

Farewell to Decentralisation: The Hungarian Story and its General Implications

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The paper is based on a research project launched in 2012. The objective was to analyse, from a political science perspective, the main factors and circumstances of the process of territorial governance reform attempts before 2010, and the turning point after starting a strongly centralised model. The focus of the research was not so much on the objectives of the reforms, but rather on the context and the actors of the reform processes. It was presumed that the defeat of decentralisation could be explained by the weakness of the actors to preserve the formerly strong positions of local governments. The research hypothesised that, following the transition years, the gradually fading enthusiasm of parliamentary and party-political elites contributed to the failures of correctional reforms and to the limitation of institutional guarantees for safeguarding the interests of local governments.

Keywords: decentralisation, Hungary, local self-government, territorial reform

1. Introduction and Theoretical and Methodological Frameworks

The ongoing public reforms (a new constitution, local government act, electoral system, and others), launched in Hungary in 2010–2011, have fundamentally transformed the power relations and the territorial shape of the government system in several aspects. The various unresolved problems of local governance inherited from the past twenty years (such as fragmentation, a weak meso level, and, partially because of these facts, indebtedness) seemingly justified the changes. Despite earlier governments' intentions to correct the system of local government, the necessary reforms were always postponed. The question is whether the overall inefficiency of the Hungarian government's reform capacities and the asymmetric mechanisms of interest representation were the reasons why the repeatedly announced reforms of local and regional government failed, contributing to the dramatic centralisation after 2010.

Hungary is not a unique case in the region regarding its hard-to-reform governance system. Academic literature and various international organisations have frequently highlighted this specific shortcoming of the Cen-

tral and Eastern European transition countries, viz., the implementation is the “missing link” in the reform process (Dunn et al., 2006; Bouckaert et al., 2011). The special situation was that these transitional countries were obliged to establish their new political and governance model and simultaneously adapt to the professional “external” requirements of the “European Public Administrative Space”. Insufficient adaptation and weak governance performance were aggravated by the economic crisis. According to the ranking lists on governance performance,¹ CEE countries’ indices remain below the average values for developed countries.

There is an urgent need to understand why Hungary was not able to improve its governance performance. According to our hypothesis, besides the commitment to reform and implementation capacity, it is the contextual aspects of reforms that determine the success of adaptability to a large extent. The “appropriateness” of the reform objectives is linked to the general development and cultural level of a given country.

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The analysis of the actor/institutional and political context of implemented and failed reforms was a core objective of the research. Some external and internal factors were also investigated in order to place the actors and processes in a wider context. On the one hand, the specific circumstances of the transition period in tandem with the approaching EU accession generated a growing demand for adaptation to international governance standards. On the other hand, the domestic political, institutional, social, and economic *milieu* left their mark on this adaptation. The contradiction between the domestic adaptation propensity and potential, even between the inherent political values of the decision makers and European govern-

¹ World Governance Index, European Quality of Governance Index, Bertelsman’s Sustainable Governance Index, etc.

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ance standards was believed to be a crucial obstacle to finding the appropriate and sustainable territorial governance model. It is increasingly acknowledged in the literature on Europeanisation that the reproduction of models and “best practices” has generated only superficial changes in new member states, due to the insufficient capacities required in a general sense for their application (Stead & Nadin, 2011). The series of territorial governance reforms implemented in Hungary over the past 25 years are revealing in this regard.

Before the empirical research was designed, the literature on reforms in general, and the main characteristics of European territorial reform processes were studied. The theory of veto players (Tsebelis, 2002) enabled the identification of the prominent actors with an influence on policy-making and a power to transform the status quo. The research hypothesised that, following the transition years, the gradually fading enthusiasm of parliamentary and party-political elites contributed to the failures of correctional reforms and to the limitation of institutional guarantees for safeguarding the interests of local governments.

The research has not investigated all of the actors and all the details of the reform processes, choosing to focus instead only on some relevant participants and phases of decision-making in the general regulation of local governments and regionalisation attempts. The research analysed the regulation of governmental interest reconciliation serving as a framework for the preparation of reforms. The limited availability of empirical information on the role of central governmental agents in the reforms and related decision-making processes posed a serious obstacle to our research. The design of decision-preparation had unfortunately been ignored by previous political science research as well. While governmental decisions, concepts, and proposals were available, information on the decision-making processes, the influence of stakeholders, and their lobbying techniques were primarily obtained through indirect, qualitative methods. The role of various institutional stakeholders in the decision-making process was explored through interviews and documents (minutes and memoranda). Questionnaires were used in an attempt to shed light on the system of values of the most influential professionals and the local and parliamentary representatives related to local governments.

A survey among the mayor-MPs was conducted, assuming that this special “dual mandate” rendered them key figures in the legislation. The majority of questions concerned the self-evaluation of their role in safeguarding the interests of local authorities and legislation on local governments.

The parliamentary debates of 1990 and 2011 on two local government acts were analysed by empirical methods. Content analysis of the parliamentary debates on the acts revealed a significantly changing attitude of the elite towards the political prestige and value of self-government over the past 20 years.

A questionnaire was also sent out to experts employed at Hungarian universities, research institutes, and other professional bodies who participated in the preparation of several territorial and local governmental reforms. Then 18 semi-structured interviews were conducted with the most renowned actors involved in territorial reforms. It is beyond the scope of the current paper to present each element of the research; instead, the specific power relations and institutional context which led to the drastic diminution of the role of local governments will be discussed.

