



**International Relations
Multidisciplinary Doctoral School**

THESES

for the Ph.D. Thesis of

Zoltán Egyházy

**The Traffic Relations in Hungary within the European Regional
Development and Regional Cooperation**

Supervisor:

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Faculty of World Economics

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1. Presenting the Theme and Explanation Thereof

At the beginning of the 21st century, due to the economic and technological advancement, production and commercial relations are continually expanding and growing. The position and relations of the competing regions and relevant economic participants have changed and are continuing to change dynamically. Production and the activity of economic participants have by far outgrown the borderlines of the nation-states. The sphere of interest and the circle of owners of the international companies seldom belong to just one nation-state. Through their activity, these international firms affect the economic indicators and the industry of the region or the country selected as site of activity, than the economy of their own nation-state.

For an area (a territorial unit, a region) the capacity to adopt the global economic processes or the capability to augment these economic processes may yield a more favourable competitive rating as its own economic potential previously did.

In the decade following the turn of the millennium, the challenges of the ever faster development in technology and telecommunications, the widening range of mass production and the expanding commercial networks gaining more and more terrain, after accessing the EU by membership, Hungary was also faced with new circumstances and a new situation was to be adapted. After the fall of the strict borders both in terms of ideology and physically speaking, after the pull down of the iron curtain, the national states became no longer capable to further represent their own interests in a globalizing world that has become uni-polar and where the capital and the market economy have become the top priority.

The economic role of the geographic facilities and the attractive power of production, also the comparative priorities are all influenced by the development of transport infrastructure in the area. The connections established with the immediate proximity of the region, the transit routes crossing the area and the availability and accessibility of the region itself is top priority due to competitiveness.

In the same time, associations and cooperation stemming from economic, industrial and commercial grounds are less and less connected to country borders, nations and governments. Due to being knowledgeable of the local demand and facilities, and also, by reacting more flexibly to the environmental impacts, a more open-minded approach for regional programming, planning and regional public administration has been gaining terrain;

meanwhile the national governments' role of strategy making has been gradually failing to comply with the daily challenges involved. This has become characteristic in our country as well: regional concern has become a priority with the professional interests. It has become obvious that there is no more chance for merely answering the environmental impacts within the borders of the country.

Regionalism, by exploiting area peculiarities and cooperation, is being the most prominent strategic factor enhancing the competitiveness of the European continent. Either within the borders of certain national states or clustering and spanning across the borders –prerequisite of which is development in full swing of the traffic links –, the regions of the continent, are resources of primary relevance for internal cohesion and the socio-economic development built thereupon.

Nevertheless, characteristic of Europe is not only the shared culture and history but also the numerous borders detaching these countries as well as the existent social and cultural differences. The borders, set up in the course of the three centuries passed, have been separating European regions and ethnic groups. The unnatural character of the borders, consequently the fear and alienism along the borders have caused the generation of vast but scarcely populated areas alongside the borders. After certain events of war or conflict escalation, not only the regression of the economy and trade could be identified but also the tendency of the population has become evident to move inbound from the territories neighbouring the country borders. The governments of the national states, upon political and economic considerations, have further enhanced this segregation by strict control on the closed borders. Traffic routes had been traced parallel with the borders, and thus, the areas in the vicinity of the borders in Europe had become peripheral, structurally underdeveloped and difficult to access.

It is not by chance therefore that the mayors and representatives of the localities in the immediate vicinity of the border have been the first to build up cross-border connections. However, the efforts of the localities situated along the borders have proved little powerful by themselves. So that the European integration could reach its aim, politics for averting obstacles and solving cross-border problems would be necessary to initiate.

Increasing motivation for the cooperation over the borders are: doing away with the mutual animosity and preconceptions providing from historical roots, reinforcing the plural

democracy, alleviating the isolation and peripheral character of the areas. Among others, promoting economic growth expected from regional cooperation. Besides this, as benefit of the regional cooperation we can expect promotion of the economic growth, rise in the living standard, integration into the system of the European economic and social structure, the highest level of autonomy and variety being granted.

Within the new system of the global and regional cooperation in the area, the role of a certain region or a territory along the border can be boosted in order to face competition merely by the coexistence of state-of-the-art communication contact services and highly professional transport infrastructure. It is for this purpose that the development of transport infrastructure needs to be approached in a new way.

This is the general picture owing to which the primary demand arises for the development of the trunk network in traffic and the construction of the international corridors (Helsinki corridors, the development of the Central-European sections of the former TINA network to join into network TEN). In the same time, beyond the development of the trunk road networks, establishing a high standard internal link system for the towns of certain economic areas of the regions and connecting them with the surrounding economic areas, as well as integrating these into the European network is also a major task. It is only when co-existing that these priorities may grant these areas to be competitive, which is their common aim for development.

