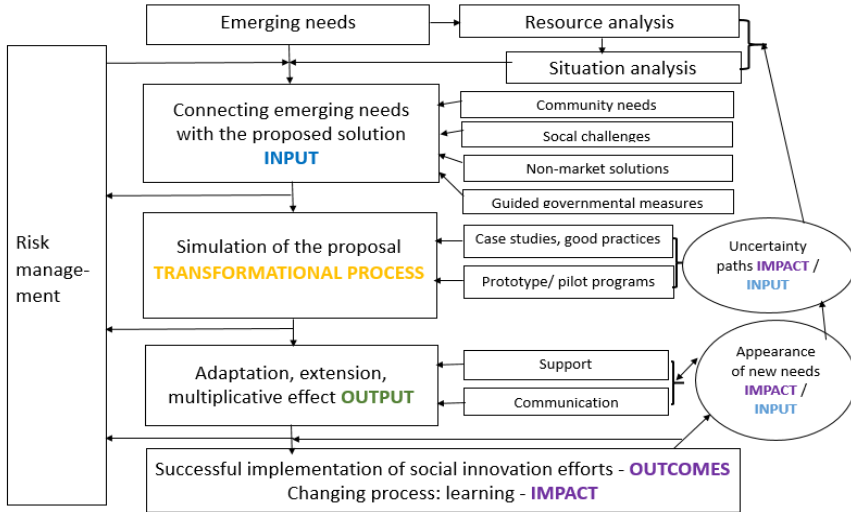

Figure 1: Dynamic social innovation processes

Source: author's editing (based on Veresné Somosi-Varga, 2018)

The starting step of the social innovation process is the investigation of the arising need the meeting of which requires the prior resource analysis and the related situation analysis. The input factors in the social innovation process are the community needs, the social challenges, the non-market-based solutions and the targeted governmental measures, as well as their linking with the novel responses given to them. The efforts are basically not market-based solutions but initiatives that result in the renewal of society among other things, and they shape the community in the long term. Another input factor in this phase is risk management. The next step is the simulation test of the proposed solution, which means the introduction of prototypes and/or pilot programs after the case studies and good practices have been examined. This is the most uncertain phase of the social innovation process, which continuously produces challenges for the stakeholders of the endeavours. After the social effort has proved its suitability in practice, it becomes adaptable. That is when its expansion

occurs and its multiplicative effect is demonstrated. At this point of the process significant factors are the supportive atmosphere (resources, institutions, political and social framework conditions) and adequate communication. In this phase even new needs may arise or new efforts may be put forward to the community as proposed solutions via well-functioning communication channels. The successful implementation of the social initiative as an output leads to the process of change (and learning at the same time). All along the process it is necessary to weigh the risks and evaluate them, and develop strategies for their reduction or elimination. After the successful implementation new needs will arise that the socially innovative community will be able to satisfy by going through the process described above. Hence, social innovation is a dynamic process that results in social learning with the help of feedback loops and constant risk assessments.

3 The role of social innovation efforts/endeavours in catching up

Social challenges that need long-term solutions (e.g. unemployment, migration, disadvantaged areas) require novel social collaborations. Social innovation is a necessary step to achieve development and enhance competitiveness, in which the role of innovators is significant. The innovators are members of the local community, or in a broader sense, of society, who, being aware of their needs, come up with new or novel solutions to satisfy the demands determined by social challenges. During my investigations I particularly focus on the most disadvantaged areas and I examine those opportunities that help them to catch up. In the case of the lagging villages/towns of the Abaúj region it is absolutely necessary to introduce novel types of collaborations, identify and satisfy local needs accurately, involve citizens in local decisions, and analyse the impact of social innovation efforts on the increase of living standards.

Figure 2: Main objectives of social innovation efforts

Source: author's editing

It is a significant task to address the problem of lagging behind deriving from regional disproportions, and to create catching up opportunities in peripheral areas. Alongside the technical and scientific innovations that had been predominant until the 1980's, such innovations emerged that primarily intended to enhance the well-being of society and a given community. Settlements in peripheral positions and their needs came to the foreground. Social differences, the decrease in catching-up opportunities, the lower level of competitiveness of the peripheries jointly and also individually require a solution. The proposed solution should help to catch up and mitigate differences (Varga, 2017). In that catching-up process the novel ideas and the activities of social innovation that can be interpreted at community level gained a significant place. It must be emphasized that in comparison to the process of social innovation the scientific, technical and economic innovations do not become unnecessary, as they are able to increase the well-being of a given community together, "hand-in-hand" with social innovations. Farkas characterises the relationship between the technical and economic innovation and the social innovation by stating

that the "latter process means the boundary condition, the room for manoeuvre, the medium of the former one" (Farkas, 1984, p. 11).

There is a correlation between the economic output and the innovation capability of a given area (Kocziszky-Veresné Somosi, 2016, and further research results can be read on this topic in the works of Szűcsné Markovics 2015, Kocziszky et al. 2017, Balaton and Varga 2017, Veresné Somosi and Varga 2018, Szűcsné Markovics 2019, Bozsik et al. 2019, Lipták et al. 2019, Lipták 2020, Metszősy 2020, Musinszki et al. 2020, Süveges 2020, Szendi 2020, Szűcsné Markovics 2020, Veresné Somosi et al. 2020, Bozsik et al. 2021, Karajz 2021), however, should be interpreted in a broader sense than before. The European Union, in harmony with social changes, devotes more attention to the correlations of social innovation than previously.

It is necessary to have a change of paradigm. In addition to the technical and scientific R&D activities requiring increasingly high expenditure, there is a growing need for new and novel solutions suitable for managing the social and economic problems of small communities (settlement and region).

4 Study: method and results

The research on Nyírbátor District (Szabolcs-Szatmár-Bereg County) was conducted based on the analysis of available statistical data (TEIR, KSH) and interviews with experts. On the basis of the qualitative interviews made with the mayors and experts from the economic and civil sector, it can be stated that the district includes disadvantaged settlements, which are confronted with significant challenges. Social innovation efforts play an outstanding role in the management of these challenges, and their successful implementation possibilities are examined by this study.

The research consists of two parts:

- creation and analysis of statistical database,
- interviews with experts and analysis of the interviews.

The main groups of questions of the semi-structured interviews are the following:

- general organisational information,
- social innovation as their own concept,
- implemented social innovations,
- planned social innovation efforts/endeavours,
- area cooperations (and their opportunities).

4. 1. The main challenges of Nyírbátor District

The LAU 1 (former NUTS 4) level of the European statistical system, corresponds to the district level in Hungary. According to Government Decree No. 290/2014 (XI. 26.) (decree on the classification of beneficiary districts) the following areas are qualified beneficiary areas:

- beneficiary district: its complex indicator is lower than the average of the complex indicators of all the districts,
- districts to be developed: districts with the lowest complex indicators, where 15% of the population of Hungary live.

Based on the above classification, districts with the lowest complex indicators, where 10% of the cumulative population live, are districts to be developed with a complex program. The complex indicator is a composite indicator determined on the basis of social and demographic indicators, housing and living conditions indicators, local economic and labour market indicators, as well as infrastructural and environmental indicators.

Number of districts to be developed with a complex program based on the district development indicator (KSH (*Central Statistical Office*)) on 1 January 2015: 36, they are characteristically situated in the peripheral part of the country. Every other inhabitant of Szabolcs-Szatmár-Bereg County lives in a district to be developed with a complex program (KSH, 2016).

The main challenges of Nyírbátor District:

1 1: Social needs and challenges of Nyírbátor District, as a peripheral area

Social		Economic		Political	
Needs	Challenges	Needs	Challenges	Needs	Challenges
involvement of citizens, social services (health, education, etc.), mobility, community	migration, ageing, disad-vantaged groups, inequality between levels of education	safety, security stability, employment, sustainabi-lity, trust	housing conditions, unem-ployment, financial resources, expertise	awareness, mobilizing force, political participation	govern-mental trans-parency, indepen-dence of decisions, engagement

Source: author's editing (based on Veresné et al. 2019)

4. 2. Focus points of social innovation efforts in Nyírbátor District

In the case of the disadvantaged settlements of Nyírbátor District social innovation appears in the form of a model, and it determines the success of the catching up process in that form.

The efforts basically respond to local needs. They manage the challenges affecting the inhabitants in the form of creative problem solving and novel cooperation, and they result in higher living standards and bring about well-being.

During the qualitative investigation four critical areas were identified:

- helping disadvantaged groups to be employed,
- strengthening attachment to the place of living,
- reducing inequalities in education,
- supporting local economic development.

Table 2: Good practices of social innovation helping the catching up of Nyírbátor District

NEED/CHALLENGE	GOOD PRACTICE	SETTLEMENT
increasing employment	Roma employment program	Nyírbátor
strengthening attachment to the place of living,	supporting civil society organisations	Máriapócs
reduction of inequalities in education	Tanoda (remedial) study program	Nyírvasvári
local economic development	Dragon Race	Nyírbátor

Source: author's editing

4. 2. 1. Roma employment program (Nyírbátor)

In Nyírbátor, in the main town of the district, a complex program was launched in 2015 to improve the living conditions of Roma communities. Nyírbátor defined such interventions as a part of social innovation endeavours that used an integrated approach to managing the infrastructural deficiencies of the residential environment, the labour market, the level of education, as well as health problems and other problems of the disadvantaged population. Within the framework of "soft" interventions the programs implemented were helping the social integration of disadvantaged inhabitants in various labour market training sessions, actions for the employment of the permanently unemployed and programs designed to develop the civil society. The novelty of the interventions was that before the programs were drawn up, they were preceded by different professional forums, round-table discussions (businesses – local government – disadvantaged inhabitants), and open days. Socially innovative solutions were found, which were truly based on a real social dialogue and partnership, during which partnership went beyond the usual forms and participants were actively thinking together.

In the area of employment the following short-term objectives were set:
- providing detailed information about training and crafts for disadvantage groups,
- setting positive examples for disadvantaged groups,
- providing vocational training for disadvantaged groups according to

the needs of employers,
- introducing mentoring for the relevant people,
- establishing a process of talent development for the relevant people,
- defining the framework conditions for the scholarship system.

In relation to the above objectives the following long-term objectives were set in the area of employment:
- ensuring the presence of Roma employees in all areas of the labour market,
- involving open-minded and welcoming employers into the program,
- making available well-prepared, motivated, disciplined, trained workforce from the members of the disadvantaged groups.

4. 2. 2. Strengthening attachment to the place of living

The attachment to the place of living can be strengthened through cooperation with civil organisations, by reacting to the needs of the members represented by the organisations, and with the help of the innovator role of the mayor. In Máriapócs all the above criteria can be seen to be present. The basis of success is the support provided by the civil society organisations. The 12 civil society organisations of the settlement with a population of 2130 were organised according to the different needs and challenges affecting the inhabitants:
- supporting disadvantaged groups,
- supplying information in connection with health,
- giving support to children,
- taking into account local needs.

The settlement handed over a Civil House in the spring of 2017, which can be used free of charge by the associations. The Civil House, after the old mansion house was renewed from project competition sources, has served as an office, a venue of meetings and events, and as a club for civil society organisations. There are regular meetings of associations held here. In order to maintain good relations with the civil society

organisations, the leader of the town holds a community-building event called the Civilians' Pig Killing Feast in January, where members of the civil society organisations take part in the pig killing feast. At these events 100 to 150 members of the associations spend the day together and get to know each other and each other's needs better. The Civil House can also be used by the inhabitants of the town as a good venue to celebrate different events (engagement, high-school graduation).

4. 2. 3. Reducing educational inequalities of disadvantaged children (Nyírvasvári)

Nyírvasvári also implements social innovation initiatives through one of its civil society organisations. 'Vasvári People for Vasvári', a community association established in 2006 to meet higher level cultural needs, has held numerous programs over the past decade. The main focuses of the programs were the following:

- public education,
- developing health awareness,
- employment of disadvantaged employees,
- strengthening attachment to the place of living,
- reducing inequalities in education

The further education chances of 37 young people were improved with the help of the Tanoda (remedial) study program, during which remedial classes were given to catch up in certain school subjects, recreational and cultural programs were organised and mentoring was held in 2010-2011.

The idea of Tanoda was developed with the following objectives:

- young people should be taught to be able to integrate and be self-assertive so that they can be part of the active working population of the settlement,
- the number of pupils taking part in the program in secondary schools should grow, and as many pupils as possible should obtain a secondary school leaving certificate and a certificate for practising a craft,

-   the study results of pupils should be improved and their lag should be reduced.

Compared to the planned 35 pupils, the program helped 37 children during its operation.

4. 2. 4. Dragon Race (Nyírbátor)

The Dragon Race is an obstacle course race with extreme obstacles on the Land of Dragons held every year. Its venue is Nyírbátor, the Sárkány Wellness és Gyógyfürdő (*Dragon Wellness and Medicinal Baths*) and its forest environment.

The aim of the race is to provide an opportunity for all those who are attracted to this kind of activity. The vision of the organisers is that the race becomes recognised internationally, and this sport becomes established in Nyírbátor. The first race was organised in Nyírbátor in 2017. The organisers, in cooperation with the management of the town and the local medicinal baths, decided to hold an event that has had no precedent in the town. The obstacle course was created following the example of the Spartan Race. Sárkány Wellness and Medicinal Baths have ideal conditions for such a race. The event was organised for the second time in July 2018, which was attended by more than three times as many competitors as in the previous year. In 2019 it was possible to hold two races. With this the initiative it has grown into a Dragon Race&ICE, an obstacle course race held in the summer and in the winter.

One of the important events of the race is the Shopping Bag Sprint where the entry fee is non-perishable food (flour, oil, pasta). The donations are transferred to the families in need in the area by the organisers. During the sprint the participants run for a short distance wearing a house coat (typically worn by housewives at home) and carrying a shopping bag, which itself draws attention to the program.

Results of the races:

2017: 1st Dragon Race

- competition as a stand-alone program: 64 competitors, 23 volunteers (including photographers)
- accompanying program: House Coat Trail-Shopping Bag Run, creating a group event on FB, entry for the race on the sportkrono. hu site

2018: 2nd Dragon Race

- one of the main programs of the 'Bátor' (*Brave*) Sporting Day, a full-day event: 253 competitors, 65 volunteers (including photographers), special prizes: the oldest competitor, competitor celebrating his/her birthday,
- accompanying program: Housecoat Trail-Shopping Bag Run, 3-month Facebook campaign, group event and advertising, Instagram site, YouTube channel, dragonracehun@gmail.com and starting its own website (www.dragonrace.hu), entry on the sportkrono.hu site, entry for Dragon Ice via its own site

2019: New Race: Dragon ICE a winter dragon race run and a new logo,

- competition as a stand-alone program: 169 competitors, 60 volunteers (including photographers), Dragon Race has been put on the large running map (OCR Magazine).

4. 3. Social innovation initiative as a good practice

During the research I placed emphasis on examining the social innovation initiatives that can be interpreted as good practices. I assume that the novel collaborations that can be seen in and between certain settlements serve as examples for other settlements, which may occasionally be disadvantaged. Presenting and becoming familiar with local, regional and international experiences and practices are equally useful for the party transferring the example and the party adapting it later. The former one can expand his/her knowledge regarding sustainability, while the latter one can examine the challenges of adaptation and the opportunities offered

by the new structures. I investigated new and innovative solutions, which I recorded as case studies. Analysing the individual cases makes it possible to present a good practice in a complex way, creating an opportunity for adaptation, sustainable operation and efficient implementation.

The above initiative (Dragon Race) as a good practice sets an example, and shows a direction after adaptation (e.g. in the process of catching up). Its registration in a system and its dissemination facilitate the generation of further innovations.

Documentation is a guarantee for transferability. Documentation has principles on the basis of which it can be ensured that the case identified as a good practice represents a real example. The good practice was documented using three main questions. The questions focused on general information, the descriptive presentation of the practice and discovering the reasons justifying the good practice. This documentation principle made it possible to render a full-scale analysis of the exemplary practice and to judge its success. Local initiatives can also be implemented elsewhere, tailored to the local conditions and practices. It can be seen in several cases that the solutions used at other organisations, in other villages, towns or countries are not known in certain regions, so it is particularly useful to record good practices and disseminate information on the ones already working well.

General Information	Name / address	Dragon Race
	Contacts	Zoltán Margitics, Dézi Polyák
	Objective	become an internationally recognized race and adoption of this sport in Nyírbátor
	Target group	everybody who likes sport and is willing to compete
	Target region	Nyírbátor (Szabolcs-Szatmár-Bereg County)
	Required human resources	65 people
	Financing	entry fee, local government and other supports
	Required infrastructure	marketing, communications, internet
Description of good practice	Brief presentation	An obstacle course race on the Land of Dragons, based on the world famous Spartan Race, with numerous extreme obstacles, where it is not only strength but also brain power that counts.
	Implementation	In cooperation with the management of the town and the local medicinal baths, an event was held in 2017 that was without precedent in the town. Sárkány Wellness and Medicinal Baths has the conditions ideal for such a race. They managed to hold two events in 2019. With this, the initiative has grown into a Dragon Race&ICE, an obstacle course race held in summer and winter.
	Results and expected impact	350 competitors, 70 volunteers, marketing campaign, long-term cooperation with business partners, Shopping Bag Run (charity)
	Obstacles and lessons to learn	lack of expertise and volunteering, resistance from certain groups of the town

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5. Conclusion

When examining social innovation initiatives, the emphasis is placed on the social benefits of the innovative ideas in problem solving, which can be interpreted at local and community level, and the role of the community's active participation aiming to increase the living standards. The new social practices and solutions are targeted at a social change based on comprehensive, pre-planned and goal-oriented actions (Cajaiba-Santana, 2014). Apart from external negative stigmatization, a separate problem is created by the internal stigmatization process (Döringer, 2017) which originates from the needs of local inhabitants to be involved in local decisions.

In the case of disadvantaged, lagging settlements, the active participation in decision-making and the mobilization of civil society are key issues, one tool of which is to help social innovation efforts. The success of social innovation initiatives significantly depends on regional or local collaborations, networks, the support of which is a basic task for the local governments of the relevant area. Decision-making based on the involvement of local inhabitants is a change of paradigm in the operation of local governments, which qualifies as social innovation in itself.

In the case of Nyírbátor District, the communication and the mutual learning process taking place among local inhabitants, the actors of the economic and political sector, and the civil society organisations have a major significance in the activation of internal potentials. Alongside the given environmental conditions as endogenous variables, the support of social innovation endeavours, the initiation of new forms of collaborations are critical factors of the successful catching up processes.

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ANALYSIS OF DEMOGRAPHIC PROCESSES AND THE CAPACITIES OF HEALTH INSTITUTIONS IN EUROPEAN OECD COUNTRIES

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1 Introduction

Research on social enterprises has gained momentum in Hungary only recently (See, for example, the results related to social enterprises and social cooperatives in the works of Szűcsné Markovics 2015, Kocziszky et al. 2017, Balaton and Varga 2017, Veresné Somosi and Varga 2018, Szűcsné Markovics 2019, Bozsik et al. 2019, Lipták et al. 2019, Lipták 2020, Metszősy 2020, Musinszki et al. 2020, Süveges 2020, Szendi 2020, Szűcsné Markovics 2020, Veresné Somosi et al. 2020, Bozsik et al. 2021, Karajz 2021).

The health system of a country plays an important role in society and in the economy. The standards and level of advancement of the health care system determines a population's state of health, thus their everyday lives, not to mention the economic effects. Health care is one of the largest employers, and its background industry also has a significant impact on the economy. My investigations cover OECD countries, and within them the European OECD countries.

2 Trends

In developed countries society is ageing at an increasing rate and population pyramids are getting distorted towards the elderly age group. In European countries, if the trend does not change, in 20 to 30 years, the elderly age group will have the largest share in the population.

In developed countries we would predict the decrease of the population but surprising information is disclosed by Figure 1. The annual average growth rate of the population shows a smaller or greater increase in OECD countries with the exception of some countries, such as Hungary, Estonia, Latvia and Portugal. In Hungary the population decreased yearly by 0.2% on average between 1990 and 2015.
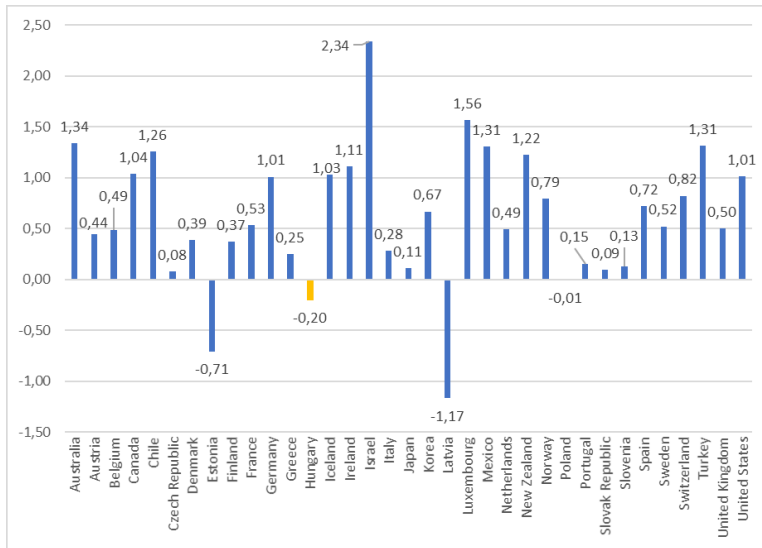
Source: author's editing based on OECD data

Figure 1: Average annual change in population between 1990 and 2015 in OECD countries (%)

Distortion of the population pyramids is also explained by the growth of life expectancy at birth, which is the result of the combined effect of several factors. People are more conscious of the food they eat and they try to live more healthily. With the advancement of medical sciences and with the help of medicines it is possible to live together with or survive a lot of diseases previously considered incurable. Figure 2 shows life expectancy at birth in 1990 and 2014 in OECD countries.
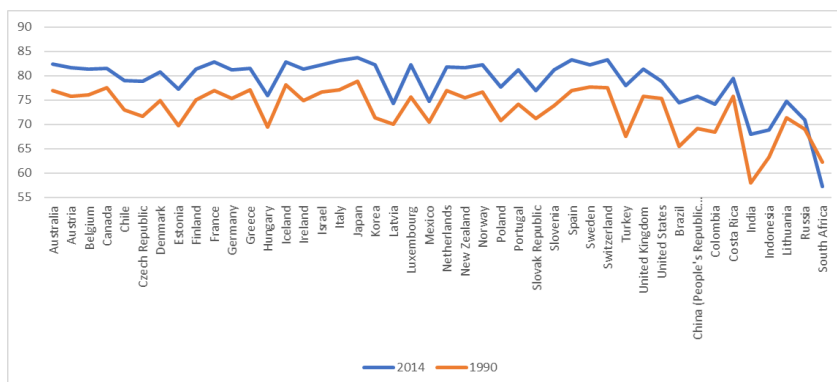
*Figure 2: Life expectancy at birth in OECD countries
1990, 2014*

Focusing on European countries, life expectancy at birth grew by 5 years on average everywhere during a period of 24 years, but there are countries with worse indicators, including Hungary as well.

3 Analysis

In the majority of countries, as a consequence of the increase of life expectancy (inter alia) population is growing, and at the same time, due to the development of sciences (inter alia) society is ageing at an increasing rate. Health systems must cater for the additional needs arising this way. The elderly age group uses health care systems to a larger extent. The state must contribute to the financing and maintenance of these additional demands.

The size of GDP alone is not sufficient for assessing the health system of a country. It should also be examined how much a country spends from its gross domestic product on funding its health system. This is illustrated by Figure 3.

When comparing specific values, the per capita current health care expenditure makes up a very small part of the per capita GDP in OECD countries. In comparison to the specific GDP outliers of Norway,

Luxembourg and Switzerland, most of the examined countries are situated in the band of 20 to 60 thousand US dollars. However, when specific per capita health care expenditure is viewed, no such great fluctuations can be seen.

Two levels of professional in-patient health care can be distinguished: acute and chronic care. Due to reasons described in my previous study the data of acute care are most suitable for performing comparisons between countries. So this is the reason why I use acute data.
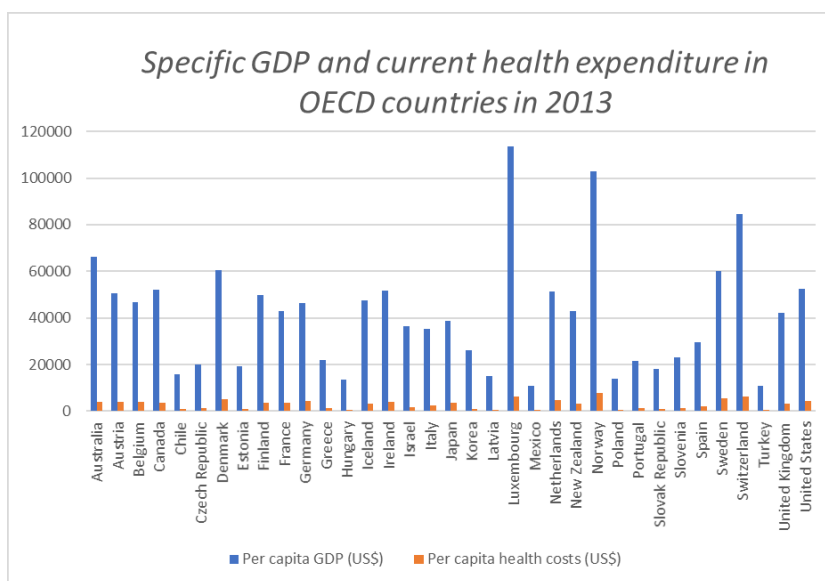
Source: author's editing based on OECD data

Figure 3: Specific GDP and current health expenditure in OECD countries in 2013

In the 1960's to 1970's the level of development of a country's health system was also measured by the number of hospital beds in every country. So the health systems established focused on the number of hospital beds. However, in the 1980's Western European countries started to reduce the number of hospital beds. Hungary only started to follow this direction after the change of the political regime.

Examining the annual average rate of change in the number of hospital beds and acute care hospital beds in the European OECD countries

between 2007 and 2013, a decreasing trend is apparent in the number of hospital beds.

In my previous investigations I made a cluster analysis for the data of the European OECD countries.

The cluster analysis, based on the specific health care expenditure and the number of acute care beds per 1000 people shows a typization among European OECD countries (Figure 4).

Clusters can be identified very well according to the financing system of the given country's health care.
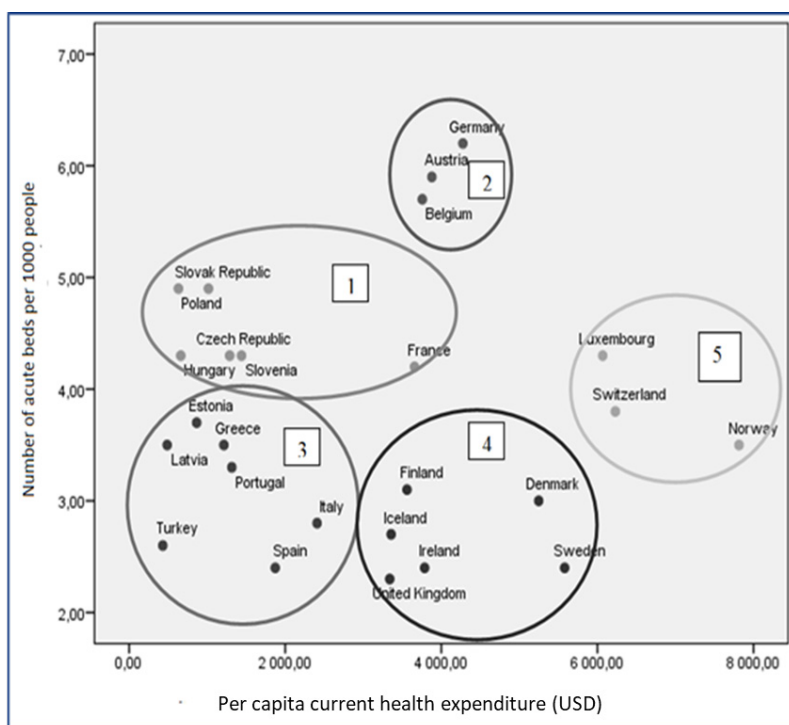
Figure 4: Cluster analysis, based on the per capita current health care expenditure and the number of acute care beds per 1000 people using data of 2013

- 1.: it includes former socialist countries, which possess financing systems developed from the mixture of the Soviet Semashko and the German Bismark models. Health care was financed within the framework of a planned economy from the state budget through local governments on a residual basis. Its significant result was the establishment of public health care. It was characterised by strong centralisation. The health care system of France is also part of this group as it follows the Bismarck model, though the chart clearly shows that it is different from the other countries to a small extent. These countries have low specific current healthcare expenditure and high specific number of acute hospital beds.

- 2.: developed Western European countries with health care systems set up according to the Bismarck model. (Germany, Austria, Belgium) The health care services are provided by both public and private sectors. These are the countries with the highest specific number of hospital beds. It proves that it was not only the socialist system but also the Bismarck system that placed the number of beds at the centre. Its two basic principles are solidarity among the insured and the mandatory character of the employer's contribution. The resources are provided from contributions. The essence of the system is that all citizens who are able to pay a contribution must mandatorily pay a social insurance contribution at a given % ratio of their income, and almost all citizens (except for the peasantry in the country, the unemployed in towns and the highest rich layer of society) are provided with health care services. Apart from the mandatory social insurance there are also private insurers. The mandatory insurance is not mandatory over a certain income level.

- 3.: In Estonia there is a social insurance system operated with insurers, but in the other countries the Anglo-Saxon Beveridge model – the NHS system – is followed, which finances health care from taxes. In the Southern countries a somehow modified version of this evolved, in which sectoral insurers also exist. (Estonia, Latvia, Italy, Portugal, Spain, Turkey, Greece) This group is characterised by a lower specific number of hospital beds due to the Beveridge model, and lower specific costs as a result of the economic situation of the countries.

- 4.: The classical form of the Beveridge model and its Scandinavian version. It is characterised by a centralized state healthcare service.

Similarly to classical budgetary systems it relies on basis-based institution funding. It spread after the Second World War from the UK. The National Health Service (NHS) is the central organ in the UK. The resources are mostly provided from taxes. Free use of the service is only granted subject to meeting strict rules. Hospital care, for example, is only free if the patient has a referral from the family doctor, thus strengthening the gate-keeper function of primary care. In each country financing is provided from taxes, and Scandinavian countries are characterised by their health centres run by regional local governments. In each country health service is ensured as a public service. (United Kingdom, Ireland, Iceland, Denmark, Sweden, Finland)

- 5.: This group is the least identifiable. In Luxembourg the health care system is maintained by social insurance and there are healthcare service providers with mixed ownership. In Norway financing is tax-based and it mainly has public service providers. Switzerland is similar to the US model, it is characterised by strong self-care and mainly private service providers are part of it. The free market model (mixed system) (USA model, Medicare, Medicaid system). A system based on a market principle, and on individual self-care. Private service providers and private insurers make up the supply and financing side but with state control. Insurance is not mandatory for everybody and in a part of the cases payment is not proportional to income but to the risk. In Europe Switzerland has a similar system. However, characteristically, the rate of specific health care expenditure is high in these countries. These countries spend most on health care expenditures specifically.

Based on the clusters I examined how the demographic and health system data of the individual countries changed.

Hospitals characteristically have acute care beds. That is why I examined how the current health expenditure to GDP ratio changed with regard to all the health service providers and also to hospitals alone.

In Figure 5 the countries are arranged according to the clusters I identified, so the identical or irregular features within the clusters are apparent.
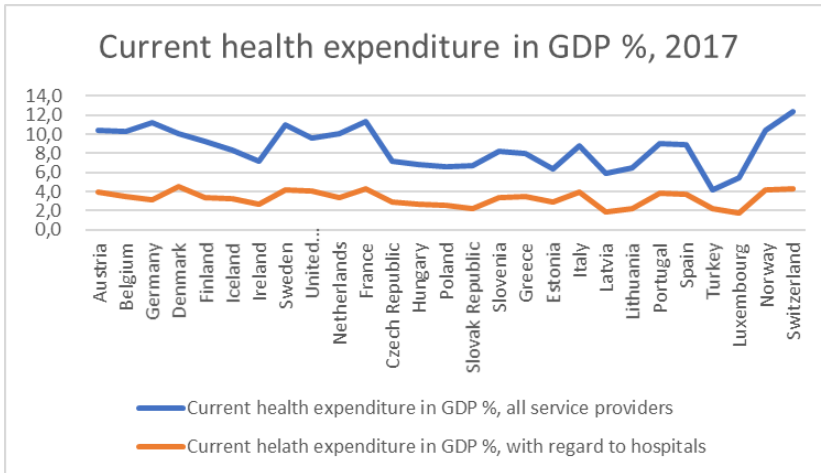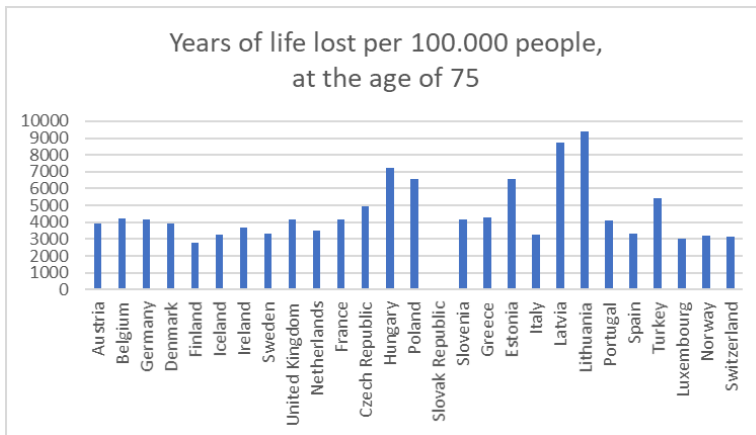
Source: author's editing based on OECD data

Figure 5

Typically the ratio of all health expenditure is the double of the ratio of the expenditure spent on hospitals.