2. Theoretical Characteristics of Territorial Governmental Reforms

In recent decades, due in part to public policy studies, it has become clear that even local governmental and territorial reform processes have to follow a more complex approach focusing on individual interests and the values of stakeholders and institutions, in addition to the general patterns coming from the outside, and so on (Schneider & Heredia, 2003). The disillusion with international policy transfer revealed that, on top of the differences between the Anglo-Saxon and continental systems (Peters, 1997), specific features of post-socialist countries also hindered the implementation of ideal patterns via reforms. Poorly governed countries demonstrate a lower demand for reforms and are professionally less prepared for their implementation (Wright, 1997; Kuhlmann & Wollmann, 2014). The reform capacity of governments (i.e., their capacity to cope with changes) is determined by a large number of formal and informal veto points, whose presence and influence are derived from the overarching political, governmental, institutional, and cultural frameworks (Tsebelis, 2002).

Territorial/local governmental reforms, viz., the transformation of territorial scales and geographical boundaries, and centralisation/decentralisation, viz., the changing role of government tiers (Kuhlmann & Wollmann, 2014) are often closely interconnected (Pike et al. 2012, p. 15). Academic literature discusses territorial reforms and decentralisation mostly in

terms of output (“what they have achieved”), whereas the design of territorial reforms is rarely analysed. The study of Baldersheim and Rose (2010), undertaking a comparison of the territorial reforms of 11 countries in a systematically elaborated theoretical framework constitutes an exception. According to their conclusion, reform decisions resulted from “power games”; therefore their analysis had to be extended to the values and positions of actors as well as the specifics of the processes.

From the perspective of the context of territorial reforms, the geographic, spatial structure of a specific country, the external, international influences, and especially the division of power between the tiers (that is, the political position of local governments) are essential. Totalitarian regimes, democracies, and their majoritarian and consensual variants demonstrate considerable differences in terms of the position of local governments (Loughlin et al., 2011). The analysis of Hooghe et al. covering 42 countries concludes that democratic countries are generally more decentralised (Hooghe et al., 2008). Loughlin associates post-World War II territorial governance reforms with global models of the state corresponding to distinct periods (2007). According to Loughlin, the first centralised welfare state was characterised by administrative decentralisation. In the second stage, marked by neoliberal forms of governance, decentralisation was the dominant trend. Finally, the third period saw the restructuring of the state, shifting the balance between the public and private sectors and transforming the previous weight of the governmental tiers. Over the latter two periods, the region was the primary beneficiary of political decentralisation. The year 2008 marks the beginning of a new epoch, characterised by the advent of the “preventive” and (thus) centralising state with its marked preference for security and crisis management (Baldersheim & Rose, 2010, p. 258). This is indicated by a centralising tendency in many countries aiming at crisis management. The international associations of local authorities are expressing their concerns over this phenomenon (CEMR, 2013).

As far as the reforms targeting the reconfiguration of territorial scales of local/territorial governmental units are concerned, two basic types can be distinguished: namely, the consolidation of the size of local governments, and the rescaling of regional or meso-level units. The process of local government reforms has always been marked by the influence of dual and contradictory ideologies. Economies of scale served as justification, but catchwords such as ‘closeness to citizens’, ‘local democracy’, and ‘accountability’ were not discarded from the vocabulary of political discourse either. In the case of countries included in the sample of Baldersheim and

Rose, efficiency and modernisation were the key driving forces of territorial reforms (2010, p. 245). By contrast, various research results point to the difficulty of demonstrating the positive impacts of consolidation reforms, while the democratic deficit is apparent. Thus it does not come as a surprise that the issue of the drastic merger of municipalities has been treated with caution in recent decades (Swianiewicz, 2010; Illner, 2013).

The reform targets related to regionalisation are much more differentiated. The EU Cohesion Policy exerted a powerful influence on the regionalisation experiments of EU member states. In Central and Eastern European transition countries, the pre-accession stage generated territorial reforms to establish new regions under the pressure of “conditionalism” (Hughes et al., 2004). Notwithstanding this, the management of EU Structural Funds was not regionalised; it was conducted in a centralised manner in the new member states, so the pre-accession period was not enough to adapt in the absence of a genuine intention to learn (Bouckaert et al., 2011). Ten years on, it appears that the regional reforms “dictated” by the European Union, and consequently decentralisation, have had no significant impact on the shaping of the spatial structure of governance, not even in Hungary.

Territorial reform decisions must pass through a (vertically and horizontally) highly structured institutional system and are linked to a number of formal and informal networks and participatory, consultative forums. “Power games” occur before and behind formal institutions and processes, revealing more complex relationships than those encapsulated by the general notion of interaction or politics (Lindblom, 1994, p. 63). Power games related to territorial reforms cannot be depicted exclusively along party lines due to the presence of non-negligible factors such as the conflicting interests of the centre and the periphery, political parties’ and local government alliances, and other institutions. The competing views of stakeholders generate typical conflicts surrounding territorial reforms. The nature of the conflicts is strongly determined by the overall power position of the local governments. Centre-periphery relations may occasionally rival the role of parties, especially if local governments are highly organised, and if the reform plan fundamentally improves or worsens their conditions. The main actors in the representation of territorial and local interests are individual municipalities (especially large cities and meso-level governments), lobbies of politicians of various localities, charismatic local leaders, national alliances of local governments, regional parties, and other organisations to mobilise civil society or win the support of experts. The institutional power of alliances is largely determined by the ability

of a governance model to integrate consultative elements and “consociational” sub-systems (Lijphart, 1969). Voters and local communes are also often included, not only because territorial reforms sometimes require a referendum, but also because residents managed to be “drawn to the street” by key stakeholders as well. However, there is evidence (e.g., failed referendums due to a lack of interest) that the direct activation of civil society in the process of overarching reforms is not an easy task.

