DOCTORAL (Ph.D) THESIS

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THE ROLE OF CULTURAL DEVELOPMENTS IN THE LOCAL SOCIETY IN SOUTH TRANSDANUBIA

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1. RESEARCH PRELIMINARIES, OBJECTIVES

1.1. The changes of the European Union’s cultural policy

At the birth of the European Union the Treaty of Rome didn’t contain the concept of culture; even education was included only in the context of training. The whole culture was regarded as a purely national matter (Rónai – Zongor, 2003). The Union's activity has expanded at the investigated area gradually. The culture raised on the level of the Founding Treaties by the Maastricht Treaty devoting a separate title to the studied area (IX. Culture). Since the ratification this is the legal basis of all cultural regulations.

While since the Maastricht Treaty there hasn’t been a revolutionary change in the legislation of the European Union's cultural policy, a variety of programs, strategies and long-term EU agendas "found themselves" the cultural area. In the 2000’s conceptions have began to strengthen, which saw great potential in the wider sense of culture, namely in the cultural and creative industry (CCI).

1.2. Culture supporting in the European Union

The European Union supports culture directly by only a single available measure. This is the Culture program. Indirectly, however, there are a wider range of opportunities for support the studied area. Among them the Structural Funds rise up.

However not the cultural filed comes to mind primarily in connection with regional development, a number of regional development aims and priorities include the goals of culture. The sector can contribute
to spatial development and to social cohesion as well. The vast majority of the area’s support has come from the Funds.

The culture makes Europe and its regions a more attractive place, not only for tourists but for investment and jobs as well. It could play a key role in the development of physical infrastructure or also in human capital (Centre for Strategy & Evaluation Services, 2010).

1.3. The relationship between culture and rural development

Linking culture and rural development is a recent phenomenon. Today, however, several studies have described that culture can play a major role in the development of rural areas, solving their problems. According to many experts, the European Union's regional policy and rural development are about to change radically. Several researchers, including Bálint Csátári and his colleagues are of the opinion that culture should be a major pillar of the new rural development strategies (Csatári et al., 2007).

The culture and cultural services are important for rural settlements for several reasons. Community centers are important forums for community life, the different programs can strengthen the local identity. They could assist newly comers in integrating and in some cases get publicity over the settlement’s borders. As a result, tourism may appear in the town. So cultural services can make the town attractive to residents and to tourists as well, contributing to the Union's preferred objectives: improving the quality of life and holding the rural population.

1.4. Objectives of the dissertation
During the research **my aim** was to examine the effects of cultural projects financed by the Structural Funds for rural development. Cultural objects are not mentioned among the priorities of the Hungarian operational programs, so yet they have not been examined from this approach. During my work I have endeavored to give a comprehensive picture of these programs in the chosen region: what are the main characteristics of these programs, who are the project implementers, what kind of effects they have.

In connection of the expected results three hypotheses were determined.

1. In the South Transdanubian region the cultural projects were addressed to tourist rather than local residents, although the examined region belongs to rural areas, where the rural development’s target audience is the local resident.

2. The direct effects of projects are not or hardly measurable at the level of settlement.

3. A significant proportion of culture-related projects were only the result of tendering pressures.
2. MATERIALS AND METHODS

The selection of projects was a lengthy process and required the thorough knowledge of development plans and programs between 2004 and 2006. To achieve this, I developed a logical method, because the Structural Funds, as I described earlier, didn’t support directly the culture. It was essential to review these documents, and "read between the lines." It was not enough to look up mechanically cultural projects from a database, because such a database doesn’t exist. I started with the National Development Plan’s strategy, and I got to relevant operational programs and thanks to the National Development Agency's database to the specific projects.

After examining the target system, I picked out those priorities and operational programs which can include opportunities for the cultural sector. As the next step I examined the chosen operational programs to find the suitable measures for the cultural sector. After all, I had the opportunity to select winning programs from the database of the National Development Agency. At the end I got 165 projects. All primary and secondary researches was based on this resulting own database. The selection process is summarized in Figure 1.

