

HOW ILLIBERAL DEMOCRACY KILLS REGIONAL GOVERNMENT IN HUNGARY?

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RESUME

Les 19 « *comtés* » hongrois, à la fois entités décentralisées (avec les municipalités) et déconcentrées (avec les districts) de l'Etat, ont moins de pouvoirs depuis la création dans les années 1990 de plus de 3 100 municipalités. L'autonomie locale des comtés a en outre été sévèrement remise en cause après l'arrivée au pouvoir des conservateurs en 2010 : au manque d'autonomie financière est venue s'ajouter la perte de 4/5^e des compétences, transférées au gouvernement centralisé, en contrepartie de quoi les comtés ont été libérés de leurs dettes. Ce démantèlement du niveau régional de gouvernement et de démocratie débouche sur une surcentralisation du pouvoir central, dont le but principal est l'instauration d'une démocratie illibérale dominée par un seul parti.

ABSTRACT

The 19 Hungarian "*counties*", which are both decentralised (like the municipalities) and deconcentrated (like the districts) units of the State, have become less powerful since the creation of more than 3 100 municipalities in the 1990s. The counties' local autonomy has been further restricted under the conservative government that came to power in 2010: in addition to the lack of financial autonomy, the counties lost 4/5th of their competences; these were transferred to the central government in return for cancelling their debts. This dismantling of the regional level of self-government and democracy has resulted in a very strong consolidation of power at the central level; the underlying aim has been to establish an illiberal democracy dominated by a single political party.

INTRODUCTION

According to the Hungarian Constitution (Fundamental Law) of April 25, 2011, the territory of the country is comprised of counties, cities, towns and villages. As a matter of fact, the counties are the middle-level entities of the administrative division of Hungary. After the decades of the Soviet-type communist dictatorship, during the

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transition period to democracy in 1989/1990, new county self-governments were established. Since 2010, a new political regime has been working, which is frequently characterised as an “*illiberal democracy*”.² In this period, the whole constitutional and political system has deeply changed which had an impact on the administrative role of the county governments. Undoubtedly, it is a new era of centralisation, in which the regional level of self-government significantly lost its earlier weight.

For a better understanding of what is taking place today in the middle-level or regional self-government in Hungary, a short historical outlook is needed.

I. A HISTORICAL OUTLOOK

In Hungarian context, the counties have always been regarded as territorial or middle-level self-governments between the central and local governments. This institution has thousand-year-old traditions, as the roots of the counties (“*comes*”) can be traced back to the age of state foundation (around 1 000 AD). The so-called ‘historical Hungarian Kingdom’ through centuries consisted of 63 royal or noble counties with considerable privileges and autonomy rested upon medieval customary law³ (see Figure 1).⁴

Figure 1 : Counties in 1910

² It is to be noted that this concept is the self-definition of the governing coalition, as the Prime Minister Viktor ORBÁN characterised the new political system in this way in a speech on 25 July 2014.

³ The legal-administrative status of the counties was recognised for the first time by the Law No XVI of 1848 on the municipalities.

⁴ For the history of the royal or noble counties as self-government units until the end of the 19th century, see ISTVÁN E., *Tanulmányok a vármegyei önkormányzat köréből* (Grill, 1908).



After the First World War, the Trianon Peace Treaty of 1920 has had decisive effects on the regional structure of the country. As a consequence of the treaty, the country lost more than two-thirds part of its pre-war territory, and more than a half of its population. In contrast to the multinational composition of the population before the war, Hungary became a homogeneous nation-state.⁵ The new state borders cut off the southern transport connections, and five among the ten largest cities of the country have been lost (see Figure 2).

Figure 2: The regional structure before and after the 1920 Trianon Peace

⁵ However, as a consequence of the changes of state borders, about 3.3 million ethnic Hungarians were transferred under foreign authority.



Despite the dramatic territorial changes, the regional division of the country was not transformed in the interwar period, as government policy throughout this time aimed at regaining the lost territories. However, after that the Peace Treaty of Paris of 1947 reaffirmed the Trianon borderlines, the territorial restructuring of the country could not be delayed any longer. The new administrative division was a consequence of the introduction of the Soviet-type local administration beginning in 1950. Since then, 19 counties constitute the intermediate level of public administration.

During the communist era, the counties had a double administrative character: while they had elected councils, they were integrated into a uniform and hierarchical system of state administration. As such, they were superior authorities of local councils, supervising their activities.

