Györgyi BARTA

CYCLES OF CHANGES IN INDUSTRIAL ORGANIZATION FROM THE 1960s TO THE PRESENT. REGIONAL ASPECTS OF ORGANIZATIONAL CHANGES

Introduction

Although an organization constitutes just the form and framework of the contents, the politico-economic leadership of Hungary still considered economic organization a basic means to solve /at least partly/ the economic /and political/ problems and to achieve the objectives of its transformation after 1945. It cannot be denied that if an economic organization does not comply with the level of economic development or if the structure of economic organization does not fit into the economic tasks, the economic structure will probably not promote economic development and realization of specific objectives.

The economic development of Hungary and other socialist countries has been accompanied by persistant change in economic organization over the past 40 years and the transformation of economic organization is still an important concern today. During the past four decades, different periods of change in economic organization can be distinguished. In industrial organization, changes have occurred since the 1960s; while in agriculture and the tertiary sector processes of a similar nature and intensity have also occurred, but somewhat later.

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The three characteristic periods of the last 20 or 25 years were as follows:

- the early 1960s, which was an era of drastic organizational amalgamations;

- the period from 1972 to 1977, when organizational acquisitions became dominant. Between these two periods mentioned, the system of the new economic mechanism was introduced /1968/, which, for different reasons, either slowed down or stopped the earlier tendencies; but did not cause substantial changes in the organizational system and so cannot be regarded as an independent era;

- the third period started in the late 1970s and continues at present. In this period, the /re/centralization efforts of previous years are criticized strongly and officially. Slight signs of decentralization can already be noticed, but deep reform of industrial organization has not occurred.

In this paper, priority will be given to one aspect of organizational changes, namely their <u>regional aspect</u>. Enterprise organization has significance for regional development and this can only be understood when approached from the point of view of the regional system rather than from a focus on the enterprises themselves.

2. <u>The period from the 1960s until the introduction of the system of the new economic mechanism</u>

a/ <u>Centralization of industrial organization</u>

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In the early 1960s, the politico-economic leadership of Hungary took up the question of the introduction of a fundamental economic reform with the aim of replacing, first of all, the management by directives /the so-called commanded system/ with indirect management. In this new economic system, the market is given an increased importance and the economy would be gradually managed by a regulation system. Enterprises acting not merely as places of production would become independent to a significant extent and the level of decision making would be largely at the enterprise level instead of the management organizations of industry /i.e., board of directors of industry, ministries, central and local party organizations/. The politico-economic leadership made efforts to make industrial organizations as simple as possible fearing that it would be unable to control or influence activities of enterprises in the period following the introduction of the reform. The merger of enterprises was stimulated and as a result certain economic branches could be reduced to one or just a small number of trusts or large enterprises /this was the case in the chemical industry producing cosmetics and household goods, vegetable oil production, and the sweets, rubber, and lime and cement industries/.

Organizational changes typically were brought about by external pressure and not the result of enterprise managers decisions. This process was launched as a campaign and mergers were often implemented when it was not justified at all by the interests of production /e.g., in light industry/. In certain branches of industry /e.g., the engi-

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neering industry/, however, where centralization of production could have had favourable effects on production, this was not realized in parallel with organizational centralization, mostly because of lack of capital. As a consequence, the advantages resulting from the mergers were not worth much in the case of a dispersed, obsolete production structure. Today it is uniformly thought that industrial centralization had exceeded the level required by the development of forces of production and infrastructure even before the mergers.

b/ Structure of industrial enterprises in the 1960s

Between 1962 and 1964 in state industry /within this, mainly in the sector belonging to the ministry/, enormous enterprise mergers were undertaken; the number of state enterprises was reduced by 1/3. In all sectors of industry the number of enterprises decreased from 1960 to 1968 /Table 1/.

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Table 1

Changes in numbers of state and cooperative enterprises in industry between 1960 and 1968

Year	State Enterprises	Industrial Cooperatives
1960	1.369	1.251
1961	1.309	1.161
1962	1.286	1.089
1963	894	993
1964	863	882
1965	840	811
1966	827	799
1967	807	784
1968	811	792

Source: Statistical Yearbooks of Central Statistical Office, 1960 to 1968

As a consequence of amalgamations, the structure of industrial enterprises has changed as regards their size. Between 1968 and 1968, the number of small and medium-sized enterprises was reduced and the share of enterprises employing over 1,000 workers increased /Table 2/.

