



The examination of the sustainability of brown field investments paying special attention to public policies and EU support

Written by:

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¹
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Scheme of The Presentation

- Research question, assumption.
- Theoretical background, conceptualization.
- International outlook.
- Financing revitalization.
- Model creation – based on the case study and on the evaluation of environmental and sociological factors.
- Summary



Research question, assumption

- **Research question:** What kind of social and economical effects has the extension of the brownfields in a developing region?
- **Assumption:** My main hypothesis is that the existence of such rust belts is in rapport with the development of the economic and social relations in the affected regions.



Theoretical background

Schumpeter → evolutionary economics (path dependency, constructive destruction)

Vernon → industrial life-cycle theory

Other relevant theories:

- Structure model (Steiner)

Enyedi → separate economic policy and belated development

Lux → underdeveloped financial sector and the difficult adjustment to consumer market in the list of catalysts.

Germany - *Inner city areas for rehabilitációja and refurbishment.*

Italy - *contaminated site*

Poland - *Degraded areas due to diffuse soil contamination high density of landfill sites.*

Spain *Potentially contaminated sites. Industrial ruins.*

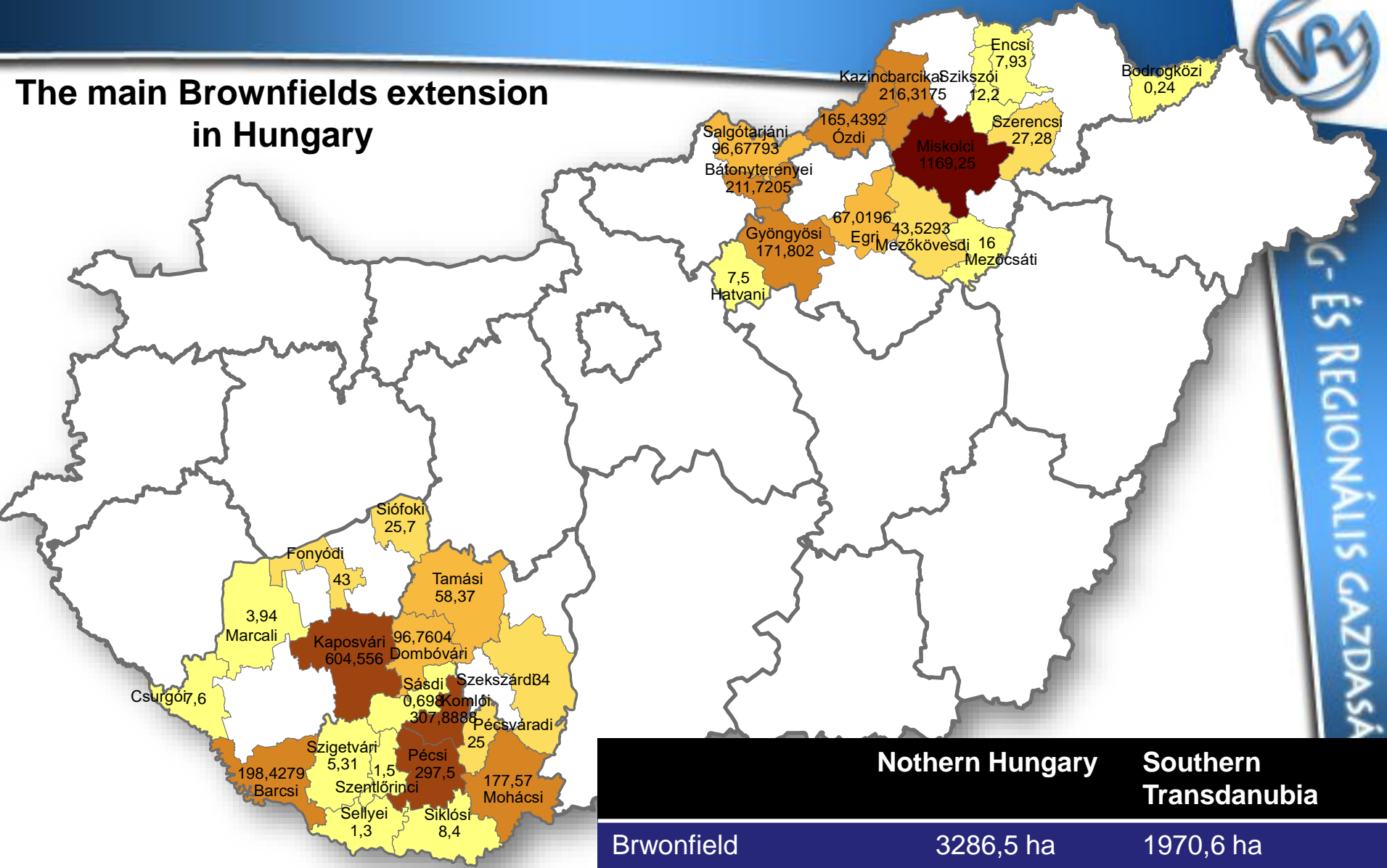
CLARINET established a working definition of the term brownfield to assist in identifying and comparing issues in different countries.

