

THE SOCIAL-ECONOMIC IMPACTS OF A NEW PLANT OF A LARGE COMPANY AS A NEW INVESTMENT

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***Abstract:** The subject of this research is the economic-social impact assessment of a plant in Makó, as a new investment, owned by a large company.*

What impact do the workplaces generated by a new investment have on their direct environment? We chose this given company because it was the largest green-field investment of the past few years around Makó. The company presented itself as an important employer thus diminishing the unemployment rate in the environs.

Assessing the economic impacts it became clear how the area can benefit from the activity, how it reduces the unemployment rate and in what way it helps increase the income spent locally.

***Keywords:** Makó; large company; commuting; employees; social-economic impact*

1. INTRODUCTION

The purpose of exploring the social impacts is that we can get a more exact picture on how a company can become a part of people's life, either they are commuters or local people. We would mention here that migration and commuting have been studied by a considerable amount of specialized literature (Illés S., Michalkó G. 2008) (Illés S. Kincses Á., 2012) (Gál J. 2008). How can a large company have effect on its direct environment by establishing a new plant (Bernek Á. 2001) (Bernek Á. 2002)? Today's society is interested in the state of their environment, so the environmentally aware behaviour on behalf of a company is of great importance. Its assessment and precise study can help give exact answers which is worth researching in the answers coming from the inhabitants, too (Gál J. 2000).

The presence or lack of workplaces accessible locally or by commuting and the available income considerably affects the ability to

retain and maintain the population of settlements and regions (Kis K. 2008a). To improve this ability, enterprises have a key role, since through providing employment and income possibilities, they determine the satisfaction of people's needs by means of accessibility of different goods and services (Kis K. 2008b).

We made some hypotheses related to these questions which we planned to prove in our research:

1. Most of the employees of the plant come from the small region of Makó. Besides, its catchment area includes the whole Csongrád county.
2. Commuters go to work by car or by coach paying their own travelling costs. Local people can go on foot or by bicycle.
3. The employees do their shopping in the small shops of Makó on a daily or weekly basis buying basic foods. In addition, they are a significant purchasing power in other shops, too.
4. The responders frequent catering places in Makó, in addition to their workplaces, also they utilize some services in their free-time.
5. The employees spend a considerable amount of money from their incomes every month in Makó.

2. MATERIAL AND METHOD

To collect the necessary data for the research we chose the questionnaire as a primary data-collection method. Before starting the research the HR colleagues of the plant helped us to compile the questionnaire and to formulate it more precisely.

The questionnaire survey is the most common primary research technique the purpose of which is to collect information on a certain group or groups of people (Majoros P. 2004).

The questionnaire survey started in the first week of September, 2014 and lasted to 10 October, 2014.

The most important question in the questionnaire was the assessment of the impact the plant has on the economic-social life of Makó. Regarding it, the questionnaire has three main parts.

In the first part the questions were directed to the residence and the means of transport the employees use which can be employed to define the workforce catchment area of the plant and the means of transport they use to get to their workplace. Besides, we could see whether the employees finance their daily commuting from their own money or the company does it for them.

In the second part there were questions related to the habits of everyday administration of the employees. The assessed field involved the amount they spend on shopping from their income in Makó, the frequency of different catering places and utilization of different services. One of the main purposes of the research is to define the income spent by the people working in Makó in the town itself, and what demands certain local services have. Finally, we asked the employees' sex, age and their position in the workplace.

We used SPSS statistics program to process the questionnaires (Jánosa A. 2011).

3. EVALUATION OF THE RESEARCH RESULTS

The survey was based on 270 people involving both local and commuting employees in a variety of positions. This plant of the large company employs 410 people so the proportion of the completed questionnaires is 65,8%. Our work was slightly impeded because we were not allowed to enter the premises, so the questionnaires were completed in co-operation with the HR department. The questionnaires were filled in voluntarily and anonymously.

69 persons of the 270 live in Makó, the number of commuters was 201. As regards the distribution by sex, there were 79 women and 192 men, 18 of the women are local residents and 60 commuters, there are 51 local inhabitants and 141 commuters of the men.

Considering the residences of the responders, 69 people were from Makó, 123 from Szeged and 18 from Hódmezővásárhely. There was only one responder who commutes from Orosháza. The others commute from the villages and small towns around Makó.

As regards the means of transport, most of them chose the car as an option, altogether 162 people. 36 of them marked the bicycle as an answer. Besides, 9 chose the coach and 6 people the motorbike as a means of transport used to get to the workplace. Only a few responders gave the 'coach' as an answer. The reason for this is that the plant operates more contracted buslines which are used by the employees living farther away to reach their working place more easily. It is not a negligible aspect that this way the employees do not load the public transport at the end of the shifts. The contracted line, as an option, was marked by 72 people. Going to work on foot is not typical at all.