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Table 2

Size of enterprises in state industry between 1958 and 1968

Categories per number of workers	Distribution of enterprises /%/			
	1958	1961	1964	1968
- 100	27.9	15.4	13.6	11.2
101 - 1,000	62.1	67.9	57,0	54.2
1,001 - 2,000	5.9	10.6	13.2	14.7
2,001 - 5,000	3.1	4.6	11.5	14.4
5,001 -	1.0	1.5	4.7	5.5
Total	100.0	100.0	100.0	100.0

Source: Schweitzer, Ivan: Size of Enterprises. Budapest: Közgazdasági és Jogi, 1982. pp. 35.

The industry of Hungary can be regarded extreme in respect to its centralization when compared with not only developed capitalist countries, but also other socialist countries. /Table 3/.

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Table 3

Size of enterprises in manufacturing industry in selected countries /%/

Countries	Years	Categories per numbers of workers		
		10-100	100-500	500-
Hungary	1973	16	36	48
Denmark	1974	86	13	1
Austria	1975	74	21	4
Great Britain	1973	77	18	5
Italy	1971	92	8	0
Poland	1976	68	21	8
GDR	1975	62	25	13
Soviet Union	1972	35	43	22

Source: National Statistical Yearbooks

c/ Regional aspects of industrial organization in the 1960s

Presenting a picture of regional aspects of industrial organization 25 years ago is difficult, since data sources were in the initial stage of development and did not provide detailed regional information. From available data we can say that industrial enterprises /located in county seats/, especially in council and cooperative industry, opened branch plants almost entirely in their own counties; the share of branch plants managed from another county was insignificant in the industry of counties. The management function of industrial

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production was largely performed by Budapest even at that time; in 1961, some 1/3 of branch plants of all industrial enterprises with headquarters in the capital were in the countryside.

We can come to the conclusion that industrial organization of the counties constituted a much closer regional unit at that time than in subsequent decades. This close regional unit, however, did not refer to strong spatio-economic integration, because intra-county relationships amond industrial enterprises were at a very low level.

2. The second period of industrial organizational changes between 1972 and 1977

a/ The new wave of centralization

The relatively quiet years of organizational changes were followed by a new wave of centralization from 1972. Nevertheless, the reasons for centralization and the nature of these processes differed greatly from those of previous decades. As a result of the introduction of the new economic system, market relations have strengthened, leading to a crisis situation for the majority of large enterprises. While most small and medium-sized enterprises and cooperatives could achieve favourable economic results, large enterprises suffered great losses and were unable to develop on their own. /In 1972, enterprises employing over 3,000 workers amounted to 8 % of all industrial enterprises in which more than half of the industrial work force was engaged/. The response made by the Central Committee of HSWP was not surprising: in 1972, 50 of the largest industrial enterprises were not obliged to apply the regulations of the new

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economic system; moreover, a privileged situation was created for them by state subsidies and loans.

The nature of centralization had changed. While in the earlier years, mergers of enterprises of the same size, branch of industry, and belonging mostly to the same region were typical; in this period, acquisitions were realized in such a way that mainly large enterprises absorbed small and medium-sized state /first of all council/[x] enterprises. Although this period was less characteristic of a campaign, acquisitions were executed not on the basis of efficiency /typically, none of the participants of acquisitions were efficiently functioning enterprises/. In this period, centralization efforts were made not only by industrial management organizations but by large industrial enterprises as well.

There were manifold reasons for centralization: on the one hand, strengthening central will, improvement of management of industrial enterprises, and concentrated technological advance; on the other hand, solution to shortages of labour force, establishment of a group of industrial enterprises of small and medium size producing spare parts, components and providing industrial service, efforts made to avoid bankruptcy, widening of cultivated land, and finally, solution to the problems in high ranking officials in political organization.

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[x] According to the ownership of enterprises, state and cooperative industry can belong to 3 groups: categories of ministry, councils, and cooperatives.

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The fundamental differences in centralization processes of industries among socialist and capitalist countries have to be emphasized. While in the industry of capitalist countries centralization was mostly dictated by profit interests /despite that Galbraith points out that size has to serve generally technology and not only profit interests/, in the industry of socialist countries capital and labour force needed by reproduction could be assured most simply /and, frequently, exclusively/ by acquisitions ordered by the authorities. In these processes, market and non-market effects could be noticed.

b/ Industrial organization in the 1970s

As a consequence of mergers, the number of industrial enterprises kept decreasing, especially in cooperative industry /Table 4/.

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Table 4

Changing numbers of state enterprises and cooperatives in industry between 1972 and 1977

Years	Decrease in percent as compared to the previous year	
	in state industry	in industrial cooperatives
1972	99.3	99.5
1973	99.3	99.5
1974	98.5	98.9
1975	98.1	97.2
1976	94.6	92.9
1977	96.6	95.1
1977/72	87.7	84.6

Source: Statistical Yearbooks of Central Statistical Office, 1972 to 1977

Centralization continued to deform the /already deformed/ structure of industrial enterprise organization leading to a further decrease in the share of small and medium-sized enterprises /Tables 5/a and 5/b/.