In the course of the transition to democracy in 1989-1990, the reorganisation of public administration and the establishment of a democratic local government system was one of the chief political aims.

II. REGIONAL ADMINISTRATION AFTER THE SYSTEM CHANGE OF 1989-1990

In the transition period of 1989/1990, when the fundamentals of the new constitutional democracy were laid down, a small-municipality system was established.⁶ It means that

⁶ For an early overview of the transition of the Soviet-type local and regional administration see BALÁZS I., "The transformation of Hungarian public administration" 71 *Public Administration* 1-2 75.

all settlements had the right to have their own local self-government. It was a reaction to the enforced amalgamations of small villages during the Communist system. As a result, more than 3 100 municipalities were founded (see Table 1).⁷

The county boundaries were not changed, but the range of powers of the counties was reduced significantly compared to the situation before 1990. Virtually, a municipality-centred local government system was established⁸ in which the counties had only supplementary functions, maintaining several public service institutions. It is to be noted that the municipalities, with their own decision, may take over any responsibility from the county (typically the management of public service institutions, schools, hospitals or social care institutions by the larger municipalities). Another limitation on the power of counties was that the big cities (which were traditionally the county seats, or which have more than 50 000 inhabitants), the so-called “*towns with county rights*” (“*megyei jogú városok*”) had a special administrative status, and carried out, on their own territory, the tasks and functions of the county governments (moreover, they were not represented in the county assemblies). In practice, the county governments managed the most secondary schools, hospitals and provided other health services. They fulfilled social care and other welfare services, run cultural institutions (public libraries, museums, archives and cultural centres), and carried out sport and leisure services. In fact, compared to the Socialist period before 1990, the range of powers of the counties was reduced so significantly that they were frequently featured as ‘levitating counties’ seeking their place in the existing local government system.⁹

Table 1: Number of municipalities in the counties (2013.01.01.)

	Capital	Towns with county rights	Towns	Large villages	Villages	Total
Budapest	1	-	-	-	-	1
Pest	-	1	47	22	117	187
Fejér	-	2	13	12	81	108

⁷ For more details see TEMESI I., “Local Government in Hungary” in HORVÁTH T.-M. (ed), *Decentralization: Experiments and Reforms* (LGI 2000) 343; FEKETE E., LADOS M., PFEIL E., SZOBOSZLAI Z., “Size of Local Governments, Local Democracy and Local Service Delivery in Hungary” in SWIANIEWICZ P. (ed), *Consolidation or Fragmentation? The Size of Local Governments in Central and Eastern Europe* (LGI 2002) 31; SZENTE Z., “Local Government in Hungary” in MORENO A.-M. (ed), *Local government in the Member States of the European Union: a comparative legal perspective* (INAP 2012) 283.

⁸ KOVÁCS I.-P., “Integráció és dezintegráció a területi közigazgatásban” in VEREBÉLYI I. (ed), *Egy évtized önkormányzati mérlege és a jövő kilátásai* (MKI 2000) 90, and SZENTE Z., „Hungary – Local government in Hungary: a creeping centralisation?” in PANARA C., VARNEY M. (eds), *Local Government in Europe. The “fourth level” in the EU multi-layered system of governance* (Routledge, 2013) 155.

⁹ ZONGOR G., *A lebegő megye* (Comitatus, 1994).

Komárom-Esztergom	-	1	10	3	62	76
Veszprém	-	1	14	2	199	216
Győr-Moson-Sopron	-	2	9	5	167	183
Vas	-	1	11	1	203	216
Zala	-	2	8	2	246	258
Baranya	-	1	13	3	284	301
Somogy	-	1	15	2	228	246
Tolna	-	1	10	5	93	109
Borsod-Abaúj-Zemplén	-	1	27	9	321	358
Heves	-	1	8	4	008	120
Nógrád	-	1	5	-	125	131
Hajdú-Bihar	-	1	20	10	51	82
Jász-Nagykun-Szolnok	-	1	19	5	53	78
Szabolcs-Szatmár-Bereg	-	1	16	16	186	229
Bács-Kiskun	-	1	21	7	90	119
Békés	-	1	20	9	45	75
Csongrád	-	2	8	4	46	60
Total	1	23	304	121	2706	3154

In the 1990s, during the period of the preparation of Hungary for European Union membership, counties were classified as NUTS III units, but it was widely held that they are too small for regional planning and absorbing the expected European Union funds. Therefore, the Act No XXI on regional development and regional planning of 1996 allowed the counties to create, on a voluntary basis so-called regional development councils. As a next step, the Act XCII 1999 for planning, programming, financing and supervising of European Union funded regional development policies, established larger units setting up seven so-called planning-statistical regions. These were:

