

## MOTIVE FORCES IN THE CULTURAL LIFE OF DUNAÚJVÁROS

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### **ABSTRACT**

*Contemporaneously (in parallel) with the development of the town, the cultural institutional system in its proportioned and arranged form functioning even at present was established. It is characteristic for the development of the cultural life of the town that the socialist art policy set the objective to make the valuable works public property to the wider circles of society. According to the estimation of the era at that time, the diversity of the cultural life was primarily up to the artists, specialists of public education and the leaders of the art policy resident in the town instead of the cooperation of town dwellers. The Dunaújváros College having been self-dependent since 2000 as the spiritual centre of the region exercises both direct and indirect influence on the cultural life of the town. The 4500 students and the 250 teachers and employees of the College are the potential users of the cultural institutions of the town at any time. A number of civil organizations are active in Dunaújváros. One of the key issues for the efficient operation of organizations is the degree of their readiness to cooperate and capability of enforcing their interests.*

Keywords: efficiency, civil sphere, region, institutional system.

### **INTRODUCTION**

When Dunaújváros was raised to the rank of town it was an artificially developed settlement without traditions and local establishers. Under the effect of the socialist economics and industrial policy at the time the town was founded, the development of economic and social conditions was heavily dependent on the part played by the state. According to the socialist power policy, the so-called socialist-type urbanization, state ownership as well as the state control of spatial processes determined the emerging difficulties. The research activity of *Szirmai* revealed a number of social problems in Dunaújváros (e.g. deviant phenomena, crime, extremely high proportion of divorce, difficulties in adapting of residents of various social- and economic situation, problems of socialization, value crisis) (*Szirmai*, 1988).

### **MATERIALS AND METHODS**

The work was based on three main research methods: (1) overview of the professional literature and statistical data, (2) questionnaire survey based on representative samples and (3) structured deep interviews. The summarizing documents characterizing the operation of the cultural institutional system and describing its theoretical bases, that can be considered starting points of the study are: relevant documents and records of Municipality of Dunaújváros (2008),

cultural concepts, reports, accounts. Following the study of the associated professional literature (town history documents, documents of age as well as papers on institutional history) the survey using questionnaires based on representative samples took place (2006, 2009). The data were processed by using the instruments of describing statistics.

During the survey, a complex questionnaire was used, the main issues of which are summarized in the list as follows:

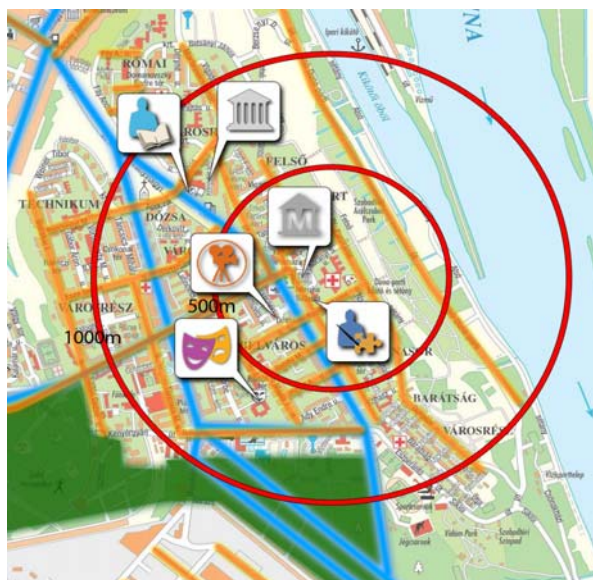
- relation between cultural-, educational-, leisure time activities:
- (frequency of visiting cultural institutions),
- need for education (sites, events): Cultural function of Dunaújváros
- *general estimation of cultural institutions (role, rank):* examining elements of the cultural institutional system: József Attila Library, Educational Centre for Workers, Bartók Intimate Theatre and House of Arts, Dózsa Cinema Centre, Institution of Contemporary Arts, Intercisa Museum.

## RESULTS AND DISCUSSION

The cultural institutions of Dunaújváros are gatherers and forwarders of values and information, sites to create and mediate works of art, places of education, entertainment and forming of social life. Their geographic location is excellent; they are within 20 to 30 minutes walk from any point of Dunaújváros. The accurate locations of the individual cultural institutions are shown in (Figure 1).

Figure 1

### Geographic location of the cultural institutions in Dunaújváros



Source: Based on map of Dunaújváros

The maintenance and preservation of the functional ability of the institutional system is of vital importance; in fact, the termination or decline of any of the institutions would result in a need difficult to be replaced. Basically, the elements of the institutional system function properly and in a self-dependent way. Following the economic conversion, a significant re-arrangement took place even in the cultural sector: it is the economy that became the main principle of arrangement. The operation became a multi-sector one.

From the beginning of the 21<sup>st</sup> century onward, the function of institutions has become more and more difficult, their frequentation reduced, which can also be supported numerically. In spite of the negative trend in the changes of external circumstances, they take the user needs into consideration as far as possible. This results in changes in profile as the case may be.

On launching education associated with the field of philosophy, Dunaújváros College established a stronger contact with the cultural institutions of both the town and the region. The students in the communication and culture organization faculty shall fulfil a professional practice of sixty hours a year to be performed in the town museum, theatre, cinema or cultural centre. Following the practice, a number of students selected the presentation of the activity of a cultural institution as their theses.

The self-organized groups of students strive to find leisure time programs to exercise dance, music, photography and cinematic art. These self-organized groups often make appearances on events of both the College and the town, thereby colouring the cultural programs arranged in the town. Organized jointly with the DF Cultural Centre, Bartók Intimate Theatre and House of Arts as well as Dózsa Cinema Centre, the Students' Local Authority promotes attendance at cinema- and theatre performances. In order to motivate the students, preferential entrance fees are ensured. In addition, a number of exhibitions, concerts and various evenings offer relaxation to the students, teachers and residents. The College cooperates in their arrangement or makes place available to them.

Based on a survey given to students of Dunaújváros College, it can be stated that from among the elements of the cultural institutional system, the majority of students interviewed visited the Dózsa Cinema Centre and the concerts with monthly regularity in 2007. Several students explained verbally that they prefer the festivals and sport events (*Figure 2*).

Examining the cultural practices of students based on the surveys performed in the years 2008 and 2009, it can be seen that the scope of examination shall be widened. The survey covered the examination of practices to visit entertainment sites preferred by the students and sporting events.

*Figure 3* and *4* presents the cultural practice of the students of Dunaújváros College as a function of the average frequency of using the individual institutions.

During the indicated time interval, the order of rank in the popularity of cultural possibilities remained unchanged. It is the pleasure grounds that seem to be the most popular ones; the students visit them approximately three times a month as an average. Those interviewed stated that they make use of cinema services two times a month on average. The frequency of visiting libraries reduced in 2009 (from 2.23 down to 1.94).

Figure 2

Examination of the frequency of cultural practice relating to the students of Dunaújváros College in 2007

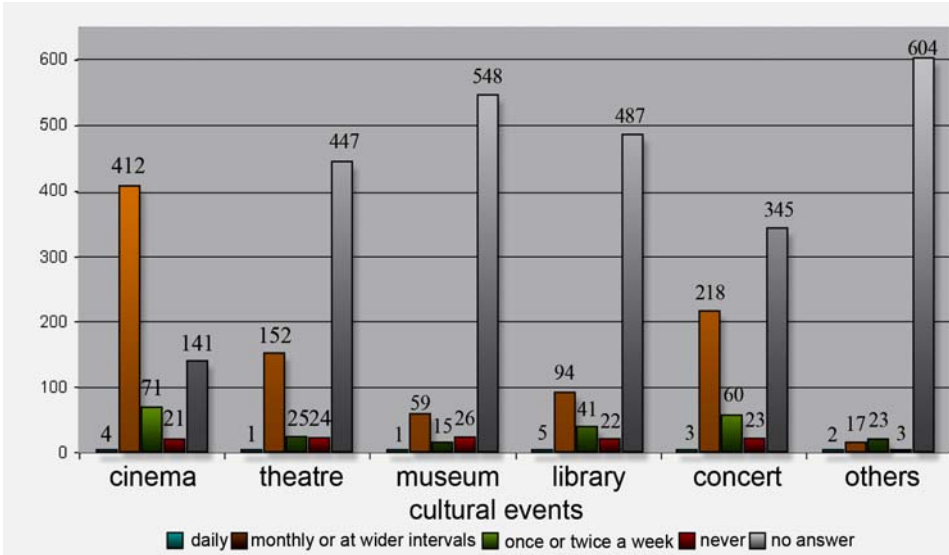


Figure 3

Examination of the frequency of cultural practice relating to the students of Dunaújváros College in 2008

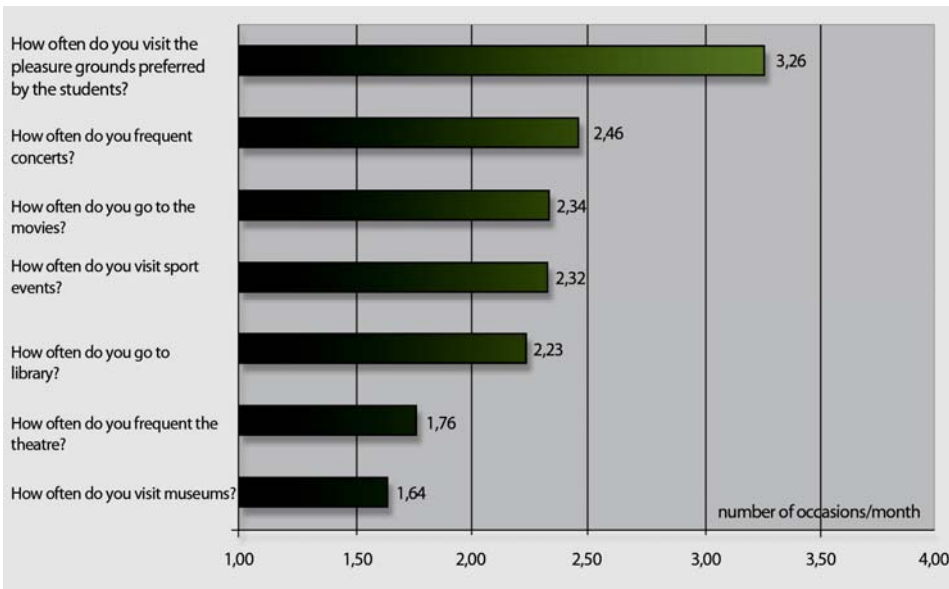
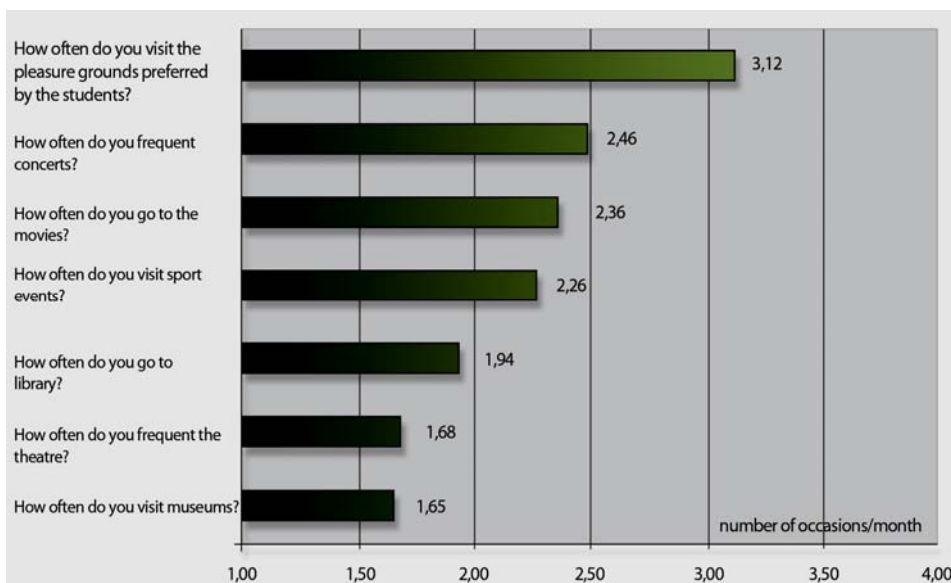


Figure 4

Examination of the frequency of cultural practice relating to the students of Dunaújváros College in 2009



The results of survey show that the students are mostly interested in the pleasure grounds, various concerts, the cinema and the sporting events. A negative tendency prevails in respect of the frequency of going to libraries and the theatre. These trends can probably be justified by the characteristics of age and socialization.

