

Discussion Papers 2011. No. 83.  
Local Governance in Hungary – the Balance of the Last 20 Years

**CENTRE FOR REGIONAL STUDIES  
OF HUNGARIAN ACADEMY OF SCIENCES**

**DISCUSSION PAPERS**

**No. 83**

**Local Governance in Hungary  
– the Balance of the Last 20 Years**

by  
**Ilona PÁLNÉ KOVÁCS**

Series editor  
**Gábor LUX**

**Pécs  
2011**

ISSN 0238–2008  
ISBN 978 963 9899 39 1  
978 963 9899 40 7 (PDF)

© Iona Pálné Kovács  
© Centre for Regional Studies of the Hungarian Academy of Sciences

## CONTENTS

1	Introduction .....	5
2	The powerful influence of roots .....	7
3	The main specifics of the Hungarian local government model .....	8
3.1	Constitutional foundations and basic principles .....	8
3.2	The structural specifics of the model on the basis of the Act of 1990 .....	9
3.3	The evolution of the instruments and tasks according to the practice of financing and the circumstantial regulation of tasks.....	11
4	Attempts to correct the original model in the previous 20 years .....	13
4.1	Limits to rationalising the level of settlements .....	13
4.2	Attempts to reform meso-level governance.....	16
5	The distinctive features of the operation of the self-government system in the last 20 years .....	23
5.1	The contradiction between the widening responsibilities of service provision of local governments and the narrowing of their effective scope of action .....	23
5.2	The deteriorating conditions for finance.....	24
6	Local political dimension .....	25
6.1	Local elections.....	25
6.2	Local society.....	28
6.3	Local direct democracy .....	30
7	A balance of 20 years .....	31
7.1	Centralisation.....	31
7.2	Interest cleavage, codified conflicts .....	32
7.3	The poor overall standard and low efficiency of local governmental services .....	33
7.4	The democratisation of local governance .....	36
8	New phenomena, perspectives .....	37
8.1	The less likely optimistic scenario of decentralisation .....	38
	References.....	40

## List of figures

Figure 1	LAU 1 and LAU 2 compatible micro-regional and municipal borders with micro-regional centres.....	15
Figure 2	Cities with county rights, NUTS 3 regions and their populations, 2009.....	17
Figure 3	NUTS 1 and NUTS 2 units in Hungary .....	19

## List of tables

Table 1	Main figures of local municipalities, 1991–2009.....	10
Table 2	Geographical units and their recent institutional status.....	21
Table 3	Rescaling and power shifts.....	22

## 1 Introduction

The objective of the present study is to give an overview of the development of the Hungarian local government system in light of international development trends. The author's aim is to provide a comprehensive evaluation of the spatial frameworks of public power practice in an international and theoretical context with an emphasis on Hungarian specifics. The actual relevance of drawing up a balance is justified by the fact that the institutional framework of local governments was created 20 years ago at the change of regime, and so the time is ripe to evaluate the experiences of their operation, the more so since the reform of territorial public administration is proposed regularly.

On the basis of examining the past twenty years, the author would like to take a stance about whether the Hungarian system of local government has been able to transform the previous centralised Hungarian state, and to what extent it may provide an ideal framework for the democratic functioning of local power and the organisation of local administration and services. Where do we stand today and where lies our destination?

We already know, having completed the euphoria-influenced legislation, that the quality of local democracy and administration is not a function of the chosen model or macro-political ideological factors, but, among others, the tangible national and local socio-economic conditions, the public legal fine-tuning of the model, the culture of central and local politicians and also the specific features of local society.

There is a broad consensus about the fact that autonomy is a distinctive feature of local government, yet there are large disparities in the interpretation of this notion:

One basic starting point can be the *retention of individual rights* permitting the individual to decide to what extent he is willing to submit his freedom to government.

The other basis is provided by the right of the community sharing a common territory, culture, religion etc. to self-governance (*Loughlin, 2004*).

Even though constitutional and political guarantees serve the autonomy of local governments in different ways, it is still a fact that in practice local autonomy is nothing more than the *possession of certain capacities* with the purpose of providing local services for citizens. In the course of history, these capacities have undergone a constant evolution amidst different economic, sociological and political boundaries. The primary focus of studies dealing with local governments is to examine to what extent these limitations have reduced *the scope of action* of local authorities (*Goldsmith, 1990*).

Despite the centralising tendencies cyclically gaining power and the changing position of local authorities in the system of multi-level governance, local and

territorial governments occupy a significant role among the institutions of public authority. The degree of the role of territorial and local governments and the enforcement of decentralisation are among the indicators of democracy. The concentration of power is restricted not only by the classical horizontal distribution of power, but also its vertical territorial system.

Local governments are primary, yet no longer exclusive, agents of the exertion of local-territorial power. In the “governance-type” practice of power, public authority agents mingle with the economic and civil sectors and the different levels of hierarchy with each other. The previous rigid walls separating branches and levels of power disappear, become permeable, and strong networks develop defying the models based on traditional institutions. It is no longer possible to confine the description of local and regional authorities to the public sector (Bovaird–Löffler–Parrado-Diez, 2002).

In our evaluation, it is inevitable to reflect on to what extent the Hungarian system of territorial governance is compatible with the European administrative space. The role of *external influence* or “*conditionalism*” is of outstanding significance in the development of Eastern Central European transition countries. With the EU-accession of ten countries, the need to create a minimum standard in public administration has become more urgent. During the Copenhagen Summit in 1993, a system of criteria was adopted to evaluate the maturity of candidate countries. Decentralisation was most strongly recommended in the framework of the development of territorial public administration, besides the need to establish sufficient connections between the different hierarchical levels, to achieve the social embeddedness of local authorities and to assure the legal protection of the clients of public administration, i.e. the consumers of public services.

Concerning the realisation of the recommendations, the evaluations produced later on have remained quite cautious. On the one hand, it was declared that significant reform programmes had been implemented in several Eastern Central European countries, which nonetheless were *halted* in several cases. The conclusion was that these countries should refrain from mechanically adopting Western, more developed, market-type practices and innovations, but rather, attention must be paid to objective and subjective (cultural, political, mental) conditions of implementation (Tönnesson, 2004).

In the evaluation of the Hungarian system of public administration, the present study will examine the evolution of centralisation/decentralisation, as well as the agents of local governance and their relations; and all this in light of the prevailing European processes.

## 2 The powerful influence of roots

In order to understand what kinds of reasons and circumstances have influenced the opinions and value systems of the authors of the Act on Local Governments in 1990, it is useful to shed light on the preceding events. The history of the Hungarian state, and more specifically of the local-territorial public administration points towards the fact that *local government decentralisation has no strong historical roots* even if we prefer to paint a rosy picture of our past. Strong centralisation did not only characterise the period of state socialism from 1950–1990, but also the bulk of previous stages of state development. The foremost “victims” of centralisation were local communal and small town municipalities and local societies. The administration of larger towns and counties showed signs of autonomy according to the will of the power elite and in the forms of privileges. In Hungarian public administration, *professionalism and the collective control role* of effective local governance could *only be detected in the administration of cities* (Bibó, 1990).

The county and district levels have served as the framework of local governance and central administration from the very beginning. It is due to the very nature of central state administration that local self-administrative units have remained the weakest elements in the system, their attachment to central power is stronger partially due to the economic and public legal dependence of local governments and also the deconcentrated organisational system established at the level of counties.

We must not confine our investigation about the historical roots of local governance within the boundaries of the public legal sector. The examination of how the political elite and civil society have contributed to or hindered the development of strong historical traditions can open up extremely emotive dimensions for us. The influence of external factors on the development of the Hungarian state is also not negligible. The limited public and national sovereignty, the obligatory application of foreign state models within the framework of the Habsburg Empire, later forced modernisation and the challenges of adaptation to Western requirements have undoubtedly exerted a decisive influence on the mentality of the Hungarian political and governing elite and their ideas about local governance. It is likely that the behaviour, the negative image of the efficiency of the layer of high-office holders in local government and later on of the party-political elite and their paternalism served as motors of the centralising efforts hostile to autonomy, and moreover, the traditionally weak local civil society was unable to counterbalance all these endeavours.

The development of the state, and the evolution of territorial and local governance within the public legal framework can only be understood roughly. To justify this, we must examine the circumstances surrounding the change of the

local government model. The necessity of changing the model of local government was *articulated well before the change of regime* among the circle of professionals and intellectuals and also in certain movements of local society. During the decades preceding the change of regime, empirical studies depicted the dominant processes in civil society. These analyses did not only register the necessarily apathetic, paternalistic attitude of local society, but also those promising signs indicating the emergence of a demand for local democracy and pluralistic power exertion (Bóhm–Pál, 1983–1988; Bihari, 1980; Pápay, 1987). The need to reform local-territorial public administration into a local government type system was also voiced by the professional elite, who, moreover, elaborated the concept of the reform (Verebélyi, 1988).

The first freely elected parliament after 1989 did not rely on the realistic state of local society nor the rational model based upon professional analysis, but such abstract values as autonomy, freedom, liberty, basic democracy and international standards and patterns which guaranteed its place in democratic Europe. But to follow these high-minded aims, values and patterns without taking reality into consideration carried the possibility of error in itself, not only because it did not consider the circumstances of implementation, but because it favoured professional and political values hostile towards the creation of the foundations of efficient and professional local governance.

### **3 The main specifics of the Hungarian local government model**

#### **3.1 Constitutional foundations and basic principles**

The message of self-governance during the change of regime was primarily of political nature declaring the need for autonomy, freedom and proximity to citizens. The theoretical pillars of regulation can be derived from the requirements of the *European Charter of Local Self-Government*, and to a certain extent they even exceeded European standards in certain fields. Since the new constitution, singularly in Europe, defined the *right to local self-governance as a collective right of the community of voters*, it became an extremely difficult task to validate sector-rational aspects of the organisation of public administration. Naturally, the legislator did not intend to place the professional and organisational circumstances of service provision into the background. However, it is a fact that the requirement of democratic functioning in the exertion of local power and the guarantee of organisational autonomy prevailed, so their doctrinal interpretation became hindrances to modernisation.

The “*fundamental rights*” listed in the constitution indicated that the aim of the legislator was to grant a real scope of action to local self-governments. The

standpoint of the Hungarian Constitutional Court [8/1993 (III. 19) Decree AB] was that the fundamental right of the community of voters was the mother right of self-governing rights, and consequently enjoyed the same protection as fundamental rights.

The legislator of the constitution regarded local self-governments as the guarantees of democracy and autonomy, and wished to safeguard the above-mentioned aspects and values suggesting that in reality they constituted a fourth branch of power (*Kukorelli*, 1990). However, the frameworks of the structure, content, procedures and organisation of local power were not designated, so these should have been regulated in a law on self-governments.

### **3.2 The structural specifics of the model on the basis of the Act of 1990**

The Act on Local Governments is the first significant product of the freely-elected parliament in the period of regime change, surrounded by regime-changing enthusiasm, the need to reject the past similarly to the previous process of constitution-making. The legislator's concept was that it would be sufficient to take local aspects into consideration facilitating the development of integrations between local governments and an optimal division of labour. Moreover, almost unlimited liberty could be granted not only in the establishment of access points and contents, but in choosing the desired forms as well.

On the basis of this logic of regulation, four marked structural specifics can be detected in the Hungarian system of local government different not only from Western European, but from several Central and Eastern European countries:

- the fragmented organisational nature of the level of communal municipalities,
- the lack of differentiation in the implantation of competencies,
- the voluntary model of the system of associations,
- finally, the weakness and disrupted nature of the meso-level of territorial self-government and public administration.

The legislator explicitly defined the level of settlements as the basis of the Hungarian system of local governments, empowering each local community and settlement to create their municipalities regardless of their size. Thus, the number of local decision-making units doubled from one day to another. Each new level or unit of integration obtained only secondary roles.