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Table 5/a

Size of enterprises in state industry between 1973 and 1978

Categories per numbers of workers	Distribution of number of enterprises /%/ 1973	1975	1977	1978
- 100	10.5	9.1	7.7	6.7
101 - 1,000	54.5	54.3	48.4	47.9
1,001 - 2,000	15.8	16.2	19.2	20.7
2,001 - 5,000	14.0	15.3	18.3	18.6
5,000 -	5.2	5.1	6.4	6.1
Total	100.0	100.0	100.0	100.0

Source: Schweitzer, Ivan: Size of Enterprises. Buda-Pest: Közgazdasági és Jogi, 1982. pp. 55.

Table 5/b

Size of enterprises in industrial cooperatives between 1973 and 1978

Categories per numbers of workers	Distribution of number of cooperative /%/ 1973	1975	1977	1978
- 100	41.4	36.4	15.0	13.9
101 - 1,000	58.1	63.0	82.0	83.2
1,001 - 2,000	0.5	0.6	2.6	2.5
2,001 - 5,000	-	-	0.4	0.4
Total	100.0	100.0	100.0	100.0

Source: same as in 5/a, pp. 59.

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Acquisitions were characteristic both of cooperative industry and of state industry. Amalgamations and acquisitions of cooperatives were forced almost exclusively by management organizations of cooperatives /in several instances, against the rules and the will of the members/. Amalgamations and acquisitions among state and cooperative sectors were implemented as an exception, and were more frequent among enterprises belonging to ministry and councils. In this period, the ministry sector absorbed a significant part of council industry. In many cases, this process was stimulated by local councils, too /as a matter of fact, the support and management of their own enterprises imposed a burden for them/; but it coincided with the expansion efforts of ministry enterprises.

In concequence of the acquisitions of small and medium-sized enterprises, industrial enterprises producing spare parts and components as well as providing industrial services either totally disappeared or were significantly reduced in number. More precisely, the above mentioned activities had to be performed by large enterprises. This is the main explanation for the continuing increase in shortages of goods and services.

Another characteristic feature of organizational changes is the spread of multiplant enterprises in industry. This typical form of industrialization /i.e., opening up first of all new branch plants instead of companies/, and later amalgamations and acquisitions increased the number of multiplant enterprises /Table 6/.

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Table 6

Distribution of industrial enterprises and workers employed by them according to the number of their branch plants

Number of branch plants /per enterprise/	Distribution of number of /%/ enterprises 1972	1982	employees 1972	1982
1 - 3	33.6	31.1	23.9	22.0
4 - 10	38.7	39.3	39.7	36.5
11 -	27.7	29.6	36.4	41.5
Total	10C.0	100.0	100.0	100.0

Source: Data on industrial branch plants. Unpublished data of the Central Statistical Office. 1972, 1982

Multiplant organization makes production more complex and increases considerably production costs. At the same time, multiplant enterprises can make use of the advantages of the settlements of the branch plants, e.g., the cheap and abundant labour market, favourable plot prices, support of local management for industrialization, etc. This form of organization - wide-spread in developed capitalist countries, too - can justify the feasibility of successful and efficient operation of multiplant enterprises on the present level of technology.

In Hungary, multiplant enterprise organization could be realized and provide a very cheap solution to production expansion and industrial development, which was contradictory in many cases

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to the level of general economic and technological development. Because of the deficiency and over-crowding of telecommunication and transport, the operation of multiplant enterprises is frequently difficult and of low level efficiency. /Of course, the problem could be solved by infrastructural development/.

We have mentioned as a marginal case agricultural cooperatives and state farms, which perform auxiliary activities of an industrial nature. Although agricultural industry does not belong to the industrial sector in organizational terms, the nature of this activity and many close connections with the industrial sector cannot be disregarded.

At the very beginning, the performance of auxiliary activities in agricultural cooperatives reorganized in the 1960s, then in state farms aimed at assuring permanent occupation and higher incomes for cooperative members. Today, within 25 years, it is evident that auxiliary activities are not a transient phenomenon in agriculture, although the objectives have changed considerably. First of all, by creating new sources of income they can bring profits when basic agricultural activities are frequently non-profitable, or not so profitable. The industrial activities performed by agricultural cooperatives and state farms can in part serve as a substitute for missing small and medium-sized enterprise capacities, and can supplement the production of strongly concentrated large industrial enterprises. Also these activities can contribute to satisfying local needs for industrial goods and services to a greater extent. Generally, cooperative industry can play an important role in settle-

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ments that were left by other industrial organizations /e.g., less profitable, labour intensive branches, etc./.