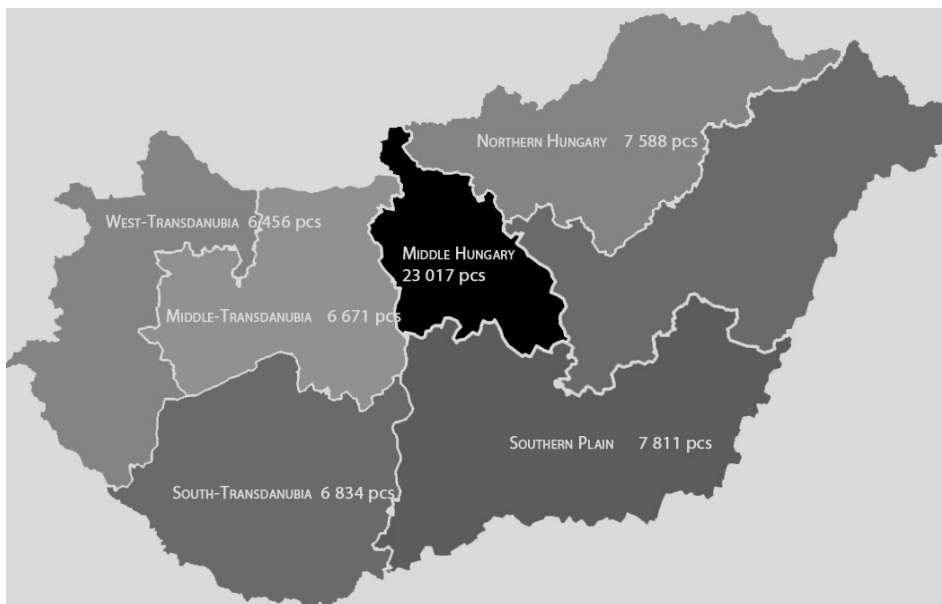
The subject of the study is a young settlement; therefore, it can be stated that there are few civil organizations having a long history. Following the change in regime, the number of new organizations suddenly increased, while this trend fell back after 1995. These processes are in accordance with national trends. In respect of their legal status, the distribution of organizations active in the town is in conformity with national trends; that is, the preponderance of the association form is dominant, with the foundation as the second most popular form (Bakos et al., 2007).

From the theoretical and conceptual approach to civil society, non-governmental bodies and the nonprofit sector, the social resource called “civilians” or “nonprofit sphere” or “third sector” in Hungary becomes visible. The civilian nonprofit sector represents those organizations and self-organizations that perform spontaneous social activity and the operation of which is driven by neither the obtainable profit nor the performance of state public duties, instead, a spontaneous social activity representing some public needs.

At a national level, the examination shows that a large number of nonprofit organizations are active (Figure 5).

Figure 5

**Regional distribution of the number of nonprofit organizations in Hungary in 2009**



Source: Based on KSH data

With regard to regional distribution, three fundamental trends can be observed:

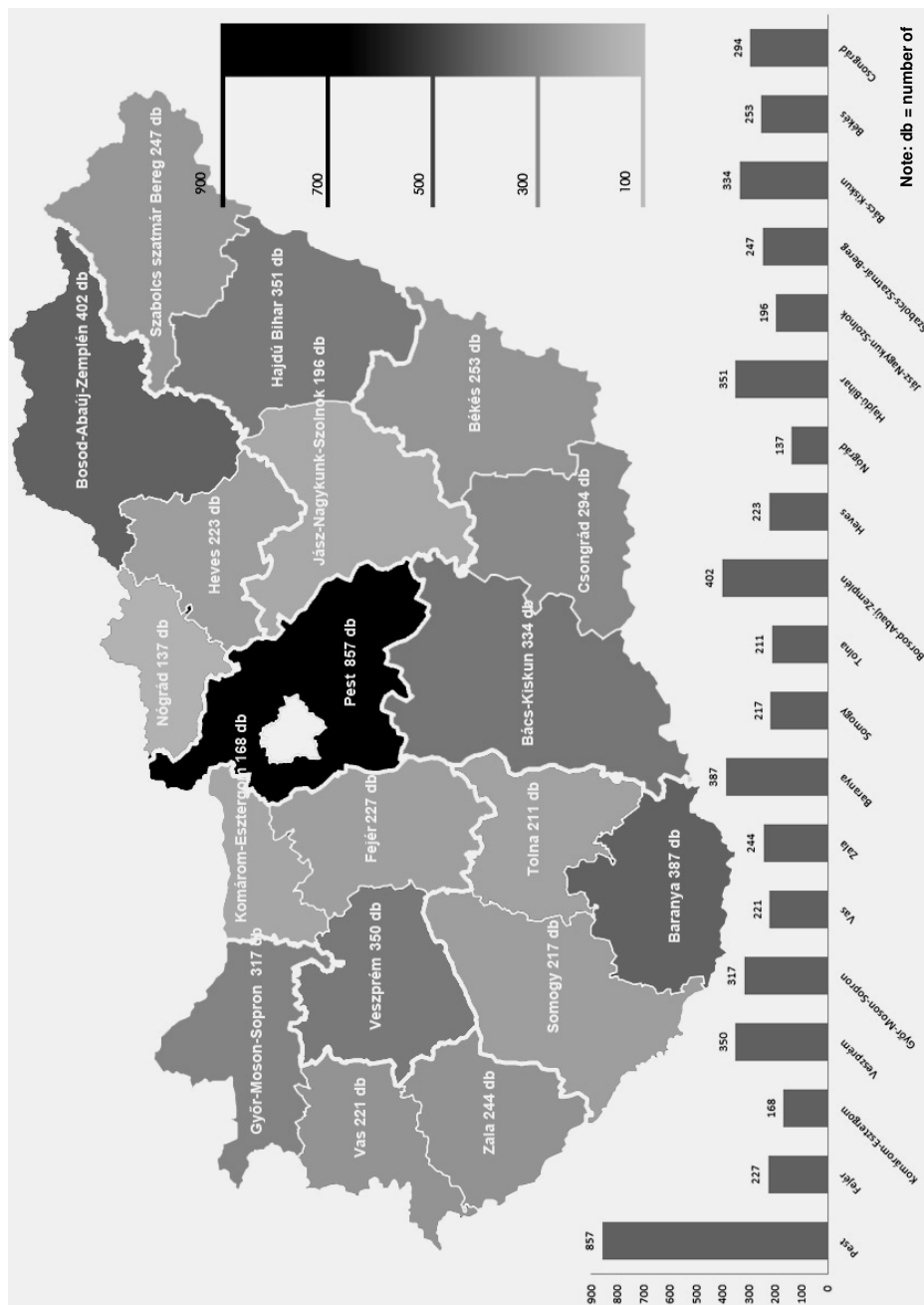
1. It is the Middle-Hungarian region that is the richest one with regard to civil organizations, where 23017 organizations were registered according to the data recorded by the KSH (Hungarian Central Statistical Office) in 2009.
2. In the Transdanubian regions, the number of those representing the “third sector” is 6653 as an average.
3. In the regions of the Plain and Northern-Hungary, the number of registered nonprofit organizations exceeds that in the Transdanubian regions by 1.2% on average.

Regarding classification according to the fields of activity, there are four important fields (culture/public education; leisure time/hobby; sport; teaching/education) also examined by KSH in relation to the operation of nonprofit organizations. The number of civil organizations engaged in cultural values and public education shows a heterogeneous picture by county (*Figure 6*).

It can be shown that the highest value is represented by Pest County. Considering the other counties, it can be stated that Borsod-Abaúj-Zemplén county is the strongest one with respect to civil organizations engaged in culture, while Nógrád County is the weakest one. Considering the number of organizations active in the field of cultural life, Fejér County (with 296 cultural civil organizations) is below the national average.

Figure 6

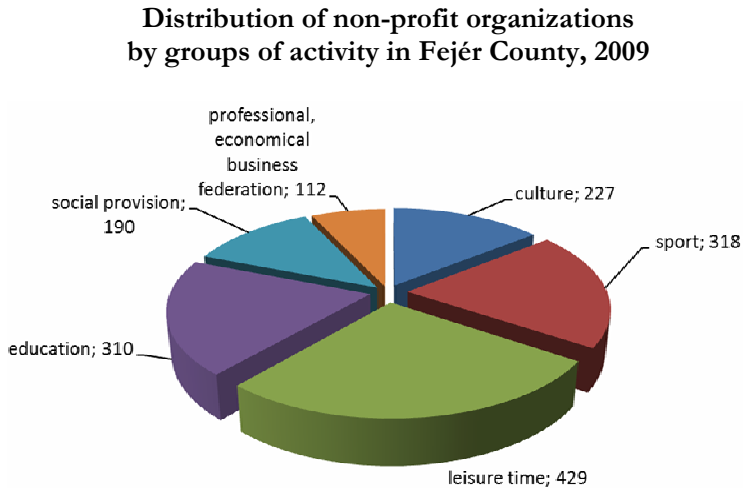
Distribution of the civil organizations performing cultural activity by county in 2009



Source: Based on KSH data

Considering the classification according to the fields of activity, it can be shown that in Fejér county the number of civil organizations active in the field of leisure time activity is the largest one (Figure 7).

Figure 7



Source: Based on KSH data

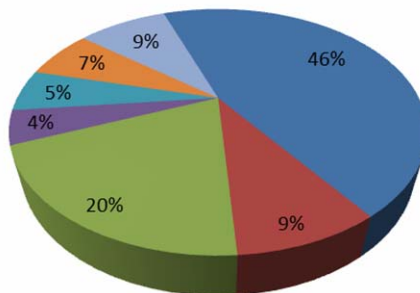
The three most popular fields represented by the nonprofit sector are: leisure time, sport and education. The weakest activity appears in relation to the social provision and the professional and economical business federations.

Civil organizations are active in the territory of Dunaújváros in a large number (Figure 8).

Figure 8

**Thematic classification of civil organizations active in Dunaújváros**

■ cultural      ■ youth      ■ health care      ■ economy  
■ administration      ■ education      ■ social



Source: Based on KSH data



One of the key issues for the efficient operation of organizations is their readiness to cooperate and capability of enforcing their interests. The Interests Conciliatory Board of Dunaújváros Civil Organizations established in 2004 makes effort to unite the participants of the nonprofit sphere and to promote the enforcement of their interests. On the homepage of Dunaújváros Town of County Right, 185 civil organizations are recorded. Few scientifically founded authentic data are available on the role of organizations registered and their realistic social tasks.

In the classification according to fields of activity, four important fields can be separated that formulate the expectancies of the society as against the civil organizations (i.e. culture/public education, leisure time/hobby, sport, teaching/education). At a regional level, activity in the field of culture is typical. In the region, mostly organizations that are members of some national network are active. It is essential to emphasize the peculiarities in the numerical strength of nonprofit organizations; it is organizations of less than 50 members that fulfill the needs. The existing six organizations with number of members over 1000 that are members of some national or regional network represent strength in respect to the population of the town. Based on the results, it can be stated that the civil organizations of Dunaújváros function actively. A number of them operate with the help of volunteers. The target group and field of activity of several organizations are complex. As a general rule, the services offered by the organizations are accessible to everybody; the arrangement of events and programs is mostly typical. The local authority- and tender supports represent the most important resources for income to the civil sphere.

A trend perceptible even in the case of Dunaújváros during the last years is that the operation and maintainability of the civil sphere meet with a number of obstacles. The trend that the extent of state supports is reduced appears as a negative factor; thus, the nonprofit sector has no choice but to enter into competition instead of cooperation in order to acquire resources. The situation is contradictory; in fact, according to the results of research, there would rather be a need to join forces; at the same time, however, the competitive situation creates obstacles to efficient cooperation (*Bakos et al., 2007*).

## **CONCLUSIONS**

Facts can confirm that, even in respect to the operation of its cultural life, the town is a “man-made” one. At present, the economic and social conditions of Dunaújváros have a negative influence on the development of the cultural life considering from the side of both the sponsors (narrowing resources) and users (due to the lack of diversity of programs and financial difficulties).

The statement that the negative trend in the extent of cultural consumption practice is typical can be justified. The trend of changes in visiting practice also moves in a negative direction. Among the reasons, both economic and social ones can equally be found.

In the financing of culture, the state participates in a differentiated way. The fundamental conditions for strengthening the sector are the confidence,

transparency and the continuous development of the institutional system. The form and quality of the part the state plays have influence on these factors. The most important actors taking part in the financing of culture are the state, market actors and the non-profit sector. As a summary, it can be formulated that the efficiency of civil organizations could be promoted by the purpose oriented formulation of strategy and inclusion of resources to an appropriate extent.

The possibilities implied in the third sector become visible to the decision makers. One of the examples for the accomplishment of cooperation in case of Dunaújváros is the HÍD (translated as BRIDGE) Association; in addition, the Civil House in Dunaújváros is also an organization representing the interests of the civil organizations. The fundamental element of development can be realized by changing the attitude of the society.

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## SOCIAL RESPONSIBILITY VERSUS LEGAL OBLIGATION – EMPLOYING PEOPLE WITH DISABILITIES

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### **ABSTRACT**

*According to the Act on Promoting Employment employers in all segments of the economy are obliged to pay a rehabilitation fee if the average number of their employees is above 20 and the ratio of employees with disabilities does not reach 5%. The amount to be paid has been significantly raised from 177,600 HUF/year to 964,500 HUF/year as of 1st of January, 2010 in order to increase efficiency. My field research on agricultural and food industry companies reveals whether the strict quota-levy system really promotes the employment of people with disabilities in this sector. During the autumn of 2010 I conducted interviews with 22 agricultural and food industry companies to find out the impact of the legal restriction on the companies. According to the data gathered during the interviews, in 9 out of the 22 examined companies they had already employed people with disabilities prior to the introduction of the quota system. Only 5 companies decided to employ people with disabilities because of the higher rehabilitation fee. 8 companies still do not have any employees with disabilities. It means that less than 23% of the companies reacted positively to the legislation, while almost 41% was already engaged to the topic and acted socially responsibly towards people with disabilities living in their area and willing to work. This result keeps the question still open: is the restriction of the quota system the best way of promoting the employment of people with disabilities?*

Keywords: CSR, disability, employment, quote levy

### **INTRODUCTION**

When talking about CSR first of all a common definition is required in order to identify the framework of our thinking. The available definitions range from very broad: “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (*The European Commission*, 2011) to very specific: “economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (*Reference for Business*, 2011). Without bringing all the available definitions – scientific and practice oriented ones – into this paper one thing is for sure: it is being either driven by the internal ethics of a company or by the expectations of the environment which it is operating in.

