Czaller László, egyetemi hallgató, Eötvös Loránd Tudományegyetem, Természettudományi Kar. czaller@gmail.com

László Czaller, student, Eötvös Loránd University, Faculty of Science

czaller@gmail.com

ABSTRACT: Over the past two decades there has been a notable similarity across counties in the evolution of unemployment rate. During the transformational recession and more recently after the financial crises of 2008, all of the counties experienced the same rise in the unemployment rate, while the regional disparities narrowed. However, during the economic recovery after the first recession, the disparities widen. These patterns suggest the existence of an equilibrium relationship between economic performance and spatial disparities of unemployment, which has been proven in several countries with fully developed market economies, but so far has not been analysed in the situation of the post-socialist economic transformation. In this short study I attempt to detect the same correspondence between economic performance and spatial disparities of unemployment leaning on the experiences of the first 21 years of the Hungarian capitalist era. To do this, I used econometrical based empirical investigation including tests for correlation and cointegration. After testing for non-stationarity in the trends of the indicators of spatial disparities and the national unemployment rate, as the proxy of economic performance, I applied the vector error correction approach to test for cointegration between the variables. Although the results have exhibit no unambiguous evidences of the relationship for the time series as a whole, government adjustments could make breaks in the trends the variables. To take this consideration into account I separately analysed the periods before and after the trend-break of 2001. This step was supported by the fact that several governmental adjustments happened around that year which could modify the relationship. However, repeated tests on the distingished components of the whole period also showed no evidence of the hypothetised correspondence in Hungary. It seems that, the processes of the slow economic transformation and the governmental adjustments did not allowed this phenomena to develop. In consideration of the shortness of the time series from the Hungarian capitaist era and the unforeseen long-term effects of the recent crises, further investigations will be needed in the future to trace the contingent evolution of the relation.