

# Green hopes: Spatial and Settlement Development Operative Programs in the Programming Period 2014-2020

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## Abstract

The problem of sustainability has become one of the most crucial issues on the highest European levels. The European Parliament has voiced its support of action plans and their elements regarding sustainable consumption and production. One practical manifestation is the fact that in the programming period 2014-2020 sustainable development appears as a requirement of the European Union (EU in further text) subsidy systems. The access to subsidies is not limited to a branch-wise differentiation, but is also available on a regional, local basis. This was what smart specialisation prepared. The financial and structural frame is provided by the Spatial and Settlement Operative Program (TOP in further text) which provides local communities calls on a regional selection. The further aim, the reduction of administrative burdens and a more simplified call process, could so far not be achieved, as there was rather an increase in the administrative burdens of local governments. Local governments can often only fulfil this complicated criteria-system by involving external experts. The research was aimed at a project about a TOP-based "green town establishment" on the example of European small town. In the followings, the substantiation of the needs-measurement and utilisation plan and the related primary and secondary research will be presented. The aim of the research was the analysis of the substantiation of the project and the measurement of its cohesion with other – urban – strategic documents.

**Keywords:** spatial and municipality development, sustainability, strategic document, EU project

**JEL classification:** M4, P25

## Introduction

The problem of sustainability has become one of the most crucial issues on the highest European levels. The European Parliament has voiced its support of action plans and their elements regarding sustainable consumption and production. One practical manifestation is the fact that in the programming period 2014-2020 sustainable development appears as a requirement of the EU *subsidy* systems. Our research problem is a proposition on European level which affects benefitting European countries similarly. The chosen research-venue was a Central-European touristic centre, the town of Sárvár, which is one of the most defining touristic centres in Hungary with one of the most influential charisma. A decision was made by the town administration to start the "Green town" project, which means self-

governmental infrastructure development, the establishment of commercial and service spaces, in a call system. Regarding the foundation of the program, this has to be compatible, sound and has to fill the lacking offer. The economic and environmental sustainability is a key requirement and the development has to fit into the long-term strategic objectives of the town. Thus, the aim of the research was the measurement of needs and the preparing and analysis of the utility plan, the analytical work based on the secondary research was aimed at the comparison with strategic documents.

### *Theoretical framework system*

The Lisbon Agenda aimed at the development of the competitiveness of the European Union finished 2010. It was the time of the global financial and economic crisis, when the economy-political steps of the EU member states were defined by the reduction of the adverse impacts of the crisis and the acceleration of recovery. This was the reason why the member states adopted the new Europe 2020 Strategy as quickly as possible. This new strategy defines three main priorities (intelligent, sustainable and inclusive growth) and 11 thematic objectives.

There are several initiatives to reach these objectives, and the Innovative Union Initiative is one of them. The program is an innovation oriented perspective with the objective of reducing administration, creation of innovative products and services, while searching answers for social challenges (e.g. environmental sustainability).

The EU signed a Partnership Agreement with the member states with the economic development and employment being the most pivotal points of the Agreement. The Operative Programs span over 9 main areas. The counties and towns with county rights became the planning levels of the Spatial and Settlement Development Operative Program (henceforward: TOP).

The planning can thus be interpreted along the following hierarchy: (1) EU Regulations, (2) Community Strategic Framework, (3) Partnership Agreements (between the member-state and the EU for every Fund). (4) Operative Programs, (5) Priorities, (6) Actions. (Németh, 2017a)

### *Spatial and Settlement Development Operative Program (TOP)*

The primary aim of the TOP is a decentralised economic development and the increase of employment and thus the securing the wellbeing of local employees. Each priority, action directly, or indirectly contributes to this objective.

The TOP primarily provides sources to the development of self-governments and supports the economic development and related town and settlement development actions. (TOP programs).

Based on the above the program is based on the following priorities: (1) creating local conditions for bolstering economic growth and the increase of employment, (2) enterprise friendly urban development, meeting the demands of the inhabitants.

The researched project is built upon this priority which has the aim of motivating economic growth and the preserving and developing green urban areas. The economic growth potential is present in the researched settlements via the tourism as well: the town is one of the most important touristic centres with a strong development potential, it is one of the most promising development centres in Middle-Europe. The "Green town" development program of the settlement can also be interpreted from the directions of developing urban infrastructure, tourism-growth and environmental sustainability.

