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Local Governance in Poland and Hungary from a Comparative Perspective

Introduction

After a period of domination of the new public management (NPM) paradigm, which perceived citizens primarily as customers, nowadays great importance is attached to stimulating governance (co-governance) in local government. Governance requires expanding the scope and mechanisms of participation, and involving civic society in the creation and implementation of public policy. Thanks to partnerships, the use of knowledge, skills, and resources owned by many different actors becomes possible. Local authorities have been faced with the challenge of creating conditions for interaction and developing methods to coordinate the interests of different social groups.

There are many definitions of local governance in the literature. The vast majority of them indicate that the term refers to a more or less polycentric system in which many players are involved in local decision-making processes. David Wilson and Chris Game define local governance as a complex mosaic of organisations of which none (except local government) is directly elected and, therefore, does not have electoral responsibility.¹ Local governance is also connected with

¹ D. Wilson, C. Game, *Local Government in the United Kingdom*, Palgrave Macmillan, Basingstoke 2006, p. 141.

relations between different players and different decision-making mechanisms (based on hierarchy and bureaucracy on the one hand and on negotiation and diplomacy on the other). According to Peter John, in local governance public decisions depend less on hierarchically organised bureaucracies and more on long-term relationships between the main actors from different organisations located at different territorial levels. The development of voluntary cooperation and mutual trust between the different actors is decisive.² Thus, the essence of the concept of local governance is a partnership between local authorities and actors from the local community. Governance has many strands. From the point of view of the subject matter of this article, the important ones are collaborative governance or network governance, which emphasises cooperation and partnership, and participatory governance, which focuses on the involvement of social actors in the decision-making process.

The aim of this paper is to examine the changes introduced to Hungarian and Polish local government under the influence of the concept of local governance, and to assess to what extent this concept has been implemented in both countries. The paper also attempts to answer the question: What obstacles have been encountered in the process of implementing local governance mechanisms in Hungary and Poland? The hypothesis implies that the existing conditions in both countries have not allowed for the full implementation of this concept, but in Poland it is used to a greater extent than in Hungary. In order to verify the hypothesis and answer the question, first the characteristics of Hungarian and Polish local governments are presented. Then the implementation of selected mechanisms of local governance in Hungary and Poland is analysed. The following are presented in order: cooperation of local government with non-governmental organisations; public-private partnerships; integrated territorial investments; local action groups; the civic budget and; other forms of residents' participation. In conclusion section, the author has addressed the formulated hypothesis and provided an answer to the research question. The basic research method is comparative study in order to show similarities and contrasts within local governance reforms and changes in Hungary and Poland. The paper also uses an institutional-legal approach to describe legal and institutional changes and to analyse legal acts, as well as a historical method to study the genesis of individual political phenomena. The article is based on the analysis of Polish and foreign literature, it also draws on legal acts, reports and materials obtained from websites.

² P. John, *Local Governance in Western Europe*, Sage Publications, London 2001, p. 9.

Characteristics of the studied local governments

Bearing in mind the subject of this article, an important issue is the similarities and differences between the local governments of Poland and Hungary. Regarding the similarities, it should be noted that in terms of the level of functional decentralisation, both countries under study have become closer to the northern European model in the first two decades of local government functioning and have been included in the group of the most decentralised countries in Central and Eastern Europe. Together with political reforms and the introduction of the rule of law (in the Weberian sense), new trends in public management (NPM and governance) from the West began to spread to both countries. In both countries, the municipality has been granted a much stronger position than higher level units, and a strong mayor model has been introduced. Moreover, in both cases, there has been a tendency to strengthen their position. Both countries have witnessed recentralisation processes.

Despite these similarities, there are also significant differences between Polish and Hungarian local government. Firstly, after the victory of the right-wing conservative Fidesz party in 2010, the Hungarian constitution was amended and a radical recentralisation of public power was introduced. Local government has been significantly reduced in its tasks and competences, budget, property, staff and independence. As a result, Hungarian local government has moved away from the model of Polish local government. Due to its level of functional decentralisation, Hungary is now among the least decentralised countries in Central and Eastern Europe (EU members). Poland, on the other hand, continues to be the decentralisation leader in this part of the continent, despite recentralisation tendencies that intensified after the right-wing conservative Law and Justice party took power in 2015. However, the scale of recentralisation changes in Poland has been much smaller than in Hungary.³