Certain governments – including the Hungarian government – apart from accepting and promoting the importance of CSR in business life try to actively encourage companies to act socially responsible by introducing a so called quota levy system in order to promote the employment of people with disabilities. In most cases the quota levy systems operate well and achieve their goals (e.g. in France, Germany)

(Thornton, 1998). In Hungary it was introduced in 1985 but only since the 1<sup>st</sup> of January 2010 has it received broad attention from companies. The reason for this is that previously the financial sanctions were set so low that they did not make any effect, while from the above mentioned date the amount of the rehabilitation fee - to be paid in case the average number of the employees is above 20 and the ratio of employees with disabilities does not reach 5% - was raised significantly.

This change in the legislation gave me an interesting opportunity to examine whether the CSR policies of the companies had more effect on the employment of people with disabilities or whether the legal requirements (together with economical interest) drive employers into hiring people with disabilities. Because the agricultural and food industrial sector of Hungary is in a very difficult situation, I decided to examine the effects of the legal change on that sector.

### **Agriculture – a suffering sector**

In Hungary - as in most of the transition countries – the place of agriculture in the national economy has significantly changed. Between 1990 and 2006 its contribution to the GDP has fallen from 12.5% to 4.3% and its employment rate has decreased from 14.2% to 4.9% (*Hungarian Central Statistical Office, 2007*). These changes happened partially due to the strengthening of other sectors but also because of the decrease in the agricultural production. In 2009 there were 173 500 employees in the field of agriculture which meant 4.6% of the overall number of people employed that year (*Hungarian Central Statistical Office, 2010*). Considering the above shown numbers it is easy to understand that any employment restriction affects the sector strongly.

### **Setting the Hypothesis**

Before starting my research my hypothesis statement set forth the following: Taking the current economic situation of the overall business world, and in specific, the agricultural and food industry sector into consideration – the significantly high amount of rehabilitation fee to be paid in case of not employing the legally set ratio of people with disabilities motivates the companies more than their previous ethical standards do. Meaning: the number of people with disabilities employed in the agricultural and food industry sector after the rehabilitation fee was raised is higher than the number of people with disabilities employed prior to the significant rise in the rehabilitation fee.

## **MATERIAL AND METHODS**

I put together the list of companies to be interviewed from different databases (agrárkapu, cylex database, databases of the different associations) as I did not find a single database with all the required information available. From the list created at this phase of my research I contacted 33 companies. Out of the 33 companies 4 had already been closed down and 7 appeared to be too small for the scope of the research (as the legal restrictions apply only to companies with 20 employees or more). So the number of companies with adequate data for the research became 22 (N=22).

When designing data collection first I was planning to send a survey to the companies. After checking the effectiveness of this method with three companies, I decided to make interviews with the companies in order to get valuable data. So in the final research I created a semi standard interview to be conducted either in person or via phone call.

I categorized the companies by field of activity, geographical location and size.

## **RESULTS AND CONCLUSIONS**

When analysing the data I have to note that there is a special case to be considered with great care. One of the companies earlier on had established a daughter company – without any legal obligation – to provide people with disabilities with sheltered employment. When the current legislation came into force they had to decide whether to integrate the daughter company into the mother company and in this way meet the new requirements easily, or to keep the daughter company as it was and start integrated employment in the mother company as well. The integration would have not met the high ethical principles of the company therefore they decided to build up their own employee base. Without this information the newly employed people with disabilities would indicate that the company was only doing it to avoiding the levy to be paid, however seeing the context in which they hired these new employees with disabilities suggests that they consistently honour their own CSR policy. Therefore, I decided to remove the data of this company from the analysis in order to avoid any misinterpretations. So further on N=21.

### **Overall Results**

The overall numbers show that before the regulation introduced by the legislation and the introduction of the significantly high rehabilitation fee 61 people with disabilities were hired by the examined companies. Only an additional 10 people were hired after the changes! This means that my hypothesis was highly inaccurate. To see behind the numbers hereby I am showing the set of data analysed by field of activity, geographical situation and size.

#### *The impact of the field of operation on social responsibility*

I divided the observed companies into the following operational categories:

- agricultural production (9 companies),
- agricultural service (7 companies) and
- food industry (5 companies).

*Table 1* shows the employment data by field of operation.

As the data shows, the willingness to hire people with disabilities changed only in the field of agriculture and within this in the production area. But even here the change is not significant. It is not surprising because the overall employment rate of people with disabilities at the agricultural companies is somewhat higher than at the food industry companies, too. It is interesting to see however that the food industry sector did not react to the financial restrictions at all.

**Table 1**

**Employment data by field of operation**

<b>Field of Operation</b>	<b># of People with Disabilities Employed Based on CSR</b>	<b># of People with Disabilities Employed Due to Levy</b>
Agricultural production	24	9
Agricultural service	27	1
Food industry	10	0
Total	61	10

*The impact of the regional location on social responsibility*

After analysing the data by field of operation the question raises whether the regional location – and with that the economical surrounding – has an impact on the level of employment of people with disabilities. Is it true that on favourable terms companies hire more people with disabilities? At this phase of my research I did not gather data from all regions of Hungary. My data falls into the following regional positioning:

- Central Transdanubia (4 companies),
- Central Hungary (9 companies),
- Northern Hungary (6 companies) and
- Western Transdanubia (2 companies).

Table 2 shows the results of the certain regions.

**Table 2**

**Employment data by regions**

<b>Region</b>	<b># of People with Disabilities Employed Based on CSR</b>	<b># of People with Disabilities Employed Due to Levy</b>
Central Transdanubia	42	0
Central Hungary	4	3
Northern Hungary	15	7
Western Transdanubia	0	0
Total	61	10

The above average employment ratio of people with disabilities in the examined 4 companies from the Central Transdanubia region is over the expectations as the economic performance of the region is only average. It is also interesting to see that all the employment is based on CSR reasons and not as a result of the legal changes (*Hungarian Central Statistical Office, Debrecen Directorate, 2007*).

The analysis of the data from the Central Hungary region provides us with further surprising findings. Although the economic performance of the region is –

historically – high above the country average (*Hungarian Central Statistical Office, Debrecen Directorate, 2007*) the observed 9 companies employ only 7 people with disabilities altogether out of which 3 are employed based on the legal regulations.

The data from Northern Hungary is exceeding the expectations knowing the hard economic situation of the region (*Hungarian Central Statistical Office, Debrecen Directorate, 2007*). More than twice as many people with disabilities were employed prior to the introduction of the raised amount of rehabilitation fee than as a result of.

None of the 2 observed companies operating in the Western Transdanubia region employ any people with disabilities based on the high economic performance of the region (*Hungarian Central Statistical Office, Debrecen Directorate, 2007*). It could however have been expected that they show a bit more social responsibility or at least try to comply with the legal requirements.

All in all we can say that the regional location and closer economic environment has no or even inverse influence on the employment ratio of people with disabilities.

*The impact of the company the size on social responsibility*

Analysing the data I made a comparison based on the third grouping criteria – the company size. The categories made by me are the following:

- small: 20-50 employees (8 companies),
- medium: 51-500 employees (11 companies) and
- large: over 501 employees (2 companies).

The summary of the data by company size can be seen in *Table 3*.

**Table 3**

**Employment data by company size**

Size	# of People with Disabilities Employed Based on CSR	# of People with Disabilities Employed Due to Levy
Small	1	2
Medium	35	8
Large	25	0
Total	61	10

Analysing the data by the size of the operation it can be said that the while small businesses highly respond to the financial restrictions, medium size companies show moderate interest in their legal obligations and are very rather socially responsible. Large companies simply disregard the changes and keep to their originally set – not really high – level of social responsibility.

**CONCLUSIONS**

After analysing the data by field of operation, regional location and company size we can say that apart from a slightly higher response rate from the agricultural companies and small businesses the introduction of a significant levy did not really raise the already

existing level of employment of people with disabilities. The number of originally hired people with disabilities was significantly higher than the number of the newly hired ones. Seeing the above shown set of data the question still remains: does the strict quota system bring real results? When it has such a low correspondence rate is this the best tool to promote the integrated employment of people with disabilities? Is it really a matter of willingness to employ people with disabilities or are there any other reasons for their so low level of employment in Hungary?

*Not sufficient qualification and lack of accessibility*

One of the most commonly cited problems in all sectors of the economy regarding the employment of people with disabilities is the low level of their education. Although there is a positive direction to be observed in this regard according to the last census of Hungary (conducted in year 2001), 32 % of people with disabilities have not completed their primary school education (grade 1-8).

39% of the people with disabilities have completed their primary education but do not have any further education. Only 25% of the people with disabilities possess a skill and 5% have a college or university degree (*Závoti, 2009*).

In order to investigate how much effect the lack of sufficient educational background has on the employment possibilities of people with disabilities in the agricultural and food industry sector I asked the company representatives whether they have faced the issue when recruiting people with disabilities. 23% of the observed companies do have a problem in finding people with disabilities with sufficient educational background. In most cases it meant skills education and in only one case higher educational background would have been needed in order to fill in the open position.

Another commonly mentioned topic in the Hungarian media is the insufficient support of the Regional Labour Centres in identifying and channelling the available people with disabilities to the open positions. During my field research I experienced just the opposite. Apart from one case, companies reported a very good relationship with the Labour Centres and their up to date set of information. The problem lies deeper in this respect. In most cases people with disabilities do not need to register at the Labour Centres. They only register in case they claim unemployment benefits or they are openly willing to join the working society. Unfortunately many times that is not the case. As one of the interviewed persons – himself sitting in a wheelchair – said to me: whoever wants to find a job now has all the possibilities to do so. All it takes is a bit of effort. He said that although the response rate to the legal obligation is very moderate, we should not forget that for people living with disabilities - who have been excluded from mainstream society for decades - any result is positive.

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## SURVIVAL STRATEGIES OF AGRICULTURAL SECONDARY SCHOOLS

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### **ABSTRACT**

*Qualitative survey methods were used to describe the survival concepts of agricultural secondary schools. Deep interviews were carried out firstly in one Italian secondary school, in Latina, then in another Slovakian school in Dunaszerdahely, and in the secondary school located at the university campus in Kaposvár. The aim of our research was to find out the role and tools of marketing on examples of secondary schools. Motivations for the research were that one of the bases of prospective students for two faculties of our university are agricultural secondary schools. During the analyses, SWOT tables were created on the strengths, weaknesses, opportunities and threats of marketing in education. Summarising the results of the interviews it was found that the number of students attending agricultural secondary schools has decreased. The reputation of working in agriculture is gradually declining. Agricultural secondary schools are developing strategies for survival by introducing new, marketable study programs. Undoubtedly, those institutions that dare to change and reply more rapidly to market demands and use marketing tools increase their student numbers.*

Keywords: schooling, communication, marketing, SWOT

### **INTRODUCTION**

Several studies on marketing debate the relationship between marketing and higher education. How can marketing and higher education coexist? Even university administrations approach this question carefully. In our minds, marketing relates to the aggressive promotional activities of profit-oriented organisations. However, profit-making cannot be the main objective of higher education institutions, and this is especially true for government financed ones.

It is a fact that the market-focus approach used in production (in which the product sold is the study programme and the consumer is the student) cannot be adopted wholesale. *Kotler and Fox* (1985) discuss the planning of marketing activities of higher education institutions according to the 4P approach. In the very same book republished in 1995 the authors apply the product-focus orientation, but here the emphasis is laid on attracting students.

Literature generally indicates the student as the consumer of higher education. Mostly, the main marketing objective of higher education institutions is to attract students (*Kotler and Fox*, 1995). This is why higher education cannot be discussed without any regard to public education.

Competition has developed between institutions within the market of higher education. Higher education is gradually reputed as a market service. Due to the service characteristics of higher education, one of the most responsible decisions of the potential student is their choice of higher educational institute.

*Hoffmann's* (2010) opinion, though, is that public education cannot be considered a service. The author broke with the theory that it should follow market demands instead of national strategic aims. Practical trainings need time but without skills, competence is empty knowledge. We need to rely on strengths, and by renewing them maintain these strengths.

Hungarian higher education will succeed only if it changes. The changes are necessary due to the lower academic preparedness and motivation of students and to the expectations of employers. Students applying to higher education institutions are less prepared than previously. They are less matured personalities, compared to those 10-15 years ago. In the majority of secondary schools, demanding and persistent work is not expected of the students anymore; and education having become mass produced and marketed exacerbates the situation. The material and intellectual esteem of academics is poor, which results in contra-selection (*Herneczky and Marselek*, 2010).