After the physical disappearance of the borders, Hungary is to cope with new challenges and can count with new chances. The extended, globalizing economic area, the uneasy way of keeping in touch along the borders, doing away with the administration when crossing the borders and goods transport across the borders, the single European market and economic rules have constituted a new economic environment, concealing risks and potentials alike. Albeit Hungary has to fight with the special conditions providing from history, the memories from the historical past, the bias or the image of the Hungarians and that about Hungary, sometimes quite unfavourable as seen by the nations of the neighbouring countries.

2. The research problem, hypotheses

According to those outlined above, Hungary is to face new challenges. The common requirement both for the ever accelerating globalization processes and the European territorial integration *can only be met by operating a well-organized transport and communication network*. Bad habits dating back to historical traditions, the burden of the negative stereotypes upon the eastern and central European cooperation can also be augmented and promoted by improving the traffic relations. In the course of thesis writing I analyzed the statements below, step by step following the stated hypotheses and proving whether the statements are right or wrong:

The hypotheses analyzed are:

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1. **statement:** EU membership has a considerable influence on the *strengthening of the co-operation process* within Central Europe, which may also ease the controversial situation the societies are in due to their historical legacy.
 - Resources and initiative inspiration for a positive process *may be provided by EU,*
 - *Both external and internal conditions may influence the direction of this process*
 - *Directly as well as indirectly, it has a mutually favourable effect on the development of transport network that is a physical factor of co-operation*
2. **statement:** an ease to isolation due to the historical legacy of Central Eastern Europe *may be effected in two directions; at a macro level,* on the one hand, by the completion of EU integration, and, *at a micro level,* on the other, by giving a green light to the fulfilment of the natural demands to seek and develop cultural-economic relations.
3. **statement:** It is nevertheless impossible to properly develop any transport infrastructure – which development is a must in strengthening the relations – *without international concepts and plans* that include mutually conceived, organic, cross-border relations.
4. **statement:** In the boosting of the integration that assists social well-being and peace, it may be determined as an objective that *the missing plans are to be worked out the soonest, while these are also to be aligned with the existent concepts;* and, through this, *the joint optimum utilisation of the available EU resources for the integration process is also to be targeted.*

Through the application of the research method of my thesis I will support and verify the truth of the above statements according to the following research plan and aims.

3. Research plan and aims

The aim of my thesis is to isolate the peculiarities of the transport system in Hungary at the beginning of the 21st century. Part of this effort is to study the tendencies in transport development inspired by the national and international transport demand; to study the possible contradictions resulting from that, while comparing the transport development programme of the European Union with the Hungarian transport development strategy and the related basic documents of transport network development (*macro level study*).

The study, pursued after international and national level analysis, aims to highlight the impact of the relatively rapid economic-social changes, the liberated market, and the free exchange of goods and capital, which resulted from Hungary's EU accession. Likewise, my study is aimed at indicating the regional effects due to the opening country borders and the contradictions of the static and slowly transforming transport networks. (*mezo level study*). The study covers the system of relation in the neighbouring regions, and analyzes the current situation in transport relations that evolved from historical events as well as to adverse phenomena caused by the state borders having until lately been closed.

Through brief examples, the project level study follows to assess the efficiency of cost-benefit analysis procedures applied to evaluate projects (*micro level*), and also the utility of these processes within the decision-making system. The study then covers the elements and relations of the institutional system controlling transport development. Meanwhile, a brief review gives an insight into the sectoral goals with the European Union's integration-strengthening policy, and in the instruments used in transport development as a priority sector. Besides a project evaluation capability, the methods applied must have a guidance capability for decision-makers in assessing any comprehensive transport development measure package highly impacting area development concerns. Consequently, the thesis examines cost-benefit analysis procedures applied in project assessment for weighing the appropriateness of these to judge the impact of transport projects affecting regional development.

The general aim of my thesis is to find and examine the factors and processes in the aftermath of the opening of the state borders, whether favourable or unfavourable, that (may) influence Hungary's geo-potential economic-social status. Also, general aim is to point out the complex factors basically influencing the transport development system. It is an uttered purpose of this paper to forecast the opportunities and steps which, if applied at best as potential instruments

of transport development, may make Hungary a well-integrated, organically co-operating element in Europe; even more, to make Hungary a regional economic centre in Europe. A further aim is to present a proposal, a strategy for the development of transport network, one which would promote Hungary's position to become a pivotal element yet an integral part of the economy and culture in Central Eastern Europe, thus enhancing the economy and status of the region.

Research areas

The research plan of my thesis was as follows:

- **Central Europe's historical background; 20th century events and their influences on Hungary's current position**
- **The regional transport network of Central Europe; Hungary's transport connections.**
This chapter covers basic definitions and a description of the major features of the transport network in the Carpathian Basin, including Hungary's transport connections as well as the documents determining their nature.
- **The role of regionalism; transport as power plant for regionalism**
This chapter deals with the search for missing relations, with the potentials, and with the demands for co-operation and transport relations.
- **Feasibility of tasks; evaluation of planning systems; methods and efficiency of cost-benefit analysis**
- **EU instruments and resources to assist the implementation of goals.**
- **Characteristics of the institutional system determining transport development**
This chapter tackles a single, institution-wise approach of the elements analysed, and elaborates an amendment to the proposal.
- **Summary of the results gained; conclusion.**

Constraints

While in my thesis I intend to cover all of the influences on Hungary as well as on the peoples, economy and culture of the Carpathian Basin, I ignore influences, whether coming from within or outside Europe, which do not affect the region and its development. As much as possible, I would like to ignore both political and lobby efforts. In order that a comprehensive and objective picture may be drawn, I make deliberate efforts to remain independent from political views and fashionable approaches.