3. Process of Territorial Reforms in Hungary in a Nutshell

The past twenty-five years of territorial administration reforms in Hungary could be divided into three distinct periods. The first period, starting in 1990, saw the adoption of an act on local government signalling a change of regime in territorial administration; in the second, essentially fruitless and prolonged period between 1994 and 2006, reform attempts were announced and partly implemented aiming to correct the system of local government and to establish a regional level; and the third period started with the enactment of a new act on local government in the framework of the constitutional reforms generating yet again a fundamentally new, centralised model of territorial governance. Our research has analysed this process.

3.1. The Model Change of Local Governance

One of the first major tasks of the new, democratically elected parliament in the summer of 1990 was the adoption of an unprecedented Act on Local Governments. There was an urgent need to enact the law as the implementation of local elections required laying down the legal basis; thus only a few months were available for the enactment of the legislation. The preparation of the draft and its “political” preparation occurred within the Ministry of Interior of the old regime. In addition to domestic and international professional circles, various civil organisations, interest groups, and active opposition parties participated in the negotiations on the law, and the establishment of the first national alliance of local governments (TÖOSZ) enabled access to a wide range of local council representatives responsible for the local management of the transition.

The draft became the focal point of heated debates once it was submitted to the newly formed parliament. This was not accidental. The law introduced a radically new model, replacing the previous Soviet council system adjusted to the framework of the one-party state, which constituted a major pillar of the new, democratic state organisation and whose quality determined local power positions. Experts participating in the elaboration of the draft were assigned to enforce “European” professional standards, while parliamentary representatives were naturally weighing political considerations at a time when the outcome of local elections was still difficult to forecast.

The Act on Local Governments functioned as the first main tensile test of the new elite’s inclination to make compromises. Parliamentary frameworks were too “narrow” for hosting the debates; therefore, informal “six-party negotiations” supported the official forums (parliamentary committees and the plenum) in reaching an agreement on problematic issues. The outcome was the adoption of a compromise legislative text giving rise to countless problems later on, such as the demand for a new reform cycle. Nonetheless, a positive feature of the enactment of the law was its consensual character. Each party voted in favour of the draft law as a sign of a general consensus on the shared basic values of self-government as a pillar of the European model of democracy.

3.2. Decades of Postponed Corrections and Unsuccessful Regional Reforms

In accordance with the law on local governments, the majority of administrative duties and public services in the competence of local/territorial authorities were subjected to democratic local control, which was a paradigm shift in local governance. However, the Hungarian model created highly fragmented local structures as political compensation for the loss of autonomy small settlements had experienced during (and even before) the previous Soviet council system. Those municipalities which were too small were not able to fulfil the many tasks they had been granted in the new democratic system. A possible remedy would have been cooperation, but the legal regulation of associations did not promote effective cooperation and the legislator had also failed to differentiate the tasks according to settlement size. The weakening of county governments turned out to be another fatal error leading to the expansion of state-controlled deconcentrated bodies at the county level.

Thus the initial regulatory model generated a demand for structural reforms at both the local and the territorial level, which was recognised by professionals, the state administration, and the majority of parties as well. However, political and professional reform ideas were inconsistent, so the attitude towards local governance started to diverge. From the perspective of the parties' value system and ideology, right-wing, left-wing, and liberal positions were lacking solid foundation, and political cleavages were more visible along local power positions and between influential local and county politicians. The possibility of forming a pragmatic consensus evaporated. Power relations stemming from the second cycle of elections and the transformation of the party system hindered compromise on fundamental issues. This period witnessed a significant augmentation and institutionalisation (and growing division) of party expertise; however, there was no sign of the division of experts into rival camps.

The preparations for the challenges of the EU Cohesion Policy had a decisive influence on the process of territorial decentralisation, fostering the emergence of the dilemma concerning meso-level government. Based on domestic experts' views and international policy documents, the original claim was that larger regions instead of the 19 counties were the sole competitive units in Europe. The number of regions, their delimitation, and prospective seats became a source of political conflicts and rivalry. The official aim was the replacement of counties with NUTS2 regions and their transformation into fully-fledged units of local government elected by universal suffrage. Although the regions were declared in the law on regional development in 1996, no further steps were taken towards their integration into public administration and political power.

During the 1998–2002 governmental cycle, the conservative coalition showed an even lower commitment to the resolution of problematic issues of territorial governance and regions despite an elaborate reform proposal, which was never submitted to the government. The status of county assemblies showed a further decline, while support for the regional development institutions did not increase. In the meantime, the role of deconcentrated bodies was considerably augmented, and the financial resources of local governments decreased further, losing positions in the public services and development policy. In 2002, a significant breakthrough was anticipated in the realm of territorial reforms. The programme of the new left-wing government revealed a seemingly strong commitment to regionalisation, and the organisation of regional elections was anticipated in 2006. A group of experts under the leadership of the Minister of the Interior was charged with preparing the reform. Regions, however, were not

reinforced, in part as a consequence of conflicts within the ruling party (which were mostly the result of ruling party politicians' lobbies of counties).