Secondly, a significant divergence exists in terms of territorial organisation. In Hungary, the reestablishment of municipalities at the time of the turn was accompanied by radical fragmentation, which resulted in significant problems in their functioning. Local governments became politically free and legally equal, but generally lacked sufficient administrative, financial and personnel capacity to fulfil their tasks. Poland, unlike Hungary (and other countries in the region), have avoided radical territorial fragmentation. As a result, the average commune is much larger than the Hungarian one (Slovak, Czech and others). Unlike in

³ L. Rajca, *Reforms and Centralization Trends in Hungary and in Poland in a Comparative Perspective*, "Przegląd Sejmowy", 2020, vol. 5, no. 160, pp. 133–151.

Hungary, the Polish local (mainly municipal) government is today responsible for providing the vast majority of public services and in this respect our country represents an approach similar to the Northern European countries. Significant differences between Polish and Hungarian local government also exist in other aspects.⁴ Neither Polish nor Hungarian local government can be regarded as representative of the whole of Central and Eastern Europe. In this part of the continent, convergence can be observed within individual groups of states rather than on a regional scale.

Cooperation of local government with non-governmental organizations

According to the concept of governance, NGOs should become an important partner of the local government (public sector) participating in the creation of public policies and the execution of public tasks. In Hungary, for the first two decades, NGOs operated in a relatively friendly political, legal, and economic environment. The local government assigned them tasks in health care, cultural services (e.g. libraries), or social services, among others. As a result, the range of services provided by the rapidly growing NGO sector, as well as churches and private charities, expanded. Hungarian municipalities have started to outsource public services more than other CEE countries.⁵

The conditions for NGOs have deteriorated significantly over the last decade. The Hungarian government has taken a number of steps to gain control over them. Hungarian civil society has proved too weak in the face of the challenges posed by the authoritarian turn in politics in 2010.⁶ Its commitment to democracy and culture of cooperation has been poorly developed.⁷ As a result, Hungarian local government's partnership with NGOs has been significantly reduced with the processes of centralisation, the disappearance of the concepts of subsidiarity and partnership, and shrinking municipal revenues.

In Poland, as in Hungary, the number of civil society organisations increased rapidly after 1989. The need for cooperation between public administration

⁴ See: eadem, *Reformy samorządu terytorialnego na Węgrzech i w Polsce*, Dom Wydawniczy Elipsa, Warszawa 2019, pp. 113–115.

⁵ OECD, *Public-Private Partnerships. In Pursuit of Risk Sharing and Value for Money*, OECD, Paris 2008, p. 29.

⁶ É. Kuti, *Raport krajowy: Węgry*, [in:] *Civil Society in Central and Eastern Europe: Challenges and Opportunities*, eds. P. Vándor, N. Traxler, R. Millner, M. Meyer, ERSTE Foundation, Vienna 2017.

⁷ M. Szabó, E. Márkus, *Civil Society in Hungary*, [in:] *25 Years After. Mapping Civil Society in the Visegrad Countries*, ed. C. Schreier, Maecenata Institute, Berlin 2015, pp. 9–59.

bodies and non-governmental organisations was introduced by the Act of 24 April 2003 on public benefit activity and volunteerism (Art. 5).⁸ According to this act, organisations are a partner for the administration, not a client. In practice, cooperation often consists only of the fulfilment of statutory obligations by local governments (e.g. preparation of a cooperation programme or commissioning the implementation of public tasks) and is not a platform for building lasting relations based on the principle of partnership. Local governments do not attach much importance to cooperation with NGOs due to their weak financial and organisational condition. Often, they are not so much a partner for local government units, as a beneficiary of public funds.⁹ In contacts with local government offices, hierarchical relationships and the dominant position of the public sphere are evident. One of the barriers to cooperation is the preference of the local administration for commissioning tasks to entities subordinate to it rather than to NGOs.

Despite these barriers, cooperation between the third sector and local government units have slowly become more and more important for the parties. Local governments, especially large urban areas, have been providing NGOs with more and more financial resources. Non-financial forms of cooperation, such as mutual reporting or consulting on legal acts, have also gained in importance. The COVID-19 pandemic has had a negative impact on local government cooperation with NGOs. The difficult budgetary situation has prompted many local governments to look for savings, e.g. in funds allocated to co-financing NGOs.