Research period: from September 1, 2005 to August 20, 2007. Thesis was completed on August 20, 2007.

4. Theoretical bases; methods and sources used in research

A considerable part of my research efforts were devoted to the study of the national and international literature of the professional field. To ensure credibility and objectivity, in my research I relied *as primary sources* only on those sources and databases related to economic-trading relationships and transport infrastructure characteristics that had been produced either by organisations in the administrative system or by ones professionally engaged in transport research, in transport control or in the implementation of transport facilities. Furthermore, I relied as primary sources on retrievable items of information released by the European Committee or other EU organisations. I also relied as primary sources on materials presented at transport conferences and meetings. In classifying the materials as well as in making references, I used the technical terminology of engineering and economics. An appendix with explanation for the abbreviations applied is also attached.

Any literature used as reference, whether directly or indirectly related to the professional field, is considered *secondary source*. Besides national publications in the field, I pursued research of the foreign literature related to the profession, so as to use them in my thesis.

Basically, the thesis relies on three types of sources. *Primarily*, I studied national and international literature on transport development. Besides, I used publications in economics, regional politics, regional economics, and regional development. In making the statements and conclusions in my thesis I also relied on both theoretical and methodological approaches of strategic planning, project planning, transport economics, transport network development, network modelling, regional planning, regional development, transport planning, and regional administration.

As secondary sources, I used professional papers and legal regulations referring to transport, whether issued at national level in Hungary or at European level, those related to regional national transport development strategy and administration. I analysed and evaluated their assertions, their orientation and their correlation.

Thirdly, in my thesis I used and introduced some documents in statistics and economic analysis. Additionally, in respect of cost-benefit analysis, I applied cost-benefit findings and data used in a basic funding document with certain EU-funded projects.

The first part of my thesis summarises the tenets and assertions of the most relevant school of economics and integration theory related to transport development and regional economy. However, the theories introduced here can just partially be associated with the study concerning the role of transport and globalisation in the European integration process. Therefore, in my analyses I applied the *problem-tree–goal-tree method* widely used with the implementation of the European Union integration policy and regional policy, as well as its instrument, the regional assistance system. In the problem-tree–goal-tree system I summarised the goals to be reached by the implication of an efficient transport system (goal-tree). By the application of a problem-tree, in turn, I outlined the problems connected to the current situation, which have basically determined the stream of the research and analysis performed just like these theses.

When studying the fields with relevant impact on establishing transport networks, at the beginning of the main chapters I introduced the most relevant theoretical fundamentals based on the professional literature of the pertinent field. Therefore, in my thesis, the most relevant basic concepts and theoretical approaches are referred to throughout the text; those related to the nature of transport, the correlation of transport and economy, regionalism, and cost-benefit analysis.

Apart from the above-mentioned sources of literature, I relied on interviews and discussions with transport experts and officials. Conference lectures in the field and related professional material made in workshops were likewise utilised.

For the time being, there is no effective method to evaluate the efficiency and results of the transport development measures within the European Union. Although several efforts have been made to answer this problem, no methods of general use have been provided to measure social appropriateness or efficiency of the large-scale transport developments implemented by utilizing significant resources. Plenty of interpretations and evaluations have been made by many analysts to assess the investments socially, economically and politically. For the period between 2007 and 2013, Hungary's resources available for transport development have reached a scale unseen before. Therefore, the responsibility that lies with transport development experts and decision-making organisations for transport development is tremendous in utilizing the resources to serve the interests of Hungary in the best way: by

creating a well-operating transport network to meet the demands, competitiveness and economic development of the country are facilitated.

In the utilisation of EU resources I wish to draw attention to the fact that these resources are finite, and their utilisation is limited in *time, space* and *compliance with the pertinent regulations*. These resources by themselves are not sufficient, and neither can they provide the solution for traffic-related problems nor fulfil the demands.

Today in Hungary decision-making in transport development investments is being implemented without clearly stated concepts or ones lacking in efficiency, parallel activity and fields overlapping, and with unreasonable preference in favour of certain fields. As a result, the currently operational transport network system in Hungary is inhomogeneous and complies with the demands merely at a lower technical and service level than expected. Also, with regard to costs and investments, this transport network system is considered one with low cost-benefit rates.

Therefore, in my thesis, I attempt to make a complex socio-economic analysis by the above-mentioned method of the problem-tree–goal-tree analysis developed by USAID in the 1960s, a method still often used in the EU as well.