Competition for students is seen in both higher education and in secondary education. In the course of our survey agricultural secondary schools were visited, because they provide the potential student body for two faculties of our university. The main basis of the survey was the agricultural secondary school located at our university campus and two international partner schools. The current study deals with the marketing challenges of these secondary schools.

## **MATERIALS AND METHODS**

Qualitative survey methods were used as primary research; deep interviews were conducted with principals of secondary schools. Three deep interviews were carried out internationally, one in the summer of 2009 in an Italian school, another two in Slovakian and Hungarian schools in 2010; all three schools were founded with an agricultural specialisation.

The qualitative survey is based on small samples and serves the understanding of certain problems. The deep interview enables the thorough examination of the respondent step-by-step. The emotions behind attitudes as well as values and beliefs can be assessed. It reveals the motivation of the respondent with regard to specific questions (*Malhotra*, 2008).

Before starting the interviews, the question groups were defined as follows. *Plight analysis* on the institution, market position, marketing mix elements that is 7P, the relationship between teachers and students, and career follow, and lastly the evaluation of earlier marketing strategy and future plans.

Semi-structured interview questions were used, which means that the given answers influenced the order of asking them. It was critical to ask the questions directly in a face to face interview in order to extract the answers and to reveal buried sentiments, which efficiently reveals otherwise concealed information

(Malhotra, 2008). The interviews lasted around one hour and were recorded for later analysis. During the analyses, SWOT tables were created on the strengths, weaknesses, opportunities and threats of marketing in education. Answers given on the question groups are shown in the next chapter.

## **RESULTS AND DISCUSSION**

### **Plight analysis of secondary schools – historical overview**

Firstly, a *plight analysis* was asked about the institutions. The results are discussed, according to the order of the interviews

The *Italian* agricultural school had been one of the biggest institutions of historic Italy, the centre for many agricultural vocational schools. Fifty years ago it took on the challenge to provide the local region with agricultural power. The school is situated 50 kilometres from Rome, in the Lazio region. After the agriculture of the region had fallen into crisis the turned in another direction with a specialisation in chemistry-biology. Activity increased and the graduates often got jobs in pharmaceutical factories, where their knowledge was respected. The two main specialisations currently are agriculture and chemistry-biology. Besides them, higher level programs run as well, these are 1 or 2 years long, for instance concentrating on the product marketing. In the basic agricultural programme, two specialisations exist, one is agriculture and industry relations, another is agro-tourism. Additionally, they started a small school with two classes in a small olive producing town in the mountains which has potential for agro-tourism; thus they widened their course offerings and more students have been involved in their study programs. The institution has 1040 students, 150 teachers and 100 technicians.

The Hungarian-language *Slovakian* secondary school boasts more than 50 years of tradition. In the 1990s the traditional agricultural direction was complemented with a study programme on agricultural enterprise integration with specialisations in management and farm management. Although agriculture has become gradually less popular among the youth, a new programme on food industry was started in 2001, parallel with specialisations on quality management and food industry enterprise. An equestrian specialisation has been recently introduced to the agricultural curriculum. Earlier, they had tried a specialisation on agro-tourism but it failed; tourism was more interesting for the students than agriculture therefore it was given up. Currently a third programme, tourism, was launched which was so sought-after that a whole class was able to start immediately. It has two specialisations: Regional Tourism Manager and Services in Tourism. Besides the above mentioned three programs, a Sport class was started in 2006, which is in Hungarian, and unique in Slovakia. The total number of students is 350, out of that 120 students attend the sport programme.

The *Hungarian* agricultural secondary school has a long tradition, since it celebrates its 125<sup>th</sup> birthday next year. Its profile has changed a lot in the meantime, but it has remained a vocational school and a secondary school at the same time. On one hand, it is a secondary school with matriculation output, which the technical programme can build on; on the other hand, it is a vocational school with

two orientations built upon agriculture, these are farm training and equestrian training. Quite a few ideas were tried out in order to find ways of survival, such as starting training with a mounted tour. The number of students is 236, and 28 teachers and 15 technicians.

All three schools have 2-3 or more *international relations*. These are mainly exchange relations. The Italian school has Czech, French, Polish, Romanian, Hungarian, Dutch partner institutions. The Slovakian school has French and numerous Hungarian partners, and the Hungarian school has Italian, Slovakian, Swedish and Austrian partners.

### **Schooling activities of secondary schools**

The next issue is *schooling*, where the authors sought answers to the following questions: Where are students drawn from? Are there any partner relationships with primary schools? Is there a geographic segmentation? Do they keep open-house days? How do they advertise and communicate to prospective students? Do they have key words?

This is a serious task for all of the schools. The *Italian* school was said to be influenced highly by geographic conditions. Students come from the surroundings, and especially in Rome there is concurrence. The teacher responsible for schooling must have charisma. The personality of the principal is important, which needs to be a guarantee for the operation of the school. Besides rigour, it is necessary to provide opportunity for welfare of students, which is considered extremely important. If the school can achieve these objectives, then the current students will bring new recruits. The institution managed to increase the number of students from 500 to 1000 within 4 years! This figure proves best the success of the schooling offered. This institution does not depend on advertising, because they do not have much money for this. At some organised events all schools were invited, and on others the media appears and did the promotion.

According to the principal of the *Slovakian* school, the best advertising is word-of-mouth by the students, thus they lay emphasis on students enjoying their studies. Theoretical education is considered a must for high quality education; next, the students should feel that ample entertainment opportunities are provided. A number of facilities is available, like a fitness room, a multimedia computer room, and free internet – for students in the afternoons and, in the evenings, for those living in the hostel, bicycles, boats, and tents. They advertise primarily in newspapers, radio, TV and on the Internet. They spare no money for it. There is no geographic segmentation in their case, because they have unique Hungarian study programs, therefore students come from all over, from Kosice up to Bratislava. The Slovakian example shows that the school is targeted by friends; certain groups of friends choose the same school to stay together.

In the *Hungarian* school, schooling is nationwide, due to the uniqueness of equestrian training. In addition, as it is one of the eight schools of the Transdanubian Agricultural Vocational School Centre, due to parallel trainings the schooling opportunity narrowed in the region. Some 40% of the students come from the surroundings of Kaposvar. The graduating students go back to promote the school in the primary schools they attended. They think that the opinion and experience of

children of a similar age is more effective than that of adults; the students introduce the study programmes with presentations. Key words are equestrian training, the proximity of university, and a nice environment. Advertisements are put on regional radios, internet and in free colour weekend papers. Besides, new methods will be introduced, for example smaller groups of prospective pupils will be invited for one day, when demonstrations of agriculture, horses, tractors, crops, grain dryer will be given; and sport competitions tailored to the demands of this age are also organised. This is one of the examples for the use of BTL communication tools. The aim is to communicate the message in an adventurous way.

Organising *openhouse days* is typical in all three schools. The new tendency is to organise more openhouse days. Besides there is an opportunity in the Slovakian school, for example, to attend classes or for families to arrange appointments and receive individual treatment; thus they focus on target groups individually as well as separately.

In both foreign schools, the students' satisfaction is in the focus.

They apply the overall traditional marketing mix; newspapers, radio and TV as well as internet.

It is worth remembering of the case of Dunaszerdahely School, which was expected to close, but as result of many changes has managed to remain open by starting the sport classes, without losing its agricultural profile. The institution tried to respond to the social and economic challenges.

### **Marketing mix, 7P**

In marketing, a means for market influence and product or service positioning is known as the marketing mix (Kotler, 1998). It is a fundamental precondition for successful operation that the companies have a conscious, long-term marketing strategy. In the non-profit sphere it is also a need, just as in business life. In service marketing, the 7P method is widespread: Product, Price, Place, Promotion, People, Physical evidence, and Process. These seven marketing tools can be used; the marketing mix has seven elements. These tools cannot be separated; some elements can receive more emphasis. We were interested in which marketing mix tools are applied, and which ones bear significance.

The product, as it was mentioned in the previous chapter, is the education offered, the study programme.

Another element of 7P is Price. As we speak about secondary education, none of the schools charge any fees, only catering and hosting services need top be paid. It is unique in Slovakia that even the textbooks are free; these are quite an expense for Hungarian families.

An example of the *Italian* school is that they make alternative income by guiding tours on their farm for primary school pupils and groups of nursery schools; the visitors are introduced to certain parts of agriculture, farm animals, and the kids are provided with entertainment as a service. Further income sources are the farm produced products – cheese, wine, vegetable, fruits, which are sold in their own shop. Students actively take part in the production through practical trainings. Additionally, the lands of the school are rented out, and they also let the dormitory rooms out.

In the case of the *Slovakian* school, it increases the incomes by requiring the sport students to purchase the three-times-a-day catering service if they live in the hostel, and once per day if they live at home; this established the operation of the school restaurant which was not profitable because of the low student number.

Next element of 7P is the supply channel (Place) in education. It is replaced by communication, because the service, being non-physical product, is not tradable. Marketing communication is a series of planned activities. Its objective is the promotion of a service, institution and to maintain interest. According to Kotler, marketing communication consists of advertising, sales promotion, PR, personal sale, direct marketing. In our days, these classifications further diversified. Further categories are defined; two main tool kits are the traditional ATL and the non-traditional BTL tools. To the question regarding which tools are used in schooling, we got answers. Here we would like to emphasise the role of built-in PR.

In all schools the traditional ATL tools are applied through communication channels, especially newspapers and sometimes radio.

As non traditional BTL tools, openhouse days can be indicated. The role of the internet is essential, however its position according to the previous classification is debated. It can be seen as an ATL tool, but if it also bears with the features of interactivity, it is a BTL tool; since personal contact is typical, thus even webpages belong here. All schools have webpages, such is the demand of our age.

The authors were interested in the relationship between teachers and students. According to the interview with the *Italian school*, there are excursions and common programs. The principal is satisfied with the teaching staff. It is interesting that two teachers are present on the practical trainings at the same time. One has a higher education degree, and the other is a professional specialist, in addition there is a technician there, also. This is why education is so expensive in Italy and the teachers' salary is the lowest here within Europe, because they employ more teachers at the same time. This is a political decision; they do not dare to decrease the number of teachers.

In the *Slovakian* case it came up that part of the student-teacher relationship was that the younger teachers chat with their students on Facebook and provide their personal data.

In the *Hungarian* school the relationship between teachers and students is helped by sport events, professional competitions and excursions.

The next marketing tool, the human factor (person) has a highlighted role in education. The teachers' behaviour, appearance, culture and order of value are all determining factors in education. We were also interested in the managers' opinion on their *colleagues and teachers*.

In the *Italian* school even-tempered colleagues are paired with more problematic ones to avoid conflicts. Students are satisfied with the expertise and skills of the teachers, the mentioned examples to be proud of, such as former students who either evaluated the knowledge gained in the secondary school or became successful in farming.

Next, we asked how they can *motivate* their students to learn. It is not trendy to prepare on classes; the students prefer teachers who are not hard-working. The motivation is similar in two cases, both in the Italian and in the Slovakian schools

an award is given; those third and fourth year students who perform well, or achieve other accomplishments such as sport or other activities will receive recognition with a certificate or gift, which are awarded in a ceremonial way in front of their parents. This is what inspires this age group to learn, achieve, performance.

Next element of 7P is physical evidence. The further questions were about physical *environment, infrastructure and clothing style*. The infrastructural conditions are excellent in all three schools. Nice green environments, various facilities for entertainment, which were among the key points emphasised by all three respondents. The buildings and equipment, IT infrastructure and sport facilities as well as the tidy surroundings are all important factors serving education and leisure opportunities.

On the basis of the *Slovakian* answer, someone entering the school's gates should see a civilised life; pedagogy starts here and only continues in the classrooms. According to all of the three answers the clothing of teachers is important, and the students need to be controlled as well.

These tools cannot be discussed separately, as it was mentioned at the beginning. For instance the style of clothing belongs both to the physical evidences and to the person, as we and our personality are defined by our appearance as well. The teacher can be an example to follow for students, but may result in the opposite.

At last, the process itself is education. We can speak about the process of what was discussed afore about schooling, but even about the process of teacher-training. The service process may affect the judgment of the quality of teaching and the satisfaction of customers.

The authors were also interested in the curricula, whether there are dropouts, or whether the graduates find jobs or study further. It is an example to follow that in the Italian school the curriculum and the introduction of specialisations are tailored to the market demands, where tourism, industry and conservation industry are prioritised.

Further questions dealt with the *ratio of school-leavers* and the outputs, e.g. the ration of *students going to further education or getting employed*. More than half of students leaving the *Italian* school enter higher education. They also run newer study programs similar to the Hungarian OKJ trainings and higher level vocational education.

In the *Slovakian* and *Hungarian* schools involved in the survey the ratio was similar. It is interesting to think about the answer of the *Slovakian* principal, according to which the student only lengthens his/her study years, which is helped by the credit-base education, and does not want at all to start work, he/she expects the parents to finance their life until their 30 years of age.

### **SWOT analysis**

In the course of interviewing, the respondents were several times asked to classify their answers into one of the parts of the SWOT table (Strength, Opportunity, Weakness, and Threats). We were interested in their opinion about education and marketing. The results are discussed below. The SWOT tables can be found in the *Appendix*.

