

A CONFLICTING LOCAL GOVERNMENT SYSTEM: PROBLEMS RELATED TO THE PUBLIC ADMINISTRATION SYSTEM OF BUDAPEST

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1 Introduction

Public Administration matters in the capital of Hungary, Budapest, may be categorized in two sets of relations. One of them is the current internal local authority system of the city. Here the key issue is the number of administrative layers and their relation to one another, as well as the boundaries of districts and their division into parts. The other is the relation to the agglomeration belt of the city. In this approach not only the various horizontal contacts are interesting, but also the institutional communication frameworks and solutions with historically changing regional and governmental levels.

2 Representation

The current local government system was established as part of the change of the political system in 1990. Due to the distinctive position of Budapest – one fifth of the country's population lives in the city –, the special features of the new structure relating to the capital were dealt with separately. Through Act XXIV of 1991, the capital became the subject of self-regulation. The districts received fairly broad local government licenses, as well. According to the Act, the district exercised essentially the same rights as any other individual settlement. Only for specifically named tasks did the Municipality of Budapest receive priority. This solution was mechanically based on the national system, which decentralized the majority of local roles to base units of the communities of settlements. Every larger regional unit was considered subsidiary to these. The municipal level of the capital was in all respects built upon the districts' local governments. The electoral system also expressed this, ensuring a place for district representatives in the general assembly of the Municipality of Budapest (hereinafter: Municipality). In this period there was neither time nor energy to institutionally handle the individual features of the whole of the greater city.

This approach has been decisive ever since. In Hungary there are over 3,100 local governments for a population of 10 million. In fact, every settlement, no matter how small, has an independent local authority. Budapest is the only large city in Hungary by international standards. It has always been handled as a special case when forming local administration systems. However, the way in which the city was formed has never managed to creatively interpret – in the sense of adapting to – these individual features. Including its environs, over 3 million people are affected by the greater city in one way or another. The public administration system has never handled the overweight nature of Budapest compared to the rest of Hungary, according to its value. The change of the political system opened the way for another series of experiments.

The new order was almost immediately amended in 1994. The general assembly of Budapest had gained supremacy in important matters of regulation, and thus, above all in the sharing of revenues originating from the central budget as well as local revenues between the Municipality and Districts, was bound to the consent of the Districts' mayors. The amendment reduced the Districts' influence to voice their opinion. Previously, in city-planning the compulsory power of the capital's general city plan for the districts could be questioned. In this respect, the general assembly of Budapest's primary authority was established by this amendment.

The internal structure of the system of representation was also amended, insofar as the districts' delegates were no longer members of the general assembly. The special regulations for Budapest were directly made part of the Local Government Act. As the local government law requires a two-thirds majority in Parliament, amending provisions in respect of the capital is only possible with broad political consensus. Due to this, the political weight of the decentralized institutions of the city significantly grew compared not only to the districts but to the current governments, as well.

To strengthen the unity of the capital, other statutes gave license to the organs representing the whole of the city. Above all, Act LXXVIII of 1997 on the development and protection of built environment progressed in this direction with regard to regulations on city-planning for the capital. A specific system of an urban master plan and a hierarchical structure was established, which was to serve the unified management of the city.

3 The districts' endeavours

As a result of the introduction of the local government system, the fact that the local governments of the districts became a real local authority was perhaps the most spectacular development in the administration of the capital. Independence,

on the one hand, meant the possibility of more efficient action in opposition to the capital's decision-making institutions. On the other hand, differences between the districts also became clearer. In the course of the first cycle, differences, partly due to subjective reasons and partly to real disparities in living conditions, became strikingly obvious.

One of these phenomena was the quality difference in the districts' conflicts. Tensions between bodies and office-holders are frequently characteristic of local governments on some level. In numerous cases, debates in the inner districts often grew to the edge of, or even succeeded in, making them unable to function. Occasionally, real stalemate developed between the factions, resulting in crippling the district leadership. The outer districts, however, usually handled conflicts better. More charismatic leaders emerged here for some reason. Although there were great differences and spectacular changes in party support for the mayor here, too, the leadership was still able to handle debates better and on balance won or escaped without suffering serious losses.