The lower values can be seen in the cluster that includes Hungary and in the countries of the modified southern Beveridge model.

Source: author's editing based on OECD data

Figure 6

Exploring the clusters on the basis of demographic indicators, it can be established that in the case of countries with higher specific GDP, more favourable values can be seen when examining the years of life lost. (Figure 6) In the case of country groups with lower GDP, the values are hectic or high.
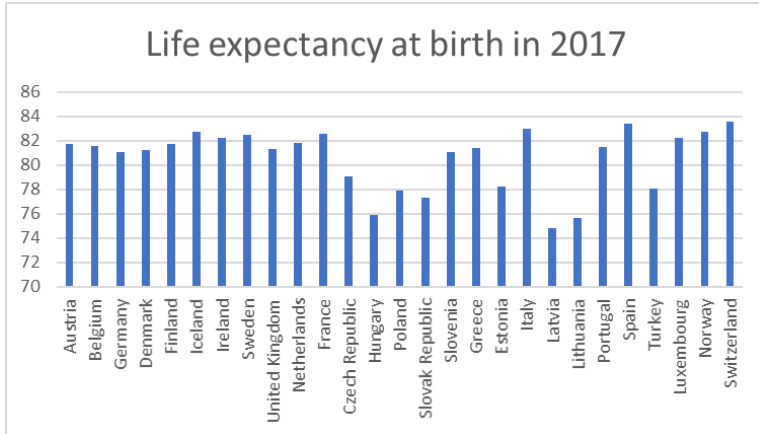
Source: author's editing based on OECD data

Figure 7

Regarding life expectancy at birth, nearly identical values can be seen at three clusters, only the countries using the Semashko-Bismark model and the modified Beveridge model, which basically have a lower specific GDP, differ significantly. Unfortunately Hungary also belongs to the laggards. (Figure 7)
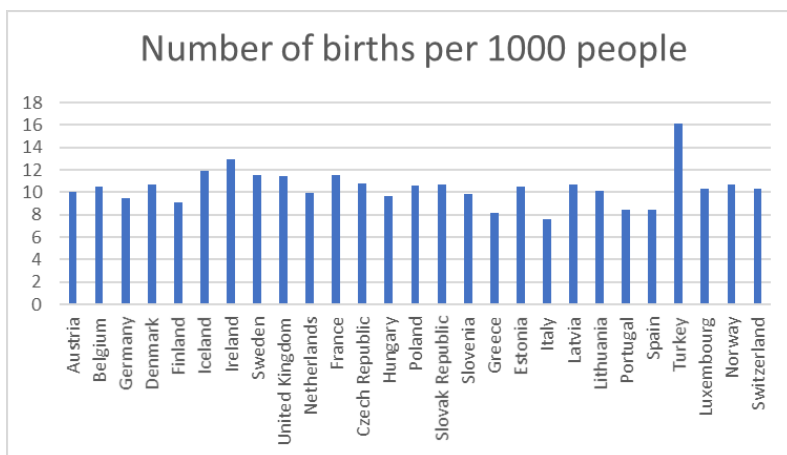
Source: author's editing based on OECD data

Figure 8

The birth rates do not show as big discrepancies as in the case of the previous indicators. (Figure 8) Perhaps I would highlight Turkey with its outliner birth rate, but it also has the lowest ratio of the elderly population. Turkey would still present the classic pyramid-shaped population pyramid. (Figure 9)
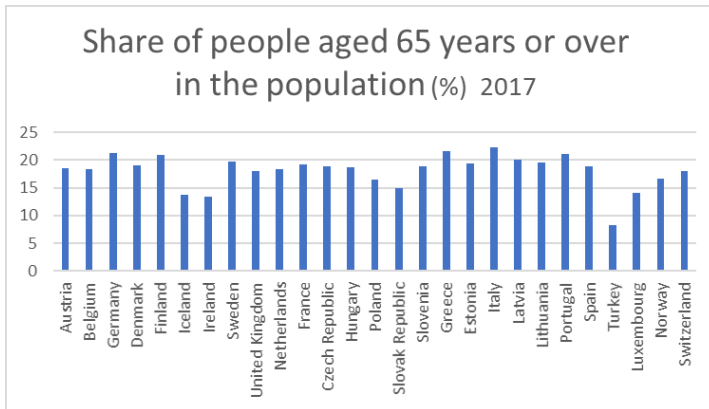
Source: author's editing based on OECD data

Figure 9

In Figure 10 the specific alcohol consumption depicts a completely hectic picture, even within the clusters. No interrelation can be found between the countries within the clusters, in none of the clusters.
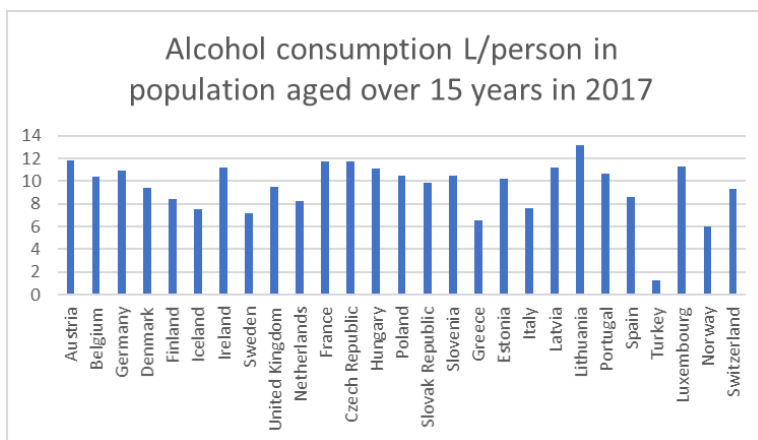
Source: author's editing based on OECD data

Figure 10

The same refers to calorie intake. The health system has no impact on the average calorie intake. (Figure 11)

Kcal (kilocalorie) / person / day, 2017
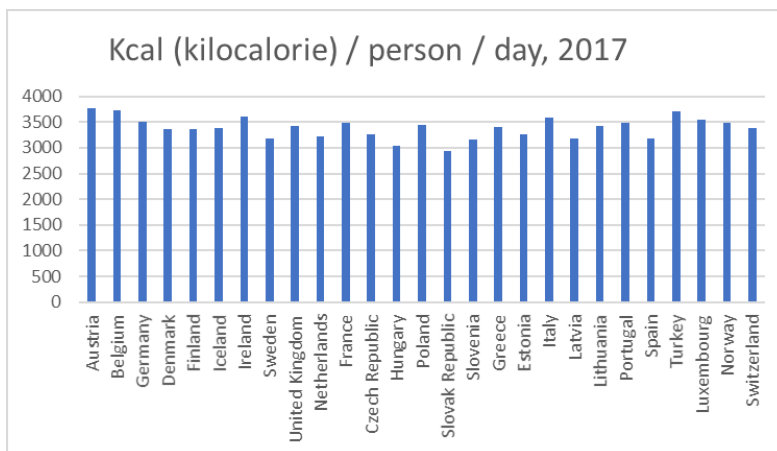
Source: author's editing based on OECD data

Figure 11

Hungary had the second lowest average calorie intake in 2017.

Figure 12 illustrates the specific number of hospital beds and the number of acute care beds. The values of the countries operating the classic Bismark model are outliers (Germany, Austria, Belgium). Higher specific numbers of hospital beds can be seen also in the case of former socialist countries but they are not so balanced as in the other cluster. The countries operating based on the Beveridge model have the lowest specific value, while those with the modified Beverdige model take up a little higher and rather diverging values.
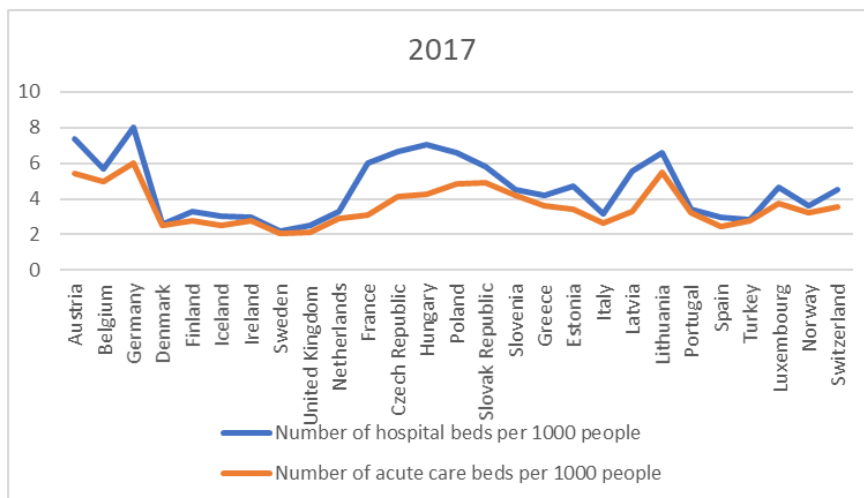
Source: author's editing based on OECD data

Figure 12

I modelled the influencing factors of life expectancy at birth by a multivariant regression function based on the European OECD data of 2017. As a final result, death rate, expected year of life lost (YLL) and current health expenditure expressed as a percentage of GDP proved to be significant out of my variables. (Corrected R^2 98.4 %). From the correlation it was found that if the share of health expenditure within the GDP increases, life expectancy at birth will increase by 0.09 years in the OECD countries.

In another regression relation I examined what factors may exert an influence on the number of acute care beds per one thousand people. The following variables proved to be significant,

Life expectancy at birth	~~-0.47038~~
Number of births per 1000 people	~~-0.622~~
Share of people aged 65 years or over in the population (%)	**-0.33732**
Current health expenditure in GDP %, all service providers	**0.386749**
Alcohol consumption (L/person) in the population aged over 15 years	**0.143406**
Kcal (kilocalorie) / person / day	~~0.002418~~

but after checking the condition for the homogeneity of variances I removed three more variables from my model. In the resulting model (corrected R^2 56%) if the ratio of current health expenditure within the GDP increases by 1 %, the number of acute care beds per one thousand people will increase by 0.387 beds, whereas if the share of the people over 65 years in the population grows by 1 %, the number of acute care beds will decrease by 0.337 beds.

Furthermore, if specific alcohol consumption grows by 1 litre, the number of acute care beds per one thousand people will grow by 0.14 beds. As a consequence of the harmful side effects of alcohol consumption, patients will be transferred to acute care wards. The regression analysis of the data from 2017 shed light on interesting correlations.

4 Conclusions

The demographic data and the characteristic indicators of the state of health investigated in my study do not characteristically tend to show homogeneity even in the case of countries belonging to the same cluster.

It can be established that well-identifiable clusters can be created with regard to health systems, based on the specific number of hospital beds and specific health GDP, however, life expectancy, demographic indicators, years of life lost, and various risk factors do not manifest differences that can be explained based on the clusters.

That is why I opted for conducting regression analyses for statistical purposes in my study, which produced a surprising finding, namely, that if the ratio of the elderly population increases, the impact will be that the specific number of acute beds will decrease. It is easy to accept that in the case of elderly people, the demand will not necessarily grow for acute care but much more for chronic care. Regression analysis, or the analysis of stochastic relations provide opportunities to further explore deeper correlations.

Acknowledgement

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CONTRIBUTIONS TO THE HISTORY OF THE "HELPING FRIEND WORKING COMMUNITY"

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1 Introduction

A special area of research on social conflicts in Hungary is the functioning of prejudices against minority religions and communities, called "sects", by a pejorative term. Right after the change of regime, in the early 1990's, a genuine campaign unfolded in Hungary against the "new religious movements" (NRM, as coined in the sociological literature on religions, e.g. Havasi, 2018), and it failed to remain within the reasonable bounds of a social debate conducted before the new democratic public, but reached political decision-makers. Their critiques described these new religious movements, which posed a potential threat to society, as "destructive sects", and wanted to protect the Hungarian society from them. Anti-sectarianism ("anti-cult" or "counter-cult" movements, see below) also appeared in the form of new social associations. One of the most interesting organisations was the "Helping Friends Working Community", which became known as a result of the activities of Géza Németh, a minister of the Reformed Church. Without endeavouring to give a comprehensive analysis, the following is an attempt at a characterisation of this highly proactive association against certain "destructive sects" in certain periods, partly by summarising the author's previous studies (Fazekas 2016; Fazekas 2017 and Fazekas 2020), and partly with a view to new, analytical considerations.

2 Establishment of the "Helping Friend Working Community", and the Main Elements of its Activities, Period 1

As a result of the 1989-1990 change of regime in Hungary, numerous formerly illegitimate minority churches were able to appear in public, and were legally recognised (such as Jehovah's Witnesses or the Pentecostal Church of the Faith), or were established and organised by a foreign mission. The legal background was established in January 1990 by Act IV of 1990, adopted before the first free elections. This was a highly liberal-minded legislative act, as liberal-minded law, as it made the legal recognition of any new religious denomination (church) conditional on the supporting signatures of only 100 natural persons as a formal condition. (According to the act, their registration fell within the competence of courts.) In general, the resurgence of religious practice under new circumstances may be considered as linked to the emergence and relatively rapid spread of new forms of piety, new religious movements, especially in the younger age groups susceptible to religious experiences. Undoubtedly, one of the reasons for the "anti-sect campaign" launched against minority churches was aversion to and distrust of the novelty in the religious elements of some new religious movements, which met the automatic jealousy of the large, so-called "historical" churches (Catholic, Reformed and Lutheran), partly arising from their reviving historical knee-jerk reactions and partly as a political attitude taken from the very beginning. The conservative governing parties that came to power in 1990 (MDF, FKGP and KDNP) saw social and political allies in the "historical" churches, and therefore suspected a new, disruptive phenomenon, extraneous to the Hungarian nation, in the new religious movements that "competed" for the religiosity they represented. In contrast, the opposition (SZDSZ, MSZP, and the then still liberal FIDESZ), demanded a broader interpretation of religious pluralism and religious freedom.

The Helping Friends Working Community was founded in October 1991 by minister of the Reformed Church Géza Németh, pastor of the Lutheran Church János Szeverényi and pastor of the Baptist Church Győző Dobner, with the aim of embracing the complaints made by the parents of young people who joined "destructive sects". Anti-family and anti-parent attitudes were the – otherwise typical – accusation made against numerous sects and other communities, and wide outreach was called for to "save" such young people.

From the very beginning, the engine and energetic representative of the organisation, the "face" of the Helping Friend community, was Géza Németh (1933–1995), a pastor of the Reformed Church. He was deprived of his pastoral position in the early 1970's due to his opposition activities, and he was only rehabilitated in 1989. He stood up for human rights by mobilising special energies, and in the late eighties he operated an organisation to help Transylvanian refugees, and also embraced young people struggling with drug problems or poverty, and paved the way for an ecumenical co-operation between Christian churches. Here is an apposite description of him: "He was a legendary figure in the underground Christian movement before the change of regime. He was one of those his church could not or did not want to take public, because he was a harsh critique not only of the party state but also of his church" (Kamarás 1998). He also established his own religious denomination, independent of the Reformed Church, called the Transylvanian Congregation (after his death, the community joined the Reformed Church), and established a charitable educational and social support centre in Budapest under the name "Island of Hope". An assumption for the reason for his becoming the determined leader of the association, which sometimes militantly represented extreme anti-sectarian prejudices, was also formulated by one of those who described him: "After the change of the political system, when room for freedom suddenly expanded, all kinds of new moral codes, standards and habits flooded the country indiscriminately. Not infrequently they took the form of religious and spiritual movements" (Kamarás 2003). Death had come early to him, at the age of 62, and although he was a controversial personality of his generation and his church, in the 2000's he was considered as an increasingly recognised and exemplary figure in both the Reformed Church and right-wing political circles. His works were published posthumously (Németh 1996; Németh 2008 and Németh 2013) and in honour of his career, he was praised at several memorial conferences. (*Magyar Nemzet*, 2 June 2008, 2; *Evangélikus Élet*, 8 June 2008, 7; "Átjáró", *Magyar Televízió*, 6 March 2014).

Returning to the activity that caused perhaps the greatest stir, from the beginning Géza Németh justified the objectives of the Helping Friend community by defending the interests of the parents of young people who had joined "sects". Nevertheless, already in his first statements he set a bellicose tone: "After having moved to Western Europe and gained strength, these cults are now flinging at Hungary and have commenced

their destructive anti-Christian activities" (*Fókusz*, 28-31 January 1992). He believed that the "destructive sects" would carry out systematic destruction in three stages: first, the individual would be entangled and taken captive, then the basic unit of society, the family would be smashed, and finally the national community would be disintegrated. He dubbed his movement a "crusade," and declared that: "We have launched the struggle. Fathers and mothers fight like lions. We have got a lawyer and a psychiatrist, and Member of Parliament Kata Beke has promised to make efforts at helping our work in the field of education and culture." (In other words, it is demonstrable that from the beginning, the Helping Friend had been a parents' initiative, i.e. a right-wing conservative political endeavour.) Already during the very first statements made by the Helping Friend Community, it was difficult to clearly discern their ideology, as he sometimes named specific religious communities (especially harshly lashing Krishna-conscious believers, Scientologists, Jehovah's Witnesses, the Baha'i Movement, and the Unification Church); he sought to ensure that every minority church initiative should be confused in the blurred concept of "destructive sects" in public opinion.

The main anti-sectarian stereotypes voiced by the Helping Friend community were, in short, the exclusion of young people from the family community (anti-familialism), the financial exploitation of their members (financial abuses and tax fraud), "deprogramming" their followers in order to develop anti-social and anti-national attitudes and proclivity to aggression and violence (behind the masks of gentleness and religion), being Hungarian agents for foreign movements and abusing religious freedom. Németh also made absurd charges, such as linking Krishna-conscious believers to secret weapons depots and sexual homicides, and the accused religious community sued the pastor, who could not prove his claims and was convicted without the opportunity of appeal in early 1994. (*Magyar Hírlap*, 27 February 1993, 4 and Kamarás 1998).

The Helping Friend community wanted to suppress "destructive sects" through three channels: 1 The unfolding of a wide-ranging press campaign, constant appearance on various media platforms, and the constant voicing of the dangers of "sects". Further to this: 2 To feature complainant parents and experts at "sect conferences" to authenticate the movement's goals. 3 Achieve the organisation of new religious movements through public forums and administrative means. (The aim of the latter was, on the one hand, to influence the legislature, to amend ecclesiastical law, to influence

the related legislation, and, on the other hand, to take administrative – regulatory – measures against these movements through the police and through the national security division.)

The Helping Friend community undoubtedly played an important role in the media's vivid interest in new religious movements, and the major scandals and sensations appeared in the newspapers in a large number of voluminous articles. Different situations have evolved in the other post-socialist countries, such as Slovenia, where "the media did not convey a negative or sensational image of new religious movements", and this circumstance was closely linked to the "fact that so-called anti-cult has not yet emerged in Slovenia" (Črnič 2001, 220), and the situation was similar in e.g. Croatia. (Jerolimov-Marinović 2010, 111). The press campaign had an important part in the intensification of anti-sectarian stereotypes. (It was striking, for example, that the farewell letter of a suicidal girl who had previously followed Krishna was published in several newspapers. *Vasárnapi Hírek*, 1 November 1992, 6; *Magyar Szó*, 2 March 1993, 13 and *Kapu*, no. 5, 1994, 60 The use of personal and family tragedies in the anti-sectarian movement was a common practice in the right-wing conservative press, e.g. *Új Magyarország*, 4 May 1993, 12). Géza Németh and his staff not only sought to make their association appear in public, but also to regularly publish the complainant parental letters they had received. (Németh 1996, 37-42 and 70-76). After some time it became apparent in these publications that generally, the parents did not intend to address the public, but specifically addressed, for example, a Member of Parliament, and demanded official action (Letter from parents to the National Assembly, 9 June, 1992 – New Hungary, 12 June, 1992, 16 and Németh 1996, 43-44). Note: Some parents came to the public with squarely the opposite view during the sect campaign: they did not mind it at all that their children had joined a new religious movement. Németh also responded to them, trying to persuade them to change their position for the future of their children, the Hungarian nation and Hungarian Christianity. See e.g. *Mozgó Világ*, 1993, no. 7, 6, 8 and Kamarás 2010, 46-47). Otherwise Németh often complained that the press did not accurately reflect the aspirations of his movement, and explained this by the fact that much of the media had also fallen into the hands of "sects". The Reformed pastor himself made no secret of his involvement in drafting the complainant parents' letters, sent to Members of Parliament and to ministers. (*Beszélő*, 16 January 1993, 17). The articles and programme statements of the Helping

Friend community were widely published in the local and national press, and even in the Hungarian-language newspapers of the neighbouring countries (Serbia, Romania and Slovakia, e.g. *Magyar Szó*, 9 March 1993, 13 and *Romániai Magyar Szó*, 20-21 March 1999, 8). Otherwise, the press campaign was an action deliberately planned by the Helping Friend movement, and for example, once Géza Németh explained that "the press works on the domino principle": they had launched the topic and "then the whole Hungarian press raised it," he said, adding that he intended to mobilise the affected mothers especially women's magazines (*Kiskegyed* and *Nők Lapja*). (*Beszélő*, 16 January 1993, 17).

The first large-scale "sect conference" took place on the Island of Hope on 3 October, 1992. Conference participants were convinced that sects "tear the young people who have come within their reach apart from their families, in many cases forcing them to give up their studies, deprive them of their consciousness with psychological techniques, and then […] exploit them". (*Népszava*, 5 October 1992, 4). Németh summed up the lessons of the event by stating that "although the systems of obsessions of sects are different", their common feature is that they "isolate and enslave young people torn apart from their families". The pastor stated emphatically: "Everyone should be aware that a new drug has appeared in Hungary, and this new drug is a destructive sect under various names" (*MTV Híradó*, 3 October 1992). It is also worth noting the use of words: he considered destructiveness as a uniform phenomenon, and did not make efforts at treating minority churches differently.)

Encouraged by the success of the conference, Németh listed the successes of the Helping Friend community at length. ("Struggle by the Helping Friends Working Community for Young Victims of Destructive Sects," 14 November, 1992; *Mozgó Világ*, 1993, no. 7, 11 and *Beszélő*, 13 February 1993, 31). In addition to mentioning press publications, the registration of another 50 parents who had joined, and the attraction of the attention of school principals, he also directed Transylvanian community college students to "deploy" and distribute leaflets at the Hare Krishna Festival in October 1992, and address the Hungarian youth in an article entitled "We have not eaten toadstool". As a result of the "nationwide movement" triggered by their activities, he called for an increase in the Helper Friend activity, for police control over new religious movements, for the withdrawal of their budget support, for further winning of ministers and leading politicians, and for the establishment of a separate anti-sectarian authority.

The August 1993 "sect conference" took place in a similar atmosphere on the Island of Hope. The event once again had a significant press coverage, with parents "deprived" of their children and "helpless" facing sects (e.g., *MTV Híradó*, 28 August, 1993), and the conference's "proposals" and "resolutions" reiterated in the earlier statements in a strikingly more radical form (Németh 1996, 102-104 and 105-108). They called for contacting specific state bodies and action by them, and even proposed teaching a new subject called "sectology" in theological colleges, etc. By that time the Helping Friends movement had already faced more active criticism. Using sociological analyses and social policy arguments, these critiques tried to prove the unsustainability of anti-cult stereotypes and the legitimacy of the protection of religious freedom for minority churches. (*Népszabadság*, 21 September 1993, 11 and *Magyar Narancs*, 20 May 1993, 12; Cf. Horváth 1995, 339-366).

From late 1992, the Helping Friend movement (using the slogan of protecting Christianity, as represented by the historical churches, families and the Hungarian nation) appeared more and more prominently in the political space. The activity of the anti-cult movement may clearly be seen behind the parliamentary debate held in the spring of 1993 around two pieces of legislation. First, Parliament withdrew additional state support from 4 minority churches on the grounds that "destructive sects" were not eligible for it (Kamarás 1998 and Török 2010, 191-193). This was the first case, after the change of regime, that the state differentiated between churches and religious denominations on the basis of the supposed effects of their teachings and manifestations. The other case was a pro-government attempt to amend the Act on Churches, which would have tied the churches to at least 100 years of operation in Hungary and/or 100,000 members, but this was rejected by the opposition parties, and so the proposal did not have the required two-third support. The successful and unsuccessful amendments of the legislation, although denied by the person concerned, was clearly lobbied by the Helping Friend movement (Török 2007, 265), as the right-wing parliamentary speeches echoed the sect concept of Géza Németh.

However, the activity of the anti-cult movement also mobilised their opponents. About 140 prominent public figures openly protested against the amendment to the act on religion and the stigmatisation carried by the term "destructive sect," and the Publicity Club collected more than 60,000 protest signatures. (Kamarás, 1998 and *MTV1 Híradó*, 5 July 1993).

During the parliamentary debate over the amendment of the Act on Churches, there was an armed conflict between the "Branch Davidian" community and the U.S. authorities in Waco, Texas, which eventually led to a conflict involving more than 80 fatalities. These events further radicalised Géza Németh and the Helping Friend movement. In addition to depriving "destructive sects" of ecclesiastical status, he wished to have their operation banned in any organised form (as a religious association, etc.), considering a total ban and strict official persecution at several levels (police, national security, etc.) as the single option (*Új Magyarország*, 6 April 1993, 12). He demanded the complete displacement of non-historic churches from prison pastoral service and from the media, and wished to forbid local governments to rent them space, and so on (*Pesti Hírlap*, 24 April 1993, 6). He would not even have minded if the Transylvanian Congregation he had founded disappeared from the list of recognised churches. (*Magyar Hírlap*, 24 March 1993, 5). He tried to highlight the stereotypes about the danger of "destructive sects" by reference to their militant, aggressive features (*Magyar Nemzet*, 22 April, 1993, 4), and naturally, he continued not to provide relevant evidence. Moreover, he had already reached the point of believing that some "sects" had begun to transport Hungarian youth abroad, and although he could not support kidnapping either, he kept voicing this argument at several forums.

Géza Németh's increasingly robust action not only caused the public, the opposition parties and the press who considered the protection of religious freedom important to constantly dissent and distance themselves, but also caused a break in the activities of the Helping Friend movement. Baptist pastor Győző Dobner, one of the founders of the movement, confronted Németh in May 1993, and his words suggest that they were involved in founding the movement with different motivations from the beginning. Dobner said, "I wanted to reassure the parents and I wished to create a bridge so that if their children changed their minds, there was room for them to return. In the end, the opposite happened, because my friend Géza considered confrontation to be the right solution and wanted to fight at all costs. He wanted to continue a battle that we must win at all costs. [...] Instead of reassuring parents, Géza Németh riled them and constantly urged for police action. He encouraged the parents to go to the police and write report letters. This is not the job of a pastor. [...] I don't know of a single case when the Helping Friend provided specific help to solve a problem" (*Magyar Hírlap*, 18 May 1993, 10). The two pastors

seem to have drawn completely different conclusions from the conflicts the young people who had joined various sects had with their parents. Németh saw the Helping Friend movement as a tool for "riling" parents and forcing political relations and official action, while Dobner saw the Helping Friend movement as a tool for conflict management. (By the way, Németh publicly rejected Dobner's words: *Magyar Hírlap*, 26 May 1993, 5.) Some investigative reports also made attempts at pointing out that the Helping Friend movement did not fight against specific violations of the law, but against the existence of other religious communities in general, essentially in the interests of the "historic" Christian churches and their political allies (Bartus 1993). It should also be noted that the third founder, the Lutheran pastor János Szeverényi, stood by Németh, and although there was almost no sign of his activity in the Helping Friend movement, subsequently he very clearly confessed to the activity of the anti-cult association (*Evangélikus Élet*, 18 January 2009, 10).

After the 1994 parliamentary elections, the anti-cult public mood subsided significantly, although Géza Németh's activity did not decrease, but he could not appear in the press or in politics as prominently as previously. He defined the Helping Friend community as a social movement against fanaticised and personality-distorting groups, and in addition to repeating his previous programmes, he accused the MSZP-SZDSZ government, led by Gyula Horn, of supporting the anti-national aspirations of destructive cults (*Magyar Élet*, 1994, no. 12, 13-15). In one of his last statements, he already voiced the absurd claim that the new cabinet planned to build hundreds of churches for new religious movements, "to destroy historic churches and national consciousness through mushroom-like sects" (*Kapu*, 1998, no. 1, 85-87). However, Németh's right-wing political supporters fell out of power, and the Helping Friend movement, regardless of the pastor's death in February 1995, disappeared from the public arena, which suggests that he had been able and willing to pursue his anti-cult aspirations primarily through political networking.

3 Main Elements of the "Helping Friend Working Community's" Activity, period 2

During another change in 1998, the right-wing Fidesz-FKGP-MDF coalition government led by Viktor Orbán, the Helping Friends Working Community quickly revived, becoming a partner of the right-wing cabinet (including the far-right MIÉP voted in to parliament), supporting "historic" Christian churches and seeking to amend the Act on Churches.

The Hungarian leader of Krishna-conscious believers was well aware that "after six years, history seems to repeat itself" (*Népszabadság*, 18 August 1999, 12). The Helping Friend community resumed their activities exactly where they had previously stopped, and Géza Németh's previous instructions were considered to be relevant (*Napi Magyarország*, 8 March 2000, 5). Another element that remained unchanged was that they were not left without ecclesiastical support: the new leader of the association, Gyöngyi Reményiné Baló, a former colleague of Géza Németh and former director of the Island of Hope, subsequently acting as the caretaker of a Reformed congregation, made references to parents' complaints and urged firm action by the authorities. "Sect conferences" became common again, bringing together parents whose children had joined a new religious movement, getting each other worked up at these, sometimes "lynch-like," events, not without political overtones, indignantly demanding a ban on all sects (*Hetek*, 29 May 1999, 1-7 and *Népszabadság*, 8 June 1999). The radical rightist press supported their initiative. Typically of the movement, they even considered the funeral of a suicidal man who had previously been interested in the Rosicrucian movement as an occasion for a "silent demonstration and protest" (*Magyar Demokrata*, 16 September 1999, 16). At the funeral, which was turned into a demonstration, members of the Helping Friend community marched, with their president talking about "sect people" lurking at school gates to grab children and put them in a state similar to drug and alcohol addiction. Picking up the story, former MDF representative János Dénes spoke about the spread of sects, which had been triggered and encouraged by the liberal-minded Act on Churches, and similarly to other participants, he especially scourged the Church of the Faith.

In addition to the Helping Friend, a new movement was formed under the name *Szalmaszál* ("Straw Association – Social Association for a Hungary Free of Destructive Sects") under the leadership of Gergely Gulyás and

Sándor Kocsis. The profiles and activities of the two anti-cult organisations were essentially the same; with Straw suggesting an even more politicised profile, mapping out an image of interconnectedness between historical churches and the Hungarian nation (and thus highlighting elements that also appear in Fidesz's government policy). Equally important elements in their programme were: 1 Moral and financial assistance to victims who had been "snatched" by sects from their families; 2 the need to "make clear to society the unique and indispensable role played by historical churches in the past, present and future"; 3 the withdrawal of church status from destructive sects and organisations that commit financial abuses (*Origo*, 6 December 1999). At the heart of their work was the tightening of the Act on Churches. It is striking that their principles and aspirations formulated at that time are accurately reflected in the policy of Fidesz, and even in the principles cited as the justification for the new Act on Churches, adopted after 2010. (They were of the opinion that sects in fact abused the financial benefits provided by the 1990 act, and they were disguised business organisations, and so they demanded that a community should only be allowed to register as a church if it had several tens of thousands of members, which was a significant increase, and at least a hundred years of presence in Hungary, and that their beliefs should be officially controlled *(Napi Magyarország*, 11 December 1999, 29). Painter Izolda Macskássy also demonstrated in support of *Szalmaszál*, and at a meeting of an association formed by the cooperation of thirty people (sic!), she vehemently demanded the cessation of the activities of the sects that caused psychological harm to young people, and she wished to mobilise especially against the Church of the Faith (*Napi Magyarország*, 7 December 1999, 4).

It became increasingly obvious that the parents' movements were an important point of reference for the conservative government in the process of tightening the Act on Churches and protecting the official interests of historic churches. Zsolt Semjén, the head of the party KDNP, which had already been allied to Fidesz at the time, who also served as Secretary of State for Church Affairs, made this clear. He believed that left-wing and liberal parties were only referring to religious freedom, in fact they supported sects to weaken the social and national services of historical churches, while "fake churches undertaking business ventures and destroying families, children and the society are allowed to filibuster under the protection of the word 'church'" (*Magyar Demokrata*, 16 May

2002, 40-43). Semjén said that when he planned to tighten the Act on Churches, he asked the opposition representatives to "come with me [sic!] to a social organisation called Straw, or to the Helping Friend community, where sect-stricken parents who have lost their children and whose families had been ruined gathered", and to vote in favour of tightening the Act on Churches. The conservative government clearly embraced anti-cult aspirations and put them at the service of its own political goals (suppressing minor denominations through an amendment of the Act on Churches). The Helping Friend and the Straw communities were thus at the same time unchanged social movements representing parents, anti-cult church initiatives, and instruments in right-wing and conservative party politics.

In a public letter the Helping Friend movement called on MPs to tighten the Act on Churches, and thus to achieve "a strict ban on destructive sects, which destroy families and are also anti-social in other ways" (*Magyar Hírlap*, 7 April 2001, 8 and *Új Ember*, 1 April 2001, 6). They participated in supporting the Hungarian Christian Democratic Association's signature collection campaign (*MTV1 Híradó*, 16 February 2001), and their efforts can also be detected in the fact that when the tightening of the Act on Churches actually did not pass parliament (it failed to receive two-thirds support), MDF called for the establishment of an inter-ministerial forum to analyse and sanction the activities of religions (*MTV1 Híradó*, 7 December 2001).