In conclusion, in both countries the local government has undertaken cooperation with NGOs. In Hungary, this cooperation has been reduced in the last decade due to centralisation, nationalisation, remunicipalisation, the use of insourcing instead of former outsourcing and decreasing revenues of municipalities. In Poland, there has been a slow development of cooperation between local government units and third sector entities.

⁸ Tekst jedn. „Dziennik Ustaw” z 2020 r. poz. 1057, „Ustawa z dnia 24 kwietnia 2003 r. o działalności pożytku publicznego i o wolontariacie”, pp. 6–7.

⁹ A. Kołomycew, *Organizacje społeczne w strukturze partnerstw międzysektorowych w województwie podkarpackim. Profesjonalizacja i formalizacja jako konsekwencja zmian sektora społecznego*, [in:] *Partnerstwa w sferze publicznej*, red. A. Kołomycew, B. Kotarba, Wydawnictwo Naukowe Scholar, Warszawa 2014, p. 140.

Public-private partnerships

In Hungary, interest in public-private partnership (PPP) investments has been growing since the beginning of this century. Many municipalities have started to establish public-private partnerships.¹⁰ The reason local governments have entered into these contracts was due to a lack of funds for local development and an inability to borrow due to reaching the allowable debt limit. Hungary has enjoyed a reputation for being the most mature PPP market in Central and Eastern Europe.

The measures taken in Hungary after 1990 for economic development did not bring satisfactory results. Moreover, the economic crisis severely affected Hungary and the state was forced to redefine its development structure. In compliance with state directives, since the middle of the first decade of this century, contracts for the provision of public services were given to budgetary institutions at the expense of NGOs and commercial entities. Since 2010, a trend towards greater public control over services has been evident. Larger municipalities and then the central government have started to buy back shares in privatised companies providing public services. Public utilities have been nationalised (taken over from local governments and foreign investors). At the same time “insourcing” has emerged, instead of the previously widely preferred outsourcing.¹¹ The Hungarian central government was also sceptical about PPP as a form of public investment delivery. As a result, after 2010 the role of non-state actors has been reduced.

In Poland, PPP has been developed since 2009, and the main initiators of projects have been local government units. From the beginning of 2009 to the end of June 2020, they concluded (directly or through units connected with them) 132 contracts (90% of all). Most contracts that have entered the implementation phase have been signed by municipalities.¹² In Poland, local government units have been increasingly recognising the need for cooperation with the private sector, but experience to date has not been satisfactory. The value of investments carried out in the PPP formula compared to investments in the whole economy is marginal. This results from many existing difficulties in undertaking initiatives in the PPP formula, such as: complicated procedure of preparing a partnership

¹⁰ Dexia, *Sub-national Governments in the European Union. Organization, Responsibilities and Finance*, Dexia, Paris 2008, p. 369.

¹¹ T.M. Horváth, *From Municipalisation to Centralism: Changes to Local Public Service Delivery in Hungary*, [in:] *Public and Social Services in Europe*, eds. H. Wollmann, I. Koprić, G. Marcou, Palgrave Macmillan, Basingstoke 2016, pp. 190–191.

¹² Ministerstwo Inwestycji i Rozwoju, *Raport rynku PPP 2009 – II kw. 2020*, https://www.ppp.gov.pl/media/system/slowniki/Raport-z-rynku-PPP-II-kw-2020-07_2.pdf, access 10 XII 2021, p. 5.

agreement; reluctance of decision-makers of public entities as well as entrepreneurs to cooperate and distrustful attitude of the society and controlling bodies; lack of adequate personnel and knowledge.¹³ The Polish PPP market is still at an early stage of development compared to other western European countries.

In conclusion, in Hungary public-private partnerships developed earlier than in Poland and on a larger scale. Later, their development was hindered, while in Poland we can observe a slow development over time.