Due to the fragmented system of communal municipalities, the institutional system of local public services also became fragmented. The disadvantages of the chosen model have become evident in light of the past twenty years of their operation, yet the success of corrections have only remained limited, and the dilemma is unresolved to the present day (*Table 1*).

Table 1

*Main figures of local municipalities, 1991–2009*

Year	Total number of local municipalities	Localities with independent offices	Villages joining district notaries	Number of district notaries	Seat of district notary		
					Town	Large village	Village
1991	3097	1562	1535	529	n.a.	n.a.	n.a.
1992	3115	1676	1439	506	n.a.	n.a.	n.a.
1993	3131	1734	1397	499	n.a.	n.a.	n.a.
1994	3137	1752	1385	499	n.a.	n.a.	n.a.
1995	3149	1773	1376	494	n.a.	n.a.	n.a.
1996	3149	1849	1300	494	25	41	428
1997	3150	1852	1298	492	27	38	427
1998	3154	1827	1327	505	30	37	438
1999	3154	1818	1336	509	29	37	443
2000	3158	1762	1396	536	29	36	471
2001	3158	1668	1490	580	33	34	513
2002	3158	1632	1526	593	35	33	525
2003	3168	1613	1555	605	35	35	535
2004	3168	1582	1586	616	37	34	545
2005	3168	1551	1617	631	43	33	555
2006	3168	1525	1643	646	49	30	567
2007	3175	1466	1709	669	49	30	590
2008	3175	1251	1924	762	65	36	661
2009	3175	1210	1965	771	65	32	674

Source: Gazetteer of the Republic of Hungary, 1991–2009.

One underlying reason for this is to be found in the structural specifics, namely that in the regulation of the Hungarian system of local government, the question of associations is heavily laden with political considerations. Contrary to public beliefs, integrated local governance has dominant traditions in Hungarian local public administration, and not only in the system of councils characterising state socialism (*Somlyódyne*, 2003). The legislator during the change of regime was quite suspicious of all types of associations, especially obligatory ones, and regarded associations as a right of municipalities, refusing to make them obligatory.

The deliberate weakening of the level of counties was one of the most severe disadvantages among the structural specifics of the Hungarian system of local government. The attitude of the legislator must have been fed by the negative experiences accumulated regarding the county councils during state socialism, and the regulation of the county level was carried out accordingly. County councils could not become influential and equal players in the system of self-

governance due to the very *pillars of regulation*. The basic principle was that the meso-level could not fulfil any integrative, controlling role “over” settlements. County councils obtained weak legitimacy from a political viewpoint as well, gaining tasks and resources according to the remainder principle, and were deprived of all opportunities and instruments of the territorial enforcement and integration of their interests. For the very first time in history, the deconcentrated state administration obtained positions in the place of weak self-governments at county level.

To sum up the structural specifics created by the Hungarian law on local governments, it must be highlighted that the structure exceedingly favouring the autonomy of the “base”, i.e. the chosen model, has inevitably led to the extreme fragmentation of the system. The autonomy of basic units (settlements, cities with county rights, districts of the capital) was of higher significance in the eyes of the legislator than the integration between elements (associations, the level of counties and the capital). The positioning of the points of gravity within the system proved to be also quite disadvantageous. The regulation failed to take into consideration that in the era of the transformation of public functions, the necessity to respond to the newest challenges would valorise the role of large cities and meso-level governments instead of the small communities of micro-settlements.

The errors in the regulation of the public legal model were enhanced by the autocratic behaviour of self-government stakeholders mostly unwilling to cooperate, as well as the system of financing and interests, and the lack of instruments facilitating functional integration.

### **3.3 The evolution of the instruments and tasks according to the practice of financing and the circumstantial regulation of tasks**

The above-mentioned public legal model defined by the Act on Local Governments and the constitution has constantly become more distorted due to the transformation of the system of tasks and particularly those of financing.

The most crucial element of every local governmental system is the *provision of tasks local authorities are willing to undertake*. The distribution of tasks within the Hungarian model does not dispose of solid public legal bases, even though the standard of the distribution of power and decentralisation heavily relies on this besides the organisational guarantees of autonomy. There is a great danger of exploiting the over-generalised, ambiguous regulations in both directions. On one hand, the local municipalities have *become overburdened with obligatory tasks* on the basis of posterior regulation of competences; in spite of lacking the necessary conditions for their provision. On the other hand, *tasks*

*could freely be transferred to the public sector*, particularly in the sphere of the competences of meso-level governance.

In general, the greatest dilemma was posed by the fact that *broad responsibilities were coupled with meagre instruments*; and so, the system of broad responsibilities became trapped in broad irresponsibility. At the level of the entire system, however, the central government and its deconcentrated organs have made available significant competences in the domain of “local public affairs”.

The *regulation of the economic foundations and finances* of local municipalities rests on the basis of local government autonomy in the public legal sense, although this *could hardly slow down or prevent the financial bankruptcy of municipalities*. This is significant from a macro-economic, or if you like, macro-political viewpoint, since, among their European counterparts, Hungarian local governments belong to the Scandinavian model on the basis of their role in the economy and the state budget with high expenditures per GDP and state budget (Kusztosné, 1998, Vigvári, 2005), and so the financial crisis of their operation exceeds local affairs. One can observe that the quite disturbing, liquid legal regulations, the legal uncertainty, and especially the unpredictability of resources, and the mostly unsuccessful bargains conducted from one year to another have become characteristic. If we examine the regulations on the tasks and functioning of local municipalities after transformation, it becomes clear that while the state is not permitted to use instruments of organisational hierarchy, the control of municipalities has remained unresolved as yet. On the other hand, through legal regulation (and obviously, through finance) it was able to *reduce autonomy to a minimal level*.

The internal disorders and weakening of the system of local government was “compensated” by a spreading territorial system of public administration. This system has been a *victim of the incessant improvisation* since the regime change, manifested apparently in a series of conceptual modernising and rationalising programmes. A primary cause is that the actual governing power, profiting from or in certain cases exploiting its supremacy over the executive branch of power, engaged itself in arbitrarily building or destroying this organisational system according to its actual interests, aggravating, and by no means tackling the problems of meso-level governance.

## 4 Attempts to correct the original model in the previous 20 years

### 4.1 Limits to rationalising the level of settlements

The problems of the fragmentation of the sector of local governments at the level of settlements can be hardly resolved by obligatory instruments of regulation as a result of constitutional barriers (moreover, these problems increased with the birth of new communes in the nineties, when almost 100 new independent communes were established). The public legal autonomy of small settlements has been taboo since the change of regime, which renders it impossible to talk about the merging of settlements. Its alternative, *the system of associations, has not gained a pre-dominant role in the Hungarian system of local government for a long period of time*, even though a separate law on associations was adopted in 1997. According to a targeted investigation of the State Audit Office, the adoption of the law on associations and the establishment of the system of financial support failed to produce decisive changes. In the functioning of institutions for the provision of municipal tasks, the proportion of associations did not even exceed 6.9% in 2000 (ÁSZ, 2000). Among the small communes, aversions to associations could stem from the negative experiences of the council system of the past, and also from the fact that newly elected politicians regarded collaboration as a direct threat to autonomy, and wished to advocate the advantages of autonomy to citizens.

The inward-looking attitude of towns was of a quite different nature. The task of caring for the needs of neighbouring settlements was delegated automatically to the competences of and constituted a financial obligation for the centres of urban districts designated on an obligatory basis. In the new environment of regulation and interests, this “caring” or integrative role *lacked all sorts of legal (competence-based) and financial guarantees*. Therefore, it is unsurprising that towns, especially at the start, did not strive to collaborate with communes. Undoubtedly, the collapse of the system of agglomerations had posed the gravest consequences in a fragmented system of settlements. An individual town is obviously unable to organise the basic and meso-level service provision for 30–50 communes in its field of gravity. This necessitated the birth of a network of small towns and large villages that could integrate the smaller settlements unfit for self-sufficiency on a finer territorial scale.

The constantly accelerating process of *obtaining city status* would have served this objective as well. However, urbanisation after regime change produced towns only in the legal sense (which could hardly be called towns, or at best village-towns), the bulk of which were unable to fulfil an integrative role in their respective territories due to their size and functions. Currently, from among the over 300 settlements only 200 can be regarded as proper towns on the basis of their functions, and according to professionals, the chances for the other 100

settlements to become proper towns are very limited (Beluszky–Győri, 2006). The differentiated allocation of tasks is not a characteristic feature of towns, which poses further problems from the aspect of their territorial integrative role. According to Hungarian public law, there are hardly any areas of public services where the differentiated division of competences would take into account the size of the respective settlement or town; therefore, even the smallest one may undertake the provision of any type of local government task.

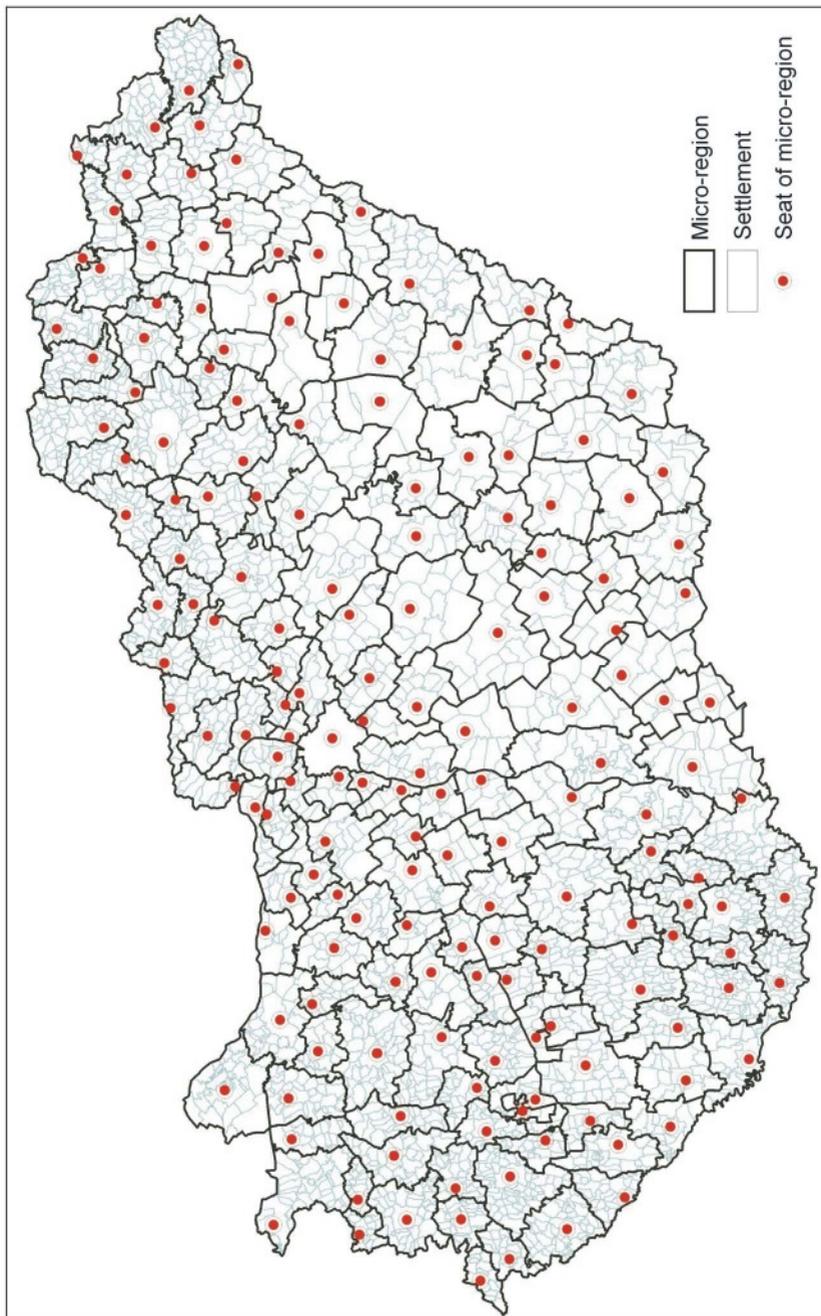
It can be stated, therefore, that the rationalisation of local public services lacks all necessary pre-conditions such as the merging of villages, associations, and the differentiated division of competences in the case of larger settlements.