After the 2002 elections, the Helping Friend and the Straw Association essentially ceased to exist. (The latter was not formally liquidated by the Metropolitan Court until 2015, but no trace of their activities has remained.) In prospect, note that no major anti-cult social movement or association has since appeared in Hungary, even after the 2010 change of government. With the adoption of Act CCVI of 2011, the long delayed tightening in the rules of church establishment was enacted, but the Orbán Government, vested with massive power, no longer needed the support of anti-cult movements like the Helping Friend community, nevertheless the arguments previously voiced by the latter did appear in government communication.

4 Assessment of the "Helping Friend Working Community" in light of the international literature

Hungarian sociological research in religion usually describe the activities of Géza Németh and his followers as an "anti-cult" movement (Máthé-Tóth and Nagy 2011, 33), or as the "Hungarian version of Western anti-cult movements" (Dobszay 2004, 17; Farkas 2009, 32 and Kamarás 2003), and this narrative also appears in the analyses exploring the international context. (Folk 2018). No Hungarian term that can accurately reflect the anti-cult phenomenon prevalent in Anglo-Saxon publications has evolved in the Hungarian literature (presumably it could not have developed due to linguistic peculiarities). In the press and in the vernacular, ecclesiastical and/or social associations formed against new religious movements and the various (among others) political aspirations associated with them are mostly termed "anti-sectarian". Based on an idea of Gábor Vargyas, Judit Farkas drew attention to the fact that the Hungarian mirror translation of the term "anti-cult" is not linguistically appropriate, given that the meaning of "cult" in Hungarian is more of an expression of "religious respect" and therefore confusing (Farkas 2009, 11). Another translation problem is that the foreign literature mostly distinguishes between anti-cult and counter-cult movements as phenomena criticising new religious movements with fundamentally different backgrounds, different methods and activities (whereas in Hungarian both are described as "anti-sect").

Massimo Introvigne defines "modern anti-cult movements (as opposed to Christian counter-cult initiatives) primarily secular organisations fighting against" cults "based on the brainwashing or mind control paradigm" (Introvigne 1997). W. Michael Ashcraft also emphasises that counter-cult movements are "gospel-inspired opponents of sects," and today, "collectively, members of counter-cult movements are called fundamentalists to distinguish them from the anti-cult. Followers of the counter-cult oppose cults on a theological basis" (Ashcraft 2018). However, traditional Protestant churches (primarily the Reformed Church) provided an institutional rather than a theological background to the Helping Friends movement in Hungary. In Western Europe and in the United States, counter-cult organisations originated primarily from evangelical churches, which criticised sects on a theological basis. (Cowan 2003). However, these were churches were unacceptable in Eastern Europe, at that time they were considered as more neo-Protestants, a new religious movement (or renewal movements within historical churches), and often more often

victims than initiators of anti-cult activity. In Hungary the theological-based criticism of sects was formulated by historical churches, and although articles and pamphlets criticising sects appeared in the church press, from the outset they sought institutional displacement and state action against them, and the most mobilising element of the movement was based on the complaints of the parents of young people who had joined the "sects" and on the protection of families. Typically, when it was suggested that in addition to a national organisation, the Helping Friend movement should also establish regional ones, they were intended to be based on the dioceses of the Reformed Church. (*Hajdú-Bihari Napló*, 27 January 1993, 12).

It is undoubtedly true that just as new religious movements suddenly appeared in Hungary in the early 1990's (or unexpectedly appeared to the public after years of illegality), when their Western antecedents went through a decades-long process, so did anti-cult movements suddenly pop up simultaneously with and in response to "sects" in public life (Ramet 1995, 52), which is why "the Central and Eastern European region could become an interesting experimental field for researchers dealing with new religious movements" (Hall-Smoczinszky 2010, 13).

However, this is not the only peculiarity: Strikingly, after more than forty years of communist dictatorship, certain nostalgia for the pre-World War II political system of the Horthy Government, characterised by co-operation between the state and historical churches, emerged in the camp of right-wing conservative parties. It may also be concluded that there was a strong tradition of resolving the "sect issue" by regulatory (political) means. Furthermore, from the beginning, *anti-cult* organisations in Hungary were characterised by both parental and church backgrounds. The initiators were Protestant pastors, and already during the 1991 establishment they defined themselves as an "ecumenical working community" (*Hajdú-Bihari Napló*, 29 November 1991, 10; *Veszprémi Napló*, 3 December 1991, 2; and *Magyar Nemzet*, 6 December 1991, 5), which was created on the basis of complaints from parents whose children joined the Hare Krishna movement, so to speak, under the influence of so-called "aggressive psychological techniques," but also to provide them and "sectarians" with pastoral assistance (for example, by wishing to "de-program victims" in the form of church-led "retreats"; *Beszélő*, 16 January 1993, 18). Géza Németh himself gladly interpreted the Helping Friend as a social movement established as a bottom-up initiative, and as a "secular activity" (*Beszélő*,

6 February 1993, 33), however, concerning the "sect phenomenon" at other times he complained that after decades of communism, "historical churches have not had the opportunity to recover so quickly" (*Kapu*, 1994, no. 5, 61). He sometimes denied that the Helping Friend movement was an action taken by large churches against minority churches (*Fejér Megyei Hírlap*, 9 October 1992, 7), however, when he discussed the defence of "European Christian values," he always recognisably identified them with the historical Christian churches.

Based on all this, I believe that parallels can be demonstrated between the Western European anti-cult and counter-cult organisations and the operation of the "Helping Friend" movement. The "Helping Friend" movement was born out of the rapid establishment of concord between the social initiatives taken by the parents of young people who joined the sects, and by traditional churches, which, precisely because of it church affiliation and due to historical traditions, were enforced by political means, primarily through the enactment of restrictive legislation and action by authorities (police), and sought to suppress sects considered dangerous to society.

Another peculiarity is that Géza Németh was a Reformed pastor, and although he had many followers in his church, he also had many critiques. According to some analyses, he played a key role in the 1991 election of Lóránt Hegedűs as bishop of the Dunamellék Reformed Diocese and president of the synod of the church (Gavra 2002). Nevertheless, Hegedűs opposed Németh's anti-cult statements published in 1991 in relation to the Hare Krishna Festival, and the bishop stated that Németh was not competent to represent the position of his church. (Kamarás, 1998 and Farkas 2009, 32). Németh founded the Helping Friend community after this incident. (It was extremely favourable for him to establish a denomination, the Transylvanian Congregation, legally separate from the Reformed Church, officially registered, but following its theological principles, as thus he could act credibly as a Reformed pastor without having the same responsibility to his church.) On the one hand, it is true that, his vigorous activities performed as a pastor gave the impression that "Géza Németh 's campaign reflected individual goals and interests, and not the protection of the 'average Hungarian citizen' " (Török 2010, 193), but on the other hand, Németh's anti-cult ideological guidelines appeared strongly in public opinion even after the pastor's death in 1995, not to mention the activities of his followers. All this practically revived

after the political change following the 1998 elections. In other words, Németh's personal activity is a very important factor, however, it would not have been sufficient alone to carry on the activities of the extensive anti-cult movement supported by a right-wing and conservative political background.

Jean-François Mayer's analysis is important for understanding and identifying the *anti-cult/counter-cult* phenomenon in Hungary. He claims that "anti-cult groups are typically poorly supported by governments" (he refers primarily to independent, grassroots social movements), as "these groups have felt that the authorities have not treated them properly, and they have refused to act for the purposes reflected in the slogan 'save our children' (Mayer 2016, 8). The process, in other words, the government's attitude began to slowly change in the United States after the mass suicide of Guyanese Peoples' Temple believers in 1978 and "intensified as a result of the dramatic events of the 1990's," primarily in the wake of the Branch Davidian community's tragedy in Mount Carmel Centre, Texas (1993) (Shupe 1995). Thus the "second wave of state reactions" also took place in the West simultaneously with heated debates in Hungary about "destructive cults" and about setting limits to religious freedom in a legal framework. In Hungary after the change of regime, this rapidly changing international background also contributed to the increase of anti-cult activity, and thus enhancing the need to use political tools (authorities) in the fight against sectarianism accelerated. (Mayer 2016, 9, 16-17 and 27).

The Helping Friend movement and Géza Németh published a number of articles and press releases, but overall, the enemy's image, set by the movement, seems to have remained immature throughout. In general, the dangers of sects were voiced, but who the "enemy," i.e., destructive cults, actually were was only vaguely outlined, and sometimes twisted positions were formulated about them. For example, Németh once said that a "destructive cult" included people "who advocate principles that result in a violation of European and Hungarian law," and then noted that in general, a great world religion can never be destructive, unless it involves a religious activity that is contrary to Judeo-Christian values, even if it does not violate any statutory regulation. (*Népszabadság*, 5 October 1993, 11). The conclusion can usually be grasped in the fact that he condemned any religious activity outside the scope of "historical" Christian churches in a generalising and negative way, while on the contrary, he wanted to protect Hungarian society, less by social mobilisation, and rather by official and

political means. The former (embracing parental complaints and launching press campaigns) rather served the means of authentication and pressure.

When characterising the Helping Friend community, it is important to consider the international examples that had influenced them. In particular, anti-cult movements in Germany were considered exemplary, and they had established direct contact with the organisation called "Elterniniative zur Wahrung der Geistigen Freiheit" ("Parental Initiative for the Protection of Intellectual Freedom") in Leverkusen. Its leader was Ursula Zöpfel, whose son had previously joined the Krishna believers, and this was certainly related to the fact that Németh initially referred most often to Krishna-conscious believers as an example of the "destructive sect" phenomenon. This was confirmed several times by the pastor, for example in his article entitled "Orientation in the Matter of Sects" (Németh 1996, 98-101). Among Ursula Zöpfel's statements, Németh was especially influenced by the theoretical foundations of the sect phenomenon (*Kapu*, 1994, no. 5, 59-62 and Török 2010, 191), but the leader of the German movement also visited Budapest, provided advice and publications to the Helping Friend community, and also gave a high-impact lecture at the 1992 sect conference on the Island of Hope. (Németh 1996, 92-97). Interestingly, of the numerous anti-cult and counter-cult organisations in Germany, the Hungarian Reformed pastor established a closer relationship with the parent movement which did not have any similar ecclesiastical background, despite the fact that similar initiatives also appeared in the Catholic and Reformed Churches in Germany (Arweck 2006, 13-14, 26, 159-162 and 198). The anti-cult hysteria took place in completely different forms in Hungary and in Germany (Török 2010, 193-194).

Further examination of the operation of the Helping Friend movement, and supplementing its characteristics with new elements, will be the subject-matter of subsequent research, and so in conclusion, it is worth recalling a previous analysis: "[After the change of regime] a good many people were afraid that just as hamburgers, hot dogs and Coca Cola can displace domestic tastes, these new-fashioned spiritual movements may do the same with European, Christian, and national values. G[éza] Németh sounded the alarm *without sufficient political culture, sociological awareness and psychological sense*, again to protect a minority believed to be injured, i.e. complaining parents abandoned by their children who had joined new religious movements. In addition to a small group of "victim" parents – who were in many cases far from being perfect –, many

supported G[éza] Németh: *part of the pastors and adherents to historical churches, a great number of politicians and Members of Parliament, a significant part of the media, at least for some time*, and a significant part of the general public, who are uninformed and have little tradition of tolerating otherness in the absence of democratic training" (Kamarás 2003).

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LINGUISTIC CONFLICTS

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1 Interrelationship between Sociolinguistics, Language and Society

Sociolinguistics is an approach and methodology in linguistics that considers language to be a display of social organisation, and a means of communication for people living in society, and an expression of human relationships. One of the research areas of sociolinguistics is linguistic contactology, the study of linguistic contacts and linguistic interference phenomena. The relationship of languages or language variants is a consequence of contacts between people, ethnicities, social strata and groups. There are numerous degrees of linguistic interaction, and the effect may be felt at every language level. In my sociolinguistic studies on issues related to the social context of language, I have discussed the factors of disadvantaged language situations (Gréczi-Zsoldos 2012; 2018). Linguistic contactology, which takes the co-existence of society and language as its baseline, and the phenomena surrounding linguistic disadvantage are in many cases related to linguistic and language use conflicts in society.

The virtual equality of languages and language variants means that all living languages and language variants are suitable for meeting the communication needs of the community that keeps them alive and conveys them. And indeed, it is not the values carried by languages and language variants that differ, but the opportunities arising from their situation. The differences in the prestige accorded to the various languages and language versions can be traced back to several reasons. On the one hand, the fact that the members of one society perceive one language or language variant as prestigious, while another is considered less valuable, reflects the differences in ethnic, religious and socio-economic status between the members of a society in the languages spoken by the different strata

of that society. If the language policy of a state is assimilative, it latently determines a difference in value between languages or language variants.

It is obviously difficult to establish an objective value for languages and language variants. This matter is addressed by the economics of languages (see e.g. De Swaan 2004). Linguistic hierarchy may be shaped, on the one hand, by subjective factors, e.g. the speakers' attitudes towards various linguistic forms, certain words and grammatical phenomena, language variants and languages, in other words, linguistic attitudes, and by language policy conditions. In addition to subjective judgment, there are also some objective criteria by which differences in the use value or usability between languages and variants can be measured: such an aspect may be e.g. the number of speakers, the prevalence of the language spoken, the presence or absence of literacy, and the performance of the language or language variant.

2 Hierarchy of languages and language variants, language ecology and language policy

Conflict often occurs between the speakers of a language and of various language variants located at each level of the imaginary hierarchy. The language users of the majority society may degrade minority speakers living in the given country, e.g. the speakers of Hungarian living on territories torn off Hungary by the decision made in 1920 were placed at a disadvantage to the Romanian, Czech and Slovak, German, Southern Slavic, Russian, and then Ukrainian speaking communities whose mother tongue was the official language. After the Trianon decision, native Hungarian speakers are present as minority speakers in the societies of the areas chopped off.

Einar Haugen was the first to use the concept of *"language ecology"*, introduced as a term suitable for studying the interrelationships and interactions between a given language and its environment (Haugen 1966). Language ecology examines the effects of environmental factors on speakers and, through speakers, on language use. It is important to see that all language policy measures affect not only languages and language variants, but also the members of society, i.e. speakers (Kiss 1995).

No state can renounce language as a means of mediation, as a form of expression, and as a basic code that builds social relations. Nor can state

power be exercised without language. It follows that linguistic conflicts frequently become political issues, and consequently, some social issues are language policy issues. Obviously, sufficiently grounded language policy decisions can only be made if the sociolinguistic segment of the given problem is based on an elaborate scientific research, but at least not on an ad hoc basis, heated by political interests.

Language is not a homogeneous formation. A society's preferred language also has its own variations, and moreover, even multilingual individuals or communities live side by side in a society. As language policy is a combination of language-related policy decisions and measures that affect languages, it is thus an environmental factor that determines the life and use of languages. The right to use the mother tongues of ethnic groups living in a country for official purposes may be regulated by law. There are states where the use of minority languages is allowed, moreover, it is supported, such as Hungary. In today's Hungarian society, as Hungarian is the official language, Hungarian is at the top of the imaginary language hierarchy. The speakers of the preferred language - whether intentionally or not - are in a better position e.g. against minority groups speaking a foreign language in the country. This is despite the fact that Hungarian language policy focuses on retention and is supportive, as evidenced by Hungary's Act LXXVII of 1993 on the Rights of National and Ethnic Minorities. In this act the article of that regulates language use provides that: "In Hungary, anyone can use their mother tongue freely at any time and in any place." The conditions for using the languages of minorities living in Hungary and the use of one's mother tongue in administrative, civil and criminal proceedings are ensured by the relevant procedural laws. The state does not prohibit the use of the mother tongues of persons belonging to minorities. Local minority self-governments are allowed to operate, and they may formulate their regulations, notices, forms, signs, inscriptions, etc. in the mother tongue of the minority. This type of language policy attitude is an example of linguistic pluralism.

However, there are states that focus on assimilation. This may evolve through territorial and power rearrangement, or it can come from the political system of a state. When a state seeks assimilation, it endeavours to culturally and linguistically assimilate the minority (or minorities) living within its borders. Without practical utility, no language can survive over the long term, so this kind of language policy can lead to the extinction of a language with little prestige. In many cases, assimilation efforts lead to linguistic disadvantage and the stigmatisation of a language, which is called "linguicism".

3 Conflicts in society between languages and language variants

The papers published in a volume presenting the new results of research on social conflicts and social innovations (Szabó-Tóth and Rada, 2019) reveal that the roots of conflicts can be highly diverse: social, ethnic or religious, or conflicts appearing in the institutions of society. In his book on conflicts, Sándor Klein follows Moore's classification (Klein 2012, 514-515). He mentions *relationship conflicts*, and in relation to them, in a linguistic perspective, one may analyse e.g. communication disorders, lies, communication barriers, various restrictions on communication, limitations on the source or recipient of the message, etc. The *conflicts of values* are based on the fact that thoughts and human behaviour are judged by actors on the basis of different criteria; different values may be attached to the goals to be achieved, and the actors' perceptions of life, religion, ethnicity, etc. may differ. Structural conflicts may be based on the unequal distribution of resources, for example, but unequal control and unequal power relations may also lead to conflicts. There are *conflicts of information,* based on the shortage or absence of information or misinformation, different interpretations of the information, and different assessments, i.e., differences of opinion as to what is important and what is marginal information. Every conflict has a base line, a preceding situation, an antecedent, including e.g. the absence of information, inadequate communication, a dissenting interest, value or belief. Among the various types of conflicts, *conflicts of interest* should be mentioned, as they are most often caused by interests that are in conflict with each other either de facto or in the perceptions of the actors. *De facto conflict* arises when one of the parties involved becomes aware that the other party has an adverse attitude towards something he or she perceives as important. This is also called *perceived conflict* (Bakacsi 2004, 254-256).

Linguistic conflicts may have numerous different outcomes and types. In the context of language and society, linguistic and social factors, it is worth examining linguistic conflicts. György Gyukits refers to the socio-economic situation that characterised Miskolc after the change of regime during his review of divorces in the slums of Miskolc (Gyukits 2016, 323). Low educational attainment, poverty and unemployment are all factors in the development of partnership conflicts and social conflicts, but also in the unfolding of linguistic conflicts. The semi-structured and focus-group interviews conducted during a qualitative sociological survey reveal that the researcher encountered a great number of difficulties during

data collection, as the communicative skills of the interviewees were in many cases extremely poor, mainly due to their low level of education (Gyukits 2016). It turned out that the communication problem was due to difficulties in the comprehension of concepts. In these cases a kind of linguistic conflict arose, which was rooted in the different linguistic and communication competencies of the interviewer and the interviewees. Similarly, the sound recordings of his studies among the Roma living in poor slum areas of Budapest (Gyukits 2003) prove that these people can be characterised by a limited code in Bernstein's sense of the term due to the lack of linguistic and communication competences.

4 Linguicism

One of the most common types of linguistic conflicts is linguicism, i.e. a situation when someone stigmatises a speaker just because he or she uses a certain language or language variant. According to the term coined by Gyula Bakacsi, an *experienced conflict* is a situation when a person involved in a communication has an aversion and a negative attitude to the other party (Bakacsi 2004). Such is the case with linguicism, a form of linguistic discrimination, a name for ideologies and structures that promote or reproduce the unequal distribution of power between linguistically segregated communities, i.e., discrimination between linguistically defined groups of people.

The term linguicism is commonly used to refer to social discrimination between groups of people who speak different languages, but obviously, discrimination also occurs between groups who speak different versions of a single language. Consequently, it is not only linguistic, if, for example, in Hungary, Hungarian-speaking primary school children receive Hungarian-language education, but Romani or Boyash native speakers cannot start their school career in their mother tongues, but also if a non-professional speaker is refused admission to a job because of his or her sub-standard language use.

According to Kroch, dominant social groups distinguish themselves from other groups by various symbolic means, and these symbols are often presented as signs of their moral and intellectual superiority (Kroch 1978, 18). Csaba Pléh agrees: "If there are two possible solutions, the representatives of the standard try to choose one as the right form, namely

(…) the one that requires overcoming the 'natural trend'" (Pléh 2003, 260). Linguistic hierarchy building, or linguicistism, is particularly prevalent when the prescriptive standard follows or reinforces the language use of the social élite and when non-standard speakers find it difficult or (almost) impossible to learn standard versions at school or subsequently. In a linguicistic society, these rules serve sustainable linguicistism (Kontra 2007).

Pedagogy often does not combat linguicistism: the so-called substitutive language pedagogy, frequently used as a method in current school education, an augmenting pedagogy would be desirable. When the standard language version is taught to the detriment of the mother tongue version, this is substitutive teaching. However, if the standard is added to the mother tongue version, in other words, when the standard is taught without compromising the student's mother tongue version, augmenting teaching is performed. This reduces linguistic uncertainty, increases linguistic security and, most importantly, contributes to reducing linguicism.

When discussing the sociolinguistic factors of disadvantaged language situations, I have previously clarified that the phenomenon of linguistic disadvantage is a concept studied by researchers of several disciplines and by different social science methods, which combines several approaches (Gréczi-Zsoldos 2018, 5). It was emphasised that advantage or disadvantage in a linguistic situation depends on the social circumstances, the specific pattern arising from the current historical and social context, the social hierarchy, and frequently the structure of the ethnic identity, i.e. inclusion in the majority or a minority group. A disadvantaged situation is therefore a social problem. Several factors may play a role in its development: social status, ethnicity, the linguistic and cultural environment, the social and economic status, and the lifestyle and health conditions. These factors are seen to coexist and these phenomena frequently exist simultaneously. In my cited study, I present the theories, hypotheses, and studies that explore the communicative, grammatical, and vocabulary differences between linguistic disadvantage, limited and elaborated code, and in this context, I present an analysis of my corpus, which confirms that the speakers living in slums and having low qualifications have a poor language competence, and their language use can be characterised by Bernstein's limited code. Previous international and Hungarian surveys and my own research also have evidenced that there is a correlation between one's social status and language use: the linguistic disadvantage of those in disadvantaged social conditions and

the resulting communication problems are obvious. This is why education sociological theories and practices have been included as important points of reference in my research.

5 Pedagogical solutions

5.1 Critical pedagogy and the Barbiana school

Part of the education sociological studies (see the Bernstein hypothesis, Lawton's studies, the Budapest survey of Mária Pap and Csaba Pléh) also touch upon pedagogical and school conflicts. (For a more detailed description, see Gréczi-Zsoldos 2018). Critical pedagogy, an educational trend hallmarked by the name of Lorenzo Milani and the school in Barbiana, is a pedagogical approach based on the principle of social justice (Borg, Cardona and Caruana 2015), which interconnects community learning and social activity. In his method used in training students for social justice, Milani, the representative of the trend, attaches significance to a number of topics other pedagogical trends do not, e.g. to the issue of social classes and the issue of race. He emphasises the collective dimension of learning and action, and seeks to combine theoretical and practical knowledge. He condemns accountability, rankings, evaluations, and uniformisation in order to enforce a democratic approach at school. Critical pedagogy highlights the background of school failure stemming from social status. Based on previous French sociological theories of education (e.g. Bourdieu's ideas), he emphasises that schools has a role to play in reproducing social inequalities, and that schools should be characterised by a more humane education more focused on social justice, consistency, love, collective work and vivid imagination, where none of the children are doomed to failure. The prevailing practice of school education is individualistic; it is based on performance and selection, and maintains unequal power relations. There are inequalities between students, and between teachers and students, and they lead to conflicts.

According to the originators of the theory, language plays a central role in this liberating pedagogy. (Similarly to Bernstein and Lawton's studies of the British situation and to the surveys conducted in Budapest, for more details see: Gréczi-Zsoldos 2018). Bernstein, Lawton, and Milani all recognised that social, cultural and economic advantage or disadvantage may result from one's social status, which is why the representatives of

critical pedagogy also expressed their aversion to the current practice of socialisation at schools. Language, according to Milani's metaphor, is the "magic key" that opens every door, including the door to power. This metaphor may have the meaning that language is power, or in another sense, that language is the key to human cognition. An adolescent or an adult is unable to familiarise himself or herself with the world without understanding the "word". A high degree of knowledge of the "language of power" is part of the struggle for equality and for justice.

Emotional education is in the heart of the Barbiana curriculum experiment. The curriculum developers prefer a warm, honest and loving emotional environment in the teacher-student relationship. The most important elements of this curriculum include polishing language skills and the development of communication skills. Wording is an important activity. In their opinion, only language can make people equal. In their concept, a person is equal if he or she can express himself or herself and understands what others say. This correlation is also detectable between speech and the labour market ("power"). It was demonstrated already Bernstein, and then by Mária Pap and Csaba Pléh, who conducted his research in Hungary, that children from different backgrounds experience the beginning of school studies differently, and this is due to the difference between the language used by the school and by the teachers. According to the developers of the Barbiana curriculum, a natural transition is needed between the language used at home and at school. Research has shown that the difference between the language version used in the family and the language of instruction is an obstacle to integration, so that a child who wants to integrate into the school's environment of socialisation is immediately placed into a conflict upon starting school. If this happens, it will necessarily lead to social disadvantage; as the shortage of linguistic and communication skills has negative consequences that will affect an individual's entire life. Similarly to Bernstein, Lawton and the Hungarian researchers, Milani also describes that the children who come from families with better backgrounds, good financial conditions and a cultural environment that meets society's expectations, and thus hear the prestigious language version more frequently, are in a better position at school.

5.2 The translanguaging method for using the vernacular language at school

In December 2019, the project entitled "Translanguaging for Equal Opportunities: Speaking Romani at School" was launched. Translanguaging appears as a new pedagogical method in the concept elaborated by the lecturers of Károli Gáspár University of the Reformed Church, the institution co-ordinating the project. The project entitled "Translanguaging Classroom Communication and Effective Learning Organisation at Tiszavasvár" is implemented by the Department of Linguistics of KRE BTK and Magiszter Primary School at Tiszavasvár. Translanguaging means "cross-language communication decoupled from languages". Languaging is meant to express that communication is an action; its basic unit is not a language under a specific name (English, Hungarian or Romani, etc.), but the speech spanning them. Translanguaging is a kind of change of perspective in pedagogy: the basic unit of speech is not the language, but the repertoire of the speaker, and when he or she does so using the sources of several languages, he or she translanguages.

The aim of the project is to get to know the speech patterns of children who mostly use Romani at home and to develop a language pedagogical strategy that adapts to them. The KRE research group conducts ethnolinguistic research on several spots in a community in Tiszavasvár, referred to in the local discourse as Vlach Gypsies. Their activities aim to learn about the language practices of this community. In the autumn of 2017, the Tiszavasvár Translanguaging Workshop was established jointly with the management and the teachers of the school. Instead of defining different variants and tracking code switches between them, ideas about translanguaging speech focus on the linguistic repertoire in a holistic way. They describe the speakers' use of the language resources at their disposal in their social relationships. In this project, in relation to research on the correlation between translanguaging and school speech, a place is sought for children's Romani language resources in the learning process. Researchers do not follow the practice that associates the school with speech related to the monolingual, standard structure. The ways in which students speak in everyday life are made part of school work, regardless of whether they belong to a standardized language or not. In doing so, they provide a sense of homeliness and continuity, leading to a greater sense of security, and more layered and more varied communication. All this is implemented at an institutional (macro-) level and at the (micro-) level of personal interactions in several steps (Heltai 2019).

Translanguaging teachers prefer group work, activate the child, see and experience their teaching role rather as organisers of learning, and involve all the students' knowledge in the joint school work. In this programme the educator is aware of the fact that people are not the same: we come from different backgrounds, with different knowledge, and this allows us to have different ways of speaking. He does not take his own cultural background for a base line, a standard, but accepts difference and does not qualify the language sources used by children. ("Transzlingváló kiskáté pedagógusoknak" [A guide to teachers practising translanguaging]:

http://translangedu.hu/wp-content/uploads/2017/10/Transzlingv%C3%A1l%C3%B3-kisk%C3%A1t%C3%A9-pedag%C3%B3gusoknak.pdf)

5.3 Research in Borsod-Abaúj-Zemplén County

During a survey conducted by György Gyukits, Tibor Karlovitz and Attila Papp Z. among mostly disadvantaged eighth-graders in Borsod-Abaúj-Zemplén County, the social background of their choice of a secondary school (Gyukits, Karlovitz and Papp Z. 2015). The aim of their research was to explore their motivations for secondary school selection. In addition to the students' future vision, the researchers were also interested in learning how they experienced possible failures, what alternatives they saw, and how they overcame the situation that had evolved. Various relationships were explored: family, acquaintances, school, including class, teachers, and motivation from these individuals. The authors of the study conclude that young people who are unable to obtain a secondary education in today's Hungary are compelled to organise their lives expecting long-term unemployment or irregular employment (Gyukits, Karlovitz and Papp Z. 2015).

The research conducted by Lazarsfeld and his colleagues in the late 1990's also shows a striking correlation between language use and socio-economic status: after the loss of jobs and becoming unemployed, the consumption of cultural goods has dropped drastically, e.g. book lending has declined, and this has been shown to correlate with information acquisition, i.e. with the fact that the disadvantaged person is often short of information, rooted precisely in the lack of linguistic and communication competence.

Of the eighth-graders who participated in the B.A.Z. county study and were aged 14 and over, the researchers made voice recordings with 17 groups of students in 15 schools. According to their description, it was difficult to communicate with students in several places, the researchers rated the students' ability to communicate as poor, some of the interviewees only gave responses in sentences comprising only a few words, and disinterest often characterised the students. The authors ask the question: What is the school's function in such a social environment? This is likely to be the biggest challenge for education policy in the coming decades (Gyukits, Karlovitz and Papp Z. 2015, 63).

5.4 The "Advance Together" Project of the Faculty of Arts at the University of Miskolc

A good method is the project launched at the Department of Hungarian Language and Literature of the Faculty of Arts of the University of Miskolc, the "Advance Together" Project (http://www.egyutthalado.uni-miskolc. hu/). The project has primarily reached 8 to 14-year-old foreign (migrant) children staying in Hungary, who could speak and read Hungarian to different degrees. The wider target group is the relatives of migrant children through the students, the project also indirectly helps them improve their Hungarian language skills and integration, but it can be useful for all children who do not speak Hungarian at a level of their mother tongues, and for several years, teaching aids have been provided to disadvantaged regions frequently also burdened with linguistic conflicts, e.g. to teachers of small communities in Borsod-Abaúj-Zemplén County. The pedagogical method applied in this project was CLIL (Content and Language Integrated Learning), previously used abroad. CLIL is a two-focussed form of education where knowledge is conveyed to and acquired by the student in a foreign language. As the language and the knowledge are taught and learnt together, simultaneously and intertwined, a student whose non-vernacular language is not the prestigious language of the given society is thus not disadvantaged in the acquisition of the curriculum. The project staff endeavoured to "localise" this theory and practice. This has led to the birth of the method named NyIT ("open"), which translates to "Language Integrated Content" or "Language Integrated Content Learning", and expresses that language is both a tool and a partner in the acquisition of knowledge (http: / /www.egyutthalado.uni-miskolc.hu/a-programrol/nyit/

6 Summary

Conflicts over the use of language may appear in many arenas and in several communication situations in a society. According to the lessons learnt of sociolinguistic research, social stratification determines the subordination and superiority of different language variants, often hierarchically modelled on social stratification. Language policy that seeks to assimilate or favours a prestigious language version results in linguistic disadvantage in society, but in states with a language policy focusing on retention, there is a greater chance of preventing the development of difference in value between the languages or versions spoken in the society. Education policy, the correct organisation of the teaching-learning process, and linguistic pluralism at school can help overcome linguistic disadvantage. The practices described in the study may set good examples.

Acknowledgement

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RELATIONSHIP BETWEEN CONFLICTS AND THE SOCIAL BACKGROUND OF THE SETTLEMENT, THROUGH THE EXAMPLE OF BÜKKSZENTKERESZT AND TAKTASZADA

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1 Purpose of the research

The purpose of the research was to map the conflicts of Bükkszentkereszt and Taktaszada. The two villages in Borsod County are very different, both in terms of their history and their current social situation, though both of them are situated in the urban agglomeration of Miskolc. Thus it is interesting to explore what differences and similarities can be found between them in respect of conflicts.

The research started out from Csizmadia's typology (2015). Csizmadia gives an overview of conflicts starting from the individual level and going up to the macro level alongside demographic, social, labour market, regional and power dimensions (Figure 1).

	measurement level / scope		
	individual micro level	group meso level	community macro level
1. demographic	age-generation, gender-based, ethnic-minority		
2. private life - social	family-social life, personal relationships		
3. labour market	income, work-related, superior-subordinate		
4. regional-residential	residential, neighbourhood, regional-area, urbanization		
5. power-institution	hierarchy, political, decision-making, representative		

Source: Csizmadia: http://www.matud.iif.hu/2014/11/08.htm

Figure 1: Conflict typology

This study was made based on the research results prepared with a qualitative sociological method, which is discussed in detail in the section on methodology. However, we strongly stress already at the start that the interview technique enabled the interviewees to define the term of conflict themselves, notably, what conflict means for them, what is really a conflict and what is not a conflict. This is essential because we started out from the assumption that there might be significant differences produced between the typology used during the research and the perspectives of the interviewees.