The government postponed the reform of territorial governance, and it was not willing to renounce the role of regions in regional development either, in spite of the approaching EU accession. The government refused to exercise the right of disposal over the EU funds available from 2004 in partnership with the regions; instead, a single national development agency was established for the management of EU Structural Funds, contesting the credibility of the government's decentralisation programme announced in 2002. EU membership could be regarded as a milestone, since prior to this, decentralisation and regionalism associated with European values and standards were objectives supported at the official level of governmental and political rhetoric. By contrast, it was realised that EU membership was possible even without regions and with a system of local government resting on shaky pillars, so the external motivation for going toward region-building and decentralisation disappeared.

The socialist-liberal coalition re-elected in 2006 launched another regional reform. The government's package containing amendments to the Constitution, the acts on local government, and local elections was ready a month after the elections in May and already presented to the Parliament for approval before the summer recess. Since the laws would have required a two-thirds approval, the rejection was predetermined, considering that there had been no visible attempts to persuade the opposition parties. The regionalisation reform constituted a brief episode in the life of the Parliament, and it was never put on the agenda in the four years that followed.

Postponement of the reforms contributed to the negative impact of the chronic lack of financing, the structural problems, and the absence of strong meso-level governance on the quality of local public services. The challenges of the absorption of EU funds also resulted in significant debt accumulation by a number of municipalities.

3.3. Recentralisation and Returning to the Past

The government elected by a two-thirds majority crossed the Rubicon in the history of territorial government reforms, since, on the one hand, it was able to implement its programme, and, on the other hand, its programme signified a fundamental rupture with the previous model. The

enactment of the Fundamental Law in 2011 and the new Act on Local Government entailed a drastic diminution of the responsibilities of local governments, delegated upwards to the central government. Due to the more pronounced role of the state, local governments were experiencing a dramatic loss of their competencies in public services and administrative tasks, as well as a limited scope of action and decreasing autonomy.

The new governance model entailed a spectacular redistribution of political power between the state and local authorities. This was manifested, for example, in the reduction of local representatives and in the cancellation of the dual mandate of mayors and members of parliament, which indicated a loss of prestige of the local elite. Although county governments survived the reform, unlike regional governments, they are no longer providers of any public services; spatial development was transferred to their competence as compensation. The decades-long dispute at the meso level finished with the total defeat of both regions and counties.

Whereas the model was fundamentally transformed as a result of the aforementioned changes, no attention was paid to several long-unresolved structural problems (e.g., a fragmented settlement structure comprising a large number of small settlements, a growing fragmentation of the capital city, and the absence of a strong meso-level government), which had nonetheless urged on the reform of the local government system for a long time. The indebtedness of local authorities, on the contrary, did not justify the transition, although politicians spoke of the urgency of financial consolidation. Centralisation was much more shaped by the new conservative government's fundamentally novel concept of the state and governance.

Moreover, the paradigm change in territorial governance reached the "stimulus threshold" of international public opinion. The 2013 monitoring report of the Congress of Local and Regional Authorities of the Council of Europe [CG(25)7Final, 2013] expressed concern over the strong recentralisation of powers and recommended that "the Hungarian authorities take steps to guarantee the implementation of the principle of self-government and the financial autonomy of local and regional authorities as set out in the Charter".

The rapidity and magnitude of the reform could be questioned from other rational points of view as well. It was not based on a systematic assessment of the advantages and disadvantages of the former practice of self-governments; the alternative of the strong state was opted for irrespectively of whether a centralised, one-size-fits-all model is capable of ensuring more efficient (cheaper, more equitable) functioning. Over the recent decades,

the bulk of public services were operated in the framework of local governments, so there were no experiences in the operation of a nationalised and centralised model. Such a radical change would have required a considerably longer time period, experimentation, model calculations, broad consultations, incremental implementation, and allowed the continuous possibility of correction – none of which occurred.

4. Fragile Institutional Guarantees of Decentralisation

4.1. Central Government Decision-Making and Territorial Interests

It proved impossible to approach the governmental decision-making process concerning the local governments; therefore the statements that follow are based on the investigation of literature, legal regulations, and some opinions formulated during the interviews.

Looking back upon the last few decades we can realise that the ruling governance philosophy has had a demonstrable impact on the openness of all government activities, on the range of the organisations involved in decision-making, and their real role in the decision-making process. The internationally dominant neoliberal paradigm of “good governance” gained momentum in the EU pre-accession phase, where the focus was more on the democratic criteria of governance, and especially decentralisation (Pálné Kovács, 2013). At other times, when the economic recession required the management of budgetary crises, the focus shifted to the responsibility and cost-effectiveness of the central state (Lőrincz, 2006), and neo-Weberian values and centralisation were well-suited to the current tasks of the state. The neoliberal epoch was characterised by more open, partnership-based governance and values than the post-2010 era, which replaced the concept of “good governance” with that of the “good state”, underlining the traditionally hierarchical approach to the exercise of state power (Kaiser & Kis, 2014).