In my opinion, industrial activities performed by agricultural cooperatives and state farms are most significant in the prosperity of agricultural enterprises rather than in their share in industrial production. /Here will be presented a few figures to justify the above mentioned facts./ In 1980, 92.4 % of state farms and 88 % of agricultural cooperatives performed industrial activities, which provided 21.2 % of agricultural income. At the same time, agricultural industry amounted to 4 or 5 % of national industrial production.

Agricultural cooperative industry does not mean competition for industry at all: its size is modest despite its rapid development. In 1980, about 100,000 employees were engaged in 1,338 enterprises, which represents an enterprise size of 70-80 people; in addition, its fixed assets are generally of low level technology, experts are engaged in small numbers, etc. Strength and favourable results of cooperative and state farm industry can be explained first of all by the fact that the profitability of the industrial activities is well above not only that of agriculture but also of state and cooperative industry /in agricultural cooperatives, profit per unit of income was higher by two times that of similar indices for cooperative industry, and it was higher by three times that in state industry/. This is partly a result of the price system, tax differences, and production costs /in agricultural cooperatives, operating costs are lower/. Higher wage earning possibilities also contribute to the

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attractiveness of cooperative industry. During the present economic circumstances, the future of cooperative industry seems to be quite sure though it has to overcome more and more difficulties and it cannot be regarded as an independent and own-account small undertaking operating under "clear" market circumstances. Their development is subject to the amount of surplus income to be allocated for the development of other activities by cooperative centres. The industrial activities of most cooperatives are closely connected to socialist industrial enterprises in the form of wage work or cooperation. As regards industrial enterprises, forms of new small undertakings are generally more favourable in contrast to cooperative industry, so that cooperative industry has to face new challenges in the 1980s.

c/ The regional structure of industrial organization in the 1970s

Very frequently, multiplant enterprises have opened up branch plants in several settlements /Fig. 1: Regional distribution of multiplant enterprises employing over 5,000 workers/. Industrial enterprises show great concern in selecting settlements in which to open up branch plants. In the 1960s and 1970s /in the period of the so-called mass industrialization/, the distances between the branch plant and parent company were influenced first of all by the advantages of settlements /e.g., labour force reserves/ and accessibility /distance + transport characteristics/ rather than transport costs, which were expressly low at that time. Other aspects, such as thorough information on settlements or personal connections, also influenced the selec-

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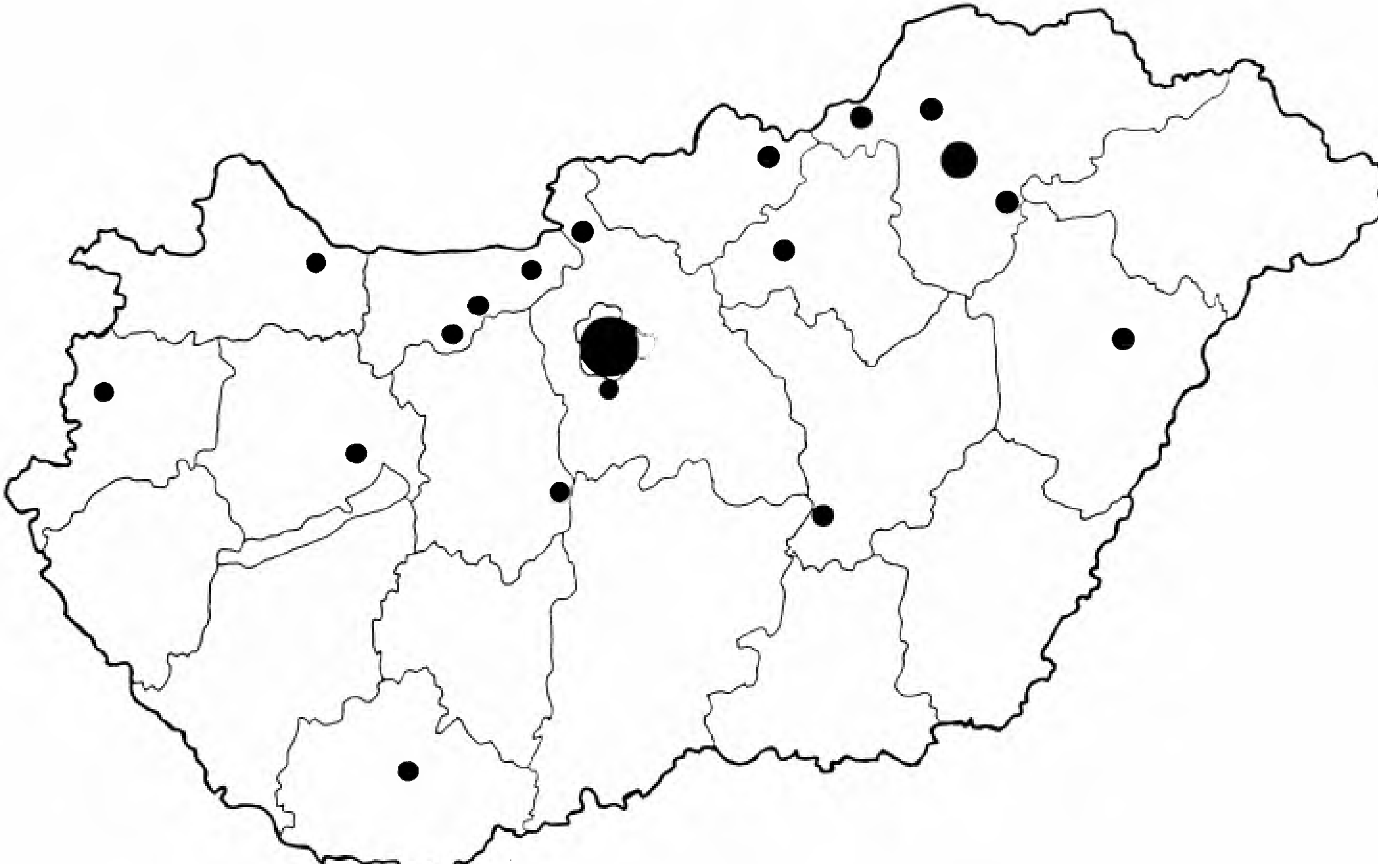