Whereas the nineties were characterised by the atomisation of the level of settlements, and the consecutive slow, spontaneous, bottom-up integrations of groups of settlements or communities, the first years of the 21<sup>st</sup> century brought about significant structural transformations with the emergence of the “*tier*” of *micro-regions*. The secret of the “*success story*” of *micro-regions* is that mayors of settlements were forced into collaboration at the level of districts, predominantly in geographical frameworks designated by the government as areas of development policy intervention. When the area of the country was divided into territorial statistical units in hope of obtaining EU funds, NUTS 4 (now LAU 1) units became the more and more regulated geographical framework for cooperation between local municipalities. The initially 138, later 150, 168 and currently 174 micro-regions have gained more and more functions and became institutionalised in different organisational forms and legal status (Figure 1).

*Micro-regions served primarily as the framework for cooperation in spatial development until 2004*, initially in the form of spontaneous, bottom-up cooperation, while later the Law on Spatial Development established micro-regional spatial development associations which became beneficiaries of development funds on the basis of the adoption of shared development programmes.

The objective of the governmental programme adopted in 2002 was that micro-regions should not only serve as units of development policy, but rather *develop into an appropriate organisational framework for the provision of services and administration*. The reform plan of public administration included in the governmental programme balanced cleverly between theoretical and professional requirements and political opportunities. Apparently, it did not abolish the traditional level of county-level public administration, nor did it mention what public administrative status the micro-region would be granted. As a result of the motivating influence of the system of financing, this “level” gained an increasingly defined role in the provision of local government tasks, especially post-2004 when the legal grounds of the system of multi-purpose micro-regional local government associations were laid down.

Figure 1  
LAU 1 and LAU 2 compatible micro-regional and municipal borders with micro-regional centres



Source: Hungarian Central Statistical Office.

Currently, micro-regions are “containers” with fixed boundaries set down via legal norms and a legally regulated institutional system, which may obtain competences in the field of public services, administration and development solely through legal authorisation, yet on the basis of the decision of associated local municipalities. Since the Hungarian system of local governance is not familiar with the system of obligatory associations, the scope of task-sharing may differ in each micro-region (within the framework of the tasks defined by legislation) and the same applies to their institutional system. Obviously, there is no guarantee for every settlement of a micro-region to join a given association through legal enforcement. Although micro-regions currently cover almost 100% of the state territory thanks to the incentives provided by public support, yet one has to remain cautious about the long-term success of the model. Would the willingness to join associations be the same in the absence of financial incentives? Do associations undertake the joint provision of those tasks which can be most beneficially organised at this level, or does collaboration serve only the obtainment of extra sources of financing for local municipalities? The vulnerability of the model lies in its voluntary nature. From the government, top-down initiatives operate or may fail to operate according to the will of the government. Moreover, on the basis of the analyses of professionals, a basic contradiction is that while the micro-regional unit proves to be too large for the organisation of basic services for areas with a large number of micro-settlements. Therefore, in a bizarre way, within such micro-regions, settlements organise themselves into even smaller “mini-micro-regions”, while it is also peculiar that in micro-regions with larger settlements, 2-3 settlements form an association for functions the provision of which could be rationally organised by one single settlement, or at a much larger scale (county). This is where the original contradiction of micro-regional division is revisited, since the NUTS 4 system in the first years of the nineties was not created for the integration of the system of municipal public services. As we shall see, the turmoil surrounding rescaling can be detected not only in the modernisation of local, but also of meso-level governance.

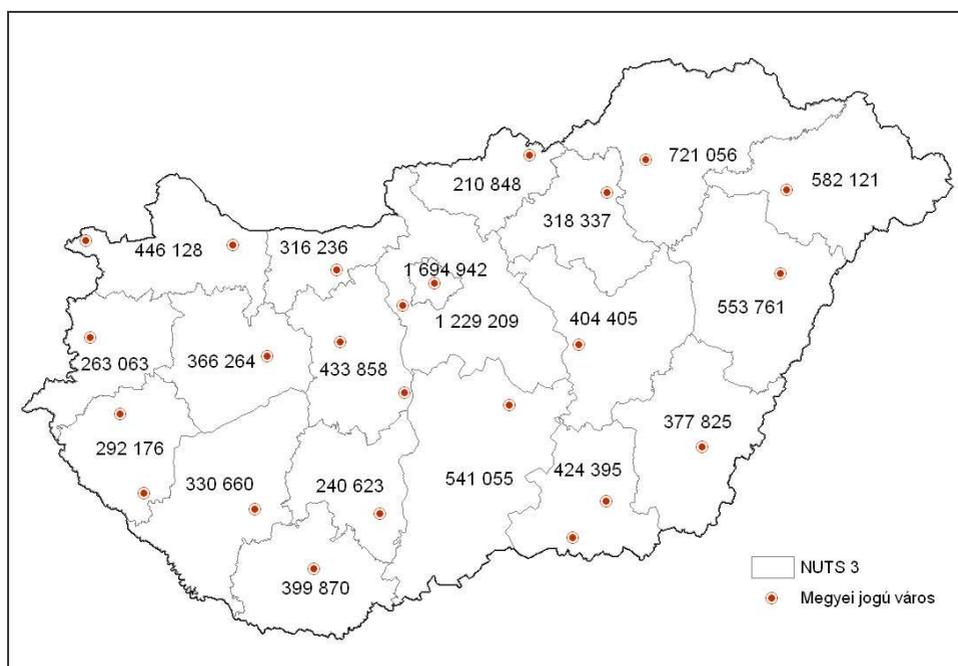
#### **4.2 Attempts to reform meso-level governance**

The deliberate weakening of the role of counties was a successful instrument of the Act on Local Governments at the change of regime to fully marginalise county governments. Since according to the regulatory model, meso-level governments, i.e. counties, execute tasks which settlement governments are unable to or unwilling to fulfil; therefore, the system of competences of counties is determined on one hand by the individual decisions of local municipalities of a given county, and on the other hand by central laws dealing with the transfer of competences. The analysis of the actual situation shows us a quite chaotic picture. Counties do

not have a standard system of functions, and on top of it, the uneven, ad hoc competences may change in time and space moving up and down between county and settlement governments. Since settlements are empowered to delegate certain functions and their accompanying institutions in each new cycle or deprive them of these, the entire system is unstable. The opportunity to delegate the responsibility of service provision led to the postponement of renovation and development, and no strong linkages were able to develop between the maintainers and the beneficiaries of services. Even though one of the aims of the seemingly comprehensive reform of the Act on Local Governments in 1994 was to strengthen the position of county governments, not much was achieved in reality. The law declared that counties are territorial governments, and so the legislator would have been able to delegate certain functions to the exclusive competences of counties; however, the lobbies of settlement mayors practically prevented this from happening, and there are almost no functions even in our days which would distinctly adhere to the stable competences of meso-level governments (for Hungary's county divisions, see *Figure 2*).

Figure 2

*Cities with county rights, NUTS 3 regions and their populations, 2009*



Source: Hungarian Central Statistical Office.

In the history of county governments, *the Act on Spatial Development did not result in a positive turn*; on the contrary, counties lost a decisive battle in the war for meso-level power. The law on spatial development practically eradicated county governments from the actors of spatial development. As we shall reflect later, the legislator started to erect a parallel institutional system with the establishment of regional development councils, thus further eroding the position of county governments. On the basis of posterior events, it is justifiable to pose the question whether a more efficient institutional system has truly been created for regional policy.

1998 meant a new turn in the evolution of the position of county governments, when the newly elected, otherwise left-wing liberal government announced its more characteristic programme of regionalisation. A government decision declared that it would examine *the opportunity of the implementation of regional public administration*, and the process of reorganisation of public administration into regional areas of competence was launched. As an alternative to county governments, a *new spatial dimension, the region* was given priority (*Figure 3*). This policy resulted in the organisation of the various regional-scale institutions. Nevertheless, by the end of the cycle, the objective of regionalisation sank into oblivion.

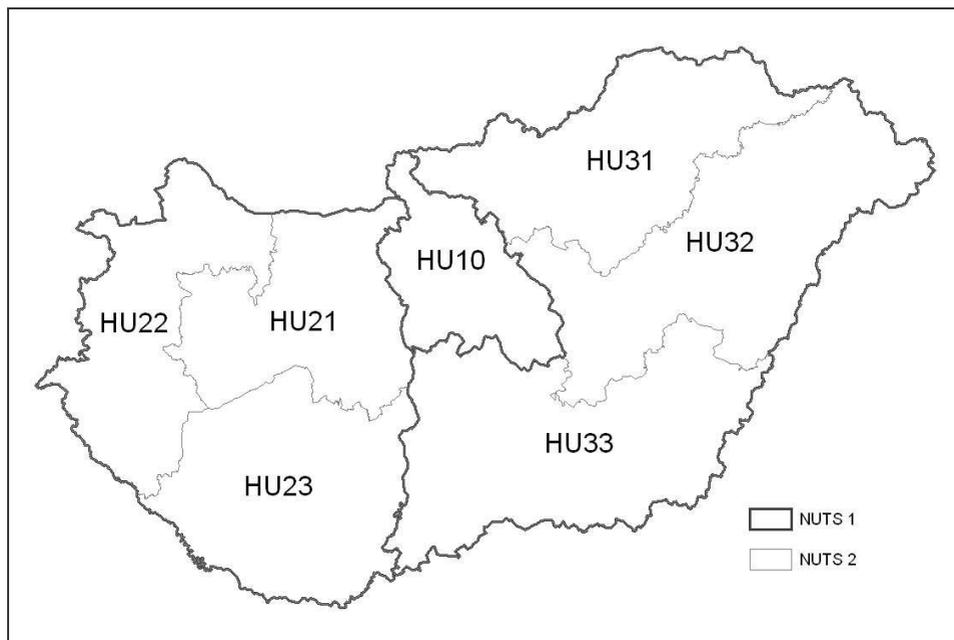
Another new turn, as usual, was linked to the election of the new government, but it was unique in that once more the left wing was given the authority to govern. The governmental programme of 2002 promised the election of regional governments from 2006. However, it remained cautious concerning the future of counties, did not explicitly mention their full eradication and still envisaged to operation of certain institutions in the form of associations at the county level. The extremely ambitious governmental programme was not realised, however. Even though preparations and certain draft legal rules were elaborated in the field of the reform of regional self-governance, the process did not even enter the political decision-making phase. The government elected in 2006 made attempts towards the comprehensive reform of the constitution and the local government act, yet it failed to gain parliamentary support for regional reorganisation.

It is worth noting that the government made no real effort to attain support for its reform ideas, since a few weeks after the elections, before the summer holidays, the proposals submitted to Parliament without previous agreement were hardly acceptable in the eyes of the opposition, due to the very nature of the procedure. The fact that the government did not really consider regionalisation to be a serious matter became obvious after the events of the era following the unsuccessful reform package. A dominant *tendency towards re-etatisation* appeared instead of the elected regional governments counterbalancing the strong central power, substituting the comprehensive political decision about the future of territorial public administration. By the end of 2006, the government prescribed re-

gional reorganisation for territorial public administrative organs functioning primarily in the framework of counties until that point. This “breakthrough” towards regionalisation is not without contradictions, however. The integration of county organisations at a regional scale meant only a change of tables in several cases as well as a point of reference for massive dismissals. Besides the achieved “personnel savings”, no-one calculated to what extent the rising costs of travel added to the augmentation of expenditures and what real benefits regionalisation would provide, no ex-ante or ex-post evaluation suggested that there would be any. A specific charm of regional integration was that geographical disorder was produced after the designation of the seats of regional public administrative organs. The cities aspiring for central status have managed to implant the official seats of different types of organisations in various towns of their regions. An even more delicate question is whether the regionalisation of the system of self-governments will follow the overly advanced regionalisation of public administration.

