

## *Special Status of Budapest, the Capital of Hungary*

*István Temesi\**

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Hungarian capital, Budapest, has always had a special legal status within the system of self-government, except between 1949 and 1990. It is organised in two-tiers: it functions as a single local self-government unit (the City of Budapest); while at the same time, its 23 districts enjoy their self-government powers. The paper analyses the history of organisation of Budapest as well as the current system of local self-government in Hungary, in order to identify historical and current institutional framework of today's special status of Budapest. Special rules on functions, internal structure and decision-making, elections, and certain other issues are analysed to confirm the basic hypothesis about this special status. It is assessed that two-tier self-government undermines the potentially strong position of the capital city within Hungarian political system. Just as the capital city serves as potential political counterweight to the central government, city districts serve as real counterweight to the city government.

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\* István Temesi, PhD, Associate Professor, Faculty of Public Administration, Corvinus University of Budapest (izvanredni profesor Fakulteta za javnu upravu, Sveučilište Corvinus, Budimpešta, Mađarska, e-mail: istvan.temesi@uni-corvinus.hu)

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## 1. Introduction

This study focuses on the special status of the Hungarian capital city. The role of large settlements, particularly capital cities, usually requires a special constitutional or administrative status. Since the creation of the modern, uniform public administration, the capital city of Hungary has almost always had a special administrative status including its structure, functions and finances. The paper's aim is to analyse the features of this special status with some regard to the generalities.

In Hungary, the total number of settlement<sup>1</sup> self-governments (*települési önkormányzat*) is 3,175<sup>2</sup> out of which 2,846 are in villages, meaning that they represent a relatively large number. There are communes (*község*) and large communes (*nagyközség*) in Hungary. Only 306 local self-government units are classified as towns (*város*). Among them, there are 23 towns with county status (*megyei jogú város*) and the City of Budapest. Budapest, the capital city (*főváros*) distinguishes from all the other settlements because of its functions and importance as well as because of the number of its inhabitants. On 1 January 2009, the population of Budapest was 1,712,210 and the population of Hungary was 10,030,975. The capital city has further particularities. One of the most apparent is that it has a two-tier system of local self-government: the municipality of the Capital itself and the municipalities of its 23 districts.

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<sup>1</sup> It may be asked why the expression »settlement« (*település*) is used for marking the basic unit of the local self-government system. In this study, we follow the best-known version of the Act on Local Self-Government translated into English that uses this term. Most Hungarian authors do the same. In addition to this formal reason, we have to see some problems with using the most common expressions of the foreign systems, namely the community or the commune. The terms *community* or *commune* (*község*) cannot be used because of their special meaning in Hungarian professional terminology. Contrary to the French model as well as to many European systems, where commune is the basic unit of the system and the widest category containing all types of settlements, for example, the village or the town, the Hungarian commune is one type of settlement, while we can see the other main type, the town (*város*). That is why in Hungarian terminology we cannot say that Budapest or any other city is a commune.

<sup>2</sup> The total number of local-self government units is 3,194, if we add 19 counties (*megye*) representing the territorial self-government level.

Table 1 – The number of localities by legal status, 1<sup>st</sup> January 2009

Capital	Towns of County status	Towns	Large commune	Commune	Total number of localities
1	23	282	140	2706	3152

Source: Gazetteer of the Republic of Hungary 1<sup>st</sup> January 2009. Hungarian Central Statistical Office, Budapest, p. 17

Table 2 – The number of local self-government units by legal status, 1<sup>st</sup> January 2009

County	Capital	District of the Capital	Town of County status	Town	Commune (Commune and Large Commune)	Total number of localities
19	1	23	23	282	2846	3194

Source: Gazetteer of the Republic of Hungary 1<sup>st</sup> January 2009. Hungarian Central Statistical Office, Budapest, p. 19

## 2. History

Before examining the details of the special status of Budapest, the history of its self-government must be presented in order to understand the historical comparison of different ages.

### 2.1. The Unification

In Hungary, the history of modern local-governance that exceeded the administrative structures of feudalism started with the Act on the Municipalities (*törvényhatóság*) no. XLII of 1870, at that time encompassing counties (*megye*) and towns of borough rank (*törvényhatósági jogú város*), and a year later with the Act on the Communes (*község*), no. XVIII (1871). In addition to their right to self-government, municipalities were authorised to directly contact with the central Government and were even entitled to perform public affairs of national interest. The Act No. XVIII regulated the status of communes, large communes and towns, which were subordinated to the municipalities and had a certain autonomy covering the regulation and management of the affairs of local interest. The Act No.

XLII (1870) on County Self-government stated that the administrative structure of the capital city would be regulated by a special Act.<sup>3</sup>

Special legislation on the capital was adopted by the Hungarian Parliament in 1872. The Act No. XXXVI unified the towns of Buda, Pest, Óbuda (Old Buda) and Margaret Island that was in the heart of Budapest but had been part of the County of Pest before. That was the birth of Budapest as the capital of Hungary in 1873 based on the Act issued in December 1872. The new capital city was granted the same legal status as the counties acting as self-government units and executing the tasks of state administration. The Act No. XXXVI on the Establishment of the Municipality of the Capital Buda-Pest determined the functions of Budapest's self-government and institutionalized its administrative structure. It regulated the rules of municipal elections in the capital and its financial resources, as well as the responsibilities of its civil servants. The capital city thus had a special status among municipalities as well as among self-governments.

At the end of World War I and as its consequence, the Austro-Hungarian Monarchy collapsed in 1918. Hungary lost a considerable part of its territory, which required rearrangement of the system of territorial and local administration. After passing the Act No. VIII on the Necessary Provisional Regulations for the Administration of Budapest in 1920, the Parliament adopted the Act No. IX on the Re-establishment of the Municipality of the Capital City in the same year.<sup>4</sup>

The definitive reorganization of the Hungarian public administration was realized by the Act No. XXX of 1929, but its force did not extend to the capital city, especially not to its administrative structure or functions. It could be used only with regard to the common rules of administrative procedure and the responsibility of civil servants.

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<sup>3</sup> Later, in the course of the 19<sup>th</sup> century new Acts were adopted concerning the municipalities and communes. In 1886 the Act No. XXI re-regulated the status of municipalities (counties, towns with county status as well as a town of special status and its surroundings, Fiume (today's Rijeka in Croatia)). This Act confirmed that the status of the capital city was regulated by the Act No. XXXVI (1872). The Act No. XXII of 1886 re-regulated the status of communes.

<sup>4</sup> The Act No. VIII (1920) extended the scope of authority of the Minister of Interior over the Municipality of Budapest and disposed on the replacement of its deliberative organ by its executive organ. Then the Act No. IX of 1920 re-established the deliberative organ of the municipality while reducing the number of its members from 400 to 263 and increased the number of the nominated ex-officio members to 22.

The reorganization of the administrative structure of Budapest was performed in 1930 by the Act No. XVIII on the Administration of the Capital City. In 1930, the Act left intact the previous administrative structure and even the names of the city administrative bodies, but introduced stronger centralisation.<sup>5</sup> The consequence was stronger influence of the central government over the administration of Budapest and the transfer of functions of the council, which was the municipal executive body, to the General Mayor of Budapest. Thus disposition the members of the council became subordinated to the General Mayor.