#### *Strengths*

The Italian principal believes in the tradition of their school and the work to preserve it is advantageous. He attributes high importance to the fact that many



earlier students have become internationally reputed, and their school education imparted to them many values. He is proud of their infrastructure being continuously improved, and they have excellent facilities (50 hectares of land, buildings, machinery and equipment) for practical trainings. He lays great emphasis on the students' level of comfort. The figures speak for themselves; the enrolled number of student has doubled within four years, which was supported by the charismatic teachers of the schooling process.

In the case of the positioning of the Slovakian school, it was fundamental that they are the only Hungarian speaking school; this is one of their strength, too. Further ones are the quality of education and the well-prepared teachers. Additionally, they have developed infrastructure, and an impressive, green environment comparable to their Italian counterpart. Their activities are student-centered. They have a multi-based approach, reflecting the market demands quickly. They were pioneers in Hungarian equestrian training.

The principal of the Hungarian school listed traditions and long lasting relationships as strengths. He believes their professionalism, recognised staff and the proximity to Kaposvár University are also supportive.

#### *Weaknesses*

The *Italian* principal is unsatisfied due to the lack of capital. Their earlier autonomy was cut back in several respects, their property rights on lands and buildings were withdrawn, and their staff was cut. They needed to adapt to these circumstances, e.g. he hires part time labour who act as personal chauffeur at the same time. He believes the greatest problem is that agricultural work has been devalued. Parents do not advise their children to choose this profession.

The *Slovakian* principal resents that his older staff are not able to keep line with new challenges. When they started new a specialisation, he refused to employ external professional teachers, because he wanted to retrain his existing staff. Here he faced problems with organising the students' traineeships, because they used the earlier partners while the new specialisation required different professional fields. This led him to strengthen the staff with young colleagues of specialised graduation.

Schools' earlier strength became weakness, because their huge buildings got old and non-economical due to the high costs.

The *Hungarian* school cannot handle many types of study programmes at the same time due to its limitations in terms of size. The principal thinks that it is a weakness that the structure of education is bound to the normative support rather than to demands. Additionally, the out-of-date machinery is a shortcoming; it must not be so in a professional training institution.

#### *Opportunities*

One of the opportunities for the Italian school is believed to widen their education portfolio, which was conducted by opening a mountain school to the south, where olive production was connected to agricultural tourism. This increased the number of enrolled students. Another option is to find further income opportunities, for instance they provide on-site trainings for groups of pupils who pay a fee and their own produce is sold in their own shop. Further opportunity as well as a breaking

point is the consortium-based programmes, which incorporates research institutes, work places and schools.

The Slovakian principal sees a chance for establishment of an integrated secondary school, with two pillars on the rural development and sport under common governance. It is important to emphasise their programmes run in Hungarian, because the Hungarian students do not apply for Slovakian schools because of language barriers.

The principal of the Hungarian school sees the opportunity in a closer cooperation with the close-by university, by way of coordinating the programmes build upon each other and starting joint curricula of higher level vocational education. As practice-base for the engineer-teacher study programme of they have chance to meet talented students and increase the supply-base of professional teachers. He is convinced that agricultural production needs a new generation, who have up-to-date technical, information technology professional and entrepreneurial knowledge. The Slovakian principal also agrees. These all prove that their study programmes will have demand on in the future.

#### *Threats*

In all schools devaluation of agriculture is thought to be threat; alternative areas are preferred, such as environment protection. Due to this, the interest in this profession and the student potential decreased.

In the Slovakian case, it was indicated as threat that the entering exam had been ceased and that the willingness of young people to start working is poor. Similarly to the Slovakian, the Hungarian opinion is that vocational education is threatened by secondary education, while the labour market demands it. We also think that despite the proximity of the university, many of the students apply for other higher education institutions.

#### *Turning points*

An example is the so called “Agropolo” programme in the Italian region which is a specialisation (post diploma) of 1 or 2 years. The region assesses the market demands, and only starts the program depending on the findings. Then, graduates from this programme get jobs in those work places and firms which are ensured by contracts. This works in the framework of a consortium of research centres, universities, schools and companies; this is a three year long multicentre programme. Students are involved in the programme on the agricultural line. This could well be an example to follow in Hungary as well.

Similar theories were formed by *Edupress* (2011) in case of higher education in their comments to the conference Hungarian Higher Education 2010, Strategic way-crossings.

It has become clear in Hungary too that it is reasonable to harmonise the institutional strategy and the development plans of a given region. One of the best ways to do this is to cooperate with companies in both the field of education and production, e.g. on the field of higher level vocational education.

According to *Rechnitzer* (2010) a flexible structure has to be developed in the institutional structure in order to support fast technological shifts, economic innovation and to enable an organic integration, and communication with the region’s economy.

The Slovakian principal sees the opportunities to ensure the new supply in the following. A few years ago they established a sport centre with primary schools, which were financed by local governments, but - due to financial problems - was not sustainable. Starting from there, they initiated the establishment of a private leisure centre, where pupils of primary schools are involved in public sport activities; these children are expected to become the base of schooling for the sport programme.

At the end of the interviews we wanted to see their opinions on the role of marketing, how they evaluate their marketing activities and whether they consciously use marketing tools. In the case of the *Italian* school, marketing tools are consciously used, but with an intention to appear spontaneous. They think marketing is unavoidable. There are little financial resources for marketing in the Italian school but they need to find the funding.

In case of the *Slovakian* school considering that they are the only Hungarian language taught school, they started equine-training in Hungarian. The initiative was supported by the experience gained at our equestrian education. The principal thinks it is good marketing to prove to the students and parents that their choice was good, and thus further students will be attracted. By maintaining the quality of education, they want to develop a student-focused school, where the student is the partner.

In his answer the *Hungarian* principal indicated that improvements could be seen in the marketing activity, but the work has to be continued. Because the number of enrolled students decreased, they have to widen the range of marketing tools used.

## CONCLUSIONS

Summarising the results of the interviews it was found that the number of students applying for agricultural type secondary schools decreases. Recognition of agricultural work declines. The institutes search for ways of survival by trying to launch new programs. Undoubtedly, those institutions increase their student number that dare to change and reply more rapidly to market demands and use marketing tools.

The principal of the secondary school situated on the campus of the Kaposvar University considers important a closer cooperation with the university and launching study programs building on each other. Directions of cooperation can be language teaching, mutual use of laboratories, and operating joint farm machinery.

The results also reflected that these institutions can only renew their strengths such as caring for traditions, quality education, expertise, if they adapt to market demands. They want to act together as a school, meeting the social and economic challenges and provide high quality, up-to-date, student-friendly educational and service activities.

The Italian example is worth following, where research centres, schools, higher education institutions and firms, work places coordinate their ideas and launch programs according to market demands and manage to provide jobs for graduating students.

Also, the Slovakian case proves that by launching an alternative study programme, the original agricultural direction can bridge the currently non-profitable agricultural programmes, thus the education portfolio widens and its operation becomes sustainable. The foreign examples could be used in the Hungarian education system, besides student exchange, mobility and study visits of teachers, study programs are considered important.

We recommend that academic staff involved in schooling lay greater emphasis on the secondary schools and build closer cooperation. In the course of the current qualitative survey the demand raised to continue with quantitative researches, which will provide calculable results.

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**Annex**

**Table 1**

**SWOT for Italian school**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>– Caring for traditions</li> <li>– International reputation of many former students.</li> <li>– Emphasis laid on student welfare</li> <li>– Good infrastructure for practical training.</li> <li>– Renovated hostel rooms.</li> <li>– Doubled number of schooling figure within 4 years.</li> <li>– The educator has a charismatic personality.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>– Investments are needed, lack of capital.</li> <li>– lack of integration</li> <li>– Low-paid, non-reputed (by parents) agricultural work.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>– Number of students grew by having established and agricultural vocational school (in the mountains, olive and agro-tourism).</li> <li>– Alternative income sources, e.g. entertainment, trainings for pupils at in-site farm for profit.</li> <li>– Selling own produce in own shop.</li> <li>– Training started on basis of demands of firms in consortium of schools, research centres and firms.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>– Declining agriculture, preference of new areas instead, e.g. environment protection</li> <li>– Unwillingness for further education of teachers, although required for technical development.</li> </ul>

**Table 2**

**SWOT for Slovakian school**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>– The only secondary school teaching in Hungarian</li> <li>– Quality education, well skilled teachers</li> <li>– Good infrastructure</li> <li>– Student-centred approach</li> <li>– Rapid adaptation to market demand changes</li> <li>– Multi-pillar approach</li> <li>– Equestrian training in Hungarian language (firstly in Slovakia)</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>– Older teachers can not adapt to new challenges</li> <li>– Large share of hostel rooms is obsolete, high costs of operation</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>– Launch of new study programs, breaking with old traditions</li> <li>– Large schooling area</li> <li>– Best advertisement is the student</li> <li>– Establishment of integrated secondary school, joint leadership of the Secondary School of Rural Development and Sport Grammar School</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>– Entrance exam cancelled</li> <li>– Decreasing number of students, only change in profile moderates</li> <li>– Declining willingness to find employment</li> <li>– Preference of more trendy professions, no enrolling students to agricultural programme</li> </ul>

**Table 3**

**SWOT for Hungarian school**

<b>Strengths</b> <ul style="list-style-type: none"><li>- Traditions and old relationships</li><li>- No competitors in classic education structure</li><li>- Expertise, recognition</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>- Small school, no resources to run more types of programs at the same time</li><li>- Education profile is bound to normative state financing, not to demands</li><li>- Obsolete machinery for teaching</li><li>- Old dormitory</li></ul>
<b>Opportunities</b> <ul style="list-style-type: none"><li>- Closer relationship with university in the education profile from aspect of building upon each other.</li><li>- As practice-base for teacher training, the new generation of teachers is ensured</li><li>- New generation of agricultural workers in the farm, who are skilled in technology, IT and even poses entrepreneur knowledge.</li></ul>	<b>Threats</b> <ul style="list-style-type: none"><li>- Declining recognition of agriculture</li><li>- Declining vocational education</li><li>- Despite the proximity of the university, majority of students apply for another higher education institutions</li><li>- Low number of potential students</li></ul>

## JUDGEMENT OF WELLNESS TOURISM SERVICES IN THE SOUTHERN GREAT PLAIN REGION AND IN THE COMPETITOR REGIONS

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### **ABSTRACT**

*Health consciousness is an actual megatrend nowadays. Most of the people try to use every opportunity to live a healthy life. They pay attention to what they eat, how much they exercise and even choose holiday locations according to health conscious criteria. Wellness hotels are really fashionable and this is the sort of demand that needs to be followed carefully from the supply side. The survey is aimed at getting to know the motivation for choosing a particular wellness service and at examining why different wellness destinations are preferred or not. The region of the Southern Great Plain played the most important role. Data have been collected and analysed for several years. As a result, it is possible to discover the factors playing a role when choosing one particular wellness service, the consumers' expectations concerning the service providers as well as the main features of the image of the region in question and the judgement on the wellness services of the region. Analysing the results of the survey, it can be concluded that the main factors in the preference system of choosing a resort are guided by the expectations potential visitors have concerning the service providers.*

Keywords: wellness, health consciousness, ranking of regions

### **INTRODUCTION**

Living a healthy lifestyle has become increasingly important to different groups of society in the past decade. This process was influenced by several factors. A number of researchers think that to understand the reasons, we have to go back as far as the 19<sup>th</sup> century. Before that time people were promised a happier existence in the next world by Christian doctrines, that's why staying healthy while living on the Earth was a matter of secondary importance. Nevertheless, this point of view has gradually changed during the past one hundred years and at the same time people's relationship to their health has changed too. Life expectancy and the quality of life have become a matter of major importance (Imhof, 1988; Troschke, 1996; Klotter, 1997). This process was reinforced by the significant development of healthcare and medicine. The supply side immediately reacted to the altered consumer needs.

### **THE THEORETICAL BACKGROUND OF THE SURVEY**

Wellness tourism is one of the most significant trends of our time. Wellness is a harmony of body and soul, meaning that the beauty that can be seen is combined with an inner beauty and balance (Törőcsik, 2004).



According to Graf and Tröster (Berg, 2008), the health conscious way of thinking was influenced

- by the consumers' increasing level of education,
- by better information about the subject.

International literature mentions two factors which boosted the formation of a health conscious attitude. One factor is stress due to our accelerated world; the other is the changing number of births. There is no doubt today that the prevention of illness caused by stress has become part of our everyday life. The alteration in the number of childbirths is a more complex issue. The decrease in the number of childbirths has led to more leisure time in the more developed countries, which can be put to use by the parents (consumers). On the other hand the responsibility for giving birth to a child grew, meaning that mothers are increasingly conscious of having a healthy lifestyle while expecting a baby. In this way they also give their babies a chance to become healthy themselves. Greenberg and Dintiman (1997) compare wellness to a wheel which consists of five factors: physical, social, mental, spiritual and emotional factors. If all factors are balanced, a state of wellness can be reached.

According to Haug (1991), a German health pedagogue: „wellness is a new practice orientated and pragmatic idea of health which focuses on the quality of life of the individual”. Elements of a wellness program outlined by him are: „individual responsibility, fitness, life without stress, health conscious diet and environment consciousness” (Lanz Kaufmann, 2002).