The marked shift of governance towards the chancellor model (Körösényi, 2006) over the past decades has demonstrably hindered the enforcement of self-governance and territorial aspects, avoiding complex reconciliation processes and effective cooperation between sectoral ministries and territorial governments. Furthermore, the relationship between the parlia-

ment and the government denies the possibility of an increased role of territorial actors even in the parliamentary phase. A logical conclusion, therefore, is that the decision-making phases and actors theoretically capable of creating a counterweight to central power are structurally unfit to pursue territorial lobbying activities.

Hectic changes characterised the system, forums, and procedures of reconciliations, resulting in a lack of stable foundations for partnerships. The legal regulations obliging the government to conduct negotiations with local actors did not guarantee either the effective inclusion of external stakeholders or the transparency of the process. Most of the interviewees complained about the shortness of time and poor professional capacities. In addition, no effective partnerships could be detected even in those cases where the inclusion of economic and social partners was a basic condition for accessing the EU Structural Funds. Analyses revealed a significant tendency to evade formal negotiation forums in parliamentary legislation, which, particularly in recent years, was manifested in a great number of proposals submitted by individual MPs, based on the rule that individual MPs have no obligation whatsoever to conduct preliminary discussions on motions presented to the parliament.

The representation of local government interests in central decision-making was most efficient when a powerful politician with a strong commitment to local government headed the Ministry for Local Governments. In general, self-government and local interests were of no particular significance to the majority of government members, as is illustrated by the documents of inter-ministerial reconciliations, mirroring the “sectoral/professional” approach of the ministry instead.

In subsequent parts of the paper we introduce some elements of our empirical research, focusing on the question of why most of the reforms have failed, assuming that the actors as “veto-players” who would have been able to represent the interests of local governments were too weak to fulfil this role. Therefore, our analysis has placed a particular emphasis on the national alliances of local governments and the role of mayors who become members of parliament via the legal option of holding a dual mandate (the so-called mayor-MPs) in the reform decisions.

4.2. National Alliances of Local Governments

The first nation-wide alliances were established pursuant to the Act on the Freedom of Association, adopted shortly after the regime change.

The 1990 legislation, while also taking into account the recommendations of the European Charter of Local Self-Government, enshrined the chief rules of the establishment of associations of local governments and the protection of the rights of local governments in the Constitution, as well as the Local Government Act. However, outside a legal declaration, no regulation was elaborated in details, which led to a constantly changing scope and content of the rights of the national alliances of local governments. The proliferation of associations (8) – hindering unified action from the start – was due to the fact that the law did not specify the type of associations authorised to collaborate with the central government in the elaboration of regulations. There were no legal provisions on the framework of negotiations between the government and the municipalities either. Not surprisingly, the form of negotiations changed with each cycle, but they remained consistently inefficient, except in a few cases (e.g., the amendment of governmental proposals under the pressure of the national alliances of local governments). The preliminary phase of the parliamentary stage of the negotiations did not receive greater visibility either, and according to our analysis, its efficiency was seldom higher. In a few cases, the national alliances of local governments went public to achieve their aims.

The lobbying capacity of the presidents of associations was a decisive factor in the representation of local government interests. Although LGAs as public organisations declared their independence from parties in their articles of association, the influence of political parties was palpable in their activities. As regards parliamentary parties and the government, the political affiliation of association leaders was a sensitive factor notwithstanding that the official stance of the associations did not reflect party political preferences.

The national alliances of local governments maintain no durable partnerships with each other, and despite regular cooperation agreements, municipal leaders have never considered the possibility of merging with each other, their relationship being conflicting rather than cooperative.

Notwithstanding this, the alliances' lack of success in interest representation is not so much a result of their internal conflicts, but the governments' hostility to negotiations. A correspondence was always revealed between occasional successes and the party political embeddedness of associations. The responses of the mayor-MPs interviewed in our research demonstrate the low prestige of cooperation (see Table 1).

Table 1: *The national alliances of local governments (N=35)*

	Highly efficient	Fairly Efficient	More efficient than not	Absolutely inefficient	Don't know	Total
Left-wing	1	3	11	1	1	17
Right-wing	1	10	3	3	1	18
Total	2	13	14	4	2	35

Source: Authors' own research financed by OTKA No. 104649 The role of mayor-MPs

A peculiar long-standing feature of Hungarian public law was that it permitted mayors to hold a parliamentary seat. The model is well known from French political life (Cole, 2011), but it will be seen that its nature is different in Hungary. This peculiar group of politicians, according to research, ensures the most efficient direct representation of local government interests. An amendment to the law, approved in the aftermath of the 1994 parliamentary elections and prior to the local government elections, provided the legal means for mayors to hold this dual position. A total number of 303 parliamentary mandates were obtained during the elections over this period by mayors in or entering office after the subsequent local elections. The data in Table 2 demonstrate that during the elections organised between 1994 and 2002, voters (and nominating parties) were not so favourably disposed towards the dual mandate, which was reflected by the low rate of mayors with a parliamentary mandate (less than 10 per cent). This trend changed in 2002, and until 2014, the rate of mayor-MPs continued to increase by 3 to 4 per cent at each election.

The statistical data reveal that the overwhelming majority of mayors elected into parliament came from individual electoral districts; only 59 out of 303 mayors were elected through territorial or national lists. This indicates the parties' preference to select locally popular politicians as parliamentary candidates.