Integrated territorial investments

One of the mechanisms of local governance is integrated territorial investments (ITI), implemented in the EU budgetary perspective 2014–2020. They support a partnership model of cooperation between different administrative units of urban functional areas in the management of EU funds. In Hungary, the integrated territorial approach emerged in 2014, when the local authorities of Budapest and its surrounding districts (*kerületek*) adopted their own “integrated urban development strategy”. All relevant actors, including national authorities and professional and business organisations, participated in the preparation of this document. The public was also extensively involved through online forums. This experience in integrated, multi-level and participatory territorial development provided a model for subsequent spatial planning practice.¹⁴ Apart from the capital, ITI were implemented in 23 Hungarian cities with provincial rights (*megyei jogú városok*) and 19 provinces (*megyék*). The preparation of ITI involved the mobilisation and involvement of many partner organisations and a continuous participatory dialogue, institutionalised through different platforms and working groups. The implementation of the ITI faced difficulties related to uncertainty about the interpretation of partners’ roles, responsibilities, implementation procedures, allocation of resources, as well as communication between different actors. Both city authorities and their local partners have struggled with capacity (resource) constraints and multi-level governance. Despite the difficulties, ITIs are recognised as a mechanism that contributed to addressing the systemic inefficiencies identified in the 2007–2013 programming period.¹⁵

¹³ J. Zawora, *Wykorzystanie partnerstwa publiczno-prywatnego w realizacji inwestycji samorządowych*, „Przedsiębiorczość – Edukacja”, 2020, vol. 16, nr 1, pp. 376–377.

¹⁴ ESPON, *Integrated Territorial Development in V4+2: New Challenges, New Ideas, New Responses*, 2018, <https://www.espon.eu/sites/default/files/attachments/Integrated%20Territorial%20Development%20in%20V4%2B2.pdf>, access 15 XI 2021.

¹⁵ G. Nyikos, Z. Kondor, *New Mechanisms for Integrated Territorial Development in Hungary*, “PRO PUBLICO BONO – Magyar Közigazgatás”, 2020, no. 1, pp. 124–145.

In Poland, ITIs have been implemented in 24 functional areas, and the partnerships implementing ITIs have involved a total of 550 local government units.¹⁶ For large urban areas the most difficult challenge was to create new rules of cooperation, contrary to the existing administrative culture. Local governments were obliged to institutionalise cooperation in the form of a municipal union, association or inter-municipal agreement. None of the seventeen urban functional areas of voivodeship centres analysed by Tomasz Kaczmarek operated in the formula of a multi-purpose municipal association, which means that local governments are distanced from a stronger institutionalisation of territorial cooperation.¹⁷ Inter-sectoral cooperation was poorly institutionalised: representatives of the business sector and NGOs rarely met the formal requirements to become beneficiaries of submitted projects. However, relations at the local level have never had such a substantive, participatory and project-based dimension.

In conclusion, in both countries ITIs showed a relatively low potential for implementing the governance concept. In both countries, positive aspects of the ITI were also recognised, such as the participatory and community dimension of the mechanisms or, in the case of Hungary, the correction of systemic inefficiencies identified in the previous EU programming period.

Local action groups

Another EU local governance mechanism is the local action groups (LAGs), whose operation is based on the LEADER method. In Hungary, the implementation of the Rural Development Programme has resulted in the establishment of local partnerships covering the whole rural area of the country and the development of local development strategies and the publication of numerous local calls for projects. Research indicates that the added value resulting from the LEADER approach decreased in 2014–2020 compared to the previous programming period. This is due to a loss of confidence caused by the excessively protracted application management procedures, reduced capacity for project preparation and networking, and reduced resources compared to the previous EU budgetary perspective. Centralisation reforms have reduced the powers of municipalities and the funds available to them, and have led to the nationalisation of primary schools, which are key to the identity and self-organisation of small local communities. Local

¹⁶ T. Fijołek, *Polska metropolitalna – doświadczenia już mamy, czas na poważne decyzje*, „Wspólnota”, 22.09.2018, p. 12.

¹⁷ T. Kaczmarek, *Implementacja Zintegrowanych Inwestycji Terytorialnych (ZIT) w miejskich obszarach funkcjonalnych. Przykład metropolii Poznań*, „Rozwój Regionalny i Polityka Regionalna”, 2017, nr 40, p. 17.

action groups had difficulties in announcing calls for projects in a timely manner and in reaching out to local organisations (especially NGOs) and involving them in the planning process. Tenders for local projects very often failed to find winners, mainly because local actors were not able to meet the criteria set out in the tenders and did not have the funds to implement the projects.¹⁸ Consequently, the institutionalised instrument for building local partnerships and activating inhabitants in the form of Community-Led Local Development (CLLD), implemented in 2014–2020 by LAG, had little relevance, both in local development policy and for businesses.¹⁹