In 1934, the tendency of centralization continued and became even stronger. The Act No. XII abolished the executive body of the municipality and divided its previous functions between the deliberative organ and the General Mayor. At the same time, the election of the General Mayor by the municipality turned into a right of appointment exercised by the head of State, the Governor.<sup>6</sup>

## 2.2. Great Budapest

Although the city boundaries of Budapest were extended in 1949 realising the so-called Great Budapest, the idea officially appeared earlier, in 1942. The reasons were political and their origins date back to 1939 when the extreme right had a huge success in the elections in the outskirts of Budapest. The election results involved a risk of the creation of a ring of towns and communes around the capital city ruled by the extreme right. In order to separate the city surroundings from the influence of the extreme right, the minister of interior ordered Károly Szendy, General Mayor of Budapest, to prepare a proposal for the creation of Great Budapest in 1941. He made his proposal in July 1942 and it was a base for a unification Bill. The Bill was accepted on 15 February 1944 saying that further legislation would contain the details on unification, but the legislative act was not

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<sup>5</sup> The number of members of the deliberative organ of the municipality was reduced to 150 elected representatives, while the number of the nominated ex-officio members increased and other titles of the membership were introduced such as »representatives for life«, »corporative members« and »members representing expertise«.

<sup>6</sup> In 1934, the number of elected representatives in the municipality was reduced to 108 and the number of »representatives for life« was reduced from 32 to 22. The »members representing expertise« lost their status. However, they remained entitled to be presented at the municipality sessions, but without a right to vote.

issued due to the arrival of the German troops in March 1944 and the subsequent war.

However, the proposal of 1942 on Great Budapest was prepared for political reasons it had a strong professional basis, because the Hungarian Institute of Administrative Sciences under the direction of Zoltán Magyar had made a detailed and high standard research on the neighbourhood of Budapest in 1938.

The idea of Great Budapest was reborn in 1945, right after the war during a short period of temporary democracy between 1945 and 1948. The preparation of the General Regulation Plan of Budapest was launched under the direction of József Fischer, Ferenc Harrer and Pál Granasztói and was finalized by Gábor Preisich in the summer of 1948. By the time the final decision on the unification of Budapest with its surroundings had been made, the plan of 1948, still having professional basis, was put away because the political situation changed and a new concept was made, mainly for political reasons. An earlier analysis of Viktor Kunsági had shown that approximately 52 per cent of the votes in Budapest with its surroundings would have been gained by the unified political party of the left, because the mainly centre-right orientated population of Budapest would have been compensated by the surroundings dominated by the social democrats and the communists, whose unified party was ready to take power and establish dictatorship.

After the elections of 1948, the social, political and economic system was changed completely just as in the whole Central Europe. The Communist Party built a regime of Soviet type. Its major step was the adoption of the Constitution of 1949, the first Hungarian constitutional charter prepared following the Constitution of the USSR of 1936. The original text of the 1949 Constitution did not have any stipulation concerning the capital city except for Article 69 saying, “the capital of the Hungarian People’s Republic is Budapest”.<sup>7</sup> This was a new concept of the regulation of the capital city’s status, namely that, after a long time, the city did not have a special status.

After the new Constitution had entered into force, the construction of a new and the consequent destruction of the previous system continued. Besides losing its special status, the most important regulation concerning Budapest was made in the Act no. XXVI of 1949 that changed the bound-

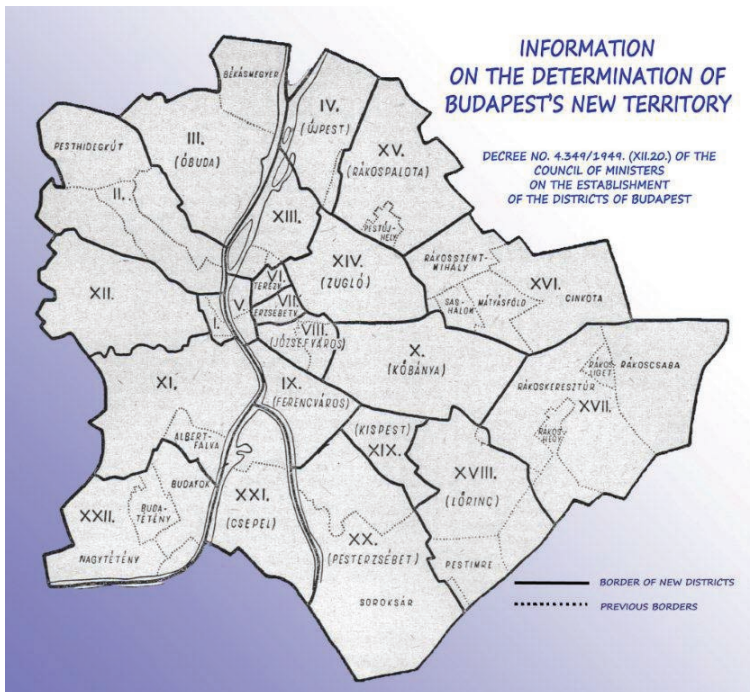
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<sup>7</sup> Since 1949, the entire text of the Constitution of Hungary (officially the Act no. XX) has been modified except for this sentence. See section (sec.) 74 of the Constitution.

aries of the capital and created Great Budapest on 1<sup>st</sup> January 1950. This Act unified 23 settlements (7 towns and 16 communes) around Budapest with the capital city. The purely political reason for this decision is visible in the introduction of the Act saying that its objective was to increase the political influence of the working class in the management of Budapest. However, it the text does mention the necessity deriving from the economic unity of Budapest with these settlements. As a background, the core of the capital was dominated by the bourgeoisie that was the base of the central right, while the working class lived in the suburbia and in the surrounding industrial towns after the elimination of the extreme right during the war.

The unified Great Budapest was divided into 22 districts by the Government – called the Council of Ministers at the time, because the Act no. XXVI authorized the Government to define the number of districts and their names as well as to delineate the district boundaries.<sup>8</sup>

Map I – Great Budapest in 1949



<sup>8</sup> Decree no. 4.349/1949 (XII. 20; Council of Ministers) on the Establishment of the Districts of Budapest.

Based on an extract from the original decree. The names of the districts, if there are any, are written in bigger block letters. The names of 23 towns and communes that were merged into Great Budapest are written in smaller block letters.

The Constitution of 1949 regulated the reorganization of the system of public administration at the local level in Chapter V in the section titled *Local Organs of the State*. The new system of local administration followed the Soviet model; it was a system of councils. The establishment of and detailed rules about local councils were regulated by the Act no. I of 1950 on the Councils Executing Constitutional Regulations. This Act distinguished five types of councils as units of the system: county, district, town, communal and city district. Budapest was regarded to have the same status as the county council had. The only particularities Budapest had in the new system were:

- there had to be councils established in city districts,
- direct subordination to the Government<sup>9</sup> that did not differ from that of a county, only from communes and towns,
- determination of the number of council members and of its executive committee by special rules,<sup>10</sup> which was rather a special rule than a special status.

The first general revision of the system of councils was done by the Parliament adopting the Act no. X on the Councils in 1954. This Act explicitly stipulated that there was a council in the capital city (and in its districts) and modified its subordination nominating the Parliament and the Presidential Council<sup>11</sup> as its hierarchical superiors. The characteristics of this Act, however, were very similar to the previous one. There were few special rules concerning the capital that cannot be regarded as a special

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<sup>9</sup> The system was hierarchical: the councils of communes and towns were subordinated to those of the district. District councils and the councils of cities with district status were subordinated to the county council. County councils and the City of Budapest were subordinated to the Council of Ministers (Government).

<sup>10</sup> The number of Budapest Council members was 251, while in its districts their number varied from 51 to 101. The executive committee of the Budapest Council could have more than 11 but not more than 19 members, while in its districts the number varied from 7 to 16.