Figure 3

*NUTS 1 and NUTS 2 units in Hungary*



Source: Hungarian Central Statistical Office.

It is quite a realistic fear that the government's will to pursue effective regional decentralisation will disappear or weaken following the establishment of a regional-level public administrative apparatus, for it is natural to suppose that the creation of self-governing regions with strong political legitimacy would limit the scope of action of central power.

The progress of regionalisation in the area of spatial development was also laden with contradictions. Out of the competing micro-regional, county and regional councils established simultaneously by the Act on Spatial Development of 1996, it is evident that the regional level became the most influential. This process could even be applauded, since the multi-level institutional system clearly proved that only the regional level was suitable for efficient regional policy and the management of EU funds. What thoroughly contradicts this effort and revelation is the fact that with EU accession, *the entire institutional system of national development policy lost its positions, including the regional level.*

In a paradoxical way, while the law on spatial development of 1996 was already born in anticipation of the coming EU accession, and named accordingly the law of regionalisation, the Hungarian management system of EU Structural Funds became strongly centralised. Each operational programme, even the so-called regional operational programme is managed by the managing authority concentrated in the National Development Agency. The regional development councils and agencies were not granted decision-making positions; they are only endowed with a certain intermediary and advisory role. It is important to note that since the assurance of own contribution necessary for the absorption of EU funds devours the entire amount of domestic resources, the institutional system of national spatial development was practically exhausted. The previous institutional system of domestic development policy slowly progressing towards decentralisation and regionalisation was pushed to the periphery with EU accession. Arguments in favour of centralised management have undoubtedly existed, it might also be that the front line fighter of regionalism, the European Commission, did not insist on regional partners, but it is still quite contradictory that the formerly consciously supported process of regionalisation was halted after 2004. Strong centralisation and the marginalisation of regional stakeholders in decision-making will hardly augment the number of the advocates of regional reform.

A new period began with the ambitions of the right-wing government gaining power in 2010 in overall terms and also in relation to spatial public administration. Overtly defying the previous neo-liberal civil philosophy, we can currently witness the centralising and nationalising efforts of the neo-Weberian state, which has obviously to do with the need to cope with the emerging economic crisis as well. The new government has undertaken the establishment of a new constitution, as a symbol of the beginning of a new era, claiming that the one created by the political elite of the era during the change of regime 20 years ago was only

meant to be temporary. An unofficial concept of the new constitution is available, but it is already quite evident from governmental measures that the position and status of self-governments in a strong and centralised state will undergo serious modification, and, in the meantime, the government will refrain from regionalisation in structural aspects with the stabilisation of counties as the meso-level of governance. Of counties, and not county governments! Following the example of the French system of the prefecture, commissioners will be appointed in counties whose stronger official and authoritative background will grant them a more influential position than that of county governments.

The future is hard to forecast in the case of micro-regional associations, but the prevailing ideas seem to foster the strengthening of positions of the state at this level as well. At the same time, no significant reforms are anticipated from the aspect of the consolidation of settlement governments, as the government does not wish to formally limit the autonomy of self-governance in small settlements. The marginalisation of the entire system of local government is a dominant trend, however, which will quite clearly curb the scope of action of the smallest unit to the greatest extent (*Table 2–3*).

Table 2

*Geographical units and their recent institutional status*

Level	Scale/number	Status
Basic level	3200 municipalities, cities, LAU 2	Self governmental units <i>Constitutional status</i>
Micro-region	138→174 NUTS 4/LAU 1	Associations of self- governments
County	19+capital NUTS 3	Self-governments, state administration offices+courts, police, chambers, parties etc. <i>Constitutional status</i>
Macro region	7 (since 1998), NUTS 2	Statistical unit and frame of different public institutions
NUTS 1 region	3 (since 2007)	None

Table 3

*Rescaling and power shifts*

	Municipalities	Micro-region	County	Macro region
Direction of changes	<i>Dominant</i> units, but remained very fragmented	Not a level yet	Still a level	<i>Uncertain</i> future
Direction of functions	Increasing competences, weakening capacities, starting <i>nationalisation</i>	Increasing competences delegated from the municipalities, resources from the top	Continuous <i>loss</i> in competences and resources	Development institutions, some state administrative units (2006–2010), <i>only assistant role</i> in managing of SF (since 2004)
Main actors, sectors	Strong self-government, weak civil and business sector	Group of mayors for absorbing money, distant from the citizens	Decreasing influence, trust of county assembly, strengthening state presence	Elite networks of local governments and party politicians
Political solidity	Decreasing trust	Inner conflicts, lack of cohesion	Isolation, functional difficulties	Lack of transparency and identity

## **5 The distinctive features of the operation of the self-government system in the last 20 years**

Even though the structural specifics discussed above foretell a lot about the performance of the Hungarian system of local government, we must analyse the specific features of its functioning which were not solely determined by the structure, but other factors of economic and cultural nature. The analysis of the experiences of operation sheds most light on the fact that the regulatory and institutional aspects of the change of the local governmental model are a lot more transparent despite all its contradictions than its de facto operation. The above described public legal model, whose distinctive feature was the guaranteeing of autonomy, gradually became more distorted due to the transformation of the system of tasks, and particularly to the system of finance. While the central government is usually not permitted to use instruments of organisational hierarchy, the control over local municipalities has remained unresolved in many respects. On the other hand, through legal regulation and obviously finance, it has succeeded in *reducing their autonomy to a minimum level.*

### **5.1 The contradiction between the widening responsibilities of service provision of local governments and the narrowing of their effective scope of action**

A crucial element of each system of self-government is the scope of *tasks whose provision is guaranteed by local governments.* Its significance from the viewpoint of politics is whether local interests can be considered in the organisation of public tasks and, more broadly, whether the interests of consumers, members of the local society have any part to play. To put it very simply, the organisation of services by municipalities is more democratic compared with private or other public formations, but we must also add that broad self-governmental competences without the necessary instruments are no more than the devolution of responsibility.

In the Hungarian model, the generalised, ambiguous rules were later exploited in both directions.

On one hand, the central power *overburdened municipalities with obligatory tasks,* while the conditions for their provision were lacking and have gradually deteriorated.

- On the other hand, tasks were simply transferred to the public sector, especially in the domain of competences of meso-level governance.

- The “danger” of the hollowing out of self-governments at the local level becomes even more acute as the crisis and the exhaustion of financial reserves led to the rationalisation of local public services in the form of the integration, eradication and the transfer of services to the state level.

Depletion and overburdening go hand in hand, due to which neither the interests of citizens to access to services, nor the aspects of the economies of scale and quality can be validated.

The fact that broad competences were coupled with a narrow system of instruments meant that the *system of broad responsibility was caught in the trap of broad irresponsibility, with the result that both sides can easily accuse each other of contributing to the growing disillusionment of society.*

## **5.2 The deteriorating conditions for finance**

The regulation of the economic foundations and finances of municipalities is based on the principle of municipal autonomy, yet this was far from sufficient to prevent the financial bankruptcy of local authorities. This is significant from a macro-economic, or even more, a macro-political aspect, since Hungarian local governments are responsible for a very broad scale of public services and their share of expenditures per GDP and state budget is high, therefore, the financial crisis of local governments has crucial impact on the whole public sphere.

The deteriorating position of municipalities can be explained by the changes that have occurred in central redistribution and the exploitation of own resources, as well as the lack of modernisation of the management of resources, property and public services. The most crucial problem of the system of financing does not lie in the degree of income centralisation, *but in its unpredictable nature*, „*structural messages*”, and in the fact that it restricted the autonomy of the economic activity of municipalities to a minimum level. According to Illés (2005, 21), „real autonomy is not a function of incomes and expenditures, but rather the free disposal of these, and the possibility of rearrangement”. The model of financing has not been resource-based for a long time, the model of task-financing *fosters the conservation of the institutional system*. The influence of the state in the domain of operation and development and determination is unhealthy – sectoral and territorial aspects rarely coincide.

A clear proof of the main deficiencies of the normative system of financing, or, more precisely, the permanent differences in municipal conditions is *the overemphasised role of the system of supplemental state support* in compensating for the bankruptcy of the financing of operations. The initial system designed for tackling temporary disorders and problems of installation became an organic part of the system of local government finance, and became a permanent resource for

a great number of municipalities. The biggest problem with the system of „önhiki” (“shortage of resources”), and in certain respects of vis major support is that they are not designed to provide a solution in particular cases, but to regularly make up for permanent shortages. The financial conditions of local governments in light of the GDP and the state budget carry an important message from the aspect of political science and the theory of power. The loss of positions justifies that the virtual decentralisation of resources is still a task of the future. The financial bankruptcy of local governments and the deterioration of the quality of public services cannot be halted through legal regulation, and the simple modification of the distributive system, but rather, the thorough analysis of effective processes, scanning the operation of the more than 12,000 municipal institutions, and a comprehensive reform of redistributive systems.

## 6 Local political dimension

This chapter is going to examine how efficient the change of the model of local governments has been in the development of local democracy. During the change of regime, the particular attention granted to local societies, the revalorisation of the role of localities, were a part of a new paradigm of power theory, which hardly prevailed in previous eras.

As we have already seen, the constitutional frameworks have provided an outstanding opportunity for creating a totally new, bottom-up model of power in Hungary. Local governance could not be automatically identified with democracy, just as the decentralisation of functions does not necessarily indicate its presence. A thorough examination of the concrete national and local contexts is inevitable (*Pickvance*, 1997). Further scrutiny clearly indicates that the creation of public legal frameworks in itself is not sufficient for democratic local politics.

### 6.1 Local elections

Already the first local elections dissolved the illusions about the somewhat stronger „localism” preceding the change of regime. The role of the new political elite gaining legitimacy through free elections was to make decisions about basic political, social and economic measures, and naturally, attention was primarily directed towards *parliamentary elections*, the central level of governance. The *participation data* of the first free local elections indicated the lower degree of attention paid to the local level, and the rate of participation did not show any significant improvement in later periods. As a sign of the sharpening political

conflicts, the rate of participation at elections was significantly higher in 2002, but this was not true in case of local governmental elections, for while the rate of participation at parliamentary elections was 70%, in local elections it barely exceeded 50%. It can be declared that the eradication of the minimum validity threshold of participation and of the second round in 1994, despite the fact that it stirred up a great political debate, was still based on political reality, while it was confirmed that *local elections are of less interest to Hungarian society.*

In order to create the world of local politics, the *analysis of the outcome of elections* is also required. The relation between the mechanism of election and the chances of becoming players in local politics is quite hard to measure in Hungary, since the rules of elections vary by settlement type, were modified with time, while the number of settlements have changed with that of eligible representatives. The system of small lists in settlements below 10,000 inhabitants favours independent candidates, while in settlements over 10,000 inhabitants, individual electoral districts and compensatory party lists rather favour parties.

If we choose absolute numbers as reference points, it turns out that the majority of the total number of local government representatives was *independent* in the first two cycles. The most homogenous and *transparent group is constituted of mayors of small settlements*, within which 80% have remained independent since the change of regime; what is more, this rate is increasing. It is not by chance that ambitions surrounding the first elections after the change of regime directed towards the dismissal of the previous political elite, demonstrated the least success in small settlements. Moreover, based on the outcome of the local government elections in 2010, out of the 3200 mayors, 576 have been in office for 20 years, indicating the low level of competition.

On the contrary, in settlements over 10,000 inhabitants, where the party-based electoral system has prevailed, the rate of independent representatives (13%) and mayors (8%) is low and decreasing, just as the *rate of the candidates of civil organisations is decreasing compared with parties.* The percentage of independent representatives decreased from 29% in 1990 to 15% in 2002 nationwide, while the rate of civilian candidates fell from 3.4% to 3.2% (Kákai, 2004). In the meantime, if we focus on data of larger settlements, then despite the 80% superiority of parties, the number of mandates of civil organisations rose significantly, from 3.5% to 12.6% (Kákai, 2004).

