

**Equal status and different
conditions of local governments
in Hungary**

INTRODUCTION

The aim of this paper is to highlight the paradox of legal regulation and the real state of the art of local governments in Hungary. It is obvious, that this paradox is not the special case of Hungary since the framework type of regulation bears always the risk that “life” overwrites the regulated dreams. The speciality of this case is that Hungary – like other transitional countries – had normative ideas about Western type of governance (and other fields like economy, market, ownership etc.) during the legislation process without having a real picture on how to implement and use the fashionable institutions and norms¹. This paper focuses on the values of equality concerning the local governmental status which was one of the main ambitions of the legislator in the nineties. The legislator at that time expected that the equality of local governments will lead to a completely new quality of local governmental performance in terms of public services and local democracy. Further, the legislator shared the opinion according to which the rationale of local governments is the trinity of liberty, equality and welfare². Due to this idea the Hungarian legislator considered the equality of even the smallest local government as a taboo providing the greatest autonomy for the local decision makers, although it is also an old commonsense that “(...) the principle of legal equality seldom means

¹ D. Galligan, R. Langan, C. Nicandrou (eds.), *Administrative Justice in the New European Democracies*, OCI-COLPI, Budapest, Oxford 1997.

² A. Norton, *International Handbook of Local and Regional Government*, Edward Elgar, Aldershot 1994, p. 27.



actual equality, unless the rural units are large enough to support activities equivalent to those of their urban counterparts”³.

From the 20 years distance we shall realize that the regulatory model on its own was unable to guarantee the real equality of local governments. The processes occurring in the local governance system of Hungary produced adequate evidence for the evaluation of the real space of the “Europeanisation” movement and also for forecasting the near future of decentralisation in the new member states, where the polarisation and fragmentation is a possible argumentation in the hands of national governments explaining their centralising ambitions.

THE PATH DEPENDENCY – ABOUT THE PAST

In the history of Hungarian local governments the standard feature was the strong dependency on the central power in the form of subordination to the upper tiers of governance and the necessity of belonging to “bigger” cities and neighbouring settlements. This also means that the equality of local decision makers has almost never been the case for the local tiers especially not for smaller villages. This fact is important, since it clearly indicates that it was not only the “communist legacy”⁴ hindering the adaptation to the more decentralised Western governance system.

For the first time in the legal situation the act on the municipalities and the act on the villages, passed in 1870 resulted that the entire territory of Hungary was under a public administration built on the same principles and therefore both, the municipalities and the counties received self-government rights.

Concerning the settlements the acts differentiated among units with different legal status, by their ability to run administrative organisations and to perform tasks allowed by their size. The logic of public administration as a whole, however, did not change during this era, neither did it compared with former eras, namely the counties maintained their dominant power and the independence of the municipalities existed only in theory.

³ S. Humes, *The Structure of Local Governments throughout the World*, Martinus Nijhoff, 1959, p. 17.

⁴ D. Galligan, R. Langan, C. Nicandrou (eds.), *Administrative Justice in the New European Democracies*, OCL-COLPI, Budapest, Oxford 1997.



This phenomenon was striking in the era of state socialism between 1950–1990. Following World War II the communists formed a government with the support of the Soviet Union and decided to follow the Soviet model. In 1950 the so-called Council Act practically eliminated the rights of independent local governments in the territorial decision-making and created a hierarchical governance system. The power logic of the model is well reflected by the definition of the Soviet council system, claimed by the administrative ideologists of the communist party: local councils are not the organs of the local power but local organs of the power.

Professional and certain political circles already perceived the reform necessity of the local council system already before the systemic change in the eighties. The reform thinking at that time affected the territorial structure of the administration only to a lesser degree. More attention was paid to organisational independence than to the freedom and the essential political features of the self-governance. Despite of the few signs of the ambition to build a real “self-governance” system accepting the idea of local taxation, devoting more rights and resources for the smaller settlements, the main barrier, namely the insisting on the unity of the state power following the Leninist theory of state leaving no chance for the model of autonomy and equality of local councils – remained unchanged.

THE SYSTEMIC CHANGE AS A CHANCE OF GIVING EQUAL RIGHTS FOR LOCAL GOVERNMENTS

Following the systemic change the first really significant legal document passed by the newly elected parliament was the LXV/1990 Act on the Local Governments. The preparation of the act progressed in the crossfire of serious political debates, since all political groups realised that the act will fundamentally impact the future power exercise. Despite of the huge number of amendments and debates the act was passed with a significant majority.

