THE PLACE AND ROLE OF PERIPHERIES IN HUNGARY’S CHANGING TOURISM

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Abstract. The tourism demand and supply of Hungary has undergone an important transition since the 1990s. The first decade of the 21st century was partly marked by the strengthening domestic demand and by a decreasing demand on the traditional source markets – while there appeared new source markets as well. The supply became diversified, though the basic regional and seasonal concentration was not loosened. In Hungary, the regional disparities are especially remarkable at the level of small regions; therefore the study analyzes the tourism demand indexes, and draws attention to the relations in terms of peripheral small regions.

Keywords: tourism demand and supply, centre-periphery, tourism of peripheries

1. INTRODUCTION

The study elaborates on the spatial and temporal processes in Hungary, in terms of the centre-periphery relations. We looked for the answer to the question, whether the fully accepted and wide-spread thesis of tourism being the effective means of regional and rural development is verifiable or not. Therefore we reached back to the traditional interpretation of centre and periphery, applying those research results and statistical data, which could serve as basis of the spatial representation of the tourism processes. Altogether 33 manifold backward small regions were highlighted, since the characteristics of tourism demand and supply were projected upon these.

2. SPATIAL AND STRUCTURAL CHANGES OF HUNGARY’S TOURISM FROM THE CHANGE OF REGIME TILL PRESENT

After the change of regime in the 1990s, there have been significant changes in the tourism of Hungary, which were influenced by world and domestic economic processes and
by social transition. In the 1990s the tourism sector was looking for its place for quite a long time in the diffuse socio-economic-political environment (AUBERT, A. 2007). The period is well characterised by the fact that in each electoral period of the governmental structure, tourism was put under different ministries, therefore it is not surprising that not even the essential decisions were made regarding the development of the sector. In the 1990s the effect of the general economic recession – as a result of the change of regime – was directly perceived by tourism, primarily domestic travels were put back. The liberalisation of market prices parallel with the inflation effect, the stagnation of the wage standards as well as the disintegration of social tourism fundamentally shocked the domestic tourism sector (LENGYEL M. 2004).

In the 2000s – with the growing number of investments – new tourism products and destinations were formed, which decrease the competition advantage of the traditional tourism destinations and endanger their competition positions. This tendency is also confirmed by the alteration of the most visited Hungarian cities’ list. Nowadays the top ten cities include numerous health tourism centres, which pass traditional destinations and historical cities like Eger, Szeged, Debrecen or Pécs (AUBERT, A.–BERKI M. 2007).

2.1. Tourism demand

The 1990s meant a transitional period in Hungary’s tourism as well. Besides the political-economic-social changes numerous external – uncontrollable and unimpressionable – events expounded their effects. Among these we find some nationally predominated, but also instances for a regional impact. Therefore the former secluded socialist countries could appear as new, undiscovered destinations with the change of regime, while the incompleteness of their infrastructure was effaced by their novelty to the guests of the western world. In this situation the interest towards Hungary has decreased, and thus the East-Central-European area became an open place for competition, whereby the competitiveness of Hungary declined year by year.

The number of international tourist arrivals moved around 20 million until the mid-1990s (MAGYAR TURIZMUS RT/HUNGARIAN TOURISM INC., 2003), then started to decrease and in the years following 2000 it stabilised around 15-17 million persons. Among the reasons of the decrease – besides the formerly mentioned weakening of the “peculiarity effect” – the outbreak of the Balkan war played also an important part, and had strong regional effects. The most intense decrease in the number of inbound guests was experienced in Southern Transdanubia and in the Southern Great Plains, which are geographically closest to the discussed region. The relatively high number of visitors can not generate an adequate tourist flow and receipts either, since each season the number of visitors is roughly two times higher than the guest flow, which demonstrates the mass presence of transit visitors.