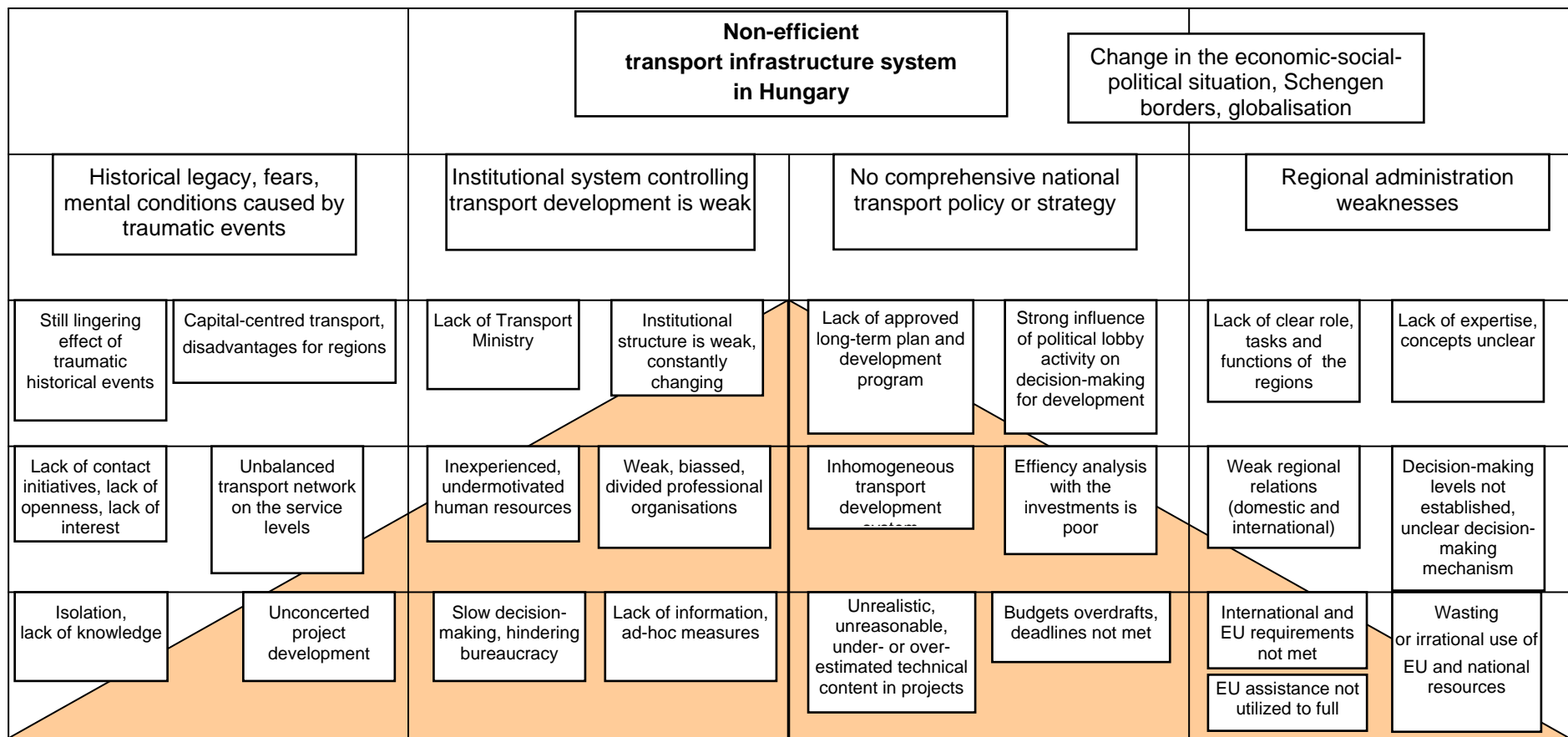


Figure 4/1 **Problem-tree** to describe the weaknesses of national and regional transport infrastructure development
Invented by Author