The act meets international standards as far as its spirit and liberalism are concerned and at the same time, has brought a dramatic change in the structure of Hungarian public administration. The act declares the right to self-governance, as the collective right of citizens living within one locality, therefore the settlement became the key element in the local government system also demonstrating the ambition of the legislator to create equal



local governments. It is conspicuous in both the Act on Local Governments and the Constitution that the legislature strove at creating the guarantees of the local governments' autonomy and equality in terms of structure and decision-making. This is reflected in the enumeration of the basic rights of local governments and the declaration of equity in terms of their legal status. The regulation of the relationship to the state as well as the weak legal control over local governments point out the fact that the essence of the Hungarian self-governmental model is autonomy, equity of local governments and their independence of the state hierarchy. The choice of value by the legislator in relation to the local government model was mainly motivated by political intentions and therefore, besides the guarantees of democracy and independence the aspects of efficiency and the public administrative rationality were rather neglected although in that time these values determined the administrative reforms implemented in Western Europe⁵.

The Hungarian Act on Local Governments declares the relative autonomy of local governments, stating that all decisions made by them on local matters are final and therefore can only be revised from the aspect of lawfulness. The act grants great freedom to the local governments to establish organisations, to pass decrees, join alliances for the protection of their common interests and other types of associations. The act defines the compulsory tasks of the local governments, specifying the government support they are granted to and indicating that larger local governments may be assigned with more tasks. The Act declares that the tasks of local governments may only be defined by parliamentary acts protecting local governments from being overloaded by public issues and therefore limiting their space of movement. The liberal spirit of the act is well illustrated by the fact that it allows a fairly liberal distribution of local governmental functions on a voluntary basis, being obviously more favourable to municipalities versus the counties.

This model rests exactly on the main focus of equal treatment of local governments. The legislator considered the elimination of the hierarchy between the tiers as a *sine qua non* of the independence of local governments. For the control of legality a new state organ was created, arguing that none of the local governments are entitled to make obligatory or hierarchical decisions for another local government.

⁵ J. Stewart, G. Stoker (eds.), *Local Government in the 1990s*, Macmillan, London 1995.



In the following we will examine the other two regulatory elements guaranteeing the equal status of local governments, namely the enforcement of the equal rights of local governments and the principle of subsidiarity concerning the role of the counties, since these were important points for the legislator too. These principles, equality and subsidiarity, put an end to the previous, century-long traditions such as subordinating and integrating the municipalities and granting power over the municipalities to the counties, the only territorial tier of the Hungarian State.

- ☒ The first element of equality in the legal regulation is the issue of *legal entity* within the local government system, i.e. the unlimited and “equal” right to create own local government. The Soviet-type council system in Hungary functioned in a territorially integrated, concentrated organisational mechanism. This was valid for the councils in tiny villages, the districts (settlements in the neighbourhood of towns and the towns themselves) as well. The high level of integration – it was said – improved efficiency and the proficiency of public administration but at the same time it resulted in a huge democracy deficit and made representation within the councils just a formality. In the spirit of equal status the intention of the legislator in 1990 was to put the local society of the settlements into the centre of the system. The right of self-governance was declared as a right of the local community. In the former Soviet council system, the 3,200 settlements were administered by approximately 1,600 local councils. The local administrative units was doubled after 1990 their number grew from 1,600 local units to 3,200. During the first free elections in the autumn of 1990 every settlement created its independent local government, completely disregarding the number of the population. This measure was definitely welcomed in those villages where this was the first time and chance to elect own representative bodies and mayors. The local governments of the settlements, in accordance with the act, were given a general authority to manage practically all local public affairs, irrespective of their capacity. Every village has right to elect its own body and mayor, to establish office, and there is no legal compulsion to join any association or to integrate the too small offices or to employ civil servants together. The process of splitting went on: about 100 new villages with independent local



government were founded seceding from each other. The newly elected local politicians were eager to prove that freedom and power were the prerequisite of development and they strongly pushed the central government in order to acquire development sources. The seemingly merely political–legal transition thus resulted in fundamental changes in the development of settlements as well. In the period of the first government after the systemic change, the formerly city-centred development policy was replaced by development priorities definitely favouring small villages. The state support played a dominant role in the financing system of the local governments. There were equal tasks and rights on the one side but the organisational system of local governments had extremely differing capacities. The majority of the local governments were not able to fulfil their tasks from their own resources. All local governments could automatically, *sui generis* rely on state grants, as in the normative system of distribution there was no place for individual consideration. This system did not encourage a reasonable division of labour among municipalities and administrative tiers. This liberal law is very democratic from a political point of view compared with the former very integrated Soviet type of local administration but exactly this regulation generated the extreme disintegration of the local governmental structure.