The tourism in every developed country is based on the domestic guests, so Hungary became extremely vulnerable when domestic tourism collapsed in the 1990s. 1991 represented the touch bottom, when the ratio of the inbound guests was 67.9% and the nights’ 76%. In the following years domestic tourism grew slowly but steadily, though the real breakthrough was provided by the introduction of the so called recreation cheque. The system was introduced in 1998, and became popular from 2003 as it was to be given tax- and duty-free up to the limit of the all-time minimum wage. Its turnover increasing effect was experienced in every region as well as among several actors of the tourism sector. That
is why the modification of the system – due to the 2008/2009 economic crisis – in 2010 caused fierce reactions.

According to the data base of the KSH (Central Statistical Office in Hungary), in the past decade the ratio of the domestic tourists – concerning the total tourist flow – reached 55%, which shows a faster dynamics of increase since 2000 (domestic: +40%, inbound: +17%). From 2002 on, the domestic guests continuously represent the majority at the commercial accommodations. However, the national average implies significant regional differences. The most attractive Hungarian destination among the inbound visitors is the central region, where concentration did not decrease, but it even increased during the last years (KSH 2009). The following figure also demonstrates that in the inbound guest flow not only the Central Hungarian region, but also the Transdanubian regions play a highlighted role. Nevertheless, the concentrated inbound tourist flow is well characterised by the fact that by 2005 – with the exception of the Central Hungarian Region – the domestic nights were dominant in every region, yet in the national summary this change is to be experienced only in 2008!

Fig. 1. Points of temporal intersection of the ratio of inbound/domestic nights in Hungary
Source: based on KSH data ed. by Aubert, A. – Jónás-Berki, M. 2009

In Hungary’s tourism, the compositional change of the inbound guests is a further characteristic process imposing a powerful effect. The alteration of the earlier structures has been constantly going on since the 1990s, besides the traditional guest flow the number of visitors from new source markets exceeds 100 000 nights as well, which number is handled as a threshold regarding domestic tourism. The inbound visitors in Hungary are concentrated spatially in Budapest, so the country is characterized by centrality in this respect as well.

Correspondingly to the past decades, the most important deficiency of domestic tourism is the low level of expenditure per capita. This phenomenon can be explained with numerous reasons, as for example with the lack of quality products – though the restructuring of inbound guests also shows unfavourable conditions. Numerous regions witness nowadays the stagnation or the only slight increase of the visitor number, but – based on the ethnic composition – there are significant regional alterations and changing trends to be identified. It is highly questionable, whether the decrease of the well-paying
German guests in certain regions could be substituted by the growing number of East-Central-European guests or not. Nowadays – with the exception of Central Hungary – every region receives guests from one or more East-Central-European countries being placed among the top three source markets. This change is most obvious in the Northern Hungarian region, where – concerning the 2008 guest flow data – the Polish guests, being the first in the list, spend two times more nights than the Germans! Though only to a small extent, but the geographical allocation of the regions does influence the composition of the guests. The ethnic composition of guests arriving to Budapest basically differs from the national data, and is to be considered unique as well. Besides the German guest, being in the first place, we find such nations – from the USA, the United Kingdom, Italy and Spain – which have a much lower presence in the other regions by number and ratio alike. For instance, 90% of the guests from the USA, the United Kingdom and Spain are concentrated in Budapest (KSH, 2009).

During the realization of the programming and the application system of tourism, as well as at the investment decision, the supply characteristics and the forecasted trends should be considered respectively. A warning sign is for instance, that although the quality accommodation capacity – 4 star hotels – grew in the South Transdanubian region, yet the number of inbound guests in such hotels decreased. This draws the attention to the fact that the expanding capacity and the developing quality is not enough as such to increase the inbound – and also the domestic – guest flow (KSH, 2009). During the planning of hotel investments and the return calculations, other influencing factors have to be considered as well.