The Berlin Future Research Institution draws a sharper picture of wellness than anybody else: „the utopia of experience maximizing in an individual centered society”, which can also be understood as a modern form of hedonism. According to the institution there are two levels of wellness. The first one is called „consumer wellness” dealing with the pampering of the consumer. The second one is the connection with the environment. While inner balance and the well-being of the individual are important on the first level, the role of other influencing effects grows on the second one. A totally different opinion concerning the level is represented by Horx et al. (2003): they think that the first level is characterized by leisure, pampering, by increasing pleasure and health, whereas the second level means growing self-competence, a balanced life, learning competence and the process of being able to attain one's goal.

Considering these factors Horx outlined a wellness wave in the centre of which you can find a constant changing of the individual. According to this idea, services will soon be badly needed in the tourism sector which don't only provide a general experience but services providing an individual program and experience will be preferred („Selfness Travelling”).

After getting acquainted with international literature in this subject it might be important to analyze the significant touristic samples of the region in question in order to be able to understand the whole picture.

### **Presentation of the Southern Great Plain Region as a wellness destination**

There have been data on the number of guests in medicinal hotels since 2001. However, we didn't have any statistical figures about wellness hotels until 2010. A comparison of the figures for the year 2010 is significant though (Table 1). Although

just 3.5% and 2.7% of the accommodation capacity can be found in medicinal and wellness hotels, these services are made use of by 10.8% respectively 7.4% of the guests. A further striking feature is the significant interest in medical hotels by foreigners. 27.1% of foreign guests stayed at these hotels for a shorter or longer time. At any rate, foreigners spend a shorter time there than domestic visitors. Wellness hotels are less popular with foreign tourists.

**Table 1**

**Number and capacity of medical and wellness hotels in the region**

County	Medical hotel		Wellness hotel	
	number	capacity	number	capacity
Bács-Kiskun	1	100	4	438
Békés	2	397	3	233
Csongrád	1	398	-	-
Region in total	4	895	7	671

Source: *KSH*, 2010

The Southern Great Plain Region is developing much more slowly than the average of the country. It shows the lowest increase in real GDP. It belongs to the ten poorest regions in the EU. Due to the reduction of agriculture and the food industry, and the lack of other capital sources, the economy of the region is unable to develop long-lastingly. In today's situation health tourism, more precisely thermal tourism might be one of the chances to break out.

Despite the favourable natural endowments and the low environmental burden, the inhabitants' prospects of living are unfavourable.

The Southern Great Plain Region is situated on a territory as large as one fifth of the country. It doesn't belong to the popular areas. Considering the total number of guests accommodated here and that of nights spent, it takes up the sixth place among the seven domestic regions. The reason for this is mostly the lack of proper infrastructure. Strictly speaking, the tourist sector (accommodation, catering) in the region had a 2.05% share in the GDP of the region in 2007.

Today the Southern Great Plain Region arouses the interest of mainly domestic guests. The number of the domestic guests and that of the nights they spend here has had an approximate share of 75% for years.

From a touristic point of view most of the guests come into our region from Germany, but the number of guests from Romania is increasing. The reason for the little foreign interest is definitely the unfavourable accessibility of the region and the fact that there are other destinations offering good quality services at a better price.

From the point of view of comparing the Southern Great Plain Region with other ones it is worth analysing the data of the Northern Great Plain and West-Transdanubia Regions. The former one has a similar situation and nearly the same natural endowments as the Southern Great Plain Region, the second one is worth analysing because of its outstanding results.

Regarding wellness hotels we aren't in possession of comparable data as there weren't any statistical figures about them until 2010. Considering the data for the year 2010 the disadvantageous situation of the Southern Great Plain Region is still striking: there are nearly twice as many wellness hotels in the Northern Great Plain and more than three times as many in the West Transdanubia as in the Southern Great Plain, with a capacity of twice, and, respectively, seven times as many as that of the wellness hotels in the Southern Great Plain (*Table 2*).

**Table 2**

**Number of wellness hotels and their capacity**

<b>Regions</b>	<b>Number of hotels</b>	<b>Capacity (beds)</b>
Western Transdanubia	23	4 760
Northern Great Plain	12	1 480
Southern Great Plain	7	671

Source: *KSH*, 2010

In 2010 46.4% of the guests were foreigners and the number of nights they spent in the hotels had a share of 49.2% regarding the whole country. The rate of the nights spent in Hungary by foreigners was over 30%, in West Transdanubia (44%) and in the North Great Plain (31.2%), however this rate is much smaller in the Southern Great Plain (21.7%). It is only North-Hungary that possesses lower figures (15.6%). The number of foreign guests coming from the most important countries shows a varied picture in the surveyed regions.

Guests from the neighbouring Austria as well as those from Germany and the Czech Republic spend a great number of nights in the Transdanubian Region. Romanian and Russian tourists coming from geographically far away countries spend surprisingly many nights here and the considerable interest of Swiss tourists in this region is a little difficult to understand.

In the North Great Plain the number of nights spent there by German and Polish tourists is considerable; the Romanian presence is significant, which can be explained with Romania's nearness. It is striking, however, that the Great Southern Plain Region can't boast of such figures concerning the German, the Polish, nor the Romanian tourists, although its endowments are not worse than those of its northern neighbour.

Domestic tourism is less concentrated than incoming tourism. In 2010 7,473,339 guests spent a total of 19,554,438 nights at 311,490 hotels and apartments of the country. From among the three surveyed regions the greatest number of guests arrived in the West Transdanubian Region (18.4%), the number of nights spent there is the highest as well (22%). 8.3% of the guests visited the North Great plain, having a share of 9.2% of the nights spent. Just 5.8% of the tourists accommodated in hotels and apartments spent their time relaxing in the Southern Great Plain. It accounts for 5.5% of the domestic nights spent. Considering the number of guests and the number of nights spent by them in the Southern Great

Plain Region is the least sought after in the country. The number of foreign guests was roughly speaking the same in the Southern Great Plain Region and in that of Northern Hungary, but the number of nights spent there by them was 50% bigger in the latter.

## **MATERIALS AND METHODS**

The main goal of the research is to analyze the position of the Southern Great Plain region in terms of tourism. We would like to find out what exactly motivates the guest. Based on the information in the previous sections, one can clearly see that health tourism and wellness services are one of the few possibilities of the area. Therefore, it would be important to see what the members of the target market would expect from the region. How would they describe their needs when choosing a service provider? One can wonder whether the potential guest would feel the difference from other regions of the country or whether it needs to be communicated better.

In our overall research plan we followed the usual steps. After gathering some important secondary data, we continued with some qualitative analysis and then finally we worked on the quantitative steps as well.

In this study we discuss the results of a research based on a small sample. The sample taking was not representative so the results cannot be generalized. Independent of this fact, our survey – in accordance with its goal – provided a good starting point for preparing the conceptions of the next research.

Facts were collected by personally asking people during the period between May and June of 2010.

Our quantitative survey is a phase of a research process containing several steps. Our main goal was to analyse the peculiarities of choosing wellness services surveying samples from Budapest and those from Pest County and to analyse the main features of the customers' judgement on the Southern Great Plain Region as a wellness resort. The results of the survey helped with preparing a great-sample fact-finding, setting up hypotheses and with the numerical examination of our statements on the basis of the results of our former, qualitative examination. The survey was performed using a pretested, standardized questionnaire containing, besides three open questions, seventeen closed ones on nominal, ordinal and internal measuring levels.

### **The subject-matter of the research expedients were:**

- making use of a wellness touristic program, an analysis of the factors playing a role in choosing a particular wellness service,
- an examination of the consumers' judgement on the Southern Great Plain Region as a wellness resort,
- personal questions.

It was a preliminary condition during the survey that the person answering the questions should come from Pest County or live in Budapest. The reason for this is that we wanted to get to know the opinion of the inhabitants of these counties

about the Southern Great Plain Region; we wanted to find out the judgement on this region regarding its wellness services.

During the survey we received 120 questionnaires that could be used (the elaboration was fulfilled with an SPSS 14.0 Statistical program).

In the following chapter, we present the results according to the above mentioned subjects.

## RESULTS AND DISCUSSION

In this chapter we show the result of our quantitative examination using a small number of samples, in a structure as previously described. Based on the information from the survey, we can define two main topics in this part of the research.

The first one focuses on the analysis of the factors playing a role in choosing a particular wellness service. The second part of the questions will try to gather some information of the consumers' judgement on the Southern Great Plain Region as a wellness destination.

### Characteristic features of choosing wellness services

Most of the people questioned last took part in a wellness holiday during the previous year, and the share of the people not having taken part in such a program was the same (31.7%) (Table 3). It gives us valuable information about how popular the „wellness holiday” is. The percentage of those who have never been on a wellness holiday would have been higher, if we were not focusing on the capitol and Pest county.

**Table 3**

**Date of the last wellness holiday (N=120)**

<b>Time</b>	<b>Rate of the people answering (%)</b>
More than 5 years ago	5.0
3-5 years ago	1.7
2-3 years ago	15.0
Last year	31.7
This year	15.0
Never before	31.7
<b>Total (number)</b>	<b>100.0</b>

Lake Balaton, Hévíz, Lillafüred, Hajdúszoboszló and Zalakaros were the most popular destinations. There were several holiday makers who last enjoyed wellness services abroad, in Austria.

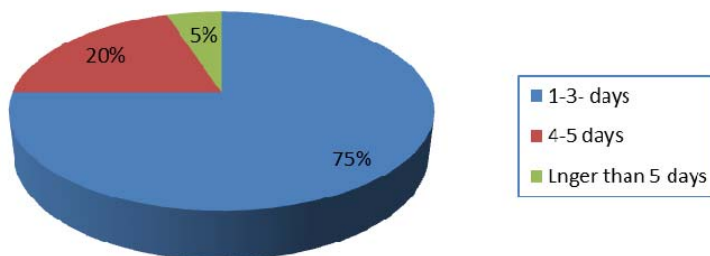
Most of the people questioned spend a long weekend enjoying 1-3 day programs. Four-five-day holidays are less, and it is rare that holiday makers want to relax spend more than five days taking part in wellness programs (Figure 1).

This means that 1-3 day programs are affordable solutions when thinking of wellness holidays. It will not require such a big „investment” but will also provide the necessary relaxation. Speaking of investment, it is also crucial to have an idea

how much health tourism is worth. This means how much money the people answering would be willing to spend on a one-week wellness vacation. According to the results it is a sum between 32 thousand and 70 thousand Ft/person, which the consumers accept as a reasonable price for a one-week wellness program.

**Figure 1**

**Length of participation in wellness services per occasion (N=120)**



According to our survey the most popular wellness services are: spa, bath, sauna and massage which is in accordance with the results of our qualitative survey where these services were found to be the most common, spontaneously mentioned alternatives (Table 4).

**Table 4**

**Frequency of choosing a wellness service (%) (N=120)**

Services	Frequency of choosing (%)
sauna	58.30
massage	58.50
bath	78.00
spa	75.60
beautician's treatments	17.10
medical attendance	2.40

Most (53.7%) of the participants in the survey seem to be satisfied with the offer provided because they claim they would choose the program again. The rate of the people who are definitely not planning to participate again is minimal (2.4%).

In our opinion this proves the viability of wellness services. The question is whether the Southern Great Plain region has a good chance of attracting attention. This is a question that needs to be answered in the second part of the survey. First we examined the position of the region in general and then by focusing on the wellness services.

### Consumers' ranking of the regions

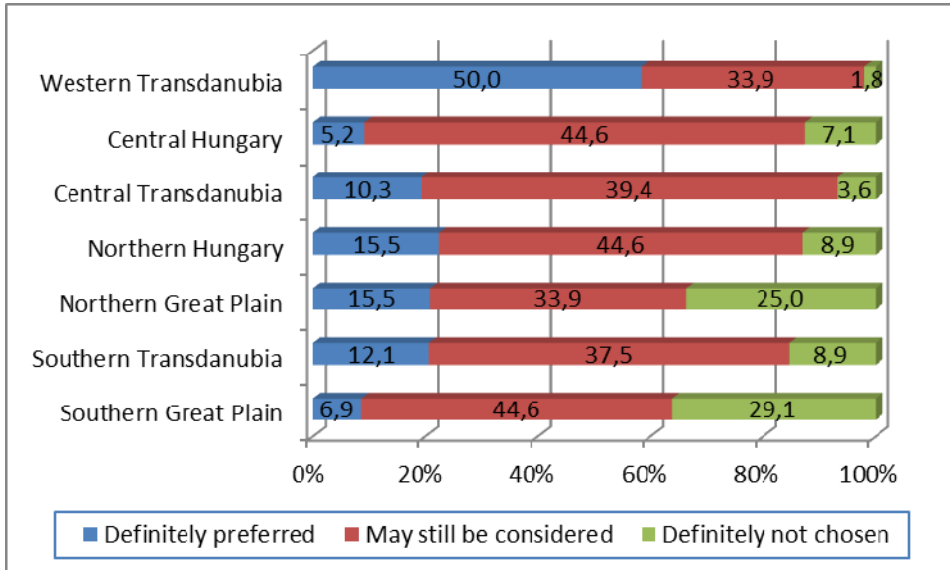
The theoretical background and the results of the secondary analysis made us definitely guess that when choosing a particular wellness service the ranking of the resort, and that of the region, may play a role, that's why we were eager to get to know the consumers' opinions about the regions respectively.