In Poland, there are 324 LAGs whose local development strategies were selected for implementation and funding from the Rural Development Programme 2014–2020. According to the concept of governance, actors participating in partnerships should be granted equivalent status regardless of the sector they come from. In reality, however, it differs from the theoretical assumptions. Surveys of Polish LAGs show a clear domination of local government representatives, little activity of economic entities and weak involvement of the non-governmental sector. Most often, LAGs were organised by local governments and they retained a significant influence in them, especially in the area of allocating funds for infrastructural projects. Local development strategies developed in a participatory way, but at the stage of their implementation, LAGs had little interest in participation. In most cases, LAGs did not undertake measures of social animation due to the lack of appropriate financial and human resources and sufficient competence. In some LAGs no common added value was generated, as each project produced only some individual effect for a given LAG. Moreover, cooperation within the LAG usually ended once the projects were funded. Network organisations were not very active and NGOs rarely applied for infrastructure funds because of their low capacity. Conflicts and excessively long selection procedures caused project providers to withdraw from calls for proposals.²⁰ However, the identified challenges do not rule out the advisability of the implementation of LEADER measure and its positive impact on rural development. In Poland,

¹⁸ Visegrad Fund, *Community-led Local Development (CLLD). For Roma Inclusion Synthesis Report 2019*, <http://integrob.org/wp-content/uploads/2020/01/ERGO-CLLD-Synthesis-Report-September-2019.pdf>, access 17 XI 2021.

¹⁹ Field Consulting Services Zrt., *A CLLD megközelítés hozzáadott értékének értékelése*, 31.10.2019, https://enrd.ec.europa.eu/sites/default/files/evaluation_publications/7_a_rtackelacs_clld_megkapzela_tacs_hozzaadott_acrtackacnek_acrtackelacse.pdf, access 20 XI 2021.

²⁰ J. Abramowicz et al., *Określenie optymalnego modelu funkcjonowania Lokalnych Grup Działania w nowej perspektywie finansowej oraz ocena jakości i efektywności ich funkcjonowania, Raport opracowany na zamówienie Ministerstwa Rolnictwa i Rozwoju Wsi*, Warszawa 2019.

the institutionalised instrument for building local partnerships and activating inhabitants in the form of CLLD²¹ has been marginalized. This mechanism was missing in the vast majority of Regional Operational Programmes.

In summary, the partnership principle has not brought about a real breakthrough in the administrative culture of the two countries under study. In both countries there were factors inhibiting the development of partnerships such as: the dominance of local government representatives, the low activity of economic agents, the weak involvement of non-governmental sector actors and their low potential, too high procedural requirements for residents of rural areas, the need to pre-finance activities and lack of trust or willingness to cooperate on the part of local politicians and officials. In Hungary, an additional complicating factor was the recentralisation reforms, which significantly reduced the competences of municipalities and their resources. It was difficult to find effective partnerships even in those cases where the participation of economic and social partners was the basic condition for applying for EU funds.²²

Civic budget

One of the instruments of participatory governance is the civic (also called participatory) budget. In Hungary, this instrument was not implemented. There were no politicians, mayors or other important political actors open to the idea of a participatory budget. Corruption, lack of transparency in budgets and complicated bureaucratic procedures did not foster the idea.²³

In 2021, Hungary's first pilot participatory budget was implemented in Budapest. The capital's Mayor Gergely Karácsony (Lord Mayor) recognised it as a way out of the current crisis of democracy by involving residents. In Poland, the civic budget has been developing since 2011. It was implemented not only by municipalities, but also by provincial governments. The implementation of civic budgets reached its peak in 2014–2015. In 2015, 136 municipalities (5.5% of the total) implemented civic budgets. In the following years, the popularity of this tool of participatory democracy decreased which can be considered as a stabilization

²¹ Tekst jedn. „Dziennik Ustaw” z 2019 r. poz. 1167 z późn. zm., „Ustawa z dnia 20 lutego 2015 r. o rozwoju lokalnym z udziałem lokalnej społeczności”.

²² I. Pálné Kovács et al., *Farewell to Decentralisation: The Hungarian Story and its General Implications*, “Croatian and Comparative Public Administration”, 2016, vol. 16, no. 4, p. 802.

