

LITERATURE

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Baranyi, B. and Fodor, I. eds.: The role of environmental industry in the regional reindustrialization in Hungary. Hungarian Academy of Sciences, Centre for Regional Studies, Debrecen–Pécs, 2009, 229 p.

During the past 35 years, deindustrialization has been one of the most significant structural changes in the economy of developed countries. Traditional industrial sectors – like mining, iron and steel industry, textile industry etc. – did disappear entirely from the European and North American economy, either because of their relocation into “cheaper” countries or by import substitution. The consequences are well known: drop in industrial employment and GDP output, and the dominance of the service and R&D sectors (70–75% of employment). This structural change was accompanied by a serious social crisis in the traditional industrial regions, what required a new type of economic and regional policy. In the developed economies the response was reindustrialization: parallel with the decline of traditional industries, a new, innovative, knowledge-based industrial sector grew. This industry needed less but highly qualified manpower, and was located in developed regions, in most cases in metropolitan regions, where the R&D sector, the production and financial services were concentrated.

This process had specific features in Hungary, as well as in the other East Central European countries. The deindustrialization process started 10 years later, it was squeezed in time, and accompanied with the transition crisis. Reindustrialization started later, to a considerable extent it was led by plant (sometimes R&D sector) relocations from more developed countries, and contributed to the sharply growing regional inequalities in the country. Consequently, we could formulate one of the critical questions of the contemporary Hungarian regional policy in the following way: what type of reindustrialization process should be promoted, which *a)* could be introduced in the less developed regions, too; *b)* could utilize local manpower and local infrastructure; *c)* has a clear growing potential and *d)* has a long perspective within the country, it is not menaced by frequent relocations. The authors of this book supposed that environmental industry could play such a role in the Hungarian reindustrialization process. The publication was based on an interdisciplinary research carried out in the Centre for Regional Studies, HAS and sponsored by the Ministry of Environment and Water Management.

The 13 papers present different aspects of the environmental industry, taking into consideration the key problems in Hungary, i.e. the consequences of climate change or the favourable conditions for the development of a biomass-based renewable energy production. The first two papers give a broad framework of the role of reindustrialization and environmental management in the Central European regional economics (Gy. HORVÁTH; G. LUX). The state owned industry collapsed vehemently after the system change in 1990, but a reindustrialization started soon and the industrial employment reached pre-transition level in the most advanced i.e. Czech, Slovene, Slovak economies. Some sort of industry is a prerequisite for any type of economic development as even the dominating tertiary sector (including R&D, business services, transport) should be promoted to a great extent by the need of industry.

I. FODOR and A. SUVÁK present a useful summary of definitions of the environmental industry and the characteristics of global production and market of environmental goods. The market is clearly dominated by the largest economies of the world, with a few exceptions. In such a situation, it will not be easy to insert the small Hungarian economy into the innovative and knowledge based sector of the environmental industry, although the author of another paper (L. OLÁH) is rather optimistic.

Most of the more analytical papers deal with rural/agricultural regions, partly dealing with environmental problems (including possible consequences of climate change on agricultural production) partly analyzing their alternative energy capacities. Just one paper presents the role of environmental industry in urban sustainability (that by G. CZEGLÉDI tackling the case of Budapest). The scale of the problem would merit broader interest and more papers. Finally one can read a few case studies dealing with the application of environmental industry in regional development schemes in North Eastern Hungary.

There is an almost general consensus about the necessity of environmental management for a sustainable global future. It is frequently supposed that this management will be inevitably conflicting with pure economic interests: it requires the diminishment of economic output and need heavy investments without any net economic return. This interesting book presents an economically more attractive side of the environmental management: the growing importance of the environmental industry in regional development.

GYÖRGY ÉNYEDI