- West Trans-Danubia (Győr-Moson Sopron, Vas, Zala counties),
- Central Trans-Danubia (Veszprém, Fejér, Komárom-Esztergom counties),
- South Trans-Danubia (Baranya, Somogy, Tolna counties),
- Central Hungary (Budapest Capital and Pest county),
- North-Hungary (Heves, Nógrád, Borsod-Abaúj-Zemplén counties),
- North Great-Plain (Jász-Nagykun, Hajdú-Bihar, Szabolcs-Szatmár-Bereg counties),
- South Great-Plain (Bács-Kiskun, Békés, Csongrád counties).

Between 2002 and 2006, the Socialist-Liberal Government wanted to establish regional governments instead of the elected counties, and launched a process of strengthening the regional structures in general. In accordance with the presumed European mainstream, the regionalism was a centrepiece of the administrative reforms, including the regionalisation of the organisation of state administration. Thus, it was an important policy objective of the Socialist-Liberal coalition that a new regional level should be established and strengthened based on the regrouping of counties in larger territorial units which will have to be further developed in order to replace the existing counties. The strategic aim was to establish regional self-governments with democratically elected bodies, instead of the county assemblies. It is to be noted that in the lack of special cultural identity or historic past of the planned regions, this process had an administrative or “*functional*’ nature”.¹⁰

But the regional reforms were poorly designed and progressed only slowly. This structural reform would have needed a support of the opposition parties, as any transformation of the existing local government system (with the counties) requested two-thirds majority in Parliament. In the absence of such a political support, the reform failed, and immediately after the fall of this government, the whole issue was taken off the agenda.

III. REGIONAL (COUNTY) SELF-GOVERNMENT TODAY

Hungary has a two-tier local government system consisting of the municipal and county self-governments. The country is divided into 19 counties,¹¹ which represent the middle-level of public administration. All counties have a representative body elected by universal and equal suffrage in a direct and secret ballot.

¹⁰ For this categorisation see KEATING M., “Europe’s Changing Political Landscape: Territorial Restructuring and New Forms of Government?” in BEAUMONT P., LYONS C. and WALKER N. (eds), *Convergence and Divergence in European Public Law* (Hart 2002) 8.

¹¹ In addition, according to the law, the municipality of the capital city of Budapest is simultaneously a municipal and a territorial self-government.

A. Constitutional and legislative bases of regional government

The existence of county governments is recognised by the Fundamental Law of 2011 (the constitution) indirectly; the constitution contains provisions only on the time of the local elections, and determines the way of election of the president of the county representative body. Thus, the general elections of local government representatives, including the members of the county representative body are to be held in the month of October of the fifth year following the previous local elections. Moreover, the president of a county representative body is elected by the county representative body from among its members for the term of its mandate, that is, for five years. It is to be noted that the population of the so-called ‘towns with county-rights’ (usually the biggest cities one in each county) are not represented in the county assembly, as they vote only for their own municipal government.

While the constitution does not define the county self-governments, more specific rules are provided by the cardinal law¹² on local authorities, the Act on Local Governments of Hungary No. CLXXXIX of 2011 (hereinafter: LGA). According to this law, the county government (similarly to the municipal governments) is the “*right of the community of voters*” in the respective county. The counties are regarded as territorial (regional) self-governments. All of them are in an equal position and have the same responsibilities.

B. Autonomy

Apart from the constitutional and legislative recognition of the county governments, there is no any legal guarantee of their autonomy. They enjoy the same ‘rights’ as the municipalities, but this has not too much relevance, because they have not significant income and property, and they perform, by and large, only formal functions. They simply do not have sufficient financial resources and administrative capacities to determine public policy or to play significant part in determining national public policies.

They have not relevant powers in relation to the municipalities within their territory; they do not make services for them, and do not contribute to their revenues.

County governments do not have any taxation power, either. Thus, in strict sense, they are not real self-governments, as they do not meet the requirement of the European Charter of Local Self-Government requiring that “[p]art at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate”.¹³

Nevertheless, counties are able to enjoy some ‘rights’, as they have the power to cooperate with local governments or other counties. They may establish or join associations for promoting their own interests. At the moment, they are grouped by the

¹² In Hungary, “cardinal laws” must be approved by Parliament by a qualified majority (two-thirds majority of all elected Members of Parliament).

