The prospects of regional market place developments in economic geographical perspective
Case study of Balaton Resort Area, Hungary

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Today’s investments can be accomplished by involving numerous sources either with the aim of stimulating the local economy with an infrastructural project, the innovative development of a service activity or a land rehabilitation interference. The European Regional Development Fund, the European Social Fund or the community initiative LEADER can be found among the EU sources. My study introduces the group of the present Hungarian tender sources which, utilising the above mentioned sources, create primarily a basis for preserving the local workplaces with infrastructural investments by assisting the accessibility of local products and producers to the markets. The secondary analysis of the literature sources, city development strategies and the data on webpages of the applications was applied. With my empirical survey I partially keep track of the 2007–2013 EU investments with similar objectives, demonstrating their usefulness. The data of the investments supported by LEADER in the Balaton Accentuated Tourism Zone (BATZ) (sample area) was recorded with the help of interviews made with the representative and employees of the local government. The results show that from the point of view of the maintainer the operation of the market places is not cost-efficient, without the developments the infrastructural circumstances with long term pay-off would have remained unsolved. The projects directly contribute to the advantageous assessment of the investors of the analysed region and the indirect strengthening of the local economy.

Keywords: tender sources, rural development, Balaton Accentuated Tourism Zone (BATZ), LEADER, market places
The prospects of regional market place developments in economic geographical perspective

Introduction

The Balaton region as the internationally recognised and highlighted tourism destination of Hungary is the location for numerous investments. Both private capital and state investments aim to boost the regional and local economy, but the concentration of the tourism demand makes it further necessary to complete projects which would decrease the impacts of seasonality in the region. The reasonableness of the infrastructural developments is a complex issue in the Balaton region but it is inevitable that the economic payback of these investments should be visioned in the long run. The legal and economic status of the investors is varying within the framework of certain financing solutions: while a purchasing power parity (PPP) investment – for instance – is based on the agreement of the private and public sector, developments aim the organisations belonging to the state or its subsystems (e.g. local governments, organisations of public utility, public bodies) and are realised by the financial backing of the state sector. Both the physical and human infrastructure developments contribute to the development of the local economy by orienting toward the needs of the local actors. The financial allocation establishes the opportunity to create one or two market places or renew public parks or public institutions, but the analysis of social-economic sustainability is inevitable in order to manage the costs of maintenance (e.g. making a cost benefit analysis). It is valid both for the state and the local level and it promotes the comparison of the tenders and the preparation of the decision about the applications (Fleischer 2002, McCann–Shefer 2005, Rietveld 1989, Trenecon Kft. 2017).

One of the present initiatives regarding the revitalising of rural life, adapted in Hungary as well, is the assistance given to local producers to reach the local markets. Among the numerous alternatives the development of market places and market areas play a highlighted role in the sectoral policy providing a financial framework for their establishment and development. The financial framework that can be spent on these initiatives appeared in the recent years both in the Hungarian and the European Union (further on EU) co-financed programmes trying to provide an answer for the needs of the settlements and settlement groups. The popular consumer trends of the Western European countries such as the healthy and environment friendly behaviour, the support of the local economy and producers, or the lifestyle slowdown came into general use in the Hungarian practice as well.

In rural areas mostly the returning farmers or the ones who are changing their lifestyle are capable of putting the new approaches into the everyday practice. This social capital will contribute to the existence of the countryside, creates and reformulates the local communities as an organising force and improves the population retaining ability. The population living in the Hungarian rural areas,
being less mobile in social and regional aspects, adapts these trends slowly; however they can be the active participants in implementing settlement initiatives. A local producer community or co-operative can concentrate the knowledge needed for the management and the participation of the population can be realised in the producing of the products. The absence of social capital is, however, a recurring problem, the presence of which could promote the validation of the interests of the local communities through its social-economic network (Farkas 2002, Póla 2014). Taking into consideration the above mentioned social and financial directions it should be investigated what kind of tender opportunities were available so far in order to create (develop) local markets influencing landscape utilisation and what kind of local results were achieved by these investments.

The study researches the major indexes of the local economy development sources available at the sample area of BATZ and the role of the local LEADER \(^1\) organizations (Magyar Kormány 2009). The topic of local producers and products could also be a driving force in maintaining the population and rural development aspects of the settlements situated farther from the lake. The planned and factual appearance of the seasonally fluctuating consumer demand could show a direction towards future developments.

**Theoretical background**

The investments into linear and physical infrastructure are indispensable for the promotion of value chains, but their degree and multiplier effects must be kept in mind during the determination of developments. Among today’s site choosing decisions the level of construction of the infrastructure plays a highlighted role, so they have to be given a place in the development of the local economy (Csoma 2018, Fleischer 2002, Nellthorp–Mackie 2017).

During the configuration of the project, besides their own capital investment, the organisations securing financial background for the investment will get a chance to attain tender sources, which mean today developments realised by domestic and EU co-financed sources in Hungary. The target areas of the domestic and co-financed tenders cover the improvement of the cultural opportunities of social groups, the fostering of their economic positions, making more effective the activities of the economic, non-profit and civil organizations and further on the development of infrastructural points and networks.