2.2. Tourism supply

The change of regime brought alteration to the tourism supply of Hungary as well, but this was not as significant as the effect on tourism demand. One of its most important elements was related to accommodations. In most of the cases, the disintegration of the social tourism system, the owner change, the closure or possibly the profile settling of the former state companies resulted in the selling of company holiday homes as well. The fast capacity increase of the one and two star hotels and the low standard accommodations can be explained with this process. But there were no significant accommodation developments in the 1990s, since it was the era of using up the already existing tourism infrastructure. Similar to the accommodations, the attraction development was not characteristic either. Concerning tourism infrastructure, shopping tourism was an exception, since significant capacities – commercial centres – were built on it, mainly in the bordering areas, with local governmental support and finance. Though with the shrinking of shopping tourism, these institutions’ reason for existence became doubtful – in many cases no adequate function was found for these institutions even to present days.

Privatisation soon appeared in the tourism sector; even in 1989 a privatisation attempt was made to secure the necessary capital for the development and acquisition of the domestic hotel chain Hungar Hotels. The first privatisation programme was launched in 1990, when the most well performing state companies – hotel chains such as Danubius – were assigned. The second wave of privatisation started in 1995, by announcing another two hotel chains. Through the successful privatisation, the restoration of the concerned hotels was accomplished as well, and in 1999 another hotel building process was started, which is still maintained by the support programmes. In the beginning, the hotel constructions were
concentrated in Budapest and in some other accentuated tourism settlements. The applications and accentuated attraction developments announced from 2000 promote further quality accommodation improvements. In the decade following the change of regime, the inbound working capital appeared in Hungary; its ratio was much higher than in any other post-socialist country, though in the subsequent years an equalisation happened (Behringer Zs. et al. 2002). Apart from the above mentioned accentuated institutions, a spontaneous and contingent privatisation took place, i.e. there was no planned time schedule for it, which had a negative impact on the functioning of the market.

The coordinated development of the tourism supply started with the creation of tendering systems in the 2000s. The improvements in the previous era were realised without state incentives, within the framework of private or local governmental investments. The unplanned, spontaneous investments were characteristic for the tourism centres, mainly in Budapest and around Lake Balaton, as well as in some highlighted health tourism settlements. Nevertheless at the national level, the process was not accompanied by any sensible result concerning guest flow and receipts, only spot-like developments took place.

Hungary’s EU membership (since 2004) multiplied the sources devoted to tourism. The increase and development of the branch is supported by the NHDP (New Hungary Development Plan), the NHRDP (New Hungary Regional Development Plan) and by the accentuated projects. The basis of the support distribution is provided by the NUTS II regional system, the imperfection of which was already highlighted – providing also a resolving alternative – by the tourism regions system created in 1998. However, this division could not be validated, although the subsequent institutional system – with only a few legitimate powers – still functions up to present days.

3. THE INTERPRETATION AND TYPES OF CENTRE AND PERIPHERY

The issue of regional disparities – being observable both at regional, national and international levels – generates a permanent debate. The basis of the disagreement involves various factors (Nemes Nagy J. 2009): multidimensional inequalities, which can be measured by several indexes; while the evaluation and interpretation of results can vary on a relatively wide scale.

The region types utilized in the handling of spatial differences can be basically interpreted in terms of the centre-periphery relation system. According to this, the regional politics applies four main region types (Nemes Nagy J. 2009): super-concentrations; backward regions; „modern” depressive areas; unexploited, peripheral territories.

The term centre implies not only a spatially central position, but also a social-functional junction. The central location means that the essential relation system of the areas around the centre is primarily connected to the centre.

The geographical interpretation of the term periphery includes a marginal location related to the central territory and to the borders of the given area alike. However, its social interpretation involves the complex entity of the defenceless elements as well (Nemes Nagy J. 2009). Nevertheless, there are so-called interior peripheralities, i.e. regions that are situated like islands within the gravity zone of a given centre, but do not show the traditional peripheral location.