In settlements over 10,000 inhabitants, the party-based electoral systems have led to the strong attachment of representatives and mayors elected in larger settlements to parties, but even in settlements over 3 000 inhabitants, the dominant presence of parties is characteristic. In larger settlements, neither independent candidates, nor other local groups have great chances of gaining local power. It is also true that independent candidates and civil organisations are quite

often backed up by political and economic interest groups (Böhm, 2002), thus their independence from parties is realised only formally.

The participation of parties in local government over the last 20 years has been greatly transformed due to the change in the party structure, the modification of the electoral system, and the changes occurring in local government and their civil social environment.

The differing results of the first local elections from parliamentary elections can be explained by the general political situation and social climate. During that period, the euphoria characterising the change of regime was soon overshadowed by signs of disillusionment, and the “votes of condemnation” punishing the losers of the change of regime appeared not only to demonstrate the disappointment, but also because preferences for parties were far from solid at that time, so consequently national and local political forces opposed each other.

As Böhm stated “Local elections did not redesign the line of force of macro-politics” (Böhm, 1996, 29). This fact is not necessarily a sign of fidelity towards the victorious socialists and free democrats, since the *likelihood of re-election* in local politics is much higher. Two-thirds of the representatives and mayors were re-elected in 1994, and this phenomenon has generally become permanent.

The eradication of the second round since 1994 has forced parties to form preliminary coalitions and alliance parties. Local and pragmatic aspects are hardly validated in the formation of preliminary coalitions, in the name of which ideologically extremely distant parties of the previous era cooperate “to serve the interest of the town” (Kákai, 2004, Szoboszlai, 1996). The number of independent mandates of parties has gradually decreased since 1994, particularly in the case of smaller parties. Parties often enter elections in coalition with each other, and attach to themselves a part of civil organisations as well. It must be noted, however, that, despite the dominant role of parties, parties and fractions still do not appear with their names in the organisation order of local governments. Local organisational and operational regulations constitute a special case, which, getting rid of “party-prudery”, regulate operational questions of fractions and relationships between them.

During the previous decades, polarisation in the party structure has generally resulted in the formation of blocs in the sphere of local government as well. A significant number of smaller parties were erased not only from parliamentary, but also municipal representatives, or at least became strongly marginalised.

Parties were trapped within the limits of national party struggles and power relations at local level as well, and cooperation is rare in the sphere of locality offering the chances of pragmatism and consensus. Regarding the elected stakeholders of local politics, a highly integrated and polarised field developed, which is in dominant position in the capital and larger settlements, and the role of independent candidates and civil organisations remained significant only among small

settlements. Further drastic changes had occurred in the proportion of parties and civil or independent candidates by 2010. We must note that drastic changes were partially due to corrections in the electoral system which the government rising to power in 2010 carried out with a two-thirds parliamentary supremacy. On one hand, there has been a significant reduction in the number of local governmental representatives, minimalising the chances of smaller parties to become board members. The proportion of independent representatives and mayors fell from the previous 80% to 64% (equalling 34% of total submitted votes), the mandates obtained by parties is 34% (on the basis of 61% of the submitted votes) and civil organisations only dispose of two percent representation. The formation of party systems was accompanied by strong polarisation, since out of the 43% of mandates obtained by parties, 29% are shared by the two governmental conservative parties.

The strong influence of parties, the restriction of competition (which is due to the weakening of small parties and the high rate of re-election) went hand-in-hand with the *strong elitism of local politics*. According to analyses about the origin and social position of elected representatives, “the overrepresentation of the elite in local power exceeds by far its weight in society”, the presence of the economic, intellectual and cultural elite is particularly predominant, yet varying in each settlement type (*Bugovics*, 2006).

## 6.2 Local society

The Hungarian constitutional reference point is that the direct subject of local governance is the local community of citizens eligible to vote. This ideal, unique base in Europe, was far from sufficient to assure the support of local and civil society for local governments. The relations of local society and local governments cannot be separated from the *general context of civil society and politics*. Hungary belongs to the group of countries where, similarly to other Eastern Central European countries bearing the marks of the heritage of state socialism, trust towards institutions remains relatively low (*Szabados*, 2002).

The problems of democratic embeddedness originate primarily from the level of organisation of local societies. The formation of party systems related to the change of regime “decapitated” awakening civil societies. The previously active group in local politics became party politicians, getting hold of functions and roles which do not exactly fit into the framework of parties. Besides the loss of the active group involved in politics and the expansive, “catch-all” attitude of party politics, the frequently intolerant style of domestic politics, the prolongation of the clarification of interest relations necessary for permanent partnerships acting as new sources of the disillusionment and indifference of society had

paralysing effects on civil organisations. It is noteworthy that the low level of the participation of civil society, its capacity problems, party dependence are also present in neighbouring countries due to the common heritage (*Soós–Zentai, 2005*).

In the twenty year-long evolution of the relations between civil society and local governments we can detect certain tendencies and phases in the transforming role of the former:

During and due to the *change of regime*, civil society was one of the most influential players in local politics; it frequently initiated significant changes, appointed representatives and mayors.

*By the mid-nineties, this enthusiasm had sufficiently decreased*; a part of the activists of civil society joined the arena of public power or party politics, though the participation of civil organisations in elections still remained significant.

As a result of the conscious support of civil social organisations, especially through financial incentives, their involvement in local public services, and the spread of non-profit organisations initiated by the public power, *we can witness a significant quantitative increase from the second half of the nineties*. The spatial distribution of improving financial conditions is quite uneven and varies from settlement to settlement (*Kákai, 2004*), indicating that the struggle for resources and influence in the development of civil society evolves with unequal chances. Nevertheless, the price to pay for the strengthening of civil society is quite high. A qualitative and quantitative improvement is induced by the proximity to public power and public funds. A part of civil organisations maintain direct relationships with local power, or are directly involved in it; another part of them remain in the periphery of power as civilians “in reality”, all this contributes to the quite ambivalent nature of the relationship towards the political practice of power. Péter (2000, 305) characterises this ambivalence on the basis of her own empirical research “To completely denude this phenomenon, a great majority of civil organisations can be situated on the axis of the coordinate system where one extremity indicates relatively strong social embeddedness with lacking resources, while the other end illustrates the virtually illegitimate “power” position without community support, yet stemming from economic stability. Is there any other available or attainable alternative for social organisations searching for their place?” (*Péter, 2000, 305 p.*)

Questions posed 10 years ago are still difficult to answer and phenomena occurring since the turn of the millennium are not too promising. Civil organisations, like we have seen in the analysis of elections, can only *become board members in alliance with parties in larger local governments*, and in this measure they have also lost their occasionally important role in promoting consensus. While the number of civil organisations is rising, and a great majority

are actively involved in interest assertion and organising services, it seems that they have lost positions in the realm of local politics as compared with parties.

Thus, we can see that the development trend from the aspect of a key element of local governmental democracy is laden with contradictions. On one hand, we can observe a definite quantitative growth, higher level of organisation and increasing activity in the civil sector, while on the other hand the position of civil organisations in the realm of local politics has not become stable; on the contrary, they are on the road to marginalisation.

Undoubtedly, many share the view that civil stakeholders are “civil” due to their distance from local public power. Instead, their role is to exert control and influence over it and to demonstrate interests which are not necessarily advocated in the institutional system of traditional representative democracy. On the contrary, domestic civil society has successfully and clearly managed to become part of local power via participation in local government. This confusion of roles is less successful in our days, since civil stakeholders are permanently cast out of local “parliaments”. The question of whether they will be able to exert sufficient influence on local political decisions in the future as outsiders, remains unresolved.

### **6.3 Local direct democracy**

Initially, local governments were reluctant to regulate and apply *direct forms of democracy*, e.g. until 1994 they had attempted to restrict initiation opportunities in their local dispositions.

Abstinance in this question emerges in other aspects also. For instance, *no verified data is available* about the pre-1999 period, since the Ministry of Internal Affairs made the declaration of local referendums obligatory only after 2000, and the reconstructing of organised referendums encountered serious obstacles due to indifference from the local media (Nagy–Tamás, 2004). In the history of local referendums, the first years of the nineties can be considered atypical, since, most typically, the *separation of communes* was voted on the basis of obligatory regulation (altogether in 52 cases out of the 79 local referendums between 1990 and 1993). Following the regulation crystallised as an outcome of constitutional legal disputes, the results of the period 1999–2001 can be called remarkable. Out of the 58 referendums organised during the three years, a significant number (23) were called to resolve territorial organisational questions. The topic of these referendums organised bottom-up and outside local governmental organs ranged from large-scale investments to environmental protection questions. The *invalidity of 50%* of organised referendums indicates that the mobilisation of citizens is by no means always successful.

Undoubtedly, changes have occurred in recent years. As the number of national referendum initiatives shows an increasing tendency, the institution of local referendums might become an instrument of sharpened party political struggles, and we can already see signs pointing towards this direction.

## 7 A balance of 20 years

### 7.1 Centralisation

While powerful processes of institution-building have occurred in the area of local and territorial governance, new levels and actors have emerged, in overall, *the power structure has remained centralised*. The multi-actor, fragmented and insufficiently conditioned spatial sector was unable to gain dominant positions to counterbalance the central administrative level. The persistence of centralisation can be detected in various forms:

*Local governments were delegated few tasks* from territorial public administration which were centrally managed; thus, the so-called *deconcentrated sector remained strong*.

At the meso-level of governance, new institutions (development councils, youth councils, tourism committees, etc.) were created *mostly in a top-down fashion*, representing the influence of the government, and the principle of bottom-up organisation is much weaker in institutional expansion.

The position of local governments has *deteriorated in the redistribution of national funds and community resources*, central redistribution and resource allocation still occupy a predominant role in the financing of operation and development in particular.

Local governments are solely *beneficiaries* of EU support, without being involved in decision-making, due to the weak position of meso-level governments, and their role in the management of EU resources is also negligible.

There has been no significant improvement in the practice of *interest reconciliation*. Due to the great number and political cleavage of local governmental interest alliances, the government is not forced into making compromise. The public legal model which permits the simultaneous possession of the position of mayor and parliamentary representative has resulted in a situation where a great number of mayors have obtained parliamentary seats (almost 20% of all parliamentary representatives), while the overall prestige of local interests and lobbying force has not improved significantly.

The *sharpening political conflicts* spread into the battlefield between the government and local governments as well. The actual government is mostly

committed to centralisation, while the opposition is primarily pro-local governments, without constituting a sufficient counterbalance.

There are no signs to indicate that the Hungarian system of local government has obtained strong positions in the system of *European multi-level governance*, the lobbying institutions in Brussels have remained under-exploited or are considerably weaker than the influence of the central government (Ágh, 2007). It is also true that the regional/local level of multi-level governance has remained a peripheral actor in most EU member states (Gualini, 2008).

## 7.2 Interest cleavage, codified conflicts

The loss of positions in the national power structure occurred not only as a result of the centralising efforts of the government; *internal contradictions and conflicts in the spatial sector* have also contributed to the process:

Even though various informal and institutional forms of collaboration have a significant role in the relations of settlement governments, the existence and adequate functioning of these relies mostly on the *system of public funding and incentives* and much less on the situational awareness and long-term strategies of local politicians. The majority of local government politicians have preserved their autarchic attitude as a massive feature.

Despite the fact that the number of towns and cities has augmented and micro-regional associations have emerged covering the entire country, towns are still not fully aware of the *responsibility they have for their environment*, which still does not permeate town leaders' decisions concerning economic development and the organisation of services.

Relations between county general assemblies and *cities with county rights* are still low in intensity; the preparation of joint strategies has still not become customary, and parallel institutions have subsisted. Large towns do not form a collaborating network, their region-forming force is weak.