Before joining the EU Ruttkay (1998) appointed that the investments co-financed by the EU could increase the leeway of the Hungarian budget fostering the stimulation of the local economy. The infrastructural investments, employment, tax

The prospects of regional market place developments in economic geographical perspective

paying or the production connected to financial transfers are mentioned among such necessary investments. During the preparation of joining the European Union it has been stated by researchers that the local governmental investments which could go hand in hand with long term results and even income are blocked by the own source (own contribution). The compulsory tasks of the local governments can partially be financed by the budget’s support sources, thus the possibly available own sources may be withdrawn from further profitable development opportunities (Horváth et al. 2014, Perger 1998, Pálné Kovács 2016). Nevertheless, the 2011 modification of the act on local governments motivated the reorganisation of the management of the local governments and so the characteristics of the task-financing as well. In compliance with it local governments can spend the earlier budgetary support exclusively to activities connected to the targeted task for which they have to account for (Bencsik 2017). In the research carried out in the sample area analysing the benefits of the application sources the representatives of the settlements affirmed that callings for tender do not always meet with local needs; and the availability of the own contribution is depending from the allocation of the settlement, the labour force market positions of the local population and the economic opportunities of the settlement (Dombi et al. 2018). In the settlements along Lake Balaton – as a primary tourism attraction – the income of the local government is more significant so they have more opportunities in the realisation of investments than the lagging behind small and micro villages allocated in a 5-10 kilometres distance from the lake. These latter are characterized by the aggregation of the opportunity disadvantages of the labour market (Alpek–Tésits 2014, 2019a, 2019b, Alpek 2017, Alpek et al. 2018, Kóti 2018). The integrated town development strategies (ITDS) of the tourism zone, in accordance with the community objectives, make it clear that those settlement developing projects should be supported with the community sources which would be profitable in the long run (Hévíz Város Önkormányzata 2008, Equinox Consulting Kft. 2009, Zamárdi Város Önkormányzata 2009, Völgyzugoly Műhely 2012).

Empirical researches in the Balaton region pointed out that in the planning and realisation of those projects which involved market place renewal or formation, such factors influence directly the opportunities of the local producers and local products to be able to appear on the markets as accessibility, the quality of the road surfaces, the presence of the attendant infrastructural buildings and the assurance of the high quality sales points (Nezdei et al. 2017, Nezdei–Mohos 2017, Nezdei–Alpek 2018). The results of the consumer demand surveys emphasized the infrastructural renewals and the increase of the processed, craftsmen-made and home-made product selections. The demand which increases in the summer months creates seasonal conflicts among the local dwellers and the people being present only temporarily (e.g. the point of view of product price policy) and at the same time it overloads the linear networks. Because of this the transport lines become
overcrowded or the accessibility of the market place and the number of parking places become seasonally inadequate. The survey of Nezdei (2018) among the producers attracted attention on the fact that improvement of the physical circumstances would make the sales activity of the producers easier, since with the establishment of the stands and market place buildings sales would be partially independent of weather conditions (roofed sales points, improvement of road surface, broadening the distance between the stands in order to improve traffic). Nevertheless, the needs of the producers and consumers and the factual investments do not match in all cases.

The definition of local product has various meanings depending on the countries. This research uses G. Fekete’s (2009) definition: on one hand, local product is based on local resources, made according to local traditions, recipes and mainly in small scale, On the other hand, it means a product made by local workforce to supply the local population. It is closely related to farmers markets, which ones have the following content according to the Hungarian law: a market where a small farmer sells an agricultural or food product from his farm anywhere in the country where the site of his farm is located, or within 40 km of the market, or in the case of a market in Budapest (law CLXIV of 2005, 2. § 5a).

Data and methods

During the elaboration of the study I analyzed two types of background materials for the applications in order to analyze the secondary data. Out of the application documentations those calls and annexes of the 2014–2020 budgetary period’s Rural Development Program (RDP) and the Spatial and Settlement Development Operative Program (SSDOP) were elaborated which contained market place and market area development (Farkas–Kovács 2018). Within the SSDOP framework the application for industrial park and industrial areas development, local economy development, tourism development, brown field areas, green city programme and the employment-co-operation pact was analyzed as the creation of the producers’ market infrastructure. In the case of the RDP application opportunities were provided through the support of co-operations, the development of the infrastructure of the markets, the development of product supply and product processing. The Economic Development and Innovation Operative Programme (EDIOP) urged the networking of the products and the small and medium sized enterprises (SME sector) making place to the appearance of the market places. All the supporting system also presents the preference for the sectoral policy.

For the market place applications realised with EU co-financing I used the data published on their homepage. In the search programme of the supported projects the application design was available which made it possible to identify the application background with documentations, the sum and the intensity of the assistance. One could determine the timespan necessary for concluding the
development based on the date of the supporting decision, the existence of the closing documents of the projects and also by the published data on the homepages of the settlements and the personal field surveys. The location of the project, the support intensity depending on the type of investment and the legal status of the applicant indicated local resources.

I carried out the tender source-oriented analysis of the web page content of the homepages concerning the applications financed by domestic and mixed sources, which latter were part of a complex project (e.g. inner city rehabilitation of Keszthely, Fonyód, Balatonfüred or Tapolca (it is based on the local producers’ partnership) and the recent development processes in Hévíz or Siófok). 2

My empirical survey focused on two target groups: on the experience of market places realized in an earlier LEADER design and on the target areas of the LEADER organizations. The application documentations have been reviewed and categorized by the author according to the subject, eligible group and the context of marketplaces. There are ten LEADER groups in action on the settlements of BATZ. Following my request, I was able to conduct a written interview with six organizations and personal interviews at two of them. The responses included the types of application opportunities and gaps, the utilization experiences, the effectiveness of previous similar developments, and support for other forms of short supply chain (REL) types. In view of the previous application types, cooperation-based or involving several municipality development efforts were supported in the 2014–2020 period. Based on the request of the organizations, the study summarizes the different opinions. The support of the local products and local producers can also be found in the applications of the local LEADER action groups well demonstrating the central preferences of this development activity, the aim of stimulating local economy. The local application calls of the LEADER organizations are covering a wide spectrum providing the elaboration and support of complex solutions for the assistance of local producer structures (Magyar Államkincstár Mezőgazdasági és Vidékfejlesztési Ügyfélszolgálat 2019). I requested the local governments of the settlements for the survey on the economic potential of the market places. The answers of the representatives and co-workers led to a better understanding of the background motivations of the investments and the previously planned and the factual consumer group. The categorized answers responded for the differences of the local and the tourism demand and the appearance of the modern consumer habits. The availability of the complete financial cover (such as the matter and method of own contribution) of the investments revealed the economic situation. Although the completion contributed to the management of the settlement façade as well, however the return of the project (especially prevailing in the case of calling in own contribution) and its