<sup>11</sup> It was the superior (collective) executive body that functioned as the head of State in the period 1949–1989.



structure.<sup>12</sup> The only special requirement related to the particular characteristics of the capital city to be observed during its execution concerned the capital's administrative structure, its functions, its economic plan and the budget. This meant that secondary legislation, mainly Government or minister's decrees, could define special rules for Budapest, but at the level of parliamentary legislation, regulation remained uniform for all types of councils.

In 1971, the second general revision of the system of councils was undertaken by the Parliament's adoption of the Act no. I on the Councils, the so-called Third Council Act. To a certain extent, the legislation used the same technique when it stated, under the title »The Territory in Which the Councils Function«, that councils functioned in the capital city and in its districts.<sup>13</sup> However, in a separate paragraph, this Act defined the scope of authority of the Capital City's Council and did the same concerning the councils of city districts. The different special rules in separate paragraphs of the Act concerning Budapest and the districts showed that the capital city had special characteristics. The uniformity of the previous Acts was broken by the rules of 1971, which explicitly stipulated that »the special position of the capital city and its districts and of their bodies ought to be considered when any issue was regulated concerning their scope of authority and organizational structure«. At the same time, it is interesting that the number of council members and their executive committees in Budapest and in its districts was defined by secondary legislation.<sup>14</sup>

### 2.3. The Local Self-government of Budapest

The current, dual system of local administration was developed in 1990, when decentralized (local self-governments) and deconcentrated bodies took the place of the Soviet-type councils that had integrated their actual

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<sup>12</sup> Just as in 1950, the number of council members in Budapest and in the districts was modified.

<sup>13</sup> The only difference that can be of any importance is the detail that the Act enumerated the capital city, the counties and the towns with county status together under the same heading in 1954 [heading a) sec. (1) § 2, Act no. X of 1954], while the capital city was mentioned alone in a separate heading in 1971 [heading b) § 4, Act no. I of 1971].

<sup>14</sup> The number of members of the Council of Budapest was determined by the resolution 5/1971 of the Presidential Council (201), while the number of members of executive committees was determined by the Government (executive decree). It could be 11–17 in Budapest and 7–17 in its districts.

functions: deconcentrated bodies of state administration basically have special tasks while local self-government units are responsible for general administration.

In order to realise the transition of the system of councils to a democratic local self-government, the amendment of the Constitution was necessary and it served as a constitutional basis for the new system. In 1990, the Parliament amended the Constitution. Its Chapter IX has regulated the local self-government system ever since. Based on the amendments, Parliament could pass two major Acts related to the system of local self-government, the Act no. LXIV of 1990 on the Election of Local Representatives and Mayors, and the Act no. LXV of 1990 on Local Self-government.

The most important particularity of the election of local representatives to the Assembly of the capital city was – considering its special situation – that only 66 of them were elected directly by the voters, while 22 of 88 members were elected indirectly by the 22 district representative bodies. Consequently, Budapest was the only one local self-government unit where not all the members of the representative body were directly elected.

The Act no. LXV on Local Self-Government contained special rules on the capital city in a single chapter (Ch. VII). It stipulated that the capital had a particular role and special position in the country (sec. (1) § 62, Act no. LXV). Furthermore, the reasons for adopting the Act included the statement that the capital city requires special regulation. In Article 68, this Act ordered the Parliament to pass a special Act on the Capital City by 30 November 1990.

Following this rule, but later than it was prescribed, the Parliament passed (on 12 June 1991) the Act no. XXIV on the Self-Government of the Capital City and its Districts. This means that a special Act regulated the administrative structure of the Capital City for a first time after 1949. This particular Act, however, had not been in force long, because the first general revision of the local self-government system incorporated it into the Act on Local Self-Government in 1994. Since 11 December 1994, Chapter VII of the Local Self-Government Act has contained all the particular rules of the capital's administrative structure.<sup>15</sup> However, general provisions of the Act apply to the self-government of the capital city also with regard to the differences set out in Chapter VII. In order to understand this special structure – after a general introduction of the system –

<sup>15</sup> This revision was accomplished by the Act no. LXIII of 1994.

we should examine the special regulation provided by Chapter VII of the Local Self-Government Act.

### 3. The System of Local Self-Government in Hungary

#### 3.1. Legal Background of the Local Self-Government System

As it was mentioned before, there is a single legal basis for this sector of public administration. It has a constitutional basis in Chapter IX of the Constitution and the Act on Local Self-Government, providing a single, unified legal background for the structure.

In Chapter IX, the Constitution has stipulated other important rules with regard to the general division of the Hungarian State (sec. (1) and (2) of § 41). Hungary is divided into the capital (*főváros*), counties (*megye*), towns (*város*) and communes (*község*). The capital city is divided into districts (*kerület*). At the same time, there is an administrative division, also. Local self-government units are constituted in settlements and counties. The latter is territorial self-government. Settlement self-governments are found in the communes, in towns, in the Capital and in its districts.

#### 3.2. General Characteristics of the System

In order to understand the particularities of the capital city's self-government, it is necessary to outline the local self-government system briefly.

There are two major types of local self-government in Hungary: settlements and counties. The basic elements of the system are the self-government units in settlements. These could be communes, towns and towns with county status. The territorial level of decentralised public administration consists of 19 counties. Counties are called territorial self-government, but are placed under the general term of local self-government. The capital, Budapest, has a special legal status. It has to be regarded as a settlement, but it has the same functions as counties do.

There is no hierarchical relation between the two local government levels. As the Constitution stipulates, the fundamental rights of local government units are equal, but their duties can be different. This means that county

self-government units are not superior to the municipalities. They are not authorized to manage or supervise municipalities. There are differences in the administrative tasks performed by each type of local self-government. Settlements provide local public services in each settlement. Counties have subsidiary role, and they provide public services that settlements are incapable of performing and public services of regional character covering a large part of the county.

Settlement governments have wide competences with regard to the provision of public services. They can perform any local public affairs not prohibited by law. This means that legal regulation can transfer administrative tasks to the competence of other bodies; usually to state administrative bodies controlled by the central government. In local public affairs, that responsibility is voluntarily assumed, the local self-government unit may act in any way that is not contrary to the law. The other limit of undertaking tasks voluntarily is that the management of voluntarily undertaken public tasks does not endanger the performance of obligatory local government functions and powers determined by law. This means that there are two categories of tasks performed by local self-governments: the optional tasks and the obligatory tasks. The Act on Local Self-Government has prescribed that the Parliament may determine the functions and powers for local governments to discharge. Simultaneously, the Parliament must ensure the financial means necessary for such purposes.

The settlement may be the commune or the town. The obligatory functions of settlement government are enumerated in the Act on Local Self-Government. This is one of the two categories of local tasks. The other category encompasses optional tasks. Any local self-government unit may freely undertake optional tasks. Settlement self-governments may determine these tasks based on the requirements of their population and on the financial means available.

Concerning the obligatory tasks, the Act has prescribed the obligation of providing the following public services: drinking water, kindergarten education, primary school instruction and education, basic health and welfare services, public lighting, maintaining local public roads and public cemeteries, car parking in public areas and the rights of ethnic and national minorities. These public services must be provided by each settlement government including the smallest village.

In settlements other than communes, the towns may have the obligation to provide other public services. The Act on Local Self-Government says that a law may prescribe the provision of certain public services to

settlement self-government units as well as of other local tasks. These obligations may be determined differently depending on the size of the settlement, the population and other conditions, for example their financial capacities. The concept of the Act on Local Self-Government is that the rights of local governments are equal, but their duties may be different, because it is impossible for the Act to prescribe all the tasks to each unit. For example, town local self-governments must provide for maintaining a fire brigade, for technical rescue or for a wider range of welfare than villages.