Brownfield sites:

- have been affected by the former uses of the site and surrounding land;
- are derelict or underused;
- have real or perceived contamination problems;
- are mainly in developed urban areas;
- require intervention to bring them back to beneficial use.



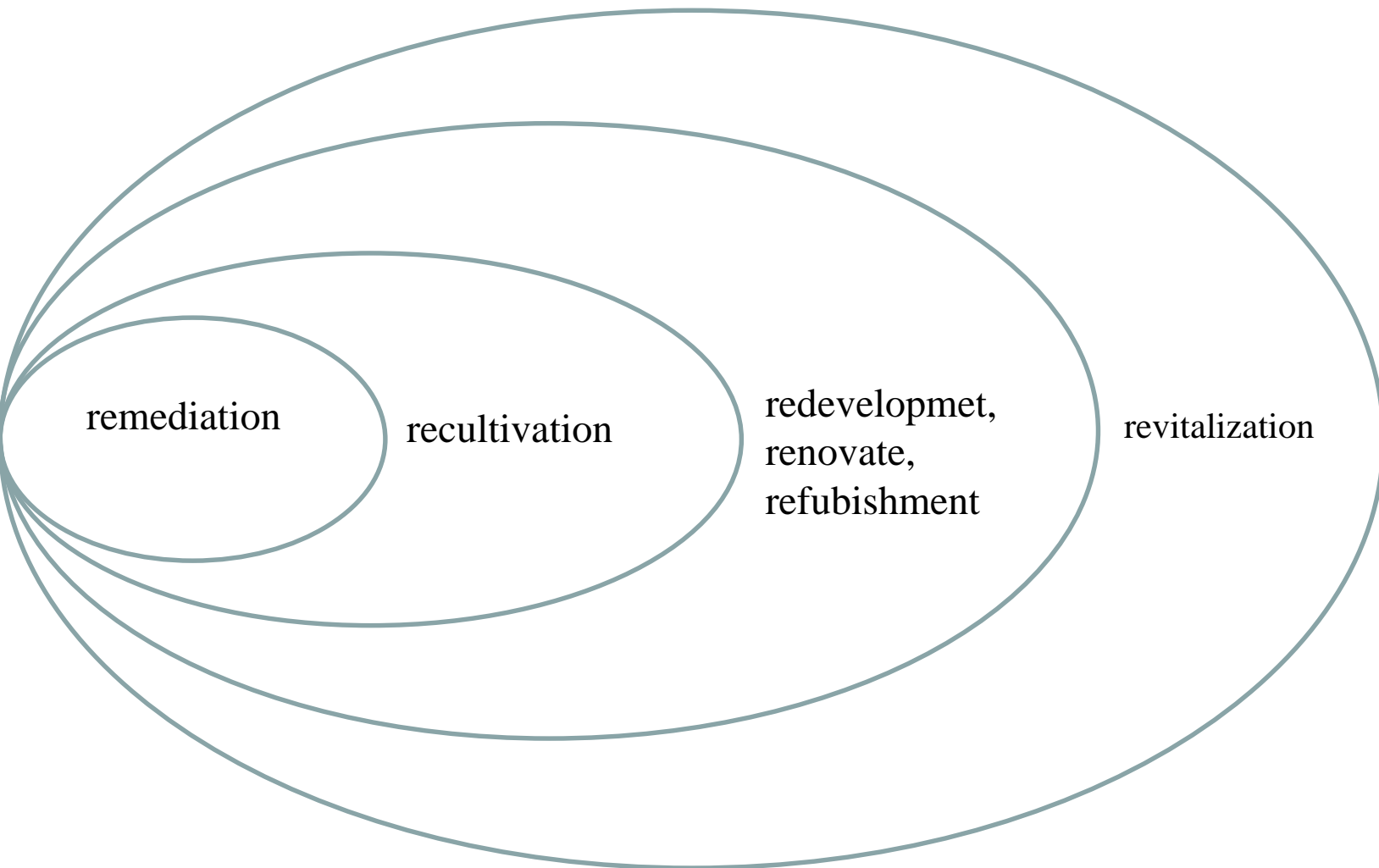
The main Brownfields extension in Hungary