²³ M. Sipos, P.E. Reszkető, *Participatory Budget. Case Study Report*, https://www.participativni-rozpocet.cz/wp-content/uploads/2019/03/REPORT_BUDAPEST-PB.pdf, access 12 XI 2021.

of the prevalence of civic budgets.²⁴ There was also a noticeable decline in the interest of residents in this mechanism.²⁵ The literature highlights the drawbacks of Polish civic budgets, such as lack of community interest, lack of meetings and interaction with residents and consensus decision-making, or favouring certain groups of residents.²⁶

Until recently, the institution of the civic budget in Poland was an optional institution, not regulated in the legislative sense. In 2018, provisions were introduced into local government laws stating that the civic budget is a “special form of consultation”. In municipalities that are cities with poviát rights, the establishing of a civic budget is obligatory,²⁷ and the budget amount is at least 0.5% of the municipality’s expenditures shown in the last budget execution report. Importantly, in the course of the budget preparation process, the municipal council has no right to remove or substantially change the tasks selected under the civic budget. Perhaps, these provisions will contribute to a wider implementation of the civic budget and with time it will become a strong tool for building civic democracy.

In conclusion, in Hungary the civic budget as an instrument of participatory governance was not implemented until 2021, while in Poland it started to develop intensively already a decade earlier. In the last few years, there has been a noticeable decline in interest in civic budgeting from both Polish local authorities and residents.

Other forms of participatory governance

In Hungary, the constitutional and statutory framework have offered unique opportunities for the creation of an entirely new bottom-up model of government. The law has provided for consultations with the inhabitants, the institution of a popular initiative for the inhabitants of the municipality with regard to matters within the competence of the representative body, the right to request a local referendum, and the representative body has been obliged to organise

²⁴ A. Krasnowolski, *Budżety obywatelskie (partycypacyjne). Historia instytucji i jej funkcjonowanie w polskich samorządach*, Kancelaria Senatu, Warszawa 2020, pp. 12–13.

²⁵ *Raport: budżet obywatelski w polskich miastach*, marzec 2019, <https://www.miasto2077.pl/wp-content/uploads/2019/03/Raport-Budżet-Obywatelskie-w-polskich-miastach.pdf>, access 2 XI 2021.

²⁶ M. Kołodziej-Hajdo, *Budżet partycypacyjny jako instrument zarządzania publicznego w koncepcji public governance na przykładzie miasta Krakowa*, „Studia Ekonomiczne. Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach”, 2017, nr 341, p. 164.

²⁷ However, this did not increase the number of cities implementing civic budgets, as these cities had already implemented these participatory projects.

an annual public assembly.²⁸ The transparency of local government bodies has become a principle. The creation of a legal framework has not in itself proved sufficient for democratic local politics. The transparency of decision-making processes and the participation of inhabitants have not increased. Internal political conflicts have limited the number of stakeholders in the decision-making process, local government politicians have not treated civil society as partners, but only as voters. Moreover, as Ilona Pálné Kovács argues, networks organised around the local government system have been regarded not so much as conscious partnerships and coalitions of development, but more as influential clients of party politicians with multiple functions.²⁹ New institutions such as development councils, youth councils, tourism committees, etc. have been mostly organised top-down and represented the government's position. Local policies, as a result of strong party ambitions, have lost their truly local character and have not provided space for new forms of democracy and participation.

In terms of participatory governance and democratic innovation, Hungary is falling behind compared to other countries in the region.³⁰ Centralization processes have weakened participatory mechanisms in the functioning of the state. However, it should be stressed that in recent years, citizens' opinions and projects based on social participation have become increasingly important for political decision-makers. Both in the capital and in rural areas there is a growing trend of including communities in the decision-making process. On many policy issues, municipal and government authorities seem to be opening up to community-led ideas and policy innovations.³¹ The COVID-19 pandemic has halted planned local democratic innovations, but in many places has led to new community initiatives at the local level. These have shown that local governments are not the only actors who can deliver local public goods and services.

In Poland, many legal possibilities for a participatory model of local government have been introduced. Currently residents can participate in local referendums, consultations, meetings of collective bodies of local government from general elections, in debates on the report on the state of the local government unit, in the civic budget procedure and the village council fund, auxiliary units in communes, the youth council, the council of seniors, the council of public

²⁸ A. Czyż, *Samorząd terytorialny w państwach Grupy Wyszehradzkiej*, Uniwersytet Śląski, Katowice 2008, p. 357.