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2 The accessibility of the electronic content of the referred development projects can be seen at the sources section.
socio-economic sustainability cannot be judged on the everyday level by an external observer. The economic operation was revealed by the ratio of revenues and expenditures, the degree of the annual producer capacity utilisation, the issue of function change and the yearly revenues of the previously closed three economic years. The negative side of the analysis of the application sources was that the complete project costs are not univocal based on the review of these data banks. It can appear even in the case of an investment with complete support intensity that the effectuation costs of the project will exceed the available sources. With the restriction of the borrowings of the settlements the involvement of own contribution will baulk further project ideas or will make settlements to co-operate with each other.3

The illustration of the projects were ensured by own photo documentation. The demonstration and analysis of the data was carried out with Microsoft Excel.

Social expedience, environmental sustainability and infrastructural necessity

Market places as tools of rural development advance the local economy by passing the local producers to the markets so they have a direct effect on the stimulation of the local economy.

In the last 6 years, among others, local producers’ markets were established on the southern shores of Lake Balaton in Balatonfenyves, Balatonmáriafürdő, Balatonboglár, Balatonföldvár, Zalakaros and Ságvár and in Badacsonytördemic, Köveskál, Gyeressdiás, Balatongyörök, Balatonakali, Révfülöp, Litér on the northern shores. Within the framework of these investments – partly because of the assumptions of the calls – energetics investments (solar cells) and accessible infrastructure developments (ramp, accessible parking place, sanitary units) were realised. The activities for accessibility and the project elements aiming to improve the energy efficiency were established because the tender calls have been fitted to meet the community principles of the EU.

The public interest and the sustainable operation of markets raise the issue of ranking, sithence the resource allocation should be be more efficient. To prioritize locations to be developed, numerous evaluation points have to be taken into account based on the author’s empirical experiences. However, the evaluation of the market places is not the aim of this paper, the most important ones are the following:

- elapsed time between the consumer demand and the opening of the market place,
- the volume and seasonal differences of the consumer demand,
- the location of the investment,

3 The interviews are summazired in the paper because of the limited number of characters.
The prospects of regional market place developments in economic geographical perspective

– it’s transport connection with other settlements,
– the awareness of the market and/or settlement (e.g. Tihany, Káptalantói) or just
– the legal status of the investing organization (e.g. municipality, civil or church organization, enterprise, etc.).

The main challenge in evaluating the market place is to find the stakeholder group which has the most information and data about the network of the market places. Ranking could be based on it. Some factors of the ranking are presented below.

The location is a decisive factor in the utilisation of the market place developments since the capacity occupancy rate of a location with advantageous traffic conditions could theoretically operate the community space as a profitable investment. In a transport-toriated geographical approach we can differentiate the local producers’ markets based on the following examples:

– The producer and gastro market of Balatonfenyves can be found in the periphery of the settlement in Imremajor on a weekly basis. It can be approached with the local narrow gauge railway and by car as well on a road with a partly disadvantageous allocation but on a road surface with good quality. The terminal point of the local small railway is also the market place which makes it suitable for a gastro tourism program every Sunday.
– The allocation of the producers’ market in Balatonmáriafürdő is favourable since it can be found at the west end of a small street beside busy shops, but the signs indicating the market and the directions should be improved. The non-profit organisation realised a successful infrastructure development through tender sources, so the physical conditions (the presence of further selling points) are provided for helping income generating for the new primary and small-sized producers with the broadening of the selling points.
– The renewal of the market at Balatonboglár was carried out in 2013, when it was relocated next to the central crossing and park of the town. The producers’ market of Ságvár is similarly located in the settlement centre, providing an advantageous opportunity for the local and nearby farmers to access the consumer market. It shall be assumed that the excellent accessibility of the market and event place of Zalakaros will result in a profitable investment.
– The favourable location of the producers’ market of Balatonföldvár is due to the vicinity of the train station, the road leading to the shores of the lake and its allocation next to the commercial unit (means of transport/transport junction).

The producers’ markets/market halls of Balatonszárszó, Somogybabod, Zamárdi, Ságvár, Hévíz and Vonyarcvashegy to be established and/or renewed can be realised in the next 1–1.5 years. The investments could directly result in the improvement of the life quality of the local and nearby population, with the greater
amount of space in the markets, the objectives focusing on the local- and bio-products and through the co-operation with the local producers.

The 2017–2018 producer survey of the author called the attention on the doubtful consequences of the capacity resource utilisation of the market places:

1. The preference of further types of product distribution channels. If the farmer sells his products for about 10 years to the same micro enterprise or restaurant, than the already formed group of consumers will not be replaced by the market place salesmanship. Out of the producers of the region those farmers who are dealing with animal husbandry (cattle, horse, sheep, pig) and sell living animals, raw meat and milk or wool are also selling their products elsewhere. Deriving from the product profile, for some farmers the market place is not the adequate location. Similar sales habits were revealed by the survey of the Balatoni Integrációs Közhasznú Nonprofit Kft. (Balaton Integration Non-profit Ltd.) (BIKN Kft., 2017) as well.