FIGURE 1 Regional distribution of multiplant enterprises employing over 5,000 workers (1986)

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tion process. That is why in most cases enterprises having headquarters in county seats located branch plants within the boundaries of their county. As an exception, industrial enterprises having headquarters in Budapest opened up branch plants even in the most distant regions of the country /Fig. 2 Distribution of branch plants of enterprises /in the countryside/ having headquarters in Budapest/.
In the 1970s and 1980s, the strategies of enterprises had to change. As a consequence of the fall or stagnation of industrial production, new plants could be opened more rarely; moreover, the locations of plants in settlements were strictly examined because of the increased transport costs. In many cases, this was just the reason for closing branch plants laying at great distances; on the other hand, new branch plants had to be opened at ever greater distances from the parent companies as a result of exhausting labour force reserves.

Multiplant enterprises having branch plants in several settlements could establish sound production connections contributing at the same time to the strangthening of connections in settlements and regions. As most multiplant or larger enterprises locate in cities, these cities will become management centres of industry. Organizational centralization just strengthens their positions. The management of industrial production of increasingly extensive regions is performed by these centres /Table 7/.
Out of management centres of industry, priority is given to Budapest. Budapest has a diminishing share

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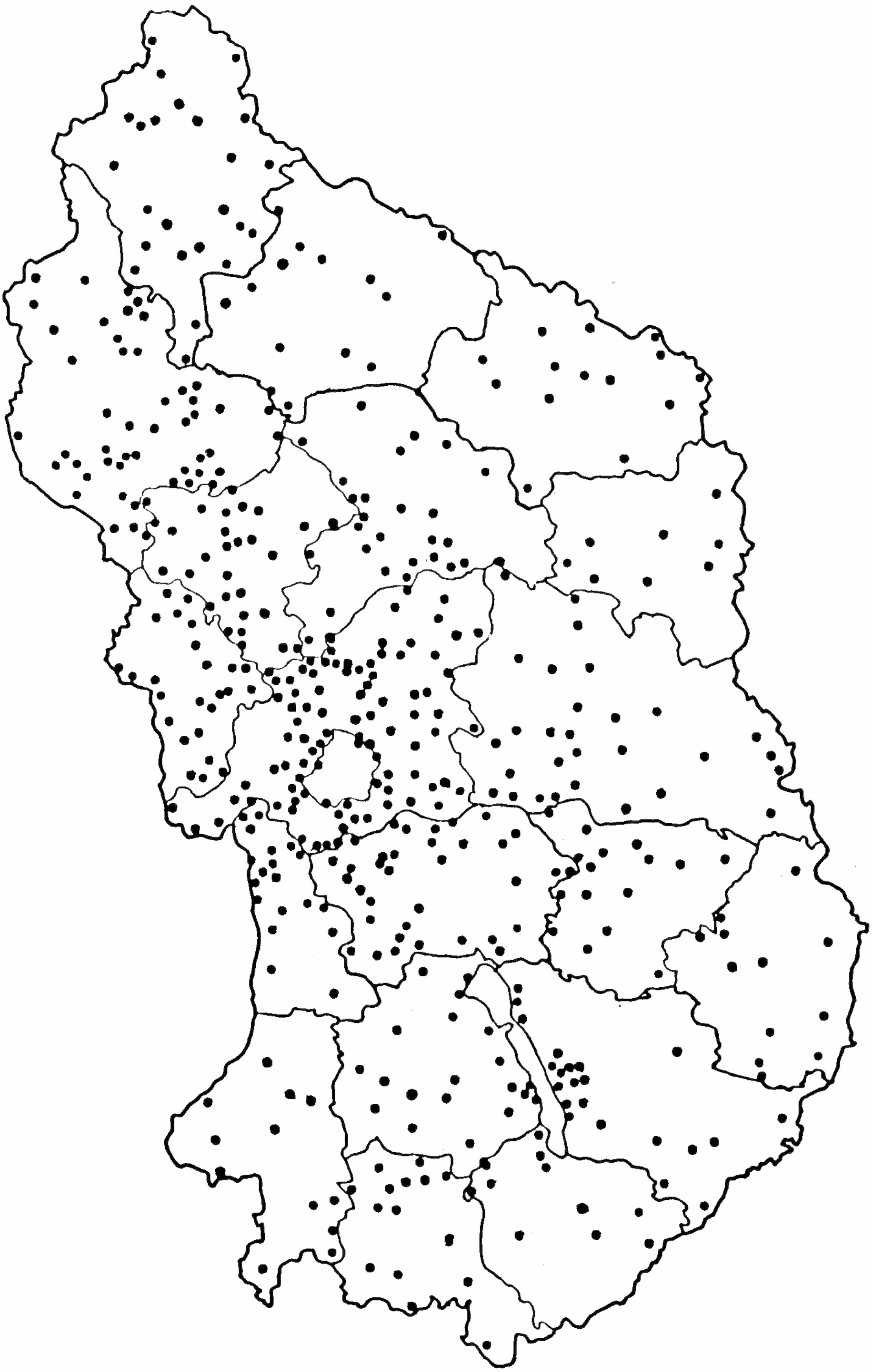

FIGURE 2 Distribution of branch plants of enterprises having headquarters in Budapest in the countryside

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Table 7

Industry locating activity of the big cities of Hungary /over 100,000 inhabitants/, 1972 and 1982

Towns	1	2		3		4	
	1982	1972	1982	1972	1982	1972	1982
Budapest	2064	431	536	51	81	47	43
Miskolc	211	47	49	48	65	3	4
Debrecen	205	43	44	42	39	2	3
Szeged	175	49	67	43	58	2	2
Pécs	173	59	63	71	65	3	3
Győr	127	73	75	37	67	3	4
Nyiregyháza	115	65	48	70	45	1	1
Székesfe-hérvár	108	27	27	11	13	1	1