- ☒ The principle of subsidiarity and the aim to protect the equal rights of municipalities led also the completely different *regulation of the county level*. Before the systemic change the focal county function was the control of local councils in several ways ranging from legal supervision, through the direction of public administration, to acting as a forum of appeal and allocating of financial resources and a major investor in the service provision. It is no wonder that after the systemic change the legislator wished to abolish the former power of the counties stating that counties are just subsidiary units of the local government system. For this reason the legislator obliged the counties to provide services which the municipalities are not able or do not want to perform and therefore the municipalities were empowered to transfer such competences to the counties. This special Hungarian interpretation of subsidiarity derived not only from the professional, scientific circles but



also from the ambitions of the politicians. This rigid and one-sided approach was directed against the county governments. Normally, subsidiarity as a principle of division of public competences should not mean that every task and resource is allocated at the municipalities. The lowest operating level of services and administrative functions may not always be the municipalities, especially not in such a model where the municipalities are sometimes the tiniest settlements. Not every competence and function should or can be decentralised to the municipalities. Municipalities themselves generally do not want to transfer their tasks and competences to the counties, even though counties would be more able to carry out functions in the regional services, regional development and professional administration. Therefore the regulation concerning the counties was mistaken and resulted in the weakness of county level within the local government system, without having strengthened the municipal level, rather quite the contrary.

Summarising the point of the regulation – not denying virtues, political and constitutional importance of the introduced model – the act has been unsuccessful from “only” one aspect, namely it failed to establish a legally guaranteed decentralised territorial structure of public administration. The legislation and administration following the enactment of the Act on Local Governments pointed out that despite of all the liberalism of the regulations the model of self-governments with its *legal guarantees of free decision-making alone can not ensure political and power decentralisation*.

The parliamentary and governmental decisions, as well as the measures of the previous years run in many respects counter to the original logic of self-governance, despite of the fact that in terms of the legal form there was no interference with the competencies and decisions of the local governments.

CONSEQUENCES OF MISUNDERSTOOD EQUALITY

As we have outlined before, the Act on Local Governments placed the settlements in a favourable situation and deliberately pushed the territorial governments to the periphery. The probably good intention to democratise



territorial administration and to bring decisions closer to the citizens has brought about several, perhaps unexpected side-effects, as well:

- ☒ Smaller settlements can perform their tasks only in poor quality and with low efficiency, many times not even complying with the legal requirements. The present local administrative structure is not able to carry out local services and administrative tasks professionally and with good quality due to the frittered organization and resources. The many new independent local government units in small villages forced the central government to give them financial subsidies in many cases for prestige investments, which resulted in increasing costs of the public services, unutilised capacities, parallelisms and low technical and quality standards in the infrastructural developments.
- ☒ Despite the above, municipalities did not recognise the possibilities of association, in fact, the system further disintegrated due to the partitions of settlements and secessions from the integrated notary districts. One reason of the separation process was that the Act on Local Governments was not elaborated in detail and therefore was not appropriate to surmount the gap between the fragmented local decision making system and the services and infrastructure organised by territorial districts. For lack of comprehensive and clear regulations local governments are obviously anxious about losing their autonomy to a capable organisation. Therefore they fail to realise the advantages and the necessity of association.
- ☒ The other consequence of the “equalising” the county and the municipality is that the displaced county governments were replaced by dozens of deconcentrated state offices and agencies which were empowered to carry out tasks which normally would require representative, democratic control. The nationalisation of the meso level led to the dominance of the central state against the self governments.

Consequently, the establishment of the local self-government system did not result in a real decentralised state. Organisational guarantees on the one hand are built in the legal regulation but on the other hand, the



issue has never been clarified what kind of division of labour shall to be created between the different tiers of local governments. Local governments became politically free and legally equal but they have not enough capacities and financial resources to control local affairs generally. The political freedom is necessary but not sufficient to establish a decentralised system, what is more, sometimes too much freedom on the bottom hinders the rational territorial integration at the meso-level and the devolution of power from the top.

Of course, it is very easy to state a serious disapproval twenty years later. Probably the legislator could not foresee itself that some elements of the legal regulation will lead to processes which necessarily disrupt the consistency of the originally intended model of local governance. The real default was not just the regulation but rather the neglecting of the real circumstances of local functioning which is completely different from the Western countries where the pattern came from.