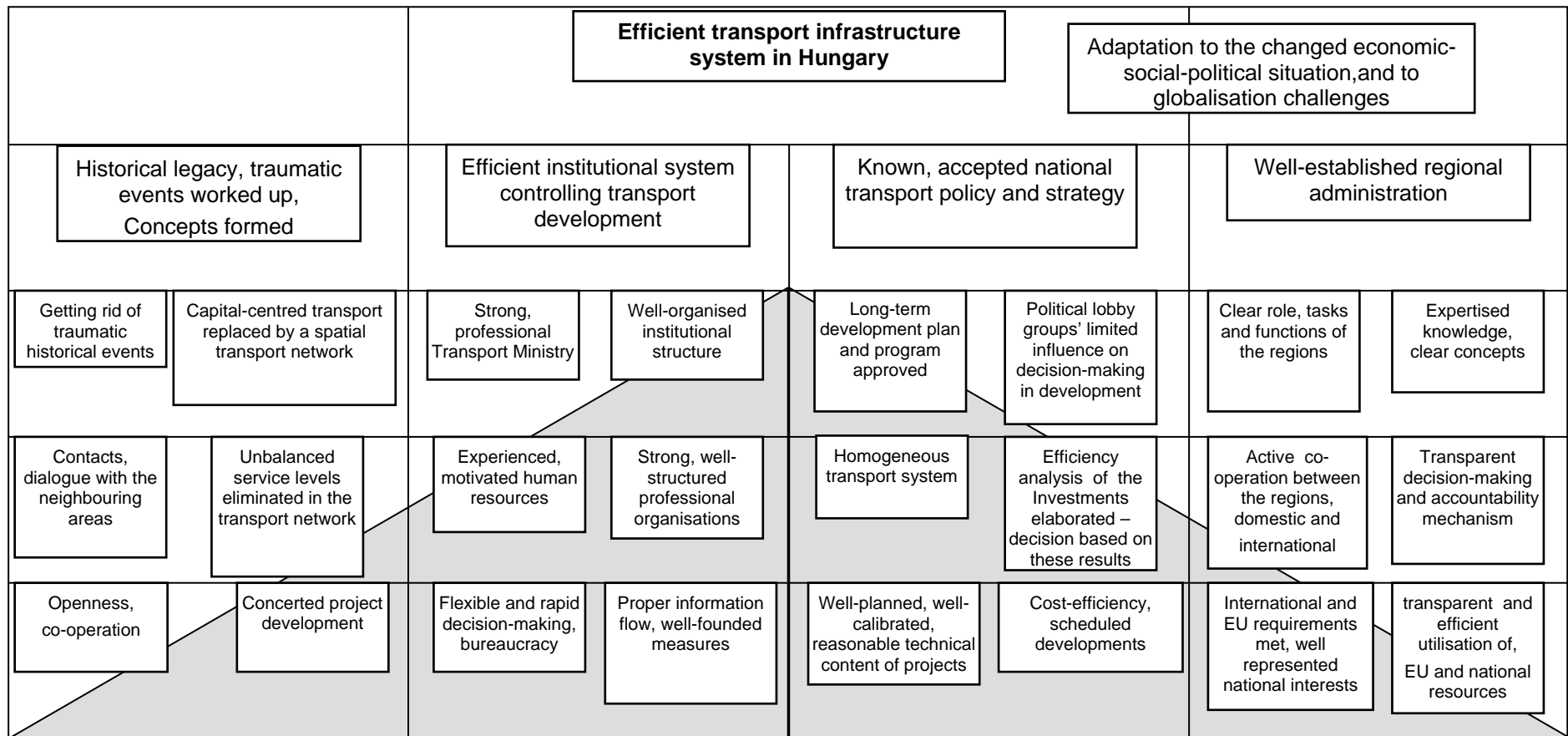


Figure 4/2 **Goal-tree** aimed at the weaknesses of national and regional transport infrastructure development
Invented by Author

Figure 4/1 shows the multi branching **problem-tree** of the transportation infrastructure. The problems may be grouped according to four, well separable factors.

Before all, the tensions *rooted in historical heritage* need to be solved on a national level. On analyzing the overall picture generated as a result of the peace negotiations after the First and Second World Wars, it is of crucial importance to go beyond the memories of the past; by recognizing the present situation, seize the opportunities that can be turned into advantages by scheduling an appropriate transportation developmental concept, and avoid the dangers that might decrease economic production capacity and the competitiveness if the setup of the transportation system is not sufficient.

To set up an effective transportation system, first of all a *unified transportation development strategy* is to be established which should be in full compliance with the concept and the development policy measures for the economy whereas factual developmental ideas and an *effective institutional system* are needed for implementation. To outline a transportation developmental strategy, a clear-cut national development strategy is needed, which can be drawn from the numerous basic documents which were born after the last parliamentary elections (Government Programs, New Hungary Development Plan, Competitiveness Conception, etc). To set up the transportation development strategy mentioned above, and for the consequent execution, a stable and operational institutional system, decision making and measure taking is a must. As long as clear division of scope, spheres of actions and task descriptions, that is capabilities which would be grounding the whole institutional system are overlapping and not void of contradiction, studies and tests basing coherent transport development strategies and project developments cannot be realized at an appropriate professional level.

Parallel with the establishment of the institutional system creating and coordinating the state transport development, equal importance is given to *setting up the organisation units determining regional development*, and to *working out the regional decision- making and regulatory mechanisms*. Without effective regional policy-making and transport development programs to serve regional development at their utmost capacity, it is impossible to imagine a transport system which would provide for the economic processes flexibly and at proper standard.

Description for the components of the problem-tree, showing cause-reason relations in a hierarchic system, can be found in chapter one of the dissertation. Once the suggested solutions and the needed arrangements are done, in a best case scenario, the Hungarian transport developmental system may reach the desirable target status **illustrated by the goal-tree** from figure 4/2.