Additionally, which conflicts are important for them, and how they tackle these conflicts. This leads us to another essential aspect of conflicts which can be captured in the dimension of constructivism and deconstructivism (Sass, Síklaki, 2011). A small settlement can be considered, even if with some inaccuracy, a kind of community. Thus the community can learn from a constructive conflict because its members know the criteria and the views of the others, and they can understand those who do not agree. This may trigger changes, which may relieve the tension produced as a consequence of conflicts. As opposed to that, in the case of a deconstructive conflict, emotions take the main role, which leads towards extreme views, which disrupts the community and it may provoke the disintegration of the community.

By exploration of these conflicts we hope that they will not only give a kind of status report of the lives and perspectives of the people living in the settlement, but they will also give an insight into the present and past of the settlement, and may also provide a projection of the possible alternatives of the future.

2 Method

The survey fits into a larger research framework during which we examined several settlements in Borsod County, such as Ózd, Sátoraljaújhely, Kistokaj, Fulókércse, etc. Although we used both qualitative and quantitative methods in the course of that research, this study was created based on the research results of the interviews.

Altogether 38 structured interviews were made, which included several opinion leaders, such as the social worker, health visitor, teacher, clergyman, entrepreneur, etc. Some of them did not give their consent to the audio recording, in such cases a written summary was made the same day of the interview.

3 Results

3.1. Bükkszentkereszt

Regarding the interpretation of the term of conflict, it can be stated that the subjects of the interviews use the expression basically in the same way as interpreted by the research, and the types of conflicts they told us about can be fitted into the typology used in the survey.

One of the most important results of the research is that it disclosed the conflicts that may be associated with the migration of the population into and out of the settlement. It turns out from the interview made with the former and the current leader of the Slovak minority self- government that at the beginning of the 1940's there was a new "magyarization" attempt, and one element of that was to move the Hungarian speaking population into the settlement that had been fully Slovak until then. This, coupled with other measures of the government, resulted in serious conflicts in the settlement:

"In thirty-eight the conflict was big, my father and mother hardly spoke any Hungarian."

At the end of the 1940's Slovak families moved out of the settlement to the former Czechoslovakia, mainly to the area of the present Slovakia. Several of them came back a couple of years later because it did not work out for them (Veres, 2007). The leaders of the Slovak minority self-government unanimously claim that these conflicts have disappeared by now. The settlement have practically become assimilated, in which a determining fact was:

"...When they started to go to work from here (to Miskolc), it was then that the Hungarian language started to increase. And also the mixed marriages, which were very rare earlier.

- And the Slovak?

- It was pushed into the background. It is understood but not spoken."

Although school-aged children learn Slovak in the Slovak minority school of the settlement, we can state, on the basis of the interview made with the teachers and the head of the kindergarten, that they learn Slovak as a foreign language as they do not bring it from home, from the family:

"These kids do not understand the Tót language, who come here at the age of three with almost zero language knowledge."

One of the paradoxes of the history of the village is that the preservers of Slovak culture are the children of those who moved in from Miskolc, who have no Slovak roots at all:

"Generally, otherwise, the more educated and intelligent people come. Actually, they are very happy to put their children into the school, they also undertake the burden that the child is learning in Slovak. Moreover, the children settled down in here often get to taking the Slovak language exam. ... They respectfully accept that there is tradition preservation here. The children have to learn Slovak folk dances. The children play the zither. We strongly preserve our heritage. Former city children come regularly, dress up in folk costumes and play the zither. They want to adapt to the new situation. ...Our future would be if people moved out of the cities. ... Making people fall in love with country life, I, as a teacher, carry this in my heart. The school should not die. It is impossible that a viable medium is terminated because people work abroad."

The other big paradox of the history of the village is that the current management of the settlement does not only insist on maintaining the title of the 'Slovak minority school' in order to preserve national identity, but also because of demographic reasons. The school might have easily been closed down due to the low number of students if it had not been a minority school. Their own school, including their own kindergarten, is perhaps one of the most important guarantees for the settlement's survival. One of the stakeholders sums up the present situation as follows:

"A demographic problem, there are too few children, this is the most serious thing, it affects our existence. We close down the school, it is a vital issue. It is not simple to merge us because we teach Slovak. There is a bit of politics behind it, no such news could be spread that a Slovak minority school has been closed down. We are protected."

The following big wave of in-flow into the settlement and out-flow from it occurs with the change of the political regime and also after that (Kristóf, 2017). Before the change of the political system a considerable part of the village inhabitants commuted to Miskolc every day. There was an interviewee who said that he went on foot to DIGÉP to work, so he set out at dawn and got home late night, and only had a couple of hours for sleeping at home and he had to get up again. After the heavy industry of Miskolc went bust following the political change, this way of living came to an end. A difficult period came for the people living here. Who was able to

retire, retired or tried to make it through to retirement. The elderly retired generation who recall the late Kádár period as a sort of golden age:

"I liked the Kádár system. It was like in an army, we had to go to work. There was equality in punishments and rewards. If someone worked, got it, if someone did not work, did not get it. (Now) *they pay even to those who do not work. ... The youth, with some rare exceptions, do not know what work really is."*

Out of the generations following this generation a lot of people have moved out of the village, and not only those with low levels of education who we did not find when were making our questionnaire survey, but also others, as one of the teachers remembered, apart from her, hardly anybody remained in Bükkszentkereszt from her former primary school classmates, though there were many more students in the different classes then.

"With college and university degree they go abroad to work as a waiter, then slowly they become middle-level managers, I know of two or three, who worked their way up from dish washing, and there were also people who left with two university degrees. With a degree from Miskolc University, his major was geography."

It was very painful for the parents who stayed here. One of them burst out like this in the interview made with him:

"Our children have to run away from home, because it is really nonsense that a joiner or in any craft if someone goes to work to Pest, will get double or triple of the wages in Borsod, so it is segregation, isn't?"

We can learn from the interviews with the grandparents staying here that their children and grandchildren did not only go to Miskolc, which is a couple of kilometres away, or to Budapest, further away, but a great number of people went to a far-away foreign country, mainly to the UK and Germany.

"They follow work. They move down to Miskolc, but who knows where people stop. By the way, a lot of people from this village are working in England. ... Some would come back now and then, but they cannot be organically integrated into the life of the village. They visit the family, come home at Christmas, and then we do not see them again. Generally, young people left before getting married. I have heard of people who got married abroad."

The ageing parents staying here have provoked a serious social problem because someone has to take care of them. Evidently, the longer the

distance is where the children and grandchildren live, the more serious the resulting situation will be. Just think about it. There is no piped gas, everybody heats with wood. The seventy- or eighty-year-old parents left alone, or often only the widowed wife alone, has to cut up the wood and shovel the snow. This is such a big problem that there are people who move to Miskolc for the winter to their children and they return when the cold season is over, in spring:

"She has gone to her daughter in Miskolc because she is an old woman. She would not be able to shovel the snow, so she is living with her daughter and will come back in spring. There are houses that have been sold, the owners do not come up from Debrecen to shovel the snow."

So there were houses where the snow was not cleared in front of the entrance because the elderly parent moved to her child temporarily. So this is almost impossible to estimate the proportion of the people moving out.

However, there is also a wave of resettlement from the other direction. Mainly from Miskolc, but also from further away, typically people with higher educational degrees move here, because Miskolc, where they might be working, in Chinoin for example, is close to here, just a few kilometres. It can also be observed that people take up a job here, for example in 'Gyuri bácsi's herbal shop or they themselves start some kind of business, generally related to tourism.

"The parents of the children who come here (there are thirty kindergarten children) are all graduates from higher education, with the exception of two, and they commute to Miskolc."

So the eclectic architectural style of the village mentioned above is also the measure of social inequality. In the run down houses elderly or aging inhabitants live who were born and raised in Bükkszentkereszt, whereas the newly built or renewed houses belong to the young re-settlers or as locals say the "aliens".

"These are from the big houses, they are not from here."

It must be mentioned that there are also better-off locals, who were born and raised here, but they are accepted more than those who moved in, because the conflicts arising from financial differences are thematized in the interviews as conflicts between the original population and the population that moved in afterwards.

The picture of the conflict associated with underlying financial issues becomes more subtle, when a well-off man, even if he came to the village through internal migration, who can give work to the people living here, is praised, while someone else even if an original inhabitant, who employs people from outside the village, is strongly disapproved. This is related to the fact that employment is major concern in the village. It is illustrated well by the postman about whom it turned out that he had secondary education of accounting. The mayor's office basically tries to mitigate this problem by public employment. Public workers, however, are mostly the inhabitants who are of pre-retirement age, have low level education and "*not needed by anyone*", as it does not make sense for them to move out of the village any more.

It turns out from the interviews that there is a sort of conflict between locals and moving graduates in terms of lifestyle and mentality. A good example of that is the teacher moving in from Debrecen, who cannot get on well with the local teachers because the concept of culture has a different meaning for her, and she has a different idea of how to pass on knowledge to students. The conflict gets "resolved" by her leaving the school and joining her husband's tourism business.

What differentiates Bükkszentkereszt from typical settlements in Borsod County is that due to the lack of Roma population - there is only one Roma family living in the village - there is practically no ethnic conflict in the village.

"There is hardly any other ethnicity in the village, perhaps just one family."

Evidently, it does not mean that the ethnic conflict is not thematized during the interviews, but it appears as a problem existing outside the village borders.

"What I hear are the Gypsies." My colleagues speak about what they did, mainly thefts, luckily it wasn't man against man. Fortunately we do not have anything like that here.

"- In the county?

- Well, gypsyzation. ... I do not feel safe in Miskolc. It is very important for my generation to know that their family is in security. The population of this village will be growing and it isn't threatened by depopulation because there is public security. Miskolc provides jobs and people will stick (to Bükkszentkereszt) until jobs are provided."

The level of fear is illustrated well by the following excerpt from an interview:

"County?"

The situation is lamentable. Gypsyzation. We do not dare to go to the graves as they may slash the tyres of the car and attack us. We are scared - we light candles at home on 1 November because we do not dare to go to that area."

Due to the above, poverty and problems arising from it cannot be converted to ethnic issues in Bükkszentkereszt. So there is no Roma population living in a block-like segregation, in deep poverty, which typically means in this region the end-of-village gypsy colony site. On the other hand, the use of the social welfare system is not an ethnic issue either, including the above public work programme. In the school and kindergarten there are no multiply disadvantaged children, hence no catching up programmes either. This makes Bükkszentkereszt very different from other settlements in Borsod Conty:

"We do not have any disadvantaged children. There are no disadvantaged children, no children of divorced parents, Dad exists, Mum exists, brothers, sisters, grandparents exist... We do not have real problems. I don't want to paint an idealistic world, but I think that it is a huge asset of the village that we have working people living here, and we don't have such problems in our everyday lives as 'I can't dress up the children, I can't feed them', which are real problems. 'I can buy this car in two years or in half a year', this is not a real problem."

It turns out from the interview made with the leaders of the village that they try to prevent ghettoization. There are a lot of vacant houses in the village due to out-migration, but there are no people moving into these properties without a legal title for use. Slumization of settlements is seen as a threat to the main revenue of the village, which is tourism. However, the areas going through slumization still exerts an impact on local tourism, an entrepreneur speaks about it like this:

"There are opportunities in tourism, (But) they have to come through Miskolc, so they would rather not (come), this is such a sealed off settlement."

Based on the interviews it might perhaps be stated that there is no drug consumption in the village. This is supported by all the interviews made with specialists, teachers, social care workers and simple inhabitants:

"Here drug is found out. None here, but you can be involved in it down, in Miskolc. Never here in the school."

Alcohol is a different issue:

"It doesn't occur with children, kindergarten children, rather with single, elderly men, who have sunk socially. ... Bachelors in their forties, their mother is still alive, and they live on her pension. I think they spend it on drinking. ... Here there is no work at all. They are either in public work or undertake some occasional work in the forest. There are quite a lot of entrepreneurs here. There is a guy who goes only there, it is a very hard job, when the returns home, he goes to the pub. ... He is a public worker, completely on his own, ... he has completely, totally damaged himself by drinking."

One of the interviewees, who did not give her consent to me to record the conversation, said that her alcoholic husband, until he lived, continuously abused and terrorised her and her daughter. The man had several suicide attempts. On one occasion he wanted to kill the interviewee and her daughter, and it was just by mere luck that they survived. According to the interviewee, her daughter, who is in her forties now, has not get married because due to the father's bad example she does not trust men. Here it must be added that in a village environment such a couple relationship conflict is a private matter, the neighbours, with whom the relationship may be quite close in the countryside, would not intervene. However, during the conversation it was not mentioned even once that it would have occurred to the interviewee that she might get any help, or that the neighbours would have lent any help to her. The same thing can be observed in the case of disabilities as in the case of alcoholism. This is described by a specialist who moved in from outside the village as follows.

"In this village people like sweeping problems under the carpet or not showing them, and I, as a migrant who moved in, assume responsibility for disabled children, they need professional help, free of charge, if we can finance it from the kindergarten's budget, we have deaf, mentally disabled, too, ... it requires a lot of sacrifice, I am not a relative of anyone, ... we can't have any problems, and this leads to a problem, generally. ...It was easier when it turned out in the school..."

During our fieldwork it was possible to meet drunken people in the street and in the pubs. Apart from pubs serving only drinks, it can also be noticed

in places where people can sit down and have alcoholic drinks besides coffee, tea and sandwiches, that there are regular customers consuming alcohol, who I would always meet whenever I went there.

These observations support what the specialists and the inhabitants indicated in the interviews made with them, that alcohol is a serious problem in the village.

The interviewees were very satisfied with the social institutions of the settlement, including health care, school, crèche, etc. This is exemplified by the general opinion in respect of GP care.

"We have a very good family doctor."

The good financial background of the settlement must certainly play a role in satisfaction:

"We are catered for very well by the local government, perhaps we had in mind music education, classical music at school, the children play the zither, they have sports, mountain bike, a stable financial background is required for these."

If there is any negative opinion, it comes from the care system outside of the settlement.

With regard to conflicts, the present situation is properly characterised, on the whole, by the following interview excerpt:

"The village is absolutely tolerant, mainly towards the outside. This is said by an "alien". ... They are peaceful people, conflicts are not typical at all, only perhaps the acts of bravado, but not even that, they are rather reserved."

"The strength is the calmness provided by nature, a sufficient distance from the city, there is a small road to Bükkszentlászló, ... We come home to have a holiday. Everybody has their house on a hill top here and there, we love living here. There is calmness and peace, it is good to live here."

„I haven't had a conflict yet.

- In the settlement?

- I don't believe so, I don't know, I don't think there is, or I am not aware of it."

"It is a good, quiet place, there are no thefts, and the people are kind. ... It is a beautiful place. Mezőcsát, it is not beautiful compared to this, - it is a village on the Great Plain, an agricultural town. I would not move out of here."

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"They try to adapt to us, locals in Bükkszentkereszt. Nothing, we are very well."

"Our life is really calm here. ... I used to teach here, there was no professional jealousy at all, this is a very peaceful village."

"People love living here, there are a lot of people who move here, entire families settle down here. Even until today, calmness, peace, quietness, good air, fresh air."

The social backgrounds of the above interviewees are very different: they include old, young, born and raised in Bükkszentkereszt and "aliens", well-off people and retired people living on a small pension, but their opinions regarding the question are very similar. The existing conflicts cannot typically be called serious – as one of the interviewees said, *they are not real conflicts*, this is illustrated by the following quotation:

"We go out or we don't. Where? To the courtyard. We don't go out in a storm or in fog... At a parents' meeting this is what we give information about, but this is not displayed on the notice board. This is now a constant source of problems. Why we don't take out the children even at the expense of the lesson, so that the parent needn't do it in the evening. This is the washing hands effect. The institution will solve it. ... If we go out, then the child gets a cold because of that... this always leads to a vicious circle."

"All it was that at 5 in the morning the church bells start ringing, and a mother with a small child asked to stop it because the child always wakes up. They live next to the church. And then, they stopped it, and the village revolted why the bells are not ringing at 5 in the morning. Does anybody go to church at 5 in the morning? No, but this is a custom. So it couldn't be done for the child? If it doesn't make any sense? Well, they restarted it but made it shorter."

It can be seen from this last quotation that even the conflict that was not too serious, ended with a compromise solution.

„I don't avoid conflicts. I don't like provoking them but I don't like sweeping them under the carpet either. Everything bad has something good in it, conflicts can also produce a good result. The first number is not necessarily negative, because you have to show your dislike somehow. .. What is that if not the conflict that could solve anything. ... My door is open because I think this takes us forward."

The above quotation illustrates the conflict-undertaking attitude in Bükkszentkereszt that was perceived while the interviews were made, but it also gives an example of the fact that the interviewees may look at conflicts in a positive way, which could help to make the solution of the created problems move forward.

3.2. Taktaszada

It must have been at least twenty-five years ago that I last visited Taktaszada. My jaw dropped when I saw the lot of BMWs and Audis while I was walking from the railway station to the village on the side road. Then, getting to the village, I was surprised to see the smaller and bigger shops stocked with high quality goods. Then there is the newly built, Mediterranean-style, luxury building in the centre of the village. There were a couple of other well-maintained buildings, mostly the old socialist realist buildings were restored. Actually, these experiences did not fit the image of the settlement called 'slumized' by specialist literature. It would not have surprised me to see a bit rundown metal Mercedes or BMW on the site, it has been possible to see such vehicles since the end of the 1990's even in the vicinity of the most infamous slums, such as the Szondi site in Miskolc, the glass factory site or the gipsy row in Szerencs. The pimps running the girls of the slum used such cars. But seeing a new Audi A4 and a BMW in a courtyard is very strange. What is more, there are a lot of vans on the roads, and this is not the sign of a multiply disadvantaged settlement going through ghettoization.

The interviews later revealed that there are some entrepreneurs engaged in scaffolding in the village, who primarily employ local workforce for working in Germany. The entrepreneur can amply afford a new Audi or BMW from this, but the scaffolders also earn about HUF 6-800 000 monthly, and this is enough for a used BMW or Audi still in good condition.

I asked the specialists (e.g. social worker) living in the settlement to give me an estimate of the number of employees working abroad as scaffold makers, who just happened to be staying at home now. Based on that estimate, they could be about fifty to sixty. If we calculate with families of only four members, even then about 200 to 240 people may be affected, which number is nearly half of the Roma population of 555 registered at the census (KSH, 2011). It must be known for this that almost all the

scaffold makers, without any exception, are Romas. The reason for that is that the entrepreneurs are Romas themselves, and getting into the foreign employee brigade is done through their relationship net, thus social capital plays a prominent role in this area (Coleman, Granovetter, 1994). It is important to note that they and their family do not want to move out of the settlement, the evidence for that is that they renew and modernise their homes. If they wanted to move they surely would not do it because strangers do not really buy real properties in this settlement. The layer of the scaffold maker employees may be a very serious counter weight from the perspective of the slumization of the settlement, as a well-off layer emerges that consumes here and keeps shops alive.

The monthly sum of 6-800 000 forints is a very good salary not only by Taktaszada but also Hungarian standards, but they will use it up: they buy a BMW kept in good condition, renovate their home, buy expensive Italian furniture, household appliances and they do not have any savings practically. An example of it is when a scaffold maker working in Germany for several years is sentenced by German jurisdiction for causing a minor bodily injury and he is penalized with a fine of 750 euros, he does not have that much money. I know this because he asked me to help him, and I saw the court ruling and his despair with my own eyes. This approach of living for today may have the culture of poverty in the background (Lewis, Jahoda – Lazarsfeld - Zeisel, 1999).

We must realize that this group that suddenly has become so well-off, could easily find itself in an extremely vulnerable position in the case of a (constructive industry) crisis, because they have low level education – no school-leaving exam but if they are employed unofficially, then even primary education is missing – therefore they do not make a flexible workforce, furthermore, they do not have any savings that could help them over a crisis.

There is, however, another well-off layer living in Taktaszada, it is that of criminals. Partly these are drugs, and partly human trafficking, which are of significance, previously there also used to be a form of usury, money from the interests on debt, that was also considerable (Béres – Lukács, 2008), but by today it seems, based on the accounts of the people interviewed, that it has decreased. Obviously, any data or accounts related to that should be treated very carefully. When the interviewees, from the barman to the mayor, unanimously report that the commandos came and the suspects were taken away handcuffed, this happened with all certainty

and this must have had eye witnesses. But how much synthetic drug was taken away by the police and if they really found a hundred million forints in cash, as some data providers said, this is another thing.

Pimping women as prostitutes in Dubai, Switzerland and the Netherlands reaches very high proportions. The various local social specialists, i.e. social worker, health visitor, primary school teacher estimate the number of girls being abroad now as forty. We should not have too many illusions regarding the tools that the pimps use. They obtain their victims from the poorest and most defenceless families. If we only look at the language disadvantage (Gréczi-Zsoldos, 2018), let us have as illustration an interview excerpt of one of the potential victims:

- "What is the opposite of quarrel?

- You do quarrel for something, don't you?

- That is the cause but what is its opposite?

- Chatting? Shouting?"

Let us just think it over how easy it is to mislead a girl with such linguistic skills in the hope of a better life, but the interests on debt could also be the entrance ticket to prostitution:

"- What have you been through?

- Everything, though I was brought up decently. When I was pretty young, I fell in love with a forty-year-old entrepreneur, who took me to his place. He cheated on me with another girl, so I moved back to my mother. My father brought up my first child, and after that I had no other way out than become a prostitute, though I am a qualified cash register operator... I couldn't stand poverty, my dad collecting iron and copper pieces and we ate from that, 'cause we were full of debts, our electricity was cut off..."

In spite of being exploited sexually, and being victims of human trafficking, or at least a part of them, as the above interview excerpt testifies, these women can improve their own and their families' situation financially. But this is also demonstrated by another case, when the father was bragging about his daughter "working" in Dubai, or the third example of a prostitute who, having been to Dubai and dancing in the shop-window in the Netherlands, furnishes her flat with expensive furniture. They can collect as much as raising themselves and their family out of deep poverty, even if just for a short time.

Forty prostitutes in a village with a population of hardly reaching two thousand are so many that we may assume that at settlement level a noticeable improvement is achieved in the poorest families in terms of subsistence.

On the other side there is bottomless poverty, so well-known from the region. An example of this is one of my Hungarian public worker interviewees, who lives on 48 000 forints a month, her electricity has been cut off due to debts, her only entertainment is that in the evening she listens to a battery-operated radio by candle light. She worked until the chocolate factory in Szerencs was open, and now she is happy to be a public worker. Of course, there are a lot of people on the gipsy row who live under similar conditions. I brought up this example to illustrate that poverty does not only affect Romas. Some hundred metres away from the crumbling house where this woman lives you find the house of one of the richest families of the village and a new Audi A4 and a similarly new metal BMW are parked in the courtyard.

This huge gap of social inequality so close to each other constitutes one of the archetypes of conflicts at the settlement. And there are also the mainly Hungarian pensioners who, having a stable income after the political changes, used to be one of layers with the best social position in the village, who are now looking at their situation as a relative decline.

This conflict is summed up by the wife of one of the scaffold makers in the following way:

"How shall I put it, here the Hungarians feel as if they were suppressed ... we Romas, if we look at it that way, are more numerous in the village than the Hungarians, and they are envious of us to a certain extent. They see the expensive cars, they see that they spend on the house, that they are full of gold, and then here is the envy. They come from behind, suck up to you face-to-face, and talk about you behind your back.

There is envy, there are still some Gipsy families who are still at the same level, they have not been able to make any progress. We say that they do not fit here, it would be good if they left.

There is another Roma interviewee:

"There is big poverty, life hasn't changed at all, ... if I recall my childhood, people used to keep together more, then there were no ranks, now there are ranks even between the Romas, those who have necklaces and a

handbag, earrings and rings can be at that level, who don't, they have poverty, the same is true for the flat."

It is interesting that the poor do not thematize the strikingly huge social gap, but for them the main problem is crime:

"There are a lot of bad people here in Szada, alcoholic bad people. Here you have to keep the door closed all the time. Well, the windows were all smashed, when I leave for work, they, sorry to say but they just enjoy breaking windows."

Apart from the drug, as it can be seen from the quotation, alcoholism is a significant source of conflict at the settlement. Prostitution is considered by specialists, i.e. the social worker and the health visitor, a grave problem, but the other interviewees do not say anything about it. It could have several reasons, the older generation doesn't have information but it may also be possible that the topic itself is not something that they feel comfortable to talk about.

The other type of conflict is that there is also a kind of generation conflict at the settlement. This is basically manifested in the unmanageability of children, first of all those of primary school age and it is mainly demonstrated by boys. This is also confirmed by the fact that in the school three quarters of the learning time is taken up by disciplining the children according to the account of the head teacher, but this topic also frequently comes up in the interviews made with the parents. This is how one of the mothers sees the cause of the phenomenon:

"In our world parents were able to educate a child. We are living in a three-dimensional world. The children are disrespectful and sorry but they have that fucking phone in their hand, they do not know what communicating is. They don't ask, Mum, how can I help?"

The above parent is right but this could also be a problem elsewhere. In the case of the children of Taktaszada the lack of father is typical. If the father works abroad, and only comes home for one or two weeks every three or four months, then even the women living in a couple relationship are practically raising their children on their own. The other characteristic feature is that for the boys the local criminal group may become the group of reference (Merton, 1980). One of them, whose mother was my interviewee, called himself a *Spartan*. I suspected from the very beginning that it was not about identifying himself with antique cultural role-models,

but it only turned out later that the local criminal elite calls itself this way, they are on youtube and the children watch them. The identification can also be observed as the boys take over other cultural patterns of this criminal group, this is how the mothers raising them on their own get into a really difficult situation.

A further problem may arise in terms of education if the mother is (was) a prostitute, let us just think of the judgment of the peer group, but it could also be a source of conflict within the family. Needless to say that it is very difficult to get information about this, even with qualitative methods. One of my observations, on the other hand, illustrates the above well:

The grandfather is drinking outside a shop, he doesn't look drunk and his grandson goes up to him and asks for money for Milka chocolate. The grandfather would not give any money even after several requests. The grandson takes a revenge by telling him, *Grandma will be put into a common grave,* the grandfather angrily replies, *What woman is your mother? She is a whore.* It should also be added to get a full picture that the grandson looks gipsy and the grandfather doesn't, so it seems very probable that the grandfather's son married a gipsy woman. This can also give an ethnic aspect.

The above example raises the issue of ethnic conflicts. Based on the experiences of the interviews, it also becomes apparent that that the interviewed Romas give account of ethnic discrimination coming from outside of the settlement, without exception. The underlying factor may be the demographic structure of the village: large proportion of young Roma population, and decreasing, ageing Hungarian population (KSH, 2011), furthermore, there are also a considerable number of mixed marriages. In addition, double identity can also be observed, i.e. somebody identifies themselves both Roma and Hungarian at the same time, this also has an effect towards the mitigation of conflicts within the settlement.

Finally, the out-migration of college or university graduates should be highlighted. Out-migration from Taktaszada started as early as in the 70's, the rate of this decreased significantly in the 80's, but became stronger afterwards (Dobány, 2011). There are no available data about the migration of college or university graduates but related trends can be deduced from the experiences of the research.

For example the barman's daughter has just taken her school-leaving exam and will take an entrance exam to the Faculty of Law, but the option

of an entrance exam at the University of Miskolc was not even raised, though it would be possible to commute from Taktaszada to the university every day and they could save a lot of the costs this way, but it turned out from the conversation with her and the barman that the girl does not only want to get out of Taktaszada but also the region, so the family also undertakes additional financial burdens.

In Taktaszada there is still a thin stratum of college and university graduates, the teacher, social worker, cultural organiser, agricultural engineer, but in ten to twenty years they will reach an age when they retire, so they will not be able to help the settlement a lot with their work.

Younger people who have recently earned their higher educational degree have moved out or are planning to move out. It is important to emphasize that the same refers to the graduates of Roma origin. In the interview made with them they mention as a reason that it is impossible to live in the village: primarily because of crime. The Roma interviewee holding a degree from the Technical University also mentions school as a reason. The Romas being in a better position - even the members of the criminal elite - tend to take their children to school in Szerencs (Durst, 2002). This way the village will be left without a cultural elite, which from a historic perspective means the last station in the slumization process of the settlement (Virág, 2006).

4 Comparison of the two settlements based on the conflicts experienced at the venues

With regard to the conflicts called "demography" in Csizmadia's typology (2015), it is the generation conflict that was mentioned primarily in Taktaszada by the respondents during the interviews. The interviewees thematized this as unmanageable children. In our view, the reason for it was the lack of the father's role as an example of socialization, so we explained this phenomenon with the large-scale employment of the men abroad. This is not typical in Bükkszentkereszt because those who take up a job abroad or in another locality, let it be Miskolc, tend to move out of the village.

It would require additional researches to find an explanation for the above difference, but based on the experiences of the fieldwork, we can assume

that the people of Taktaszada do not move out of the village because they feel safe there, meaning that there is a lack of ethnic conflicts, as they are Romas at a settlement that is undergoing gypsyzation (Ladányi – Szelényi, 1998)..

However, this is another demographic conflict, the ethnic conflict. This was mainly mentioned by the interviewees of Roma origin from Taktaszada as ethnic discrimination. These accounts, on the other hand, are mainly about events occurring outside of the settlement, which can be explained by the demographic structure of the village, i.e. the elderly Hungarian population lives withdrawn in their homes and avoid conflicts. Contrary to that, there is a single Roma family living in Bükkszentkereszt, fully integrated into the village community.

As for social conflicts, it can be stated that the falling apart of families due to alcoholism is characteristic in both settlements, and this can have similarly grave consequences for better-off families as for families living in poverty. During the research we did not obtain any data related to the drug consumption of the inhabitants of the two villages. The mapping of self-destructive forms of behaviour, however, is difficult in many respects, and is full of uncertainties, hence its appearance cannot be excluded with complete certainty. Based on the interviews it seems likely that drug is not present at the settlement, this was unanimously confirmed by the accounts of the specialists working there (teachers, health visitor, social workers...), although they think it is probable that there could be some among the young people living in the village who became familiar with drugs outside of the settlement.

In connection with incoming migration it is interesting that a minor conflict can be observed in Bükkszentkereszt between the well-off people arriving mainly from Miskolc and the original local population of Slovak origin, but the reasons for this are not associated with nationality but rather with the differences in the way of living and the underlying perceivable approach to life. As opposed to that, no such conflict can be observed in Taktaszada, due to the fact that after the change of the political regime there was no considerable internal migration to the village. In contrast to that, a lot of people, primarily young people, have moved out of both settlements, which has become the source of several social problems, mentioned above.

Finally, the source of conflict that I consider the most important is the growth of inequalities, which can be detected at both settlements, but in

different forms. In Bükkszentkereszt there is some conflict between the well-off migrants, who moved into the village being attracted by the natural environment, but maybe also due to or fearing the slumization of their previous living environment (Váradi – Virág, 2014) on the one hand, and the poor, mostly retired population with Slovak roots, living in decency, on the other hand. By contrast, in Taktaszada the fast differentiation occurring in the Roma population results in conflicts, mainly between the Romas.

5 Instead of a summary

The research reveals that the conflicts at the two settlements situated in the agglomeration of Miskolc are very different. This phenomenon arises from the different history of the settlements, as well as from their largely diverging social background and present social relations.

Acknowledgement

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LOCAL INVESTIGATION OF SOCIAL CONFLICTS THROUGH THE EXAMPLE OF PÁCIN

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1 Introduction

A great dream of our research group and our Institute of Applied Social Sciences came true when we won a 3-year project starting from July 2017 for the analysis and prediction of social conflicts, and possible resolutions of conflicts of different nature in the Northern Hungarian Region. We analyse social conflicts at micro, meso and macro level, creating a database of settlements using the data available at regional level, then narrowing down the settlement focus of our research aiming to present 50 settlements with more details and perform a qualitative deep drilling in 5 selected settlements to understand conflicts better, while continuously expanding our data warehouse with quantitative and qualitative data.

In addition to all that, the project also enables us to display the conflicts on geospatial digital maps, modelling the conflicts in space – presenting the causes of their emergence, the characteristic features of their operation and providing a kind of script about the typical processes of their occurrence – giving assistance to their resolution and relief for decision-makers (mayors of the relevant settlement, local communities and groups).

Prediction of conflicts and keeping them within regulated limits is not only an important condition for the economic recovery and job creation in respect of market mechanisms but also in respect of state, regional and local public work, public employment and community type economic

programmes. Thus successful conflict management based on conflict prediction is an indispensible element of local cooperations, the distribution of local products and other similar social and economic innovations.

There are numerous false ideas fixed in people's minds in connection with conflicts. A lot of people see a source of danger, a negative phenomenon in every conflict. Others generate conflicts to improve their life chances even when the conflicts are completely unfounded. In conflicts there are often such parties confronting each other who do not have a real conflict of interest between them, and they could effectively enforce their interests by cooperating with each other.

Our researches are aimed at producing a constant, reliable, multi-dimensional, evidence-based tool (methodology, procedure) within the framework of social innovation, involving domestic and international partners, in order to support public policy decisions required to stop the negative escalation that is characteristic of the regions that are disastrously backward and unable to recover from their own strength.

In this study we are going to present a section of our researches through the example of Pácin, as one of the terrains of our "deep drilling", building on both our qualitative fieldwork and the analytical presentation of the data obtained in our quantitative questionnaire survey conducted with the inhabitants.

2 Antecedents of the research of social conflicts

Researching conflicts is a very topical issue also in the international arena, however, there are no researches that would focus on the prediction of social conflicts. Only a single research exists that attempts to measure – primarily ethnic – conflicts with psychological methods. This research was conducted by Sándor Bordás and Péter Huncik (Bordás – Huncik, 1999).

The structural and sociocultural interrelations of conflicts have been researched by several sociologists (Dahrendorf, 1994, 1997; Lenski, 1984).