I came to the following concrete measures starting from the NDP’s strategy:

1. ARDOP 3.1. Expansion of rural income earning opportunities
2. ARDOP 3.4. Renovation and development of villages and protection and conservation of rural heritage
3. ARDOP 3.5. LEADER+
4. RDOP 1.1. Development of tourist attractions
5. RDOP 2.2. Regeneration of urban areas
During the analysis I performed the following tests: I characterized the realized projects from several aspects with the tools of descriptive statistics, using distribution ratios. I was looking for statistically verifiable link between the different characteristics of projects and the supports awarded and their expected effects. The Pearson's correlation coefficients were calculated using Excel; the Cramer's coefficients are results of my own calculations. I created clusters based on variables of the realized programs. The cluster analysis was made by IBM SPSS Statistics 19 (Statistical Package for the Social Sciences) program. I used the
method of **structured questionnaires containing closed questions** for examining the attitudes of project implementers. Two experts helped my work with whom I prepared **unstructured interviews**, longer informal conversations.
3. RESULTS

Finally 161 specific projects were examined in the NUTS II region called South Transdanubia which was supported without exception during the programming period between 2004 and 2006. From this point of view, the list of my project is considered complete, since I was able to examine all relevant projects.

3.1. Secondary data analysis

The studied 161 projects take place at 78 settlements. The settlements’ distribution is almost balanced between the three individual counties. Geographically they create six major nodes. A large number of LEADER + projects are found among the programs, accordingly the nodes more or less coincide with the winning LEADER local action groups.

For the question, whether enough support was given to the examined projects and to the cultural sector, the following answers are admissible. Among the examined three priorities the region’s three counties achieved almost the same results as usually from the Structural Funds. Examining the cultural projects we find that Baranya county got more or less appropriate amount as the general trends, while Somogy county performed worse (only about 14% share) and Tolna performed with its 37% share better than the average. During the examination the rate of the cultural resources within the Structural Funds we find that the region's total result is only minimally lower than in the EU general 1.7% rate. Last but not least in comparison with the 2005 EU – campaign (the European Union wants to spend 70 cents per year per capita instead of 7 cents for culture in the 2007 - 2013 planning period) Somogy performed below
average also in this respect, while the whole region and Baranya and Tolna counties spent much higher amounts as the EU-average. So South Transdanubia received Structural Funds resources for cultural purposes according to the EU average and the per capita supports are higher than the EU level just because of the lower population.

The local governments had an important role in the period between 2004 and 2006. In addition the non-profit organizations and individuals were major players as well. They share another 34% of the project, so the remaining three types of project managers (enterprises, private entrepreneurs, churches) shared 13%.

The examined projects’ subjects showed a high degree of diversity. Therefore it was practical to create separate thematically groups. Eleven major thematic categories could be created by logical way, to which belonged different number of projects. The groups are as followings:

1. Festival, celebrations
2. Traditions, craft
3. Publications
4. Camp
5. Library
6. Community space
7. Museum, exhibition
8. Improvement of town’s picture
9. Church
10. Building reconstruction
11. Other

A quite a number of the projects connected to some sort of infrastructure development (5th-10th category). In these six categories there are 105 projects. There are a lot of “building reconstruction” and projects in connection with the town’s picture improvement (36 and 24 pieces) but the common space developing programs occur also a large number among the projects (19 pieces). In addition to infrastructure projects
the most popular programs were **festivals and celebrations** in South Transdanubia.

3.2. Analysis of the projects’ effects

According to my hypothesis, I think the **direct effects** of these projects are not or only negligible measurable at the level of settlements. Also these projects can be interpreted with the **usual traditional indicators**, such as the number of created or preserved jobs, but they don’t reflect the **actual success**.

During the analysis I was looking for a statistically verifiable connection between awarded amounts of supports and the pre-defined ARDOP indicators. The calculations concern the changes of unemployment, population and the number of overnight stays.

I examined the **relationship between** the percentage change of the uniformly rate and the amount of cultural supports in the settlements. Correlations were calculated for the entire sample on the one hand, and for each county separately on the other hand. In addition, I made calculations for different size of amounts and for all supports over a certain amount as well. The resulting calculations didn’t lead to any results. The calculations were made again only with those projects, which were large-scale infrastructural projects (which have already been described with the category "quality of life"). Their data were also not professionally established. It can be said, therefore, that the connection between the change of unemployment rate and the size of the supports’ amount is not directly measurable.

I measured the relationship between the population’s change and cultural supports as well. In this case positive "r" was the expected
result, because I assumed that the higher the subsidy the greater the population growth. Examining the entire population and the counties individually, I can say that a weak-moderate positive relationship can be between the supports and population’s changes. This value increases in each category, if similar to the unemployment rate analysis, we made the correlation calculations only to the life quality improving programs.

Third category of measurement was the relations between the supports and the change of overnight stays. From the initial 78 the KSH statistics contained only data sheets for 43 settlements. Representing the changes of overnight stays in a common Line charts any regularity can not be observed. Only in six villages can be observed growth (Balatonszemes, Berzence, Kötcse, Magyarszék, Mecseknádasd and Orfű), while not only in one village a large reduction. It made meaningless for further examinations.