Besides studying the relevant literature I spent a considerable amount of time to get knowledgeable about the opinion and pursuit of the professional organizations, administrative institutions, ministries and regions implied. Besides unfolding the general rules and trends, I attempted to give examples by analyzing the actual regional geographic pictures, also to make proposals by summarizing the regulations I found reasonable and useful.

5. Summary of the results, conclusions

The transportation system of Hungary has to face new challenges at the beginning of 21st century. As result of the changes in the political regime in the nineties, a modified social and economic system has thoroughly transformed production and commercial structure, to which the traffic network and transport systems must-needs accommodate. The extension of global trade, global production, and the accelerating processes in globalization on one hand enforce demolishing administrative and marketing borders, free flow of products, capital, and work force; on the other hand, from a political aspect, encourage cooperation and integration among nations and beyond the national levels. The extending production, trade and integration processes cannot be feasible without effectively operating transportation and communication service networks. However, transport network itself has become a strategic factor by itself, not just a service branch, thus functioning as a strategic constituent in an developing the economy. **The country, region, area which has effective transportation network is connecting more successfully to the leading commercial and trade processes, has higher chance to get share from outcomes of beneficial business processes, and furthermore, thanks to the transportation system, it gains access to regulate, control and influence these processes to a certain extent.**

At the beginning of the 21st century Hungary is facing outstanding opportunities and comprehensive changes. Even historically speaking, the new trade and business processes resulting from the fall of the iron curtain and the enlargement of the European Union require the countries in Central-Europe the ability to rapidly adjust. Instead of the previous transportation needs of high volume, relatively less processed products and raw materials are taken mostly towards east in socialist relations. Recently the west, east-west, west-south east trade connections and transport needs are dominating. On the other hand, the transit needs of far-east products are increasing, and so are the smaller volume, but higher importance Central-European regional transport connection needs. The transportation needs are pushed towards higher processed products with special conditions (packaging, cooling, etc).

The traffic conditions and delivery should be safe and fast, accurate and calculable. The coverage of the territory, accessibility and availability of the economically potent areas (raw materials, work force, information centres at hand) are crucial issues and so are the appropriate network connections. These criteria substantially influence the behaviour and

decisions of economic bodies and trans-national companies during the set up of production structure and when choosing the production sites.

Owing to the relations towards western countries still established in the years before the change of the system, and its advantageous, open-minded (economic) policy, Hungary has become the leading country of those affected by the change of regime, and making use of its advantageous position, the circumstances were favourable for gaining marketing and potential regional advantages in the nineties. By today, the positive impulse, *élan* has been halted, and by the enlargement of the European Union further to east, the beneficial conditions are present for the neighbouring countries as well, the gate has been opened for economic growth and development. In this continuously growing market competition Hungary needs to represent the countries own interest and has to find those market shares and economic areas where it can achieve stable advantages in the market and, by working out a properly functioning economic structure in the area, it becomes able to have an impact on the economic processes.

Prerequisites of these are: a well-based, organically set transport infrastructure network which functions effectively, and a competitive operational transport system. The dissertation assesses the main requirements posed to the Hungarian transport system and clarifies the discrepancies and deficiencies in the system development.

The dissertation assesses the economic, technical and social aspects implied by transport development in a complex socio-economic approach. Besides the basic economic theories related to transportation, it appraises the transportation features of the historical environmental structure, the international and regional components and also the arising difficulties of the transportation system. The dissertation compares the main tendencies and development streams declared in the European Union documents determining transportation development with the statements and goals of similar Hungarian documents. Besides the international and national (*macro level*) studies, the regional level research (*mezo level*) clarifies that there is a lot to do by Hungary and Hungarian regions to handle the changes occurring with the elimination of borders, to comply with the emerging needs, to set up and harmonize the transport network in order to benefit of the potential opportunities. The research comprises the project level studies relating to micro-regions (*micro level*) as well. At this level – through examples – basically the cost-benefit analysis of the project and the efficiency is discussed. *The recently applied, project level cost-benefit analysis methods cannot evaluate many external effects that may basically influence the possible realisation of*

the goals to be achieved when implementing the project. Instead of the project level appraisal method, therefore, the dissertation proposes applying a new, more complex regional level economic appraisal system, based on the “philosophy” of the location-potential method.

Afterwards, the dissertation draws a general picture of the available funding system the European Union offers for supporting transport development, and the operative programs including the one for transport development, which puts into practice the assistance by the European Union and substantially defines the opportunities to be realized in the future.

Finally the dissertation appraises the decision-making and planning process of the governmental and regional bodies participating in or leading transport development in Hungary. It points out briefly the discrepancies, highlights the deficiencies of the decision-making process and makes a proposal for the harmonization of the design system.