2. Nevertheless the demand for specialised and niche products in Hungary and in the sample area (confirmed by the consumer survey of the author as well) is increasing, but the volume of the product demand may question the financial and social sustainability of the farms. The quantity and quality of products made by the farmers influence the attainable wage, so in a rainy or in a droughty growing season even the whole yield could perish. One of the bio almond producers of the region said that for 4 years there was no almond yield on his plant what he could take to market. Such an income loss could make his farm bankrupt if this were be the only income for living by. With product diversification in farming the income of the producer can be stabilised.

3. Beside their high composition value the specialised and processed niche market products carry a high added value. The producers of the region can partly validate it in the price of the product because they make the production alone or by involving 1-2 persons. The concerned farmers emphasized in the interview that the blocking factor for the significant consumer demand for some products made based on their own recipes (e.g. pickles) is the lack of human resources, this is the reason why they are unable to make larger quantities. As a result a part of their crops will be spoiled. Their narrow financial resources will limit the purchase of new and modern technologies and equipment. We have to state that this is contradictory to the economic advantages provided by the tender sources – presumably because of the legitimacy criteria. We have to pay regard to the price sensitivity during the determination of the specialised, niche market products which, after all, is related to the social status, income positions and the relation to the settlements of the visitors to the market. So the local dweller who is in a higher social status with higher income positions will probably be a returning consumer in the local (producers’) markets. Within the scope of the local
population with lower incomes, buying in the market is a rare occasion and further on the intermittent dwellers do not necessarily mean a stable and calculable market for the farmers. In their case ordering and purchasing online would be an alternative or even other types of short supply chains, such as purchase community, box system, sales from the house.

Due to their location and fitting to the buildings of the settlements they are multifunctional, capable of making events suited to the characteristics of the settlement façade as well. The renewal of the old-fashioned façade and technology of the earlier established market places – market halls or traditional shopping areas – is a relevant objective (e.g. the market building of Siófok, Marcali and Tab). The remained buildings as architectural reminders of the socialist era fall short in regard to modern technological, architectural and engineering expectations (Siófok ISDS\(^4\)). The subsidiary and operational costs can be decreased with a more efficient energy use and further on the sense of comfort of the consumers can be increased with modernization. Accordingly, the results of the survey carried out by the author among the consumers indicated that the greatest need is for the infrastructural developments in these allocations (51.1\%) (Figures 1–2.).

The present façade of the market and market hall in Tab (left) and the market hall in Siófok

![Photos: Own pictures, 2018.](image1)

In the first phase the reparation of the surface of the internal roads, the diverting of the precipitation, the accessibility of the stands, the modernisation of public toilets and the number and quality of the parking places should be modernised in the open market places.

**Financial background**

It is necessary to establish the financial cover for the needs towards the market places and its return as well – by making the market place sustainable. During the former EU budgetary period the local producers’ markets were passed on the debit of the LEADER applications\(^5\) partly based on the local and partly on the tourism demand. For example the producers’ markets of Gyenesdiás, Balatonföldvár, Ságvár and Zalakaros were developed from LEADER sources which provide an opportunity to sell on the market every day of the week in most cases.

Nowadays, the financial coverage of the projects were guaranteed exclusively from domestic sources and from domestic sources complemented with EU co-financing besides the own contribution of the settlements and the already mentioned credit facilities. In the 2014–2020 budgetary period the detached sources of the SSDOP and the RDP make it visible that, taking into consideration spatial

\(^5\) In the calls of the present LEADER organisations – depending from the different LEADER organisations – the market places which support the local products intended to be available at the markets, the service and accommodation development, acquisition of equipment and machines and the local product processing and/or sales developments were indicated.
The prospects of regional market place developments in economic geographical perspective

Aspects, the sums intended to be spent in the BATZ appropriates tourism purpose investments in Veszprém and Somogy counties from the regional sources of the EDIOP, while in Zala county no detached appropriation was appraised for the development of the region.

The measures providing the chance to establish local economy development and further market places were determined in the sources that could be tendered by any settlement of the county. It should be emphasized that the resource development of certain frames is influenced by spatial planning. The concerned parties could plan market and market hall developments based on the following tender calls of the sub-measures of the 2015 and 2016 EDIOP:

- Establishment of industrial parks, industrial areas (EDIOP-1.1.1),
- Local economy development (EDIOP-1.1.3),
- Sustainable tourism development from the point of view of social and environmental aspects (EDIOP-1.2.1),
- Rehabilitation of brown field areas (EDIOP-2.1.1),
- Creation of a green city (EDIOP-2.1.2),
- Employment agreements, employment and economy development co-operations on the county level (EDIOP-5.1.1).

Local governments of the settlements, the companies partly or totally owned by the settlements, the local ethnic governments and their executive bodies and budgetary organisations can apply for the sources of these operative programmes. The type of organisation that can be supported covers the organisations realising long term investments, so the participation of the private sector and the profit oriented organisations is not reasonable at these calls. Considering the liquidity and the capitalisation of the sub-systems of the state budget, the support intensity of the local governments was 100%, so the investments could be realised from a non-refundable subsidy totally covered by the support – depending on changes in market prices. The actual utilisation of sources allocated to tenders, modernisations did not always take place. The overloaded supporting decision making process, the making of the contract as well as the participating players (profit-oriented organisations such as construction companies or firms providing related services) in numerous cases inhibited the transaction of the investments. In the latter years the real estate developments were actuated by the interventions of the family policy which further increased the workload and lack of capacity of the construction sector.