Former empirical research has already demonstrated that the majority of mayor-MPs were "backbenchers", who held no particular honourable title in parliament (Várnagy, 2012, p. 128). Nevertheless, their significant proportion granted them an important role in parliamentary debates as well as votes. For instance, during the debate on the 2011 Act on Local Government, 396 out of a total of 599 amendment proposals were submitted by mayor-MPs, and from among a total of 83 approved motions for amendment, 75 originated from mayor-MPs.³ In sum, the drastic loss

³ Source: T/4864, On Local Governments. <http://www-archiv.parlament.hu/>

of power of local authorities during the 2011 legislation was assisted by mayors of the ruling party.

Table 2: *Dual mandate holders between 1994 and 2014*

	Number of mayor-MPs during a given cycle	Elected MP			Was not a mayor-MP during previous cycles	Proportion as compared with total no. of MPs
		As Individual Candidate	From a Territorial List	From a National List		
1994–1998	13	n.d.	n.d.	n.d.	13	3.2
1998–2002	30	27	2	2	27	7.5
2002–2006	64	50	13	1	41	15.5
2006–2010	76	52	23	1	35	18.6
2010–2014	86	72	14	0	62	22.2
2014–2014 Oct.*	34	31	–	3	2	17.1

* It was possible to hold a dual mandate until the local elections of October 2014.

Source: Authors' own research based on www.parlament.hu and <http://www-archiv.parlament.hu>

During the 20 years of the dual mandate, the main argument of the ruling party – irrespective of its orientation – in favour of the parallel function was that the mayor-MPs constituted one of the most significant “representative agents” of local governments (Zongo, 2015, p. 6). During this period, mandate accumulators became key decision makers in national politics, and their lobbying power demonstrably influenced the central allocation of development funds to settlements. This lobbying mission constituted an important set of arguments in the campaigns of mayor-deputies running simultaneously as candidates in parliamentary and local elections, and was able to persuade great numbers of voters – at least in the case of mandate accumulators during multiple cycles – of the efficiency of fulfilling parallel functions. However, according to the literature and our own research results, the national representation of local interests has only been manifested in “wangling”, i.e., formal and informal lobbying activities targeting the acquisition of funds and investments. The mayor-MPs mostly did not establish their separate official reconciliation forums, nor did they participate in the activities of the Local Government Committee of the Parliament; local and nation-wide negotiations launched by mandate accumulators were rare (Várnagy, 2012; Zongor, 2015).

An empirical survey was also conducted among MPs, asking them about their values and activities. The questionnaires were sent by email to each of the 184 mayor-MPs. Two additional electronic reminders were sent out, and those who had still not responded were also contacted by telephone. Following several attempts to contact the respondents, a total number of 47 completed questionnaires were at our disposal.

The respondents regarded the shaping of their personal network as the primary benefit of holding a dual mandate (Table 3). Their answers underlined that the legislation is subordinate to intense governmental control (Table 4), and that the role of political parties was much stronger than, for instance, that of parliamentary committees (Tables 5-6).

Table 3: *I managed to establish a number of personal relationships at the governmental level (N=36)*

	Absolutely True	Fairly True	Fairly Untrue	Absolutely Not true	Total
Left-wing	11	5	1	–	17
Right-wing	12	6	–	1	19
Total	23	11	1	1	36

Source: Authors' own research financed by OTKA No. 104649

Table 4: *Only a narrow team of governmental actors were involved in the legislation on local governments (N=35)*

	Absolutely true	Fairly True	Fairly Untrue	Absolutely false	Don't know	Total
Left-wing	1	9	3	3	1	17
Right-wing	2	9	6	1	–	18
Total	3	18	9	4	1	35

Source: Authors' own research financed by OTKA No. 104649

Table 5: *About the role of party forums in the legislation (N=36)*

	Highly effective	Fairly Effective	Not so effective	Absolutely ineffective	Don't know	Total
Left-wing	1	6	5	4	1	17
Right-wing	4	12	2	–	1	19
Total	5	18	7	4	2	36

Source: Authors' own research financed by OTKA No. 104649

Table 6: *About the role of parliamentary committees in the legislation (N=36)*

	Highly effective	Fairly Effective	Not so effective	Absolutely ineffective	Don't know	Total
Left-wing	–	9	8	–	–	17
Right-wing	4	12	3	–	–	19
Total	4	21	11	–	–	36

Source: Authors' own research financed by OTKA No. 104649

4.3. Experts as Main Promoters of Local Governments?

The examination of the role of experts in the territorial administration reforms was inevitable. In addition to obtaining information on the content of the experts' influence on decisions, another research objective was to detect their role in decision-making, the relations between experts and decision makers, and the system of values of experts related to decentralisation and local governance.

The decision-making model of public policy determines to what extent the knowledge and beliefs of experts can be put into practice. The opinion, that the model of policy change which Lindblom refers to as the “science of muddling through” was accepted, and Sabatier’s as the process of “common sense reactions”, enables the integration of external expertise to a lesser degree since the need for political compromise is crucial. By contrast, comprehensive and profound changes and reforms initiated from the top rely to a greater extent on codified knowledge (Sabatier, 2007, p. 11) and epistemic communities if the decision maker does not have to make a substantial compromise.

Although a number of authors (Gajduschek, 2012; Józsa, 2014) have emphasised the dominance of lawyers in the realm of domestic public administration and the range of professionals studying this field, the preparatory work for local government reforms required the inclusion of additional actors, whereby the practice of private or institutional cooperation among professionals with a diverse disciplinary background became widespread.

