



BELÜGYMINISZTERIUM

Congress of Local and Regional Authorities of the Council of Europe: Statement from the online meeting of the Statutory Forum

The Hungarian Government appreciates that the Congress of Local and Regional Authorities of the Council of Europe is focusing on analysing and evaluating the functioning of the self-government system in Hungary and on examining the application of the European Charter of Local Self-Government in Hungary. We believe that the functioning of local authorities with broad autonomy, which act as the basic institution of democratic systems, the protection and strengthening of local self-government, the provision of effective administration where citizens are closely involved and, overall, the implementation of the Charter's principles and provisions are a common objective for and in the interest of all of us.

The Hungarian Government wishes to thank the authors of the report for coming to Hungary and meeting with mayors and representatives of self-government interest groups, and for visiting the Ministry of the Interior with a view to gaining a first-hand account of the situation of local self-government in Hungary and, through this, of how the Charter's principles are being applied in the Hungarian legal system.

Nevertheless, in light of the report's findings, we believe that there are a number of points which should be brought to your attention in the interests of greater clarity and a more accurate assessment of the situation in Hungary.

Hungary is committed to implementing the principles of the Charter, local democracy, the autonomy of self-government and ever higher standards in dealing with local public affairs.

The system of self-government has existed in Hungary since 1990. That year, establishing a democratic system of self-government was key to changing the political system. The Constitution specifically established the right and basic content of local self-government, with Act LXV of 1990 on self-government setting out the key framework for exercising local power. Even then, the support of two-thirds of the members of the Hungarian Parliament was required to adopt the legislation. Priority was given in the regulation to the principles of power-sharing, autonomy, democratic functioning and the elements for guaranteeing the effective application of these principles. At the same time, less attention was paid to efficiency requirements, control mechanisms and economic aspects.

In light of the 20 years' experience acquired during the self-government system's operation, it was evident that, although the structure was not perfect, it had opened the way for progress. By 2010, the problems that needed to be remedied had become apparent. The slow pace of overhauling the major benefits systems, unclear division of responsibilities between the state and local authorities and the difficulties of the financing system made reform measures inevitable, resulting in the adoption of the new law on local self-government in December 2011. Act CLXXXIX of 2011 on Local Government in Hungary (Mötv) was also a law adopted by

the Hungarian Parliament by a two-thirds majority. By 2014, the new legislation, which gradually came into force, had completely replaced Act LXV Act of 1990, which was adopted when the political system changed and was considered momentous at the time.

The local self-government system governed by Hungary's Fundamental Law and its law on local self-government and the functioning of self-government are also subject to the provisions of the European Charter of Local Self-Government. The preamble to the local self-government act (Mötv) also mentions the Charter, but we firmly believe that the legislation also substantively takes the Charter's provisions into account. The legislation provides an adequate democratic framework to support the functioning of self-government, which is also consistent with the Charter. In Hungary, local self-government expresses and implements the will of local people in local affairs democratically, having created a broad public base.

Since 1990, in every Hungarian municipality, regardless of population size, local citizens have been electing mayors and representatives, who are either independent candidates or candidates put forward by various nominating bodies.

The regulation takes into account Hungary's specific characteristics. The Hungarian self-government system is characterised by the fact that the community of constituents in every municipality – and county for that matter – enjoys the right to local self-government. In a system based on the primacy of municipalities, as is the case with Hungary's self-government system, it cannot be ignored that the municipal structure of Hungary is fragmented, featuring a significant number of low-population and small municipalities. The economic capacity of these municipalities is more limited, which means that they are unable to provide all public services independently and effectively. Therefore, as part of defining the compulsory terms of reference for self-government, the regulation has focused on the ability of individual local authorities to bear the administrative burden. On this point, the local self-government act (Mötv) established a conceptual basis as it stipulates that each type of local authority may have different functions and powers.

Furthermore, this act contains a general requirement for differentiated conferral of powers and the conditions for this. A key element of this is that it stipulates differentiated conferral of powers as an obligation for sectoral legislation. It specifies that, when establishing compulsory functions and powers, the law must differentiate, taking into account the nature of local authorities' functions and powers and their different characteristics, in particular economic performance, the number of inhabitants and the size of the administrative area.

Furthermore, another important requirement is for legislation to set out, at the same time as conferring powers, the minimum professional, personal, material and economic conditions required to carry out the relevant functions and exercise the related powers. The Fundamental Law stipulates that the local authority is entitled to budgetary and other economic support for carrying out its compulsory functions and exercising its powers commensurate with these activities.

Following the adoption of the local self-government act (Mötv), several government functions, formerly within the remit of notaries, were delegated to district offices or other public bodies.

However, this did not affect the freedom of local authorities to make decisions and assume functions. It can therefore be said that this measure is not aimed at centralising power, but rather at making fragmented, uneconomical public services more efficient. We believe that, in many cases, local authorities have done well financially – the transfer of schools and hospitals is a good example – because they had to manage some of the costs of running these services in the past. Faster, higher-quality and more expert management of citizens' affairs is an additional benefit.

Therefore, the principle of local self-government has been incorporated into Hungarian legislation in accordance with the Charter's provisions and in line with the European trend. We firmly believe that the functions and powers of local authorities will continue to be wide-ranging, whereby they must ensure that local public affairs are dealt with and that local power is exercised.

Budapest, 12 February 2021