Consequently, we separately analysed the ranking of the Southern Great Plain Region in our quantitative survey. We also tried to ascertain what the position of the Southern Great Plain Region was in the consumers' opinion compared to the regions (North Hungary and Mid-Transdanubia), which we regard as our main rivals.

We examined the consumers' preferences considering the different regions in a complex way: first of all the people answering the questionnaire had to choose their favourite region. Here they only had one choice. The secondary preference analysis made it possible to find out which were the other popular destinations for wellness tourists. The circle of the non preferred regions, that is the regions where the people answering the questions would definitely not go, were analyzed as a separate category (*Figure 2*).

**Figure 2**

#### Ranking of regions considering their suitability to become a wellness resort (%) (N=120)



The absolute winner of the preference examination was the West Transdanubian Region.

According to the result of the primary preference examination this region turned out to be the most popular destination, 50% of the people participating in the survey

would choose above all this region as their wellness vacation destination. If we look at the primary and secondary preference values as a whole, the rate of the people preferring West-Transdanubia is in total 83.9%, which is the highest value. There was no other region reaching a higher rate than 60% after summing preference values.

The homogeneous, positive judgement of West Transdanubia is proved by the fact that it was chosen by the fewest people (1.8%) as an „out of the question” alternative.

In the secondary preference ranking (it may still be considered as an alternative) the Southern Great Plain, Mid-Hungary and North-Hungary took the lead with similar votes (44.6%). Among the alternatives preferred primarily however it was the Southern Great Plain Region and Mid Hungary that got the lowest valuation. (5.2% and 6.9%). This means that according to the answers they are not fashionable, popular wellness resorts at all. This statement is reinforced by the fact that the Southern Great Plain was chosen as the least preferred region by most of the people (29.1%) with the North Great Plain Region not far behind (25%).

According to the participants in the survey the Great Plain doesn't belong today to the popular, fashionable touristic destinations. At the same time the results show that the ranking of the Southern Great Plain Region is not at all homogenous or positive. Possible reasons for this are flat communication about the region, and a significant lack of strategically orientated marketing activity. This will mark one of the key areas that need improvement.

### **Consumers' opinion of the Southern Great Plain Region considering wellness services**

In order to be able to examine consumer opinion of the Southern Great Plain Region more precisely we asked the participants in the survey to express spontaneous associations: without being given any alternatives, they had to formulate three thoughts of their own that came into their minds in connection with the region.

The most frequently mentioned expressions of the primary association were „lowland plain” (and its alternatives like „flat land” „no mountains”, „Szeged”, the „River Tisza” and „Békéscsaba”. The expressions mentioned secondarily were similar with „the River Tisza”, „Gyula”, and „Szeged” on the top. Some negative associations like „boring”, „undeveloped” and „no marketing” also appeared but the rate of thoughts proving a positive opinion „green territory”, „village tourism” and „calmness” was the same.

Expressions often mentioned in the third place were again „Gyula”, „Gyula Castle”, „Szeged” as well as „Szeged pepper”, „fish soup” and „brandy”.

We think the results of the examination give us significant information about how well the south Great Plain is known and how it is judged by tourists. *It is obvious that although the cultural sights, unique gastronomic offers of the region are relatively well-known and acknowledged, the judgement on the region is still not homogeneously positive.*

We think these characteristics should be emphasized in the marketing of the region, nevertheless the fact mustn't be forgotten that this region is more than a lowland specialized in offering fish soup and red pepper.



Aiming at analyzing further the opinions and impressions about the Southern Great Plain Region we asked the participants to value some statements. According to this evaluation the most characteristic features of this region are the „types of accommodation at a reasonable price”, „family friendly surroundings” and „kind, hospitable inhabitants”.

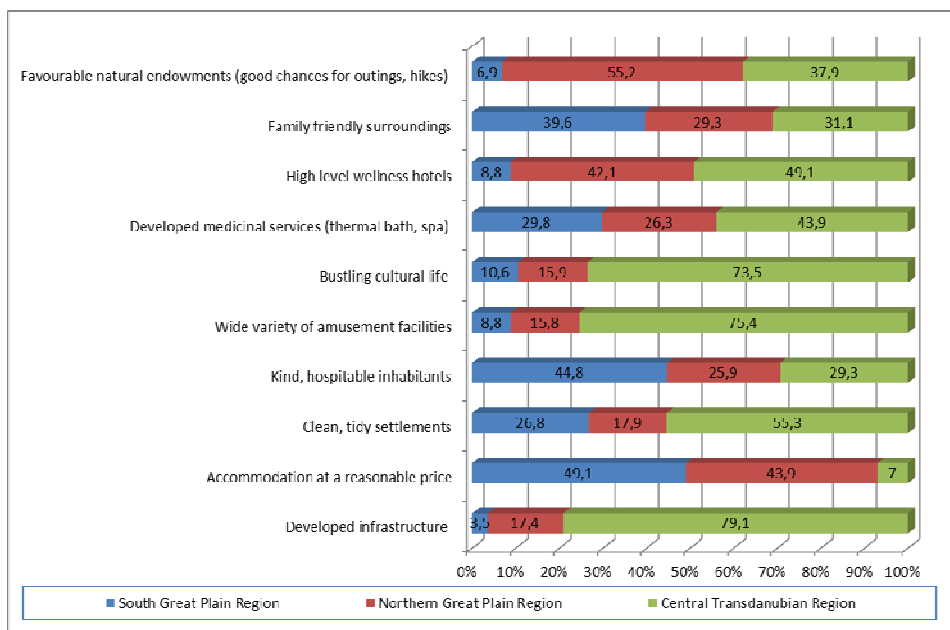
From the point of view of the region tourism it sounds especially negative that in the survey people’s opinion of the region has a considerable lot to develop regarding wellness services.

High level wellness hotels are the least characteristic of the region, and neither a bustling cultural life nor a wide variety of amusement facilities belong to the main attractive forces according to those answering.

Along the same characteristics we asked the participants to compare the Southern Great Plain Region with its two potential rivals, Mid-Transdanubia and North-Hungary (Figure 3).

Figure 3

**Consumer opinion about the Southern Great Plain, Northern Hungary and Central Transdanubia (N=120)**



According to the answers, Mid-Transdanubia is characterized by a bustling cultural life and a wide variety of amusement facilities, together with developed medicinal tourism and high level wellness hotels.

The main attractive forces of North-Hungary can be found in its favourable natural endowments and in the different types of accommodation offered at

reasonable prices, together with high level wellness hotels. The USP of the Southern Great Plain Region is accommodation at a reasonable price, kind, hospitable inhabitants and family friendly surroundings. We think it is important to state that apart from these three factors the Southern Great Plain Region was beaten by both of its rivals.

*Considering the results it seems that the south Great Plain might be a good choice for price sensitive guests preferring family friendly, hospitable surroundings to a bustling cultural life and high level wellness services.*

According to the survey, tourists seeing affordable wellness services can find attractive offers in North Hungary, where they can choose accommodation at a reasonable price and there are more possibilities for walking –tours and hikes, there are better natural endowments and more favourable wellness – and medicinal services than in the Southern Great Plain.

In our survey we followed the judgement on the Southern Great Plain as a wellness destination with special attention. In this sense we analysed separately how many wellness service providers (towns or exact hotels) of the region the participants were spontaneously able to name.

30% of the answering people named a service provider. The names mentioned most frequently rank as follows: Gyula, Szeged, and Tiszakécske. Several people also named the towns Békéscsaba, Gyoma and Kiskunmajsa.

We wanted to get to know how many people from among the participants had already visited this region, where exactly they had spent a wellness vacation and whether they had been satisfied with it.

Those who have already participated in such a program, mainly chosen Gyula, Szeged or Szarvas. Most of them (86%) would gladly visit these places again.

*According to the research, it seems to be obvious that the level of wellness services is really good in the region. The low number of visitors could probably be caused by the fact that the region is not really well-known, not really well advertised. This would be one of the key areas that need serious attention.*

## CONCLUSIONS

Overall, if one compares the tourism situation in the Southern Great Plain region with the quite similar Northern Great Plain region or the even stronger region of Western Transdanubia, the following conclusions can be drawn:

1. The traffic conditions have a significant impact on tourism. The Southern Great Plain Region is one of the most difficult to reach areas, because of the quality of roads and the large geographical distances. It is also important to point out that the Romanians have spent more nights in the Western Transdanubia region than in the Southern Great Plains, which is in fact a neighbouring region.
2. The spas and hotels close to the borders of neighbouring countries can build upon the citizens' interest, but this alone is not enough. More needs to be provided, since the Romanian tourists have spent twice as many nights in the Northern region than in the southern.
3. The quality of the accommodation and catering can greatly affect the interest of the guests.

4. Although it is hard to prove by the numbers, but the sports, cultural programs, and various festivals mean significant attraction.
5. Finally, in the region the importance of marketing activities is non-negligible. Obviously, there are regions that should be given less attention, since they are better known, while in other regions much more energy must be invested, possibly the result to be proportionately smaller.

As the results of our basic research one can conclude that in the resort preference system, the most important elements include the quality, price, the resort's reputation as well as the resort's conditions (infrastructure, environmental, natural conditions).

The qualitative survey also demonstrated that if the level of wellness in comparison to foreign competitors is evaluated on the same level, only in terms of additional services do the domestic participants have a disadvantage.

It is important to point out that most of the answers paint a positive picture of the region, but each time there were also quite a few answers with a rather negative attitude. However, these relate to macro-dimensions - such as infrastructure, income and economic situation – and improving those would definitely not be the job of regional marketing experts and strategy.

It is likely that a better strategy is needed for convincing potential guests and the main focus of the marketing communication should be on such USP as friendly local citizens and affordable accommodation.

Based on the research it would be advisable to create a well positioned regional image, and a good regional marketing strategy. Both would most likely help boost the region's tourism services.

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## REGIONAL PROGRESS OF THE LISBON STRATEGY OBJECTIVES IN THE EUROPEAN REGION

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### ***ABSTRACT***

*The conference held in Lisbon in March 2000 set as a target to make the EU the most competitive and most dynamically growing region of the world. My aim was to analyse the correlation between education and the labour market features in each country, and based on these correlations to investigate how the situation of each country, region and units evolved. Not only with EU-states were dealt with in the analysis, but also with candidate countries. The analysis contained statistic methods.*

Keywords: Lisbon strategy, mobility factor, education-employment factor, human resources.

### **INTRODUCTION**

In March 2000 in Lisbon the EU set the strategic goal of becoming by the end of this decade „the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion” (*European Parliament, 2000*). This is called the Lisbon strategy. The objectives of the strategy included, among others, an increase in employment rates, a raise in R&D expenditure and an increase in the number of people with secondary education and those involved in lifelong learning. The goals should have been achieved by 2010. Back in 2003 the Employment Task Force (set up by the European Council and authorized to make concrete recommendations for the member states), led by *Kok* (2003), recognized *the current risks endangering the European Union's rather ambitious goal set in Lisbon*. In recognition of the insufficient speed, the multitude of tasks, the lack of coordination and the conflict of priorities, the European Commission, which was reestablished in 2004, decided to give renewed dynamics to the process. As of 2 February 2005, the European Commission proposed a new start for the Lisbon strategy specifying, in particular, two main tasks for the European Union: realizing a stronger and more permanent growth and creating more and better jobs. „Time to move up a gear”, said Commission President Barroso at the time of presenting the Annual Progress Report on *Growth and Jobs 2006* (*European Commission, 2006*). The implementation of the Lisbon strategy has been strongly criticized. Theoretical plans, indexes and other abstract terms still dominate the debates, while in many areas there is barely any political will for a straightforward achievement of the specific objectives through taking the necessary actions, developing clear-cut objectives and setting verifiable deadlines. It is particularly important to have in place the exact

procedures for follow-up and assessment. In order to facilitate the realization of the above quote, the *Koek* (2003) report specified four requirements:

- increasing the adaptability of workers and enterprises;
- attracting more people to the labor market;
- investing more and more effectively in human capital;
- ensuring effective implementation of reforms through better governance.

This paper studies the first three requirements of the *Koek* (2003) report that is the human resource characteristics. Despite the ongoing discussion about indexes, eight variables have chosen for study. These are as follows: employment rate of the 25-64 age group (target: 2010 - 70%), lifelong learning rate (target: 2010 - 12.5%), unemployment rates, economic activity rate, ratio of education expenditure to GDP, ratio of R&D expenditure to GDP (target: 2010 - 3%>, two-thirds of which are financed by business organizations) and student mobility (share of students learning in other EEA member states). The purpose was to examine the relationship between the characteristics of education and labor market and to see, based on such relationship, the situation of each unit and the European Union. The analysis contained not only the EU member states but also the candidate countries, the EEA member states, the EU15 and the EU25 as a single entity. The performance data of the various countries and entities for 2002, 2003 and 2004 were taken from the Eurostat web portal (<http://epp.eurostat.cec.eu.int/>).

## **MATERIALS AND METHODS**

The analysis was performed with the SPSS 13.0 for Windows statistical software, from which the main component (factor) and the hierarchical cluster analyses were used. The statistical software was ideal for highlighting certain relations that would otherwise remain hidden. The various matrixes were helpful in the identification of relations and interrelations, whereby the common main component (factor) variables and the background variables also became available. In turn, the factors were used to describe and group each country and unit, which was followed by reading and drawing the conclusions.