*County councils* are less and less capable of the outward representation of counties and to assure their internal cohesion, confronting styles of functioning have become particularly visible since the most recent elections.

*Regional development councils* which, on the basis of their members, would be able to integrate the more influential players of the region, have not become catalysts of consensus-seeking. Primarily because they rather generate than resolve conflicts due to their mission and resource allocating functions, and also because their restricted competences and field of action does not permit their becoming an arena of wide dialogue and joint action of the various stakeholders. Moreover, the members of regional development councils as potential meso-level

poles of power, mostly represent the central government, and thus conflicts between central and local actors become codified within the council.

Collaboration at the national level is a rare phenomenon between *local governmental alliances* due to their cleavage and politicised nature, their weak power of interest assertion and the lack of adequate organisational and professional background.

The territorial system of public administration has remained in the “*trap of sectoral approach*” despite every effort of modernisation and merging organisations, rendering the territorial integration of sectoral politics impossible. A change is anticipated in this respect, while the centralising efforts of the government rising to power in 2010 have produced county governmental offices with strong competences which integrate the majority of formerly separated deconcentrated authorities. The government commissioners representing the government seem to become powerful politicians, their political force permitting them to establish a unipolar spatial power structure.

*Instruments of public policy* are of low efficiency or are lacking which could serve the purpose of coordination despite the hierarchy of organisation and interests: the practice of planning is becoming widespread, yet is unable to orient the activity of actors in respect of procedure, content and quality (Faragó, 2004), and the hectic changes and inconsistency of the system of financing does not favour long-term and deliberate collaboration between actors.

### **7.3 The poor overall standard and low efficiency of local governmental services**

Whereas the requirements and values of local governance have primarily been of political nature for a long time (liberty, autonomy, proximity to citizens, cooperation, solidarity, etc.), in our days it is the requirements of efficiency and profitability that are being changed, even if there is a great uncertainty concerning the methodology and notions involved in the measurement of these criteria (Peters – Pierre, 2006).

The satisfaction with public services, public administrative activity, settlement infrastructure, and built environment maintained by local governments can be evaluated from the viewpoint of *citizens, consumers and the regulating, financing state* (i.e. external actors), but naturally, *local governments themselves* may examine their proper achievements provided they have established their internal evaluation mechanisms. These three types of evaluation are performed along different system of values and requirements and with the use of different parameters. During the process of evaluation, the varying conditions respective local governments and local government types dispose of must be also taken into

account. It is almost impossible to formulate a general opinion about the performance of the system of Hungarian local governments which would not show an imprecise and unjust picture of certain local governments and local governmental activities and actors. The drawing up of a balance is rendered even more difficult by the lack of a systematic monitoring and evaluation of the functioning of the governmental and municipal system, moreover, occasional analysis may only be based on a sporadic and partial system of information (Hüttl – Sivák, 2006).

Hungarian local governments are ‘autopoetic’ systems, who have not just survived and suffered through an era characterised by objective and subjective external circumstances; rather, *they have also actively influenced their conditions themselves*, and despite their limitations, they did have a scope of action in local decision-making. Local performance is, consequently, a result of complex factors and effects, where the context and actors also contribute to its evolution.

Local governments meant the success story of the change of regime in Hungary. The thorough elaboration and analysis of this success has not been performed, instead, it remained conserved in the narratives of politicians. The success of local governments was foremost linked to *development policy*, which produced visible, community-financed infrastructural changes in villages, backward regions in the nineties, and after the turn of the millennium, it also had visible achievements in the modernisation of cities and reconstruction of public spaces. The quality and development level of public services was somewhat less considered as of prime importance. In truth, it is in itself a significant achievement that local governments successfully managed to *maintain their inherited institutional system without any serious modification*. The lack of success can also be explained by this fact, namely that local governments were unable to and did not even attempt to locally reform the oversized system of public services inherited from the socialist era for a long time.

In an almost miraculous way, as the “family silver ran out” (Vigvári, 2006), the system of local services did not collapse in the midst of deteriorating conditions of financing. The success is due rather to organisational inertia, and not to municipal reforms of public services, involvement of profit seeking and non-profit actors, and implementation of other cost saving methods which seldom characterise Hungarian local government. The state of institutions shows signs of deterioration in an absence of structural and capacity reforms, and the narrowing system of finance. EU membership slightly improved this situation, since local governments received significant support for the improvement and enlargement of the infrastructural and physical conditions and personal capacities of their educational, cultural and health institutions. This obvious advantage became a disadvantage in since these priorities took away resources from economic entrepre-

neurship, employment creating investment, and the development achieved in the public sector is not likely to be maintained in the long run either.

In the public service provision and economic development activities of the Hungarian local government system, *paradigm change is likely to occur in the present era.* The underlying reason behind the radical change is not the situational awareness of local governments, but primarily the need to tackle the financial crisis situation, and to a lesser extent, “consumer- pressure or self-awareness”. However, the interest assertion of consumers has not become as widely and systematically institutionalised as in local government systems of western democracies, such as seen in the charter movement (Józsa, 2006).

The external driving forces of the change define its direction as well:

- Local public service reforms are usually *initiated from the top-down* (primarily in the form of the “lawnmower principle” of resource withdrawal). Therefore, local elections also adapt to the changing *macro-conditions* (Taylor-Gooby, 1998). A further difficulty of adaptation is that top-down changes are unpredictable as well. The most serious obstacle to the consolidation of the systems of public services is the ever changing direction of new governmental cycles, to which it is extremely difficult to adapt.
- It is also true that *there is a shortage of processed and analysed information and elaborated strategies* at the local level, and evaluations do not appear as internal functions of learning to the organisation, but only as external commissions (Weiss, 2005), so answers do not lead to optimal decisions at the local and regional level. What causes further anxiety is the fact that there is no clear vision concerning the *geographical frameworks* of local-territorial task execution, the previous two decades have seen unceasing experimentation and institutionalisation of different levels in the domain of the “supra-settlement” scale.
- Since local governments try to avoid conflicts with voters, and consequently do not establish systematic relationships with different *consumer groups*, pressure from these latter does not become rationally processed. And the inverse is also true, as measures considered rational and inevitable yet extremely unpopular among citizens are usually cancelled.
- We must not neglect the fact that the overwhelming majority of Hungarian local governments are not surrounded by a *consultative coalition, or “knowledge community”* (Naschold, 1996), due to their very size, so they are short of necessary knowledge for the preparation of rational and long-term sectoral policy strategies.

On the basis of these facts, it is reasonable to assume that reforms in the area of public services and administrative development only serve the purpose of the

short-term consolidation of budgets and the avoidance of escalated local conflicts, and will not be able to assure the harmonisation of settlement, micro-regional, county and regional decisions in the long run. Prospects of the reform of local public services are difficult to envisage; what is certain is that local governments are obliged to ‘do something’ almost everywhere. In order to successfully carry out local changes of regime, more solid framework conditions, a more systematic knowledge base and more stable political support would be required.

#### **7.4 The democratisation of local governance**

During the introduction of the local government model which coincided with the change of regime, the ‘rosiest’ illusions were cultivated in the domains of local democracy, the participation of citizens. On the basis of the experiences of the last twenty years, we must declare that the involvement of citizens in decision-making *did not necessarily result in growing transparency, participation, and particularly not that of trust and support. Local democracy shows deficits compared with ideas formed twenty years ago in several respects:*

- The effective functioning and character of the local government system and the layer of politicians is generally not *receptive*. Internal political conflicts restrict the number of stakeholders in decision-making, isolated local governmental politicians do not regard the civil society as a partner but rather as a “target group”, which may influence their re-election, yet are to be counted with only around the approaching elections.
- The networks organised around the local government system are less to be considered conscious partnership and development coalitions, or public policy networks, more as influential *clientele of party politicians* accumulating functions.
- Local civil society surrounding local governments may exert an influence on local decisions only in case it is institutionally integrated in decision-making during the elections, the chances of which are increasingly smaller and smaller. In contrast, the influence of consultative mechanisms and of the impact of publicity proved to be less efficient.
- *Trust* toward local government is still stronger compared with other actors of the political institutional system, especially parties, yet the stability of local government politicians is fostered more by the lack of alternative and fame than satisfaction or positive support.
- The problems of meso-level governance, the lack of popularisation of the meso-level, the emergence of uncontrollable networks, and the growing influence of the central government have conserved the “*sand glass structure*”

*of power*, thus further contributing to the fragility of the Hungarian system of power.

- *Local governmental policy is becoming parliament-styled*, and due to the aggressive ambitions of parties, loses its multi-colours, its “true locality”, and does not provide space for new forms of democracy and participation.
- The local governmental political sector has lost its neutralising, buffer zone role, becoming a field of *party political struggles*. Relations with local governments provide a new area of conflict for the central government as well, not so much as a result of consensus seeking with local governments, but of the more intensive lobbying activities of local governments within the Parliament.

To make local governance more open, receptive and “democratic” is not a question of reforms of regulation and political programmes. In this field, “path-dependency” has a bigger role, democratic political culture cannot be prescribed as a recipe. Yet some of the above listed anomalies may be cured. The establishment of strong pools of local governments can be facilitated by the legislator via e.g. decisions made about the system of interest reconciliation. The opaque nature of the meso-level jungle can be eradicated by the creation of strong, elected local governments.

The situation can be significantly improved by the organisational knowledge of local governmental politicians and the redesign of mechanisms of decision-making. Much is to be expected from local society on the road to become bourgeois, civil organisations obtaining autonomy and the public sphere capable of fulfilling monitoring functions.

## **8 New phenomena, perspectives**

The resolution of ongoing structural problems since systemic change is inhibited by internal factors of political, legal, sectoral and ideological nature, meanwhile, the *driving force of external motivations* (EU accession, the management of Structural Funds) has *considerably decreased*. The outcome of the future is uncertain, forces are equally inherent to the system, and the direction of progress may be *bureaucratic centralisation or decentralisation based on pluralistic governance*. However, the tendencies following the 2010 change of government rather point towards centralisation. The government, in tackling the economic and budgetary crisis, justifiably claims that a *strong state* is needed, and the consolidation of local governments will be achieved through the paternalistic intervention of the central government in the form of redistributing local competences. Even though no significant reform has been undertaken yet in the

local governmental sector following the change of government, the perspective can be foreshadowed in light of the steps already taken. As we have already noted, the public administrative sector becomes the strongest at the meso-level of governance with the appointment of governmental commissioners and strong, integrated governmental offices. There is strong evidence of the emergence of nationalising concepts for the resolution of problems occurring in certain areas of public services (public education and health). It is difficult to forecast whether the local governmental sector will be able to achieve a stable position in the power structure. Let us review the chances:

*The pessimistic scenario of centralisation*

- In case the top-down initiated and maintained model of micro-regions remains unrivalled in the resolution of settlement-level capacity problems, it will produce an over-concentrated, rigid basic or meso-level which will prove uncontrollable for small settlements, ultimately separating local governance from its community roots.
- In case the meso-level becomes atomised, remains geographically fragmented and the public administration and delegated corporations permanently occupy the space between central and local governance, chances will become smaller that the meso-level (county or region) can become the counterbalance and partner of central government in representative/local governmental status.
- Finally, if the dependence of local governments on central resources becomes permanent, then shared service and development coalitions with local stakeholders will be reduced to occasional associations for the obtainment of state funds. The narrowing scope of action, the poor quality of functioning will ultimately erode the support of local society, divesting local communities of the chances of forging local identity, and the already existing distrust may increase further, crisis management potentially leading to sharpened local conflicts. All this will prepare the field for the growing role of the state.

### **8.1 The less likely optimistic scenario of decentralisation**

The optimistic counterbalance of the previous, quite pessimistic scenario can become a realistic possibility only in case of simultaneous top-down and bottom-up structural and functional modernisation.