Major towns may have a special legal status fixed by the Local Self-Government Act, and these are called towns with county status. Each town that is a county seat has the legal status of a county. Other towns may obtain this status according to the procedure regulated by law. Upon application of its body of representatives, the Parliament may declare a town whose population is larger than 50,000 to be a town with county status. The self-government of the town with county status is settlement self-government but it also discharges the functions and powers of the county self-government in its own territory, with some differences. Its local self-government is allowed to form districts and to establish district offices.

The autonomy of counties in Hungary has a tradition going back several hundred years. This was a reason why the reform of the system of local public administration could not avoid the incorporation of the counties into the new system of local governments. In 1990, the Act on Local Self-Government defined the county as a local government unit, and gave it a mostly subsidiary role in providing local services. The amendments to the Act changed the legal status of the counties. Since 1994, the county is a territorial self-government, but it retained a secondary role in providing local services. Based on its functions, it can be said that county local government has a less important role in the local government system than the settlements. In practice, the main function of the county is the maintenance of institutions providing public services (hospitals, secondary schools, museums, libraries, theatres, etc.).

Finally, an important element of the system is the relationship between local self-government units and the central government, characterised by the control of legality exercised by the Government by way of the Government representatives, similar to the French prefects. Local self-government units have a wide autonomy and they are not managed or supervised by the Government, their decisions may only be subject to the control of legality. The process of legality control is initiated by the Government

representative, but the final decision on the legality of an individual decision or of a decree of a representative body is made by the court or by the Constitutional Court.

Contrary to the system of Soviet-type councils and even to the one in place before 1945, when the municipality of the capital city was subordinated to the central power in the hierarchy of state bodies, the current self-government of Budapest – just as any other Hungarian self-government unit – enjoys a wide autonomy and a certain political influence. The political influence is quite strong if we consider that approximately 20 per cent of the population lives there, and that the capital is the city with the largest economic and political potential in the heart of the country, where all the major institutions are concentrated. The decisions of the General Assembly or the General Mayor of Budapest have never been easily influenced by the central Government as the examples of the construction of the National Theatre or the Metro Line 4 have shown. There were many other such examples, especially between 1998 and 2002.

## 4. Special Administrative Structure of the Capital City

### 4.1. Functions

The Capital City has a two-tier self-government system consisting of the self-government of the Capital itself and of the districts, according to the Local Self-Government Act (sec. (1) of § 62, Act no. LXV). Budapest has had 23 districts since 1994, when one part of the 20<sup>th</sup> district that used to be an independent settlement, called Soroksár, before December 1949, separated from the 20<sup>th</sup> district.<sup>16</sup>

The capital and its districts are all independent units of settlement self-government with their own independent functions and powers. District self-governments independently discharge the functions and powers pertaining to settlement self-governments. The capital city's self-government discharges the obligatory and optional settlement self-government functions that affect the whole city or part of it, but extending to more than one district, as well as those related to the special role of the capital within the country. Any laws determining the functions and powers of local self-governments

<sup>16</sup> This decision is an example of a local referendum in Budapest.

must specify whether these belong to the functions and powers of the self-government of the capital or to those of the districts. These rules mean that the self-governments of 23 districts are settlement self-governments.

Considering the functions of district self-governments, the law has stipulated (sec. (1) of § 63, Act no. LXV) that a district self-government shall provide for kindergarten and primary school education and for the basic health care and welfare services in its territory. Within its competences, it shall also provide for the supply of drinking water and the maintenance of local public roads, as well as for public car parks and for the rights of national and ethnic minorities. There are some differences compared to the general clause enumerating the functions and powers of settlement self-government. The district is not obliged to maintain public cemeteries. The reason is the development of Budapest as a single-unit city in the past. The 23 districts are a relatively new structure, and the old structure guards the traditional solutions. Some of the functions belong to the same regulation: kindergarten and primary school education, basic healthcare and welfare services. The particularity of supplying drinking water, of maintaining local public roads, and of ensuring public car parks come from the fact that Budapest was a single-unit city that had a comprehensive system of city roads and water pipes. The previously independent settlements had the same before their integration into Great Budapest and developments after the unification must be regarded, too. Consequently, these public services cannot be managed separately in each district. The situation is similar with regard to the rights of national and ethnic minorities, which are protected and promoted at the city level.

It can be seen that in practice the tasks and services provided by the two levels are not separated in each case. In sec. (3) § 63, the Act has provided for another possibility. District self-government or its associations may, based on an agreement, undertake the provision of a public service normally belonging to the competence of the capital. Vice versa is also possible: based on an agreement, the capital may delegate tasks and powers to the self-government of one or more districts, but the financial sources necessary for discharging the delegated competences must be procured in proportion with the scope of delegated tasks and powers.

The tasks and competences of the capital are stipulated in the Local Self-Government Act. They are similar to those of the county,<sup>17</sup> but more dif-

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<sup>17</sup> Between 1990 and 1994, the legislation used the technique of analogy and regarded the capital as a town with county status that had the same functions and powers as the counties.

ferentiated at the same time. The tasks and competences of the capital are not enumerated by general clause. The law has provided only examples.

The law has enumerated the possible functions of the capital city's self-government. This is a list of examples meaning that it is not exclusive because any other public affair of local interest may be undertaken as a mandatory task following the principle of the whole system, the role of self-government, which is general administration. These functions are as follows:

- a) To define the capital's development and rehabilitation programme, and its general town planning. To create town planning rules for Budapest; to issue decrees protecting the capital's architectural environment important for historical reasons or for particular townscape, with special regard to the buildings, structures, and areas that are parts of the World Heritage; to regulate the maintenance conditions; and to renovate and maintain these protected values;
- b) To perform the tasks related to housing. Within this competences: to draw up a housing plan and a renovation plan for buildings owned by the city, and to coordinate their implementation. To determine the system of subsidised housing, to establish the rental zones for housing units owned by the local government, to decide on the principles of charging rents and granting subsidies for house maintenance, to regulate the conditions for obtaining and exchanging housing units owned by the local government;
- c) To provide for the fulfilment of municipal responsibilities related to the prevention of and dealing with natural disasters;
- d) To take over the tasks – in areas covering more than one district – related to water supply, safe drinking water, gas and central/district heating service, water management, sewage and rainfall drainage, and wastewater treatment. To participate in ensuring the capital's energy supply and its public lighting; to provide for the capital's flood and inland water control, including the maintenance and development of the city's flood and inland water control establishments;
- e) To perform municipal tasks related to garbage collection and treatment, to ensure hygiene. To provide for the collection, disposal, treatment/neutralization and utilization of solid and liquid communal waste, to designate the disposal areas;



- f) To select suitable areas for the establishment and expansion of public cemeteries, to provide for the maintenance and operation of public cemeteries in city ownership;
- g) To perform the capital's tasks connected with public transport and traffic technology, to designate the main traffic routes, and the routes used by mass transit. To provide for the operation, maintenance and development of the national public roads, bridges, underpasses, overpasses and footbridges, other than motorways and highways, which are owned by the capital's self-government, as well as for the operation, maintenance and development of the roads used by mass transit and owned by the district local governments;
- h) To regulate, in the form of a decree, the capital's parking and parking management system, the strictly protected and the protected parking zones, the parking fees, the utilization of public domain, and the order of public domain, the organization and responsibilities of supervising the public domain;
- i) To define the capital's concept and plans for tourism, to set up and operate its tourist organization, in the interest of carrying out the tourism-related tasks;
- j) To take part in the responsibilities related to consumer protection, to designate the areas suitable for the establishment of market halls and markets. To regulate (by a decree) and carry out the responsibilities related to the maintenance, development and operation of markets and market halls in its full or partial ownership;
- k) To name – after consulting the district representative bodies – the areas of the city, the various public domains affecting several districts, or those bearing names of individuals. To give the names of respectable individual(s) to a public domain, to change the name of such a public domain, and to declare street names to become protected;
- l) To fulfil municipal responsibilities related to protection against air-pollution and water quality. To designate (by decree), develop and maintain the areas of natural environment and public green parks, to protect them for the purposes of capital's townscape;
- m) To take part in solving the problems of unemployment;