	Nothern Hungary	Southern Transdanubia
Brwonfield	3286,5 ha	1970,6 ha
Inside	49%	53%
Contaminated site	20%	14%
Town	58%	45%

Source: own edition

Conceptualization





Conceptualization

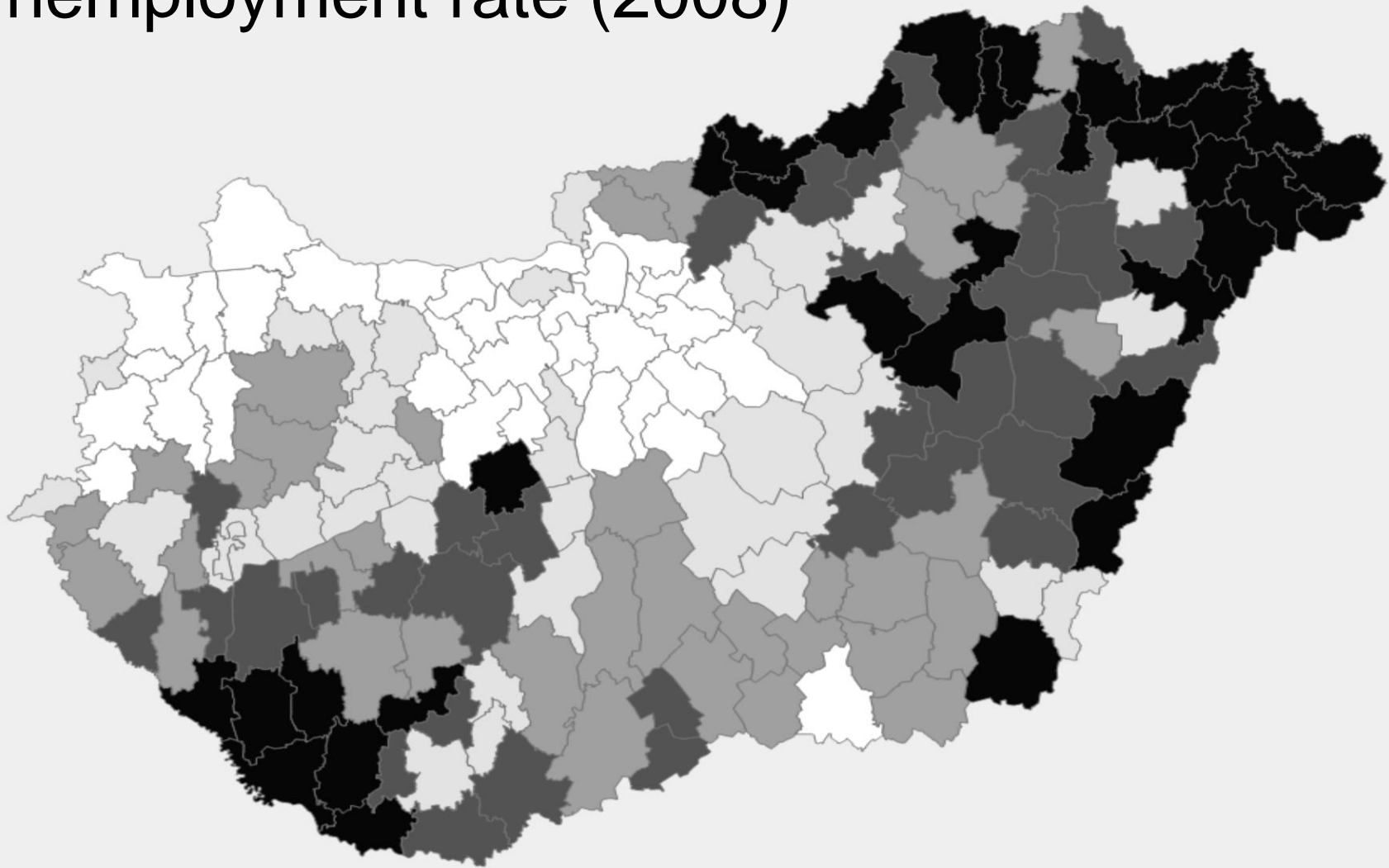
Regions of industrial depression

- the ratio of industrial workers was more than 150% of the country's average in 1990
- between 1990 and 1999 employment in the industrial sector declined
- the rate of unemployment was above average

I suggest that the size of such brownfields into consideration at determining the boundaries of depressed subregions.

- All the more since there is a medium correlation (correlation coefficient $r=0,4347$) between the size of brownfields and the rate of long-term unemployment according to my calculations (2009).

Unemployment rate (2008)