As a summary, Figure 1 illustrates how, in what manner individual social theories manage social conflicts.

The chart demonstrates conflicts in two aspects: it deals with conflicts arising in everyday life and conflicts called large-scale in the model,
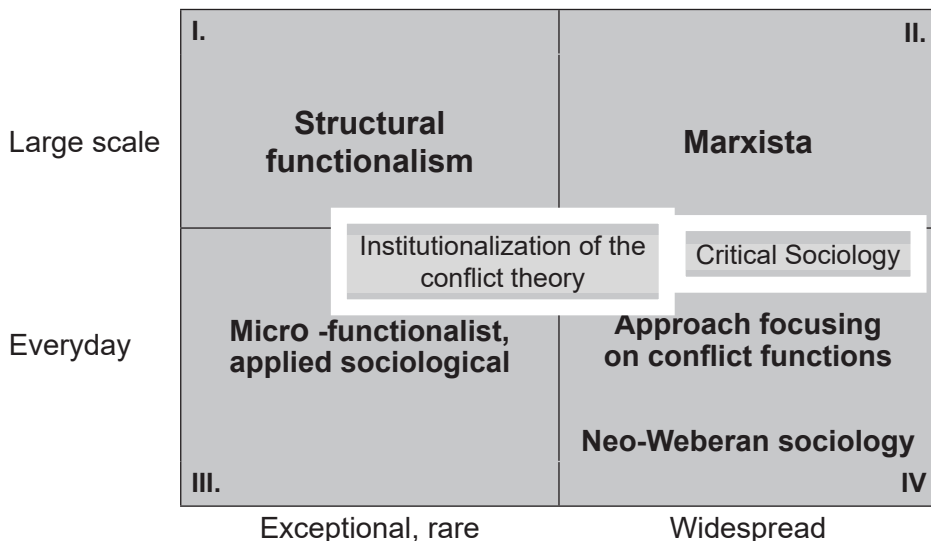
such as inter-group and inter-strata, and social conflicts. In the other aspect, conflicts may be interpreted as seen on the chart, rare conflicts or widespread conflicts that often occur.

Structural-functional social theories belong to the theories of harmony. The two most prominent representatives of the theory and the authors of the determining study mostly laying down its foundations, K. Davis and W. E. Moore argue that everything existing in society has a functional necessity. The reason for the emergence and importance of the system of social inequalities is that they basically reflect social usefulness, importance and at the same time they give motivation to reach higher positions. The theory does not really deal with conflicts, it considers them exceptional.

Marxist-type conflict theories consider conflicts fundamental in terms of social development. The fight between the classes is the driving force of social change and development, and it helps to create a just society.

On the chart the theories in group III are connected by the fact that they analyze conflicts at everyday level, and focus on how conflicts can overturn social order and the order of the community from time to time, and what necessary function these actions may have.

Finally, the ideas in group IV are the ones where the common feature is to better understand the cause, nature and driving force of conflicts and their deduction from the causes.

	I.	II.
Large scale	**Structural functionalism**	**Marxista**
	Institutionalization of the conflict theory	Critical Sociology
Everyday	**Micro -functionalist, applied sociological**	**Approach focusing on conflict functions**
		Neo-Weberan sociology
	III.	IV
	Exceptional, rare	Widespread

Source: Csizmadia, 2014

Figure 1: Social theories and concepts of conflict

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As it can be perceived from the above summary analysis, there are ideas according to which the stakes of conflicts are often the achievement of a better life chance. Life chance is jointly influenced by several factors. The conditions of individual actions are structurally determined, so are the available opportunities of action (they are called options by Dahrendorf) in a given situation (Dahrendorf, 1994). The motivations and aims of individual actions are socio-culturally determined, which derive from the world interpretation schemes of life-world and from life patterns (Dahrendorf calls them ligatures and distinguishes obligations and entitlements). An individual or a group of individuals can often make their life chance better against others. So if there is no opportunity at individual level to achieve a better life chance, it generally leads to the emergence of conflicts and their violent handling. (Bordás – Huncik, 1999; Allport, 1977; Hunyady, 1996; Tajfel, 1981).

Conflicts often appear in the form of conflict between the majority and the minority (Csepeli 2006; Csepeli-Örkény-Székelyi 1997).

Any society, thus also local societies, can be divided into majorities and minorities on the basis of any socially relevant criterion. All criteria are regarded socially relevant that exert influence on the position of individuals and their groups in the system of social inequalities. The position occupied in the system of social inequalities is closely related to the scope of life chances, the size of room for manoeuvre of individual actions, which, as we have described, are the basic stakes of conflicts.

This structural situation often gives rise to a potential conflict situation between the majority and the minority also in reality. It also often occurs that the majority does not realise the causes of the deterioration of their situation or the lack of the expected improvement, and instead of identifying the real correlations, the scapegoating mechanism starts (Csepeli, 2006, Tajfel, 1981; Hunyady, 1996; Horowitz, 1985).

Conflicts can also be analyzed alongside social changes and social innovations. Basically two types of social changes can be distinguished: breakup and innovation.

Breakup usually takes place with violent conflict settlement. Such are wars, revolutions and terrorist actions. Social innovation means the internal transformation of existing conditions. In such cases conflict management is carried out in a regulated way. The individuals with similar interests

and endeavours get organised and start social movements. Thus social movements are the generators and implementers of social innovation.

A part of the cases that appear to be or can be predicted as conflicts are neither adequate nor inadequate conflicts but false conflicts (Buda, 1974). In the case of the predictability of false conflicts the task is to make people recognize the non zero sum games, to demonstrate that there are social situations when the increase of the room for manoeuvre of the individual actions, the achievement of a more favourable position in the allocation of assets, i.e. getting into a higher status in the system of social inequalities can be reached not only at the expense of others but in cooperation with others common advantages can be achieved, and each of the actors of the false conflict can benefit from it.

A central theme of conflict researches is also the investigation of the level at which conflicts and disagreements appear (Csizmadia, 2014). Based on that, conflict can appear at the level of the individual as a sort of internal conflict, can appear at the level of people, groups (intra-group and inter-groups), communities (intra-community and inter-community), organisations, between social strata, at settlement level, regional, national or global level. In our research we make efforts to research potential conflicts and disagreements at all these levels, but we focus on the investigation of individual settlements (villages/towns).

Another possible section of the conflict research is the area of the manifestation of conflict.

Based on this criterion, the following areas can be discussed:

- demographic (this could be a cause, e.g. the ageing of a settlement, but it could also be a generation conflict created by that)
- religious
- of ethnic nature
- private life (family, friends)
- appearing in the area of the labour market, health and education
- regional-residential-neighbourhood
- political, related to interest representation
- economic, related to entrepreneurship

According to their forms of manifestation, conflicts can appear as hostile emotions, malignant rumours /gossips, avoidance, discrimination, they can manifest in physical assault, persecution, ban or extermination.

Conflicts can also be characterised by pairs of opposites, such as open-latent, violent-free of violence, affecting a whole community-affecting some people, resolved-unresolved, functional-dysfunctional.

3 Conflict research in Pácin

### 3.1. Characterisation of the settlement (village)

Source: Teir

Figure 2: Pácin and its region

Pácin, a small gem, is one of the most beautiful small settlements of Northern-Eastern Hungary, currently with a population of only 1493 people (Népesség.com 2019).

Although the number of live births has been showing an increasing trend over the last 10 years (see Figure 3), a lot of people have left the settlement.
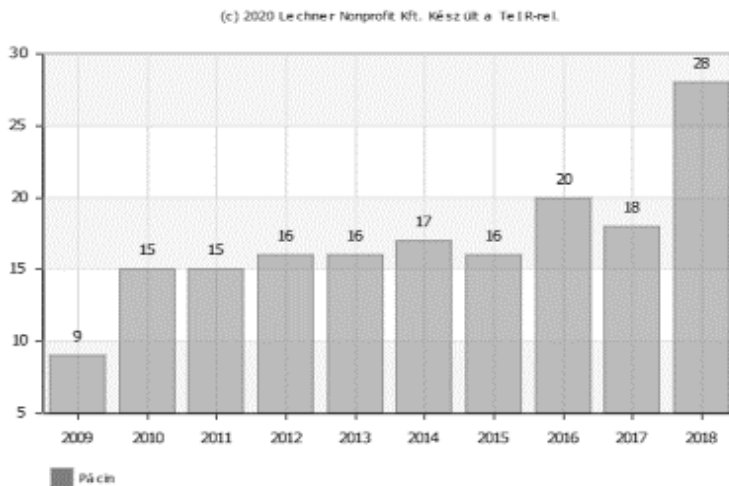
Source: Teir

Figure 3: Change in the number of live births in the settlement between 2009 and 2018 (person)

Besides the increase in the number of live births, the number of deaths has been favourable for the last two years (it has been lower than the number of births), hence natural reproduction has characterised the settlement for the lasts two years.

The number of migrations from the settlement, however, has been higher over the last two years than the number of migrations to the settlement. This is also due to this fact that the number of the active, working age population between 18 and 59 years has significantly decreased for the last 5 years (see Figure 4).
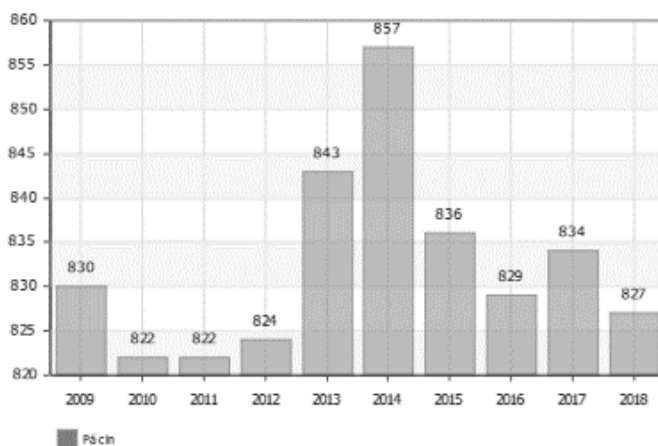
Figure 4: Number of people aged 18-59 from the permanent population
of the village (person)

The border village surrounding the Mágocsy Palace, which is of an outstanding touristic value, is made suitable by all its environmental conditions to become a flourishing Hungarian village of the 21st century. In spite of the opportunities, the current situation gives a much gloomier picture, as Pácin is a far cry from a well-prospering place of residence being attractive for the young and the working-age people. Its environment, however, used to play a major role in the course of Hungarian history as it relished a key role both in terms of culture and science in historic Hungary.

Based on its historic past, Pácin should absolutely be among the successful settlements, as "*it was under the reign of György Brankovics, Serbian Prince, then it was transferred to János Hunyadi's property, and afterwards it became the property of the equally influential and rich Szapolyai family. In the 1570's the village became the property of Gáspár Mágocsy, who was previously the captain of the Castle of Gyula, then the Castle of Eger, acquired his fortune with his soldierly skills and showed a good example by his way of living to the contemporary nobility*" (Bertók - Bécsi - Cséplő - Pusztafalvi 2018, p. 149).

Pácin manifests all the problems of Bodrogköz. The research work conducted here largely reflects the general conflict formula characteristic of the region. On the one hand, the area with landscapes of magnificent and unique beauty embraces the most ancient relics of the thousand-year-old past of the Hungarians in the Carpathian Basin. On the other hand, this area of Eastern Hungary carries numerous, deep conflicts that make the vision of the people living here rather uncertain.

3.2. General description of Bodrogköz

The negative impacts of the Treaty of Trianon on Hungary were felt extremely strongly in the lives of the settlements in Bodrogköz, fundamentally transforming the social, economic and cultural relations. "*The new situation created in Trianon, which meant that one half of the historic land remained a part of Hungary, and the other half became a part of Czehoslovakia, including the Low Carpathian region of today's Ukraine*" (Viga 2002), proved to be fatal first, for the economy of the region, then for its culture, and finally, for its society. As a result of the arbitrary demarcation of the new country borders, Hungary's Northern-Eastern Region totally became isolated, remaining a remote corner where opportunities were minimized, therefore its vision was already gloomy at the very beginning. Despite the series of calamities, it seemed in the 1920's and 1930's – though in hindsight it was only the beginning of a slow agony – that it would be possible to maintain the traditionally high living standards and competitiveness. The primary drive for the positive feelings about life was the construction of the Hegyköz small-gauge railway system, interweaving the entire region of Bodrogköz, which became a determining factor both in passenger and cargo transport. The second drive was the building of the Zalkod-Kenézlő bridge on the Tisza River, creating a direct connection towards Nyíregyháza and Debrecen.

The life of the region discovering new directions and slowly repositioning itself was disrupted by an undesired change of fate, the Second World War. The German troops retreating from the unbearable pressure of the Soviet forces blew up the Zalkod-Kenézlő Tisza bridge in 1944, thus the inhabitants of Bodrogköz found themselves isolated again. During the decades of communism the region was exposed to numerous negative effects. The first big bloke on the local social structure was the setting up of agricultural cooperatives and, as a result of the introduction of socialist-

type farming, migration from the region grew considerably, "*the planned socialist reorganisation of agriculture seems to have had an extremely disadvantageous impact on the living conditions of the inhabitants, and a considerable decrease in the number the population started, which lasted until 1990*" Molnár - Siskáné - Kocsis - Dická - Kulla 2008). The agricultural production taking place in a cooperative form had a smaller capacity to employ workforce than the previous agricultural form of individual farming. The appearance of the redundant workforce, in parallel with the ill-considered and large-scale industrialization, led to many people's opting for an industrial worker existence, which offered safer life perspectives. This, on the other hand, bound them to the cities, where they settled down, founded a family, and only returned to the parental house on rare occasions.

The young people, if their abilities and possibilities allowed it, tried to obtain a qualification in higher education. Most of the college or university graduates did not wish to return to the home village, the environment of which could not ensure any industrial or intellectual work for them.

Depopulation continued at an increasing rate, which was further strengthened by the mistaken socialist transport policy, preferring the means of road transport instead of track-bound transport, in the framework of which the small-gauge railway network, having kept mobility alive, was terminated. As a consequence of the blows coming continuously, from many directions, in the 1980's mostly ageing villages with a population under a thousand people became typial.

The new social and economic conditions created by the series of negative impacts launched a kind of self-perpetuating process, by which the economic and cultural possibilities of the region and its population-retaining ability were constantly deteriorating. At the time of the change of the political regime a lot of people hoped that due to the new approach the region could get a chance to restore its old fame, but the dreams did not come true. The long expected investments did not come because the settlements full of unskilled workforce and with extremely difficult access did not mean even a minimum attraction for venture capital. Without the industrial job opportunities, the population retaining force of the region became critical. The fact that the infrastructural developments were not implemented have brought the inhabitants into an almost hopeless situation. A large part of the inhabitants, even if they find a job in the "close" regional centres, are not able to commute, and as a result, they either move out or increase the number of the local unemployed.

In the largest part of the settlements the biggest employer continues to be the local government. At the same time, employment by the local government is primarily based on public work, which is a less efficient employment form, and it is very far from creating market conditions, which almost excludes that any practical development takes place as the local governments cannot act as market players. Employment by the local government currently acts as the most important social tool, which has a prominent role in maintaining the minimum living standards of the population of the region. Nevertheless, employment within the framework of public work cannot create competitiveness and an increase in living standards, and it is only able to keep alive the society of the individual settlements.

Bodrogköz, traditionally, was able to join the national economic blood circulation by the agricultural production taking place here, and with the products produced and processed during that production. Due to the special historic features and the regional conditions it may look reasonable that the investments are also implemented in this sector. It must be realized at the same time that the current investors, besides benefiting from a maximum profit deriving from the cultivation of the land, do not wish to play a role in the economic and social promotion of the region, which means that they do not contribute to any other possible developments of the region. Their role in managing unemployment is also limited, as they tend to use cutting edge technology and often transport their workers to the region from several hundreds of kilometres.

On the other hand, the perseverance, hardworking and attachment that the people of Bodrogköz show every day in protecting the traditions and values originating from their ancestors give reasons for some hope. It should not be disregarded that the settlements of Bodrogköz show a largely ageing population pyramid, which significantly deteriorates the chances of long-term tradition preservation, and paints a negative picture regarding the economic prosperity of the near future, and its long-term effects can be catastrophic.

3.3. Sources of conflict in the life of Pácin

This part of the study presents the most important problems and sources of conflict affecting the settlement, through the data obtained in our qualitative (interview research and observation) and quantitative investigations (inhabitants questionnaire research) alongside the concepts described earlier.

In order to survey the well-being of local society, their psychological condition, reaction to conflict situations and receptiveness, we asked some questions associated with these during the questionnaire survey made with the inhabitants.

It turned out from these questions that one quarter of the people feel a serious discrepancy between their tasks at home and at work, that is they feel that in many cases they cannot come up to the expectations of the roles arising from the two different venues. Almost half of the population often feel stressed, which can also refer to a kind of permanent distress in the respondents' lives. It is a positive thing that 90% of the people feel that their family life is in harmony. Altogether one in ten respondents considered these relations very problematic. Regarding strong bonds, a considerable part of the inhabitants have really stable and good quality friendships. Only a total of 5.6% admitted that these were special conflict areas. This is understandable as it is easier to let a friend go than a family member, that is if a friend is not good, people would depart from that friend sooner or later.

Unfortunately, the same kind of stability cannot be said about workplaces. Altogether 70% of the respondents agreed with the statement. "I feel that I am appreciated by my boss". and unfortunately 14% replied that they do not feel appreciation towards their workplace superior. Better result was received for the question if the workplace colleagues respect the respondent: only altogether 8% of the respondents were of the opinion that they do not feel it that way.

On the whole, 88% of the inhabitants feel comfortable in their own skin and altogether 8% think that this statement is not true for them.

As mentioned earlier, every other respondent had the opinion that they often feel that they cannot meet all the expectations relating to them. Finally, 77% of the respondents replied to the question, to what extent they can generally undertake conflicts, by saying that it does not cause a problem to them.

Moving on to the presentation and analysis of the conflicts at settlement level, one of the most fundamental sources of social conflicts regarding Pácin comes from its geographical location. What gives the advantage to the settlement, the fantastic environmental values, it is the same that establishes the limits that put up barriers to development and liveability. Pácin is practically too far from everything. The settlement is about a three-hour car drive from Budapest in an ideal case, the county seat, Miskolc, is also about one and a half hours away, while the nearest "big" towns, Sárospatak and Sátoraljaújhely can be reached in nearly half an hour by car. The situation is further aggravated by the critical infrastructural situation of the region. The road conditions are rather tragic in Alsó-Bodrodgköz (Lower Bodrogköz). "*People living here almost unanimously think that the vital point of making the region competitive is the development of transport, as there are several essential deficiencies in the connection of Lower Bodrogköz into the Hungarian public road network." (*Kasznár 2018, p. 17)

The low level of employment, i.e. the lack of workplaces is an outstanding problem also in Pácin. The main employer in this settlement of Bodrogköz is also the local government, which tries to relieve the hard life of locals with the help of public work programmes. The inhabitants of Pácin are actually quite lucky, because the local government organises its own production capacities where it employs a part of the unemployed, and it does not only make the public workers clean roadside ditches. "*The local government has its own gardening facilities which are located on open areas of land and in plastic tunnels. Currently they are growing vegetables, herbs and seasonal flowers. ... The gardening activity is also part of the public work programme. Depending on the weather, outdoor or indoor work is provided for the employed. When the weather is not suitable for gardening, they go to work to the vegetable pickling plant or the pasta-production unit or to the animal husbandry facilities. They have their own chicken farm with a hatchery for 500 chicks. The poultry produced here is used in communal catering, and the eggs are processed in the pasta production plant. ... The largest problem in the settlement is the lack of workplaces, hence almost everybody is in public employment, at present about 85 people" (*Bertók - Bécsi - Cséplő - Pusztafalvi 2018, pp. 151-152)

A part of the locals think that the public work programme is a dead-end, from where there is no way out. Although its aim would be to lead back those who do not find employment for a longer period to the labour market, but in practice, due to the lack of workplaces, it is not able to meet this aim

as there is nowhere to lead the people back. The problem is aggravated by the fact that the young people do not want to work at all, because they do not see a role model to follow, as their parents can only find employment, in the best case, as public workers, and this is far from being an attractive opportunity for the youth.

There are significant problem sources also in the area of health, which have been confirmed by both qualitative and quantitative researches. It is difficult to use specialist medical care because it is not available in the village. Those who are in need of such a care have to travel to the regional centres.

In the village there is no provision of family services. In spite of the fact that a significant part of the inhabitants would need the activity of family social workers, the available capacity is too scarce locally to be able to help these people with their problems. Unmanaged family situations become the source of new conflicts again and again (11% of questionnaire respondents spoke about conflicts and violent cases within the family). According to the view of the locals it would be necessary to have more family social workers locally to complete the tasks and avoid local conflicts, and also more social workers would be needed to provide care to the large number of elderly people.

The local primary school reflects the problems of the settlement really well. It is a general characteristic that all non-Roma children with at least average abilities are taken by their parents to the "better schools" in the bigger settlements of the region. As a result of such a "brain-drain", children in less advantageous situation and Roma children would remain in the village school, the consequence of which is that the level of education of the primary school of Pácin is continuously decreasing, and at the same time it becomes the hotbed of the conflicts of the lagging strata of society.

It can be said about Pácin that the people living there are difficult to motivate and are not really receptive to community life. It is seen similarly by the local pastor of the reformed church, Attila Lőrincz, who thinks that one of the primary sources of conflicts appearing in the village is the lack of a real community. There are basic emotional disagreements among the inhabitants, which prevents a unified approach, paralyse the activity of organising a community, and in most of the cases they even lead to arguments including physical violence.

The view of the pastor who comes from Transcarpathia (in Ukraine) is really essential because the Pácin people "*attribute a great role to the*

pastor in keeping the local community together, that is why it is especially important for them to have a pastor of the village living locally. The current pastor applied for this post from Transcarpathia and is planning his mission in the long run, as he makes his children attend school in Sárospatak"

The sources of problems and conflicts described above can be complemented on the basis of the questionnaire survey with the following:
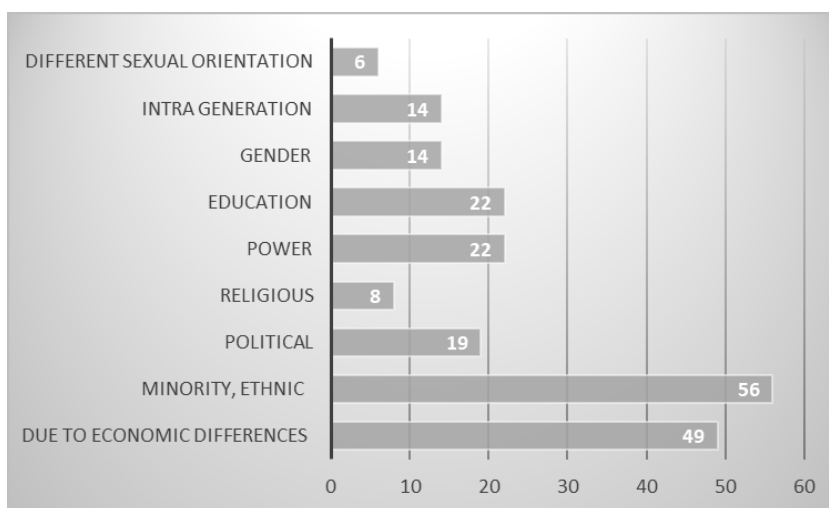
Source: authors' own research

Figure 5: Conflict areas according to the respondents
(in 100% of respondents)

It can be seen that, according to the inhabitants, a significant part of local conflicts can be interpreted in respect of the majority-minority relations. In parallel with those there a lot of stressed situations deriving from the financial and economic differences in the village. The two mentioned are often understood by the inhabitants as conflicts originating from differences in the level of education. It is interesting that differences created by different political views are not considered significant sources of conflict but tense situations deriving from different positions of power are regarded more frequent.

Examining the type of conflicts at micro level, that is exploring them at the level of human life-world, private life and family conflicts are in the lead and in parallel with them neighbourhood quarrels, land disputes, and

disagreements are next in line. The respondents put workplace conflicts to the third place.
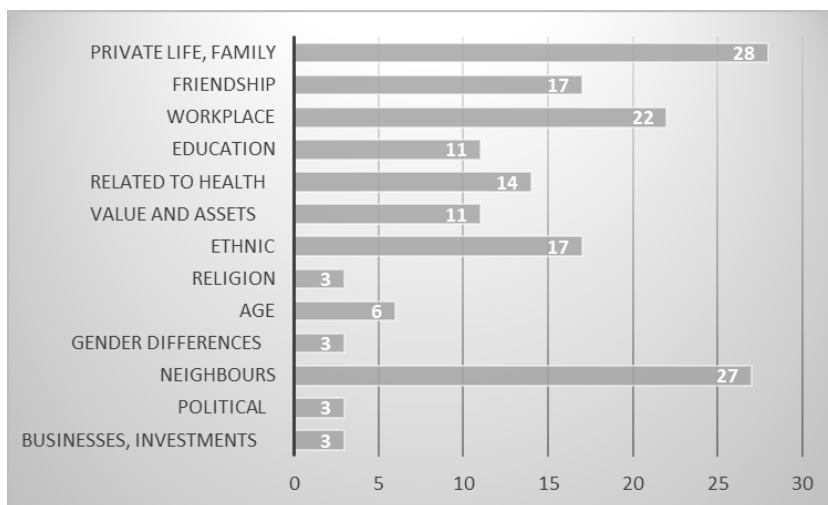
Source: authors' own research

Figure 6: Typical conflict areas in respondents'
private lives (in % of respondents)

The respondents were also asked in open questions to mention some significant conflicts and afterwards they were asked to characterise them on a semantic differential scale. Mainly land disputes with the neighbours were mentioned also in this form of questioning.

Stronger conflicts were judged to be rather open and without violence, affecting 1 to 2 people, ending with some kind of resolution but unnecessary and useless on the whole.

These views, on the whole, correspond to the fact that a significant part of Hungarians do not like conflict situations, they would rather escape from them and consider them harmful, which means that there has not been such a way of thinking established in Hungarian society that would think of conflicts as forward-taking, stimulating and useful things.

4 Summary – the future of Pácin

The vision of the settlement can only show a positive picture if significant developments are carried out. As the significant part of the working age population cannot find a job locally, a part of them take up a job far from the settlement, the result of which is that frequently these people do not return to their home village.

From the perspective of the employment of workforce, which would thus remain in the locality and preserve culture, the future of the settlement would be largely influenced by the appearance of industrial investments, *"as the Lower Bodrogköz lies in a traffic shadow from the point of view of transport, one of the most important questions is in terms of survival what opportunities exist for the locals to take up jobs locally"* (Molnár - Siskáné - Kocsis - Dická - Kulla 2008). The establishment of production facilities would fundamentally rearrange the sad picture of living caused by having public work programmes not only as the most prominent but practically the only job opportunities in the overwhelming part of the settlements. At the same time, the public work programmes do not offer any perspectives to those working in them, as it cannot be anyone's life ambition to be present on the labour market as a public worker.

Locally, there could be several possibilities for the installation of a primarily agriculture-based processing industry. The fertility of the lands in Bodrogköz make it possible to produce a large quantity of arable crops. The local processing of the produced crops could provide an opportunity for the substantial number of under-educated or practically fully unskilled workforce of the region to find work. Thus it must be an essential element of the investment to have a low or medium level mechanisation as the use of state-of-the-art technology, due to its need for a special workforce, would not bring about the expected impact. Numerous agricultural processing activities could specifically bring a solution to the problems of this social class.

A considerable part of the problems of Pácin, similarly to the entire Bodrogköz Region, dates back to infrastructural backwardness. The people from Lower Bodrogköz usually name two means of transport, already mentioned above, that, if revived, could give great impetus to the lives of the inhabitants, in their view. According to the people living here, the re-launch of the Hegyköz narrow-gauge railway previously having a large, region-wide network, and the reconstruction of the Balsa Tisza bridge

lying in ruins since the Second World War could significantly improve the quality of life and the labour market competitiveness of the people of Bodrogköz. Thirdly, a fundamental change could be brought about by the renewal and modernisation of the road network and its connection into the motorway system. However, based on the currently existing concepts, not much hope can be cherished regarding the implementation of any of them. The potential reconstruction of the Hegyköz small-gauge railway has not been included in any of the settlement development programs of the past thirty years. Although the reconstruction of the Balsa Tisza bridge regularly appears among the concepts, but the financial implications of the associated complex infrastructural developments would mean a tremendous amount of money as it is not possible to switch a bridge generating a huge through traffic into the backward public road system. "*The coordination of the road section and the load capacity of the bridge, a bridge structure also suitable for international truck traffic and the construction of the road network leading there, including the construction of the adequate road base along the track of the flood area of the Tisza, the widening of the dam, and making it suitable for the increased traffic, in themselves exceed the investment costs of 3.5 billion forints about which the people of Kenézlő[1] are gossiping.*

Tourism may also be a kind of development opportunity for the settlement endowed with excellent touristic capabilities. The Mágocsy Palace, representing a small regional gem, even currently attracts about 11 000 visitors a year. With the expansion of local tourism facilities, this number could easily be increased, which could result in an outstanding source of revenue, and in addition, it would create a basis for the operation of several small local businesses. Just mentioning one example of those: even under the present conditions it would be necessary to have a local restaurant. Currently, the nearest catering facility is in Vajdacska, so the visitors of the palace cannot eat locally, which entails further negative implications.

It should be highlighted as an essential element that the problems of the inhabitants of Pácin can only and exclusively be helped if the Pácin people are able to confront themselves with the fact that they make up a

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[1] Kenézlő is a settlement situated on the Bodrogköz side of the Balsa Tisza bridge, the population of which was perhaps most negatively impacted by the blowing up of the bridge, so the people living here are the most active advocates of the reconstruction of the bridge.

single interest group. A shift from their current, not at all positive life can be expected if they are able to think and act as one community. During the research there were several signs indicating that, unfortunately, the Pácin society is full of dividing lines, it shows a fragmented structure, which presents itself as a hindering factor of development.

Acknowledgement

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CONFLICTS AFFECTING
THE AREA OF EDUCATION IN THE TOWN OF ÓZD

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Examining the data of crèches or kindergartens or schools of the town of Ózd, all the results testify that there is a significant year on year decrease in the number of children in these institutions. On the one hand, it has demographic causes (similarly to the national data), and on the other hand, the causes are related to migration out of the town and the change in the composition of the population (share of Hungarian and Roma population).

This study gives a kind of status report on the situation of the educational institutions of the town, based on focus group surveys and deep interviews. The participants of the qualitative research were primary and secondary school teachers, heads of educational institutions, the education officer of the Mayor's Office and former school pupils (university students or young people currently in employment).
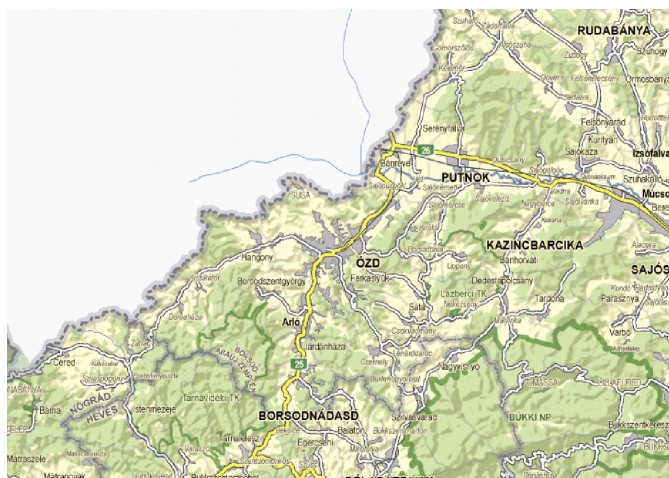
Source: www.teir.hu

Picture 1: The Town of Ózd

1 Ratio of kindergartens and available places in kindergartens

(c) 2020 Lechner Non Profit Kft, made with the TeiR system

Legend: Child, Available place
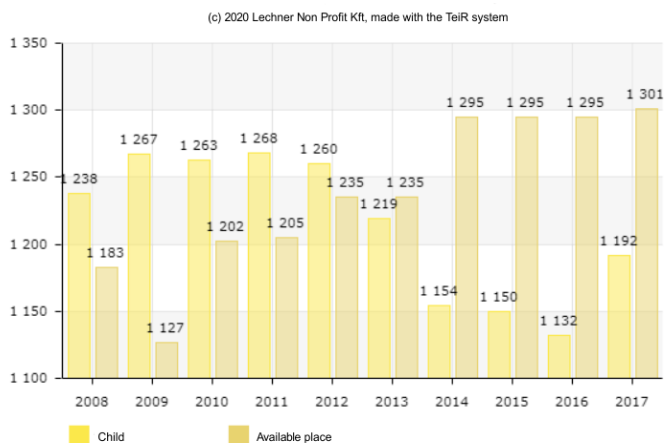
Source: www.teir.hu

Figure 1: Number of children enrolled in kindergartens and number of available places in kindergartens (including special education) (child-institution)

It is apparent from the diagram that the ratio between kindergarten places and the number of enrolled children got reversed in 2013: until then there had been more children but in 2013, and ever since, the kindergartens in the town would be able to receive more children than enrolled by parents. Since 2014 the number of kindergarten children per place in the kindergarten has been 0.9, but in previous years it was 1 or 1.1 child.

 "The kindergartens of the town of Ózd are operated at 13 venues of operation, within five merged institutional structures, each of them operating independently (5 central kindergartens, 8 member kindergartens). The financial management task is the responsibility of Ózdi Városüzemeltetési Intézmény (ÓVI) (*Town Management Institution of Ózd*) based on a cooperation agreement."[1]

"The number of Gypsy children is continuously growing... If we look at the kindergartens... "(D.T.)