In the wake of the autonomy of small settlemental local governments it was unavoidable to establish at least the basic infrastructure level (schools, city halls, water supply etc.). This admittedly brought about spectacular changes in the image of municipal self-governments and came as a revelation to the local population. In the same small settlements the “enrichment of the public sector” was coupled with high unemployment and the shattering of the economic basis. Construction on one side, demolition on the other; which of the trends would be lasting and how will they affect each other? What should be the state resources used for? How can the local society of the settlements be convinced that autarchy and self-contained autonomy is an insufficient way surmounting the crisis? Would the government assist for the long-term regression if it supports “local egoism”? Which is the right model for the villages: traditionalism or modernisation?

EUROPEAN DIMENSIONS

When the local governmental system in Western Europe moved to a more integrated and regionalised structure the Hungarian and the most of the Central-and Eastern European post socialist countries moved towards a completely different direction. According to an increasing



number of opinions, shall the homogenisation of national public administrations not take place, the European Union may split into two groups: the leading, pioneer states on the one hand and other states reinforcing the centrifugal effects on the other⁶. Because of the growth of states, population and territory the administration of the European Commission became less able to overtake directly the implementation of the common policies⁷. Whereas the homogenisation of national administrative capacities may not mean unification. The convergence of public administrations proceeds alongside different needs, power structures and values. Empirical research aimed at the evaluation of the signs of convergence emphasised that there is no need and no intention on behalf of the member states to unify public administrations and thus the variety of public administrations was maintained⁸.

As it is well known, the expectations of the European Union for the public administration of the countries involved in the last round of accession were much more definite than during any other previous enlargement phase. Many believe that the insistence on meeting the criteria of administrative capacities would be justifiable if the concept itself was clear and if it contained equal expectations for everyone⁹. The accession states had to adapt to an almost “moving target”, the principles formulated by the EU and OECD etc. are too general and uniform, evaluators had great personal freedom to formulate their opinions on the performance of national public administrations¹⁰. In the shaping of the territorial administration model of the transitional countries the necessity for a democratic and decentralised state and the political aspect of reinforcement of the local roots were simultaneously present reflecting the thesis of Sharpe on “democratic maturation”¹¹.

Due to these facts, the question must be raised whether these countries, in terms of administrative professionalism and capacity are appropriate and prepared for the European adaptation process and for dealing with

⁶ C. D'Orta, *What Future for the European Administrative Space?*, EIPA, Maastricht 2003, <http://www.eipa.nl>.

⁷ I. Lazareviciute, T. Verheijen, *Efficient and Effective Government*, in: G. Péteri, O. Simek (eds.), *European Union Enlargement and the Open Society Agenda. Local Government and Public Administration*, Budapest 2000.

⁸ D. Bossaert, Ch. Demmke, K. Nomden, R. Polet, *Civil Services in the Europe of Fifteen: Trends and New developments*, European Institute of Public Administration, Maastricht 2001, p. 251.

⁹ J. Hughes, G. Sasse, C. Gordon, *Europeanization and regionalization in the EU's Enlargement to Central and Eastern Europe*, Palgrave, Macmillan 2004.

¹⁰ E. Moxon-Browne, *Administrative capacity in the European Union: How high can we jump?*, available at: http://www.cfer.org.uk/content.lib_soundings.pdf

¹¹ L. J. Sharpe (ed.), *The Rise of meso government in Europe*, SAGE Publications, London 1993.



fragmentation to take place at the same time. In this region, the changing or reform processes in public administration have to be implemented within a much shorter time and under much stronger external pressure than in the former member states. This fact only highlights the failures and paradoxes in the shaping of public administration in Central-East-Europe, where there is a big gap between the ideal legal model and the consequences of real functioning.

It can be no accident that after the enlargement for example the regionalism is not so fashionable any more as before¹² and the regulation of European standards is getting looser¹³. The new democracies beyond the transition having just copied the model and principles have to consider also how they can find their own way of adaptation and catching up to the more effective Western governance system.

EQUALITY AND EFFICIENCY: A PARADOX OR FRIENDS OF EACH OTHER?

The question is how to harmonize the priority of municipal equality and the challenge of efficiency in the shaping of territorial administrative system? Do we infringe the principle of equality of local governments when we take into consideration the different capacities and abilities of local governments at different size and scales¹⁴?