The conflicts between the outer districts and the Municipality, and in particular its leadership, became increasingly strong. This statement is generally true, and surprisingly, the conflicts even proved to be independent of party support. In the first cycle, for instance, tensions appeared within the party that won the local elections. Even following later resignations from the parties, the disputes were not transformed into party-political conflicts.

The outer districts made a relatively successful alliance to implement joint goals. The Alliance of Outer Districts became the most important lobby within the capital and successfully gave voice to their interests on several occasions, initiating several reform proposals concerning the whole capital. No comprehensive partnership of such a degree developed between inner districts.

There are a number of reasons for this difference, one being the organization of public administration. The difference between the tasks of outer and inner districts is worth noting. The functions of outer districts rather resemble those of settlement (municipal) local governments. The provision of compulsory tasks can be better interpreted and the borders are more real. In spite of all changes and development, the independent settlements attached to the capital in 1950 have preserved much of their independence. In terms of settlement structure, the separation is certainly valid. In the long term, the available resource types also differ.

In the outer districts the mayors' local support is more significant. A trace of local patriotism, surviving the political transition, has appeared here, even if not to the same degree as in small provincial towns. It appeared as an endeavour for independence in political programs. In the course of the decade, several districts' leadership proposed the idea of potential secession. As these were districts with a large population, they could have aspired to the status of a county town. At the

same time, the initiators soon came to realize that being part of the capital had many everyday advantages for the population that would be jeopardized by such a radical step. The most important of these was the link to the capital's subsidized public transport system and to public utility systems and services.

Another form of striving for independence within the districts of Budapest appeared, as well. One of these attempts was successful, thus creating the capital's 23rd district. The direct effects of becoming a district within the city of Budapest, however, are less measurable than those of a secession.

Location differences have had other consequences. Thus, since the change of the political system there has been a perceivable difference between the inner and outer districts' stability in leadership and, in a certain sense, politics. This has led to significant differences in interests. We may add, however, that these do not seem to be based on political colours. The reason behind this difference may rather be traced back to differences in public administration features that, naturally, rely on the features of the structure and organization of the city's development and society to a great extent.

The organization of the system of relations has also become different. Districts with more independent profiles do not have a balanced relation with one another based on mutual linkages; their relations are rather unequal. Everybody uses the inner city, yet the peripheries do not necessarily have intense daily contact with each other. In relation to this, a given district's contacts do not all have the same intensity. Not all parts of a metropolis enter into constant, symbiotic relationship with one another. At the same time, there is a strong bond between the outer districts and a clearly definable and separable circle of neighbouring or close settlements within the belt.

This has brought a stronger classification of interests, to which the outer districts' stronger level of organization can be attributed. Differences within the districts have led to their expectations of the Municipality's public administration appearing more strikingly and explicitly than before. The same resolution is similarly justified with regard to the relation to the metropolitan belt, or at least the so-called narrower ring.

Conflicts between the Districts and the Municipality were less manifest after the amendment of the Local Government Act in 1994, when the Municipality's position was strengthened. From then on the significance of the mayors' forum decreased as it had lost its former right of consent on the important issue of sharing funds. Other licenses were also restricted. The divergence of interests, however, have lessened little.

Another step forward was that both parties became more open with regard to the building of systems of relations in the first decade of the transition. At the beginning, the districts did not wish to form a too formal community beyond what was absolutely necessary, both with one another and with the Municipality.

After long debates, however, a certain measure of cooperation developed. The parking association targeting joint action in developing parking zones, and collecting and enforcing parking fees is an example of this. Today this is an operational and spreading system. On the whole, however, a model built on the provision of tasks in the capital continues to be applied for the solution of joint tasks. This form is preferable for financing mechanisms and regulators, as well as for task allocating licenses.

4 Tensions between the city centre and the belts

The entire public administration of the capital has become permanently embedded in a multi-layered field of conflicts. Although there are no signs of crisis, as this is undoubtedly the country's most developed city public administration and, since the change of the political system, the most successfully developing and changing administration in the country, it is worthwhile taking stock of the unsolved problems. It is common that none of the various regulations knew what to do with these conflicts. They were special issues that did not fit into the system. The 'special classification', however, is contradictory when referring to the capital. Due to its size, a focused approach would be justified. Furthermore, ever since the end of World War I, successive systems have not known what to do with the ever-growing central region.