- n) Within its competences, to provide for the following services in the areas extending over more than one district, or in the areas beyond the city limits: for secondary schools and facilities of vocational training and student dormitories, if the district self-government does not undertake to perform these tasks; for the tasks related to arts, general education and public collections; for the provision of special health care and special welfare services exceeding basic level; for the performance and development of child and youth protection activities; and for tasks related to physical education, sports and youth-related tasks. It is also expected to take part in the coordination of public education, of cultural, scientific, artistic, sports, child and youth activities concerning more than one district;
- o) To perform the tasks of national and ethnic minorities' education and culture, in areas covering more than one district, or extending beyond the city limits;
- p) To operate the capital's IT system.

#### 4.2. Internal Structure of the Capital City Self-Government and Its Decision-Making

The decision-making system can be examined through the functions and powers of their bodies.

The deliberative body of the capital city is the General Assembly. It exercises the basic self-government rights and powers. In settlements other than the capital city, the deliberative body is called the body of representatives. Consequently, the terminology is different just as in the counties or the towns with county status regarding sec. (3) § 62 of the Act that stipulates »the capital's body of representatives is the General Assembly«. In addition to terminology, there are other important differences: the 23 delegates attending the sessions of the General Assembly and the possibility to appoint more than one vice chief executive. These will be discussed later.

The General Assembly determines the detailed rules of its organization and operation in a decree. Decrees are one of the possible decision-making forms. The General Assembly, just as the representative body in settlements, regulates local public affairs through decrees that have legal force over all the individuals within municipal borders. This is normative effect

of the law. Individual decisions are made in the form of resolution(s), which is the other possible decision-making form. District deliberative bodies, the representative bodies, are authorized to pass their own decrees as any other settlement self-government does.

The General Assembly may delegate some of its powers based on the general provision of the law saying that the representative body may delegate some of its powers to the Mayor, to its committees, to the body of city's quarter, and to the body of the local minority self-government. Delegated powers may not be delegated further, they may be withdrawn and instructions may be given concerning their exercising. The Local Self-Government Act has prescribed the list of powers that may not be delegated. These powers must be exercised by the representative body itself. These include the most important decisions, such as passing decrees, setting up the organization and functioning of the representative body, initiating local referendum, entering into agreement on cooperation with other local self-government units, the establishment of institutions, etc. (sec. (1) § 10, Act no. LXV). In addition to the rules on the prohibition of delegation, there is a particular provision in the Chapter on the capital city allowing exceptions. It stipulates that the General Assembly of the capital may, in a form of decree, delegate the election, appointment and mandate (point b) of sec. (1) § 10)<sup>18</sup> of the heads of its institutions listed in sec. (4) of § 9,<sup>19</sup> to its committee and to the General Mayor; the General Assembly and the district body of representatives may delegate their powers as defined in § 10, point l)<sup>20</sup> to its committees.

The general rule that a committee is an elected organ of the representative body is applicable in the capital city as well. Consequently, the General Assembly may delegate some of its powers to its committees in the form of

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<sup>18</sup> Sec. (1) of § 10 defines, the following may not be delegated from the powers of the body of representatives: ... point b) development of its organizational structure, and regulation of its operation, furthermore, the elections, appointments and assignments referred to its jurisdiction by an Act;

<sup>19</sup> Sec. (4) of § 9 defines, the body of representatives may establish municipal institutions, enterprises, other organizations with the purpose of providing public services belonging to its scope of tasks, and may appoint their managers.

<sup>20</sup> §10 defines that the following may not be delegated from the powers of the representative body:

l) giving opinion in the matters where a law has prescribed consultation with the local self-government regarding its position ...

a by-law. The General Assembly has 10 committees.<sup>21</sup> The establishment of committees is voluntary, except for the financial committee, which is obligatory in the settlements whose population exceeds 2,000 people, and for the committee dealing with minority affairs, which is established on the initiative of the member of the minority who gained a mandate in the representative body. Other committees must be formed if legislation has prescribed it. Here is a special rule concerning the capital city that prescribes the obligatory establishment of a committee dealing with the minority affairs if a minority self-government is set up in Budapest. Since there is a minority self-government of the capital city, a committee has been formed. Representative bodies in districts must form their committees following the general rules.

According to general provisions, a committee prepares the decisions of the deliberative body, and organizes and controls their implementation. It controls the work of the office of the representative body with regard to the preparation and implementation of its decisions. The representative body may authorize the committee to decide in certain matters, and is entitled to revise the decisions the committee has made.

The capital's executive body is the General Mayor. He is responsible for the local policy implementation. In all other settlements, there are mayors serving as chief executives. Thus, the terminology is different again. In Chapter VII of the Local Self-Government Act, the special rule on the executive body says that mayors are elected in districts, while a General Mayor is elected in the capital. The General Assembly may elect Deputy General Mayors from among its members, by secret ballot (sec. (5) of § 62, Act no. LXV).

It can be said that General Mayor has an important political function, since he/she performs local and state administrative tasks at the same time, represents and presides over the General Assembly, manages the office of the local self-government in accordance with the resolutions of the General Assembly.

The law has provided for the possibility that mayoral duties may be performed as a voluntary function in villages with less than 3,000 inhabitants. In Budapest, the General Mayor cannot be in office without remuneration.

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<sup>21</sup> This number was 16 in June 2010 but after the municipal elections of October 2010, the structure of committees was reorganized.

Deputy General Mayors may be elected on the proposal of General Mayor for the period of the General Assembly's mandate, from among its own members to substitute for and assist to the work of General Mayor. They perform their functions under instructions of General Mayor. This is a full-time position. There are four Deputy General Mayors in Budapest.<sup>22</sup>

The offices of the district representative body are led by a chief executive in each settlement, while the office of the General Assembly of the capital (official title: General Mayor's Office) is headed by the General Chief Executive. The General Assembly may appoint several deputy chief executives as stipulated in sec. (6) of § 62 of the Local Self-Government Act. It has been already mentioned that the General Assembly may appoint more than one deputy chief executive.

The General Chief Executive – such as chief executives in settlements – also called General Notary, is an public administration expert in the local self-government unit. He/she stands for the professionalism and permanence in public administration. That is why the General Chief Executive is appointed, not elected by the General Assembly (or by the settlement representative body). It is a permanent position filled after a public competition. Finally, the person appointed must have qualifications determined by the law.

The General Chief Executive runs the office of the General Assembly. While the General Mayor directs the office from the outside, the General Chief Executive, working in the office himself, is responsible for its day-to-day activities. He/she exercises the rights of employer over the civil servants employed in the office. The General Chief Executive is responsible for the performance of tasks related to the activities of the self-government unit and prepares the decisions of state administration made by the General Mayor. He/she has decision-making powers delegated by the General Mayor.

The General Chief Executive is responsible for the legality of city's administrative activities. He/she must participate in the sessions of the General Assembly and its committees, and must indicate if their decisions are contrary to the law. He has the same obligation regarding General Mayor's decisions.