Kecskemét	100	59	37	80	60	1	1

1 Population of the cities in 1982 /000s/.

2 Number of settlements outside the town where the parent companies of the town have branch plants.

3 Proportion of employees in branch plants outside the town as a percentage of those employed in the parent companies of the town.

4 Proportion of employees in towns and their attraction areas togethet /to the industrial employees of the country/.

Source: Industrial plant data 1972, 1982 /aggregated from the non-published data of the Central Statistical Office/.

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in the industrial production of the country as a result of selective industrial policy /industrial development of the capital had to be restricted, even a great number of industrial enterprises had to move out during the last 20 or 25 years/ and due to the exhausting labour force reserves of the countryside. Still, the most dynamic elements of industry remained in Budapest /e.g., headquarters of enterprises coordinating management-organizational-development functions and where the most important aspects the production process - those determining the efficiency of an enterprise - are executed/.

In 1982, 42 % of all branch plants of industry belonged to industry of the capital /and 43 % of the industrial work force/. So, a hypothesis seems partly justified: namely, that the role of Budapest is significantly larger in the industry of the country than would follow from the share of industrial employees /24.3 %/, share of industrial fixed assets /22.3 %/, or participation in industrial production /25.1 %/. Although the role of industrialization or industrial organization in other cities has strengthened during the last years, their significance is still inferior to that of the capital.

Other examinations revealed that within the counties, it was the county seats that have strengthened their positions in industrial organization similarly to Budapest /of course, to a lesser extent and not so intensively/ at the expense of smaller, local centres. It was not typical, however, for each and every county. In a few counties /e.g., in Vas, Nógrád, and Bács-Kiskun Coun-

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ties/, the importance of county seats and their impacts on the industry of the county have diminished.