Based on the above, a cyclical structure of conflicts and contradicting regulations can be outlined:

- between inner districts and outer districts, inasmuch as their roles fall under a standardized regulation, allowing little opportunity for expressing special features;
- between the Districts and the Municipality, as a problem of acknowledging the unity of the city;
- between the Municipality and the narrow belt, primarily referring to the indirectness of public administration relations with the conurbation belt, and secondarily to the relation with Pest County;
- between the Municipality and the broad belt, that is, the areas of the counties that more or less neighbour Pest County public administration boundaries. The Municipality has intense but formal, hard-to-define relations with these counties.

The first two conflicts appeared primarily as debates on local government regulation in the last decade. The other two arose while developing the regional development system, and tensions there were perhaps even sharper over city policy matters.

In the operating institutional system of regional development there is not really a place for Budapest and its agglomeration. At present the following organizations are competent to comprehensively deal with the belt's problems:

- Central Hungary Regional Development Council
- Pest County Local Government
- Pest County Regional Development Council
- Municipality of Budapest

The areas of competence of these organizations significantly overlap. It is a problem that presently Budapest does not have a regional development council. The Central Hungary Regional Development Council cannot assume this role, neither could its predecessor, the Budapest Agglomeration Development Council. Their energies were largely tied down by the distrust of Pest County and the fact that they accepted the Municipality's desire for a limited partnership. The latter's reluctance – disregarding party-political conflicts – is due to the Municipality's capacities being far more significant compared to the assets of the counties and regions, thus the conditions for partnership are simply lacking within the present institutional framework. Pest County above all seeks to protect its autonomy and integrity. The recognition of any form of unity between the city and the belt would be tantamount to questioning the existence of a 'country with a hole in the middle.' In the regional development council the interests of the county tend to be dominant. This is strange, as in fact a significant part of developments in the belt depend on the decision of the Municipality.

There is no place in the system for the inner agglomeration of Budapest any longer. The regional development problems of the outer districts cannot win acceptance either from within or without, although the sub-centres of the narrower belt can all be found here. Thus, these suburbs, from the point of view of settlement morphology, have great potentials for regional organization. Within the greater city, the outer districts' developments of greater impact can only happen if they benefit the interests of the whole city. There is no possibility of an independently led clash of interests through 'official' channels.

Although the Local Government Act allows for the association and cooperation between the districts and local governments in the belt outside the city, there has been little of this established. However, regarding living conditions, the system of relations of urbanization are shaped like the slices of a cake. The outer slices are in daily, intensive contact with their neighbouring slices, both within and without the city.

The public administration structure, however, cannot accommodate these contacts very easily, even though neither the local government system nor the regional development structure creates formal obstacles to this system of relations. Indeed, both encourage it verbally in their own way. The local government

logic encourages the development of horizontal contacts mainly through associations. The regional development system puts spontaneous development contacts, channelled in non-state resources and partnerships conforming with EU principles, to the foreground. However, these aims lack adequate institutions and guarantees, which is especially important in an environment where actors that are 'condemned to cooperate' have a gut reaction against each other.

The issue was raised particularly sharply in relation to the regional development system. The problem is not that by becoming part of the institutional system there is an immediate hope of new funds. According to the present situation, the part of regional development induced by the state, which runs through specialized institutions, does not account for a very significant part of government expenditure. However, for Budapest and its environs, additional funds, which with a suitable institutional system would in themselves be capable of having a beneficial effect on regional development, are available. (In many parts of the country it is precisely the insufficiency of additional own assets that cripples otherwise developed structures.) Regulatory solutions in no way help the handling of the system of contacts outside the city.