Deputy chief executive is appointed on the proposal of General Chief Executive by the General Assembly. Deputy chief executive substitutes

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<sup>22</sup> June 2011. Before the municipal elections of October 2010, Budapest had one Deputy General Mayor.

the General Chief-Executive if need be, and performs the tasks determined by the General Chief Executive. The appointment procedure is regulated by rules in accordance with the appointment of General Chief Executive.

The administration is performed in the office established by the General Assembly. The law has prescribed that it establishes its own unified office, called the General Mayor's Office. In all other settlements – just as in the districts – the office is called the mayor's office. The office performs the tasks related to the activities of local self-government, to the preparation of the state administrative tasks for decision and implementation (see the structure of the General Mayor's Office of June 2010 in Appendix I).

Counsellor or counsellors may be elected among the representatives by the General Assembly, on the proposal of General Mayor or any of the representatives. The counsellor supervises the discharge of self-government functions determined by the General Assembly.

In addition to general stipulation (§ 28) of the Local Self-Government Act that has made possible to establish submunicipal self-government<sup>23</sup> by the representative body (in the Decree on Regulation of Organization and Procedure in Settlements), Chapter VII has stipulated the particularities. The special stipulation of sec. (7) of § 62 is that a district representative body may set up local self-governments for certain parts of the city, in accordance with § 28. The representative bodies of several districts may also set up – jointly – such a submunicipal self-government unit. In formerly independent settlements, consolidated with the capital on 1 January 1950, the establishment of submunicipal self-governments is compulsory, if the constituents concerned voted for the establishment of submunicipal self-government in a valid and successful referendum, according to the rules on local referenda.

#### 4.3. The System of Local Elections in the Capital

Members of the General Assembly, the Mayor of Budapest, members of the representative bodies, as well as the district mayors in each of the 23 districts are elected directly following the procedure for local elections

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<sup>23</sup> The submunicipal self-government consists of the local government representatives and other voters. Head of the submunicipal self-government must be a member of the representative body. The representative body may delegate some of its powers in affairs related to the submunicipal unit, and may also provide finances thereof.

stipulated by the Act on the Election of Local Representatives and Mayors no. LXIV of 1994.

In 23 districts, the electoral system is regulated by the general rules prescribed for settlements with more than 10,000 inhabitants. This is a mixed system in which voters vote for an individual representative in their local constituency and for one of the lists set up by the political parties or movements in the settlement (the city district in this case). Consequently, some of the representatives in city districts are elected in individual constituencies and others gain their mandate from the party lists.

As of 1994, all the members of the capital's General Assembly are elected directly from party lists. In this case, Budapest is regarded as a single constituency. In addition to the members of the General Assembly, 23 delegates of the districts attend its sessions based on the rules prescribed by the Local Self-Government Act (sec. (4) § 62). The detailed rules of their attendance must be defined in the Rule Book of the General Assembly. However, the law has prescribed that the delegates of the districts have the right of address but not the right vote.

Finally, the complexity of the system may be presented if we see how many ballots are given to the voters to be cast at the municipal elections:

- Ballot 1 with the names of the candidates for General Mayor
- Ballot 2 with the party lists for the General Assembly
- Ballot 3 with the names of the candidates for district mayor
- Ballot 4 with the names of the candidates for individual representative in the constituency within the district
- Ballot 5 with the party lists for the district representative body.

The number of members of the representative bodies, including the members of the Budapest General Assembly, was decreased by the Act no. L of 2010 that entered into force on 14 June 2010. The new rules were applied at the municipal elections held on 3 October 2010. The principle of this new regulation is that the number of local representatives should be 50 per cent smaller than their number between 1994 and 2010. The previous regulation of local elections, stipulated by the Act no. LXIV of 1990 became invalid. In the capital city, the number of representatives in the General Assembly was fixed on the following principle: one representative may be elected per 50,000 inhabitants. The exact number of representatives is 35, as of October 2010.

The tables containing the results of municipal elections are given in order to provide political background.

Table 3 – Results of municipal elections between 2002 and 2010 in Budapest without the 23 districts

General Assembly 2010

Party	No. of Mandates Gained in the General Assembly	% achieved
FIDESZ-KDNP	17	51.52
MSZP	10	30.3
LMP	3	9.09
Jobbik	3	9.09

General Mayor is the candidate of FIDESZ-KDNP (53.37%)

Participation in Budapest: 43.52 %

General Assembly 2006–2010

Party	No. of Mandates Gained in the General Assembly	% achieved
FIDESZ-KDNP	30	45.45
MSZP	24	36.36
SZDSZ	9	13.64
MDF	3	4.55

General Mayor is the common candidate of MSZP and SZDSZ (46.86%)

Participation in Budapest: 55.89 %

General Assembly 2002–2006

Party	No. of Mandates Gained in the General Assembly	% achieved
MSZP	24	36.36
FIDESZ and MDF together	21	31.82
SZDSZ	16	24.24
MIÉP	5	7.58

General Mayor is the common candidate of MSZP and SZDSZ (46.7%)

Participation in Budapest: 52.68%



FIDESZ-KDNP: governing coalition in the country since 2010, opposition in the Parliament 2002–2010 (right); MSZP: opposition in the Parliament since 2010, governing coalition of the country with SZDSZ 2002–2010 (left); LMP: opposition in the Parliament since 2010 (Eco-Liberal); Jobbik: opposition in the Parliament since 2010 (radical right); SZDSZ: governing coalition of the country with MSZP 2002–2010 (liberal); MDF: opposition in the Parliament 2002–2010 (right); MIÉP: opposition in the Parliament 2002–2006 (radical right).

Source: <http://www.valasztas.hu/> 07 August 2011

#### 4.4. Other Special Regulations on the Capital City in the Local Self-Government Act

*Associations of the Capital's Local Governments.* These regulations reflect the general principle of local self-government units' right to free association.<sup>24</sup> In addition to the general principle, which is a fundamental right declared by the Constitution, paragraph 36/B of the Local Self-Government Act states that district self-governments and the capital city can form associations of their own accord, with each other, or with local governments outside the capital. This stipulation authorizes district self-governments and the capital city to establish agglomeration associations with the self-governments outside the capital.<sup>25</sup>

*Financial Management of the Capital and District Self-Governments.* The dual system functioning in the capital city requires special regulation of financial affairs because two different self-governments manage the financial resources in the same area at the same time.

The income of local self-government units must be shared between the district self-governments and the capital city. It is divided proportionally, in accordance with the performed tasks.

If any law requires the self-government of the capital city to perform regional or national tasks that exceed the capital's scope of interests or economic capacity, the Parliament is to provide the financial means required for the fulfilment thereof, and to decide on the rate and manner of the central contribution.

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<sup>24</sup> Point c) sec. (6) of § 1 states that local self-governments may freely associate with another local government, they may organize or join territorial, as well as national associations of interest representation; within their scope of authority they may cooperate with foreign local governments, they may join international organizations of local governments.

<sup>25</sup> Most common examples of such associations are the two associations in Budapest for the management of the capital's parking areas.

The law has divided the income of district self-governments and the capital is divided into two separate categories. Certain incomes belong to both self-governments independently and directly, while others belong to both, in appropriate shares.

The incomes of district self-governments and of the capital that belong to each of them separately and directly are the following:

- a) normative (trendsetting) central contributions attached to the performance of certain tasks;
- b) earmarked and target subsidies;
- c) profits, dividends, interest and rents from their own activities, enterprises, and from the yields of local government assets;
- d) funds received;
- e) fees payable for the utilization of public domain owned by them (sec. (3) § 64, Act no. LXV).