- Through the consolidation of the local level, local and meso-level competences become clearly distinct, associations of small settlements

- (which may be obligatory) will organise basic services on different scales while adapting to the country's spatial and settlement network specifics.
- Cities will assume the role of “service provider” in their surrounding area, meso-level governments enjoying strong legitimacy and endowed with complex administrative, service and development competences will fulfil integrating and interest enforcement functions enabling them to participate in the international networks and competition of local governments.
  - The mixed and multi-coloured models of community services will combine the resources and knowledge of local economy and civil society with public elements of control, quality assurance and equity.
  - Local and meso-level democracy, institutions of public opinion curb the self-seeking attitude of the political elite, the receptive tissue of local networks provides opportunity for new entrants with knowledge, functions, resources to join.

Upon estimating the chances of the two ideal scenarios, it becomes obvious that only their combination can be realistic permitting to schedule changes in the long-term. Nevertheless, the objective of modern and democratic local governance can be attained, provided that we do not turn back on the road we started to follow post-regime change. But if we regard failures as a dichotomy of strong state versus the system of local governments, then the centralised model of territorial governance under the flag of the neo-weberian renaissance will emerge victorious, justifying the ironclad law of path-dependency in the region.

## References

- Ágh, A. 2007: A régiók jövője Magyarországon és Magyarország jövője az Európai Unióban [The future of regions in Hungary and the future of Hungary in the European Union]. In: Kaiser, T. – Ágh, A. – Kis-Varga, J. (eds.): *A régiók Magyarországa I.* MTA–MEH Projekt. Budapest, MTA Szociológiai Kutatóintézet, pp. 7–44.
- ÁSZ 2000: Állami Számvevőszék tájékoztatója az önkormányzati feladatellátás szervezeti formáiról és működésük célszerűségének ellenőrzéséről [The briefing of the State Audit Office on the organisational forms of local government task fulfilment and the monitoring of their operational efficiency]. – *Önkormányzati Tájékoztató.* 10. pp. 3–34.
- Bibó, I. 1990: *Különbség* [Difference]. Budapest, Bethlen Gábor Könyvkiadó.
- Bihari, M. 1980: *Közigazgatás és politika* [Public administration and politics]. Budapest, Kossuth Könyvkiadó.
- Beluszky, P. – Györi, R. 2006: Ez a falu város! (Avagy a városi rang adományozásának gyakorlata s következményei 1990 után) [This village is a town! Or: the practice and consequences of granting town status after 1990]. – *Tér és Társadalom.* 2. pp. 65–81.
- Bovaird, T. – Löffler, E. – Parrado-Diez, S. 2002: *Developing Local Governance Networks in Europe.* Baden-Baden, Nomos.
- Bóhm, A. 1996: Négy év után. Vázlat a települési önkormányzatok működési tapasztalatairól [After four years. A sketch on the operational experiences of municipal local governments]. In: Bóhm, A. – Szoboszlai, Gy. (eds.): *Önkormányzati választások. 1994. Politikai szociológiai körkép.* Budapest, MTA Politikai Tudományok Intézete, pp. 20–32.
- Bóhm, A. 2002: *Helyi társadalom, önkormányzatok, településfejlesztés* [Local Society, Local Governments, Settlement Development]. Budapest, Agroinform Kiadóház.
- Bóhm, A. – Pál, L. (eds.) 1983–1988: *Helyi társadalom I–VI.* [Local Society I–VI]. Budapest, MSZMP KB Társadalomtudományi Intézet.
- Bugovics, Z. 2006: Elit-teli képviselő-testületek. [Elite-dominated chambers of deputies]. In: Bóhm, A. (ed.) 2006: *A helyi hatalom és az önkormányzati választások Magyarországon 1990–2002.* Budapest, MTA Politikai Tudományok Intézete, pp. 209–223.
- Faragó, L. 2004: *The General Theory of Public (Spatial) Planning: The Social Technique for Creating the Future.* Discussion Papers No. 43. Pécs, Centre for Regional Studies, Hungarian Academy of Sciences. <http://w3.dti.rkk.hu/kiadv/discussion.html>
- Gazetteer of the Republic of Hungary, 1991–2009.
- Goldsmith, M. 1990: Local autonomy. Theory and practice. In: King, D. S. – Pierre, J. (eds.): *Challenges to Local Government.* Sage, London. pp. 15–37.
- Gualini, E. 2006: The Rescaling of Governance in Europe: New Spatial and Institutional Rationales. – *European Planning Studies.* 7. pp. 881–905.
- Hüttl, A.–Sivák, J. 2006: Teljesítménymérés a közszektorban: Az indikátorok használatának nemzetközi tapasztalatai és hazai alkalmazási lehetőségei [Performance benchmarking in the public sector: The international experiences of using indicators and the possibilities of domestic application]. – *Magyar Közigazgatás.* 3–4. pp. 174–185.
- Illés, I. 2005: Önkormányzati finanszírozás és adózás nemzetközi összehasonlításban [Local government finance and taxation in international comparison]. In: Vígvári, A. (ed.): *Félúton. Tanulmányok a helyi önkormányzatok finanszírozási rendszerének továbbfejlesztési lehetőségeiről.* Budapest, Belügyminisztérium IDEA Programja – Települési Önkormányzatok Országos Szövetsége, pp. 21–46.
- Józsa, Z. 2006: *Önkormányzati szervezet, funkció, modernizáció* [Local Governmental Organisation, Function, Modernisation]. Pécs, Dialóg Campus Kiadó.
- Kákai, L. 2004: *Önkormányzunk értetek, de nélkületek* [We Govern Locally for You, But Without You]. Budapest, Századvég Kiadó.

- Kukorelli, I. 1990: Az önkormányzat esélyei négy évtized távlatából [The Chances of Local Government from a Four-Decade Perspective]. – *Alkotmányjogi Füzetek*. 7–8.
- Kusztosné Nyitrai, E. (ed.) 1998: *A helyi önkormányzatok és pénzügyeik* [Local Self-Governments and Their Finance]. Budapest, Consulting Önkormányzati Pénzügyi és Befektetési Rt.
- Loughlin, J. 2004: Regional autonomy and state paradigm shifts in Western Europe. In: Keating, M. (ed.): *Regions and Regionalism in Europe*. An Elgar Reference Collection, Cheltenham, pp. 656–681.
- Nagy, Cs. – Tamás, V. 2004: Helyi népszavazások Magyarországon [Local Referendums in Hungary]. – *Politikatudományi Szemle*. 3. pp. 197–221.
- Naschold, F. 1996: *New Frontiers in Public Sector Management*. Berlin–New York, Walter de Gruyter.
- Pápay, Zs. (ed.) 1987: *Helyi hatalom – helyi társadalom* [Local Authority – Local Society]. Budapest, Művelődési Minisztérium.
- Péter, J. 2000: Önkormányzatok a települések civil társadalmában. [Local Governments in the Civil Society of Settlements]. In: Verebélyi, I. (ed.): *Egy évtized önkormányzati mérlege és a jövő kilátásai*. Budapest, MTA Politikai Tudományok Intézete – MTA Regionális Kutatások Központja, pp. 281–294.
- Peters, B. G. – Pierre, J. (eds.) 2006: *Handbook of Public Policy*. London, Sage.
- Pickvance, C. G. 1997: Decentralization and democracy in Eastern Europe: A sceptical approach. – *Government and Policy*. 2. pp. 129–143.
- Somlyódyne Pfeil, E. 2003: *Önkormányzati integráció és helyi közigazgatás* [Local Government Integration and Local Public Administration]. Budapest–Pécs, Dialóg Campus.
- Soós, G. – Zentai, V. (eds.) 2005: *Faces of Local Democracy. Comparative Papers from Central and Eastern Europe*. Budapest, OSI.
- Szabados, T. 2002: Társadalmi indikátorok, társadalmi terek. [Social Indicators, Social Spaces]. In: Füstös, L. – P. Táll, É. – Szabados, T. (eds.): *Európai Társadalmi Regiszter*. Budapest, MTA Politikai Tudományok Intézete – MTA Szociológiai Kutatások Intézete.
- Szoboszlai, Gy. 1996: Önkormányzati választások 1994 [Local Governmental Elections 1994.] Böhm, A. – Szoboszlai, Gy. (eds.): *Önkormányzati választások. 1994. Politikai szociológiai körkép*. Budapest, MTA Politikai Tudományok Intézete, pp. 32–55.
- Taylor-Gooby, P. (ed.) 1998: *Choice and Public Policy: The Limits to Welfare Markets*. London, Macmillan Press.
- Tönnisson, K. 2004: The applicability of networking principles among Estonian local governments. In: Jenei, G. – McLaughlin, K. – Mike, K. – Osborne, S.P. (eds): *Challenges of Public Management Reforms. Theoretical Perspectives and Recommendations*. Budapest, IRSPM-BUESPA, pp. 193–213.
- Verebélyi, I. (ed.) 1988: *A tanácsrendszer önkormányzati típusú reformja*. [The Local Government-Type Reform of the Council System]. Budapest, ÁSZI.
- Vigvári, A. 2005: *Közpénzügyeink*. [Our Public Funding Affairs]. Budapest, KJK Kerszöv.
- Vigvári, A. 2006: Politika, gazdaság és reformkényszer a helyi önkormányzati szektorban, 1990–2004. [Politics, Economy and Reform Compulsion in the Local Self-Government Sector, 1990–2004]. In: Böhm, A. (ed.) 2006: *A helyi hatalom és az önkormányzati választások Magyarországon 1990–2002*. Budapest, MTA Politikai Tudományok Intézete, pp. 19–66.
- Weiss, C. H. 2005: *Értékelés*. [Evaluation]. Budapest, Országos Közoktatási Intézet.

The *Discussion Papers* series of the Centre for Regional Studies of the Hungarian Academy of Sciences was launched in 1986 to publish summaries of research findings on regional and urban development.

The series has 5 or 6 issues a year. It will be of interest to geographers, economists, sociologists, experts of law and political sciences, historians and everybody else who is, in one way or another, engaged in the research of spatial aspects of socio-economic development and planning.

The series is published by the Centre for Regional Studies.

Individual copies are available on request at the Centre.