²⁹ I.P. Kovács, *Roots and Consequences of Local Government Reforms in Hungary*, "Revue d'études comparatives Est-Ouest", 2012, vol. 43, no. 3, p. 184, 188.

³⁰ M.M. Miklós (K-Monitor), *A részvételi költségvetés esélyei a magyar önkormányzatokban*, Friedrich-Ebert-Stiftung, Budapest 2020, p. 21.

³¹ M. Sipos, P.E. Reszketó, *op. cit.*, pp. 4–5.

benefit, the local initiative or the civic resolution initiative. They can also file a petition to the decision-making body of the local government unit. Similarly to Hungary, access to public information has been guaranteed. There are no restrictions to other forms of participation, not defined in the law, such as citizens' courts, citizens' panels, visioning the development of the city and others. The institutions existing in the Polish local government allow building a partnership and participatory model of governance.

Today, however, institutionalised instruments for partnership and participation are used rather occasionally and are to a large extent inspired by supranational (EU) institutions and national authorities and controlled by local authorities. Citizens are still treated as clients of local authorities rather than partners (co-decision-makers). Local authorities are generally moderately interested in involving citizens in the management of public affairs. The success of decentralisation has not resulted in widespread civic engagement. Studies indicate a low level of interest of local communities in public affairs and a lack of partnership,³² as well as dysfunctions of participation and the façade of some participatory instruments, including above all consultations. In conclusion, citizen participation is still more embedded in traditional governing than in governance.

Nevertheless, in Poland one can observe attempts to shift from a hierarchical and bureaucratic style of governance to a social partnership based on cooperation. Many of the attempts to activate citizens have been successful, mainly as a result of local government units' own initiatives. Citizens have started to be perceived more often as initiators of local changes and development or co-governance partners.³³ An increasing number of local governments are making attempts to improve communication with residents (websites, regular public meetings, special phone lines, citizen panels). In 2018, mechanisms for citizen participation and control in local government were strengthened and the principle of transparency of local government bodies was consolidated. The following were introduced into the provisions of local government laws: the obligation to publish roll-call lists of councillors' votes and to broadcast the proceedings of decision-making bodies; the citizen's resolution initiative; the civic budget as a special form of social consultation; the obligation to establish a complaints, mo-

³² D. Tykwińska-Rutkowska, *Młodzieżowe rady gmin i gminne rady seniorów jako forma partycypacji mieszkańców gminy (społeczności lokalnych) w samorządzie terytorialnym*, „Samorząd Terytorialny”, 2017, nr 9, p. 54.

³³ K. Radzik-Maruszak, *Changes and Challenges: Local Representative Democracy in Poland*, „Annales Universitatis Mariae Curie-Skłodowska Lublin – Polonia”, 2016, vol. XXIII, no. 1, pp. 186–187.

tions and petitions committee; provisions strengthening opposition councillors; the obligation to create an annual report on the state of the local government unit preceded by a debate with the participation of residents.³⁴ The introduced regulations are in line with the implementation of the governance concept which has been postulated for many years. However, they do not constitute a radical turn towards participatory governance, but rather a correction of the existing model of self-governmental democracy and a way to disseminate mechanisms already used by some local governments. The concept of governance in Poland is a real prospect, but it faces a number of barriers.

In conclusion, the very establishment of participatory institutions in the two countries under study has not guaranteed public involvement. Citizen participation regarded as a foundation stone of the concept of governance is still an unresolved issue. Participatory democracy has been extremely poorly used in Hungary.³⁵ It is worth emphasizing that in Hungary, the historical conditions for the development of civil society were less favorable than in Poland. In the post-war period, the communist regimes deliberately destroyed civic society and sought to eliminate civic participation. The change of regime in 1989/1990 was brought about through negotiations of the Hungarian political class without public support. The vast majority of Hungarian society was not involved in shaping the political process. Later, Hungarians experienced disillusionment with neoliberalism and representative democracy. This was largely the result of the 2008 financial crisis.³⁶ In Poland, on the other hand, associational participation has a longer tradition than in Hungary. During the communist era it was more diverse, less state controlled and more pluralistic than in other communist countries.³⁷ During the democratic transition, civic participation in Poland was much stronger than in Hungary (and the former Czechoslovakia) and the anti-communist opposition was supported *en masse*.³⁸ The historical conditions for implementing the concept of governance were, therefore, more favourable in Poland than in Hungary.