### *Smart specialisation*

A novelty of the new EU call system lies in the application of the smart specialisation strategic (S3) aspect. In the following the authors wish to summarise the main characteristics and local practices of the S3.

The EU pays special attention to research development, innovation and the motivation of the social-economic use of its results in the planning period 2014-2020. Thus, key objectives over those seven years are to make Europe a scientific player on the global level, remove obstacles to innovation and bolster the relations between the public and private sectors. It is important that all nations and regional units coordinate their own research and innovation strategies with each other. These documents are the smart specialisation strategies (NISZS/S3, 2014).

Intelligent specialisation has become one of the topics of EU debates, however, it still has a logic (McCann – Ortega-Argilés, 2016). In order for the EU to be successful, the policy – just like the regional policy – meant the involvement of more partners operating on the various levels of government. Complementary, mutually assisting impacts can be reached the best way, if they occur on local and regional levels.

The intelligent specialisation and the regional development can increase the non-localised and localised processes for the sake of economic growth and higher quality of life. (Thissen et al, 2013)

Foray and Goenaga (2013) defined the goals of intelligent specialisation as follows:

- appearance and growth of new activities capable of further development and which are rich in innovation
- diversification of regional systems by means of generating new possibilities/options
- creating critical masses, networks and clusters in diverse systems

Intelligent specialisation is actually finding the way to be special in a highly competitive world. In order to grant this specialisation, Foray (2015) suggests regional economies to understand this intelligent process as a kind of evolution, building on the economic strengths of a given region, or economy, while completing all this with new, knowledge-based processes.

In the spring of 2014 there were two rounds of S3 workshops held in all 19 counties of Hungary involving the entire range of decision-makers and entrepreneurs.

The real objective was that the entrepreneurs and (regional and national) political decision makers listen to each other's reasoning and elaborate the potential development directions of the given region (in a bottom-up way). Regional and local political decision makers could make suggestions on the basis of that for infrastructure developments which provide the foundation for further solid businesses of entrepreneurs. Thus, working next to each other and depending on the other party for the sake of success (for the sake of innovative, competitive regions). The research was conducted in Vas county where the tourism industry amounts to a major percentage of the GDP. Subsequently the national priority of "healthy society and well-being" meant the specialisation on medicinal- and health-tourism in Vas county (NISZS/S3, 2014, pp. 61-63).

The thought that this should be considered as a point of break-through and that call possibilities should be focused on its development seems logical. It is obvious that this can be imagined only with the consideration of environmental sustainability which includes the use of renewable energy resources.

### *Research objective*

The municipality of the town of Sárvár, as one of the most important touristic centres, decided about implementing the "Green town" program within the frame of the

TOP. The research objective was to inquire the soundness of the project via primary and secondary data collection and analysis and the measurement of the cohesion with other strategic documents of the town. This paper thus has the objective to present the research results related to the soundness and to inform the decision-makers about matching call objectives. The soundness is presented with the help of a need inquiry and the compilation of an availability plan. A primary questionnaire research was conducted for the need inquiry. A secondary research and data analysis was used for the comparison with the strategic documents of the town.

## Methodology

### Research instrument

The primary research was a questionnaire research in September and October 2016. This period does not belong into the major touristic season and the objective was to conduct the questionnaire in the development area, or its vicinity. Thus, the interviewees could immediately see and feel the development area. Table 1 shows the questionnaire structure. The questions can be grouped into four categories: demographic and person-related parameters, parameters of loyalty to Sárvár, needs in connection with the Green town project, use of the Green town project area.

Table 1  
Questionnaire Structure

<b>Demographic and person-related parameters</b>	<b>Sex</b>
	Age
<b>Parameters of loyalty to Sárvár</b>	Work (employment) status
	Resident status
	Workplace settlement
	How long have you been living in Sárvár
<b>Needs in connection with the Green town project</b>	Loyalty to the town
	Green area development
	Commercial function
	Fair function
<b>Use of the Green town project area</b>	Street furniture, terraces
	Rest
	Entertainment
	Visiting fairs, events
	Traffic area
	Fairs – selling

Source: Author's illustration

The loyalty to Sárvár was recorded on a 5-degree Likert scale. The other variables were measured on a low measurement scale. The definition of variables happened in cohesion with the publishing of the call. All parameters, which were necessary for the tender to pass the content evaluation were taken into consideration, at the same time the loyalty of the interviewees to the town was also measured.