Out of the traditional market places governed by law, the locations in Fonyód, Tapolca, Keszthely and Balatonfüred have been renewed: new building structures and pavings have been built, parking places were configured, doors and windows have been replaced, the external facades were renewed, parks were created and further on clear, modern market stands were allocated for sellers. The spaces of the traditional markets were enlarged in all cases, market-dues have been lifted. The settlement images of the inner cities have been improved due to the developments: such locations were delivered which where fitting the local needs and aesthetic
expectations. In the case of Tapolca and Keszthely the rebuilding of the great markets and market halls were realised as part of city rehabilitation as well as expansion of employment and regional co-operation developments. Besides the renewal of the market of Tapolca a local product trademark was introduced by which the producers within the 40 kilometres surroundings of the town could indicate their aim to join in. The support content of the investments related to market places was around 200–300 million HUF (approx. 603,555 – 905,332 EUR) per project. Due to the Hungarian economy development programmes and the flagship policy measures, the prices of the raw materials and wages increased between the time period of the awarding of the support and the setting off of the constructions. All this necessitated the cities to increase the involved sources (Fonyód, Keszthely and Tapolca) (Table 1). In regard to the known market place developments that are due in the near future, the degree of the awarded support is very much altering (Table 2) which is influenced by the volume of the investment, the floor space and the buildings of the infrastructure that should be built. The high amount of support for Tab is explained by the collective development of the market hall and the market and further on the material use can result in a much higher effectuation cost (covering the road with paving-blocks or asphalt). With the renewal of the market of Hévíz a more modern, greater capacity development is planned, although this latter is in better condition than the one in the city of Tab (see Figure 1).

### Table 1

<table>
<thead>
<tr>
<th>Settlement</th>
<th>Number of inhabitants, 2019</th>
<th>Tender design/source</th>
<th>Date of the award of the source</th>
<th>Sum of the obtained support, EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fonyód</td>
<td>4,813</td>
<td>EDIOP-1.1.3-15</td>
<td>2018</td>
<td>907,575.8</td>
</tr>
<tr>
<td>Tapolca</td>
<td>14,988</td>
<td>HU11-0012-A1-2013</td>
<td>2017</td>
<td>809,384.0</td>
</tr>
<tr>
<td>Keszthely</td>
<td>19,289</td>
<td>WTOP (Western Transdanubia Operative Programme) - 3.1.1/A-09-1F-2009-0001</td>
<td>As part of the city centre's renewal, 2009</td>
<td>1,634,790.3 (complex programme, only a part of it is the cost of the market place)</td>
</tr>
<tr>
<td>Balatonfüred</td>
<td>12,800</td>
<td>unknown</td>
<td>2011</td>
<td>606,060.6</td>
</tr>
<tr>
<td>Révfülpőp</td>
<td>1,084</td>
<td>EDIOP-1.1.3-15</td>
<td>2018</td>
<td>214,393.9</td>
</tr>
</tbody>
</table>

a) The renewal in Keszthely was carried out as part of the rehabilitation programme of the inner city. Based on the electronic sources the exact sum spent on the market cannot be estimated.

b) Based on the electronic sources the cost of the renewal of the market hall in Balatonfüred is only approximate.

Source: Based on the homepages of Tapolca, Keszthely, Fonyód and the Probio Zrt./cPlc. own editing.

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*Exchange rate: 1 EUR = 330 HUF.*
With the emerging integrated, multifunctional spaces, the applied renewable energies, the green infrastructure elements and the concept of the compact city the ongoing investments of the region connected to city rehabilitation or the establishment of a green city will make way to a sustainable settlement. All this promotes the strategic aims of the region, such as “Innovative Balaton!”, “Have a Balaton product on the table!”, “Natural Balaton! Healthy environment, clean Balaton!” and “Health and renewal at Balaton!”.

Table 2

The main data of the infrastructural projects to be realised with European Union sources in the near future

<table>
<thead>
<tr>
<th>County</th>
<th>Settlement</th>
<th>Number of inhabitants, 2019</th>
<th>Tender design</th>
<th>Rate of the support intensity, %</th>
<th>Sum of the obtained support, EUR a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zala</td>
<td>Hévíz</td>
<td>4,523</td>
<td>EDIOP-1.1.3-15-ZA1</td>
<td>100</td>
<td>732,560.6</td>
</tr>
<tr>
<td>Zala</td>
<td>Vonyarcvashegy</td>
<td>2,280</td>
<td>EDIOP-1.1.3-15-ZA1</td>
<td>100</td>
<td>187,878.8</td>
</tr>
<tr>
<td>Somogy</td>
<td>Zamárdi</td>
<td>2,501</td>
<td>EDIOP-1.1.3-16-SO1</td>
<td>100</td>
<td>148,924.8</td>
</tr>
<tr>
<td>Somogy</td>
<td>Ságyvár</td>
<td>1,817</td>
<td>EDIOP-1.1.3-15-SO1</td>
<td>100</td>
<td>363,560.6</td>
</tr>
<tr>
<td>Somogy</td>
<td>Somogybabod</td>
<td>420</td>
<td>EDIOP-1.1.3-15-SO1</td>
<td>100</td>
<td>163,636.4</td>
</tr>
<tr>
<td>Somogy</td>
<td>Tab</td>
<td>4,238</td>
<td>EDIOP-1.1.3-15-SO1</td>
<td>100</td>
<td>1,515,151.5</td>
</tr>
<tr>
<td>Somogy</td>
<td>Balatonszárszó</td>
<td>1,997</td>
<td>EDIOP-1.1.3-16-SO1</td>
<td>100</td>
<td>154,349.8</td>
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<td>Kéthely</td>
<td>2,261</td>
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<td>1,002</td>
<td>RDP6-7.2.1-7.4.1.3-17</td>
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<td>1,547</td>
<td>RDP6-7.2.1-7.4.1.3-17</td>
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<td>151,515.1</td>
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<td>Somogy</td>
<td>Balatonfenyves (Majorka)</td>
<td>125</td>
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<td>149,522.1</td>
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<td>Veszprém</td>
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<td>75–95</td>
<td>138,488.1</td>
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<td>Szentantalfa</td>
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<td>RDP6-7.2.1-7.4.1.3-17</td>
<td>75–95</td>
<td>68,919.1</td>
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</table>

**Altogether**

|                        | not relevant | not relevant | 4,672,281.2 |

a) In case of the cities of Tab and Siófok, the complete costs of the project contain partly market place developments, partly further investment elements. The appraised value of the formation of the market is not known. Exchange rate: 1 EUR = 330 HUF.