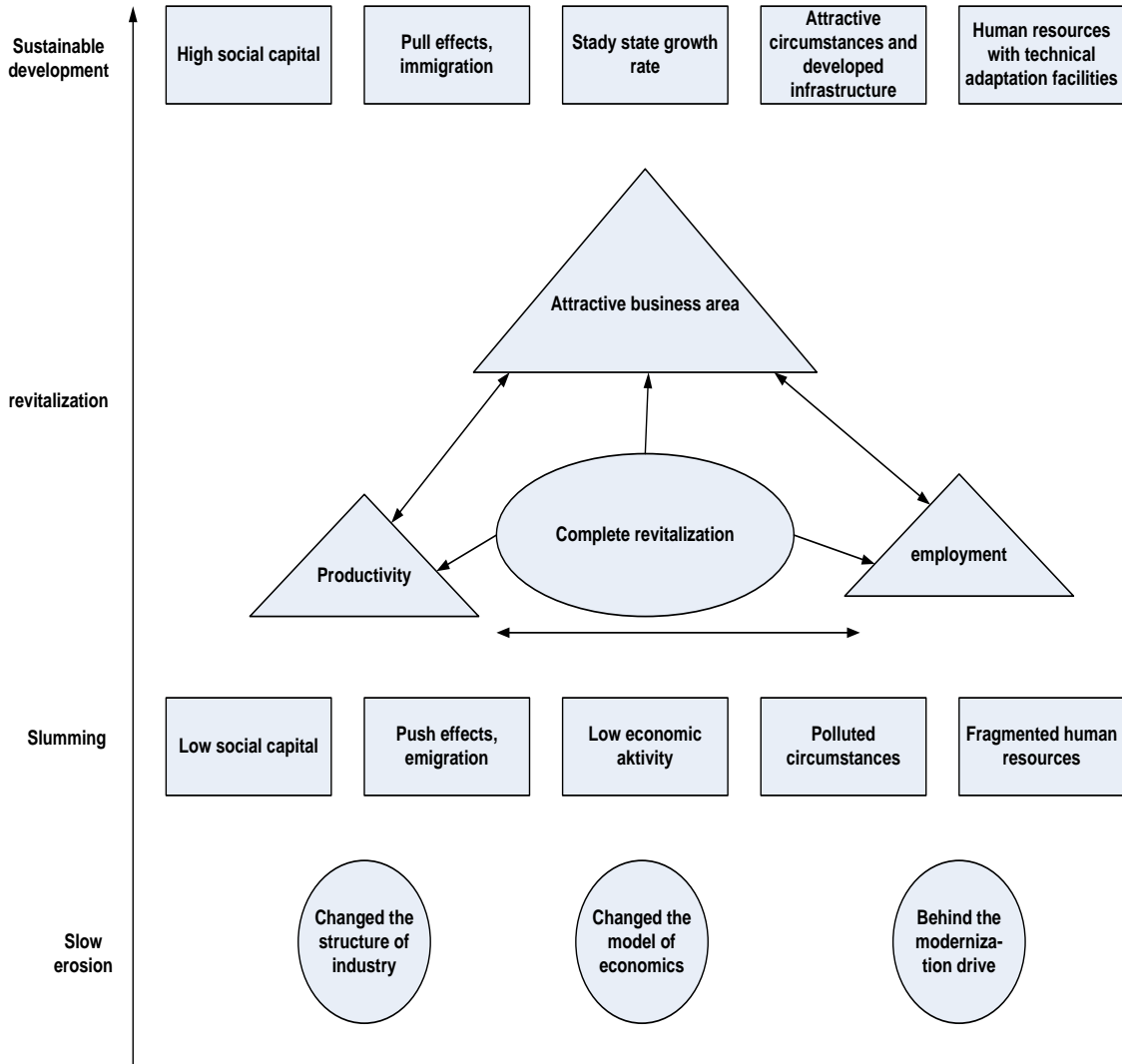
Source: Hungarian Central Statistical Office, own editing