¹³ Article 9, Section 3.

National Association of County Governments, one of the seven national associations of local authorities.

C. Institutional and administrative organisation

As to the internal organisation of the county governments, LGA provides that the representative body is the major decision-making organ of the counties, while the president of the county assembly chairs the body.

County governments have an office led by the chief administrator who is, after an application, appointed by the president of the representative body. On average, 20-25 civil servants work for these executive offices, in accordance with the insignificant responsibilities of the county governments. The offices have usually 3-4 departments for legal affairs, regional development or for other so-called “*functional*” tasks. It is worth noting that the county offices lost a significant part of their staff after 2011 when they resigned from their most costly public services in return for freeing them from their debts.

While before 2012 counties maintained a whole range of public service institutions, they have no such institutions anymore, apart from one or two small units in conjunction with their planning and development functions.

D. Competences

For the tasks and functions of the county governments, the LGA of 2011 declares only that they, within the limits of law, perform regional development, rural development, land management and coordination tasks. Consequently, neither the constitution, nor the LGA defines the county governments, as none of them provides guarantees for the counties.

Although the LGA or the Act on Law-Making No. CXXX of 2010 does not explicitly empower county governments to issue county decrees, they have traditionally such power. However, they have not a significant regulatory power; usually they issue decrees on their regional development plans, the awards and symbols of the county, their own budget or internal organisation.

At the moment, the LGA enumerates the responsibilities of the county governments as follows:

- territorial and rural development,
- spatial planning and
- territorial coordination.

While they may take part in managing and administering particular regional development projects financed by European Union funds, most of their functions have only coordination and consultative character, without real decision-making power. In

addition, they participate in preparing and arranging the local and general elections and referendums.

Remarkably, county governments lost most of their mandatory functions in 2011, as the most costly public services, like the health services (maintenance of hospitals and other health institutions), public education (with all secondary schools), and cultural services (including public libraries, archives) were taken over the central government.¹⁴

Since 1996 counties played an important role in regional development and planning, being represented in regional development councils. In 2012 the central government abolished these councils, and took over their functions.

In practice, county governments approve the long-term regional development conception as well as the regional plans of the county, and express their opinion on the plans concerning their area of jurisdiction. They prepare also the financial plans for the implementation of the development programmes and conclude agreements with the ministries concerned on the financing of the individual county development programmes. The county governments decide on the use of funds allocated to their competence and on the implementation of development policies within the framework of a competitive system, taking into account the regional development conception of the county.

E. Financial autonomy

When the central government took over all public institutions from the county governments, the latter lost also most part of their earlier resources. The transfer of the most costly public services from the counties to the central government was the result of a political bargain; the county governments were freed from their debts accumulated in the previous years. The heavy indebtedness was the consequence of the world financial crisis and, especially, the continuous devaluation of the forint, the national currency (as a significant part of the borrowing had been in Swiss francs). In this way, almost all debts of the county governments were taken over by the state budget, and the counties paid for it with their core functions and institutions.

At the moment, almost all revenues of the counties come from the state budget. As it was said, they have no any taxation power, and they have not revenues from duties and fees paid for public services anymore. They have no more income from shared taxes either.

They get grants for their current expenditure, and subsidies for specific development programmes they manage.

Under these circumstances, their financial autonomy has only small significance; they may approve and manage their own annual budget, for example. Notwithstanding, they have no real possibilities for raising their revenues.

¹⁴ KOVÁCS I.-P., 'Az önkormányzati rendszer és a területi közigazgatás átalakulása, 2010-2013' *MTA Working Law Papers* 2014/2 1.

F. Relations with other levels of government

As the major tasks and functions of the counties have shifted towards regional planning and development, their linkages strengthened with the various line ministries and sectoral authorities. Although in theory, there is no any hierarchical relationship between the central government and the county governments, the extent and participation of the counties in the regional development depends on the finance they receive from the central budget.

As to the central supervision of the counties, it is limited to legal control in the same way as the municipalities are overseen by the county (capital) government offices. Legal control means only an *ex post* examination of the lawfulness of the decisions without the power to annul or suspend them. The counties must send their decrees and individual resolutions to the competent office to control their compliance with the law. If the government office finds an act or provision illegal, it could call upon the respective county government to terminate the violation of law, otherwise the office may turn to the court to annul the unlawful act.