Source: Based on www.palyazat.gov.hu own editing.
During the renewals the adaptation of modern technologies provides an advantageous situation for energy efficiency (building in solar cells) and accessibility approaches. This latter viewpoint sums the age specific characteristics of the present consumers of the market as well as the support of the ecological sustainability. Theoretically the support intensity of the development sources provides a more advantageous situation on the debit side of the budget of the EDIOP, than on the budget of the RDP, however, due to the already mentioned advances in prices, quite frequently the settlements had to guarantee own contribution even in case of 100% support sources. According to the opinion of the local farmers the infrastructural developments have a new, aesthetic appearance but the stands are not practical, only partially serve the needs and comfort of the producers and consumers. The tight construction causes problems in the loading, the structure of the stands provide no shelter from the weather, so the product becomes wet and the precipitation is dropping on the consumers. Due to this in a windy and rainy weather the sales activity is paused since the customer will find a more comfortable shopping place in a roofed store, while the producers intend to spare the products obtained and harvested with hard work. During the formation of the market places it would be necessary at the projects which are still under formation to make more practical buildings that are adjusted to the needs of the producers and the customers, safeguarding from the weather conditions, especially at the permanent buildings.

Apparently the RDP tenders provide a chance to increase the product selection and to raise the attention of the consumer to the local products with high added value. By means of the source allocation the locals have a chance to broaden the product selection both made with traditional- or biotechnology. For all this a total of 2 billion HUF promotes the local entrepreneurs and the micro and small enterprises (the type of economic organisation: Ltd.) (Table 3).

The processing plants are specialised to vegetable, fruit, meat and milk products production, which would make the product selection of the market more varied and also would introduce market products in greater quantity and higher added value. The ratio of processing is oriented to the consumer demands for processed, ready comestibles. By this the investments are fitted to the long term spatial development aims of the sample area: high ratio of processing, employment creation/preservation, the improvement of life quality in the background settlements. Because of the profit oriented activity of the investments the support intensity is much lower than at the EDIOP.
Some data of the deposited sources of the RDP call, entitled “Value increase of agricultural products and promotion of their resource efficiency in the processing”

<table>
<thead>
<tr>
<th>County</th>
<th>Settlement</th>
<th>Number of inhabitants, 2019</th>
<th>Tender design</th>
<th>Rate of the support intensity, %</th>
<th>Sum of the obtained support, EUR</th>
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<tbody>
<tr>
<td>Somogy</td>
<td>Marcali</td>
<td>11,142</td>
<td>VP3-9.1.1-17</td>
<td>10-10-9-8-7</td>
<td>1,515.2</td>
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<td>Somogy</td>
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<td>188,573.9</td>
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<tr>
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<td>45,072.7</td>
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<td>Zala</td>
<td>Vízdombók</td>
<td>59</td>
<td>VP3-4.2.1-15</td>
<td>25-50</td>
<td>261,229.8</td>
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<td>Veszprém</td>
<td>Öbudavár</td>
<td>41</td>
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<td>Döngése</td>
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<td>VP3-4.2.1-15</td>
<td>25-50</td>
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<td>14,988</td>
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<td>25-50</td>
<td>552,835.6</td>
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<td>Veszprém</td>
<td>Káptalanótó</td>
<td>477</td>
<td>VP3-4.2.1-15</td>
<td>25-50</td>
<td>284,378.8</td>
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<td>Veszprém</td>
<td>Köveskál</td>
<td>321</td>
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<td>25-50</td>
<td>325,188.6</td>
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<td>Veszprém</td>
<td>Balatonfüred</td>
<td>12,800</td>
<td>VP3-4.2.1-15</td>
<td>25-50</td>
<td>10,730.4</td>
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<td>Veszprém</td>
<td>Vászőly</td>
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<td>VP3-4.2.1-15</td>
<td>25-50</td>
<td>8,727.6</td>
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<tr>
<td>Veszprém</td>
<td>Balatonszőlős</td>
<td>648</td>
<td>VP3-4.2.1-15</td>
<td>25-50</td>
<td>n.d.</td>
</tr>
</tbody>
</table>

Altogether: not relevant, not relevant, 6,285,065.5

Source: Based on www.palyazat.gov.hu own editing.