International outlook

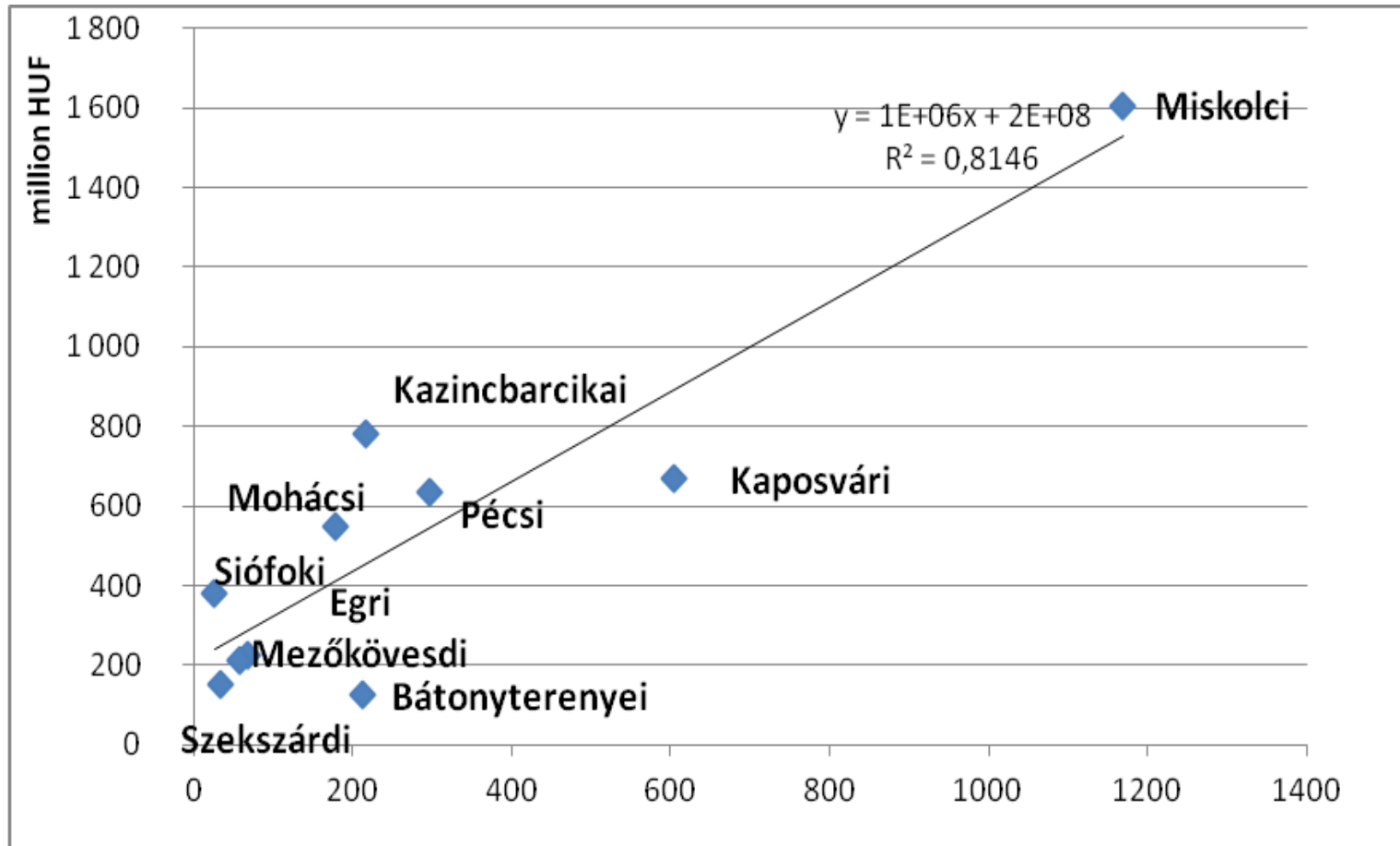
- **Pittsburgh (USA)** The economic and social aspects were treated and developed equally.
- **Aquilippa (USA)** The revitalization of "tired communities"
- **Sheffield (UK)** Regenerating companies
- **Chicago (USA)**
- **Bradford (UK)** Creative industry
- **Lünen (Germany)** – Supporting small and middle size entrepreneurs
- **Mecklenburg-Vorpommern (Germany)** – Supporting the building industry

Model creation – based on the case study and on the evaluation of environmental and sociological factors



Source: Tóthné Szita-Dabasi-Hegyi

Financing revitalization - Eu Support Regression model





Deindustrialization

There is a proven correlation between the input of processing industry and economic growth.