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[1] https://www.ozd.hu/content/cont_59c26f970f46c2.61941170/2017_2018_tanevinditas_egyben_ozd_hu.pdf (last download: 20 December 2019)
Information about the experiences of the start of the 2017/2018 school year/education year, Proposed by: Chairman of the Committee of Education, Culture and Sports, Pre-paratory work done by: Department of Human Resources and The Representative Body

"But the problem is not with the Gypsies, so it is not the ethnic origin that is the problem, I think. The thing is that they come from their environment, the problem is socialization." (B.L.)

"But this socialization can be traced back to a thousand things. I only wanted to say earlier that if we look at the kindergartens, what you experience there is that at a kindergarten in a peripheral district, in Sajóvárkony or somewhere else, there is hardly any difference yet between one child and another in terms of staying in the kindergarten, at the beginning. The main problem is that when the disadvantaged child goes home, there they will immediately... change to zero or even to minus what the kindergarten tried to build onto the child, and then the child gets to school in a way that he or she wasn't able to develop a lot. What the child has seen at home over the last I don't know how many years is that his father and mother have never really gone to work, there hasn't been any system in the family, but they still have managed to live this way somehow. So there is no example to follow – at least within the family. The child experiences this within the family, then, when growing older, will start to understand that it is not such a bad thing – in his mind – that shouting, quarrelling and I don't know what else, alcohol and other things..." (Sz.A.)

2 The situation of primary schools

Source: www.teir.hu

Picture 2: Number of venues (headquarters and sites)
of primary education (including special education) (venue)

Currently there are 13 primary schools in Ózd. This number has hardly changed in recent years: 10-13 educational institutions have been engaged in teaching children from the town and children commuting from the neighbouring settlements. These institutions include a school administratively belonging to the Kazincbarcika School District Centre and also a church school.
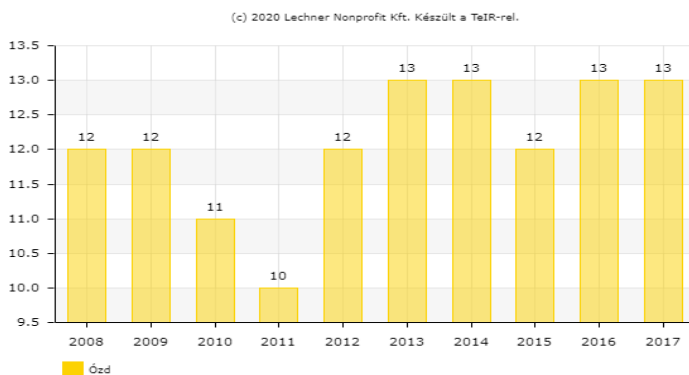
Source: www.teir.hu

Figure 2: Number of primary schools
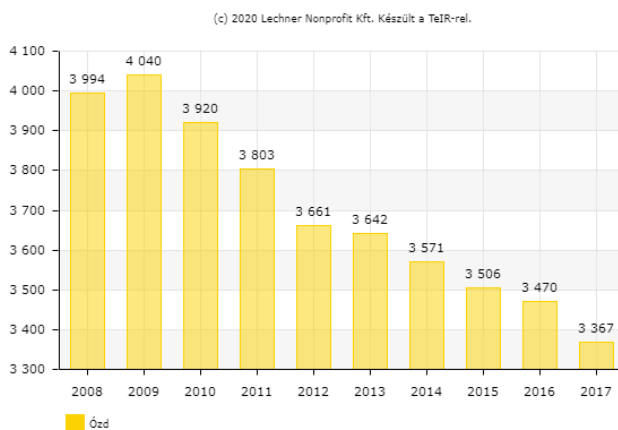
Source: www.teir.hu

*Figure 3: Number of primary school pupils
(including special education) (pupil)*

The diagram shows the trend of the year on year decrease in the number of pupils. This is explained partly by the demographic change, the migration out of Ózd, considered its largest problem, and partly by the endeavour of better-off parents who enrol their talented children to special secondary grammar schools with four or six grades in Eger or Miskolc (typically), which is slowly becoming a trend.

"Unfortunately, we are living in such a situation, such a demographic change has been going on for years or decades, that, yes, already at primary school age, the parent... but in many cases also the teacher suggests that you should go to Eger or Miskolc or anywhere else, because believe me, it is better there. Otherwise, it is not necessarily better, there are suitable schools here too, it is also possible to learn here in the same way but they don't choose it because I don't know why... perhaps because of the Gypsies, but it could have a thousand reasons."(Sz.A.)

"Every day it could be even worse... but since 2011 is has been much easier, since the school has been operated by the Eger Archdiocese...

After the change of the political regime we became a remedial school from a school of talent development. The school was built in 42. My colleagues expected from the catholic school that we would be "whitened". But it did not happen like this. The Archbishop, at his first visit, ordered complete renovation of the school for 1 billion forints, and the buildings are operated by the local government. Since then we have had everything!"(K.Á.)

"Petőfi Sándor Primary School of Ózd used to have a good reputation, now the school is characterised by being 100% Gypsy. It has deteriorated. We also have a school in the green suburban area but people don't bring their children to us. We have 270-300 children, Csernely has also been attached to us, our situation has been upset. Even our Gypsy families are pissed off, and they also take away their children."(K.I.)

"Spontaneous segregation has been completed in the town. There are two big schools, the number of disadvantaged children is low in them, the Vasvári school has become a giant school, a mixed school. The other schools are Gipsy schools. What's really painful is that the teachers are taken away by the schools where there are still Hungarian children. In such a case the head of institution cannot do anything else but try not to stand in the leaving colleague's way. I understand that it is already a good thing that when the teacher says in the classroom, please take out a pen, the child will have a pen." (K.Á.)

3 The situation of teachers in primary schools

Every head of institution complained in the interviews that they are struggling with a huge shortage of teachers, it is not even possible to list what kind of subject teachers or lower primary school teachers are missing from the educational institutions. Teachers are often replaced by teacher assistants, and a lot of them think that the scheme, which was typical at the change of the political regime, will come back, and the lacking workforce will be substituted by unqualified people. The other big problems for teachers are stress, burning out and impatience. There is no motivation in the middle-aged generation and the young are struggling with serious problems of how to keep discipline. Teachers who retire do not come back to teach. There is not any kind of motivating force that would stimulate them.

"There are 24 teachers and we lack lower primary teachers and Hungarian language teachers."(K.I.)

"Teachers have conflicts because they are overloaded, they teach in 30 hours per week plus the extra activities: e.g. Christmas programme in the school, for the local government, etc. ... The teachers cannot be loaded more, they are tired over 50, and the young ones are unsuitable for keeping discipline."(É.Cs.)

"My physics teacher has left, but we said goodbye to each other peacefully and I asked her to come back to us giving 2 lessons a week on contract, and she did. Who will be teaching or who we are going to teach, it is a big issue."

"There are 40-50 children who continuously fluctuate. They move, sign out of the school, then they sign in again. It has a lot of paper work. ... I try setting homework but it doesn't work. What I can hammer into their head during the lesson, that's what I have to be content with."(K.Á.)

"There is a lack of love at these kids. You must win their respect, and then they will pay attention. If they pay attention during the lesson, that works, HW[2] is long forgotten... They respect special knowledge. You can teach if you connect it to practical experience. E.g. negative numbers: somebody owes me, positive numbers: I receive money." (K.G.)

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[2] Homework

"Teachers don't want to change, they are "killed" during the lessons. Teachers are burnt out. 'I survive my lesson, that's what you can expect from me' – this is their principle."(K.I.)

"There was a CIP training at us. This is a type of further training that you can incorporate into your lessons. There are lesson plans that work well. Or projecting. Teaching with a tablet also works."(É.Cs.)

"Unqualified teachers will solve the shortage. There are excellent teacher assistants, they have a gift for teaching. But they will not have the qualification. They cannot pass the advanced level school leaving exam.

They work for 85 thousand forints. You need real commitment to do this. We can give them higher wages in GINOP projects.

There are no specialists working in education. But it is still good for us here. It is much worse in the Encs area, and in the Abaúj part."(K.Á.)

4 Relationships between the situation of families and commuting to school

Migration is a big problem, but the number of children is also decreasing, and the previously big Gypsy families with 10 to 12 children do not exist any longer. Now they raise 3 to 4 children, but unfortunately, in broken families. It is quite frequent that the father works in the construction industry or agriculture doing seasonal work and is away from the family for days and weeks, and everything should be done by the mother or the oldest son and neither of them can cope with the problems that come up. Smoking tobacco, smoking weed and often being absent from schools for several hundreds or even thousands of hours are the largest problems. The school and the family cannot cooperate in these issues.

"The number of children is also decreasing. The traditional big Gypsy families do not exist any longer, where there used to be 10 to 12 children, not any more. This social stratum is also developing, they have realized that they cannot afford 3 or 4 children to learn a craft. They have a job in Dunaszerdahely, abroad, ...

Gypsy fathers frequently go away for one week or they go to work every day. There are a huge number of unemployed people in Ózd, they cannot

work in the factories here, and they cannot work on a production line because their fine motor skills did not develop. They take part in agricultural seasonal work or constructions. They work in the Netherlands, England or in other towns."(K.Á.)

"There's about 20% who are not even able to do these, they smoke herbal grass, this is what they grow, and they smoke cigarettes. At anti-drug marathon presentations the children know much more than the presenters. At the presentation of the foundation called "Against the flood", a former drug addict was speaking, and the children live through the same at home. The fathers and mothers drug themselves, and then they sleep until morning, when the children are leaving for school."(É.Cs.)

"The holiness of families should be restored at these kids. There is no keeping together, no love.

There is not a single day passing without one of the Gypsy children running up to me when I am leaving for home or going to ÉRÁK to teach, that he or she would come home with me."(K.G.)

"The biggest school conflict is caused by smoking: children aged 9 to 10 are nicotine addicts. The second is FB addiction. They fall out on FB and then they fight face-to-face. The third is absence – both certified and uncertified. In the lower classes of primary school it is the parents' fault that they don't bring their children to school, in upper classes the children don't come. In just one half of the school year absence can go up to several thousands of hours. Once I calculated it. I was also astonished."

"Children buy single cigarettes. The parents rather buy them so that the kids would not steal. There was once a graduation bouquet that consisted of 50 cigarettes."(É.Cs.)

"Any dropping out? Even the conditions set are ridiculous: level 3 must be achieved – this is ridiculous, this result is fantastic in this environment. The other one is the 100 hours of absence: They reach it within 4 weeks, these children are often ill, the parents don't buy medicine for them. 100 is reached very soon, even 1000 hours..."(K.I.)

5 Lack of cooperation between parent and teacher

"Parents are misled by the children, and parents believe everything their children say. But there was also a situation when the parent came in to clarify a situation, I called the child in and he lied to my face, I stepped to the cabinet and said, now let's watch the video recording.   There is no CCTV system in the school. But it worked: the child immediately gave it up, he said how it happened and the parent calmed down. But it has only happened once."(É.Cs.)

"The children lie and the parents believe them. They believe everything." (K.I.)

"It would be necessary to have a full-day school, the law also requires them to be in the school from 8 until 4. But there aren't enough teachers. The pensioners won't come back, they say, no way, not for all the money of the world." (K.Á.)

"At a recent PE lesson a girl was crying, the parent came in and told the teacher off. I called the teacher into my room, and also the girl, and spoke to all the three of them in a very calm tone. Everybody calmed down. But later I also clarified it face-to-face with the teacher. He is rather short-tempered, has disciplining problems and spoke to the child rudely. The calm tone does help. It reassures the parent." (K.L.A.)

## 6 The situation of secondary schools in Ózd

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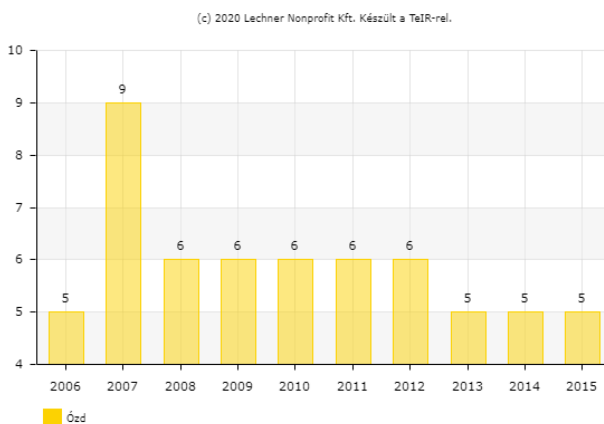
Source: www.teir.hu

Figure 4: Number of secondary schools
(secondary grammar schools and secondary vocational schools together) (school)
213

The number of secondary schools has significantly decreased almost to its half over the past years. This has similar causes to the decrease in the number of pupils and primary schools: demographic, migration and transformation of the population. Here, however, there is a bigger ratio of enrolments in secondary schools of other towns (migration), which is also related to the fact that if the young people go to secondary school somewhere else, they will also attend university in another town (will not come back to Ózd to study at the two sections started by the University of Miskolc – social work and mechanical engineering) and they are not very likely to come back to the town after graduating from university either. Migration is the strongest in the age group of the 40's: if the child gets to a secondary school somewhere else, the parents are also likely to look for a job somewhere else, and they will not return.
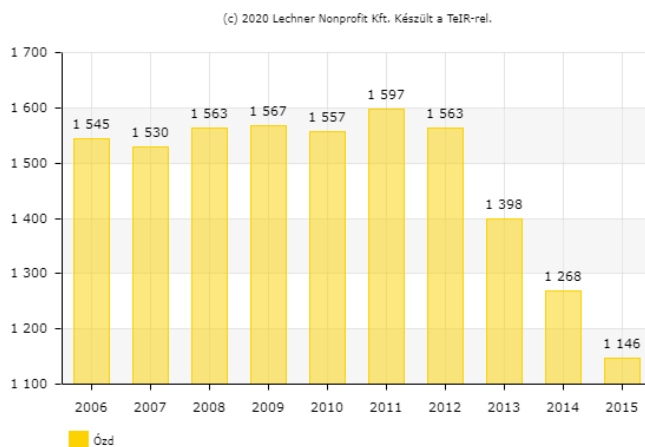
Source: www.teir.hu

Figure 5: Number of full-time secondary school pupils (including the relevant grades of secondary grammar schools with six or eight grades) (pupil)

The number of pupils, in parallel with the change in the number of secondary level institutions, has shown a significant decline, especially in the past few years. The number of secondary school pupils remaining in the town is one-third of the number of primary school pupils in Ózd. Who are better-off can afford to send their talented children to a school in Eger, Miskolc or Putnok, or fewer of them to Budapest, and they take away their children from Ózd. The most popular schools are the Neumann János

in Eger, Serényi Béla Agricultural Technical and Vocational Secondary School, the section of security in Putnok.

"And there is absolute migration from here. You cannot really blame the family because they obviously want the best for their children. ...

If they think they must go there, then they must. But there are really values in the schools here too, which are not necessarily better in the schools in Eger. The child can stay at home, so in a familiar environment, in his own environment, and these are such added values that cannot be overbalanced by having a little bit better equipped physics apparatus room. Well, nobody should tell me that. Obviously, those should leave who need something special, a special knowledge, and have to go to a greatly specialised school. Or somebody does a sport that does not exist here, and he or she is already at a high level, and has to practice it. Then he or she would go away. But I can only accept it with great difficulty that there are teachers who say that you can go anywhere but don't go to the secondary schools in Ózd. Because the child, who becomes a secondary school pupil there, will find it very hard to come back here." (Sz.A.)

The majority of the children choose a vocational training school or the Abigél[3] (it gives a school leaving certificate and a craft, dressmaker and confectioner training) if they stay in Ózd.

"I teach in a secondary vocational school. There used to be 1250 children, and now there are 250. There used to be more than thirty crafts, and now there are maximum five to six. But even those are shop-assistant and caterer. Manual work: brick-layer, electrician, welder, maximum joiner, so there are four crafts... OK, when the metallurgical plant of Ózd was still operating, then obviously there were more enrolments." (B.L.)

There are not enough skilled workers in Ózd either, and you have to wait for special works to be done by a carpenter, pipe fitter or electrician. The training was terminated, and the teachers are at a loss to understand why.

"We know very well that 95% of the pupils coming to us are of Gypsy origin, maximum 5% are not, but they may also leave very soon because things happen that are confidential. And that layer of pupils would remain who

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[3] Abigél, a multipurpose institution. Abigél Primary School, Basic Level Art School, Secondary Vocational School, Secondary Technical School, Grammar School and Students' Hostel. It operates in Debrecen, Szikszó, Nyíregyháza and Szendrő.

are eagerly looking forward to reaching the age limit when schooling is not mandatory any more. Then the number of pupils goes down drastically." (B.L.)

One of the biggest problems is that due to a shortage of money it is not possible to make the vocational school attractive. There are terrible conditions in the school, the plaster is peeling, the building is obsolete and requires renewal, which does not make pupils very motivated at a visit on an open day to learn under such conditions in the following years. This is a vulnerable situation and in this the teachers also see themselves vulnerable. There is no prospect of having any resources to renew the building and normalise the conditions.

"It is different to go to a Szikszi[4] or a grammar school, and it is different to come to us. Just sit through a class in the first year... in a Grade 9 in September in a class with thirty pupils because we still have thirty pupils then, but it will go down within one year to fifteen or twelve. The kids finish before Grade 10, unfortunately. So this is, in this area, a terribly big problem." (B.L.)

7 Vision

"I am only pessimistic from the point of view that this demographic line cannot be stopped, I think. So whatever town leadership we have, this will be an unstoppable thing, so this disadvantaged region, Ózd is only a part of it, the whole area is disadvantaged in this respect, it will be either managed somehow at government level or it will not be managed at all."(Sz.A.)

"Ózd is finished."(K.G.)

Contrary to the previous grave statement, in summary, it could be said that the interviewees – in spite of the mentioned difficulties – are proud of their town, its environment and its former economic role. Those who stay in the town like living there, even in spite of the difficulties, and they are attached to the pleasant natural environment, but they are worried because of the lack of willingness of the younger generation to return to the town, and also because of the decreasing population. The people working in education are

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[4] Széchenyi István Catholic Grammar School and Secondary Vocational School

confronted with the increasing challenges of keeping pupils in schools, the lack of motivation, disinterest, coping with disciplining problems but each teacher and head of institution who I made an interview with is basically enthusiastic, perseverant and sees the situation that has developed and keeps deteriorating as a problem to solve.

All of them live through and realize the sources of conflicts of the town: migration, a drastic decline in the number of population, the lack of workplaces and the lack of investments and investors. The disclosure of these conflicts provides a sort of status report of the lives and perspectives of the people living in this settlement, gives an insight into the present and past of the town, but it also forecasts and can forecast its vision.

Acknowledgement

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2018-ban és 2019-ben és 2020-ban felvett fókuszcsoportos vizsgálatok és mélyinterjúk (Saját kutatás) (*Focus group research investigations and deep interviews conducted in 2018, 2019 and 2020 (Author's own research*)

"RECONCILIATION" OF IRRECONCILABLE CONFLICTS CIVIL DISOBEDIENCE

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1 Introduction

This study is about the theory of civil disobedience and its practice in Hungary after the change of regime. This topic was selected because it has been frequently experienced that the Hungarian media misuses the concept behind the term specified in the title. Movements that are not, in fact, cases of civil disobedience are called by that name, and this has led to a misconception among listeners and viewers not well-versed in this field. The Hungarian media has often used this expression in reports about insane and violent actions or acts by the opponents of the incumbent regime, and as a result, non-professionals have adverse feelings about civil disobedience. However, civil disobedience is a democratic freedom through positive action, an opportunity for citizens to eliminate the flaws of democracy seen as a system and to improve the functioning of government.

When the concept of civil disobedience is construed, no attempt is made at the establishment of a uniform concept, as in my understanding there is no uniform definition for civil disobedience. An analysis of the various acts that appear to be civil disobedience will reveal that these actions are very different from one another. Each contains an element that is missing from other actions, or does not contain reference points that are integral parts of other actions. The main elements of classical civil disobedience are: intentional infringement after using the opportunities offered in legal remedies, active non-violence, moral justification, submission to the consequences of an act, and moreover, perpetrators often expressly demand punishment. From among the afore-listed factors, today civil disobedience actions are usually characterised by infringement,

non-violence and moral justification only. Unlike traditional cases, its participants are unwilling and refuse to submit to the punishment imposed for the offense, and even seek to secure impunity.

Participants in a civil disobedience action have the natural law perception that law serves people and not the other way around. Legislation is the product of human activities that people have formed based on their moral consciousness. This approach leads them to conclude that their rules of conduct have been determined on the basis of their own moral concepts. If there is a conflict between a moral and a legal requirement, then, according to the concept of natural law, the moral requirement should prevail, and therefore an offense committed as civil disobedience must not be punished provided that the moral justification is proved and the other conditions are met. In contrast, legal positivists argue that law and morality are separable. Therefore, in their view, the same penalty should be imposed in all cases for the same offense, whether or not it is morally justified. In Hungary, there is an intermediate trend somewhere between the natural law and the legal positivist approach: courts impose more lenient punishment for an infringement committed in the name of civil disobedience. It follows from all this that the most pressing issue in the context of civil disobedience concerns legality and legitimacy.

In this article, after a historical overview and clarification of theoretical issues, an overview is given of the practice of civil disobedience in Hungary after the change of regime. The larger-scale protests are analysed in a chronological order of the post-regime change governments. The assumption of this research is that in Hungary the public frequently considers protests as civil disobedience even if they are far from this concept. Protests are often "less" or "more" than civil disobedience movements, and yet the media prefers to call them civil disobedience. As mentioned above, I do not think that there is a single definition for civil disobedience, and so I find it a much better solution to set up a scale for deciding whether or not an action of protest qualifies as civil disobedience. Such a scale would start with peaceful, legal demonstrations, with the participants exercising their fundamental constitutional rights without violating the legal framework. The other end of the scale would present senseless and violent acts by the opponents of the regime, far beyond the legal framework. Violence, in my interpretation, is any act directed against the lives and physical integrity of other people, either directly or indirectly. Based on all this, any movement that qualifies as civil

disobedience is located between the two endpoints of the scale. These actions are offending but non-violent and morally justified. In my opinion, civil disobedience also includes violent behaviour if violence is directed against objects and does not indirectly endanger the lives and physical integrity of other people, in other words, harm or damage should only be present in a material sense.

2 Section 1: The Evolution of Civil Disobedience in History

Up to the 19th century, civil disobedience had been identified with the right to resist. The right to resist had become a *de facto* legal term ever since the early Middle Ages as it was enshrined in law in many places. In Europe, this concept was based on the Roman legal maxima by Ulpianus, which says that people are the original possessors of power, and they subsequently transferred power to the ruler. In the form of a sort of "vassal contract," the ruler was then required to implement Augustin's "pax, justitia, pietas". A tyrant who violated this covenant could legitimately be stripped of his throne. This quasi-contractual relationship is expressed e.g. in the Golden Bull Kind Andrew II of Hungary, naturally, with the restriction that the right of resistance and contradiction belonged only to the then members of the "corpus politicum," i.e. the noble classes.

Following the bourgeois revolutions, the law of disobedience appears to change only in that it then served to protect moral values, and accordingly its name is supplemented by the adjective "civil". Instead of subjects, citizens with equal rights under the jurisdiction of the state became entitled to disobedience.

The term "civil disobedience" was coined by the American transcendentalist philosopher Henry David Thoreau, who is therefore rightly called the father of civil disobedience. Thoreau explored the nature of civil disobedience in his fundamental works *Walden* and *Civil Disobedience,* in the second half of the 19th century. In addition to tackling this issue in theory, the American philosopher also exercised civil disobedience to the American government by not paying taxes. By refusing to pay his taxes, he expressed his displeasure with the policies of the American government, as on the one hand, the latter recognised the institution of slavery and, on the other, waged war with Mexico.

3 Section 2: On the Duty of Civil Disobedience (Thoreau)

"That government is best which governs least" (Thoreau, 1990, 5). According to Thoreau, the government does not have as much viability and strength as a living person, as a single person can "bend it at will". The government itself has never promoted any business, it does not protect the freedom of the country. It does not populate the West, and it does not educate. What the American people have achieved is due to their innate traits, and they would have achieved a little more if the government had sometimes not stood in their way.

In Thoreau's opinion, Americans should primarily identify as humans and only secondarily as subordinates. "It is not desirable to cultivate a respect for the law, so much as for the right." There is only one obligation for the members of society, and that is to always do what they consider fair. "Law never made men a whit more just; and, by means of their respect for it, even the well-disposed are daily made the agents of injustice" (Thoreau, 1990, 8).

Thoreau refuses to consider a political organisation that recognises slavery as his government. Everyone recognises the right to revolution, that is, the refusal of obedience and resistance to the government when its tyranny or helplessness has become overwhelming and unbearable.

According to Thoreau, "under the rule of a government which imprisons any unjustly, the true place for a just man is also a prison. The proper place today, the only place which Massachusetts has provided for her freer and less desponding spirits, is in her prisons..." Jail is "the only house in a slave-state in which a free man can abide with honor. [...] If a thousand men were not to pay their tax-bills this year, that would not be a violent and bloody measure, as it would be to pay them, and enable the State to commit violence and shed innocent blood. This is, in fact, the definition of a peaceable revolution, if any such is possible. [...] When the subject has refused allegiance, and the officer has resigned his office, then the revolution is accomplished. But even suppose blood should flow. Is there not a sort of blood shed when the conscience is wounded?"

According to Thoreau, other people, by contrast, believe "they cannot spare the protection of the existing government, and they dread the consequences of disobedience to it to their property and families".

In his opinion, "the state takes and waste all my property, and so harass me and my children without end. It will not be worth the while to accumulate property; that would be sure to go again."

Overall, according to Thoreau, "the authority of government is still an impure one: to be strictly just. it must have the sanction and consent of the governed. It can have no pure right over my person and property but what I concede to it" (Thoreau, 1990, 42).

4 Section 3: Theoretical Issues of Civil Disobedience

"Civil disobedience is a form of protest against a government decision or law that is considered unfair, which may be based on conscience, religion, morality or politics, and which is in all cases non-violent, public and collective, and during which the protesters are willing to face the consequences of their unlawful acts." (Mazsu-Setényi, 1996, 165)

Those involved in civil disobedience deliberately disobey the law and those who enforce it, and confront them without resorting to violence because the protesters are convinced that their case is morally defensible, and express this conviction by the fact that they undertake to suffer violence and bear financial or criminal consequences. Protesters do all this to bring public attention to the issue or problem they represent and to make a change in a government decision or legislation.

"Civil disobedience can only be committed intentionally, deliberately and purposefully, it has no negligent or accidental forms, and it cannot be a side effect of actions of other orientations" (Mazsu-Setényi, 1996, 166).

The perpetrator or perpetrators consent to the consequences of the act, i.e. the actions taken by the state's *ius puniendi,* intentionally and without resistance, and they do not try to escape or resist it. "Civil disobedience is a protest for moral and political purposes, not for material gain or for profit, but for the service of the common good with the intention of improving politics and public life" (Mazsu-Setényi, 1996, 166).

Civil disobedience actions are proactive, non-violent actions even when without applying physical or mental violence (against a person); the protesters confront the representatives of the law (e.g. police or wood workers) by blocking something (e.g. a road or a military basis) or prevent the accomplishment of something (e.g. waste disposal or wood felling).

With such an active non-violent action, protesters obstruct the work of those opposed to them (e.g. railroad workers and law enforcement officers) and often the movement of people who are otherwise indifferent to them and their cause (e.g. by the closure of a public bridge or railroad junction).

Non-violent protesters can also achieve their goal by using violence against objects (e.g., burying a ditch or cutting a fence), but they must bear the financial consequences in addition to both moral and legal liability for intentional or unintentional damage.

"In the case of civil disobedience, citizens commit a partial and revocable breach of duty by non-violent means" (Mazsu-Setényi, 1996, 166).

A democratic legal system may recognize the legitimacy of civil disobedience retrospectively, primarily by easing or suspending the imposition and execution of sentences, but this does not subsequently affect the legal classification of the originally illegal activity. A milder, or at least specific, assessment of civil disobedience is not enshrined in law anywhere in sentencing; it is merely a tradition of the political and legal culture.

Civil disobedience has evolved from individual, morally motivated protests into a particular form of collective political action in democratic political cultures, characterised primarily by the politics of various civil organisations and social movements. Some of the new social movements use civil disobedience as a strategy alongside various forms of institutional pressure. The aim of new social movements is to politicise society. Their aim is to make social needs the subject-matters of political debates, to make social issues political, and to remedy them by political means. Such movements include environmental, minority, globalisation, ecological, and anti-racism movements. Their main feature is that the issues that concern them are specifically social in nature.

All forms of civil disobedience are distinguished from other unlawful political conduct by what is called "moral earnestness" (Csapody, 1991, 13).

They go beyond the limits set by law in the name of obligations that may, in certain cases, be stronger than obligations to the state. They protest against injustices that should not be tolerated, even if they are to be confronted with the law.

After all, it may be stated that a uniform definition of civil disobedience, applicable to all acts that are publicly assessed as civil disobedience, has

not yet been established. Rather than a definition of civil disobedience, it would be more appropriate to set up the scale already mentioned in my introduction.

5 Section 4: How to Incorporate Civil Disobedience in the Democratic Rule of Law?

Civil disobedience can only be committed in constitutional, democratic systems, as only such societies have the universal and equal obligation of obedience by citizens to the state power they have created. Civil disobedience cannot be committed in dictatorships, as there are no citizens, only subordinates. However, it is an important "corrective mechanism" in constitutional democracies (Mazsu-Setényi, 1996, 166), where the citizens who commit it want to assert the spirit of democracy against the specific measure or standard alienated from the spirit and basic values of democracy.

Civil disobedience necessarily takes place in modern democracies, since due to the complexity of the problems, from time to time the basic values and institutions of democracy collide with each other over the long run. However, its frequency and prevalence largely depend on the traditions of the political and legal culture, and so it is more common in Anglo-Saxon-type democracies than in Eastern Europe, for example.

There are non-codified moral rights that may be stronger than legal obligations. There are substantive requirements the legislation must meet in order for legislation to be morally binding.

It can be established that it is difficult to handle civil disobedience by legal means, but legislation certainly wants to punish it in some way or another. There is no legislation about civil disobedience anywhere in the world, but various legal forms of punishment are everywhere applied to the disobedient.

In the protesters' perspective, this implies the advantage that if they are given sufficient publicity, and if their ethical reservations are well articulated and they can remain consistently non-violent, they enjoy the sympathy of a significant section of society, and their acts are considered light by law and court and may expect merely formally punishment.

6 Section 5: Practice in Hungary I. (1990-1994)

Sub-section 6.1: The taxi blockade

The first major protest in the new democracy was the so-called taxi blockade in October 1990. The blockade, involving protesters against sudden and significant increases in fuel prices with the participation of a wide range of vehicle owners and citizens who joined them, paralysed Hungary's entire transport network for several days. The conflict mobilised all actors in the political system and triggered a wide range of political administrative responses.

Traffic blockades are a common form of action for various protests, primarily to support professional carrier or agricultural interests. What makes the taxi blockade unique is that, articulating broader social and political dissatisfaction and protest, its significance went far beyond the horizon of the initiating occupational group and could temporarily become a central conflict in protest against a number of social consequences of the market economy.

The taxi blockade may have taken place due to the effects of political dissatisfaction and relative impoverishment. According to Máté Szabó, the reasons for political dissatisfaction were the lack of appropriate institutions representing social interests, disturbances in political responsiveness, and the authoritative political style of the government (Szabó, 1998).

According to the social and economic arguments, the behaviour of the relatively impoverished taxi drivers and private carriers was a rational action to advance their specific interests.

The protest was originally aimed at the enforcement of specific group and occupational interests, but in the political and economic uncertainty after the change of regime, this protest may have become a "channel" of wider social and political dissatisfaction (Szabó, 1998, 48) in Hungary.

The taxi drivers' goals underwent changes. Initially, only the withdrawal of the price increase was demanded; however, later on various compensations and a price regulation mechanism were negotiated and agreed. Ultimately, with the involvement of the Conciliation Council, the conflict was resolved through a mutual compromise between the protesters and the government.

The most important question that arises in connection with the taxi blockade is whether or not it was civil disobedience. Was it partly or not

even partly? No consensus has been reached on the nature of the action which took place in Hungary between 26 and 29 October 1990. Some spoke of a terrorist attack, or a demonstration by an occupational group making strike-like pressure, while others mentioned collective resistance.

The taxi blockade was a voluntary, conscious action initially taken against a specific law and later on against the political leadership. Taxi drivers and private hauliers deliberately and illegally violating the standards generally accepted in society, protested against a law that was difficult for them to tolerate. Thus, this action fulfilled one of the most important criteria for disobedience, namely, deliberate infringement.

In addition to unlawful conduct, an important element in the various interpretations of classical civil disobedience is that protesters are aware of the possible consequences of their actions and undertake to suffer the consequences. This element was not present in the taxi blockade, as the participants in the blockade were not prepared to bear the consequences of their actions, and they wanted impunity for themselves by all means.

In addition, no preparations had been made; the opportunities given in legal influence had not been exhausted, and the available interest enforcement measures had not been taken before the commencement of civil disobedience.

There is no doubt that the blockade, as a form of action, is non-violent, as the protesters forced people to stop by their mere presence and road blocks. The other important moment to be examined in relation to the civil disobedience of the taxi blockade is moral justification. Participants drew moral justification for their protest from the fact that the "government had lied" (Csapody, 1991, 97), as a few hours before announcing the price increase, the government still denied that it was preparing for a price increase and publicly declared that gasoline prices would not be changed in the near future.