As a consequence of strengthening regional centralization, the number of management centres /or towns/ have decreased. Fewer and fewer centres perform the role of industrial production management over increasingly extended regions /Fig. 3/. The dependence on distant centres became dominant in the whole country; in a few counties, the management of as many as almost half of the industrial branch plants is performed from distant towns. In most counties, industrial dependence became stronger and general, especially in the 1970s.

In the early 1980s, the share of locally managed /here we mean local management within a county, rather than within a settlement/ plants kept decreasing in the majority of counties; the independence of local economy or, more precisely, of local industry continued to weaken even in counties where the level of dependence had been high until the 1980s.
Regional centralization, which has a connection with enterprise centralization but the two are not the same, also continued in the 1980s, while the process of enterprise centralization modified and declined somewhat. Counties can differ largely in the size of dependence. Strong organizational dependence developed around the most significant industrial centres as well as in the industry of later industrialized regions. After all, changes in industrial organization altered the closed industrial structure of the counties and promoted

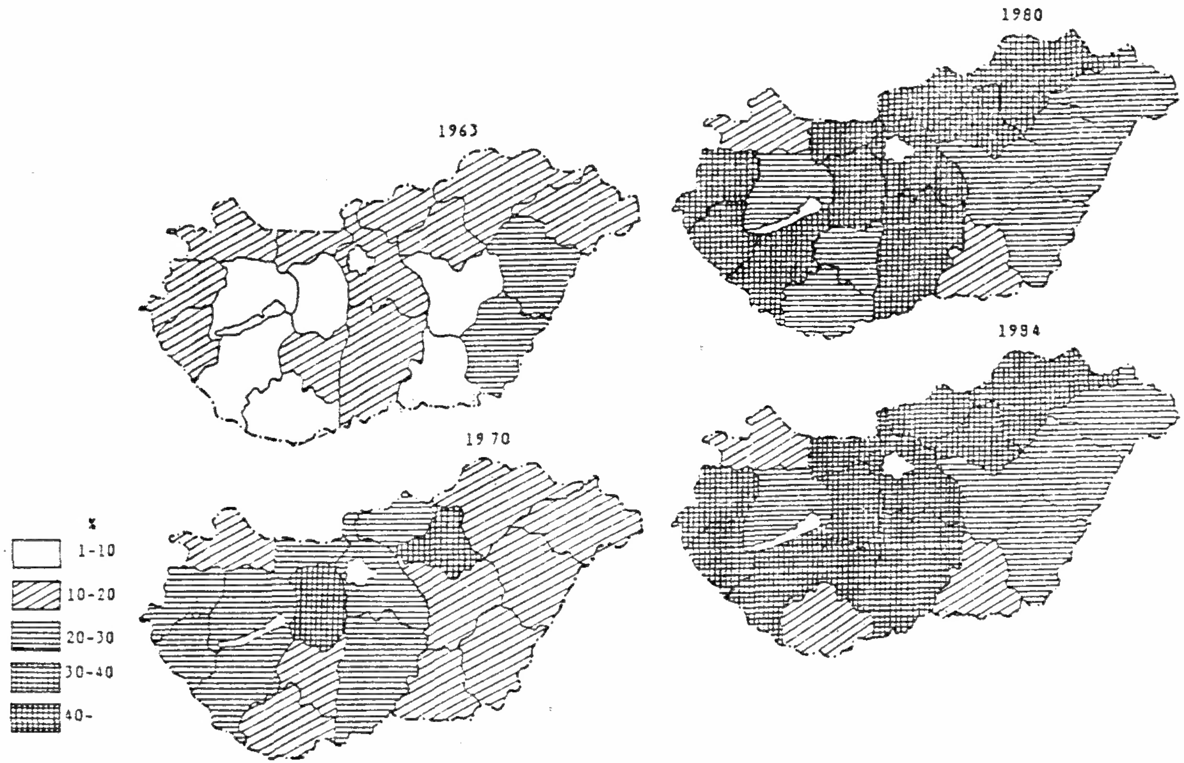

FIGURE 3 Number of industrial plants the headquarters of which are located in another county, as related to the total number of industrial plants in a county /In %/

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regional and settlement connections but at the same time made local cooperation more difficult rather than helping it. Anyway, industrial branch plants have much stronger links with distant centres than with the industry of the place they are settled in; cooperation partners for branches are generally fixed by the parent companies.

4. a/ Changes in the 1980s

Because economic difficulties deepened /one may call it an economic crisis/, the political leadership of Hungary was obliged once more to entertain the idea of economic reform. Afterwards, the transformation of industrial organization was launched. In 1982, the ministries of industrial branches were fused into the newly established ministry for industrial affairs. This decision at preventing ministries from participating in operative management /which enabled companies to increase their independence/.