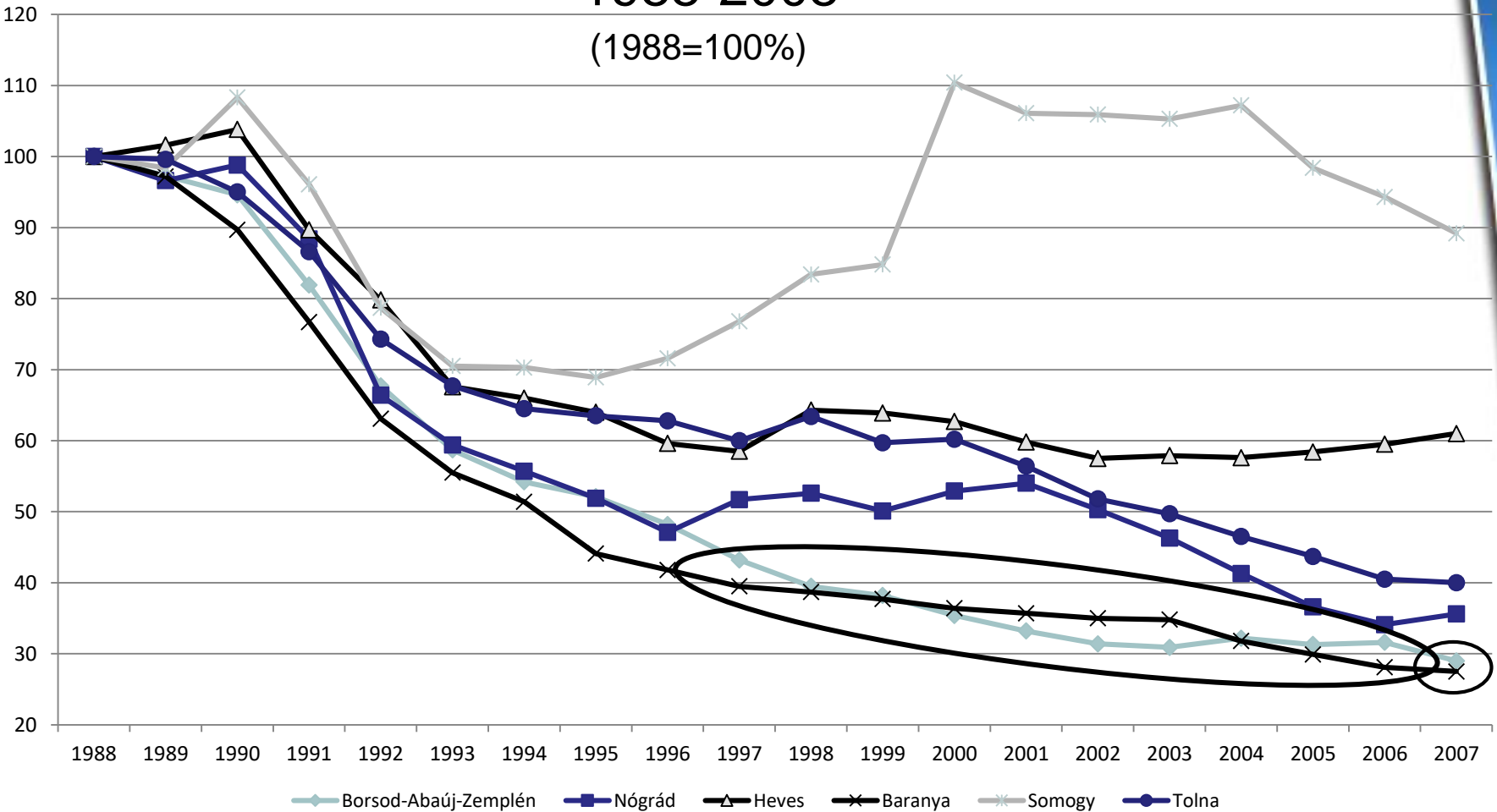
Employment rate of the industrial workers (%)

	Borsod- Abaúj- Zemplén county	Nógrád county	Heves county	Northern Hungary	Baranya county	Somogy county	Tolna county	Southern Transdanubia n	Nationa l
1941	5,38	1,96	2,33	9,67	3,21	2,35	1,82	7,37	100
1982	9,29	3,22	2,52	15,03	4,35	2,15	2,14	8,64	100
2000	6,42	3,52	2,38	12,32	2,13	2,37	1,49	5,97	100
2009	5,67	3,32	1,46	10,46	2,94	3,19	1,81	7,93	100