3.3. Cluster analysis – possible typical projects

After standardization I created four clusters with hierarchical procedure involving the variables "Source", "Project implementers" and "Theme" into the analysis. The SPSS determined the results with Ward method on the basis of squared Euclidean distance. The resulting four clusters are as follows:

1. "Keeping residents’ interest in view"
We find 21% of the project in this cluster. All of the ARDOP 3.1. and 3.4 projects belong to here. The cluster’s main features is that the dominant projects implementer’s group is the local government’s although projects are realized by churches, natural persons and enterprises as well. These
projects can be classified with few exceptions as the previously described **life quality improving measures**. Mostly village picture improvement programs and creations of community spaces.

2. "**LEADER projects for local communities**"

This cluster is an odd, because this is the most diverse and the most difficult to be characterized. This includes 30% of the projects and 10% (103 million forint) of all supports. The programs without exception (as in the case of any other following clusters) have been implemented in the framework of ARDOP 3.5 **LEADER priority**. A third of the projects are tourist attractions, a large part of the programs **improve quality of life** similar to the first cluster, and their target group is local residents. This group includes the vast majority of church-renovation programs.

Regarding the project implementers it is the inverse of the fourth cluster, there aren’t any profit-oriented organization among them. All projects of the **non-profit organizations**, excepting two all of the churches' and around a third of the local governments’ projects are excluded.

3. "**Tourist attractions providers**"

The main feature of this cluster: its projects offer tourist attractions. The cluster’s 46 projects include all of the festivals, publications and other touristic programs. The project implementers belong excepting one to the churches - non-profit sector – local government triple again.

4. "**Profit-oriented candidates**"

This is the smallest cluster. It includes 33 pieces, 20% of all projects. The most important common feature of these projects: the implementers are **individuals and enterprises**. The primary goal of project organizers is
producing some kind of profit. Their target groups are locals and tourists as well.

3.4. Assessment of the project implementers

We can get important information from the project implementers during the assessment of the programs. There are of course a number of subjective elements in their view but they are still important.

The attitudes of project managers were examined with a questionnaire containing closed questions. 73 project implementers got it via e-mail (the others couldn’t be delivered because of wrong or not existing e-mail addresses). 23 questionnaires were returned, which means 31.5% response rate of this restricted sample (in the whole sample this is 17%).

The respondents scale had to decide in a five-step Lickert scale how much they agree with certain statements. (1: not at all – 5: totally).

The most important questions’ goal was to find out how much prevails tendering constraint among cultural programs. In other words European resources serves existing needs or applicants just used the arising opportunity (for want of something better). Based on the answers to the questions four clusters could be created, which are as follows: “The investors without tender as well”, “The tenders based on real needs”, “Finding goals to the tender” and “Taking the advantage of the tender”.

To sum it up it can not be state clear that tendering constraint prevails in the case of cultural projects i.e. these are "substitute" projects, which are implemented other alternative not existing. However, this phenomenon can be observed, but not exclusive.
4. CONCLUSIONS, PROPOSALS

My goal was to examine the cultural projects supported by the EU Structural Funds in South Transdanubia. I was looking for the answer to the question **whether there is reason for the existence of these programs, and if so, what role they can play in rural development.**

According to my definitions these projects were implemented by some kind of cultural institution or the grant recipient was a kind of cultural activity (creation of tourist attractions, festivals etc).

After getting acquainted with the relevant literature and EU’s exercise has been proved that **there was a radical change in the thinking about culture at the level of the European Union.** Since the turn of the millennium the cultural and creative industry has become a **strategically important area of policy.** Several Commission communications, Council conclusions and analyzing studies prepared for various organs of the EU come to the conclusion that the CCI can play an important role to increase the EU’s competitiveness. The great economic potential of a sector show such macro-economic indicators, as the 19.7% growth between 1999 and 2003, or employment 3.1% of workers in the EU including tourism (KEA European Affairs, 2006). A study examined specific programs of the Structural Funds in the entire area of the EU found that the sector plays an important role in rural development as well. Based on previous experiences in this regard cultural tourism is the mainly appearing theme. Analysts make recommendations for more complex and integrated approach to the future. They believe that **culture can play an important role in making rural areas more attractive in general, not just for the visitors, but for residents and for job-creating investments as well.**
How these processes are present in Hungary, more specifically, in South Transdanubia? Conclusions can be drawn based on empirical data. The total data base of winning projects between 2004 and 2006 was available to me, so I didn’t need any kind of sampling, my statements based on examination of all winning projects.