The government's insincere conduct caused moral outrage. People realised that by its legitimate action the government had not met the minimum moral conduct reasonably expected of it by society.

Civil disobedience, in its original sense, is not directed at negotiations. Rather it is satisfied with moral protest and submits to the legal consequences. In the said action, however, participants wanted negotiations in order to force the state to reverse wrong decisions.

Sub-section 6.2: Student Protests

These protests were non-violent in nature, even though their style sometimes used louder and more aggressive rhetoric and symbolism than usual, but they did not go beyond the legal framework. There was no counter-movement against student protests and no confrontation with the law enforcement organisations. In view of all this, the student protests performed during the rule of MDF did not meet the criteria of civil disobedience.

The arguments used against government policy were predominated by elements such as the need to catch up with European standards, the need for modernisation, or references to various social and economic aspects. Thus, in matters most affecting university students, their protest campaigns achieved a change in the policy applicable to public higher education. In 1990, financial support for students was increased, and in 1992, ideas for the future introduction of tuition fees were reconciled.

7 Section 6: Practice in Hungary II (1994-1998)

In the "field of protests", the social-liberal coalition was challenged not so much by its parliamentary or non-parliamentary opposition (Szabó, 2001, 198), but by the social groups greatly affected by the austerity measures of this government in terms of finances. It was not parties and political organisations, but the new organizations of university students and of small farmers that were the main organisers of the biggest and most successful protests against the Horn Government.

Sub-section 7.1: Student Protests

Student protests were significant not only during the first but also during the second freely elected government. The Horn Government's higher education policy adopted in March 1995 by the so-called "Bokros Package" (Szabó, 2001, 201) became the target of the 1995 student protests due to the effects of its economic and financial austerity measures on higher education. In the government's economic policy a radical reduction was envisaged in financing public education, as it was considered to be "overspending" (Szabó, 2001, 201), and the ensuing institutional and employment policy consequences were also planned. Unlike the

1992 compromise, the introduction of tuition fees for students in higher education was envisaged without further funding of education financing loans and modernisation in higher education.

The students' representative body, HÖKOSZ, publicly opposed the declarations already in March 1995. They collected signatures and organised demonstrations to nationally and widely show the students' determination to protest.

The student protests were part of a series of campaigns against the national education policy, which mobilised primary and secondary-school teachers, university lecturers, parents and other stakeholders, led by their advocacy bodies, who spoke out against the planned institution closures, staff reductions and cuts in public funding. Activated in the context of wider education policy conflicts, higher education policy protests multiplied the power of mobilisation potential, not in itself negligible, and could count on the support of other organisations and groups protesting against the same government programme.

Similarly to the previous ones, the 1995 spring mobilisation campaign's goal was to put pressure on the government in order to achieve more favourable negotiating positions. However, in the face of widespread protests the social liberal government endeavoured to have the austerity measures of the Bokros Package fully endorsed, and no compromise acceptable to student interest groups had been reached through mid-year negotiations and conciliations. By the autumn of 1995, HÖKOSZ organised a national protest campaign centred in Budapest and mobilising all rural university-college centres. It combined the tried and tested "protest kit" (Szabó, 2001, 203), i.e. demonstrations, mass rallies, petitions and signatures with intense symbolic actions and rhetoric. Among the various forms of action included the idea of refusing to pay emerged, however, this was applied only in a narrow circle and temporarily, in Debrecen, by the opponents of the agreement reached. It is only in relation to this action that we can speak of the university students using the instrument of civil disobedience because this act was unlawful and non-violent. (However, it lasted too short and was not adopted on a national scale.) In contrast, the instruments used in the nationwide campaign remained within the legislative framework. Demonstrations and rallies, often in a tense atmosphere or even of a carnival nature, took place without major confrontations with the police.

As a result of negotiations with the government, the autumn 1995 campaign led to the adoption of some agreement on the method of introducing tuition fees. So the originally radical government policy changed again, due to the impact of the protests. However, higher education students' representative bodies were in agreement only in their opposition to tuition fees. Further ideas on funding varied between different trends and groups of students.

Overall, despite the fact that the national student protests did not fulfil the criteria of civil disobedience, the press and the public rated them as "a demonstration with the greatest mobilising force against the Horn Government" (Szabó, 2001, 206).

Sub-section 7.2: The 1997 Agricultural Demonstrations

Another major move included agricultural demonstrations in the spring of 1997, which sought to restore the old tax rules and the former order, and the recalling of certain officials.

The adoption of a negotiated solution quickly gained ground among decision-makers, and simultaneously the elaboration of the principles of a national agricultural plan, the adoption of the solutions according to the positions within the coalition and the ministry, as agreed during the negotiations, the preparation of the parliamentary debate and the organisation of an open agricultural forum and the Agricultural Conciliation Council (FÉT) were presumably running full blast.

The memory of the 1990 taxi blockade, which caused significant economic damage and loss of government prestige, as the government, which initially refused negotiations and was eventually forced into lengthy negotiations and compromises, played a role in the rapid and flexible response. This government rather made attempts at preventing further united action by the protesting organisations and the radicalisation of the protest, and by concluding a wide range of partial agreements at the cost of certain very quick partial concessions.

According to Máté Szabó, the spring agricultural ban campaign mobilised a large number of people not because of the good wording of the political goals or of tactical skills of the initiating organisations, but due to the fact that this mobilisation took place along structural conflict lines, although naturally not independently of the organisations and strategies. A glance

at the map reveals that there were no protests in Transdanubia, and the mobilisation was the densest between the Danube and the Tisza, in Kiskőrös and in the Trans-Tisza region. In areas where unemployment is lower and opportunities are better, people were less involved in the agricultural protests (Szabó 2001).

It has long been recognised in Western movement research that demonstrators are not people in the worst situation and thus lacking resources, but those who have certain resources, and protest against their deteriorating situation, which is relatively not the worst.

The forms of action used during the 1997 agricultural protests did not fit into the concept of civil disobedience, as they did not infringe upon the law but could be classified as violent. During the 1997 agricultural protests, the means of civil disobedience such as blockades, roadblocks or illegal demonstrations were not used. In this case, only traffic calming parades were organised.

Between 1994 and 1998 the social liberal government appears to have pursued a relatively coherent strategy in relation to protests. When the latter reach the "critical mass" (Szabó, 2001, 220), when political crisis management becomes indispensable, co-operation and bargaining policy comes to the fore, i.e. they recognise the protesters' organisations, sit down with them as negotiating partners and offer certain concessions in exchange for abandoning further protests. This strategy was successful in both analysed cases. The "softliner" elite of large representative bodies (Szabó, 2001, 220) accepted the offer, and the groups dissatisfied with the compromise strategy created their "hardliner" organisations (Szabó, 2001, 220), which, however, were unable to achieve significant results. This governmental strategy was more effective and successful than the initial rigidity used by the government of József Antall in handing the taxi blockade or media protests, among others.

Between 1994 and 1998, the social liberal coalition did not face out-of-parliament campaigns heavily supported by influential parties in parliamentary opposition, or, if it did, by that time it had learnt willingness to compromise and successfully diverted conflicts back to channels of institutionalised interest. This development is in line with the institutionalisation logic that operates in pluralist democracies. (Szabó, 2001, 220)

8 Section 7: Practice in Hungary III (1998-2002)

During the time of the Orbán Government, protests initially took place at a local level, and there were movements that even rejected international trends. As the general elections approached, protests multiplied, since the parties organised protests against each other as campaign tricks, and the parties used the tools of the negative campaign.

Sub-section 8.1: Movements Rejecting International Trends

The Humanist Movement organised protests against international trends during the Orbán Government. Protesters in the Movement expressed their anti-globalisation views during their anti-NATO demonstration. NATO was dubbed the "executive committee for international capital" (Ortutay, 2001, 3).

"Managed globalisation" (Ortutay, 2001, 3) results in the plundering of continents and the further concentration of big capital. A demonstration was organised to get European countries out of NATO, to use money spent arms for humanitarian purposes, and not to subject human rights to an arms race. In relation to the demonstration, the Humanist Movement was joined by the Leftist Alternative, the Left Front, the Energy Club, and the Feminist Network.

The demonstration was accompanied by massive police presence, but no police intervention took place, it remained peaceful. Neither infringement nor civil disobedience may be mentioned in relation to the anti-globalisation demonstration.

All in all, the period of the Orbán Government was not free of protests either, but these protests did not reach the level of civil disobedience actions, they remained within the legal framework. Protests at the local level also used the mildest means, within the legal framework (e.g. collecting signatures). The movements rejecting international trends also remained within the legal framework, but, contrary to local protests, went to the extremes within this framework.

As the elections approached, the protest was also used by the rival parties in their negative campaigns to play off the opponents and thus highlighting the benefits of the party using the protest tool.

9 Section 8: Practice in Hungary IV (2002-2006)

Sub-section 9.1: Protest Over the Election Results

Right after the elections the new government had to face protests. Demanding a recount of the votes cast in the election, protesters gathering without permission first closed Elizabeth Bridge by their cars crossed and by a human chain. Soon, traffic control patrols arrived at the bridge, followed by some transport vehicles, to transport the illegally parking cars. However, the group of demonstrators, which had meanwhile grown to about one hundred and fifty to two hundred, prevented breaking the roadblock. By then, the cars crowded on the Buda side were diverted to the quay by the traffic police, and in Pest it was not possible to drive from Blaha Lujza Square to the Rákóczi Road leading to Elizabeth Bridge. The police pulled a cordon around the bridgeheads of Buda and Pest at about ten o'clock in the morning, while the pedestrians who wanted to were free to join the protesters. The protesters on the bridge voiced their political independence. As they said, the demonstration had not been initiated by any organisation, they began to demonstrate "guided by the idea" of citizens (Bihari, 2002, 3) and demanded a recount of votes and sang patriotic songs. Some admitted that it was illegal what they were doing, but they "had run out of legal means" (Bihari, 2002, 3) and had no other option to raise their voices against "an obvious election fraud" (Bihari, 2002, 3). Architect Imre Makovecz, who formed a civil club with former Prime Minister Viktor Orbán, appeared at the bridge, and MIÉP President István Csurka also waved to the crowd from the back seat of a black car.

Eventually, helmeted riot policemen lined up on the Pest side against the protesters and called on them to leave the bridge in the direction of Buda. The police line began to push the protesters off Elizabeth Bridge from Pest to Buda at ten-twenty. It took about half an hour to get the protesters to the Buda end of the bridge. Police pushed the protesters through the cars crossed on the bridge. Those who resisted were punched with a truncheon, and the spokespersons were lifted out of the crowd. On the Pest side, several of the passengers trapped at the bus stops encouraged the police, and when the protesters were removed from the bridge, they praised them chanting "Well done boys!" (Bihari, 2002, 3). Traffic was resumed at noon.

From Elizabeth Bridge, the protesters headed for Kossuth Square, further crippling downtown traffic. Tram no. 2 had to be stopped due to the march.

In Kossuth Square, the protesters joined the members of the Lelkiismeret '88 group, which had been demonstrating there since the elections. Late in the afternoon, the crowd swelled to hundreds, and police marched to the scene with great forces. The arriving riot police repeatedly called on the protesters to stop the demonstration, but to no avail. Late in the evening, the law enforcement forces pushed the crowd out of the square. As some showed resistance, a minor clash ensued. Several demonstrators made their way to Chain Bridge.

This protest lined up a repertoire of civil disobedience actions: unauthorised assembly, blocking the road by cars, and the formation of a human chain on the bridge. Deliberate violation is clear, as traffic was paralysed, but what the protesters' deeds could hardly be justified on moral grounds, as the demand for a repeated count of the votes was made solely based on a unilateral and party politically biased suspicion of fraud.

Sub-section 9.2: Mountain Zengő

As a result of lengthy protests, the original NATO plan to erect a defence radar on Mountain Zengő in Hungary, failed. The new location was decided in March 2007, and the locator station was built on Mountain Tubes. The struggle for Mountain Zengő ended successfully, and during this struggle citizens repeatedly used the tool of civil disobedience for a good cause. Typically for green movements, protesters carried out a series of civil disobedience actions. Such movements included half-track roadblocks, full roadblocks, human chains, handcuffing to trees, and illegal stay in private areas. The classic concept of disobedience was implemented, since in addition to the factors mentioned above, moral justification and accepting the consequences are also detectable. Moreover, citizens resorted to the means of civil disobedience in their "ultimate despair" after having exhausted legal options.

10 Section 9: Practice in Hungary V (2002-2006)

The heightened social mood caused by the government's austerity package named *New Balance* was only aggravated by Ferenc Gyurcsány's speech in Balatonöszöd. In this sincere speech at the socialist faction meeting held in May, and considered by some as revealing truth, and by others as telling lies, the Prime Minister acknowledged that the political elite had lied to the people and had done almost nothing during the previous government cycles. As a result, peaceful demonstrations became violent.

The reform steps outlined by the social liberal government provoked a general social protest. Most of the movements made during the protests did not reach or had already exceeded the limits of civil disobedience. Police declared Kossuth Square in Budapest an area of operations, and drew a cordon around it, which was demolished by Fidesz politicians. In my opinion, in this period, only the cordon demolition of Fidesz politicians can be considered as civil disobedience.

This action is almost entirely consistent with the classical interpretation of civil disobedience. It was a deliberately offensive move to confront a police measure. It was a morally justified act, as the public should not be blocked from access to a public space. Fidesz did not basically speak out against cordon construction, but against its long-term maintenance, as Kossuth Square was closed to people for more than a hundred days. It was a non-violent movement because the dismantling of the cordon did not endanger the life or physical integrity of other people, either directly or indirectly. The action was directed only at objects. By relinquishing their immunity, Fidesz politicians assumed the consequences of their deed, which was typical only of classical civil disobedience actions. Yet, several people question the clarity of the act, as Fidesz representatives had failed to use the various stations of the legal route, making reference to the "time constraints" (many explain this by the absence of some of their prominent representatives).

11 Summary

After the 1989 change of regime, a highly diverse culture of protest developed in Hungary. Every government had to deal with protests, although not in the same extent. Already the first government after the regime change faced major protests. Moreover, a civil disobedience action against that government evolved as a result of a protest movement by an occupational group. Carriers protested by roadblocks against increase in petrol prices, but this could become an overall social movement in the uncertain political and economic situation of the time. The roadblock was an illegal, non-violent and morally justified act. Nevertheless, the taxi blockade does not correspond to the classical interpretation of civil disobedience, as the protesters wanted to avoid the consequences of what they did, fighting for impunity.

The movements against the second government after the change of regime also expanded the Hungarian culture of protest. During the student protests and the agricultural demonstrations, the participants did not implement civil disobedience, despite the sometimes harsher and more aggressive than usual rhetoric they used.

The movements made during the term of the Orbán Government were not as significant as those in the period of the previous two governments. Initially, people protested only against local conditions or international trends, but as the general elections approached, protests intensified. The parties used protests against one another as electoral weapons. Demonstrations were organised with the sole aim to misrepresent other parties running in the elections.

In the period between 2002 and 2006, the social liberal coalition came to power again. Right after the elections, the purity of the elections was questioned in the form of protests. During the term of the social liberal government, there was a significant agricultural protest. In addition, there was also a civil disobedience action due to the planned construction of a locator station on Mountain Zengő. The actions launched in defence of Mountain Zengő – including full roadblocks, human chain, illegal stays on private territory, etc. - were intentionally offending, non-violent and morally justified.

In 2006, the Gyurcsány Government was re-elected, and its reform measures provoked public protest across the country. During this

administration, the politicians of the largest opposition party, Fidesz, conducted almost classic civil disobedience. The cordon demolition was at once illegal, non-violent, morally justified, and politicians waived their immunity and took responsibility for their actions. However, as they failed to use the opportunities offered by the legal route, classification of the act remains doubtful.

After the change of regime, significant protest movements took place in Hungary, but most of them were legal and did not lead to civil disobedience. In the analysed period, there was only one civil disobedience movement. The Mountain Zengő action series was a success as the locator station was built on Mountain Tubes.

Overall, it can be established that the Hungarian culture of protest is more characterised by peaceful demonstrations, but during the past two cycles of government there has been an increase in violent actions, which already go beyond civil disobedience movements, and there have been significant clashes between the police and protesters.

Civil disobedience has become an increasingly common and accepted form of protest in the West since the 1950's. However, many people still debate whether there is any justification for a deliberate violation of the law when a number of other legal means of protest and pressure are available. They fear that refusal to comply with the law may spread and a political climate may develop that undermines the authority of democratic procedures. However, this is probably a debate that can never be definitively concluded.

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YOUNG PEOPLE IN THE DIGITAL SPACE – PRIMARY RESULTS OF A RESEARCH IN BORSOD COUNTY

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1 Introduction

One of the greatest challenges of the twenty-first century is how man, as a living organism, and human society in a complex, extremely precarious equilibrium, interwoven by numerous systems of relationships and conflicts can adapt to the technical requirements of the digital age. To investigate this issue a questionnaire survey has been conducted in the region of Borsod County, within the framework of "*Innovative Investigation of the Operation of the State*", by Legal Working Group 2 of the EFOP-3.6.2-16-2017-00007 research entitled "*Aspects of the Development of a Smart, Sustainable and Inclusive Society: Social, Technological and Innovative Networks in Employment and in Digital Economy*". The members of the working group – university teachers and researchers of the Faculty of Law and Faculty of Economics with the involvement of law students – are looking for a reply to the question how certain social groups referred to as "vulnerable" in international and national literature appear in the digital world: do they use the internet and IT devices and if so, for what purpose? The questionnaire survey covers the groups that are considered vulnerable according to their age (elderly and young), the disadvantaged groups and the people with disabilities. Based on the demographic data any possible differences between men and women can also be mapped.

The research, besides its numerous objectives, devotes particular attention to the elimination of the negative effects produced by the information society of the twenty-first century (also) on the most sensitive group of people: the minors, and at the same time its intention is to achieve that the Hungarian youth can effectively become involved in the economy dominated by robotics and digitalization. In order to accomplish these objectives it is important to survey to what extent, with what content and functionality the range of information and communication technologies are present today in children's and young people's lives. The conference paper is going to present the international researches according to which the virtual world transmitted by the internet is present in establishing the life strategy of the youth to an extent that exceeds the influence of the adult society. It has been demonstrated that social situation and social status exert a significant impact on people's presence in the digital space, and they already envisage the opportunities for entering the changing labour market of the twenty-first century.

Hence, an important objective of our research is to map how the mentioned international study results and conclusions can be demonstrated in one of the regions of Hungary, for example in the case of the young age groups. Based on the primary analysis of the questionnaires received until now from the institutions involved in the research we set out to examine if a significant difference can be demonstrated between certain social characteristics of the young people completing the questionnaire and their habits of using digital devices. We will also discuss in our presentation, using a cluster analysis, if homogeneous groups can be identified among the respondents, and what characteristics the individual groups have.

2 Traditional/social and digital inequality

There are several definitions used in literature to describe the differences and distances between various social groups. We can come across, for example, the term *digital divide.* Researchers have identified a variety of reasons for its emergence. It can be established on a *demographic*, *age-related basis*, in which case the divide is created between the generations at the expense of the elderly generation (the term "reverse socialisation" is used for this phenomenon, when contrary to traditions going back to several centuries now the youth teach the elderly in this particular area). The divide can also be created in a global, *geographic* sense to the

detriment of areas and regions that are already considered lagging in the traditional social sense. The digital divide emerges in a *social* sense at the expense of the people living on the periphery of society's system of inequality of opportunities or at the bottom of the hierarchy. This point of view is usually described by the stratification model, according to which digitalization further strengthens the groups already privileged (in its traditional meaning) in society, whereas, contrary to this, the normalization model finds that increasing the opportunities of access to technology will (may) also reduce traditional social inequalities.

In literature, however, instead of digital divide the term *digital inequality* is becoming more general, which, in addition to the use or non-use of the internet and the information and communication technologies (ICT), also takes into account the quality of devices, the purpose of their use, and the required skills and knowledge. Two forms of digital inequality are distinguished: *primary* inequality, which is based on access to the internet, and *secondary* inequality, which, on the other hand, emphasizes the differences according to the characteristics of internet usage. Finally, the term *digital choice* should also be mentioned, which refers to the situation when someone would be in a position to use the technology but making a conscious choice, they do not do so, and this does not (necessarily) entail any disadvantages for them.

Similarly to addressing traditional social inequalities, the states also have an important role in the management of digital inequalities by creating an *equality of opportunities* through the relevant policy decisions: they should find the tools to prevent further social exclusion and drop-outs arising from digitalization; they should be able to reach the most disadvantaged social strata by developing various programmes; they should find innovative means and methods required to develop the digital competence of the disadvantaged; and they should ensure that workplaces requiring a low education level are not threatened by massive dismissals due to the widespread dissemination of robotization and computers.

For the investigation of digital inequalities the most important questions arising from the researches and studies conducted in growing numbers since the turn of the century: Do digital inequalities differ from traditional social inequalities? Are they characterised by different dynamics? Should they be managed and remedied in a different way? Do they change the differences originating from traditional conditions of inequality, and if yes, do they deepen or mitigate them? It is also part of our endeavours in the research to find replies to these questions.

3 Research methodology, data used

In our research we wish to use all of the criteria listed above by setting up the target groups along the mentioned parameters, so this way the questionnaire is filled in by young people, elderly people, people living in disadvantaged settlements and certain groups of people with disabilities. The data presented in this study, however, only come from the questionnaires completed by young people, and only those data are processed. We collected these data by a hybrid data acquisition procedure, with the help of paper-based and online questionnaires in June 2019 in grades 5, 8 and 11 of primary schools in small villages (Forró, Hernádvécse, Szalaszend, Szemere, Krasznokvajda, Baktakék, Ózd) of Borsod-Abaúj-Zemplén County, and primary schools and secondary schools of the city of Miskolc (Fazekas Mihály Primary School, Fényi Gyula Jesuit Grammar School, Herman Ottó Grammar School), but in the case of schools with few pupils, pupils from other grades also participated in the survey. As the research was aimed at the young age group, contacting schools and conducting the survey within school frameworks proved to be efficient. It was necessary to forward the questionnaires with the hybrid method because it would have caused difficulties to the schools in a disadvantaged region to organise the completion of the on-line questionnaires in the computer laboratory of the school within such a short time before the end of the school year. As a result of the paper-based and online completion of the questionnaires, a total of 618 questionnaires were received. During the processing of the data it came to light that the responses were often not serious enough, and omission of replies also caused a problem, i.e. the respondent did not give such replies to a part of the questions that can be used for evaluation. After the comprehensive evaluation of the received questionnaires, the feedback of 316 participants can be considered as samples from the age group of 10 to 19 years, which constitutes the population of the investigation.

We mainly used Bayesian statistical methods to draw conclusions, which are based on the characterization of posterior distribution as opposed to the mainstream or in other words the classical statistical methods. In the examination of various hypotheses our decisions are based on the Bayes factor (hereinafter: BF). As Meeden (2012) writes in his work that posterior distribution is independent of the sampling method, it provides a convenient analysis framework for bearing out conclusions. This was used, among others, by Gál (1999) when he made an estimate for a table

of deaths with Bayesian methods, based on the data of an insurance company.

Some basic information is provided in the next table about the realized sample. It can be observed that a considerable part of the respondents is from the lower grades. The type of settlement included in the table indicates the type of settlement of the survey participant's school, which shows that villages and towns are represented in the same proportion. A similar distribution can be seen in respect of genders, which shows an exceptionally high similarity to the distribution of the population. According to the data of the Hungarian Central Statistical Office (KSH) the distribution of male and female in the age group of 10 to 19 years in Borsod-Abaúj-Zemplén County was 51.31%–48.69% in 2017.

Table 1: Demographic information

		n	%			n	%
Gender	Male	160	51.60%	**Grade**	Grade 4–6	149	47.50%
	Female	150	48.40%		Grade 7–8	109	34.70%
					Grade 9–11	56	17.80%
Age	< 11	41	13.10%				
	12–13	103	33.00%	**Type of settlement**	Village and large village	158	50.00%
	14–15	106	34.00%				
	16–17	41	13.10%		Town and county seat city	158	50.00%
	> 18	21	6.70%				

Source: authors' editing

For the purpose of getting information about the family background of the respondents there was also a question referring to the number of people living in one household. In this respect the average household size is 5 people with a standard deviation of 2 people. Nevertheless, it can be established that households with 7-8 people are not rare. The highest value was a family size of 16 people, given by a boy living in the village of Szalaszend. The composition of the family is further refined by the number of siblings of the respondents, which was included in the questionnaire

according to separate age groups. The median of the total number of siblings is 2 people, but replies with 5-6 people also occurred. At this data the most extreme value was 21 people, which was supplied by a girl living in the village of Baktakék. A rather low ratio of the respondents (5.1%) replied that they were not sharing a household with their parents. Two-thirds of this narrow group live with foster parents or in a state institution and the remaining one-third live with relatives and their dependants.

The parents, in terms of their level of education, have a rather heterogeneous composition, as most of the reply options appear with similar frequency in the replies. The proportion of those having only a secondary school leaving certificate tends to be lower than the other reply alternatives. It is assumed that the reason for this is that after obtaining the certificate the majority acquired a qualification in a trade or craft or a higher educational degree. It cannot be demonstrated with a significance test due to the low number of available cases, but reviewing the frequency, it can be observed that there is some moving together in the education level of parents, which means that people with similar education levels choose partners who have similar education levels.

Based on the above, it can be seen and assumed that the composition of respondents is rather heterogeneous. In order to identify homogeneous groups in the 10-19 age group of Borsod-Abaúj-Zemplén County, we used a cluster analysis. First, we started to make up groups based on background information with several types of procedures, and finally the TwoStep procedure proved to be efficient as the variables included in the analysis were mainly categorical variables with lower levels of measurement. During the examination the basis for multidimensional grouping was provided by data such as parents' level of education, number of household members and siblings. As a result, it was possible to identify 3 social groups. However, as a consequence of the detailed examination and comparison of the individual groups, we came to the conclusion that no significant differences could be found in the internet usage habits of the groups set up this way. Thus belonging to the individual social groups can be said nearly independent of the usage habits of the internet and various digital devices. Even when some significant relationship was possible to measure, the measures showed specifically weak closeness.

Finally, we took as a basis for the grouping of young internet users the block of questions of the questionnaire inquiring about the use of free time, which included activities performed outside of school. The survey also covered the

collection of the amount of time spent on various activities by the teens. The time spent on *the 4 most popular activities of those, watching TV, using the internet, being with friends and doing sports, became the basis for setting up groups*. As the various activity time spans in the survey had different frequencies, the time participants devote to the given activity altogether in a month was determined by extrapolation. In the space extending between the four variables, the distance of the individuals from one another was determined by using the squared Euclidean distance. One of the advantages of squared distance is that it facilitates the emergence of clusters, as the pairs with a distance measure of less than 1 will get closer to each other as a result of exponentiation, whereas the distance between the individuals being further away from each other is growing, hence the individual groups can be better separated from each other. As a clustering method, Ward's method was used from among the hierarchical agglomerative clustering techniques, because with the help of this procedure, during the steps of merging each individual is merged with that existing group, the effect of which is that the variance of the group will grow to the least extent. (Varga & Szilágyi, 2012)

The advantage of the procedure is that the individuals in the generated groups are more similar to each other. However, the condition for the method is that the examined factors are not correlated, which is fulfilled in this case because the Bayes factors relating to the correlation coefficients examined in pairs, showed an existing relationship in a single case. But even then, it was possible to measure a very weak relationship with the correlation coefficient, which does not pose a risk for further analysis.

The agglomerative clustering procedure may be inherently sensitive to the sequence of data, therefore for the purpose of validating the results the algorithm was run in several different data sequences, which showed identical cluster member classifications in each case. For further cross validation checking we also compared the results obtained with other cluster methods (K-means and TwoStep). The groups generated this way showed similar matching with the original grouping, there were only few cases when the individuals were put into another group. Comparison of the clusters based on group-forming attributes was also performed with the help of the Bayesian variance analysis. The calculated Bayes factors, which can be found in the table below, exceed 1 in each case, therefore we can accept the alternative hypothesis which demonstrates that the group means differ from each other, so we succeeded in creating heterogeneous clusters. (Hunyadi, 2011)

Table 2: Bayes factors

| Variable	Bayes factor
Time spent on watching TV	3.110×10^{24}
Time spent on the internet	3.902×10^{11}
Time spent on sports	5.939×10^{29}
Time spent on meeting friends, acquaintances in person	1.608×10^{21}

Source: authors' editing

Finally, as a result of the analysis we decided to create 4 groups. Some final merging steps can be seen in the following circular dendogram.
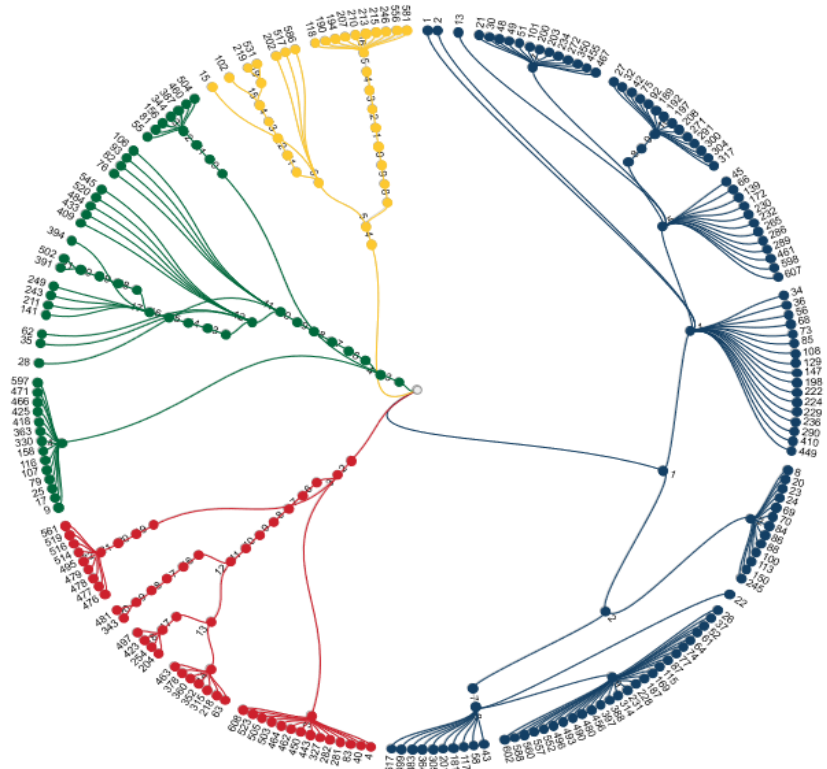
Source: authors' editing

Figure 1: Dendogram

The group marked in blue in the figure has become the group of the *outdoor* young people as in comparison with the other groups it is more characteristic of them to use the internet less and spend less time in front of the TV. Compared with the other groups they are roughly in the middle in the ranking of the time spent on sports and friends. The group of the red coloured *lazy,* on the contrary, neglect outdoor activities, and instead they spend by far the most time watching TV, but they do not despise internet usage either. The group of the *cyber riders* marked in green leads the ranking in respect of internet usage, but it must be added that they also spend a lot of time with their friends according to the data, presumably, doing the two activities in parallel is also typical. The not too populous group of the *selfie athlete* is by far in the lead in the ranking of spending time on sports, and besides, they also take the second place regarding the time spent on the internet. They must be the ones who even while doing sports have time to check the updates on Instagram or on other sites. The creation of a group with so few members is justified by the fact that they possess dominant properties as outstanding sporting and internet usage habits, as a result of which they differ from the other clusters too much. In spite of that it can be assumed that regarding the entire population it is a non-negligible group, and it is only under-represented in the sample.
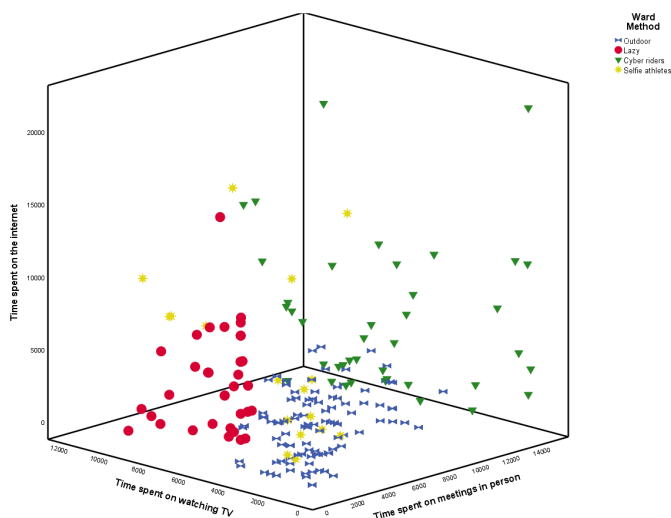
Source: authors' editing

Figure 2: Created clusters

The above figure visually illustrates the position of the individuals in the space extending between the three variables, where it can be observed that the individual groups are well separated from one another.

With regard to the demographic characterization of the clusters it can be stated that boys and girls are represented at an almost identical ratio. The boys' predominance can be seen in the *outdoor* group, but further analysis did not demonstrate a real correlation between the two variables (BF: 0.202). However, the settlement type of the pupil's school, meaning if it is situated in a village or town/city, is related to group membership (BF: 243959.61).