The incomes of district self-governments and the capital to be shared are as follows:

- a) part of the personal income tax determined by the State Budget Act;
- b) other central taxes;
- c) central contributions related to the permanent population, except for normative central contributions for administrative tasks and public education;
- d) incomes deriving from local taxes (sec. (4) § 64).

Concerning the latter category, the question of primary importance is the proportion in which the incomes are divided between the districts and the Capital. The rules of division are determined by a decree of the capital's General Assembly, after consulting the district representative bodies. At least ten days are provided for the consultation. The way the financial resources are shared between the districts and the capital is regulated by the law. At the same time, the General Assembly is entitled to introduce a system of earmarked and target subsidies for the districts.

Both the capital city and its districts have their own exclusive incomes defined by law. Districts have their exclusive incomes deriving from all the fines. Exclusive incomes of the capital have a longer list containing:

- a) normative central contributions for administrative tasks and public education;

- b) part of revenues obtained from the sale of hunting licences, in accordance with agreements concluded with local governments of the settlements concerned, and determined proportionally to the territories concerned;
- c) fines collectable in connection to environment protection and the protection of monuments within the scope defined by law;
- d) duties as defined in a special law;
- e) central contributions based on the previously mentioned regional or national tasks to be performed, which exceed the capital's scope of interests or economic capacity.

Following the general regulation of the Municipal Budgets Act, the General Assembly and the district representative bodies adopt their own annual budgets by passing a decree in accordance with the regulations of the State Budget Act on the State Budget.

Finally, self-governments of the capital city and the districts manage their own property independently, and may appoint organizations to manage their assets and real estate.

*Protection of the Interest of the Capital and Its Districts.* The law has provided some basic stipulations concerning the interest of the self-governments in the capital. The most important one states that the self-government of the capital city represents the interests of the capital as a whole. This principle strengthens the unified characteristic of the capital. However, the law requires the General Mayor to ask the opinion of the district self-governments and to inform the General Assembly and the decision-making body thereof, before taking the official position of the self-government of the capital.

Another rule guarantees the participation of Budapest's self-government units in drafting the legislation or in the Government's decision-making if it involves their economic basis or their scope of authority.

*Legislative Powers of the Capital and Its Districts.* One of the main self-government functions is to regulate local public affairs in the form of secondary legislation (by-laws). (§ 65/A). Just like the issue of financial management, particularly the question of sharing incomes, the power to pass by-laws is of considerable importance. Regarding the general rule that a by-law passed by a self-government unit has its territorial force in the area of its implementation, the question is how to share the regulative power in the capital between two self-government levels of equal weight in the same area.

The Local Self-Government Act has authorized the Parliament to assign the task of passing by-laws to the self-government of the Capital or the district in individual cases. Consequently, there is no general rule that could be referred to in case of dispute.

Although there is not any hierarchical relation between the capital and its districts, the law has authorized the General Assembly to give the district representative body the authority to issue by-laws. In such a case, the district by-laws may not exceed the authorization included in the legislation of the General Assembly. Another rule that breaks the principle of absolutely equal status is that a by-law passed by the district representative body may not be contrary to the legislation adopted by the General Assembly.

At the same time, some forms cooperation are guaranteed by the Local Self-Government Act that requires the involvement of districts in the legislative activity of the capital and vice versa. It has stipulated that the General Mayor is to send the by-law drafts of the General Assembly to district mayors in order to provide information while the district mayors are to send their drafts to the General Mayor.

*Revision of District Boundaries.* The general regulation that the Parliament decides on the territorial division of the State including the establishment of districts in the capital city is specified in Chapter VII of the Local Self-Government Act. The particularity of the rules concerning the modification of district limits is that all the concerned districts, namely the neighbours; have to be involved in the process just as the capital city itself. It is still a rule that the separation from the capital city may be initiated exclusively by the districts having a common border with a neighbouring settlement, while the accession to Budapest may be initiated exclusively by the settlements having a common border with Budapest. The central Government is also entitled to initiate the separation or accession. In all these cases, the final decision is made in a local referendum.

## 5. Conclusion

It is not a question whether Budapest has a special status in the Hungarian local self-government system it has always had, except in the period 1949–1990. It is more interesting to understand how this special status may be evaluated. Before WWII and during the Communist dictatorship, the districts did not have the extended autonomy they have today, and

there was a hierarchical relationship between the capital and its districts as well as between the central Government and the capital city.

At present, there is the principle of local self-government's autonomy that is extended to the districts, which have the status of settlement self-government. There is another, quite paradoxical, and important principle of the Hungarian local self-government system, namely that public services should be performed at the lowest possible level and should be close to citizens, and that local public competences should be exercised at the same level, which is rather difficult to implement. The characteristics of certain public services make their provision impossible at the level of district self-government. Neither the bus lines nor the water pipes can stop on the district borders. Thus, all kinds of infrastructural public services ought to be organised by the capital since Budapest is an organic unit, a city. The same question may be asked even with regard to some other public services: why should citizens use any service of a public institution (public school, hospital, library, etc.) only in the district where they live?<sup>26</sup> The current situation with the division of public service delivery and with the performance of administrative tasks can be questioned. There have been numerous reform ideas with regard to this situation. It is clear that this is not the optimal solution.

Another characteristic of the system is that in Budapest, two local public authorities exercise public powers at the same time and it is not easy to understand which one is competent for what and occasionally there is conflict as a consequence of double jurisdiction. There is an illustrative example of a right-wing party governed district, as the authority in charge of issuing building permits, which authorized a statue to be set up, and the capital, as the authority in charge of town-planning, and governed by a coalition of left and liberal parties, which prohibited the plan. The statue was set up, but the city government decided it had to be demolished. This case has demonstrated that a political debate is often packed in a professional form, and that there are many difficulties with the functioning of the double structure.<sup>27</sup>

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<sup>26</sup> There is an example with a vice-mayor of one of the districts who was interviewed on TV about problems of homeless people. When he was asked why his district had not done more for the homeless of the district, he said: »How can anyone be a homeless of the district, when he has not home in the district?« Then he continued: »Why such a person should be called the homeless of the district instead of calling him the homeless of the capital?«

<sup>27</sup> Eventually, the statue was not demolished.

Obviously, the fact that there are two local public authorities of different levels and of equal status, without a hierarchical relationship, causes many difficulties. It could be said that in order to exclude such problems it is but their scope of competences that should be clearly delineated. However, even if the scope of competences of the two levels were defined more precisely, conflicts would ensue because of the political background. It should not be forgotten that locally elected representatives of political parties are sitting in the chairs of representative bodies and mayors of both the districts and the capital.

It is our assessment that Budapest would be a very strong political factor with a single-tier local self-government system and with its districts lacking political powers of local government. It would be even stronger than it is today. Because of the current local self-government system, local self-governments serve as a political counterweight to the central Government. This could be one of the reasons for the subordination of the municipality of Budapest to the central Government and for the strong influence exercised over it in the past.

Even in the current system, and in spite of its fragmented structure, Budapest has a huge political potential. It is said that the political party winning the general election in Budapest almost certainly wins in the whole country because of the size of population and, consequently, because of the number of voters in the capital. Several examples have shown that the City of Budapest, governed by the parliamentary opposition of the period, can seriously hinder political actions of the central Government. It was especially true between 1998 and 2002.