Although the policy development documents don’t mention culture separately, and I should move priorities by priorities, project by project to select the winners in South Transdanubia, they are clearly distinguishable on the basis of a logical schema I made. The projects realized in the framework of the Agriculture and Rural Development Operational Program and their subjects are the expansion of rural income earning opportunities (ARDOP 3.1.), the renovation and development of villages and protection and conservation of rural heritage (ARDOP 3.4.) and the LEADER initiatives (ARDOP 3.5.).

Based on empirical data it turned out that the cultural content rural development projects have two subjects in the investigated region: on the one hand they are tourist attractions on the other hand they increase quality of local life. As there are two target groups of rural policy (residents and visitors) the examined programs could be two addressed: the local people (life-quality improvement projects) and tourists (tourist attractions providers). According to my first hypothesis in the South Transdanubian region the cultural projects were addressed to tourist rather than local residents, although the examined region belongs to rural areas, where the rural development’s target audience is the local resident. This hypothesis was refuted by my results. From the 161 winners 64 belonged to the "attraction" category while 97 aimed at improving quality of life.

Programs for local residents are implemented largely by churches and local governments. These are mostly building reconstructions aimed
improving the image of the village or forming community spaces. These programs absorb nearly 80% of all supports. On the one hand it is natural, because these have higher cost claims as tourist attractions. However their importance also indicates the fact that in two clusters from the four created during the analysis represent themselves exclusively (“Keeping residents’ interest in view” and “LEADER projects for local communities”) while in one cluster (“Profit-oriented candidates”) these projects give the half of the programs. During the interviews with experts it also turned out that they evaluate these types of projects more important. We must keep in mind that "villages aren’t many houses but many people together." (Kozsdáné – Szabóné, 2007 quotes Szendrőné Dr. Font Erzsébet).

Several programs can play a prominent role in improving the local people’s quality of life. One important of them is program for keeping community centers alive. The community centers can be a link between rural population and urban culture. While there public spaces filled with meaningful content in the country, the residents don’t depart from the cultural programs available only in cities and they maintain their needs to visit a theater or a concert (Antalóczy - Füstös - Hankiss, 2010). The EU funds can be important in this respect, because in the analyzed region there are more community centers than the national average, but this is the last opportunity for their conservation. The local governments have always fewer resources, so they need alternative resources to renovate them. The structural supports were and can be a solution for this problem, although they don’t solve the problem of sustainability and the lack of the operation’s cost.

The image improving projects had and can have another key role. They have important spill-over effects on the nice environment. An ordered village center can be a good example for their residents as well.
Third type of key project is the **day of the village**. Although most of them are realized as some kind of gastronomic festival, in most cases these are only "labeled" days of village. These programs play an important role in **shaping local identity** and in strengthening local communities.

To sum it up **these programs have an important role** in creating lively communities which are working and living spaces, not just places to sleep for commuters (Orosz, 1999). However, it is important to emphasize that **these programs are necessary but not sufficient conditions to** fulfill the final task of rural development, **keeping rural population in the villages**. Even the complex rural development can not solve all the problems of the villages alone (Ficsor, 2006). **To improve the rural population’s quality of life much more radical changes are needed**, especially job creation and improving the (transport) infrastructure.

**The second major area** where rural development measures with cultural content have been implemented is to strengthen the touristic potential and to promote the tourist attractions. Among the created clusters tourism dominates only in one: "Tourist attraction providers". **In my opinion this topic is overemphasized in the development strategies**, although it decreased significant between 2007 and 2013. This problem exists at EU level as well; a number of other countries are unable to think about culture in complex developments, just in connection with tourism (the Centre for Strategy & Evaluation Services, 2010). It’s unnecessary to talk about touristic potential in our country, where the basic infrastructure’s conditions are wrong in small villages. As a result the examined settlements can provide competitive demand if **they cooperate** each other and serve **some kind of attraction “packages”**. During the analysis of the projects’ direct effects turned out that there isn’t any measurable connection between resources supporting tourist attractions and the change of overnight stays.
Analysts are expecting the renaissance of rural tourism from 2007, but certainly not in the earlier form. It can be realize as a result of cooperation between 8-10-15 marketable micro-enterprise and community based on some kind of special local products (Ficsor, 2006).

My second hypothesis was that these programs have not directly measurable effects. I have proved this as well. There aren’t any statistically measurable connections between the ARDOP indicators (unemployment rate, change of population and overnight stays) and the awarded supports. Only the trend of population represents an exception. A weak-moderate positive relationship can be between the supports and population’s changes counting it at the level of region or the separately counties.