The list of experts prepared by the use of the snowball method contained 147 individuals, all of whom received the questionnaire via e-mail. A total of 66 completed questionnaires were processed and followed by 18 semi-structured interviews with powerful and influential actors involved in territorial reforms.

Without going into detail, we will just mention that the overwhelming majority of respondents did not consider their participation to be efficient in terms of the practical realisation of their propositions. A number of them complained about the lack of feedback on their opinions. But Table 7 gives an interesting insight into how experts see the role of various actors in the two main pieces of legislation.

Table 7: *Expert views on the influence of various actors and institutions on decision-making*

	Mean	Variance	No. of elements	No. of "I don't know" answers	No. of non-respondents	Total number of responses
	1990					
Government	8.69	1.86	54	8	4	66
Opposition	7.10	2.40	52	10	4	66
Ministry of Interior Affairs	8.45	2.19	47	15	4	66
Ministry of Finance	7.23	2.03	40	18	8	66
Ruling-party MPs	7.57	2.26	46	14	6	66
Mayors, council presidents	5.63	2.64	46	14	6	66
National alliances of local governments	4.85	2.72	46	13	7	66
Independent experts	6.15	2.39	47	13	6	66
International organisations	5.66	2.62	44	15	7	66
	2011					
Government	10.58	0.77	64	–	2	66
Opposition	2.30	1.44	57	3	6	66
Ministry of Interior Affairs	8.40	2.19	52	8	6	66
Ministry of Finance	7.88	2.18	49	11	6	66
Ruling party MPs	7.57	2.95	58	2	6	66
Mayors	5.42	2.62	60	2	4	66
National alliances of local governments	3.72	2.11	60	1	5	66
Independent experts	2.77	1.61	56	5	5	66
European Union	3.15	2.23	55	5	6	66

The research did not explicitly investigate the scale/extent of the network of professionals; however, the low demand for their expertise and their ad hoc inclusion in reform decisions suggested the lack of an effective and stable “advocacy coalition” (Sabatier, 1998) ready to be mobilised from the “bottom up” in the process of overarching territorial governance reforms, despite the fact that the experts constituted a relatively homogeneous group in terms of their core beliefs regarding self-government.

5. Declining Support of Political Value of Self-Governance

5.1. Debate on Two Local Government Acts

This chapter is based on the content analysis of the parliamentary debate on the two acts on local governments, mirroring the significantly different relationship of the political elite towards the basic values of self-governance and local democracy.

Despite a heated debate, the 1990 act was practically unanimously adopted by Parliament, with a majority of over 90 per cent, pursuant to prior policy coordination and a lengthy discussion on the draft by parliamentary committees and other fora. Nonetheless, in 2011, the opposition parties did not support the proposal. A great number of motions for amendment were submitted during the two parliamentary debates, introducing substantial modifications to the text presented by the government, yet while there was a consensus in 1990, the opposition was practically unable to effect modifications in 2011.

Content analysis focused on the general debate sessions of the two local government acts. Individual comments were taken as basic units of investigation. First, a qualitative content analysis was performed according to our theoretical approaches, and then the results were quantified to make them comparable. During the investigation, in a methodological sense, we used and synthesised the guidelines of the most popular qualitative and quantitative methods on content and discourse analysis (Glaser & Strauss, 1967; Krippendorff, 2013; Mason, 2002).

According to the results of our analysis, the political and democratic values of self-government are currently more heavily disregarded by the parliament than during the transition period. Financing is being prioritised over abstract principles, as substantial experience has been accumulated

over the past 20 years related to the functioning of the system. It is worth noting that the financial crisis of local governments was used as the main argumentation by the ruling parties for introducing a new Act on Local Government.

Ignoring abstract values in the name of sheer pragmatism has meant abandoning a crucial segment of democratic governance to its fate. The Parliament, during the adoption of the second Act on Local Government, did not “veto” the will for centralisation either in the name of electoral mathematics (possessing the two-third majority) or the values represented by the legislator before (Tables 8-10).

Table 8: *Distribution of speeches containing a reference to political values/principles of self-government in the two periods in question*

	1990		2011		Total	
	%	No.	%	No.	%	No.
Speech reflecting values/principles	51.1	67	21.0	38	33.7	105
Speech with no reference to values/principles	48.9	64	79.0	143	66.3	307
Total	100.0	131	100.0	181	100.0	312

Source: Authors' own research financed by OTKA No. 104649

Table 9: *Distribution of speeches containing a reference to finance and administrative tasks of local governments in the two periods in question*

	1990		2011	
	%	No.	%	No.
Speech referring to issues of finance and administration	26.0	34	43.6	79
Speech lacking a reference to finance and administration	74.0	97	56.4	102
Total	100.0	131	100.0	181

Source: Authors' own research financed by OTKA No. 104649

Table 10: *Distribution of speeches containing a reference to finance and administrative tasks by content in the two periods in question*

	1990		2011	
	%	No.	%	No.
Finance/administration is the main topic of the speech	50	17	67.1	53
Finance and administration is not the main topic of the speech	50	17	32.9	26
Total	100	34	100.0	79

Source: Authors' own research financed by OTKA No. 104649

The extent to which European identity was seen as a fundamental value during the two debates also illustrates the transformation of the political values of deputies. The figures below indicate their conflicting political values; the “abstinence” of parties from this aspect shares a striking resemblance (Table 11).