In order to increase the ratio of processing of the agricultural products 17 projects were awarded in 14 settlements in the upper mentioned RDP calls on the area of the BATZ. Out of them Veszprém county can afford the most (59.3%) sources for the development of market products, the opportunities of Somogy and Zala (37.6%; 4.2%) lag behind it. It can be stated that 94.2% of the subsidies are used by the municipalities located further from the lakeshore, and only the 58.3% of the total subsidy went to the villages with risk of population decline. The rates suggest that the small villages lack social resources and have a low ability to assert their interests. Summing up the utilization of the subsidies, the broadening of the product selection and the modern, up-to-date infrastructural conditions accomplish a complex local economy development. The production of the niche market products fit well into the sustainable landscape use principles of the spatial development concept such as the expansion of ecological farming. The volume of the development sources influences both the diversification of local farmers’ activity and the façade of selling points positively. Despite the favourable directions, the
already evolved buyer groups and supply chains and the multi-channel use by consumers cause a competitive disadvantage for market places and their operators. The tender sources mean a great help in the effectiveness of the rural, local initiatives, since without them the majority of the settlements would not be able to have enough own contribution for such a volume of investment (assessments without project). The supported design of the RDP is the operation and activity of LEADER organisations, bringing into prominence the development directions for the services sector and human resources development. Within the RDP the separate announcement of the LEADER tenders provide a chance for the villages to establish physical infrastructure, while the sources for the Local Action Groups (LAG) are decided by the organisations related to their Local Development Strategy for the 2014–2020 period.

**Rural development and communities: LEADER**

The local action groups organically take part in the operation of the region with legal entities of (rural development) associations. These LEADER organisations also decide to award the sources by tenders. In the 2007–2013 budgetary period, among others, market place developments were realised in the sample region from LEADER sources, while in the present 2014–2020 period their presence is only minimal. Out of the financed target areas the developing of local population into a community, the economic recovery, indirectly the retention of the population and employment creation come up. It has to be added that in the present period the development sources decreased to 20%, significantly restraining the operation of the local organisations and their development perspectives. The LEADER organizations supported the market place developments made by the local governments in the 2007–2013 period; most marketplace developments have been proposed by them. The local demands of the market place, the actual business plan, data on the operating of the market were also main selection criteria. Because of the spending limits the groups prioritized those project ideas which lead the diversification of micro and small enterprises and support the regional development (e.g. thematic hiking line). In the 2014–2020 period there was no demand for opening new market places, partially because of the low number of the primary producers.

The settlements of the BATZ cover the activity of 10 LEADER organisations:
- Bakony és Balaton Keleti Kapuja Közhasznú Egyesület (Bakony and the Eastern Gate of Balaton Non Profit Association) (12),
- Balatongöngye Vidékfejlesztési Egyesület (Pearl of Balaton Rural Development Association) (30),
- Hévíz-Balaton-Zalai Dombhátak Leader Egyesület (Hévíz-Balaton-Zala Rudge of Hills Leader Association) (22),
The prospects of regional market place developments in economic geographical perspective

Koppányvolgyi Vidékfejlesztési Közhasznú Egyesület (Koppány Valley Rural Development Association) (31),
Vidékünk a Jövőnk Szövetség (Our Countryside is Our Future Association) (7),
Vulkánok Völgye Egyesület (Valley of Volcanoes Association) (27),
Zala Termálvölgye Egyesület (Zala Thermal Valley Association) (2),
Élőtő Balaton-felvidékért Vidékfejlesztési Egyesület (Vital Balaton Highlands Rural Development Association) (32),
Innovatív Dél-Zala Vidékfejlesztési Egyesület (Innovative South Zala Rural Development Association) (10),
Közép-Zala Gyöngyszeméi Vidékfejlesztési Egyesület (Pearls of Central Zala Rural Development Association) (3).

The ten organizations involved in the BATZ invited 45 applications in 17 themes (Table 4).

Table 4

<table>
<thead>
<tr>
<th>Themes of applications:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. marketing</td>
<td>10. „open farms“</td>
</tr>
<tr>
<td>2. tool development / asset purchase</td>
<td>11. energy development support</td>
</tr>
<tr>
<td>3. organisation development</td>
<td>12. green tourism development</td>
</tr>
<tr>
<td>4. development of micro enterprise</td>
<td>13. creation of purchase points</td>
</tr>
<tr>
<td>5. landscape rehabilitation</td>
<td>14. enterprise development with internship programs</td>
</tr>
<tr>
<td>6. touristic service development</td>
<td>15. creation of community spaces, base points</td>
</tr>
<tr>
<td>7. education actions</td>
<td>16. coordinator community enterprise</td>
</tr>
<tr>
<td>8. support for processing activities</td>
<td>17. development of model farms</td>
</tr>
<tr>
<td>9. increase capacity</td>
<td></td>
</tr>
</tbody>
</table>


With the applications reopened in 2019 these 10 organization announced 54 calls covering the major supported activity groups, such as marketing, equipment development or purchase, development of micro enterprises, tourism service development, educational activity, the promotion and support of processing and the increase of capacity. With the support of the model farms and the open lodges a good practice of the Western European countries (primarily in France and Germany) can be realised with the chance of impacting the everyday life of some functioning local farms. The access to the markets is promoted by the establishment of receiving- and acquisition points, community spaces, basic points which, besides the market places, can provide adequate infrastructural circumstances to the local farmers. The broadening of the professional knowledge of the human resources was... 

See Internet sources.
drafted in the tools of organisation development (e.g. supporting productive communities, community co-ordinating enterprise). With the enterprise development connected with the apprentice programme the LEADER sources could release the lack of human resources at the small enterprises and micro enterprises and can increase their capacity. Landscape reconstructions, water management, recultivation of illegal waste disposal areas are examples for landscape planning and landscape rehabilitation. The energetics and green tourism developments urge environment friendly solutions, sustainable energy management and the development of certain groups of settlements.

The LEADER organisations consist of non-profit, civil-, church and for-profit organisations and local governments and the scope of the claimants for support are determined in their announcements accordingly. Their announced tenders in the present budgetary period have characteristically 50% support intensity, but this varies from organisation to organisation.