If we accept that equality and efficiency (or ability) are compatible, how can we handle the conflicts of rearrangement of the positions, competences and resources? These questions have been raised during the public administrative reforms in Hungary and other Central and Eastern European states. The reforms are unavoidable not just due to the economic crisis but the inner recognition of low performance of local service providers and the decreasing trust towards a local politics. "Being closer to the citizens" that is the fragmentation of municipal level has not proved to be more democratic, although this was a common perception

¹² A. Elias, *Introduction. Whatever happened to the Europe of Regions? Revisiting the Regional Dimension of European Politics*, *Regional and Federal Studies* 2008, No. 5. pp. 483–493; J.W. Scott (ed.), *De-coding New Regionalism*, Franham, Ashgate 2009.

¹³ See: Utrecht Declaration, MCL-16 (2009) 12 final, European Council, 2009.

¹⁴ M.R. Martins, *Size of municipalities, efficiency and citizen participation: a cross-European perspective*, *Environment and Planning C: Government and Policy* 1995, pp. 441–459.



in Central and Eastern Europe concerning the positive value of local governance¹⁵.

The recent literature in Hungary points out that the huge debts of local governments, the deteriorating quality of public services make new local and national strategies and possibly paradigms necessary¹⁶. It seems that both, the challenges of legitimacy and efficiency require to rethink the basic values, principles of local governance in CEE countries.

Not going into the details of the almost continuous story of the unsuccessful Hungarian public administrative reforms since their implementation was always “the missing link”¹⁷, we wish to emphasise just some elements in close connection with the values of equality and ability/efficiency.

The legally equal status of municipalities regardless their size, capacity and performance is not a conceptual requirement of the legal definition of local government. A small municipality is rather a local community than an administrative unit and therefore it should have less competences than bigger settlements. There is even fairly widely used method distinguishing the status of municipalities by their size. It is an internationally known model assuming that the real capacities are different consequently the competences and duties could be also distinguished. There is also commonly used legal instrument to oblige municipalities to associate with each other or what is more to amalgamate them. The question is whether these solutions are against the equality of municipalities? Equality means that all local governments are empowered undertake all functions which they are able to fulfil. The equal status and autonomy are not targets, they are rather means to avoid unnecessary limitation of the freedom. The main target is the wellbeing of the citizens, but it does not mean that the state/local governments should provide the entire scale of the public services for the residents in every location where they live. In order to guarantee the standard quality of public services the order of the economy of scale has to be followed and the accessibility to the public services has to be managed. The legal forms of the territorially and organisationally integrated public services are the

¹⁵ P. Swianiewicz (ed.), *Public Perception of Local Governments*, OSI, Budapest 2001.

¹⁶ A. Vígvári, *A Possible path to implement public finance reforms*, *Public Finance Quarterly* 2006, No. 2, pp. 131–152; I. Pálné Kovács, *Helyi kormányzás Magyarországon* (Local governance in Hungary), Dialog Campus, Budapest-Pécs 2008.

¹⁷ W. Dunn, K. Staronova, S. Pushkarev (eds.), *Implementation. The missing link in Public administration reform in Central and Eastern Europe*, NISPAcee, Bratislava 2006.



association or the differentiated setting of competences among the municipalities according to their size.

This is the case concerning the meso-level governance as well, which could be considered as the limitation of municipal freedom but or contrary as an actor to assist the local level or to substitute it at every field, where municipalities are not able to act effectively. The argumentation in the hand of the central government, that the weakening of the county served as a protection of the freedom of municipalities has failed and it seems to be a more believable explanation that the central governments are not interested in having strong meso levels which were able to counterbalance their expanding power. There are many other evidences that the insisting on the “Western” model and values was just an elegant explanation for postponing reforms aiming more decentralised and effective local government system.

REFORMS IN THE ARENA OF POLITICAL AND ECONOMICAL CONSIDERATIONS

The Hungarian governments have tried several times during the previous 20 years to counteract one of the most contradictory processes by measures suggesting a cautious but evidently more up-to-date concept:

- ☒ Legally prescribed requirements of the establishment of new municipalities became more rigorous since 1994. According to the modification settlements with less than 300 inhabitants may not receive the status of independent municipality.
- ☒ There were certain modifications in the financing, which actually favoured associations in the course of the distribution of supports. Additional financial benefits were promised to self-governments associating with each other.
- ☒ It was a question, what economic management and development strategy should follow the rules suggesting conceptual change. Can the government undertake measures under the aegis of the “modernisation programme”, which will most probably be politically unpopular? The first, rather symbolic sign was that in the 1995 budget a special quota provided funding for municipal associations established for the maintenance of primary school



educational institutions and for the purchase of school buses trying to replace the former practice of individual school constructions. The modification of the grant system promoted the integration. These tiny signals forecasted the integrative intention within the self-government system, which, however, met considerable political opposition and resistance on behalf of the self-governments.