In recent years – due to the fact that the disparities among regions prove significantly greater than those among countries – analysis of the causes of the socio-economic
differences among the European regions has attracted increasing interest (Amendola, A. – Caroleo, F. E. – Coppola, G. 2004). Similar to the general economic-socio-structural terms, the regional disparities detectable within the Hungarian centre-periphery relations can also be found in tourism. Although the relationship between tourism and regional development is still debated, the intersectoral feature of tourism is undeniable; therefore it ensures its active participation in developmental processes. This way the moderation of regional disparities is connected to the developmental impacts of the differentiated, multifactor tourism (Aubert A. et. al. 2007).

4. THE PROCESSES OF TOURISM AND THE RELATIONSHIP SYSTEM OF THE SOCIO-ECONOMIC DEVELOPMENT ON THE PERIPHERIES

The most acknowledged effects of tourism are the regional equalization and rural development, which promote the peripheral areas’ economic stabilization and the maintenance of their population. Nevertheless, the scientific literature of tourism has not examined the topic at the product level yet, at most it highlighted the operation of the mechanism exemplified on the case study of a given product type (Berki M. – Csapó J. 2006). However, the investigation of the tourism product types and their development process can reveal distinguishing features, which can question the earlier generally accepted system of regional development. The equalization process – or rather the growing regional disparities – is most considerably highlighted by the signs that have occurred since the beginning of the 21st century, at the start of the Széchenyi Tourism Development Programme, especially since Hungary’s EU-membership (2004).

The central core of the tourism product is the attraction itself, for the sake of which the tourist starts his way (Lengyel M. 1992), and which shows a great variety nowadays. Further to the traditional natural and cultural types, a growing ratio is represented by the artificial attractions. One of the key factors of the long run success of tourism regions/areas/settlements is the realization of tourism product, which applies the available attractions in order to satisfy the real consumer demands.

The tourism products are formed on different resource bases; in some cases the cultural, in others the financial resources are dominant. Besides the natural endowments of each region (Ambrus T. – Gyuricza L. 2008) the socio-economic environment also affects the structure and development of tourism. This study examines the tourism’s position of Hungary’s most underprivileged small regions, based on the available guest flow data.

According to the statistical data of accommodations in Hungary (2008) the commercial accommodations registered nearly 303.000 bed places, while the private accommodations had a further 228.000. Out of these, 7,71% of the commercial and 5,52% of the private bed places can be found in the most backward small regions. Regarding the demand data, we get a much more disadvantageous result, since the commercial and private accommodations to be found in the discussed small regions realized only 3-3% of the total nights. The exploitation of capacity is significantly lower than the national average. Concerning the bed places and the related nights, they share a nearly 50-50% proportion between the exterior and interior peripheries. Nevertheless, the most backward small regions can have even a leading position in the tourism of a given county or region. For instance the small region of Tiszafüred is a distinguished tourism district in Jász-Nagykun-Szolnok county (Dudas P. – László É. – Kőrödi M. 2008).
In terms of attractions, the low volume of tourism demand can be explained not by the lack of tourism attractions, but by the backwardness of the attraction structure. During the last decade, Hungary’s tourism has undergone significant changes in product structure, which were detectable as spatial phenomena, like the rise or fall of given areas. Among the tourism product types, health tourism is the most popular – simultaneously, its demand generating capacity is also the highest. This process is well observable in the changing ranking list of the most frequently visited settlements. While the traditional tourism centres – where no significant health tourism investment was realized – are characterized by decreasing turnover, the centres of medicinal and wellness tourism witness constantly growing interest, for example in Zalakaros or Sárvár. Among Hungary’s most popular tourism centres, not even one was to be found in the discussed small regions, though in many cases they are at a minimal distance from each other, which could easily be managed in the case of appropriate supply (e.g. Eger, Gyula).