### Sample description

The questionnaire form was used to fulfil the research target. A total of 191 questionnaires were filled in. The inquiry is non-representative. Among the interviewees there were 96% representing the "active and typically working as an

employee" group. Inhabitants from Sárvár were represented in 93.7% and almost 72% work in the town.

In the following the research results are shown along the above theoretical frame-system. The call objective determinates the research objective thus the immediate practical effect of the research could be observed.

## Results

The analysis of the parameter "loyalty to Sárvár" showed that 139 of the 179 inhabitants work in Sárvár. Working in situ means a greater loyalty, as people spend more time in the town. Almost 60% have been continuously living in the town for more than 25 years. This is typical for Hungarian processes which show the immobility of the population. The fact that 94% of the interviewees have been living in the town for 5 years shows that they already have a local background and know the local environment. All this assumes that their opinion about the targeted project developments is – based on the proper knowledge of the environment – is sound. Another important value is the loyalty to Sárvár which above the average with 67% of the interviewees. The average (4.56) shows a remarkably positive relation to the town.

These basic parameters already convey the hope that the answers received are "valid" and give a true picture about the development objectives (Table 2).

Table 2  
Selected Characteristics of Surveyed People

Characteristic	Modalities	Frequency	Percent
Resident in Sárvár	Resident in Sárvár	179	93,7
	Tourist	12	6,3
Working in Sárvár	Working in Sárvár	137	71,7
	Working outside Sárvár	54	28,3
How long living in Sárvár	0-5 years	11	5,8
	6-10 years	11	5,8
	11-15 years	10	5,2
	16-20 years	19	9,9
	21-25 years	19	9,9
	more than 25 years	113	59,2
	not from Sárvár	8	4,2
Your loyalty to Sárvár	1	0	0
	2	1	,5
	3	19	9,9
	4	43	22,5
	5	128	67,0

Source: Author's illustration

The research objective was to analyse the need inquiry plan of the project area and to bolster, or deny it. The task was to receive feedback from the users (town inhabitants, tourists) regarding the planned development demand and usability. This will be presented below. Table 3 shows the planned intervention areas of the project area. All questioned categories received remarkable results. The establishment of the commerce and service platform received a subsidy rate of 83%, yet this can also be considered remarkable. The high rate of the four planned interventions tells investors that the time has come to step onto the road of physical implementation. The task for the future is how the four functions can be implemented as a unit and in a healthy ratio. The answers align to the modern spatial functions and at the same time a solution for installing silent, resting functions must be found.

Table 3  
Agreement with Planned Developments

Target of development at project area	Modalities	Frequency	Percent
Developing by planting trees, bushes, grass	No	3	1,6
	Yes	188	98,4
Develop to be a commercial area that offers products and services	No	32	16,8
	Yes	159	83,2
Develop to be place of fairs, and open terraces	No	20	10,5
	Yes	171	89,5
Develop to install facilities to support commercial activities and relaxation closed to nature	No	12	6,3
	Yes	179	93,7

Source: Author's illustration

Questions in six categories were asked about the future usability of the project area. The first four questions could apply to anyone, the last two questions were aimed at the entrepreneur sector, using established areas for business purposes. Interviewees could like more; the questioned 15 entrepreneurs would obviously make use of the possibility. Regarding any other usage of the spaces the commerce and service functions are rather favoured (77.5%, 67%). Events are preferred by 63.9% while 48% of the interviewees like relaxation spaces, or parts of spaces. All these data support the work of decision makers in establishing individual detailed functions (Table 4).

Table 4  
Planned Usage of Future Development

Use of future developed area	Modalities	Frequency	Percent
resting, going out	No	43	22,5
	Yes	148	77,5
going out by visiting pub, restaurants	No	63	33,0
	Yes	128	67,0
visiting fair and events	No	69	36,1
	Yes	122	63,9
walking, looking around	No	99	51,8
	Yes	92	48,2
selling products, services during fair	No	174	91,1
	Yes	17	8,9
selling products, services by chance	No	164	85,9
	Yes	27	14,1

Source: Author's illustration

## Discussion

The cross-table analysis of the demographic and person-related parameters and the planned project demands was done with the aim of finding significant relations ( $p < 0,05$ ). This was found in five cases. The connection showing the strength of the relation (Cramer's V) showed characteristically weak relations. Table 5 shows the detailed data. These categories show inquiry results which might be characteristic for the entire multitude: e.g. men and women would enjoy being close to the nature to an almost equal degree and both genders – projected onto the base multitude – would enjoy fairs and events. The loyalty to the town and fair venue function is also significant and could be recommended to decision-makers. The same applies for the years/age division.