Postal address

---

Centre for Regional Studies of the Hungarian Academy of Sciences

P.O. Box 199, 7601 PÉCS, HUNGARY

Phone: (36–72) 523 800

Fax: (36–72) 523 803

[www.rkk.hu](http://www.rkk.hu)

<http://www.dti.rkk.hu/kiadv/discussion.html>

Director

---

Gyula HORVÁTH

Editor

---

Gábor LUX

[lux@rkk.hu](mailto:lux@rkk.hu)

*Papers published in the Discussion Papers series*

---

**Discussion Papers / Specials**

- BENKŐNÉ LODNER, Dorottya (ed.) (1988): Environmental Control and Policy: Proceedings of the Hungarian–Polish Seminar in the Theoretical Problems of Environmental Control and Policy
- OROSZ, Éva (ed.) (1988): Spatial Organisation and Regional Development Papers of the 6<sup>th</sup> Polish–Hungarian geographical Seminar
- DURÓ, Annamária (ed.) (1993): Spatial Research and the Social–Political Changes: Papers of the 7<sup>th</sup> Polish–Hungarian Seminar
- DURÓ, Annamária (ed.) (1999): Spatial Research in Support of the European Integration. Proceedings of the 11<sup>th</sup> Polish–Hungarian Geographical Seminar (Mátraháza, Hungary 17–22 September, 1998)
- GÁL, Zoltán (ed.) (2001): Role of the Regions in the Enlarging European Union
- HORVÁTH, Gyula (ed.) (2002): Regional Challenges of the Transition in Bulgaria and Hungary
- KOVÁCS, András Donát (ed.) (2004): New Aspects of Regional Transformation and the Urban–Rural Relationship
- BARANYI, Béla (ed.) (2005): Hungarian–Romanian and Hungarian–Ukrainian border regions as areas of co-operation along the external borders of Europe
- ENYEDI, György – KOVÁCS, Zoltán (eds.) (2006): Social Changes and Social Sustainability in Historical Urban Centres. The Case of Central Europe
- KOVÁCS, András Donát (ed.) (2007): Regionality and/or locality
- SZIRMAI, Viktória (ed.) (2007): Social Inequalities in Urban Areas and Globalization. The Case of Central Europe
- ILLÉS, Iván (2008): Visions and Strategies in the Carpathian Area (VASICA)
- GÁL, Zoltán – RÁCZ, Szilárd (eds.) (2008): Socio-Economic Analysis of the Carpathian Area
- KOVÁCS, András Donát (ed.) (2009): Old and new borderlines/frontiers/margins

**Discussion Papers**

- No. 1 OROSZ, Éva (1986): Critical Issues in the Development of Hungarian Public Health with Special Regard to Spatial Differences
- No. 2 ENYEDI, György – ZENTAI, Viola (1986): Environmental Policy in Hungary
- No. 3 HAJDÚ, Zoltán (1987): Administrative Division and Administrative Geography in Hungary
- No. 4 SIKOS T., Tamás (1987): Investigations of Social Infrastructure in Rural Settlements of Borsod County
- No. 5 HORVÁTH, Gyula (1987): Development of the Regional Management of the Economy in East-Central Europe
- No. 6 PÁLNÉ KOVÁCS, Ilona (1988): Chance of Local Independence in Hungary
- No. 7 FARAGÓ, László – HRUBI, László (1988): Development Possibilities of Backward Areas in Hungary
- No. 8 SZÖRENYINÉ KUKORELLI, Irén (1990): Role of the Accessibility in Development and Functioning of Settlements

- No. 9 ENYEDI, György (1990): New Basis for Regional and Urban Policies in East-Central Europe
- No. 10 RECHNITZER, János (1990): Regional Spread of Computer Technology in Hungary
- No. 11 SIKOS T., Tamás (1992): Types of Social Infrastructure in Hungary (to be not published)
- No. 12 HORVÁTH, Gyula – HRUBI, László (1992): Restructuring and Regional Policy in Hungary
- No. 13 ERDŐSI, Ferenc (1992): Transportation Effects on Spatial Structure of Hungary
- No. 14 PÁLNÉ KOVÁCS, Ilona (1992): The Basic Political and Structural Problems in the Workings of Local Governments in Hungary
- No. 15 PFEIL, Edit (1992): Local Governments and System Change. The Case of a Regional Centre
- No. 16 HORVÁTH, Gyula (1992): Culture and Urban Development (The Case of Pécs)
- No. 17 HAJDÚ, Zoltán (1993): Settlement Network Development Policy in Hungary in the Period of State Socialism (1949–1985)
- No. 18 KOVÁCS, Teréz (1993): Borderland Situation as It Is Seen by a Sociologist
- No. 19 HRUBI, L. – KRAFTNÉ SOMOGYI, Gabriella (eds.) (1994): Small and medium-sized firms and the role of private industry in Hungary
- No. 20 BENKŐNÉ Lodner, Dorottya (1995): The Legal-Administrative Questions of Environmental Protection in the Republic of Hungary
- No. 21 ENYEDI, György (1998): Transformation in Central European Postsocialist Cities
- No. 22 HAJDÚ, Zoltán (1998): Changes in the Politico-Geographical Position of Hungary in the 20<sup>th</sup> Century
- No. 23 HORVÁTH, Gyula (1998): Regional and Cohesion Policy in Hungary
- No. 24 BUDAY-SÁNTHA, Attila (1998): Sustainable Agricultural Development in the Region of the Lake Balaton
- No. 25 LADOS, Mihály (1998): Future Perspective for Local Government Finance in Hungary
- No. 26 NAGY, Erika (1999): Fall and Revival of City Centre Retailing: Planning an Urban Function in Leicester, Britain
- No. 27 BELUSZKY, Pál (1999): The Hungarian Urban Network at the End of the Second Millennium
- No. 28 RÁCZ, Lajos (1999): Climate History of Hungary Since the 16<sup>th</sup> Century: Past, Present and Future
- No. 29 RAVE, Simone (1999): Regional Development in Hungary and Its Preparation for the Structural Funds
- No. 30 BARTA, Györgyi (1999): Industrial Restructuring in the Budapest Agglomeration
- No. 31 BARANYI, Béla–BALCSÓK, István–DANCS, László–MEZŐ, Barna (1999): Borderland Situation and Peripherality in the North-Eastern Part of the Great Hungarian Plain
- No. 32 RECHNITZER, János (2000): The Features of the Transition of Hungary's Regional System
- No. 33 MURÁNYI, István–PÉTER, Judit–SZARVÁK, Tibor–SZOBOSZLAI, Zsolt (2000): Civil Organisations and Regional Identity in the South Hungarian Great Plain
- No. 34 KOVÁCS, Teréz (2001): Rural Development in Hungary
- No. 35 PÁLNÉ, Kovács Ilona (2001): Regional Development and Governance in Hungary

- No. 36 NAGY, Imre (2001): Cross-Border Co-operation in the Border Region of the Southern Great Plain of Hungary
- No. 37 BELUSZKY, Pál (2002): The Spatial Differences of Modernisation in Hungary at the Beginning of the 20<sup>th</sup> Century
- No. 38 BARANYI, Béla (2002): Before Schengen – Ready for Schengen. Euroregional Organisations and New Interregional Formations at the Eastern Borders of Hungary
- No. 39 KERESZTÉLY, Krisztina (2002): The Role of the State in the Urban Development of Budapest
- No. 40 HORVÁTH, Gyula (2002): Report on the Research Results of the Centre for Regional Studies of the Hungarian Academy of Sciences
- No. 41 SZIRMAI, Viktoria – A. GERGELY, András – BARÁTH, Gabriella–MOLNÁR, Balázs – SZÉPVÖLGYI, Ákos (2003): The City and its Environment: Competition and/or Co-operation? (A Hungarian Case Study)
- No. 42 CSATÁRI, Bálint–KANALAS, Imre–NAGY, Gábor –SZARVÁK, Tibor (2004): Regions in Information Society – a Hungarian Case-Study
- No. 43 FARAGÓ, László (2004): The General Theory of Public (Spatial) Planning (The Social Technique for Creating the Future)
- No. 44 HAJDÚ, Zoltán (2004): Carpathian Basin and the Development of the Hungarian Landscape Theory Until 1948
- No. 45 GÁL, Zoltán (2004): Spatial Development and the Expanding European Integration of the Hungarian Banking System
- No. 46 BELUSZKY, Pál – GYŐRI, Róbert (2005): The Hungarian Urban Network in the Beginning of the 20<sup>th</sup> Century
- No. 47 G. FEKETE, Éva (2005): Long-term Unemployment and Its Alleviation in Rural Areas
- No. 48 SOMLYÓDYNÉ PFEIL, Edit (2006): Changes in The Organisational Framework of Cooperation Within Urban Areas in Hungary
- No. 49 MEZEI, István (2006): Chances of Hungarian–Slovak Cross-Border Relations
- No. 50 RECHNITZER, János – SMAHÓ, Melinda (2006): Regional Characteristics of Human Resources in Hungary During the Transition
- No. 51 BARTA, Györgyi – BELUSZKY, Pál – CZIRFUSZ, Márton – GYŐRI, Róbert – KUKELY, György (2006): Rehabilitating the Brownfield Zones of Budapest
- No. 52 GROSZ, András (2006): Clusterisation Processes in the Hungarian Automotive Industry
- No. 53 FEKETE, G. Éva – HARGITAI, Judit – JÁSZ, Krisztina – SZARVÁK, Tibor – SZOBOSZLAI, Zsolt (2006): Idealistic Vision or Reality? Life-long learning among Romany ethnic groups
- No. 54 BARTA, Györgyi (ed.) (2006): Hungary – the New Border of the European Union
- No. 55 GÁL, Zoltán (2006): Banking Functions of the Hungarian Urban Network in the Early 20<sup>th</sup> Century.
- No. 56 SZÖRÉNYINÉ, Kukorelli Irén (2006): Relation Analysis in Rural Space – A Research Method for Exploring the Spatial Structure in Hungary
- No. 57 MAUREL, Marie-Claude – PÓLA, Péter (2007): Local System and Spatial Change – The Case of Bóly in South Transdanubia
- No. 58 SZIRMAI, Viktória (2007): The Social Characteristics of Hungarian Historic City Centres
- No. 59 ERDŐSI, Ferenc – GÁL, Zoltán – GIPP, Christoph – VARJÚ, Viktor (2007): Path Dependency or Route Flexibility in Demand Responsive Transport? The Case Study of TWIST project

- No. 60 PÓLA, Péter (2007): The Economic Chambers and the Enforcement of Local Economic Interests
- No. 61 BUDAY-SÁNTHA, Attila (2007): Development Issues of the Balaton Region
- No. 62 LUX, Gábor (2008): Industrial Development, Public Policy and Spatial Differentiation in Central Europe: Continuities and Change
- No. 63 MEZEI, Cecília (2008): The Role of Hungarian Local Governments in Local Economic Development
- No. 64 NAGY, Gábor (2008): The State of the Info-communication Markets in Dél-Alföld Region – Hungary
- No. 65 HORVÁTH, Gyula (2008): Regional Transformation in Russia
- No. 66 BELUSZKY, Pál – SIKOS T., Tamás (2008): Changing Village-Typology of Rural Settlements in Hungary at the Beginning of the Third Millennium
- No. 67 CSIZMADIA, Zoltán – GROSZ, András (2008): Regional Innovation System in West Transdanubia
- No. 68 HARDI, Tamás (ed.) (2008): Transborder Movements and Relations in the Slovakian–Hungarian Border Regions
- No. 69 ERDŐSI, Ferenc (2008): Global and Regional Roles of the Russian Transport Infrastructures
- No. 70 CSIZMADIA, Zoltán (2009): Cooperation and Innovativity: the Network Foundations of the Regional System of Innovation
- No. 71 HAJDÚ, Zoltán – LUX, Gábor – PÁLNÉ KOVÁCS, Ilona – SOMLYÓDYNÉ PFEIL, Edit (2009): Local Dimensions of a Wider European Neighbourhood: Crossborder Relations and Civil Society in the Hungarian–Ukrainian Border Area
- No. 72 HORVÁTH, Gyula (2009): Cohesion deficiencies in Eastern and Central Europe. Inequalities of regional research area
- No. 73 PÁLNÉ KOVÁCS, Ilona –VARJÚ, Viktor (eds.) (2009): Governance for Sustainability – Two Case Studies from Hungary
- No. 74 SZÉPVÖLGYI, Ákos (2009): The Effects of the Information Society on Spatial Development – Hungarian Case Study
- No. 75 BARÁTH, Gabriella (2009): The Relation Systems of Metropolitan Areas
- No. 76 MEZEI, István (2009): The Development of the Urban Network in Slovakia
- No. 77 CARDOSO, Ana Margarida Martins (2009): Territorial Planning, its Actors and Instruments. The Portuguese & Hungarian Planning System
- No. 78 KOVÁCS, Katalin – CARTWRIGHT, Andrew (2010): Controlled Decentralisation: Institution-Building and Regional Development in Hungary
- No. 79 DURAY, Balázs – MEZEI, István – NAGY, Imre – PÁNOVICS, Attila (eds.) (2010): Environmental Policy and the Institutional System of Environment Protection in the Carpathian Basin
- No. 80 ERDŐSI, Ferenc (2010): Closing up, Keeping up or Lagging Behind? The Fundamental Problems and Spatial Differences of Air Navigation in East-Europe
- No. 81 HORVÁTH, Gyula (2010): Territorial cohesion in the Carpathian basin: trends and tasks
- No. 82 HARDI, Tamás (2010): Cities, Regions and Transborder Mobility Along and Across the Border