



Hungarian American Coalition

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Recommendations for Implementing the Hungarian American Coalition's Red Sludge Disaster Fund Executive Summary

Background

On October 4, 2010, the retaining wall of a sludge repository collapsed, at the alumina factory of Ajka, in Veszprém County, western Hungary. As a result, 600,000 cubic meters of highly alkaline, corrosive industrial waste inundated the surrounding towns and villages. Three towns were affected most directly: Devecser, Kolontár and Somlóvásárhely. But the surrounding region of over 40 square kilometers was also affected, and suffered from the ecological, economic and social disaster.

Alongside its negative effects, the red sludge disaster does present an opportunity: many sources of state and international support have become available, ensuring an unprecedented opportunity for the development of the region's towns. These settlements require our assistance in exploiting this potential and in defining and elaborating new directions for development.

Following the disaster, Hungary's Prime Minister called upon the Hungarian-American community for assistance. In response, the Hungarian American Coalition and Governor George Pataki established the Red Sludge Disaster Fund, for which we are raising funds for a concrete purpose: the fund is to be invested in education.

The purpose of the current survey was to determine the specific areas of education that would best profit from the fund, taking into account the social and economic circumstances and the new situation presented by the ecological disaster.

Sources for this survey were twofold: one, it reviewed the development strategies and priorities that have been proposed in this region over the past years. Two, it synthesized the views of the local decision-makers based on interviews with regional leaders, including mayors, regional development agencies, the head of the employment center, and school principals.

Regional economic profile – Possibilities for development, educational programs

Three geographical and economic micro-regions can be identified: major industry; small-scale agriculture-related industry; and wine production. In addition to these traditional economic areas, a fourth has emerged since the sludge disaster and is currently in the planning phase: energy crop production and processing.

1. Heavy industry

In the southeast part of this region, heavy industry is dominant, a legacy of Communist-era enforced industrialization in the towns of Ajka, Úrkút, Noszlop és Halimba. Many workers from Devecser and environs commute to work in alumina and bauxite mining, aluminum production and related electronics assembly. Devecser and its surrounding area also see industry as key to their development. In Devecser, a 30-hectare industrial park is being built, with significant government support.

2. Agriculture

In the northwest region, an area not directly hit by the sludge disaster, the local leaders see small-scale animal husbandry and plant production, and the related processing industries (meat, milk and grain processing), as the key to their future development. The central and northeastern parts of the region are not affected by the post-disaster prohibition on the sale of agricultural products, so there is a greater scope for manufacturing and processing of agricultural products.

3. Wine production

The Somló hill region produces high-quality dry white wines. In the past decade, about 30% of the hill has seen a renewal and increase in grape cultivation, where the wineries produce high-quality, internationally recognized wines. The other side of the hill, however, requires further development, as it is characterized by small plots, aging vintners, low production. Thus, the towns of the Somló hill region base their economic strategy on improvements in wine quality and strengthening wine tourism, to be achieved through a coherent quality certification system, industry representation, and the development of sales channels. Here, too, the decision-makers have expressed a need for technical education and training in wine industry-related skills. Such programs would target potential workers in the larger wineries as well as small-scale wine producers needing training in quality wine production and the management of an independent association to support production and sales.

4. Energy crop production and processing

In the wake of the sludge disaster, this is a proposed new direction in the region's economic development strategy. Experts recommend that the polluted lands be used to cultivate the energy crops, and that a biomass or biofuel processing center be constructed. Constructing such a facility is costly, but the market for energy crops is strong. This proposal is in the planning stages, but enjoys support from potential investors, agricultural experts and the government. However, local farmers oppose the idea. Here, proposed educational programs could be of use: inasmuch as the energy crop industry should take shape, farmers could be trained in renewable energy sources and energy crop production.

Scope for the donated funds

A concrete plan is emerging in which the Hungarian American Coalition's Red Sludge Disaster Relief Fund could be used, enjoying the support of all of the local leaders: the renovation of the 200 square-meter former local court building of Devecser, owned by the local government, as a technical high school. Currently, part of it is used as transitional housing for victims of the sludge disaster, and another part is the administrative office for the local elementary school. The building is next to an empty lot, a potential site for expansion – for example, to build training workshops and laboratories.



The former Devecser court building, to be renovated as a technical high school (Proposed)

Additional plans for investment in education

All of the local leaders emphasize that the educational institutions and programs must be accompanied by investments in job creation. Only job creation can guarantee people's livelihoods and prevent out-migration from the region. Indeed, the creation of technical education without accompanying job creation might accelerate out-migration of the new skilled labor in search of work. In the interest of job creation and to ensure that the educational programs meet the needs of regional investors, a continuous consultation process with the larger firms must be in place. In addition, cooperation must be ensured with other organizations which, in conjunction with the Hungarian American Coalition's education initiative, can draw investment to the region – for example, with the American Chamber of Commerce in Hungary and the Rotary Club, Hungary. With their cooperation, the proposed industrial park and an agricultural processing plant could locate in Devecser, or in another of the region's towns.

Possible directions of educational development in the micro-region

Sector	Education category	Type of education	Target group	Outlet for trainees, Demand for education
Agriculture	Skilled worker Agricultural operator	Vocational training school or: Adult education with state certified degree (by the National Training Register)	Young workers with elementary school degree Recent graduates Workers with obsolete qualification	Existing demand for certain agricultural professions in the region Agricultural processing plant to be established in the region
Agriculture	Energy crop production, propagation	Training course	Farmers of the micro-region	Energy crop sector growth
Metal industry	Skilled worker Toolmaker Lathe operator Miller operator NC-CNC machine operator			Existing demand for the listed industrial professions in the region Industrial plant to be established in the region
Wood industry	Skilled worker Cabinetmaker Building carpenter Wood industrial technician, Wood and furniture industrial operator, Wood-turner, Cooper, etc.	Vocational training school or: Adult education with state certified degree (by the National Training Register)	Young workers with elementary school degree Recent graduates Workers with obsolete qualification	
Trade	Trader	Secondary level vocational training leading to a state certified degree (by the National Training Register)	People making a living by trading used goods People making a living by tourism, trading wine and other goods from the Somló Hill	Legalizing junk trading
Trade	Computer operator	Training course	People making a living by trading used goods	Legalizing junk trading
Wine production	Wine grower, vintner technician Grape producer	Post-secondary level vocational training with a state certified degree Secondary level vocational training with a state certified degree	Small wine producers of the Somló Hill Potential workers of large wine-cellars of Somló Hill	