The mechanism that operates today has made us become further removed from the possibility of establishing public administration based on real spatial connections. There are no decisions being made. In this way, the real belt loses its own individuality, and aspects of the inner conurbation continue to be dispersed into Greater Budapest, or, in the best-case scenario, into a unifying community of districts. An example of the latter is that during the preparations of the most recent amendments of the regional development law, Budapest was only debated from the point of view of whether representation should be given to the Municipality and/or the Districts. There was no discussion of not giving Budapest its due weight or the need for various partial interests to have better representation. For political and other reasons there was no real readiness to make finer distinctions, although, apart from blurring the features of the districts, the elimination of the capital's weight questions the future reality of operation in the long term.

The development of the institutional system of regional development did not help resolve the problem, either. The decisions focused solely on the acceptance of future EU funds, as if they were traditional subsidies. Tasks encouraging true spatial relations were forced into the background, despite the fact that only these types of decisions are able to successfully create the added own proportion of funds required for application for structural funds. This type of problem-solving would be particularly effective from the viewpoint of Budapest and its regions.

The inability to deal with numerous matters of city policy shows the lack and insufficiency of institutions and interest-reconciling mechanisms. One example of this is the long protracted issue of harmonizing public transport in the capital

and its environs. It is in this framework that the connections between urban public transport and neighbouring intertown public transport should be resolved. The harmonization of joint tariffs, routes and timetables, and coordinating developments are proceeding with difficulty in spite of all the agreements. Eventually, the first step has just been taken into this direction by introducing a combined monthly ticket.

A new problem is the preserving of green space in the capital and the region. As it is a prosperous region, it is equally in the interest of the municipality, the districts and the neighbouring settlements to encourage property sales to business on the most favourable terms possible. However, the environmental impact of those businesses may be seen in other parts of the urbanized region.

The capital's drinking water supply – for which the not-directly-interested neighbouring settlements should pay – is another example. Another problem is the capital's long-term waste disposal, which clearly cannot be solved within city limits (i.e. the area of competence of the local government). The transport burdens of shopping centres and industrial parks built in the belt affect the part of the city that is 'on the way' to those centres, thus its development needs coordinating. Finally, the long wrangling over the construction of an orbital motorway bypassing the city should be mentioned, which was caused by the resistance of neighbouring settlements and the inability on the part of the Municipality to respond to their claims.

The lack of assets in the regional institutional system makes the normal management of these and many other similar city policy problems difficult. In the present situation the only possible direction for a solution lies in development shifting up to a sectoral level. Conflicts are sometimes handled this way, although this is not always a fortunate or practical solution.

The rigidity of the local government and regional development systems has other consequences from the viewpoint of administering the capital. Very little attention is given to the tasks arising from the broader belt. Dealing with the need stemming from this can only be done on a national level, through the indirect and informal participation of the regional representations. The maintenance of contacts is still quite intense, even daily, with towns within a circle of 60 kms around the capital. Moreover, those relations are by no means one-way. Maintaining the relations of transport and other service organization, however, falls almost completely outside the sphere of authority and influence of the public administration of Budapest and the region today. State tasks in this respect have shifted up to the central level.

In summary, the following conclusions may be drawn about the reforms that occurred following the political transition and which were directed at the development of the institutional system of public administration in the city and its environs. In the pre-1990 period, the 'impotence' of the whole system hindered

radical changes to a great extent. Numerous studies and elements of studies made since the 1970s, particularly those pertaining to the real processes of the region, have proved to be true in many respects today.

After the change of the political system, the opportunity arose to rethink the whole concept of local administration. However, in the period available, there was no sufficient energy left to devise an individual system for the capital and its environs. For this reason, the conceptualisation and legislation of the city's public administration system was imitative in nature. The administration of the city was a schematic derivative of the whole country's system for local and regional administration. The correction of 1994 only managed to 'tip' the existing system to one side. The results and effects thereof only appeared in a restricted manner. Its inconsistencies sowed the seeds of further conflicts and contradictions.

The future individual development of the local/regional government of the capital and its environ is undoubtedly justified. As it was mentioned, one fifth of the country's population lives within the current public administration boundaries of the city, and at least a further half million live in neighbouring settlements whose living standards and daily contact link them with the capital. This should be treated as an independent range of issues and not be dealt with as the systemic problem of local and regional governments, which should be solved with the least possible disturbance to and as little difference as possible from typically applied and operating forms.

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