

In order to evaluate the importance of the school existence in relation to the development possibilities of the municipality, a questionnaire survey was carried out. Respondents of the survey were all mayors of municipalities up to 800 inhabitants in the Stredocesky Region. The questionnaires were adjusted according to whether or not a primary school was located in the village.

The survey results are not surprising. The school has great importance for the mayors of municipalities with a school. They try to maintain a school and perceive it as a principal development element of a municipality. In their opinion the school is a centre of community life, contributing to the maintenance and development of social and cultural activities. For mayors of municipalities without a school, the school existence is not a basic condition for their municipality development. This service is provided by the neighbouring municipalities or the nearest town where people commute for work and thus they can take their children to schools. Although some of these mayors recognize the importance of a school for community development, the cost of setting up and maintaining a school (financial, material and human) is too high for their municipalities.

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Types of Financial Distances – Theories and Evidence

Sandor Zsolt Kovacs, Hungarian Academy of Sciences, University of Pécs, Hungary

The dual banking system – for example the Central and Eastern European countries' banking sector – which can be characterized by the foreign banks' dominance with less and small market weight of domestically owned local small banks, shows less lending propensity towards the SME sector and peripheral and rural areas. Dual banking system strengthens the process of financial exclusion, i.e. the exclusion of certain social groups (social exclusion) or areas (rural peripheries, small settlements, urban districts) from financial services.

In these structures, the geographical diffusion of banking structures and instruments increased the operational (geographical) proximity between banks and borrowers, so the financial exclusion can decrease, but the concentration of bank decisional centres widened the functional distance between banks and local communities. Functional distance is a complex indicator of differences (physical distance, economic and social), which are between the headquarters and branches of banking institutions.

Therefore, the main goal of this study is the examination of functional distance of the different types of the banks in Hungary. Our geographical focus is a multilevel approach, because we examined the county, regional and county levels of differences between the foreign and domestic commercial banks, and the cooperative savings banks. Our findings show, that the financial exclusion is a real problem and the differences of financial distances of the analysed institutions are measurable in Hungary.