Table 3: Location of the pupils' schools according to clusters

	Outdoor	**Lazy**	**Cyber riders**	**Selfie athletes**
Village	32.73%	83.33%	50.00%	29.41%
Town/ City	67.27%	16.67%	50.00%	70.59%
Total	100.00%	100.00%	100.00%	100.00%

Source: authors' editing

In the above table it can be seen that the group of the *lazy* mainly study in village schools, whereas the *cyber rider* group members are evenly distributed between the two settlement types. Mainly pupils from town/city schools are found in the groups of the *outdoor* pupils and *selfie athletes.* In terms of the parents' level of education, the mother may be said to be more determining, as the Bayes factor (17.568) provides a strong evidence for accepting the hypothesis according to which there is a connection between the two variables. In the case of the father, the situation is not so obvious, it is barely worth mentioning (BF: 1.268). The groups of *outdoor* pupils and *selfie athletes* typically include children whose parents have college or university degree, but in the case of the *outdoor* pupils the parent stopping at grade 8 of primary school is the second most frequent. The other two groups characteristically consist of children whose parents have lower level of education.

The number of siblings cannot be considered determining, the mean values of the individual groups are nearly identical. The questionnaire also covered the survey of respondents' home equipment, which was designed to map the family's situation. The data collection also included IT devices besides household appliances. In all the groups the number of smart phones suitable for using the internet is roughly the same. Based on the size of the households, the number of smart phones per person was determined for each family, which does not show a statistically significant difference between the groups (BF: 0.067), but it can be observed that the value of the indicator is the lowest in the group of the *lazy* (0.745), while it is the highest in the group of *selfie athletes* (1.034). In 94.55% of the cases the pupils, as they admitted, have their own smart phones, however some students who do not have their own phones tend to belong to one of the first two clusters. This may presumably contribute, even if to a minimal extent, to the fact that these groups spend less time on using the internet.

No appreciable difference can be detected between the groups regarding the use of internet and IT equipment. The various measured variables and the Bayes factors, calculated based on the group member, demonstrated the assumed lack of relationships in each case.

4 Conclusions and suggestions

The above analyses appear to show few significant differences in the internet usage habits of young people, the result of which is that it was difficult to find cluster-forming properties among the minors, but it may be partly caused by the relatively low number of data. There are basically no strong dividing lines among the young people involved in the survey in respect of the general prevalence of smart phones, but according to our expectations there will be more obvious differences in the case of other target groups.

On the whole, it is found that according to the data of the processed questionnaires the main dividing line among the youth of Borsod County is not in respect of getting access to the internet and IT devices but in respect of what quality their usage represents and how much they are able to turn the opportunities offered by digitalization into a positive direction in order to reduce traditional social inequalities.

Acknowledgement

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ON THE ELECTRONIC PUBLIC ROAD TRADE CONTROL SYSTEM

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1 Introduction

Parliament inserted the elements of the obligation to report the transport of a product on public road in the former Act XCII of 2003, thus establishing the Electronic Public Road Trade Control System, abbreviated as EKÁER, one of the milestones of digitisation concerning taxation, in order to collect tax revenues as efficiently as possible.

"In any case, the basis for more efficient action is the development and implementation of methods by which investigations can become real-time, and thus the individual economic events can be traced and analysed for the inspecting authority when they actually take place" (Kovács, Juhász, Hvizsgyalka, Mihics and Gutyán 2015, 7). To support this, a solution must be found for monitoring the movement of goods. This is implemented by the EKÁER system.

2 General features of the Electronic Road Traffic Control System

In controlling the movement of goods, a system provides an effective solution if it mandatorily requires the preliminary electronic reporting of the data on the movements of goods related to the Member State's transactions and to domestic sales subject to VAT, unless the goods are sold directly to the end user, and the monitoring of the movements of goods. The purpose of the Electronic Public Road Traffic Control System (hereinafter: EKÁER) is to enable the state tax and customs authority to control the transport of goods real time, using information technology, and

thus to more efficiently curb VAT fraud. EKÁER displays these reporting obligations.

The main regulatory elements of the EKÁER system are the following:
- Reporting obligations:
  - obligation to report transport and product data in advance; obligation to report changes to previously reported transport and product data
  - reporting arrival at the address of receipt or the start of the carriage
- provision of a risk guarantee
- representation obligation
- application of official seizure (Kovács, Juhász, Hvizsgyalka, Mihics and Gutyán 2015, 7).

In relation to the reporting obligation, Section 113 (1) of Act CL of 2017 on the Rules of Taxation (Tax Act) stipulates that *"The supply or purchase of products, or the movement of products for any other purposes by a toll motor vehicle or by a motor vehicle of a total weight exceeding 3.5 tons, involving transport by public road, as defined in the ministerial decree adopted for the implementation of this Act, may exclusively be performed by taxpayers in possession of a valid EKÁER number."* According to sub-section (2), *"Sub-section (1) shall apply to goods considered to involve risks under the ministerial decree adopted for the implementation of this Act, and in the cases specified in the ministerial decree adopted for the implementation of this Act, even if the goods are carried by a motor vehicle that is not subject to toll charges."*

The special rules are laid down in Decree 5/2015 (II. 27.) NGM on the operation of the Electronic Road Traffic Control System (hereinafter referred to as: EKÁER Decree). In the case of the transport of a risky product by a motor vehicle not subject to tolls, pursuant to Section 3 (5) of the EKÁER Decree, the aggregate gross weight of the products transported from the same consignor to the same consignee within the framework of one transport must exceed 500 kg or their combined tax-free value must exceed HUF 1 million.

The concepts of a motor vehicle and a toll vehicle are defined in the explanatory notes, in Section 7:21 and Section 7:50 of the Tax Act.

Based on the above, on the one hand, the system should be applied to the movement of goods by public road, and on the other hand, the

risk involved in the specific goods should be considered. Goods falling under Section 113 (1)-(2) of the Tax Act may only be transported by public road in possession of an EKÁER number issued by the tax authority (Section 5:15 of the Tax Act: EKÁER number: an identification number automatically generated by the Electronic Road Traffic Control System on reporting the public road transport of a product, which identifies a given product unit). "It is important to emphasise that the report must be made before the transport, and transport can only begin in possession of the issued EKÁER number. In the case of intermodal transport combining several modes of transport, the report shall be made only for public road transport" (Kovács, Juhász, Hvizsgyalka, Mihics and Gutyán 2015, 11).

From the customer's perspective, EKÁER is a web interface available through an internet browser, where shipments can be reported after registration.

The subject of the registration may be
 – the party required to report, or
 – the carrier.

When the party required to register logs in for the first time, an EKÁER number must be requested. The primary registrant may be the legal representative or a permanent proxy, and for additional persons secondary registration can be created. The representation rights are constantly monitored by NAV in order to prevent reporting by a person who is no longer authorised to do so. In the case of carrier registration, the primary user, by providing the carrier's registration number, enables the carrier to manage certain data in the system about the goods it carries At the same time, EKÁER is significantly more operational in the hands of the tax authority, because in addition to the above obligations, it is a coherent system supported by other actors from the outside. Within the framework of the system, it co-operates with, among others, the National Food Chain Safety Office, the organisation operating the public road camera system and other authorities (Kovács, Juhász, Hvizsgyalka, Mihics and Gutyán 2015, 29).

In summary, "we can say that EKÁER is a technical system for monitoring, controlling and registering the movement of goods established and operated by the Hungarian National Tax and Customs Administration, the primary goal of which is to reduce the number of abuses related to the transport of goods and value added tax fraud. The system covers transactions between Member States and the movements of goods for sale to the first domestic

non-end user, the prior electronic recording of these statutory data by the tax authorities and report of the shipment. This may indirectly lead to reducing the shadow economy, as the legal status of the transported products comes under control when the actual movement of the goods becomes known through the combined use of means available for the Hungarian tax authority (NAV) and HU-GO (the system of charging toll proportional to the distance travelled). With the help of these two digital systems, it is possible to significantly reduce the amount of goods traded tax-free, as only those that have been reported in advance and in a regular manner can be legally transported by road. This instrument indirectly protects fair market participants and bona fide buyers, improves equality in taxation and helps to provide sound grounding for government statistics and economic policy-making" (Szilovics 2019. 103-104).

2.1 Rules of reporting

The activity that must be reported is the purchase of goods from the European Union to Hungary or its import for other purposes; the supply of goods from Hungary to another Member State of the European Union or its export for other purposes; and the first supply of goods subject to VAT in Hungary to a party who is not a direct end user.

The EKÁER regulation details the scope of parties required to report, which varies depending on the direction of shipments.

The VAT-payer who implements the procurement of the product from another Member State of the European Union to the territory of Hungary (inland); if the product is imported to Hungary from another Member State of the European Union for purposes other than the purchase of the product, the person or organisation who/which receives the product at the place of unloading (receipt), with the exception of the end user; in the case of a supply of the product by public road transport from a domestic address to another domestic destination address, the VAT-payer who purchases the product; if the product is sold from Hungary to another Member State of the European Union, the person or organisation who/which implements the procurement of the product; in the event of export for purposes other than sales, the person or organisation who/which receives the product; and if a risky product is transported by public road to Hungary, the taxpayer who lawfully uses the real property located at the unloading address in relation to the specific legal transaction is required to report shipment (Section 2:4 of the EKÁER Decree).

The address of loading is the exact address of the place of loading on the vehicle used for the road transport of the unit; the address provided by the consignor if loading is performed in another Member State of the EU; and in case of combined (intermodal) transport from a dispatch address located in another Member State of the EU to the address of unloading (receipt) in Hungary, it is the address of the place where the product is loaded on the motor vehicle that performs public road transport (Section 2:7 of the EKÁER Decree).

The consignor VAT-payer who implements the sale of the product to another Member State of the European Union from Hungary or an indirect customs representative or tax warehouse operator acting in order to enforce VAT-exemption for and on behalf of a taxpayer not registered in Hungary; if the product is exported from Hungary to a receipt address in another Member State of the European Union for purposes other than the sale of the product, the VAT-payer in the interest of whom/which the export of the product for another purpose is implemented; the VAT-payer who/which performs the export of the product from a consignment address in Hungary to a receipt address in Hungary by public road transport; the VAT-payer performing the sale of the product from another Member State of the European Union to Hungary; and in the event of import for purposes other than sale, the person or organisation in the interest of whom/which the product is forwarded to Hungary (Section 2:6 of the EKÁER Decree).

The unloading (pick-up) address is the accurate address of the place of unloading from the vehicle used for the public road transport of the product unit; if unloading takes place in another Member State of EU, it is the address provided by the consignee (recipient); and if a product sent from a dispatch address in Hungary is unloaded at an unloading (pick-up) address in another EU Member State by combined (intermodal) transport, it is the address of the place of unloading from the public road transport vehicle (Section 2:8 of the EKÁER Decree).

Pursuant to Section 3 (6) of the EKÁER Decree, if during the sale of goods, it is the consignee who transports a non-risky product or has it transported, then for the purposes of the Decree, such a taxpayer must be considered as engaged in public road transport activities.

A special rule applies to the case according to Section 3 (3) of the EKÁER Decree, when the transport chain is transported only once. *"(3) If a product is sold more than once in succession in a way that it is transported by public road only once, the provisions of sub-section (1) c) shall apply to*

the product sale which includes the transport of the product. If a taxpayer who acts as both a consignee and simultaneously as a consignor in the specific chain of sales transports the product or has it transported, it she shall be deemed to be the consignor performing or ordering the transport of the product."

The data required to be included in the report is listed in Section 7 (1) of the EKÁER Decree. This provides that the state tax and customs authority registers and includes the following data in the EKAER:

– EKAER number,
– consignor's details (name and tax identification number),
– loading address,
– consignee's details (name and tax identification number),
– unloading (pick-up) address,
– data of the consignee defined in Section 2:4 e) (name and tax identification number),
– product(s) falling under the EKAER number:
  o general (trade) name,
  o the tariff heading as specified in Annex I to Council Regulation (EEC) No 2658/87 on the Tariff and Statistical Nomenclature and on the Common Customs Tariff (Combined Nomenclature) in force at the time of reporting (up to 4 digits, or in the case of risky products, up to 8 digits),
  o gross weight expressed in kg for each product description (batch),
  o in the case of transporting hazardous goods, the identification number for the hazardous good (UN number),
  o depending on the taxpayer's decision, the item number used by the taxpayer for the given product to facilitate the identification of the product,
– the reason for transporting the product by road, which may be:
  o the sale of goods,
  o goods purchase,
  o contract work,
  o other.

The EKÁER Decree gives an opportunity for a simplified report including the data regulated in Section 8. Pursuant to Section 6 (2) of the EKÁER Decree, in order to establish the EKAER number, in the case of a non-risky product, a taxpayer wishing to engage in public road transport activities is entitled to file a simplified data content if in the separate financial statement

compiled by it or in the consolidated financial statements compiled in accordance with the Accounting Act and including such taxpayer, in the second tax year prior to the reporting year the recognised annual net sales revenue is or exceeds HUF 50 billion, and the net sales revenue from the sale of own-produced inventories is or exceeds HUF 40 billion, and the taxpayer is included in Positive Taxpayers' Database maintained by the public tax and customs authorities. The universal postal service provider may also submit a report with simplified data content. In the case of a simplified report, the taxpayer must report:

– consignor's details (name and tax identification number),
– consignee's details (name and tax identification number),
– the registration plate number of the motor vehicle used for the transport of the product by public road, in the case of transport from another Member State of the European Union to Hungary, at least the registration number(s) of the motor vehicle(s) used on the national road sections.

Daily practice requires exemptions from regulation for a variety of reasons. The system of exemptions is regulated by Section 4 of the EKÁER Decree. Exemption may be based on person or activity.

For example, EKÁER does not apply to public road transport activities performed by the vehicles of the Hungarian Armed Forces, the Military National Security Service, and the Parliamentary Guards and by a vehicle involved in the prevention or elimination of damage caused by a disaster.

Finally, in the form of exemptions valid for certain road sections, Section 5 of the EKÁER Decree provides a special, case-by-case exemption for a business falling outside the scope of Section 4 and entitled to file a simplified report, with due consideration to the characteristic features of its production organisation. Exemption is not automatic, it must be applied for. On the basis of the application, the state tax and customs authority decides whether or not to grant it. A decision on road section exemption is valid for 1 year from the date of its entry into force, and its renewal is allowed by the EKÁER regulation.

2.2 Risky and non-risky products in EKÁER

The risk classification of goods and products plays a major role in the EKÁER regulation. In Section 113 (1)-(2) the Tax Act makes a distinction between transport by toll and non-toll vehicles, and in Section (3) in cases when a risk guarantee is provided. Under the EKÁER Regulation, different rules apply to the person required to report if the product carries risk, and simplified reports may only be filed for non-risky products.

Risky products are regulated in Decree 51/2014 (XII. 31.) NGM on the Definition of Risky Products in Relation to the Operation of the Electronic Public Road Trade Control System (hereinafter: EKÁER Decree). In its annexes the EKÁER Decree makes a further distinction between risky food and risky other products. (Annex 1 and Annex 2 to the NGM Decree).

Risk guarantee is provided in order to establish the EKÁER number in the manner and to the extent specified in the EKÁER Decree. It should be distinguished from collateral seized as a penalty pursuant to Section 239-242 of the Tax Act.

The extent of the guarantee is determined by the Tax Act and it is also subject to the provisions of the EKÁER Decree. The risk guarantee is regulated in Section 113 (3)-(4) of the Tax Act. According to sub-section (3), *"in the case referred to in sub-section (2) and if the taxpayer performs its activity specified in sub-section (1) with a product classified as risky in the ministerial decree issued to implement this Act (hereinafter: risky product), it shall provide risk guarantee in the cases specified in the ministerial decree issued for the implementation of this Act.* According to sub-section (4), *"the new obligor shall pay a risk guarantee in the case of an intra-Community acquisition of a risky product as defined in the Ministerial Decree implementing this Act; in the case of the first domestic supply to a non-direct end-user subject to VAT; in the case of reports made up to the one hundred and eightieth day after the first reporting, or in the case of the first ten reports, unless at least ten reports have been made by the one hundred and eightieth day after the first report."*

According to Section 16 (3) of the EKÁER Decree, *"at the time of the report made in accordance with Section 11 and Section 13 hereof, the amount of the guarantee must continuously be equal to at least 15 per cent of the aggregate value, net of tax, of the risky products belonging to EKAER numbers established in response to the reports made within 45 days (inclusive) preceding the report and assigned by the time of the*

arrival at the pick-up address or the commencement of transport, and the value of the risky products under EKAER numbers that have already been established and are still valid." If guarantee should be provided for several items (according to Section 11-13 of the EKÁER Decree), the taxpayer must provide the higher amount specified as guarantee (Section 16 (4) of the EKÁER Decree). The guarantee may be provided by payment to a separate escrow account or by means of a guarantee provided by a financial institution, payment institution or investment firm and registered with the State Tax and Customs Authority (Section 16 (7) of the EKÁER Decree).

The deposited amount and the guarantee are complementary, i.e. the sum total of the amount paid to the separate escrow account and the amount included in the guarantee agreement is required to reach the amount of the guarantee specified in Section 17 (2) of the EKÁER Decree.

The special rules regulating the guarantee are provided in article 18 of the EKÁER Decree. The state tax and customs authority records the deposited amount and the guarantee, and the amount of the taxpayer can monitor the amount of the risk guarantee on the relevant internet website.

The accounting rule and the right of the state tax and customs authority to withhold the guarantee.

For the purposes of securing budget revenues, the accounting rule specified in Section 16 (10) of the EKÁER Decree is extremely important in relation to the risk guarantee: *"Within 5 days before the end of each month after the provision of the guarantee, the state tax and customs authority shall check whether the taxpayer providing the guarantee has any net tax debt registered by the state tax authority. If there is any debt, the state tax and customs authority may reduce the amount of the guarantee by the debt. If the amount of the available security does not cover all the debts owed to the taxpayer, the state tax and customs authority shall reduce it first by the amount of any personal income tax advance, any withheld income tax or any contribution withheld from the affected private person in the order of their due dates, and if they fall due on the same day, in proportion to the amounts owed. Any sum remaining after these payments have been made shall be used first for the payment of other tax debts in the order of their due dates, and if several debts are due on the same date, proportionately to the debts. On settling the guarantee, the debt shall be deemed to have been paid on the date of crediting."* The amount of the

guarantee thus reduced must be supplemented by the taxpayer, provided that it wishes to continue its business. The guarantee may be reduced and repaid with the aim of securing revenues and collecting debts as efficiently as possible. Pursuant to Section 16 (13) of the EKÁER Decree, *"the state tax and customs authority may exercise the right of retention in respect of any public debt registered by it in the taxpayer's name, or may enforce any registered public debt within the framework of the guarantee contract."* Pursuant to the EKÁER Decree, the refund and the reduction of the amount of the guarantee must be requested by the taxpayer and approved by the state tax and customs authority.

Section 16 (8) of the EKÁER Decree allows for an *exemption from the payment of the risk guarantee.* A taxpayer is exempt from the obligation to provide guarantee if it does not qualify as a new debtor under the Tax Act and

- has been operating for at least two years, and is included in the Positive Taxpayers' Database maintained by the state tax and customs authorities, or
- it is economic organisation of strategic significance that carries out economic activity during bankruptcy or liquidation proceedings, and on the basis of its special application, the head of the state tax and customs authority has granted it exemption from the obligation to provide guarantee (Section 16 (12)-(13) of the EKÁER Decree).

Section 16 (9) of the EKÁER Decree provides that compliance with the conditions of exemption is continuously monitored by the state tax and customs authority. If the conditions for exemption under sub-section (8) no longer apply, the taxpayer must provide a risk guarantee in accordance with Section 16 (3)-(4) of the EKÁER Decree.

3 Changes after March 2020

On 1 March 2020, the decree regulating EÁKER reports was amended. As from that date, certain data of already closed reports may be modified subsequently against payment of a surcharge. Below is a presentation of the relevant rules.

The data that can be subsequently modified in a closed EKÁER application includes the following:

- the gross weight in expressed kilograms for each product name (batch),
- in the case of a risky product,
- if the reason for transporting the product by road is the purchase or sale of goods, the consideration for each product description (batch), net of taxes,
- in the case of road transport for other purposes, the purchase price for each product description (batch), net of taxes, or the purchase price of a similar product, net of taxes, and in the absence of such a price, the production value, net of taxes,
- the registration plate number of the motor vehicle used for transporting the product by public road,
- in the case of transport from another Member State of the European Union to Hungary, at least the registration number of the motor vehicles used on the national section of the road.

If in the EKÁER report someone has incorrectly entered any data that can be subsequently modified, the closed application may be submitted on one occasion, within 3 working days after the closing of the EKÁER number, but in any case no later than the commencement of an inspection directly related to the particular consignment by the National Tax and Customs Office (NAV). No request for certification may be submitted after the deadline.

The electronic interface of EKÁER closes the EKÁER number immediately and automatically
- if the date of arrival of the product at the unloading (receipt) address – or if there are several such addresses, then the date when the product arrives at the last unloading (pick-up) address – has been reported in the system,
- if the date is not reported, when the EKÁER number expires.

The EKÁER number is valid for 15 calendar days from its establishment. After expiry, subsequent modification of the EKÁER number is excluded.

The data specified in the EKÁER report may subsequently be modified by the persons entitled to file the EKÁER report, i.e.:
- the taxpayer required to file a report,
- the taxpayer entitled to file the report,
- the taxpayer's legal representative,
- the taxpayer's permanent proxy,

- a person for whom the taxpayer, the taxpayer's legal representative or the taxpayer's permanent proxy has requested the username and password required for filing a report via the EKÁER electronic interface,
- persons who are entitled to modify certain specific data in relation to a specific EKÁER number, either jointly or separately, or who may only report or modify the vehicle registration plate number, and
- the carrier, if authorised to do so.

The taxpayer may electronically modify the closed report data on the interface provided for this purpose in EKÁER. The modified data are registered by NAV and included in EKÁER. In the XML version 2.0 of the program, it is also possible to modify the data subsequently via an interface or by uploading the relevant XML. Subsequent modifications are only possible on payment of a surcharge. The amount of the surcharge is HUF 5000 per modified data, regardless of the number of affected lines.

The surcharge must be paid on the working day immediately following the day of filing the report, and the surcharge may not be release or reduced, and no instalment payment may be requested. After making the subsequent modification, the system promptly provides information on the amount of the payable surcharge and the payment deadline in a pop-up window. Incidentally, information on risk guarantee is also provided here.

The amount of the surcharge must be paid into the following current account: 10032000-01037492.

If, on the basis of the amended data, the taxpayer is required to provide a higher amount of risk guarantee, and the report is only registered by NAV (i.e. the subsequently modified data are only validated) after the taxpayer has paid the higher amount of guarantee.

If the data is modified in such a way that less than the risk guarantee required for the basic reporting needs to be provided, NAV also takes this into account.

4 EKÁER and NÉBIH FELIR

The aim of the above described EKÁER, which was introduced on 1 January 2015 and is operated by the National Tax and Customs Administration, is to reduce abuses related to the payment of VAT and to increase food security.

In the case of products falling within the competence of the food chain supervisory authority, the EKÁER system only assigns numbers to the consignments of customers with the FELIR (food chain supervisory information system) identifier.

On the site of the NÉBIH FELIR browser engine (http://portal.nebih.gov.hu/web/guest/felir-kereso) it can be checked
  – whether based on the customs tariff heading, the marketed product is subject to request a FELIR ID,
  – whether a given enterprise is obliged to FELIR registration based on its NACE number, and,
  – whether the company has a FELIR ID.

Anyone who performs an activity covered by FELIR and does not have an ID must register.

Registration requires the filing of a statement on the supervisory fee by customers paying their taxes as non-agricultural small producers. The interface available filing on the website of the National Food Chain Safety Office (*http://portal.nebih.gov.hu/felugyeleti-dij*), where a filling guide is also available. The application must be completed electronically, and requires a customer gate registration by the person required to file such an application or by its representative. Activation of the customer gateway system may be initiated in person at any office or records, government office, customer service of the tax authority, or at Hungarian embassies.

Another crucial point of the system is that food imported from an EU Member State may only be unloaded at the first place of storage in Hungary reported pursuant to Decree 3/2010 (VII. 5) VM. According to this decree, food companies that import food from a third country or from an EU Member State for marketing or further processing purposes must register and report the site, i.e. the first place in Hungary, where the goods have been stored first.

The first registered storage locations in Hungary may be accessed using the search engine on the NÉBIH website (http://portal.nebih.gov.hu/elso-betarolasi-hely-kereso).

If a company operates a first place of storage and cannot find its data in the database, it should apply to the Plant and Soil Protection Directorate of the competent government office of its county for the marketing of a basic plant product or to the competent district animal health office for other foodstuffs.

5 On-site EKÁER inspections

On-site EKÁER inspections are typically carried out by excise officers, who work in close co-operation with operational tax inspectors, the NÉBIH staff and the EKÁER Group's official dispatcher service. The task of this dispatching service is preliminary risk assessment, secondment to targeted inspections, the prompt processing of information obtained during on-site inspections, and the identification of risk factors. During on-site inspections, excise officers constantly exchange information with this team and perform the inspections determined by the dispatcher service.

In addition to the risk analysis team (dispatcher service), the work of the inspectors is facilitated by the EKÁER Analyzer program, which provides communication between the EKÁER database and the camera network of the electronic toll system. With its help, the current position of the goods can be continuously monitored on the basis of the registration plate numbers, and thus it can be seen if the goods are suspiciously traveling on a different route compared to the information reported in EKÁER.

As part of the on-site inspection, transport may be inspected by the authority either during transport or at the consignee's address. The latter may be justified because certain data and documents are only available for the consignee and therefore may not be available during transport (e.g. invoice). In addition, the risk analysis team may consider it appropriate, in other circumstances, to accompany the consignments to the place of unloading and start the inspection only subsequently.

During on-site inspections, it is important that the taxpayer's master data, the places of unloading and loading, and the data of the consignment can be reconciled with the information and data taken on the spot and those indicated in the consignment note. It is good to know that the excise officers can also see in the EKÁER system the accurate date and time when the taxpayer requested the EKÁER number, and so it may be considered as a failure if the taxpayer only applies for an EKÁER number at the moment when the inspection begins. Although in most cases the excise officers do not have an opportunity to perform accurate measurements, they can visually determine whether or not goods other than those in the EKÁER system are present in the hold, or if the reported weight differs by an order of magnitude from the weight on the vehicle and/or on the delivery note.

Typical errors identified during on-site inspections include the non-correspondence of the data reported in the EKÁER system to the

consignment note, the arrival of the consignment to a location other than indicated in the consignment note, multiple amounts (or only a fraction) of the declared consignment stored in the hold, other than the declared goods is shipped or the place specified for unloading (or in the transport documents) is unsuitable for this purpose at all. It is important to emphasise that these examples may not only suggest fraudulent conduct, but may also be caused by human negligence, problems with the logistics system, or deficiencies in the communication with the partner.

On-site checks can be greatly accelerated and simplified if the carrier is reasonably aware of the EKÁER number of the cargo concerned and has an accompanying document which contains information in addition to that provided in the EKÁER system to help excise officers clarify the facts. Such a document is explicitly recommended to evidence exemption claims, for example, as if no EKÁER number has been requested, the legal basis of exemption from the obligation to register the freight under EKÁER needs to be clarified during the on-site inspection. Given that the driver performing the transport is not necessarily aware of the exemption rules, a lot of time can be saved by providing the excise officers with completed documents and declarations regarding the EKÁER exemption of the given consignment (Prantner, (2017). What can we expect during an EKÁER inspection? https://5percado.hu/mire-szamithatunk-az-ekaer-ellenorzesek-soran/ 2020.04.04.)

6 Ex-post EKÁER inspections

In addition to on-site inspections, it is important to emphasise that the tax authority is allowed to inspect the tax liabilities related to the EKÁER at any time during the limitation period. In other words, a shipment announced in 2015 can be inspected retrospectively, up to the end of 2020. In contrast to on-site checks, these checks are no lot performed by excise officers but by tax inspectors.

Experience has shown that EKÁER liabilities are not audited by the tax authority in the context of ex-post audits of all types of taxes, but are predominantly in the course of audits of certain tax liabilities. This means that regardless of whether the EKÁER reports for a period are subsequently audited by the tax authority, the same period can still be audited for another type of tax, and such EKÁER audits do not constitute completed and closed periods.

In the case of an ex-post inspection, the tax authority has significantly more time than the officers during an on-site inspection, and thus auditors have the opportunity to request more information. Furthermore, in the framework of such an audit, more than just a single shipment is audited: the auditors arrive prepared and verify the fulfilment of all EKÁER obligations in a given period auditors. It is common for the investigation to be initiated on the basis of discrepancies between the comparison of EKÁER reports for a given period and VAT returns, or on the basis of the risks indicated by the dispatcher service. An example is when XYZ-123 registration plate number is found in the system (in the absence of actual data), perhaps the company does not close the EKÁER number, or there are no or very few intra-Community purchases in the EKÁER system despite a high number of requests for EKÁER numbers related to intra-Community purchases indicated in the VAT return

With the introduction of online billing data, the system is expected to be even more integrated than at present. As a result, it is likely that, with more detailed information interlinked at multiple points, the screening of high-risk taxpayers will become more efficient, and it is hoped that controls will focus on those market players where tax fraud is highly suspected (Prantner, (2017). What can we expect during an EKÁER inspection? https://5percado.hu/mire-szamithatunk-az-ekaer-ellenorzesek-soran/ 2020.04.04.)

7 Experiences in the imposition of fines

According to NAV's experience, the most common EKÁER errors are administrative in nature and one-off (for example: failure to report, inclusion of incorrect data, failure to report deadlines or to close the EKÁER number, or the incorrect determination of the value of goods). However, the administrative problems are mainly due to human negligence or absence of information. The tax authority is also typically more understanding in the case of such administrative errors. In the case of minor, administrative, one-off or infrequent errors, the tax authority, having assessed all the circumstances of the case, often imposes a small amount of the fine for non-compliance with the value of the goods (HUF 0-100,000).

In contrast, in cases where errors in EKÁER reports can be traced back to a systematically poorly managed problem, the tax authority is less likely

to refrain from imposing a fine. This is because the incidence of errors is much higher, and the error could be avoided with a system-wide check. As in such cases, considerably higher fines are imposed; it is worth designing the EKÁER system in such a way that although human negligence and mistakes in the absence of information can never be completely avoided, the company should ensure the complete and error-free application of EKÁER numbers at a system level. This can be facilitated and supported by regular training for the employees concerned and by appropriate internal regulations. Unfortunately, the authority also fines a higher amount if an error due to human negligence or the absence of information is made frequently or recurrently. In such cases, the tax authority will not dispense with imposing a fine due to the large number of errors. For errors performed on multiple occasions or traceable to systemic problems, the maximum fine of 40 per cent is rarely imposed; instead the tax authority typically sets the EKÁER fine at 4-5 per cent of the value of the goods. However, this may also be a very high amount if the total value of the goods is also high.

In the event of serial and recurrent errors, or if the errors are due to intentional circumvention, the tax authority may set the fine at a higher rate, typically up to 15 per cent, based on the value of the goods.

At the same time, companies have recognised that it is worth reviewing the EKÁER system even with the help of an external expert, as they can save much more in the future by eliminating the possibility of serial and recurring errors at system level (Szabó 2018. https://5percado.hu/ekaer-birsagolasi-tapasztalatok-jogorvoslati-lehetosegek).

8 Available legal remedies

One of the biggest concerns with the EKÁER system is that the related obligations cannot be self-audited. Thus if after closing the EKÁER number a company notices that something has been misreported (such as a registration plate number or the consignor's details), unfortunately, it can no longer be corrected. In such cases, however, it is worth making a note similar to the self-audit report by which the company confirms that it has identified the error and would have corrected it if the system had allowed it. In this way, good faith and law-abiding behaviour can be evidenced, and reference can be made to it subsequently, in a possible appeal procedure.

Incidentally, in the case of EKÁER inspections the appeal procedures take place in the same way as in the audits of other tax liabilities: the records may be commented on, the decision may be appealed.

If the tax authority has revealed any error in relation to the EKÁER system, the taxpayer should reveal the cause of the error and present it to the tax authority in the remarks so that the authority can appreciate the facts and circumstances in favour of the taxpayer. In the remark, the taxpayer can show that it has done everything within its power to comply with the legal requirements and acted in good faith when applying for EKÁER numbers. If technical problems have prevented application for the correct EKÁER number, this may also be worth commenting on, especially if these technical problems have since been resolved by the taxpayer.

In many cases, comments to the records are heard by the tax authority and taken into account when imposing a fine. For this reason, it is definitely worth commenting, provided that factors can be listed in defence of the Company during its previous erroneous EKÁER practice. (Szabó 2018. https://5percado.hu/ekaer-birsagolasi-tapasztalatok-jogorvoslati-lehetosegek 2020.03.22.).

9 Closing thoughts

As a next result in digitisation, we will also be able to evaluate the Electronic Public Road Transport and Journey Log, already ordered by Government Resolution 2028/2017.

In the future, the consignment notes will have to be recorded in the electronic system at the point of departure, and thus the documents directly enter EKÁER's backup database. This would virtually eliminate the established practice of efforts at disguising illegal product sales by manipulating consignment notes in certain product groups.

Although EKÁER has reduced the shadow economy, trickier suppliers have still managed to circumvent the system, for example, after a single report; they were able to transport the same amount of the same type of goods several times with minimum risk of getting caught. If they are not controlled on the road, the carriers acting this way destroy the consignment note when they arrive at the destination, and the extension of EKÁER introduced this year is insufficient to solve this problem. One of the most affected product

groups in Hungary is the fruit and vegetable sector, where the ratio of the underground economy is close to 40 percent, but the figures are similarly bad for the transport of UHT milk. Experts say that the introduction of an electronic consignment note would be a major step forward in the elimination of the informal economy in the problematic sectors. (http://logisztika.com/elektronikus-fuvarlevel-bevezetesevel-egeszitenek-ki-az-ekaert/ 2020.03.23).

Acknowledgement

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