- ☒ The measures for the enhancement of the economy of scale were not very successful. Notwithstanding the parliament passed an independent act on the associations of local governments in 1997, but this new act was unable to motivate the settlements to co-operation.
- ☒ The differentiated division of labour is encouraged by the trend that currently larger local governments, especially those nearby the cities are assigned with district scale supply tasks. However as a whole the local governmental provision of tasks remained fragmented.
- ☒ The most ambitious step was the introduction of so called micro regional comprehensive associations in 2004 pushing almost all of the municipalities to join these associations in order to get extra state subsidies¹⁸.
- ☒ Considering the territorial governance a positive legal reform step was in 1994 providing counties the status of “territorial government”, as a result of which the concept of division of competencies between the municipal and county level could have been reassessed. In spite of that, unfortunately, county governments did not receive an adequate amount of competencies and tasks even after modifying the election system and reinforcing their status, since both the municipalities and the ministries resisted granting the counties more significant competencies.
- ☒ Later on, a number of official reform programmes were launched trying to solve the problems of the meso- governance. In 2002 and 2006 the government programs stated the aim of establishing regional self governments instead of counties, but due to missing the support of the parliamentary opposition the constitutional reform failed.

¹⁸ E. Somlyódyné Pfeil, *A Comparison of Ways to Increase Capacity in Local Public Administration – the reform of the Hungarian Public Service Sector in an International Context*. *Hravatske javna uprava* 2008, pp. 989–1012.



- ☒ The economic crisis and the huge dept of the state budget will also push the governments to continue the reforms in order to consolidate the budgets of local governments, but just cutting the budget is not a solution for the long term and therefore we have to face the origin of the structural and functional problems.

FINAL REMARKS

Hungary is suffering from governmental deficiencies at every level although the systemic change has established a Western democratic governmental system following principles like autonomy, decentralisation etc. Facing the insufficient model the reconsideration of the ideas adopted 20 years earlier is urgently necessary.

Equality is a political value having the function to protect local communities from the discrimination and subordination to upper administrative levels. Autonomy and equal rights are means in the hands of local governments to ensure local society's adaptation to its need. Equal rights ensure the equal status of local governments but the equal status does not mean same responsibilities and competences since local governments are not in the same situation in fulfilling the public services. Enabling municipalities to act is a duty of the upper tiers according to the principle of subsidiarity. If municipalities are not able to fulfil their task the victim is the local society and the central government could be blamed for the failure.

The modern welfare state at the beginning of 21st century can not afford to ignore the problems of unequal provision of public services especially in small villages, rural areas, poor regions and therefore it has to use the positive discrimination, extra subsidies etc. Thus on the other hand, the state has a right to reform the public administrative system in order to strengthen the capacities of local governments for example by the amalgamation of smaller units or by transfer the competences to the bigger or upper units. Efficiency and cost effectiveness are the values of "New Public Management"¹⁹ which were the argumentations during the public administrative reforms in Western Europe aimed at strengthening

¹⁹ W. Dreschler, *Towards a Neo-Weberian European Union? Lisbon Agenda and Public Administration*, Halduskultuur 2009, No. 10, pp. 6–22.



first the municipalities in the seventy's and after the regions in the eighty's.

The new democracies have to learn two lessons at the same time: to provide equal rights for local governments and equal chance also for local communities living anywhere to access the essential public services. The local political elite sometimes argue that reforms, integration, cutting the budget etc. are against the spirit of equality, however even the autonomy understanding as self objective is a main political obstacle of improving the whole system.

Hungary and the other Central and Eastern European countries are in the period of transition when on the basis of democratic order and values the efficient governance guaranteed in the constitution and laws is the priority. This project is much tougher than the political and legal systemic change was, since just following the Western legal models will be not enough²⁰. We have to analyze the real conditions of localities in order to find the adequate model.

Equality and autonomy of municipal governments remain important values but we have to harmonize them with other values and objects like efficiency, quality which can be guaranteed by a more rational structure and regulation of territorial public administration.

²⁰ G. Bouckaert, *Public Sector reform in Central and Eastern Europe*, „Halduskultuur” 2009, No. 10, pp. 94–104.