Table 11: *Distribution of the content of speeches related to Europe and to the adoption of European patterns by party affiliation,⁴ 1990 and 2011*

	No. of speeches									
	FIDESZ	FKGP	Independent	JOBBIK	KDNP	LMP	MDF	MSZP	SZDSZ	TOTAL
1990	0	3	1	X	2	X	17	4	2	29
2011	1	X	0	1	3	0	X	2	X	7

Source: Authors' own research financed by OTKA No. 104649

⁴ MDF – Hungarian Democratic Forum (right wing); KDNP – Christian Democratic People's Party (right); FKGP – Independent Smallholders' Party (right); SZDSZ – Alliance of Free Democrats (liberal); FIDESZ – Federation of Young Democrats (liberal in 1990, right in 2011); MSZP – Hungarian Socialist Party (left); LMP – Another Politics Is Possible (mix); JOBBIK – the Movement for a Better Hungary (radical right).

6. Conclusions and Further Research Directions

The hectic directions and the speed of changes of the post-transition era are ominous signs indicating that the Hungarian political and state systems are lacking solid and effective guarantees for the representation of territorial interests. Decentralisation and regionalism were constantly present in the political narrative in the decades that followed the enactment of the first Act on Local Government, while the technocratic aspects of operation, financing, and optimal size were increasingly enforced. The concepts of regionalism and subsidiarity entered the official political vocabulary and literature with the imminent prospect of EU accession, albeit without becoming factors of identity formation in the eyes of the power elite.

Notwithstanding that during certain periods (especially before EU accession) (even) Hungarian governments demonstrated certain attempts at adaptation (Balázs, 2012) and the adventure of regionalisation was expressly motivated by the prospect of absorbing the EU Structural Funds, Hungary can be claimed to have gone its own way in the shaping of territorial governance.

Examining Hungary's history of governance and public administration encumbered by centralisation, its return to the scene should not be surprising, notwithstanding that the transition to local self-government was described as a success story in the narrative of the post-transition decades. The conditions enabling the continuation of decentralisation introduced during the regime change have long been absent. Among these, the paper investigated only the institutional, legal, and political conditions. The general framework of negotiations, the situation of the national alliances of local governments, their positions in the government and parliamentary decision-making, the preparation of legislation, and the special capacities required by reform decisions are indubitably determining (hard) factors. Municipalities were gradually being confined to a subaltern role in the power structure, and in addition to the loss of a significant share of their competencies and resources, their support on behalf of the local communities has also declined.

Thus it is also important to note that autonomy-related values and interests are not embedded in Hungarian society, which has hindered the political elite and local governments in developing strong ties to and control by the civil society. Further research is required on these unexplored, yet influential "soft" factors. The next empirical research of the authors (OTKA 116424) focusing on the interrelations between social trust and governance endeavours to fill this very gap.

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FAREWELL TO DECENTRALISATION: THE HUNGARIAN STORY AND ITS GENERAL IMPLICATIONS

Summary

The paper is based on a research project launched in 2012. The objective was to analyse, from a political science perspective, the main factors and circumstances of the process of territorial governance reform attempts before 2010, and the turning point after starting a strongly centralised model. The focus of the research was not so much on the objectives of the reforms, but rather on the context and the actors of the reform processes. It was presumed that the defeat of decentralisation could be explained by the weakness of the actors to preserve the formerly strong positions of local governments. The research hypothesised that, following the transition years, the gradually fading enthusiasm of parliamentary and party-political elites contributed to the failures of correctional reforms and to the limitation of institutional guarantees for safeguarding the interests of local governments. Municipalities were gradually being confined to a subaltern role in the power structure, and in addition to the loss of a significant share of their competencies and resources, their support on behalf of the local communities has also declined.

Keywords: decentralisation, Hungary, local self-government, territorial reform

ZBOGOM DECENTRALIZACIJI: MAĐARSKA PRIČA I NJEZINE IMPLIKACIJE

Sažetak

Rad se temelji na rezultatima istraživačkog projekta pokrenutog 2012. godine. Cilj je projekta bio provesti politološku analizu glavnih čimbenika i uvjeta u kojima se pokušavalo reformirati lokalno upravljanje u razdoblju prije 2010. te analizirati primjenu naglašeno centraliziranog modela i zaokreta koji je potom uslijedio. Rad nije toliko usmjeren postizanje svrha i ciljeva reformi koliko na njihov kontekst i sudionike u samome procesu. Pretpostavlja se da se neuspjeh decentralizacije može objasniti time da sudionici u procesu nisu bili dovoljno snažni kako bi održali ranije čvrstu poziciju lokalne samouprave. Autori polaze od hipoteze da je nakon tranzicijskog razdoblja došlo do postupnog gubitka entuzijazma parlamentarnih i stranačkih elita, što je nadalje pridonijelo neuspjehu reformi i ograničenju institucionalnih garancija koje su štatile interese lokalnih vlasti. Lokalne su jedinice postupno podređene u strukturi moći. Osim što su izgubile značajan dio nadležnosti i sredstava, podrška zajednica lokalnog stanovništva lokalnim vlastima također se znatno istopila.

Ključne riječi: decentralizacija, Mađarska, lokalna samouprava, teritorijalna reforma