The goal of the dissertation is to assess in a comprehensive manner the factors influencing transport development, their mutual impact, and to show an approach which will clearly point out that *transport development may only be evaluated in an integral manner, as a system influenced by the combination of social-economic-technical factors*; therefore, the evaluation of one chosen factor alone (e.g.: technical or economic project features) is false, and may result in misleading conclusions. Similarly, the dissertation aims to present that *transport development is a factor basically influencing the socio-economic position of Hungary, professional leadership and wide-range coordination of which (on international, governmental, regional and local level) can only be achieved by a thoroughly-based, administrative and professional, hierarchic organisation system of appropriate professional and political weight.* To achieve this goal, there is a need for an organisation for transport development coordination on national level, disposing of considerable practice and substantial human resources, able to negotiate throughout the whole spectrum of the transport sector, either regionally or internationally and pertinent to work out a harmonized, multi-level strategy of the branch.

Achieved results, conclusions

Based on the relevant literary, and the numerous interviews taken, it can be concluded that the Hungarian system of transport, the *mechanism of transport-system development is contradictory, and fights problems.* On one hand, as the result of the peace negotiations concluding the First and the Second World War, there is a network far too deformed and

centralized in Budapest, transformation of the layout and decentralization of which have not happened so far.

The measures for developing road transport in the recent years have also concentrated on the improvement of the east-west expressway connections that further enhances Budapest in the central position of the transport system. Although the improvements are more or less harmonized with the development guidelines of the European Union, these improvements cannot represent the straightforward interests of Hungary. In the lack of the essential regional connections to cover the area and the indispensable trans-country connections, the main distributors will primarily channel and help conveying transit transport, albeit with the damage caused by the “pipeline effect”,

The highly efficient Hungarian sections of the large international networks lacking in several places the structural network connections of the area, cannot allow for the regions lagging behind to participate and benefit from the favourable economic process provide by the international traffic and freight transport.

Based on the documents and statements examined in the dissertation, it is clear that Hungary does not presently possess approved transport development strategy, one clearly stating and determining the development guidelines and aims to reinforce and support the aims for economic development outlined in the Competition Concept, Government Program or the New Hungary Development Plan. The documents that base and are relevant to the Hungarian transportation development are, on one hand, too general, *lacking clear aims and areas to developed in a focused manner on the short term*; on the other hand, these documents are often *incomplete, contradictory, diverse, do not create a uniform, organic, clear system of aims*. These documents should soon be unified under the umbrella of a clear concept, and it would be useful to set up and operate an organization which is free of daily political influence, based on professional consensus, dealing with long term concept planning. Similar organizations are presently working in other countries, and in Hungary the like was wound up with the collapse of the socialist system.

The national and international level assessments were followed by regional level ones in this dissertation. On one hand, it can be stated that setting up a sufficiently homogeneous structure of the region or the area, developing the roads along the borders and cross border regional roads and railways, setting up the missing connections is difficult, due to communication

problems rooting in historic heritage, fears, negative stereotypes, and the lack of social and administrative connections also impacting transport connections. To decrease the disadvantageous situation of the isolated settlements along the border lines and to endow them with a potential, the *professional partnership relations should be reinforced with the neighbouring countries. In order to promote favourable economic and social relations, transport development should also be a focal issue.* Improving cooperation with the representatives of the neighbouring countries, regular and uniform developmental design work is needed, more intensive than the ongoing cooperation, in order to harmonize transport development. Thus, the regions presently excluded and underdeveloped could fit into the European transport scheme and, upon the administrative lifting of the borders (due to Schengen Agreement) isolation may gradually be alleviated by elaborating the appropriate transport network.

As a result of the examinations it can be proved that the integration into the European Union has had a *positive impact*, and the new situation emerged has given *sufficient inspiration* to the eastern and central European countries to work on their connections, cooperate with and strengthen the economic and social connections. The relations with Austria and Slovakia are particularly favourable, yet lacking in intensity, and there has been considerable interest to further improve transport connections with Slovenia and Romania.

The feasibility and regional studies, examination results available in the Ministry of Economy and Transport clearly confirm that improving the transport connections of the settlements and regions near the boarder has a positive effect on the economic status of the regions, and is beneficial to the cooperation among the countries and regions. Constructing the missing and needed connections, renewal of connections that used to be operational would create favourable conditions not only for economic cooperation (freight exchange, free movement of work force), but also for reinforcing cultural and social connections.

The content of **Thesis 1** *is confirmed by the results of the dissertation*; in other words, a move for mobilizing transport connections with the neighbouring countries has really emerged, with the European integration there however, its professional and administrative partnership fora have currently met structural changes and are still in the phase of norming. The process is definitely inspired by the adaptation to the new economic and market environment, on the other hand, the ambitions are supported by the European Union itself (macro level), through the cohesion policy and instruments of assistance.

Thesis 2 draws a comparison between the processes initiated by spontaneous interest and search for connections among nations, and the efforts of the European Union. The data and documents examined point out that linking economic focal points within reach in the vicinity of the boarder (i.e. working possibilities with workforce, supply and demand of goods), is often hindered due to the missing transport facilities. This makes it necessary to improve connections at micro level, but the same process can and should be supported from macro level coordination and support. The thesis is given proof to in **chapters 5** and **chapter 6**.