The number of the industrial employments

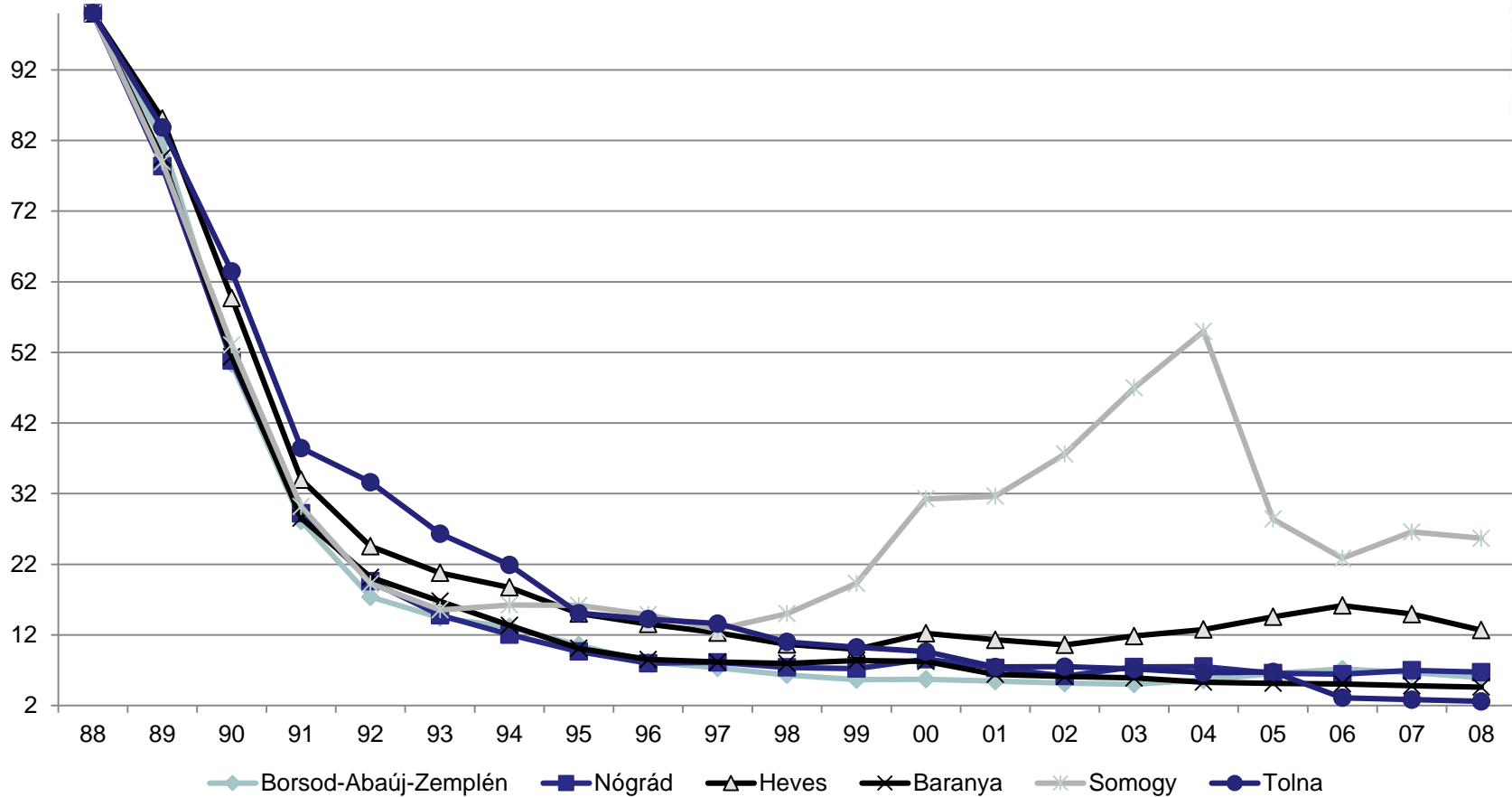
1988-2008
(1988=100%)



Source: Hungarian Central Statistical Office, own editing

The industrial outputs

1988-2008
 (1988=100%)



Inflációval korrigált értéken

Forrás: KSH alapján
 Saját számítás



Summary

- Revitalization requires an interdisciplinary approach.
- There is a correlation between the size of the brownfields and the long-term unemployment rate.
- The size of the brownfields is a push factor in the inland migration.
- The revitalization must be built on the three pillars of sustainability.



Thank you for your attention!

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