³⁴ „Dziennik Ustaw” z 2018 r. poz. 130, „Ustawa z dnia 11 stycznia 2018 r. o zmianie niektórych ustaw w celu zwiększenia udziału obywateli w procesie wybierania, funkcjonowania i kontrolowania niektórych organów publicznych”.

³⁵ M.M. Miklós (K-Monitor), *op. cit.*, p. 21.

³⁶ L. Komáromi, *Participatory Democracy in Hungary. Out of Practice Due to Lack of Interest*, [in:] *Understanding Central Europe*, eds. M. Moskalewicz, W. Przybylski, Routledge, London – New York 2018, pp. 332–333.

³⁷ G. Ekiert, J. Kubik, M. Wenzel, *Country Report: Poland*, [in:] *Civil...*, *op. cit.*, p. 77.

³⁸ A. Schmidt, *The Course of Transition into a Democratic System in Hungary*, [in:] *Hungary and Poland in Times of Political Transition. Selected Issues*, eds. B. Pająk-Patkowska, M. Rachwał, Faculty of Political Science and Journalism, Adam Mickiewicz University, Poznań 2016, p. 21.

Conclusions

Both Poland and Hungary have introduced innovations towards the implementation of the concept of local governance. The results of the analyzes indicate that this concept has not been fully implemented in both countries. However, it has been implemented in our country to a greater extent than in Hungary. This is evidenced by the following facts. Firstly, the cooperation of local government with non-governmental organizations in Hungary has significantly limited in the last decade, while in Poland a gradual development of such cooperation has been noticeable. Secondly, in Hungary public-private partnerships began to be established earlier than in Poland, but at a later period, especially after 2010, their development was halted. In Poland, however, since 2009, their slow development can be observed. Thirdly, in Hungary the civic budget as an instrument of participatory governance was not implemented until 2021, while in Poland it began to spread rapidly already a decade earlier. Fourth, democratic innovations in Hungary were used less frequently than in Poland and other countries in the region.

In both countries, the main obstacles to the implementation of the concept of governance have been the weakness of the market and civic society, the weakness of public institutions, the deficit of political and administrative culture, low social trust, the reluctance of local governments to cooperate and activate local communities. In Hungary, also the reforms of the public administration played a negative role, resulting in a centralised state that was supposed to provide effective solutions to social problems. The market and civic society have been assigned a subordinate role, thereby reducing their capacity to act.

In conclusion, the research results allow the hypothesis to be considered positively verified. The great hopes of a thorough renewal of local government associated with participatory governance are rather a matter of the past, although they have complemented the experience in local public management. The dominant governance paradigm in local government over the past two decades has not managed to suppress other competing paradigms. They will all continue to coexist. The pandemic has shown that no public authority can overcome the challenges alone. It seems that success in overcoming the impact of the pandemic also depends on strong partnerships and cooperation between national and local governments, as well as with the private sector and NGOs and citizens.

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Abstract: The aim of this paper is to examine the changes introduced to Hungarian and Polish local government under the influence of the concept of local governance, and to assess to what extent this concept has been implemented in both countries. The basic research method is comparative study. The results of the analyzes indicate that neither Poland nor Hungary has managed to fully implement this concept, but in our country it has been implemented to a greater extent than in Hungary.

Keywords: local governance; Hungary; Poland

Local governance w Polsce i na Węgrzech w perspektywie porównawczej

Abstrakt: Celem artykułu jest zbadanie zmian wprowadzonych do węgierskiego i polskiego samorządu terytorialnego pod wpływem koncepcji *local governance* oraz dokonanie oceny, na ile udało się wdrożyć tę koncepcję w obydwu państwach. Podstawową metodą badawczą zastosowaną w opracowaniu jest komparatystyka. Wyniki analiz wskazują, że ani w Polsce, ani na Węgrzech nie udało się w pełni wdrożyć tej koncepcji, ale w naszym kraju została ona zaimplementowana w większym zakresie niż na Węgrzech.

Słowa kluczowe: *local governance*; Węgry; Polska