As it was mentioned above, there is a national association of the county governments. Nevertheless, there is no credible information about the effectiveness of its consultations with the central government, or about the existence of such consultations at all.

G. The system of regional-level state administration

The Hungarian public administration is a dual system consisting of a hierarchical state administration and the system of local government. The former is divided into three tiers: central, county and district level. The central government has a complex organisational scheme constituted by ministries, “*central offices*”, “*independent regulatory agencies*”, “*autonomous state administration units*” and a network of various decision-making or consultative bodies. All have different legal or administrative status.

The centrepiece of the middle-level state administration is the county. Both the territorial bodies of the central government with general competence (“*capital and county government offices*”) and the sector-oriented de-concentrated units of the ministries are usually located in the counties. Although the most territorial bodies of state administration were integrated into the county government offices in the last few years, the counties are not regarded as “*administrative regions*”, because, on the one hand, there are some county-level organisations of state administration under the direct subordination of their own central authorities, and on the other, the administrative territory of some special organs of state administration (like environment protection, water management) cross the county borders.

In 2012 a new legislation established 175 district administrative offices in the country, and 23 in the capital city. Almost half of the previously delegated powers were taken over from the municipalities by these administrative units.

All in all, as a counter reaction to the regionalisation plans of the last Socialist government, the new Conservative coalition drove the state administration back to the old county structures. In this way, the winner of the decline of county self-governments were clearly the centralised state administration, especially its county-level bodies.

IV. REGIONAL GOVERNMENT SINCE 2010 – THE EFFECTS OF ‘ILLIBERAL DEMOCRACY’

In 2010, the former Conservative opposition came to power with a landslide victory in general elections, gaining two-thirds majority in Parliament. The new government not only opposed the regionalisation process of the middle-level local government, but has radically weakened the traditional county governments as well. The counties were deprived of their functions that had been performed since 1990. They lost their institutions as well as most part of their earlier revenues and ceased to be public service providers. The total budget of the county governments reduced by more than four-fifths part, by and large amounts to the 18-20 per cent of their rate before 2012. The loss of financial resources was a result of losing most parts of their responsibilities as we have saw above.

Although the county governments did not get any compensation for their public service institutions when they were handed over by the central government, the latter assumed the debts of the counties in 2013. Nevertheless, whereas the total debt of the county government was about 400 bn HUF, the estimated value of the public service institutions taken over by central government from the counties amounted 1 200 bn HUF.

The county governments have not found their proper role after losing their major functions, most of their revenues and institutional capacities. The recent developments of the administrative structure, as a result of a heavy centralisation, seem to go towards a quasi-one-tier local government system, in which the winner of the weakening and emptying of the counties was the central government, rather than the municipalities.

The gradual dismantle of the middle-tier local governments might raise some surprise, in particular, if we examine the circumstances of the whole process. As a result of the local elections of 2010, the new government parties¹⁵ gained a majority in all but one county assemblies. Consequently, almost all chairmen of the county councils were the politicians of the major government party, FIDESZ. One could think that it provided a strong position for the counties, especially after the years when they had gained an institutionalised influence over the redistribution of financial resources granted by European Union development funds.

However, the Conservative government has launched into a centralising stance, showing occasionally authoritarian tendencies. The overwhelming government majority exploited its political strength, and not only adopted a new constitution, but transformed the whole

¹⁵ Although the Government is formally a two-party coalition, the Christian Democratic Party is in fact a satellite party of the major political force, FIDESZ, without sensible electoral support.

system of public law. It systematically destroyed the independence of all other institutions which could have counterbalanced the executive power. From packing the Constitutional Court to occupying the leading positions of Judiciary, every organ having a politically neutral controlling power, was subverted.

CONCLUSION

This recent evolution was a real surprise, because Hungary had been considered from the early 1990s as a champion of democratisation process in post-communist countries. What is even more surprising that no resistance or protest was raised against the centralising efforts of the Government. Just conversely; in autumn of 2011, the chairmen of county assemblies, who were all but one the members of the FIDESZ, concluded an agreement with the Prime Minister about the handover of public service institutions, from their own counties to the central government. Indeed, they, presumably for personal political gains, voluntarily surrendered the most important tasks and functions of their counties. It is worth noting that the municipalities have not been the winners of the loss of power and resources of counties; the responsibilities of municipal governments have also been drastically reduced.