Those comprised in chapters 4 and 5 provide an explanation for **thesis 3** and **thesis 4**, whereas the assumptions in chapter 7 underpin these theses. In order to confirm the international and regional connections, we firstly need ideas to be stemmed from the adequate levels and consequently, base a comprehensive transport strategy (national, regional) thereupon.

Based on the strategies, multi-level plans shall be drafted (domestic scale, long term, middle term, regional and local); these would have to be superimposed designs for approval that would be interacting in a close manner in time and range and along which transport development measures may be implemented in an organized manner. The process of policy making has been started, but the bottom lines (final aims, status to be achieved) are still missing (see chapter 4.6.2), or not explicit enough. From a strategic point of view, the theses are asserted by ideas phrased in chapters 4 and 5, but for the practical execution we need quite effective measures to be taken, for which we would have to recur to the opportunities offered by the European Union (see chapters 7 and 8).

Among the aims of the dissertation we can mention drafting a multi-level proposal by which part of the difficulties met in the transport development could be cured, or solved. Studying the cost-benefit analysis it became clear that, rather than the current project level examinations, a comprehensive method considering regional developments and the potential economic and contact opportunities should be worked out. This has been attempted by the “method of the situational potential” adopted in a multi-factor wider context within chapter 6.

The method of the problem-tree and goal-tree used as research means has shown that establishing the nationwide, integrated transport system is influenced by historical, social, institutional or strategy shaping impulses, initiated regionally, nationally as well as internationally.

Summing up these impulses, examining the impact thereof and drawing the conclusions, likewise, taking the necessary measures is only feasible when aware of the existence of clear policy, strategy, thereby a properly operated institutional system. Chapter 7 drafts a proposal to establish a ministry to direct transport and the related infrastructure development, and a transport coordination office, similar to VÁTI (Hungarian Public Non-profit Company for Regional Development and Town Planning) in regional development, capable of performing multi-level organisational tasks and creating the strategy demanded for setting up an efficient transport network. Besides, after reinforcing the institutional system for transport development, it is an urgent task to organize the overall system of the different multi level design and policy documents. Creating the professional transport policy to impact transport development and the measures must be harmonized with the *documents pertinent of regional development and the measures*; the institutional working order *shall be adjusted to the regional policy making and regional administration processes*.

In this complex administrative process the work performed by transport organizations merely appears as a work share, nevertheless the coordination of these activities is advisable to be launched and carried out according to chapter 7.

The research work basing this dissertation focuses primarily on the regional cooperation within the Carpathian Basin, and in details the development needs of transport connections, and related possibilities. Studying local and international professional literature and documents impacting transport development had relevant role in the work methodology. It was only after consulting several colleagues well-known and respected among experts in the profession that I shaped a standpoint of mine.

The research yielded *relatively weak correlation among the different administrative and specialized planning documents and the design concepts, methods of outer regions, taking part in cross-boundary relations and the inner regions. The coordination of these design strategy offices shall be strengthened in the future and aided on governmental and local level as well*.

Through the results of my research, I would like to focus attention to the complex, cross-border relevance of the strategic transport development. I would like to emphasize the importance of implementing the results of regional and Euro-regional cross-border discussions and cooperation and the presence of these in transport development guidelines, for better feasibility of interests with the population living in the Carpathian Basin.

6. Remarks on the general applicability of the essay

At the beginning of the 21st century with the territorial extension of the European Union and with the enactment of Schengen agreement, Hungary has to adjust to a basically new situation. By joining NATO and with the full membership of the European Union from 1st May 2004, Hungary's political integration to the Atlantic region was successfully fulfilled. Trade connections with western countries had been established much earlier, and thanks to the advantageous relationship, Hungary gained remarkable advantage as compared to Central-European countries. As of our days, Hungary has lost terrain in the opportunities for economic development; in the competition with strongly developing, rapidly integrating neighbouring countries, by sound strategy building and relying on its available strengths, Hungary should make use of the available sources so that an intensive development of the economy may take place. Effective economy development based on an open, active and intensive commercial policy *cannot be figured out without an operational, efficient transportation system*. In my dissertation I wished to emphasise the *multidisciplinary feature of traffic development* encompassing several applied professions, branches of science, and I intended to draw attention to the fact that transportation development can only be defined in a complex approach, considering the historical setup and the historical characteristics influencing the evolution towards the present network.

Transport development measures resulting from considerate strategy are required for drawing effective transportation networks, and again, a national and regional organisational system appropriately set up and endowed with suitable resources, hence enabling it for active cooperation.

I offer this dissertation as an essay enticing comprehensive thinking, an approach-shaping vehicle and one stimulating cooperation, useful for any administrative officer taking part in the multi-level transport development decision making process, either on central or regional levels, as well as those participating in the management of European Union assistance funds. I do hope that the dissertation will be read with benefit by researchers and students looking for immersion in this topic, thus possibly of concern and use for readers interested in the transport system in Hungary and Central-Eastern-Europe.

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8. Topic-related publications by the writer

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