Fig. 2: Guest flow of Hungary’s most visited settlements and most backward small regions
Source: based on KSH data ed. by Aubert, A. – Jónás-Berki, M. 2010

The most backward small regions have a 6.59% proportion with in accommodation capacity. There are larger spatial differences between the small regions regarding the commercial accommodations, while private accommodations have a more balanced location structure. Though the regional equalizing effect of commercial accommodations is more significant, in the case of more than half of the examined small regions these bed places are related only to a few settlements. It is a frequent phenomenon that commercial accommodation can be found only in a single settlement within the small region (e.g. Bikal, Tokaj).
The alteration of the number of nights is also one of the indicators showing the small region’s competitiveness, and draws attention to the question, how long the providers of the region are able to attract the visitors/tourists. Both at national and international level, the length of stay is decreasing, which can be explained by social and economic changes. In half of the most backward small regions the number of nights spent at commercial accommodations does not reach 10,000. In the alteration of number of nights, many small regions have only a few dominant settlements, which can generate even more than 30,000 nights in themselves (e.g. Bikal, Telkibánya, Tokaj, Vásárosnamény, Sárospatak, Tiszafüred). Nevertheless, there are significant differences between them: while Bikal realizes its turnover with a four star castle hotel, in the case of Vásárosnamény, a similar guest flow was reached by several hotels, pensions, tourist and youth hostels, as well as a camping – with a smaller capacity and lower category.
Figure 4: Number of nights spent at commercial accommodations in Hungary’s most backward small regions
Source: based on KSH data ed. by Aubert, A. – Jónás-Berki, M. 2010

The capacity of commercial accommodations can be completed by private accommodations, but these have a smaller capacity and less employees (family businesses, generating additional income), and therefore can have only a minor multiplication effect. The spatial distribution of private accommodations is more balanced; the related nights are also less concentrated. According to the guest flow data, private accommodations are dominant in the regional spa centres (e.g. Csokonyavisonta, Barcs, Tamási), along the Tisza river (e.g. Tiszafüred, Abádszalók), in the region of Tokaj and in the medium-sized towns of Szabolcs-Szatmár-Bereg county. The attractions of rural tourism are represented by the cultural-historical locations of the Szatmár-Bereg region, as well as by the natural endowments of the Northern Mountain Range.

5. CONCLUSIONS

The characteristics of tourism in the most backward small regions can be summarized in the following:

- Tourism appears even in the most backward small regions, which fact is verified by the typology of settlements worked out by Beluvszky P. – Sikos T. (2007) as well. Though the villages and spas with considerable tourism are primarily connected to the central regions, two settlements out of the 38 can be found in the small regions belonging to the most backward areas.
- Traditional attraction structure (natural and man-made heritage) constantly loses its competitiveness – due to the lack of developments. They are primarily products based on natural endowments, and can be completed by further services related to rural tourism.
The poor accessibility of small regions – which also contributes to the peripheral location – affects the tourism demand directly. Nowadays, appropriate accessibility is a must: in the case of domestic tourism the public roads – clearways and motorways –, while in inbound tourism air transport has an additionally outstanding importance.

The most backward small regions belong to the destinations of domestic tourism; the presence of inbound guests is relatively low. The domestic guests come from social groups with a lower income; therefore the expenditure per capita is lower as well.

The commercial accommodations are generally concentrated in one or two settlements; therefore the regional effect of tourism is quite limited. The nights are even more connected to a given centre, which frequently have an allochthonous feature (e.g. Hencse, Hőgyész, Bikal).

At a national level, private accommodations complete the commercial accommodations, but in the case of the most backward small regions they play a larger role in settlement development, since they can generate additional income.

The examination of the tourism’s impact on regional and rural development in terms of the peripheries verified the thesis according to which the impact mechanisms of tourism should be dealt with in a differentiated way. Tourism is present in the lives of the peripheries, though the guest flow analysis highlights the fact that its effect appears only isolated and to a limited extent within a given small region.

![Figure 5: Number of nights spent at private accommodations in Hungary’s most backward small regions](image)

Source: based on KSH data, ed. by Aubert, A. – Jónás-Berki, M. 2010

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