There are unveiled political ambitions behind all these developments. As the Prime Minister Viktor ORBÁN announced a couple of years ago, the Conservative government's primary goal is to establish a 'central political force-field', which is able to stay in power for twenty years. The ideological background of this effort is the so-called 'illiberal democracy' with a dominant party system and a leading political force, which governs on behalf of the people, preferring public interests, rather than individual rights.¹⁶

Surely, we cannot understand the recent tendencies, if we ignore the political context of the decline of local and regional democracy. The disadvantages of overcentralisation of public services are visible in more and more areas, the lack of territorial coordination of local interests make the whole system inefficient and ineffective.

All in all, in the context of regional government, the case of Hungary does not exemplify the unnecessary of middle-level self-governments, but rather, it shows the story of centralisation of power and a top-down process of decline of the democratic territorial government.

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¹⁶ For an in-depth analysis of this process, see the thematic issue of *Südost-europa*, INOTAI A. (ed), „Hungary's Path Toward an Illiberal System” 63 *Südost-europa* 2.

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COUNTRY DESCRIPTION: HUNGARY
I. GENERAL INFORMATION
1. Area:

93 030 km².

2. Population:

9 855 000 (estimation for 2015); Population density: 107.2/ km².

3. Date on which the Constitution came into force and constitutional provisions concerning the territorial organisation of the State:

Fundamental Law ('Alaptörvény') 01/01/2012.

"Art. F para (2) The territory of Hungary shall be comprised of counties, cities, towns and villages. Cities and towns may be divided into districts.

"Art. 17 para (3) The Government's regional administrative bodies with general competence shall be the metropolitan and county government offices".

4. Dates and purpose of important legislative or constitutional reforms concerning the territorial organisation of the State:

Law No CLXXXIX of 2011 *"on Local Governments of Hungary"*.

Law No CCXVI of 2013 *"on the Amendment of the Law No XXI of 1996 on the Regional Development and Regional Planning"*.

II. TERRITORIAL ORGANISATION OF THE STATE
1. Number of Regions:

19 counties.

2. Map of Regions:

See annex (Maps of the Regions) 15.

3. Legislative chamber representing Regions:

N/A

4. Number, form and level of local entities:

See main chapter.

III. COMPOSITION OF REGIONAL AND LOCAL ORGANS AND MODES OF APPOINTMENT/ELECTION OF REPRESENTATIVES
1. Composition of Regional organs:

County assemblies: the number of assembly members (15–43 members) depends on the population size of the county. The members are elected directly by proportional voting system.

2. Composition of local territorial authorities:

Art. 35 of the Fundamental Law:

"(1) Electors shall exercise universal and equal suffrage to elect local representatives and mayors by direct and secret ballot, in elections allowing the free expression of the will of electors, in the manner defined by a cardinal Act.

(2) Local representatives and mayors shall be elected for five years as defined by a cardinal Act".

3. Composition of interregional/interlocal organs:

Regional development consultative forums (only with consultative tasks): presidents of the county assemblies of the (statistical-planning) regions.

County development consultative forums (only with consultative tasks): half of the members are delegated by the county government, another half by the municipality with county rights.

IV. DIVISION OF MULTILEVEL COMPETENCES
1. Competences of the Regions:

See main chapter (III. D.).

2. Competences of the local level:

Territorial and rural development, spatial planning and territorial coordination.

3. Interregional/interlocal cooperation:

Various types of co-operations between local and county self-governments. Textual provisions are in the Chapter IV of the Law No CLXXXIX of 2011 on Local Governments of Hungary.

Regional and county development consultative forums (only with consultative tasks): Law No XXI of 1996 as modified by the Law No CXCVIII of 2011.

V. FINANCIAL ASPECTS

1. Relations between Regions and the national level:

Counties do not have any own revenues (they have no taxation power, for example). They are financed by state subsidies. Law No CLXXXIX of 2011 on Local Governments of Hungary.

2. Relations between Regions and the local level:

The county government offices exercise legal supervision over county governments. Law No CLXXXIX of 2011 on Local Governments of Hungary.

3. Interregional/interlocal relations:

See the regional and county development consultative forums.

VI. RELATIONS BETWEEN SUBNATIONAL LEVELS AND INTERNATIONAL/SUPRANATIONAL ORGANISATIONS OR OTHER NATION STATES

Presumably, county governments have some international connections.

VII. OTHER REMARKS

It is hard to see what are the real functions of the county governments in Hungary. In fact, they were deprived of their all public service institutions a couple of years ago. They do not play any significant role in territorial administration. Their role in regional planning and development largely depends on the central government's intention and empowerment.