62,2% of the employees do not shop in the local groceries, so our hypothesis does not seem to be confirmed. Customers usually buy for the basic foods. It is followed by the category of fruit and vegetables,

than, in the same proportion, the meat, sweets, soft drinks, cosmetics and toiletries. Less people buy cleaning products.

There are almost as many employees who frequent the catering places of Makó as those who do not. On this basis, we can say that besides the local employees, there are some commuters who visit certain catering places in Makó (e.g. pizza restaurant, pub...).

We brought up the question of the services accessible in Makó (hairdresser's, thermal spa...etc.) in the following query of the questionnaire. 47,7% (129 people) of the responders do not make use of any of these services in Makó. Regarding the 270 persons in the survey, it is a significant figure. 72,3% (102 people) of those who use these services chose mainly the spa „Hagymatikum” as an answer.

We gave the proportion of the spent income in different categories so the responders could choose from six options. We had to take into consideration the earlier data according to which 132 people do not do their shopping regularly in the town. Almost half of the responders, 48,9%, chose the sum under 5,000 fts which coincides with the 132 people who do not do their shopping regularly in Makó. The higher categories were marked by the local inhabitants who chose mainly the categories over 50,000 Fts and between 30,000 and 50,000 fts. It is typical that the lower categories were chosen by the commuters coming from the catchment area of Makó.

4. ASSESSMENT OF THE HYPOTHESES, SUMMARY

The assessment of our hypotheses is as follows:

1. We can conclude from the results of the survey that most of the employees, who completed the questionnaire, commute from Szeged, altogether 123 people. While the number of local residents is 69, besides, 48 people commute from the catchment area of Makó. Considering the area of the small region of Makó it is 117 people. 18 employees commute from Hódmezővásárhely, as a bigger town in Csongrád county. As regards the other settlements, altogether 12 people come from two settlements of Csongrád county: Újszentiván and Mindszent, and one person from Orosháza, in Békés county. Thus, the catchment area of the plant includes not only Csongrád county but also Békés county.
2. It turned out from our research that the coach is not a typical means of transport because the plant operates more

contracted buslines which are used by the employees to get to their workplace. The contracted line as a means of transport was chosen by 72 employees, while the coach by 9 employees. Most of them (162 people) answered that they use a car to go to work. 36 people marked the bicycle and 6 people the motorbike. In case of the local employees it depends on the weather which means of transport they use. Going on foot is not typical.

Our next hypothesis was that the commuters pay for getting to the workplace. It was not proved by the data since most of the employees chose the option which says that the company contributes to the travelling costs in a way.

3. Firstly, we analyzed the shopping in smaller shops. Our previous hypothesis was not supported by the answers. 62,25% of the responders (168 people) do not go shopping in the groceries of Makó. The remaining 37,8% (102 people) is a regular customer of these shops where they buy basic foods, vegetables, fruit, meat, sweets, soft drinks, toiletries, cleaning products and others. As a conclusion it can be said that regarding the research data the employees of the plant do not seem to be a significant purchasing power in Makó.
4. On the basis of the answers it can be said about the first half of our hypothesis that a little more than the half of the responders (51,1%) visit any of the catering places of Makó. Most of those who said 'yes' (126 people) said that they frequent any of the restaurants of Makó. Much less chose the other options.

Our next hypothesis was that the employees are pleased to make use of the services available in Makó. Since our research was based on a relatively large amount of commuters, it can be concluded that this hypothesis of ours was not proved to be true, as almost half of the responders do not visit these services. In connection with the services it is worth mentioning the spa Hagymatikum. There were 102 people who chose the spa as a service which is 72,3% of the 141 people who marked at least one service from the options.

5. We gave six categories to define the proportion of the spent income. Most of the employees from Makó chose the

category between 30,000 and 50,000 fts which means that the employees doing their shopping in Makó spend a large amount of their income locally.

Our most important purpose was to assess the impact of the new plant of the large company on the settlement. Since the plant has not been working for a long time in Makó, certain effects cannot be observed in the short run so it cannot be assessed truthfully. With our research we planned to see more clearly what impacts a large company like this have both economically and socially.

Summing up our research, we can conclude that the new plant can play an important part in the social-economic life and development of Makó in the future. The company presented itself as a significant employer thus reducing the unemployment rate in a good proportion. We can apply the tetrahedron model of Tóth József (1988). The new plant provokes positive effects in the economy which then bring about social changes. The employees' income will rise as a result of which they can reach a better standard of living. The operation of the plant will give more income for the town council so they have more resources to develop the local infrastructure. So, it can be stated that in addition to the society, the plant influences the infrastructure, too, in a positive way. Finally, besides the positive effects, a negative one must be mentioned, that is the environment. This sphere is effected negatively by the changes because the activity of the plant loads the environment.

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