## **RESULTS AND DISCUSSION**

It is clear from the descriptive statistics that there are many different kinds of relations between the characteristics and that it may be possible to identify such background variables that are closely correlated with a group of the original characteristics, which means that there is also a strong correlation between the original characteristics. The number of indexes was decreased through factor analysis i.e. through data reduction. Those factors can be considered significant that have an *eigenvalue above the mean value* i.e. above one. In this case the first two main components were proved to be significant. Accordingly, the first and the second accounted for 51.27% and 24.92% of the variance of the observation variables, respectively. The first two main component variables accounted for 76.19% of the total variance, which was considered acceptable.

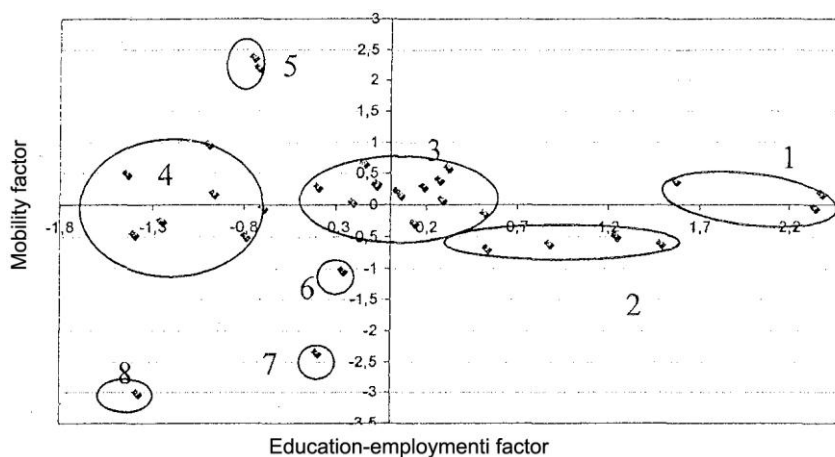
It is clear from the analysis that the first main component showed significant correlation with such variables as lifelong learning rate, economic activity rate, employment rate, ratio of education expenditure to GDP and ratio of R&D expenditure to GDP, respectively. There was a positive correlation between these characteristics. In other words, if the lifelong learning rate was high then the economic activity rate, the employment rate, the ratio of education expenditure to GDP and the ratio of R&D expenditure to GDP would also be high. This factor was named as education-employment factor. The value of the second main component was determined substantially by such variables as unemployment rate, long-term unemployment rate and student mobility, the former ones having a bigger weight. Here the sign of the first two variables was different from that of the third one. It means that if the unemployment rates rose then student mobility would be low at the various education institutions in the EU, candidate countries and EEA member states. This correlation was true also for the opposite case. (Although, in reality, there is no direct connection between the two variables.) This is the mobility factor, representing both sectoral and geographical mobility (*Figure 1*).

The x-axis of the coordinate system represents the factor with the highest explanatory percentage. Accordingly, just like in the case of each factor in the analysis, the sign is very important here. The positive region of the axis is for those countries where lifelong learning rate, economic activity rate, employment rate, ratio of education expenditure to GDP and ratio of R&D expenditure to GDP have a great importance. The opposite (negative) region of the axis represents such human resource structures where the importance of the above variables is lower.

The y-axis of the coordinate system is used for the countries determined by the mobility (second) factor. The positive region of the axis indicates a high unemployment rate, while the negative region represents a component of negative sign within the factor, which means the overweight of student mobility in this case.

**Figure 1**

**Human resource characteristics in the European area**



Through cluster analysis (using the hierarchical and centroid methods), it was possible to separate eight distinct groups in the coordinate system (*Table 1*):

1. the Scandinavian group on the right-hand side (the entire Nordic Council except for Iceland and Norway): Sweden, Denmark and Finland;
2. an entity made up by the United Kingdom, the Netherlands, Austria and Norway;
3. central countries and country groups: Portugal, Spain, France, Germany, EU15, EUR012, EU25, Belgium, Czech Republic, Slovenia, Estonia, Latvia and Lithuania;
4. a group made up by Italy, Hungary, Croatia, Romania, Bulgaria, Greece and Malta;
5. Poland and Slovakia;
6. Ireland;
7. Cyprus;
8. Luxembourg.

*In the best performing first group* Sweden had the best (analyzed) human resource characteristics, including an outstandingly high employment rate (72.1%) and lifelong learning rate (over 37%, which made it first among the analyzed countries). In addition, it was the leader regarding almost all positive indexes. Sweden had the lowest long-term unemployment rate, although the unemployment rate was not the best (but it was still well below the EU average). Denmark had similar characteristics: the ratio of education expenditure to GDP and the economic activity rate were the highest here. Finland's shift was the result of its unemployment rate equaling with that of the EU25 average. The extremely high R&D expenditures brought Finland to second place in Europe. As to R&D expenditures financed by business organizations, only Denmark fell (slightly) behind the required 2/3 level. *In the second group* the employment rate varied between 67.8% and 75.1%. As to the lifelong learning rate, the United Kingdom was the best with over 33% and Austria was the worst with 12.5%. The long-term unemployment rate was very low and the economic activity rate was still above 70%. As to R&D expenditures, Norway had the lowest rate, followed by the Netherlands, the United Kingdom and Austria. In the Netherlands more than half of the R&D expenditures were financed by the business sector, while the three other countries were below that level. The unemployment rate was below 5% in the entire group. As to student mobility, Austria and Norway were the leaders in this group. The lowest rate (0.6%) belonged to the United Kingdom. *The next group* was made up by units having around the average values. There were several entities here that represented the average: EU25, EU15, EU12. There was not much difference as to their location. However, there still must be some kind of difference, given that the new (2004) entrants deteriorated almost all indexes in comparison with the EU15 average. There was no difference between the two averages as to education expenditures and student mobility. It is interesting to see that, from among the new entrants, not only Slovenia and the Czech Republic but also the three Baltic states i.e. Estonia, Latvia and Lithuania were also here (in close proximity). The countries shifting towards positive direction from the education-employment factor included the old member states and, as a surprise, Slovenia.



**Table 1**

**Other important data about the countries under the analyze (2005)**

	<b>GDP per capita (PPP) 100=EU25</b>	<b>Real GDP growth rate (5 year average)</b>	<b>Total investment/GDP</b>	<b>Population (million)</b>
<b>Cluster 1</b>				
Se	115	2.2	17.0	9.0
Dk	124	1.4	20.7	5.4
Fi	113	2.5	18.8	5.2
<b>Cluster 2</b>				
No	165	2.1	18.7	4.6
Nl	123	0.9	19.5	16.3
At	123	1.4	20.5	8.2
Uk	117	2.5	16.8	60.0
<b>Cluster 3</b>				
Pt	71	0.7	21.6	10.5
Es	99	3.1	29.4	43.0
Fr	109	1.5	19.7	62.4
Eu25	100	1.7	19.9	461.3
Eu15	108	1.6	19.8	387.2
Be	118	1.4	19.9	104.4
Cz	73	3.6	26.4	10.2
De	110	0.7	17.1	82.5
Si	80	3.	24.8	2.0
Ee	57	7.6	9.1	1.3
Lv	47	8.1	29.9	2.3
Lt	52	7.6	22.3	3.4
<b>Cluster 4</b>				
It	103	0.6	20.6	58.5
Hu	61	4.2	23.2	10.1
Bg	32	4.9	23.8	7.8
Hr	49	4.7	29.3	4.4
Ro	35	4.7	23.1	21.7
Gr	82	4.4	23.7	1.0
Mt	69	-0.6	20.7	0.4
<b>Cluster 5</b>				
Pl	50	3.0	18.1	38.2
Sk	55	4.6	26.0	5.4
<b>Cluster 6</b>				
Ie	137	5.2	27.0	4.1
<b>Cluster 7</b>				
Cy	83	3.2	19.2	0.7
<b>Cluster 8</b>				
Lu	247	3.3	20.3	0.5

The negative field included not only the new entrants but also Spain. The positive trend was mostly due to the high lifelong learning rates (Slovenia had almost the double of the EU rate) and to the higher employment rates, while the negative trend was caused by the low level of the same variables. The unemployment rate was the highest in Spain and the long-term unemployment rate was the highest in Lithuania. The student mobility varied around the mean value. As to R&D expenditures, only Germany approached the desired level of 3%. *The fourth group* consisted of Italy, Hungary, Croatia, Romania, Bulgaria, Greece and Malta. These countries also approached the average. As to lifelong learning, the rates varied between 1.4% (Bulgaria) and 7.2% (Italy). The general problem in the group was the very low employment rate (no country in the group reached 60%) and the relatively low economic activity rate. As to R&D expenditures, only two countries exceeded 1% (Italy and Croatia)! Malta had the lowest rate (0.28%). It should be noted that the so-called black economy had a great importance in Greece, Hungary and Italy, accounting for an amount equaling some 16-20% of the Gross Domestic Product. *The fifth distinct group* included two Visegrád countries: Poland and Slovakia. Actually, these two countries would have belonged to the fourth group if the unemployment rates did not exceed (over 18%) the double of the EU25 average. Poland had the lowest employment rate (only slightly more than half of the economically active population was employed) but the long-term unemployment rate was the highest in Slovakia. Black employment was significant there, too, accounting for an amount equaling some 13-15% of the GDP. The R&D expenditures barely exceeded 0.5% of the GDP.

There was only one country in each of the next two clusters: Ireland and Cyprus. Both would have belonged to the central cluster but in Ireland the student mobility caused the separation. The same was true for Cyprus, where the share of students learning in other EEA countries exceeded 50%. The cause may be found, in part, in the divided nature of the island. The economic activity rate in Cyprus (72.6%) exceeded the EU15 figure (70.6%). Cyprus had the second lowest R&D expenditures after Malta. The last cluster included Luxembourg. The Grand Duchy would have belonged to the fourth cluster if its student mobility were not so high (66.7%). A part of the students learn in Belgium, which is the country's economic union partner. The long-term unemployment rate was extremely low (1.1%). In fact, it was the second lowest value among the analyzed countries.

As the production and creation activities of societies i.e. human resources never cease to stop, let us examine some dimensions of the economy and production. As it is clear from *Table 1* above, the countries with high economic performance were not necessarily the same as the countries with high human resources. The first two clusters that were the best in human competitiveness were also the best in their economic performance. The analysis of cluster 3, accounting for almost 70% of the EU, showed a differentiated picture: the GDP per capita varied between 47 and 118% of the EU average. Actually, the lower the GDP, the higher the growth potential and investment rate. The same pattern was valid for the Visegrád countries. According to currently available data, Ireland had both high GDP and high growth potential, a sign for economic competitiveness. Apart from having a

high GDP, Luxembourg also had a satisfactory growth rate in comparison with the other old member states. Although the above indicators represented only a slice of the economic characteristics, yet these were the main indicators of competitiveness. Though they related to this study, but basically they served only as supplementary information.

## CONCLUSIONS

As it is clear from the foregoing, the countries/country groups analyzed by education, R&D and labor market characteristics showed a rather mixed picture. There was a lot more work to do at community, regional and national levels. This was true not only for the member states but also for the candidate countries. Cluster 1 and Cluster 2 proceeded well on the road towards achieving the objectives of more and better jobs, full employment and social cohesion. These were open countries and most of them did not hinder the free flow of persons regarding the citizens of the new member states. As to competitiveness, these countries were among the best not only in Europe but also in the world. The best example for using synergies was the Scandinavian cooperation in the form of the Nordic Council (Cluster 1). Within this regional partnership arrangement (which even has its own parliament and budget) the member states cooperate in more than 25 topics, covering also the employment-education fields. The difference from the average was not so great in the case of education financing but it was rather substantial in R&D support. The new member states, the cohesion countries and the candidate countries must significantly increase the current level and encourage the business sector through enter-prise-friendly policies in order for the support from the business sector to reach the desired 2/3 level. The resulting impacts will be visible also in the correlation between employment, unemployment, economic activity and long-term unemployment. It is a particularly important issue in Poland, Malta, Italy, Hungary and Greece. It should be acknowledged that the progress is rather difficult with regard to community-level arrangements. It is enough to mention the progress of the strategy during the first five years, or the fact that the European Commission to give new dynamics to it in 2005. The process is progressing well at the level of resolutions. Although the member states have prepared their national programs, they contain rather heterogeneous issues and targets. Considering only the R&D expenditures and the relevant target deadlines, the various countries wished to reach the following rates by 2010: Malta 0.75%, Cyprus 1.0%, Greece 1.5%, Poland 1.65%, Slovakia and Hungary 1.8%. Ireland and the United Kingdom set 2013-2014 as a deadline for reaching the desired rates. As a next step, the European Commission will urge the prime ministers and heads of state to make the necessary commitments within the framework of the European Council and will provide support for each member state. What is more, the Commission would use the Cohesion Fund, together with other EU tools, to finance the objectives of growth and employment. However, the support of the European Council and Parliament will also be required for the achievement of all these targets. Naturally, there are many other aspects of the Lisbon strategy apart

from the human one. Still, the human aspect forms the basis given that it is man who creates things. The economic and environmental pillars of the strategy are designed in such a manner that the common development efforts based on synergies will be indispensable not only within each pillar but also among the various pillars.

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