Regional characteristics from the point of view of the management – opinions about the LEADER

In the 2014-2020 budgetary period of the EU the aims of the local action groups in the area of the BATZ were laid out in the local development strategies (Nagy-Molnár–Lendvay 2018). All this was preceded by a complex socialization process. During the formation of the strategies the need for market hall creation and developments did not appear in the competence area of the local action groups, so they cannot be found in the presently available applications either. The above mentioned SSDOP and (RDP) LEADER tenders guaranteed application opportunities for the villages so there was no need for further calls by the local action groups. An actual need was experienced in the region for the capacity increase for local producers, the development of crop processing and the creation of model farms and open farms related to village tourism. The majority of the market area applications were not successful in the last budgetary period: either there was no incoming tender, or the actual supply and demand side was not covered. With the co-operation between the former LEADER organisations (short supply chain [SSC] co-operation) in Zala (partly covering the sample area) four market places have been built. The market places of Zalakaros and the nearby Felsőrájak are the locations for regular markets, but as further utilisation opportunities other events can also be organised there. The management’ point of view is that it is a basic problem that the continuous availability of the local products is not solved, the producers can only cover partially the consumer demand (e.g. home-made pasta, the continuous presence of fruits and vegetables oriented to the season, mushrooms, eggs). The narrow producer capacity is generated by the presence of the primary producers (with products that can be sold in markets) and
The prospects of regional market place developments in economic geographical perspective

the quantity of the products that can be produced. Being integrated into a producers' community plays a role in the sales activity of the primary producers.

Theoretically the LAG would support the formation of other short supply chains or the development of already available networks, but as the demand is lagging they did not focus on this or only dealt with the problem in a varied degree. Besides it should be highlighted that Hungary applies the EU’s minimum conditions concerning rural development, so it guarantees a maximum of 5% of the development sources, the remaining amount supports the agricultural activities. Out of the restricted financial opportunities those were supported which were able to reach a greater target audience. The leaders of the work organisations see no chance for any future market hall developments – exclusively by actual requisites – in the 2021–2027 budgetary period. The already functioning traditional and local producers’ markets (e.g. Hévíz, Tihany, Káptalantóti, Veszprém, Fonyód, etc.) are sufficient for the farmers to be able to appear in the markets. From the point of view of the primary producers the size of the enterprise should be considered since it is not necessarily guaranteed that by increasing the enterprise or firm the maintenance and subsidiary costs can be well managed with the amount of the income. That is why they would rather choose the family farms remaining at the scale of the market place sales. From the point of view of the management it is a future aim to further improve the quality of the product and the verification of the laws from the point of view of the legislator and the verification of the tender calls from the point of view of the responsible persons inviting for tender as well.

Another SSC type of co-operation is present in the region: an open lodge network is functioning in certain settlements of the Zala Thermal Valley Rural Development Association and so called vital points were established also in the competence area of the Vital Balaton Highlands Rural Development Association. These latter serve as a location to take over those products which are qualified by the trademark “A Vidék Minősége – Ősztő Balaton-felvidék” (The Quality of the Rural Areas – Vital Balaton Highlands). The similar SSC initiatives of the Pearls of Central Zala Rural Development Association wasted away.

Summing up, the present regional market place infrastructural developments cannot be realised from the sources of the LAGs in the present period, because there was no actual demand for them. The demand of the local producers is realised on the level of own crop processing, profile expansion and product development.

Conclusion

Development sources make possible the solving of numerous conflicts such as the renewal of public spaces, rehabilitation of settlement districts or the direct local economy development. Out of the sources of the EU, the essence of the
community initiatives based on LEADER should be found in the improvement of population retention and the support of the rural development objectives.

Out of the present Hungarian tender sources the central calls of the SSDP and the RDP guarantee an opportunity to improve the infrastructural circumstances of the market places. Out of them the market places of the sample area are such multifunctional investments that are capable of serving other events as well where the financial return is a long process since they basically produce no significant profit for the investor and the operator. The examples of the producers’ markets are steady from the point of view of social expediency. Nevertheless, we have to see that besides the façade of the buildings it would be worth keeping in mind that the constructions should be more protective from weather conditions. The degree of the capacity utilisation rate refers to the moderate volume of the number of the local producers and to the supplier activity or the emergence of other distribution channels connected to the touristic utilisation of the region (e.g. restaurants, shop(chain)s). This is confirmed by the answers of managers and the colleagues of the LAG organisations. The expenses/revenues ratio refers to the long term financial return, depending on the own contribution of the local government and the support intensity as well. The support of infrastructural investments was reasonable since creating the necessary conditions for accessing the markets cannot really be expected from the for-profit organisations. The usefulness of investments can be summarised on one hand in the speeding of the local economy contributing to the improvement of the local investor and labour force conditions. On the other hand the local communities based on producers’ salesmanship promote the strengthening of the local civil society and social network. Reviewing the regulatory framework and its re-evaluation from the point of view of the producer and the consumer would be suggested which would promote the access of the local producers to the market besides upholding legislative rigour.

Acknowledgement

I would like to thank the leaders and colleagues of the LEADER organizations for their answers during the interviews.
The prospects of regional marketplace developments in economic geographical perspective

REFERENCES


INTERNET REFERENCES


The prospects of regional marketplace developments in economic geographical perspective


WEBSITES OF THE LEADER ORGANIZATIONS

BAKONY ÉS BALATON KELETI KAPUJA KÖZHASZNÚ EGYESÜLET (downloaded: 21 February 2019) http://www.bakonyesbalaton.hu/archive/

BALATONGYÖNGYE vidéokfejlesztési Egyesület (downloaded: 21 February 2019) http://balatongyongye.hu/


VULKÁNOK VÖLGYE ÉGYESÜLET (downloaded: 21 February 2019) http://vulkanokvolgye.hu/elerhetoseg.htm#top