A new campaign has started to decentralize large industrial organizations, but this time the campaign was not significant. A few trusts /first of all in food industry/ were abolished; certain branch plants of larger enterprises became independent. The whole process was urged /even dictated/ from "outside". While earlier acquisitions coincided partly with the interests and efforts of enterprises, under the present economic circumstances enterprises are not interested in reducing the number of plants or diminishing their size should they incur great losses. In addition, these decentralization measures gave rise to more critical responses than would be justified by the size or the significance of decentralization.

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This is a very important process, far exceeding the significance of those mentioned earlier; it is the foundation of new economic organizations, namely small undertakings in industry. We can divide small ventures into two groups:

a/ small private industry financed by private capital /including small cooperatives/; and

b/ small ventures within large enterprises making use of forces of production of large enterprises and serving primarily the production and the aims of these enterprises.

As regards the volume of small undertakings /e.g., the number of employees and financial and production capacity/, they are not so significant within national industry; but, because of the novelty of their forms and dynamics of development, they have considerable effects on the development and transformation of industry.

b/ Structural changes of industrial organization in the early 1980s

Disregarding the tenfold multiplication of numbers of economic teams within enterprises, the increase and flourishing of new ventures cannot be regarded as significant /Table 8/.

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Table 8

Increasing number of small companies and small cooperatives between 1982 and 1984

Year	Small Company /4/	Small Cooperative /5/	Professional Teams within Industrial and Service Cooperatives /6/	Economic Teams within Enterprises /7/	Economic Teams /8/	Small Private Industry /9/
1982	2	80	158	1,634	837	43 429
1983	148	138	436	5,811	1,684	44 287
1984	169	193	791	11,183	2,021	43 703

Source: Statistical Yearbook, 1984, Budapest: Central Statistical Office

Barta, Györgyi: Cycles of changes in industrial organization from the 1960s to the present.
Regional aspects of organizational changes. Ed. Orosz Éva, Pécs: Centre for Regional Studies,
Discussion Papers 1988. Spatial Organization and Regional Development 70-101. p.

Table 9 contains a certain mismatch because a significant number of workers in small ventures /and all the workers of economic teams within enterprises/ are at the same time employed in state and cooperative industry. /This means that the increase in number is brought about not at the expense of state and cooperative industrial enterprises/.

Table 9

Distribution of number of employees in different industrial organizations /%/

Year	1[x]	2[x]	3[x]	4	5	6	7	8	9
1975	76.4	7.7	13.3	-	-	-	-	-	2.6
1980	78.0	5.8	13.4	-	-	-	-	-	2.8
1982	76.6	5.8	13.1	-	-	-	1.1	0.2	3.2
1983	72.9	5.5	12.3	0.7	0.4	0.5	4.0	0.5	3.2
1984	69.5	5.2	11.5	0.8	0.5	1,0	7.8	0.6	3.1

1 = ministry industry
2 = council industry
3 = cooperative industry
4-9 = Table 7

Source: Statistical Yearbook, 1984, Budapest: Central Statistical Office

These data can provide information only on the tendency towards the increase in number of small ventures; nevertheless, the size and share of them are still insignificant as compared to state and cooperative industry.

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Significant structural changes of state and cooperative industry did not take place in the early 1980s despite decentralization efforts. The number of small companies continued to decrease /the reasons for this are not clear; it can be explained partly by entering the next size category or by amalgamations and abolishments/; at the same time, an opposite process was formed in cases of medium-sized companies /being a new phenomenon/; and, finally, the number and share of employees of large enterprises /having over 5,000 workers/ have hardly changed in national industry /Table 10/.

Table 10

Distribution of enterprises and workers employed by them in socialist industry based on the size of enterprises /%/

Categories per numbers of workers	Distribution of enterprises		Distribution of employees	
	1972	1982	1972	1982
- 500	61.6	54.5	13.2	12.7
500 - 1,000	16.4	17.0	11.9	11.9
1,001 - 3,000	13.9	20.6	24.7	31.9
3,001 - 5,000	4.9	4.2	18.5	14.0
5,001 -10,000	2.2	2.6	15.6	15.0
10,001 -	1,0	1,1	16.5	14.5
	100.0	100.0	100.0	100.0

Source: Unpublished data on industrial branch plants collected by the Central Statistical Office

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More recently, changes have not had great impacts on the regional structure of industrial enterprises. Decentralization of large enterprises resulted in independent branch plants, factories, and parts of factories that had operated also in cities until then /so, the function of industrial management of cities has hardly changed/.

New forms of ventures were largely characteristic of the industry of the capital. As regards the countryside, the politico-economic leadership viewed them with suspicion and had prejudices, which slowed down or prevented in numerous cases the spread of small ventures in the provinces. It was thus again the industry of the capital city that became richer by this new, dynamic element of industrial organization.

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