My third hypothesis related to tendering pressures. I supposed that these typically lower-budget projects are just “substitute” programs. My presumptions were just partially verified. Based on empirical data, the survey’s results showed that a significant part of the examined projects reflected to real needs. There are two groups created from the implementers’ motivations (57% of the implementers) where intended investment have been implemented, either by eliminating other sources ("Investors without tender as well"), either solving the problem of lack of resources ("Tenders based on real needs"). Naturally there are projects realized because of tendering pressure. They can also have important effects but we have to keep in mind their motivations during the analysis.

To sum it up it has been shown that the cultural-themed projects can play a key role in rural development, but the cultural economy itself is not a solution for the problems of rural settlements. They can get an
important role as a part of a complex development strategy. We need a wider range of projects and should supersede the traditional triple of local product development – crafts – rural tourism (Ficsor, 2007).

In the light of my dissertation’s results and conclusions the following recommendations can be proposed:

- In the future it would be advisable to separate the different cultural applications in the operational programs and in the analysis of their effects. For the different project-groups should be created separate criteria based on the clusters I have created.
- A special criteria system would be established for profit oriented candidates. As their projects are income-generating investments, lower support rates would be useful.
- In contrast, I would create another separate tendering opportunity for the non-profit sector and for local governments. I would find acceptable a higher support rate (above 80%) because of the potential applicants’ conditions. Within this group it should be taken into account when determining the amount of supports, that the projects improving local people's quality of life (building renovations, creating community spaces) require higher costs, while the tourist attraction projects would be entitled for smaller amounts.
- The tendering pressure’s problem could be solved so that the future initiatives and measures should be formulated according to the past’s needs. The support rates and the total amount of supports should be determined as described above. Settlement should make complex developments strategies in which the cultural area is also included.

The regional development plans should integrate these local strategies.
• As the effects of cultural projects are not or hardly measurable using quantitative metrics, **special emphasis should be placed on qualitative analysis.** In this respect, however, the **projects should be differentiated from the standpoint of what motivated their creation.** From a tendering pressure motivated project should not expect the same results as from a real necessary investment.

• The principal conclusions: **shift must occur** from the classical schematic touristic potential-type projects **to projects improving quality of life, having existing contents and fitting into complex development strategies.**
5. NEW SCIENTIFIC RESULTS

According to my research, the following new and novel scientific results can be formulated:

1. **The development plans’ indicators are not suitable for measure directly the impact of cultural projects.** There isn’t any significant statistical relation between the specific indicators of the tenders (unemployment, changes in population and in overnight stays) and awarded supports, except of low-moderate positive connection between the change of population (actually moderated decrease) and the awarded grants. As a result, cultural projects can not be evaluated with traditional quantitative indicators, so in the future qualitative ones should play a more important role in analysis.

2. **The realized projects have in view local people’s life-quality improving projects instead of tourism emphasized by development programs.** Although culture got a role as a tourist attraction, one possible basis and breakout point for rural development in the development plans and strategies, during the analysis I concluded that the cultural projects of South Transdanubia are not primarily tourist attractions but the life-quality improving programs, and are addressed primarily to local communities. In these projects also the tendering pressure is smaller than assumed. I find this type of projects supportable in the future.

3. **I created four separate clusters** form the cultural projects based on the main characteristics of them: resource of supports, project implementers and thematically categories. These clusters are: “Keeping residents’ interest
in view”, “LEADER projects for local communities”, “Tourist attraction providers” and “Profit oriented candidates”. Each cluster has distinct characteristics and taking them into account a more suitable application system can be established and operated.

4. **In my point of view the future application system should much more adjust to the needs of the project implementers and the most common types of cultural projects.** According to these the profit-oriented candidates, the non-profit organizations and the local governments should be managed separately. The life-quality improving projects should be supported more. It would also be appropriate to distinguish between the projects by size: infrastructure programs need more resources and other ones less.

My research required to perform an own methodology which is a new methodological result:

1. Although the period’s development policy documents didn’t specify the culture as a priority to support neither at the level of the European Union nor at any other lower level of the integration, **these programs are clearly separable using my logical schema.** Starting with The National Development Plan’s relevant priorities ("Competitiveness of the producing sector" and "Strengthening regional and local potential") I examined the related operational programs (ROP, ARDOP). With detailed knowledge of development strategies of these programs I came to the specific supporting measures (ARDOP 3.1, 3.4, 3.5 and ROP 1.1, 2.2). So I set up the entire database of the cultural projects for the period between 2004 and 2006 in South Transdanubia.
6. PUBLICATIONS IN THE FIELD OF THE DISSERTATION

I. Scientific publications in scientific journals

In foreign languages


In Hungarian


II. Full scientific publications in proceedings

In foreign languages

In Hungarian


III. Others

Presentations


TDK essays