A strong self-government in Budapest, backed up by the autonomy enjoyed by the Hungarian local-self-government units and without the possibility of direct influence of the central Government, would be very uncomfortable for the central state. That is why there was no political will to create stronger self-government in Budapest and to disempower the districts. It can be said that just as Budapest functions as a counterweight against the central Government, its districts serve as a counterweight against Budapest. The situation is similar to that in some other capital cities, particularly in Paris, which has always served as a basis for revolutions and, as a consequence, it has never had a powerful municipality (Waline, 2008: 160).

This fact determines the future of the city. There are several concepts and scenarios mainly from the critics of the functioning of the current system. One of them says that the unification of the capital with the outskirts was

a mistake and some districts on the outside perimeter should be detached from the core of the city. This could lead to a smaller and less significant capital.

The inverse concept would unify Budapest with its growing agglomeration, creating the so-called Budapest Region as a self-government unit. Budapest has lost a considerable part of its population in the past 20 years: some 300,000 inhabitants moved to the villages and small towns in the vicinity. In its territorial structure, the Hungarian public administration has not yet reacted to this phenomenon appropriately. It is true that Budapest and Pest County together form the so-called Central Region but it is a unit of deconcentrated public administration deriving from NUTS, and, as such, it is a regional unit of some ministries, but it does not have its own self-government. The only important achievement to be mentioned is the Act on the Regulation Plan of Budapest Agglomeration no. LXVI of 2005. This Act defines the territory of the Agglomeration itself.<sup>28</sup>

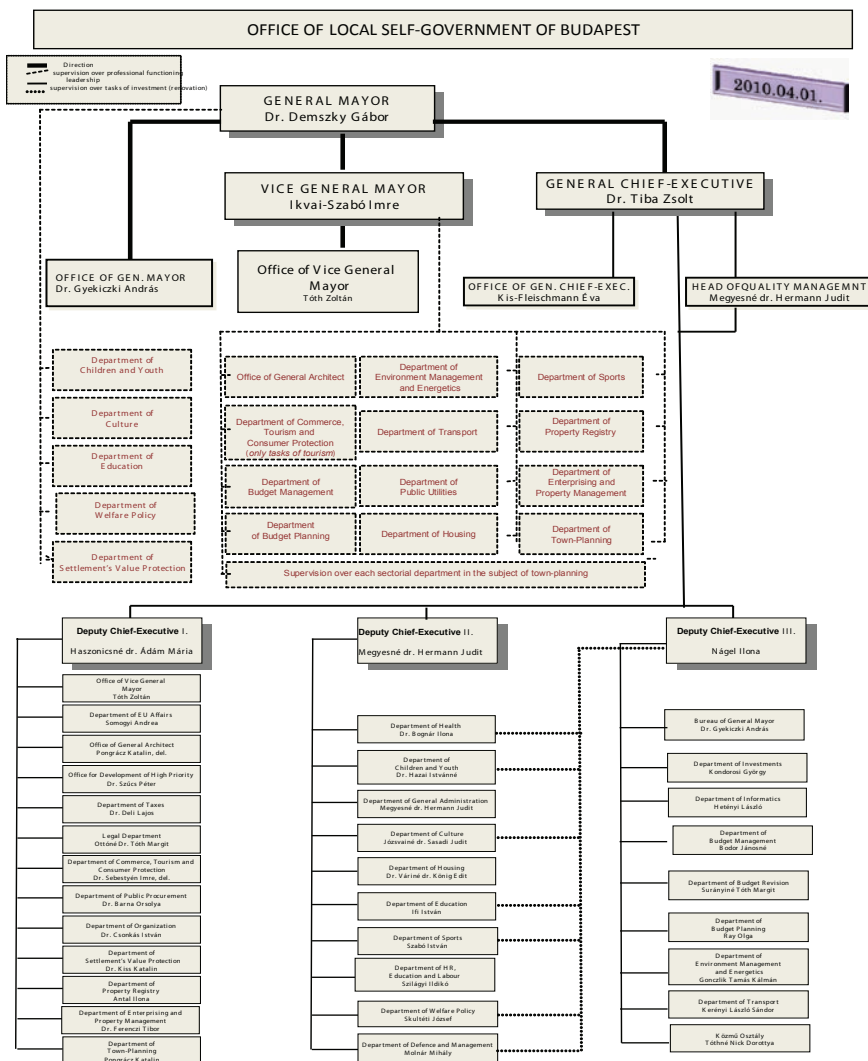
Budapest has a unique administrative structure with the two-tier local governmental system. The question is how this special structure works. This is in the critics' spotlight. The question of primary importance is the relation between the capital and its districts. Maintaining the current system is possible but the re-division of competences between the capital and its districts should be rationalised.

After the adoption of the new Constitution (April 2011), the system of local self-government must be modified, but the details are still not known. It is said that the Government plans to negotiate on the Bill in late August and the new law should probably be passed in autumn 2011. It is assumed that the capital will be strengthened only if the current weak system of control over the legality of local self-governments turns into a stronger supervision, tutelage that makes possible for the central Government to influence the capital city.

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<sup>28</sup> It is remarkable that on 15 June 2011, 19 settlements directly connected to the capital city established the Self-Governments' Association of Agglomeration of the Capital in order to represent their common interests together with Pest County, partly against Budapest and the central Government. This event shows a lack of institutionalised cooperation between Budapest and its agglomeration.

Appendix I. Structure of the General Mayor's Office



CROATIAN AND COMPARATIVE PUBLIC ADMINISTRATION

Source: General Mayor's Office, 1 March 2010

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Act No. I of 1971 on the Councils

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## SPECIAL STATUS OF BUDAPEST, THE CAPITAL OF HUNGARY

### *Summary*

*Hungarian capital, Budapest, has always had a special legal status within the system of self-government, except between 1949 and 1990. It is organised in two-tiers: it functions a single local self-government unit (the City of Budapest); while at the same time, its 23 districts enjoy their self-government powers. The paper analyses the history of organisation of Budapest is analysed, as well as the current system of local self-government in Hungary, in order to identify historical and current institutional framework of today's special status of Budapest. Special rules on functions, internal structure and decision-making, elections, and certain other issues are analysed to confirm the basic hypothesis about this special status. It is assessed that two-tier self-government undermines the potentially strong position of the capital city within Hungarian political system. Just as the capital city serves as potential political counterweight to the central government, city districts serve as real counterweight to the city government.*

*Key words: special status of capital city – Budapest, Hungarian system of local self-government, institutional and legal analysis*

## POSEBAN STATUS BUDIMPEŠTE, GLAVNOG GRADA MAĐARSKE

### Sažetak

*Budimpešta, mađarski glavni grad, uvijek je imala poseban položaj unutar sustava lokalne samouprave, osim u razdoblju 1945–1990. Grad je podijeljen na dvije razine: funkcionira kao jedna samoupravna jedinica (Grad Budimpešta), a istovremeno njezina 23 okruga uživaju vlastite samoupravne ovlasti. U radu se analizira povijest organizacije lokalne samouprave u Budimpešti, kao i sadašnji sustav lokalne samouprave u Mađarskoj s ciljem prikazivanja povijesnog i suvremenog institucionalnog okvira koji je temelj današnjeg posebnog statusa glavnoga grada. Analiziraju se posebni propisi o radu, unutarnjoj strukturi i odlučivanju, izborima te o nekim drugim pitanjima kako bi se potvrdila hipoteza o tom posebnom statusu. Procjenjuje se da dvostupanjska lokalna samouprava potkopava potencijalno jak položaj glavnog grada u mađarskom političkom sustavu. Kao što je glavni grad potencijalna protuteža središnjoj vlasti, tako su gradski okruzi stvarna protuteža gradskoj vlasti.*

Ključne riječi: ????