Table 5  
Crosstab Analysis of Variables

		Develop to install facilities to support commercial activities and relaxation closed to nature	
		No	Yes
<b>Gender</b>	Male	9	68
	Female	3	111
<b>Chi-square</b>	0,011	Cramer's V	0,183
		Develop to be place of fairs, and open terraces	
		No	Yes
<b>Your loyalty to Sárvár</b>	2	1	0
	3	2	17
	4	3	40
	5	14	114
<b>Chi-square</b>	0,027	Cramer's V	0,219
		Visiting fair and events	
		No	Yes
<b>Gender</b>	Male	37	40
	Female	32	82
<b>Chi-square</b>	0,005	Cramer's V	0,200
		Visiting fair and events	
		No	Yes
<b>Age</b>	below 18	3	0
	between 18 -65	63	121
	above 65	3	1
<b>Chi-square</b>	0,017	Cramer's V	0,200
		Going out by visiting pub, restaurants	
		No	Yes
<b>How long living in Sárvár?</b>	0-5 years	3	8
	6-10 years	3	8
	11-15 years	0	10
	16-20 years	5	14
	21-25 years	3	16
	more than 25 years	45	68
	not from Sárvár	4	4
<b>Chi-square</b>	0,050	Cramer's V	0,240

Source: Author's illustration

The research objective, according to which the soundness of need inquiry and usage plans needed to be measured, was fulfilled. At least 83% of interviewees answered the project development plan question with "yes". The future usage objectives were also analysed and the answers provide valuable information to the investor. The rate of being connected with the town also became clear with a value of 4.56 on the 5-scale Likert scale. This shows that citizens connected to the town answered the question about the development objectives. All this assumes a certain kind of "loving the town", ties to the community and caring for it.

Another question of the research was the manner in which strategic documents of the town support development, i.e. how the previously defined objectives harmonise with them and what message does the mission of the town convey to the project evaluators. This was done with a secondary research and the analyses of documents.

The formulated mission of the town is the following: "Sárvár, as an international spa town, becomes a liveable place and a town offering an ever higher life standard for the inhabitants and visiting guests."

The following strategic documents can be taken into consideration:

(1) *Integrated Town Development Strategy (ITS)*. The Integrated Town Development Strategy defines the major directions of the town development and the necessary specific interventions for a mid-term period (7 years). According to this the mid-term expectations of the ITS - aligned into thematic objectives - serve the reaching of long-term future perspective. The ITS defines those necessary strategic interventions, actions for the coming period.

(2) *Settlement planning tools*. The settlement regulates the specific construction regulations binding for its public administrative area and the structure of regional use. The development of the town, the validation of public and private interest and the adaptation to the changing demands local construction regulations require the periodical modification of settlement planning tools.

(3) *Asset management plan of Sárvár*. The task of an asset management plan is to set the guidelines of necessary actions in the various fields of asset management, and to formulate the most important objectives of an efficient and responsible asset management for the future.

(4) *Economic program*. The economic program defines all those objectives and tasks which in accordance with the budget of the settlement serve to secure the tasks to be provided and the improvement of their level.

The economic program of Sárvár for the period 2014-2019 centres around the following fields: (a) tourism, (b) town marketing, destination building, (c) infrastructure development tasks.

The analysis of the four documents revealed that the development objective of the call is in accordance with the above documents both the source of financing and the physical structure support the call criteria. Sustainability is another call aim and the elaborated professional material helps its implementation. The authors agree with the reasoning of Németh (2017), who believes that the solution of sustainability-related questions and the reaching of regional and national development policy objectives lies in the performance ability of smaller regional units of a country. The settlements are the success factors of the process (Németh, 2017b)

## Conclusion

This paper presented the need enquiry and utility research of the so-called "Green town" project among the regional and urban development programs of a town in Central Europe. The analysis was done with a primary research and a questionnaire, both of which were compulsory elements of the project. Based on the research it can be said that needs were inquired and the numerous samples provided a picture of the future utilisation possibilities. The other task of the research was to investigate whether the project to be developed matched the strategic documents, i.e. to measure the coherence of these documents and to see how they support development – on a strategic level.

The research results were used when the call was submitted. The revealed data proved to be valuable for decision makers as they received first-hand information from users which could be integrated into the call material. The research results can also be useful for researchers dealing with the theory of spatial and settlement development and also for those wishing to do background research in the new financial period 2014-2020.



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